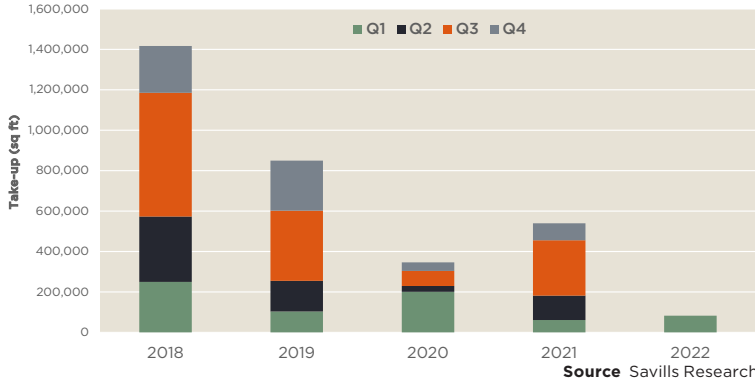


Glasgow Occupational Office Data Q1 2022



Glasgow Office Market Round Up

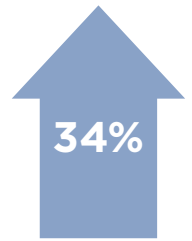
Take-up



Q1 2022 take-up, totalling 82,000 sq ft across 26 completed lettings, was 2% below the Q4 2021 total, but 34% above the figure achieved in Q1 2021. Q1 2022 take-up was however 42% below the five year Q1 average for the market.

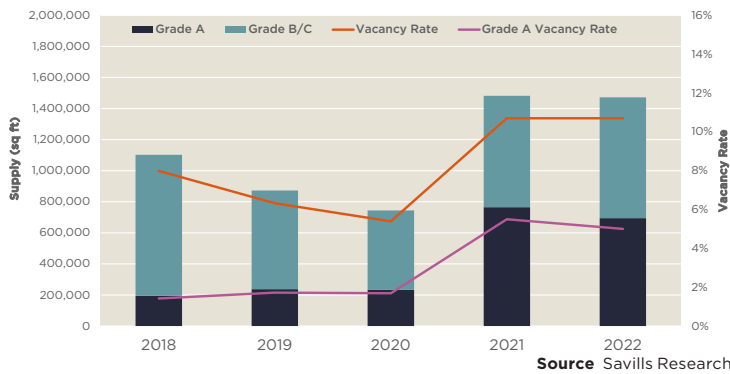
Grade A take-up of 23,000 sq ft accounted for 28% of total take-up in Q1 2022. Between 2017 and 2021 the average proportion of Grade A take-up in Q1 was slightly higher at 37%. However, this lower level of Grade A take-up can be attributed to a lack of suitable Grade A supply rather than a lack of demand within the market.

Take-up and supply Key data points



Increase in Q1 take-up compared to Q1 2021

Supply



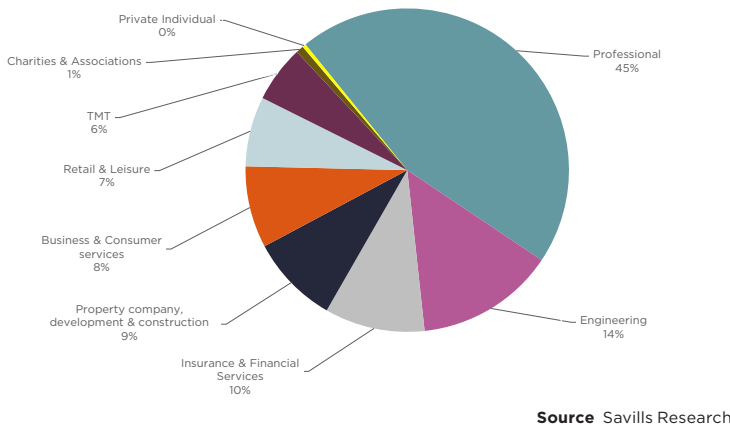
Total supply fell by 1% in Q1 2022 to a total of 1.47 million sq ft. Furthermore, Grade A supply decreased by 9% to a total of 694,000 sq ft at quarter end.

