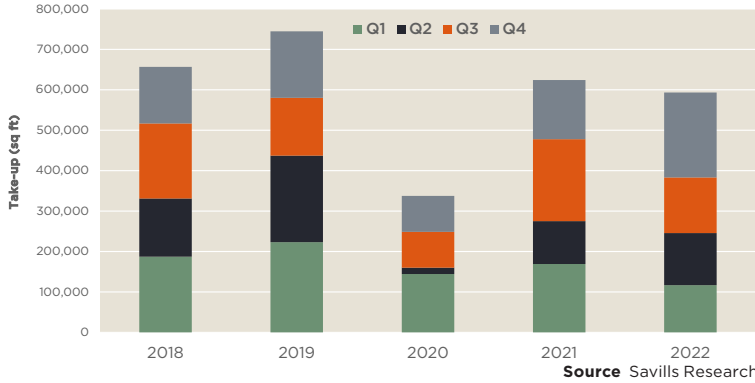


Leeds Occupational Office Data Q4 2022



Leeds Office Market Round-Up

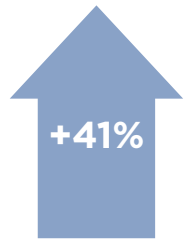
Take-up



2022 take-up for Leeds totalled 600,000 sq ft. This was broadly in line with the long-term average for the market. Take-up increased in every quarter of the year, with Q4 take-up of 210,000 sq ft achieving the best Q4 total since 2015.

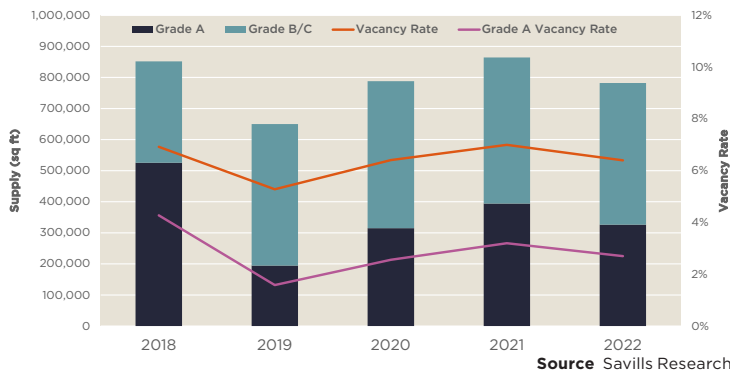
Grade A take-up reached 370,000 sq ft which accounted for 61% of the take-up total in 2022. The largest Grade A letting in Q4 was the 36,000 sq ft acquisition by Arup at 11/12 Wellington Place. 2022 Grade A take-up was spread across 45 completed deals which was the highest number of annual Grade A lettings on record since 2007.

Take-up and supply Key data points



Increase in Q4 2022 take-up compared to the five-year Q4 average

Supply



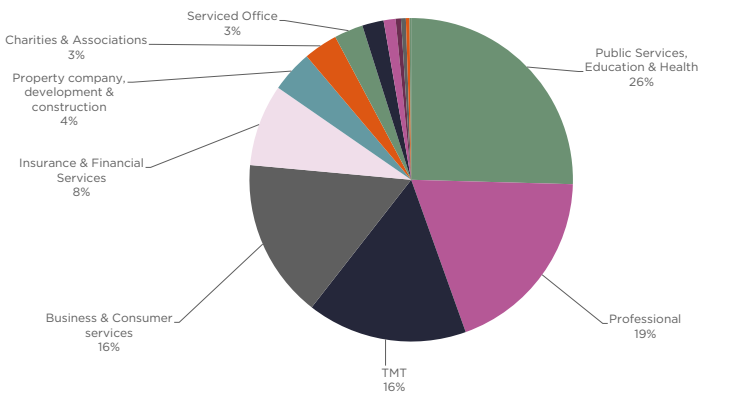
Total availability at the end of 2022 was 780,000 sq ft. This means that availability decreased by 10% in 2022. Furthermore, Grade A supply stood at 325,000 sq ft at year end meaning that total Grade A availability fell by 17% in 2022.

