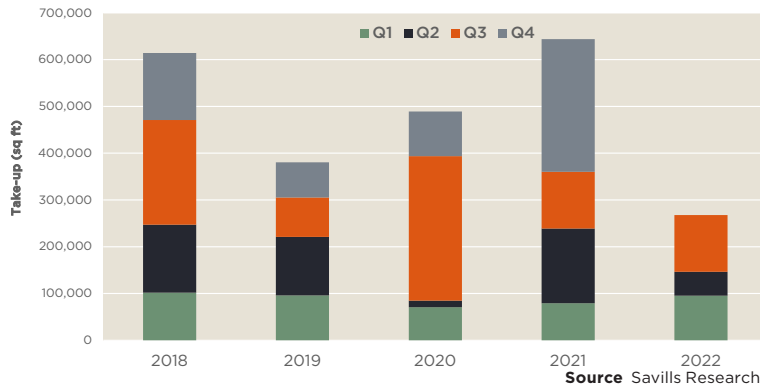


Edinburgh Occupational Office Data Q3 2022



Edinburgh City Centre Office Market Round-Up

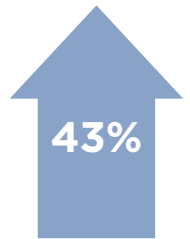
Take-up



Q3 2022 take-up totalled 121,000 sq ft for the Edinburgh city centre market. Take-up was made up of 33 transactions, the largest volume of Q3 deals since 2015. The largest transaction was the 21,000 sq ft Grade A acquisition by Anderson Strathern at Capital Square

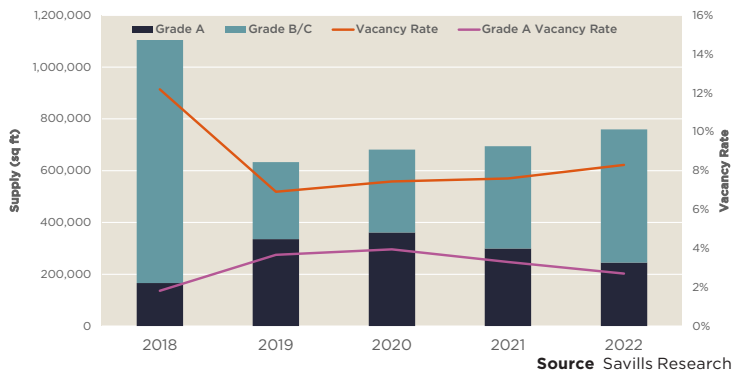
Grade A lettings, totalling 69,000 ft, accounted for 57% of overall take-up in Q3 2022. This represented a marked improvement on the Q3 2021 Grade A proportion of 12%.

Take-up and supply Key data points



Increase in Q3 take-up compared to 2021

Supply



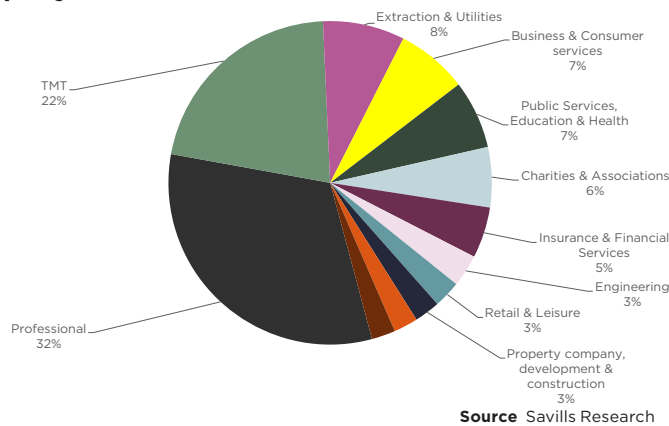
Total existing supply (excluding pipeline) at the end of Q3 stood at 760,000 sq ft. Of this total, approximately 245,000 sq ft was Grade A, albeit much of this is dated and out of keeping with modern office requirements. Of total availability, Savills considers only 50,000 sq ft of this to be prime.

