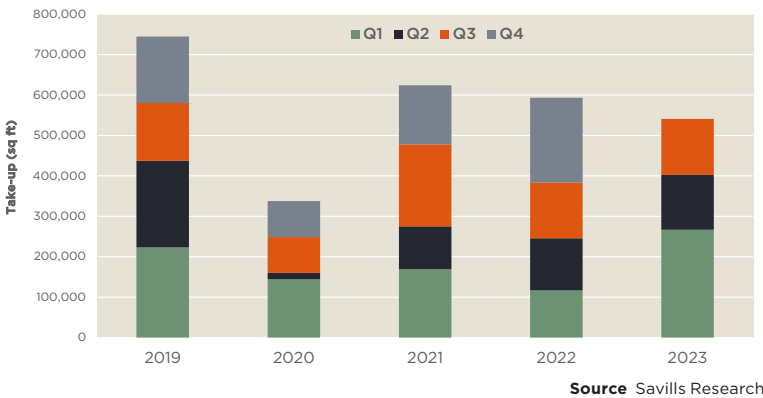


Leeds Occupational Office Data Q3 2023



Leeds Office Market Round-Up

Take-up



Q3 2023 take-up totalled 138,000 sq ft within Leeds city centre. This was only 9% below the five-year Q3 average but it was 2% higher than Q2 2023. There were 32 deals done in Q3, which was 15% above the ten-year Q3 deal average, 11 of these were Grade A.

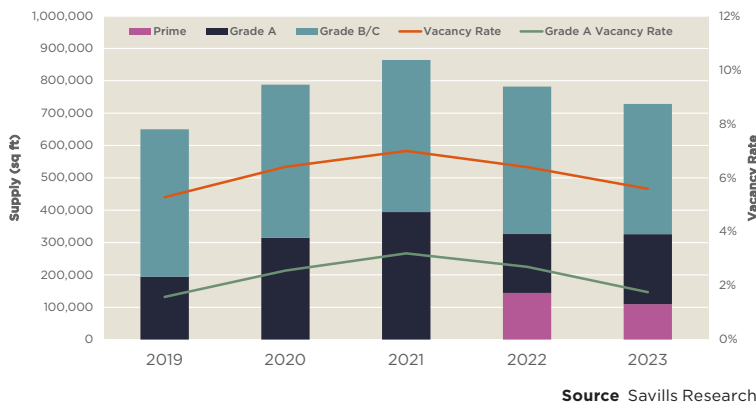
Grade A take-up was 86,000 sq ft in Q3 which accounted for 62% of the total. This signals a continuation of the flight to quality that has been seen in Leeds. The largest Grade A deal of the quarter was the 27,000 sq ft acquisition at 4 Wellington Place by Irwin Mitchell.

Take-up and supply Key data points



Increase in Q1-Q3 2023 take-up compared to the five-year Q1-Q3 average

Supply



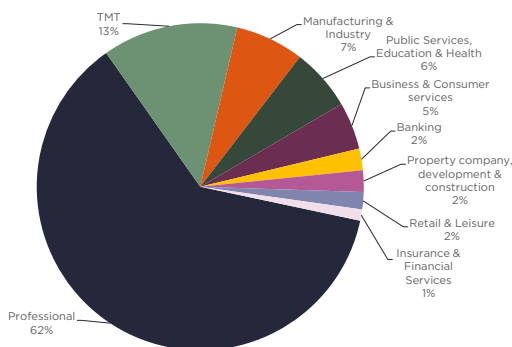
Leeds Q3 2023 total availability amounts to 688,000 sq ft in the quarter. This represents a 13% decrease when compared to Q3 2022, and 25% below the long term average signalling demand in the market.

The total vacancy rate for Q3 was 5.6% with this dropping by 40 basis points in comparison with the previous quarter and down 190 basis points on the ten-year average. Grade A vacancy rate stood at 1.8% which was 33% below the long term average for Leeds. Moreover, there is currently 1.2 years' worth of total supply left in the market, along with only 0.6 years of Grade A.



27,000 sq ft
Largest transaction in Q3 2023

Take-up by business sector



The 'Professional' sector took the largest proportion of space in Q3 2023, with a take-up totalling 80,000 sq ft, which equated to 62% of total take-up. This total comprised of 12 deals during Q3, of which over half were for Grade A space including the largest deal at 4 Wellington Place.

Furthermore, 'TMT' was the second most active sector in Q3 with 13% of the overall total. The largest deal this quarter for 'TMT' totalled 12,400 sq ft at 3175 Thorpe Park, which saw Big Change occupy the space.

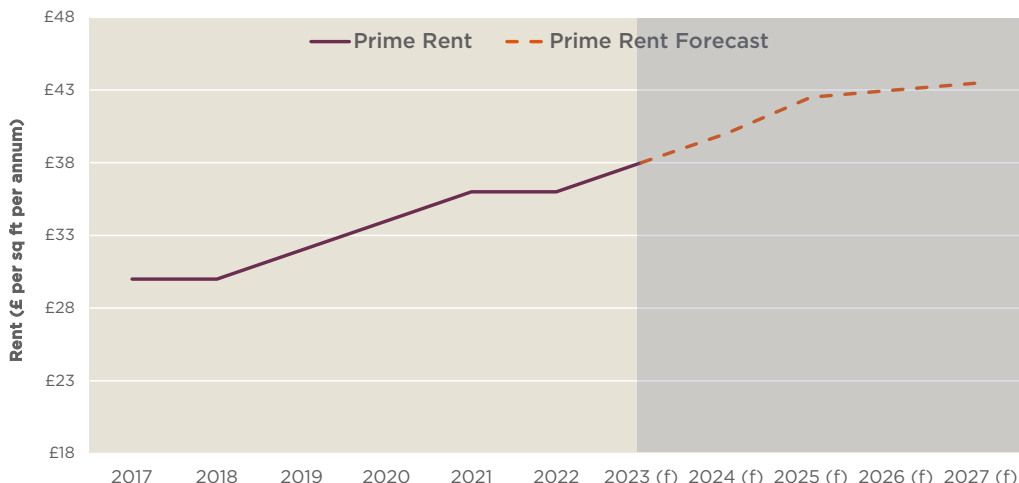


0.6
Years of Prime supply based on average Grade A demand



11
Grade A transactions in Q3 2023

Rents



Source Savills Research

The prime rent remained at a high of £37 per sq ft at the end of Q3. Savills latest rental forecasts expect headline rents to grow further to reach £38 per sq ft at the end of 2023. Average Grade A rent in Q3 saw a slight increase to £30.61 per sq ft which represented growth of 23% on the 2019 average as the top end of the market continues to perform strongly from a rental perspective.

Drivers For Growth



6%

Expected GVA growth over the next five years



3%

Expected office-based employment increase over the next five years



7,300

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

Source Oxford Economics

Key Market Data

	Data	Comparison to Q3 2022	Comparison to Q3 2019
Take-up Q3 2023 (sq ft)	138,459	+1%	-3%
Grade A Take-up Q3 2023 (sq ft)	85,822	-16%	+58%
Deal Count Q3 2023	32	-6%	-3%
Average Deal Size (median) (sq ft)	2,283	-31%	+24%
10-Year Average Q3 Take-Up (sq ft)	177,126	-	-
Q3 Supply (sq ft)	688,202	-13%	+1%
Q3 Grade A Supply (sq ft)	216,363	-25%	+22%
Q3 Prime Supply (sq ft)	69,189	-48%	-
Prime rent (£ per sq ft per annum)	£37	-	-

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

Source Savills Research

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