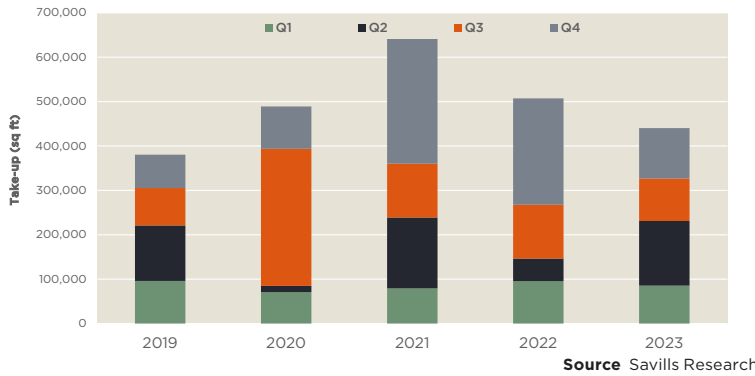


# Edinburgh Occupational Office Data Q4 2023



## Edinburgh Office Market Round-Up

### Take-up

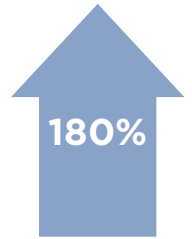


Take-up reached over 113,000 sq ft in the final quarter of 2023, based on 34 deals done, 10% higher than the number of deals completed in Q4 2022. Q4 2023 take-up was 19% higher than Q3 2023. The largest deal of the quarter was by MFMac, leasing 16,000 sq ft at 9 Haymarket Square, a Prime graded building.

Grade A take-up in Q4 equated to 69,000 sq ft, which accounted for 61% of the total. Therefore, Q4 was 180% above the same period in 2022, and 4% above the five-year Q4 average, continuing to demonstrate the market demand for higher quality buildings.

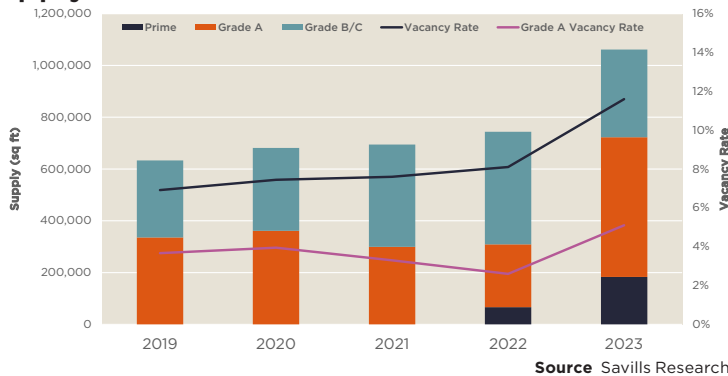
### Take-up and supply

Key data points



Q4 2023 Grade A take-up was 180% up on Q4 2022

### Supply



Q4 2023 availability still currently stands at over 1 million sq ft, which is 5% higher than the ten-year average. Grade A continues to dominate the availability, with 51% of the total, whilst Grade B accounts for 32%. The vacancy rate for Edinburgh has increased slightly to 11.6%.

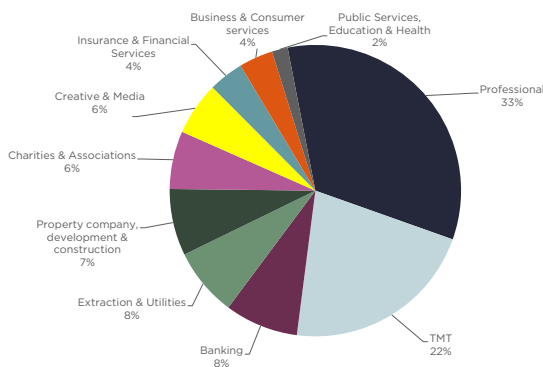
Prime availability stood at 183,000 sq ft which accounted for 17% of the overall total. This was an increase of 3% on Q3 2023 supply, however there is still only 0.8 years of Prime availability in the market.