On this basis, the prime vacancy rate stands at 0.5% and total Grade A availability at 2.7%.



150%
Increase in completed Grade A transactions compared to five-year Q3 average

Take-up by business sector



The 'Professional' sector has been the most active so far in 2022, accounting for 32% of overall take-up. This has been spread across 13 transactions, 7 of which were for Grade A space.

Elsewhere, the 'TMT' sector has been the second most active sector in Q1-Q3 2022, recording 57,000 sq ft of take-up which equated to 22% of the overall total. The largest 'TMT' acquisition so far in 2022 was the 12,000 sq ft Grade A letting to Dukosi at 1-7 Exchange Crescent.

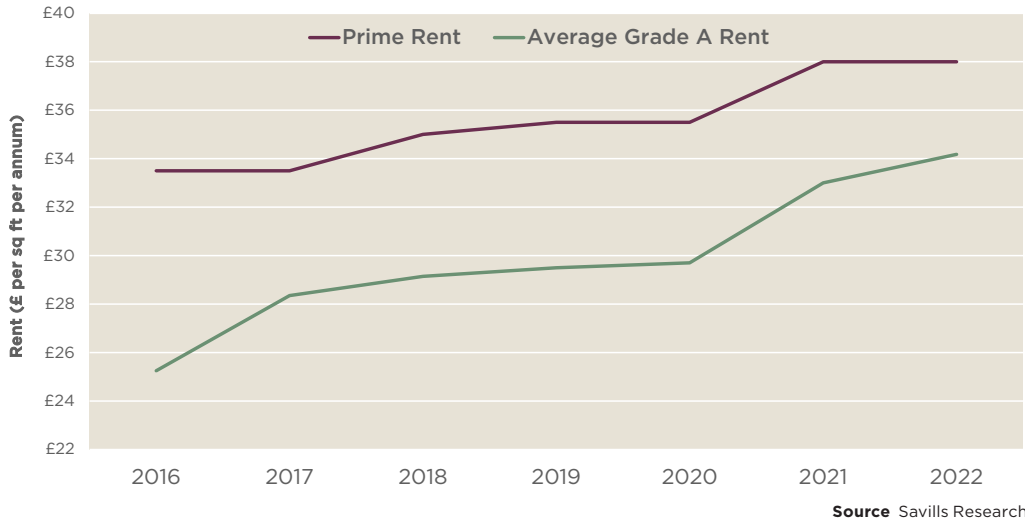


21,000 sq ft
Largest transaction in Q3 2022



33
Completed transactions in Q3 2022

Rents



There was no increase in the prime rent in Q3 2022 which currently stands in excess of £38 per square foot, although this is in part due to stock issues. That being said, the prime rent did grow by 7% in 2021 and has increased by 13% since 2016. Average Grade A rents have also grown significantly since 2016. So far in 2022 the average Grade A rent has been £34.18 per square foot. This is 16% above the pre-pandemic 2019 Grade A average of £29.50 per square foot.

Drivers For Growth



11%

Expected GVA growth over the next five years



6%

Expected office-based employment increase over the next five years



6,910

New jobs in the professional, tech and scientific sector in the next 10 years

Source: Oxford Economics

Key Market Data

	Data	Q3 2021 comparison	Q3 2019 comparison
Take-up Q3 2022 (sq ft)	121,236	No change	+43%
Grade A Take-up Q3 2022 (sq ft)	69,062	+363%	+106%
Average deal size (median) (sq ft)	2,137	-7%	-17%
10-Year Average Q3 Take-Up (sq ft)	148,324	-	-
5-Year Average Q3 Take-Up (sq ft)	178,740	-	-
Q3 Supply (sq ft)	759,251	-1%	+23%
Q3 Grade A Supply (sq ft)	244,994	-35%	-3%
Years of supply*	1.3	-	-
Prime rent	£38+	+7%	+9%

* calculated by dividing total supply by 5-year average annual take up

Source: Savills Research

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