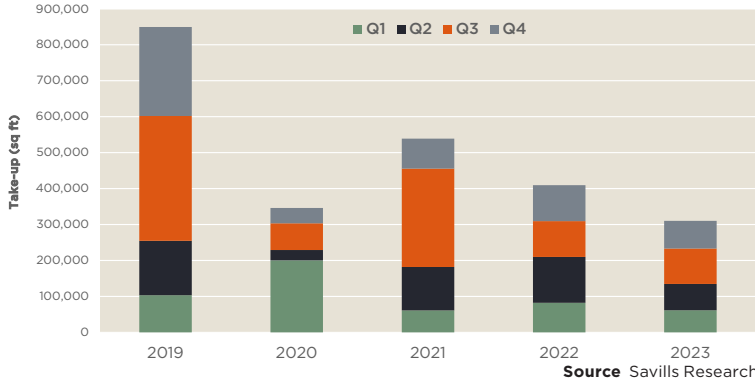


# Glasgow Occupational Office Data Q4 2023



## Glasgow Office Market Round-Up

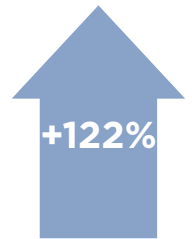
### Take-up



In the fourth quarter of 2023, take-up equated to 77,000 sq ft over 23 deals done. Whilst this was down 23% on the previous year, H2 provided stronger market positivity, with a 30% increase on the H1 total take-up. Overall, 2023 total take-up equated to 310,000 sq ft which was 24% down on the previous year.

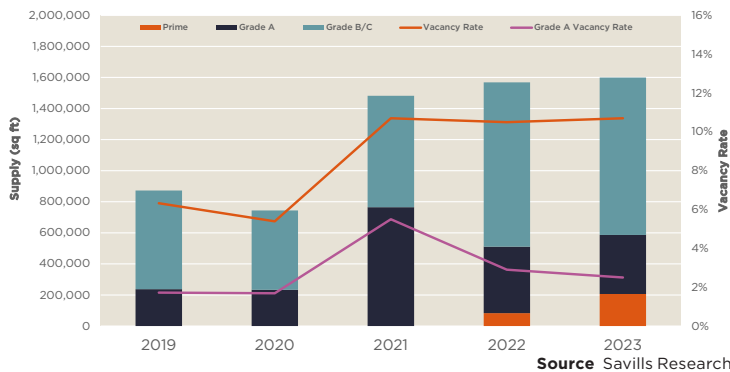
Grade A take-up totalled 46,000 sq ft, therefore consisting 59% of the total. This was 122% higher than the total Grade A take-up in Q4 2022. Of the 23 deals done, 30% of these were for Grade A buildings. 2023 Grade A take-up amounted to 135,000 sq ft, which was only 7% down on 2022.

### Take-up and supply Key data points



Increase in Q4 2023 Grade A take-up compared with Q4 2022

### Supply



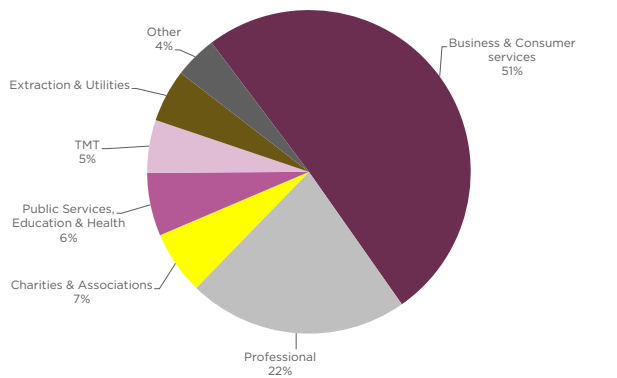
Total availability in Glasgow City Centre amounted to 1.6 m sq ft at the end of Q4 2023, a 2% increase on the same period in 2022. Secondary space continues to dominate supply, with just over 1m sq ft available for Grade B/C space, equating to 63% of the total.

Grade A and Prime supply totalled 586,000 sq ft; 37% of the total. The vacancy rate in Q4 for Grade A buildings has decreased to 2.5%, down from 3% in Q3, illustrating the demand in the market for best in class space, but also highlighting that demand is outweighing current supply.



