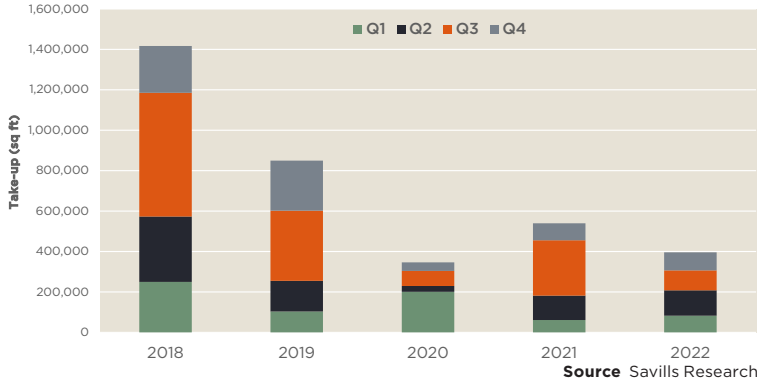


# Glasgow Occupational Office Data Q4 2022



## Glasgow Office Market Round Up

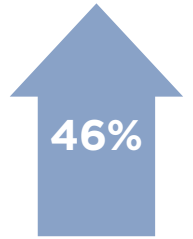
### Take-up



2022 take-up totalled 409,000 sq ft across 124 completed transactions. This is the highest number of annual transactions recorded since 2013. Q4 2022 take-up of 100,000 sq ft was 20% higher than the Q4 total achieved in 2021.

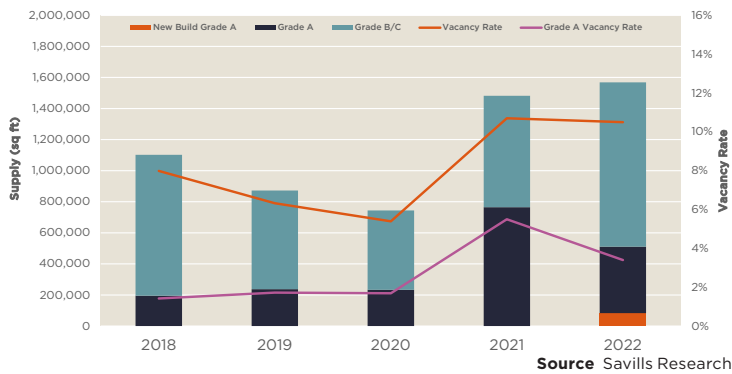
Grade A take-up of 145,000 sq ft accounted for 37% of total take-up in 2022. This was spread across 9 lettings, the largest of these was 34,000 sq ft to OVO Energy at Cadworks and 30,000 sq ft to Evelyn Partners at 177 Bothwell Street.

### Take-up and supply Key data points



Increase in the number of completed Q4 deals compared to the five year Q4 average

### Supply



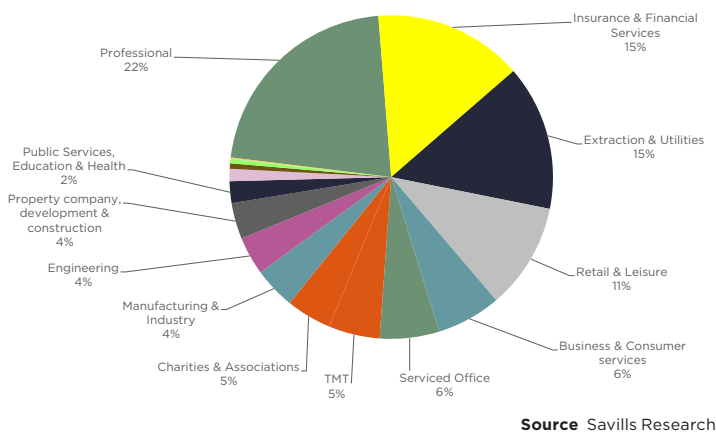
Total supply stood at 1.57 million square foot at the end of 2022. This represented a 6% increase from 2021, but this was largely driven by the return to market of second hand Grade B stock which is unlikely to let without refurbishment. Total Grade A supply at the end of Q4 was 428,000 sq ft with just 82,000 sq ft of prime supply available at year end.