The total vacancy rate for the market is 6.4%, with the Grade A vacancy rate falling 50 basis points in 2022 to 2.7% for Leeds city centre. There is less than a year of available Grade A supply based on average demand, highlighting the current lack of Grade A availability in the Leeds market.



+19%
Increase in Grade A take-up compared to 2021

Take-up by business sector



The 'Public Services, Education & Health' sector was the most active in 2022, accounting for 26% of total take-up. The represented an increase of 7% in its share of annual take-up compared to 2021. The largest letting in the sector in 2022 was the Q4 55,000 sq ft acquisition by Leeds Trinity University at 1 Trevelyan Square.

Elsewhere, the 'Professional' sector was the second most active, recording 115,000 sq ft take-up which equated to 19% of the overall total across 23 completed transactions. This was the largest number of completed annual deals for the sector since 2015.

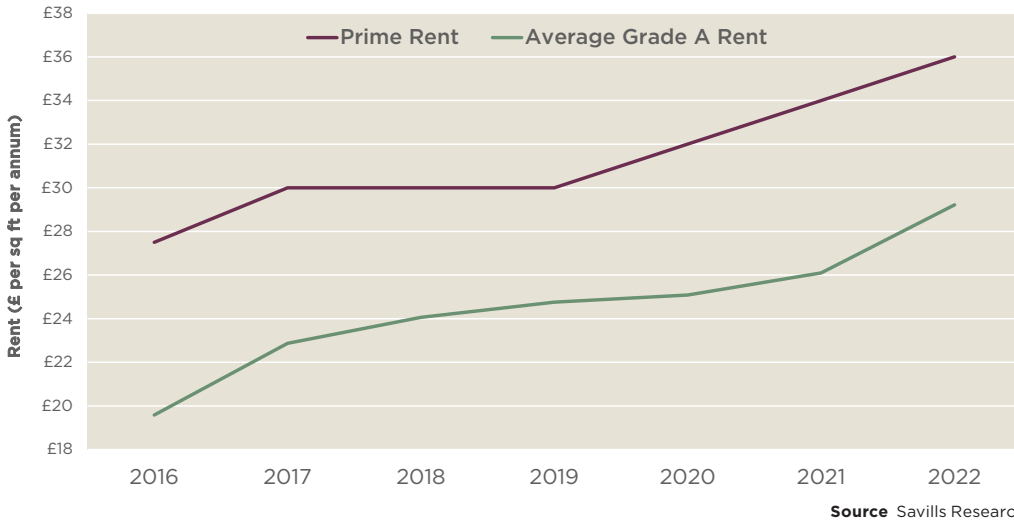


55,000 sq ft
Largest transaction in 2022



71
Grade A lettings in 2022.
The largest annual total on record since 2007

Rents



There was no further increase in the prime rent in Q4 2022, which currently stands at £36 per sq ft. That being said, the prime rent did grow by 6% in 2022 and has grown by a significant 20% over the last five years. Equally, average Grade A rents have increased over the same period. The average Grade A rent in 2022 was £29.22 per sq ft, which represents a 21% increase on the 2018 Grade A average.

Drivers For Growth



8%

Expected GVA growth over the next five years



6%

Expected office-based employment increase over the next five years



8,840

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

Source: Oxford Economics

Key Market Data

	Data	Comparison to 2021	Comparison to 2019
Take-up 2022 (sq ft)	600,020	-4%	-19%
Grade A Take-up 2022 (sq ft)	367,424	+19%	-17%
Average Deal Size (median) (sq ft)	2,936	+20%	+33%
10-Year Average Take-Up (sq ft)	616,797	-	-
5-Year Average Take-Up (sq ft)	628,326	-	-
Q4 Supply (sq ft)	782,119	-10%	+20%
Q4 Grade A Supply (sq ft)	326,428	-17%	+68%
Years of supply*	1.2	-	-
Prime rent (£ per sq ft per annum)	£36	6%	+20%

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

Source: Savills Research

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