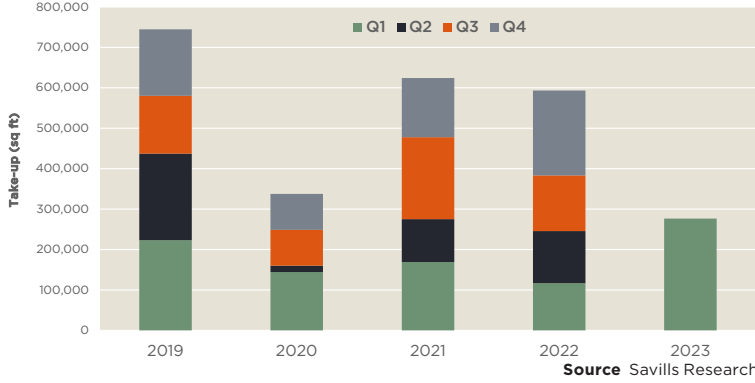


# Leeds Occupational Office Data Q1 2023



## Leeds Office Market Round-Up

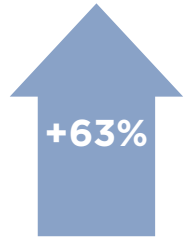
### Take-up



Q1 2023 take-up totalled 275,000 sq ft in Leeds city centre. This marked a particularly successful start to the year for the market, with take-up 84% above the long-term average and the best Q1 that Savills holds on record since 2007.

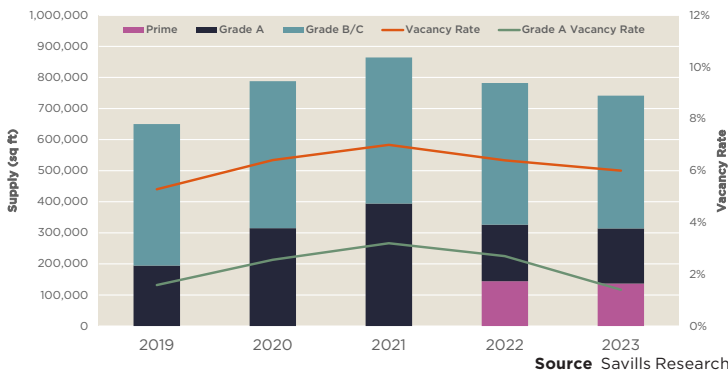
Grade A take-up was 235,000 sq ft in Q1 which accounted for 86% of the overall total. This Grade A demand was heavily driven by Lloyds Bank, which acquired 125,000 sq ft at MEPC's 11/12 Wellington Place. This was the third largest transaction in the Leeds city centre office market since 2007.

### Take-up and supply Key data points



Increase in Q1 2023 take-up compared to the five-year Q1 average

### Supply



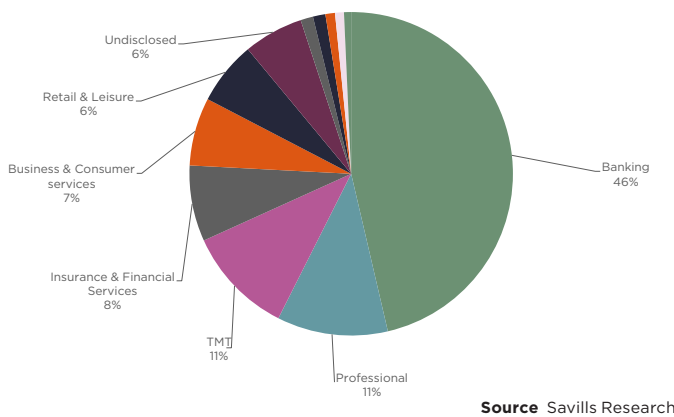
Total availability at the end of Q1 stood at 741,000 sq ft. This means that availability decreased by 5% in the first quarter of 2023. Furthermore, Grade A supply fell by a further 3% to 177,000 sq ft. Prime availability remains constrained at just 137,000 sq ft of available space in the market.

The total vacancy rate for the market fell by 40 basis points in Q1 to 6%. Based on average demand, there is currently just 1.3 years of supply in the market, and for the Prime A space there is just 0.3 years of supply based on average Grade A take-up.



20 Grade A transactions in Q1 2023, the highest Q1 total on record

### Take-up by business sector



The 'Banking' sector was the most active in Q1 2023, accounting for 46% of total take-up across two completed transactions.

Elsewhere, the 'Professional' sector was the second most active, recording 31,000 sq ft take-up which equated to 11% of the overall total across 9 completed transactions. The largest 'Professional' deal in Q1 2023 was Stantec's 7,800 sq ft Grade A acquisition at 2 Whitehall Quay.

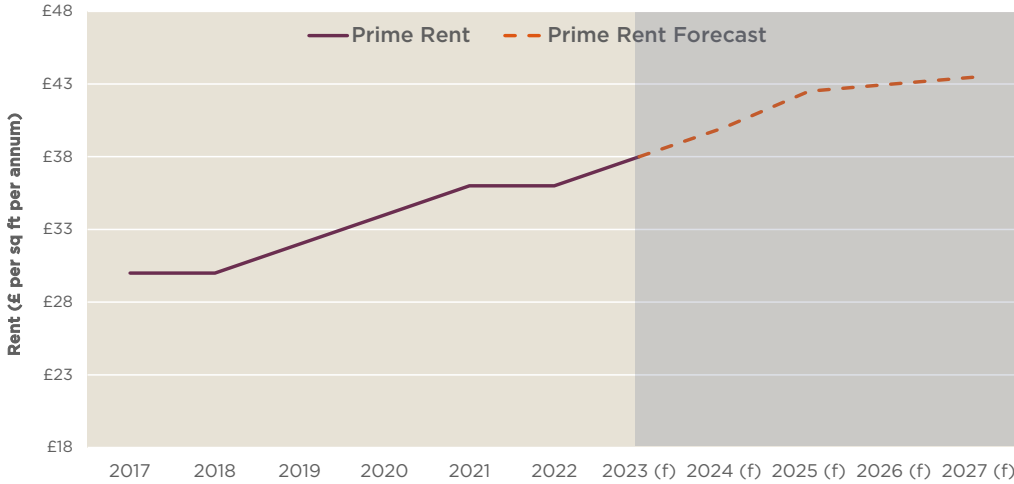


125,000 sq ft Largest transaction in Q1 2023



57% Savills was instructed on 57% of the sq footage transacted in Q1 2023

## Rents



Source Savills Research

The prime rent grew by 3% in Q1 2023, standing at £37 per sq ft at quarter end. Furthermore, Savills latest rental forecasts expect headline rents to grow further to reach £38 per sq ft at the end of 2023. Average Grade A increased in the first quarter of 2023 to £31.83 per sq ft. This represented a 27% increase on the pre-Covid 2019 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 Q1 2022	Comparison to Q1 2019
Take-up Q1 2023 (sq ft)	276,395	+124%	+24%
Grade A Take-up Q1 2023 (sq ft)	236,724	+634%	+76%
Deal Count Q1 2023	36	+13%	-10%
Average Deal Size (median) (sq ft)	2,885	-3%	+32%
5-Year Average Q1 Take-Up (sq ft)	169,401	-	-
Q1 Supply (sq ft)	741,347	-5%	-42%
Q1 Grade A Supply (sq ft)	177,391	N/A**	N/A**
Q1 Prime Supply (sq ft)	136,540	N/A**	N/A**
Prime rent (£ per sq ft per annum)	£36	+6%	+20%

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

\*\* historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

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