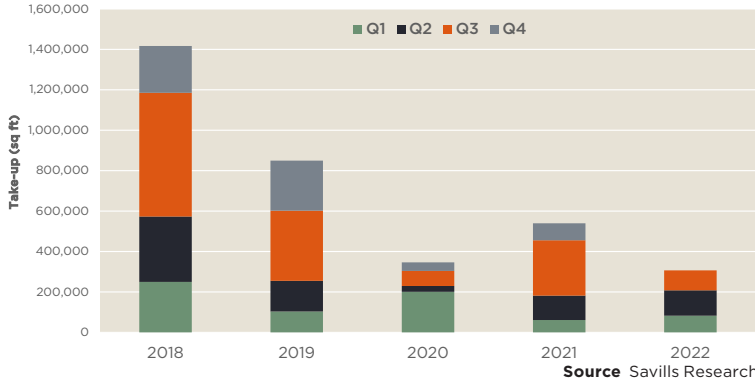


Glasgow Occupational Office Data Q3 2022



Glasgow Office Market Round Up

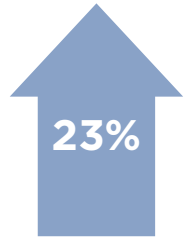
Take-up



Q3 2022 take-up totalled 98,000 sq ft across 32 completed lettings. This was the second highest number of completed Q3 transactions since 2013. At quarter end, total take-up so far in 2022 stands at 306,000 sq ft.

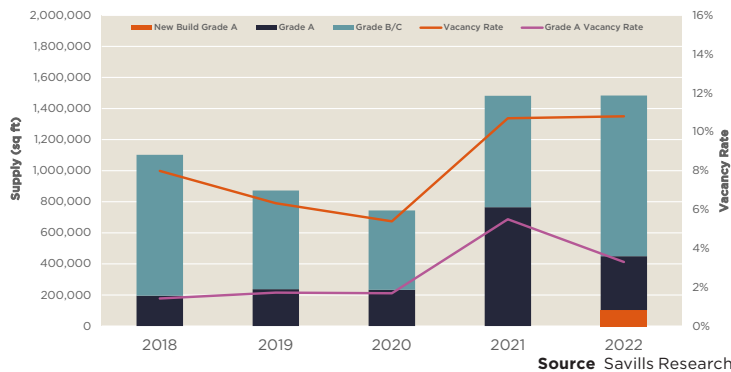
Grade A take-up of 39,000 sq ft accounted for 40% of total take-up in Q3 2022. This included the 30,000 sq ft letting to Evelyn Partners at 177 Bothwell Street which means that the new build Grade A development is now virtually fully occupied. Grade A take-up between Q1 and Q3 2022 was 124,000 sq ft which accounted for 41% of the take-up total.

Take-up and supply Key data points



Increase in the number of completed Q3 deals compared to the five year Q3 average

Supply



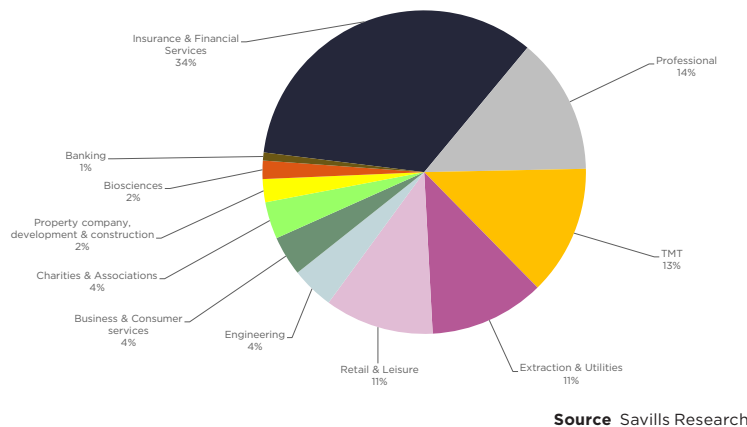
Total supply stood at 1.5 million square foot at the end of Q3 2022. This represented a 7% decrease from Q2 2022. From a Grade A perspective, supply stood at 346,000 sq ft and new build Grade A availability fell by a further 27% to just over 100,000 sq ft at quarter end.

