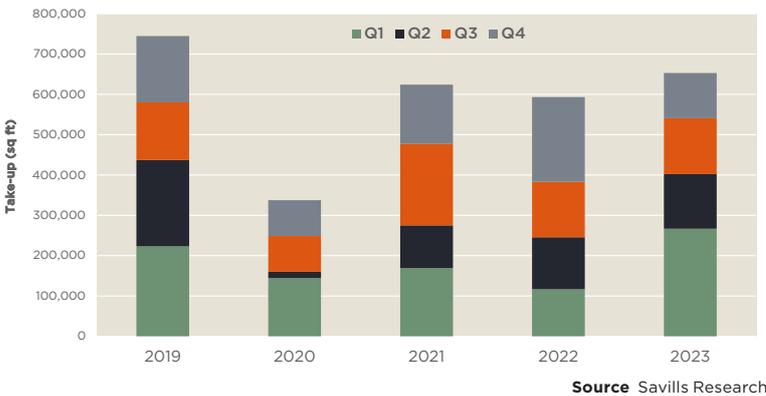


Leeds Occupational Office Data Q4 2023



Leeds Office Market Round-Up

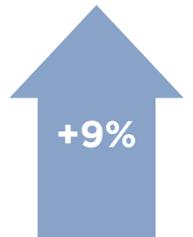
Take-up



In the final quarter of 2023, Leeds take-up totalled 112,000 sq ft across 32 deals done. Grade A take-up accounted for 56% of the total in Q4, which amounted to 63,000 sq ft.

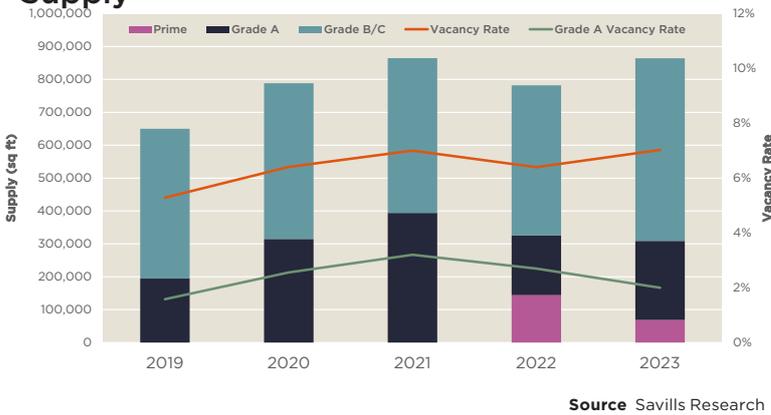
2023 total take-up totalled 653,000 sq ft, 4% higher than the long-term average. This was also 9% higher than the 2022 total and the highest annual take-up since 2019. The largest deal of the year was 124,000 sq ft, which was acquired by Lloyds Bank at 11 & 12 Wellington Place.

Take-up and supply Key data points



2023 annual take-up 9% higher than 2022

Supply



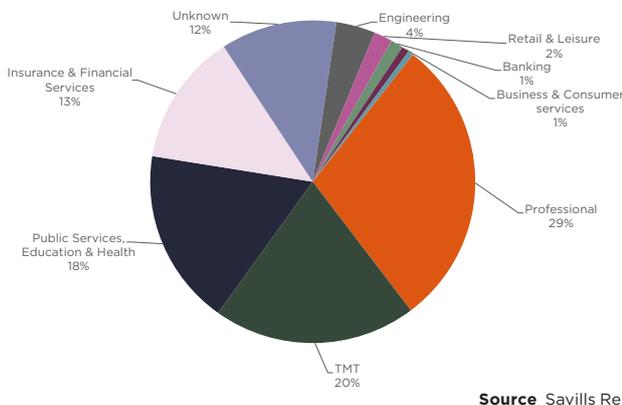
Availability in Leeds totalled over 800,000 sq ft in Q4 2023, 11% higher than Q4 2022 and 26% higher than the previous quarter. This is largely due to 107,000 sq ft of space becoming available at West One.