63% Grade B/C supply proportion

### Take-up by business sector



The most active sector in Q4 was 'Business & Consumer Services', who acquired a combined 39,000 sq ft, therefore amounting to 51% of the overall total. This was the sectors highest quarter take-up in the market since Q2 2018. The largest deal in this sector was 19,000 sq ft, in which Cubo acquired space at Aurora, 120 Bothwell Street.

The 'Professional' sector leased 17,000 sq ft of space in Q4, which accounted for 22% of the total. This was largely driven by Aggreko, leasing 9,000 sq ft at Sentinel, Waterloo Street which accounted for over half of the total take-up for the sector. Overall, the sector leased the most space in 2023 totalling 84,000 sq ft, accounting for 27% of the total.

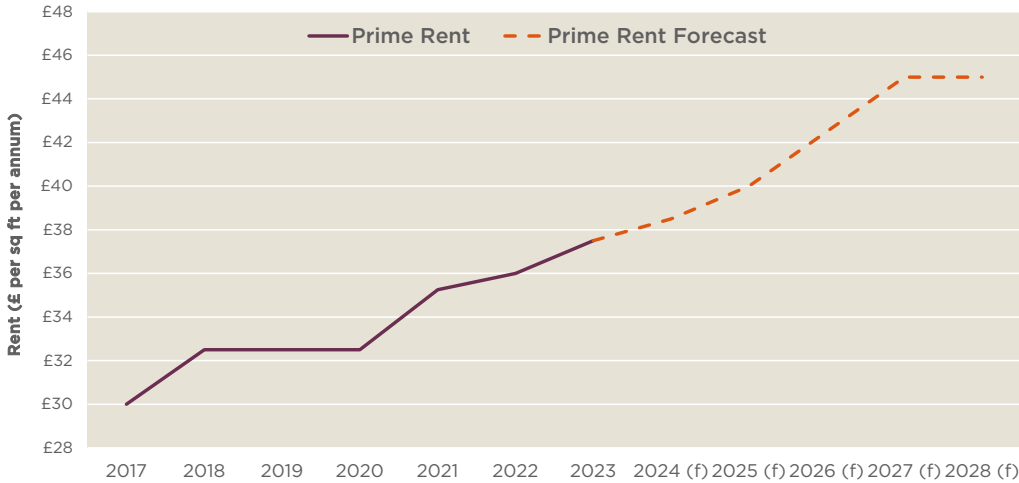


19,000 sq ft Largest letting in Q4 2023 by Cubo at Aurora



51% 'Business & Consumer Services' take-up making it the most active sector in Q4 2023

## Rents



Source Savills Research

There was no change in the Prime rent in the fourth quarter of 2023 which currently stands at £37.50 per sq ft. This means that the prime rent has grown by 25% over the last five years. Further rental growth is forecast for 2024 to £38.50 by the end of the year, with latest projections expecting growth to reach at least £45 per sq ft by the end of 2028. This would represent a 17% increase over the next five-year period.

## Drivers For Growth



7%

Expected GVA growth over the next five years



28%

Increase in proportion of working age population with NVQ Level 4 qualification or above in the last 10 years



5th

In the UK for lowest number of poor air quality days per year

Source Centre for Cities/Oxford Economics

## Key Market Data

	Data	Comparison to Q4 2022	Comparison to Q4 2019
Take-up Q4 2023 (sq ft)	77,274	-23%	-69%
Grade A Take-up Q4 2023 (sq ft)	45,638	+122%	-74%
Deal Count Q4 2023	23	-39%	-32%
Average Deal Size (median) (sq ft)	1,546	-13%	-41%
10-Year Average Q4 Take-Up (sq ft)	161,553	-	-
Q4 Supply (sq ft)	1,599,111	+2%	+83%
Q4 Grade A Supply (sq ft)	379,865	-11%	+60%
Q4 Prime Supply (sq ft)	206,605	+150%	N/A*
Prime rent (£ per sq ft per annum)	£37.50	+4%	N/A*

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

Source Savills Research

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