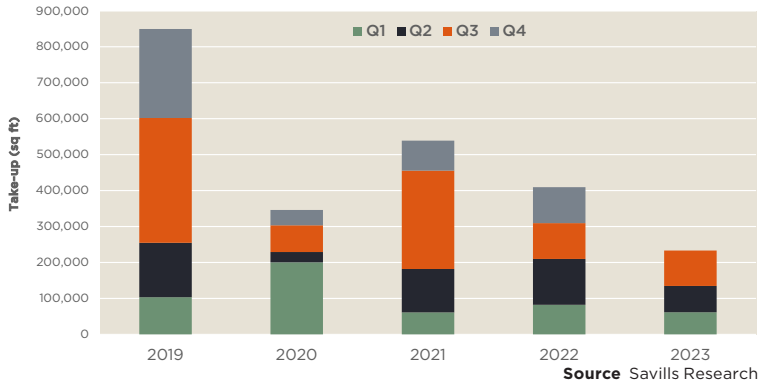


Glasgow Occupational Office Data Q3 2023



Glasgow Office Market Round-Up

Take-up



Glasgow Q3 2023 take-up totalled 98,000 sq ft which was down 1% on Q3 2022 take-up. This was spread across 28 deals, meaning 3 more transactions were completed in the third quarter when compared to the ten-year Q3 average. Of these 28 deals, 75% of them were sub 1,000 sq ft.

Grade A take up was 52,000 sq ft which accounted for 53% of the overall Q3 2023 total. This represented a 33% increase on Q3 2022, showing that Grade A spaces are becoming the preference for occupiers in Glasgow.

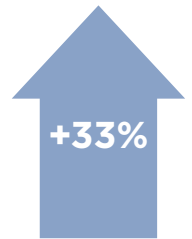
Total supply at the end of Q3 2023 was 1.6 million sq ft, a 12% increase on Q3 2022. The rise in supply can be partly attributed to Aurora being added to availability. The prime refurbishment comprises 175,000 sq ft and is scheduled to complete in Q1 2024. However, Grade B/C still dominate the availability in Glasgow, with secondary space accounting for 62% of the total supply.

Prime A availability has increased and currently stands at 237,000 sq ft, 130% above Q3 2022. However, there still remains only six months of Prime supply, keeping the Glasgow market undersupplied in this area.

The 'Professional' sector leased the most office space in Q3, totalling 44,000 sq ft which equated to 44% of the overall total. The increase in activity from the sector was notable with a 91% increase on H1 23 where 23,000 sq ft was acquired. 'Professional' also had the largest deal of Q3, the 28,000 sq ft acquisition at 50 Bothwell Street by Pinsent Masons.

'TMT' was the second most active sector in Q3 2023, accounting for 24% of the overall total, a 6% increase on H1 2023. This was mostly due to a 14,000 sq ft acquisition by Reach at 55 Douglas Street, with the other four deals in the sector under 10,000 sq ft.

Take-up and supply Key data points



Increase in Q3 2023
Grade A take-up
compared with Q3 2022



62%
Grade B/C supply
proportion

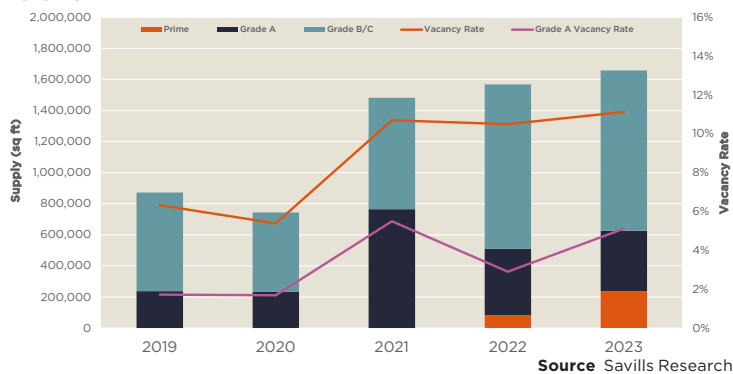


28,000 sq ft
Largest letting in Q3
2023

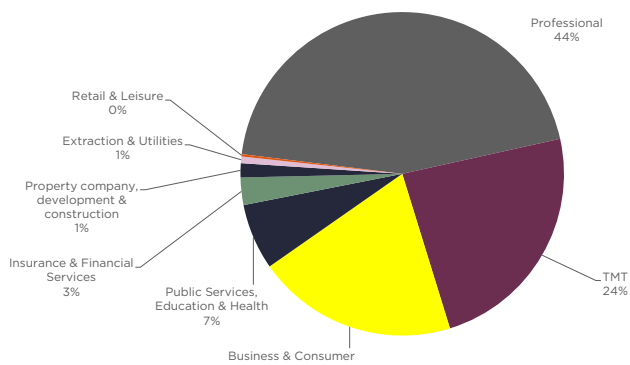


44%
'Professional' take-up
making it the most active
sector in Q3 2023

Supply

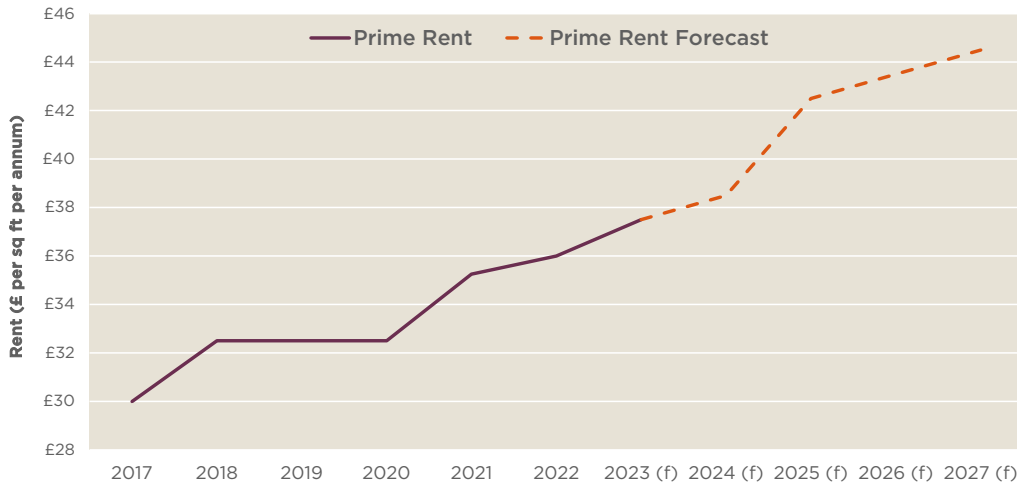


Take-up by business sector



Source: Savills Research

Rents



Source Savills Research

There was no change in the Prime rent in the third 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, with latest projections expecting growth to reach at least £42 per sq ft by the end of 2027.

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 Q3 2022	Comparison to Q3 2019
Take-up Q3 2023 (sq ft)	98,419	-1%	-72%
Grade A Take-up Q3 2023 (sq ft)	52,227	+33%	-81%
Deal Count Q3 2023	28	-15%	+16%
Average Deal Size (median) (sq ft)	1,373	-17%	-57%
10-Year Average Q3 Take-Up (sq ft)	200,943	-	-
Q3 Supply (sq ft)	1,658,029	+12%	+63%
Q3 Grade A Supply (sq ft)	388,733	+12%	+13%
Q3 Prime Supply (sq ft)	237,551	+130%	N/A*
Prime rent (£ per sq ft per annum)	£36	No change	+16%

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

Source Savills Research

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