Secondary space dominated the availability by totalling 555,000 sq ft, therefore accounting for 64% of the overall total. Grade A and Prime availability accounted for 36% of the supply, totalling 309,000 sq ft. Grade A vacancy rate has decreased to 2%, down 70 basis points on Q4 2022.



13,000 sq ft
Largest transaction in Q4 2023

Take-up by business sector



The most active business sector in Q4 2023 was the 'Professional' sector, which leased a total of 33,000 sq ft across seven transactions, accounting for 29% of the total. Barnett Waddingham acquired the largest space in the sector and in the quarter at City Square House, a Grade A building, totalling 13,000 sq ft. Overall, during 2023 the 'Professional' sector leased 191,000 sq ft, accounting for 29% of the total.

Another notable active sector was the 'TMT' sector, which leased a total of 23,000 sq ft, accounting for 20% of the total. This was across five deals, with Sky leasing the largest deal totalling 8,500 sq ft at 26 Whitehall Road.

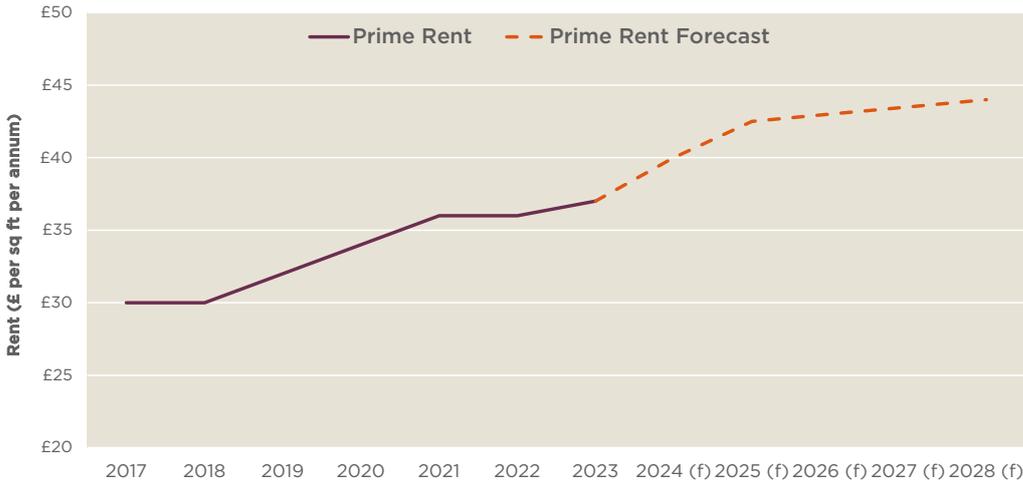


'Professional' the most active sector in Q4 2023



32
Transactions in Q4 2023

Rents



Source Savills Research

There was a new headline rent achieved in 2023, which reached £37 per sq ft, 3% higher than 2022. Savills latest rental forecasts expect headline rents to grow further to reach £40 per sq ft by the end of 2024, an 8% increase. Average Grade A rent in Q4 saw a slight increase to £31.16 per sq ft which represented growth of 26% on the 2019 average, as the top end of the market continues to perform strongly from a rental perspective. Rental forecasts are predicting headline rent to reach a high of £44 per sq ft by 2028.

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 Q4 2022	Comparison to Q4 2019
Take-up Q4 2023 (sq ft)	112,272	-47%	-23%
Grade A Take-up Q4 2023 (sq ft)	62,857	-54%	+1%
Deal Count Q4 2023	32	-11%	0%
Average Deal Size (median) (sq ft)	2,034	-24%	-36%
10-Year Average Q4 Take-Up (sq ft)	158,930	-	-
Q4 Supply (sq ft)	864,255	+11%	+33%
Q4 Grade A Supply (sq ft)	240,577	+32%	+24%
Q4 Prime Supply (sq ft)	68,477	-53%	N/A*
Prime rent (£ per sq ft per annum)	£37	N/A*	N/A*

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

Source Savills Research

Savills team

Please contact us for further information

Paul Fairhurst

Director
Office Agency
0113 220 1207
pfairhurst@savills.com

Toby Nield

Director
Office Agency
0113 220 1216
toby.nield@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

Jack Edwards

UK Office Analyst
Commercial Research
07977 293 430
jack.edwards@savills.com

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