Total vacancy rate for the market was 10.5% at the end of 2022, with Grade A vacancy rate standing at just 3.4% as a proportion of total market stock.



-20%  
Decrease in New Build Grade A supply in Q4

### Take-up by Business Sector



The 'Professional' sector was the most active sector in 2022 accounting for 22% of overall take-up. This was the first time that it has recorded the largest share of take-up since 2015. The largest transaction was the 15,000 sq ft Grade A acquisition by Burness Paull at 2 Atlantic Square.

Elsewhere, it was a strong year for 'Extraction & Utilities' in the city centre market. The sector recorded 60,000 sq ft of take-up which is its highest total since 2015. This was driven by the 34,000 new build Grade A letting to OVO Energy at Cadworks.

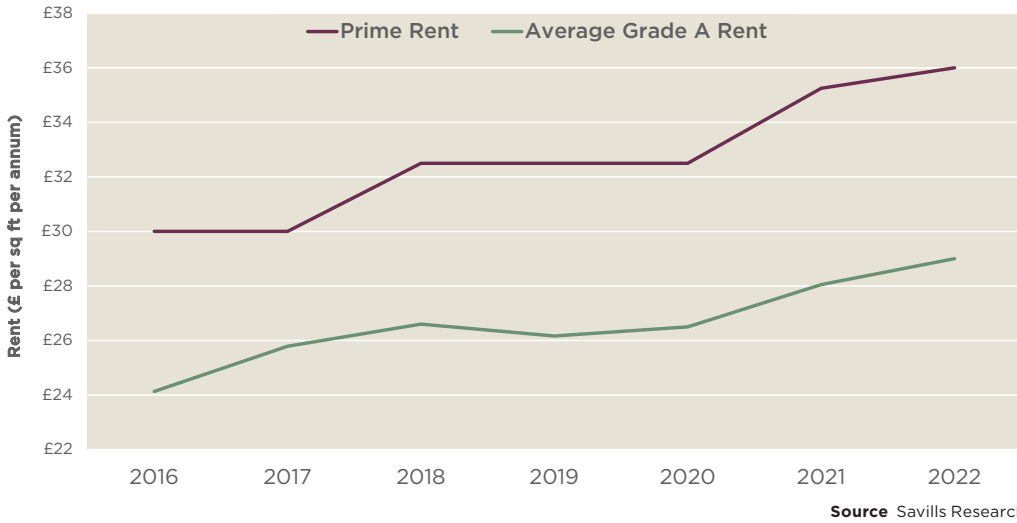


34,000 sq ft  
Largest letting in 2022



124  
Completed transactions in 2022 which is the highest total since 2013

## Rents



Prime rent increased in Q4 to £36 per sq ft at the end of 2022. This produced a growth rate of 2% in 2022 and means that the prime rent has grown by 11% over the last five years. Average Grade A rents have also grown significantly during this period. In 2022 the average Grade A rent was £29 per sq ft. This was 3% above the 2021 average and 11% above the 2019 pre-Covid average.

## Drivers For Growth



7%

Expected GVA growth in Glasgow over the next five years



4%

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



5,440

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 2021	Comparison to 2019
Take-up 2022 (sq ft)	409,414	-24%	-52%
Grade A Take-up 2022 (sq ft)	144,723	-52%	-74%
Average Deal Size (median) (sq ft)	1,678	+16%	-29%
10-Year Average Take-Up (sq ft)	692,299	-	-
5-Year Average Take-Up (sq ft)	752,219	-	-
Q4 Supply (sq ft)	1,568,864	+6%	+80%
Q4 Grade A Supply (sq ft)	428,030	-44%	+80%
Q4 New Build Grade A Supply (sq ft)	82,775	-	-
Years of Supply*	2.1	-	-
Prime Rent	£36	+2%	+11%

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

Source: Savills Research

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