10%

Q4 2023 deal count was 10% up on Q4 2022

### Take-up by business sector



The 'Professional' sector dominated take-up in Q4, accounting for 33% of the take-up total. This is across 9 deals, with a combined total take-up of 38,000 sq ft, with 84% of this being Prime space at a total of 32,000 sq ft.

Furthermore, the 'TMT' sector leased 25,000 sq ft based on 6 deals, therefore accounting for 22% of the total. The largest deal in the sector was by Zonal Retail Systems Ltd, who acquired 12,000 sq ft of space at 1 Tanfield.

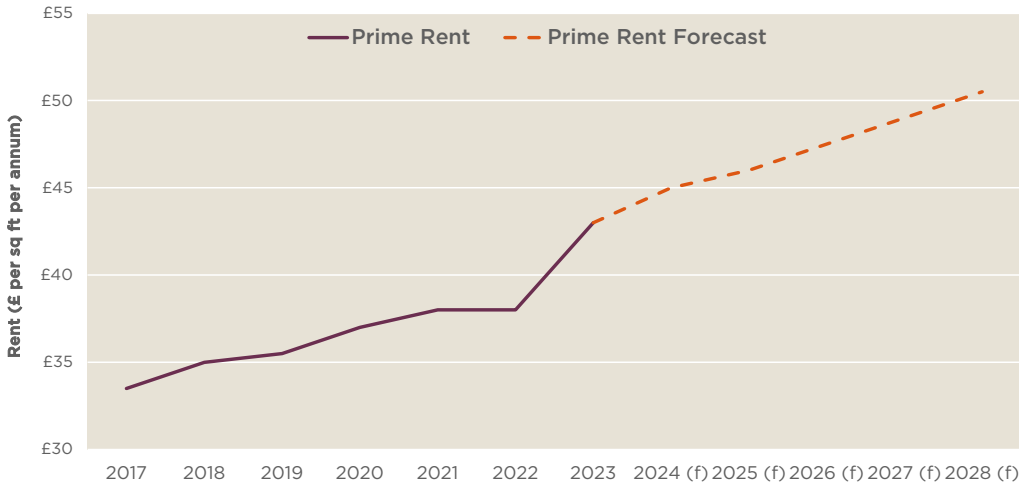


16,000 sq ft  
Largest transaction in Q4 2023



34  
Completed transactions in Q4 2023

## Rents



Source Savills Research

There was an increase in the Prime rent in Q4 2023, to £43 per sq ft, up 1% on Q3 2023, with the rent 6% above the Q4 2022 Prime rent. This established Edinburgh as having the joint highest rent in the UK Big 6 markets alongside Manchester. Looking at the further growth prospects, the five-year outlook for the market is optimistic with Savills predicting that the prime rent will be at or above £50.50 per sq ft by the end of 2028, representing a 17% increase.

## Drivers For Growth



6%

Expected GVA growth over the next five years



3%

Expected office-based employment increase over the next five years



4,750

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

Source Oxford Economics

## Key Market Data

	Data	Comparison to Q4 2022	Comparison to Q4 2019
Take-up Q4 2023 (sq ft)	113,679	-53% ↑	+51%
Grade A Take-up Q4 2023 (sq ft)	69,128	+180%	+257%
Deal Count Q4 2023	34	+10%	+17%
Average Deal Size (median) (sq ft)	2,070	+24%	+23%
10-Year Average Q4 Take-Up (sq ft)	165,655	-	-
Q4 Supply (sq ft)	1,061,249	+43%	+68%
Q4 Prime Supply (sq ft)	183,066	+176%	N/A*
Prime rent (£ per sq ft per annum)	£43	+6%	N/A*

\* historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

↑ Q4 2023 take-up comparison to Q4 2022 skewed due to BlackRock acquiring 139,000 sq ft at 20 Brandon Street

## Savills team

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