Total vacancy rate for the market decreased by 80 basis points in Q3 2022 to 10%. Equally, the Grade A vacancy rate decreased by 30 basis points standing at 3% at quarter end as a proportion of total market stock.



30 basis points
Decrease in Grade A
vacancy rate since Q2
2022

Take-up by Business Sector



The 'Insurance & Financial Services' sector was the most active sector in Q3 2022 accounting for 34% of overall take-up. This was a particularly successful quarter for the sector which only recorded an annual take-up of 28,000 sq ft in 2021.

Elsewhere, 'Professional' was the second most active sector, achieving for 14% of the overall total. As at the end of Q3, the 'Professional' sector has been the most active in 2022, recording 62,000 sq ft of take-up which has accounted for 20% of the overall total.

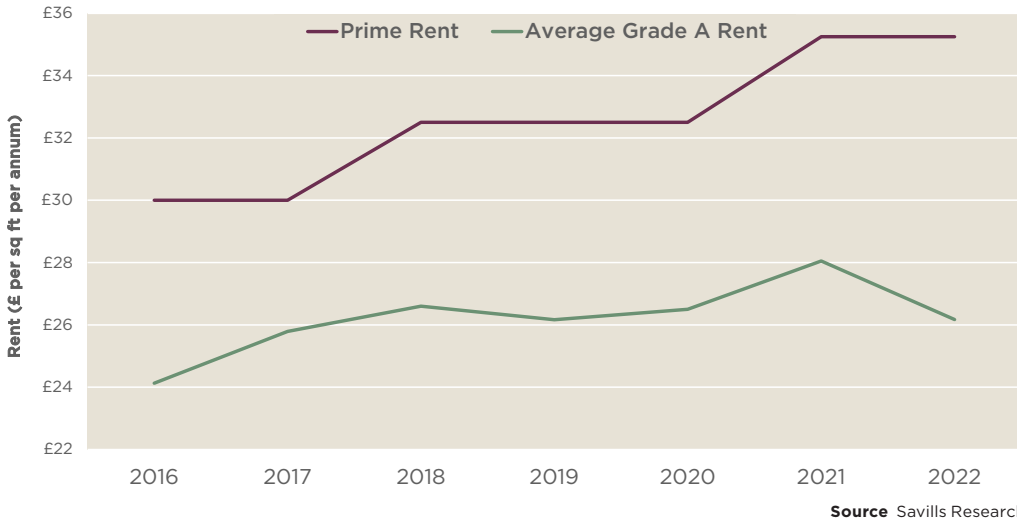


30,000 sq ft
Largest letting in Q3
2022



32
Completed transactions
in Q3 2022

Rents



Prime rent remained unchanged at £35.25 per sq ft in Q3 2022. That being said, this comes off the back of 8% growth in 2021 alone and 15% growth since 2015. Furthermore, the lack of rental growth in Q3 comes as a result of rapidly falling levels of new build Grade A availability rather than a lack of demand for the highest quality space. As such, Savills expect the remaining 100,000 sq ft of new Build Grade A stock to be fully occupied by the end of 2022. Average Grade A rent stood at £26.17 at quarter end.

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 Q3 2021	Comparison to Q3 2019
Take-up Q3 2022 (sq ft)	98,427	-64%	-72%
Grade A Take-up Q3 2022 (sq ft)	39,353	-75%	-86%
Average Deal Size (median) (sq ft)	1,647	-42%	-49%
10-Year Average Q3 Take-Up	212,203	-	-
5-Year Average Q3 Take-Up (sq ft)	273,926	-	-
Q3 Supply (sq ft)	1,483,911	+16%	+46%
Q3 Grade A Supply (sq ft)	346,243	-43%	No change
Q3 New Build Grade A Supply (sq ft)	103,349	-	-
Years of Supply*	2	-	-
Prime Rent	£35.25	+1%	+8%

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

Source: Savills Research

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