This occurred in part due to the transactions to BDO and Burness Paull at 2 Atlantic Square which reduced Grade A supply by a total of 22,000 sq ft. With no new developments in the pipeline over the next two years and with a continuation of the 'flight to quality' within the market, Savills predicts that the Grade A supply total will continue to fall throughout 2022.



-0.5%
Grade A vacancy rate decrease in Q1 2022

Take-up by Business Sector



The 'Professional' sector was the most active sector in Q1 2022 accounting for 45% of overall take-up. This was made up of seven deals at an average of 5,316 sq ft per deal.

Although the 'Public Services, Education & Health' sector was the most active sector in 2021, it did not record any take-up in Q1 2022. That being said, with 350,000 sq ft of active requirements in the sector at present, Savills expects 'Public Services, Education & Health' take-up to increase in the remaining quarters of 2022.

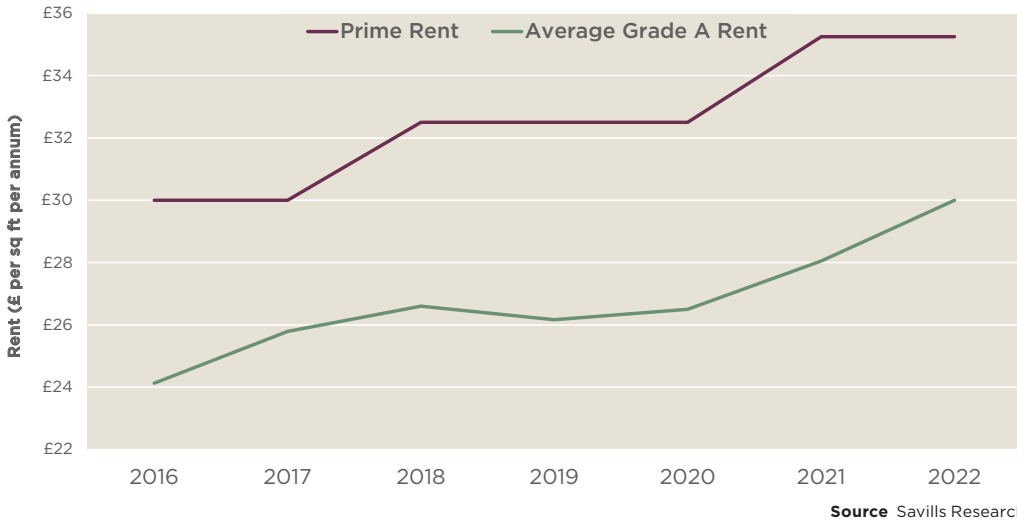


14,000 sq ft
Largest letting in Q1 2022



189%
Increase in the number of completed Q1 transactions compared to Q1 2021

Rents



Prime rent remained stagnant at £35.25 per square foot in Q1 2022. That being said, this comes off the back of 8% growth in 2021 alone and 15% growth since 2015. Equally, average Grade A rents have increased significantly over the past six years. The average Grade A rent in Q1 2022 was £30 per square foot, which represents a 7% increase on the 2020 average.

Drivers For Growth



10%

Expected GVA growth in Glasgow over the next five years



8%

Expected office-based employment increase in Glasgow over the next five years



3,680

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

Source: Oxford Economics

Key Market Data

	Data	Comparison to Q1 2021
Take-up Q1 2022 (sq ft)	82,270	+34%
Grade A Take-up Q1 2022 (sq ft)	22,892	+102%
Average Deal Size (median) (sq ft)	1,193	-4%
10-Year Average Q1 Take-Up (sq ft)	153,716	-
5-Year Average Q1 Take-Up (sq ft)	142,995	-
Q1 Supply (sq ft)	1,471,717	+29%
Q1 Grade A Supply (sq ft)	693,366	+63%
Years of Supply*	1.9	-
Prime Rent	£35.25	+8%

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

Source: Savills Research

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