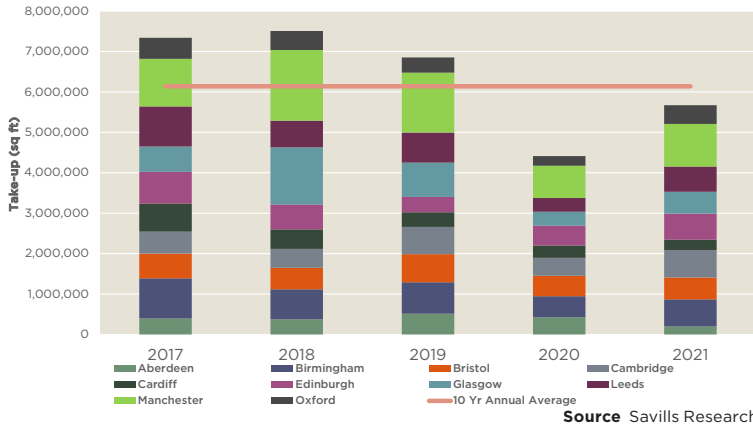


# UK Regional Occupational Office Data Q4 2021



## UK Office Market Round Up

### Take-up

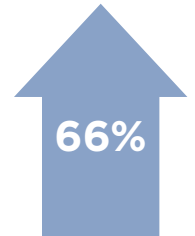


2021 regional office take-up totalled 5.7 million sq ft. This represented a significant increase of 28% on the 2020 total. Once more, take-up in 2021 was just 8% below the ten-year average as the markets look to recover from the ongoing effects of the coronavirus pandemic.

Grade A take-up totalled 2.6 million sq ft which represented an increase of 21% on 2020. As a proportion of total take-up, Grade A accounted for 46% at year end.

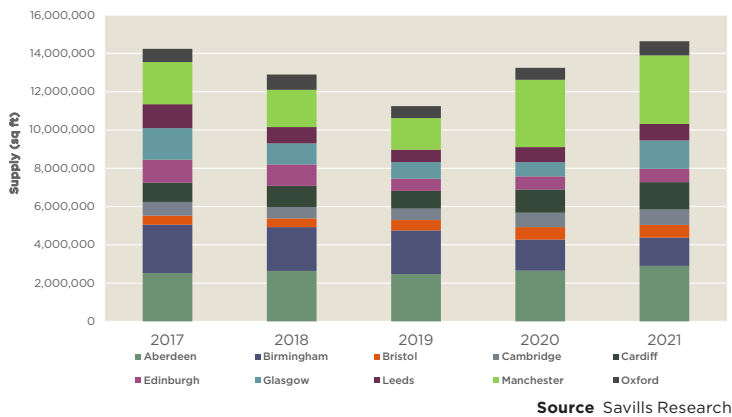
### Take-up and supply

Key data points



H2 2021 take-up represented a 66% increase on H1 2021

### Supply



Total supply increased by 10% in 2021 to a total of 14.6 million sq ft. Furthermore, Grade A supply also increased to 5 million sq ft. This was a 25% increase on the 2020 figure.

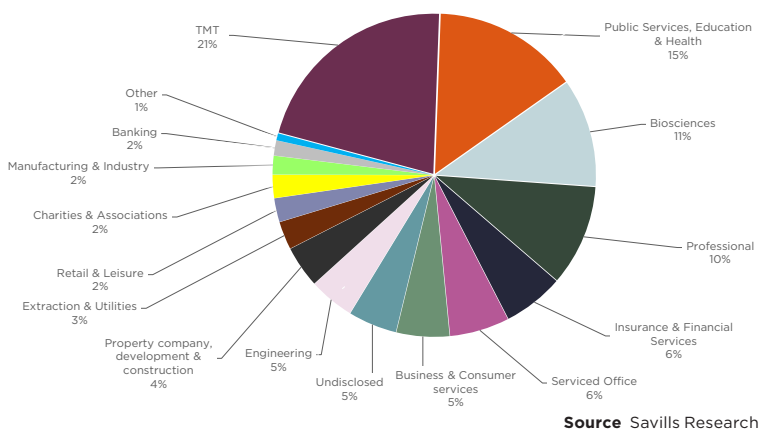
These increases were heavily influenced by the introduction of new developments into the supply total. This included 230,000 sq ft at 103 Colmore Row in Birmingham, 157,000 sq ft at Three New Bailey in Manchester and 94,000 sq ft at Cadworks in Glasgow.



79%

Increase in the quantum of 'Public Services, Education & Health' sector take-up in 2021

### Take-up by business sector



The 'TMT' sector was most active this year, accounting for 21% of total take-up. This included 22 lettings of over 10,000 sq ft across the regional markets.

Elsewhere, it was a strong year for the 'Public Services, Education & Health' sector. Here, the 15% share of overall take-up included lettings of 75,000 sq ft to Student Loans Company in Glasgow and 74,000 sq ft to the University of Bristol at Trinity Quay.

'Biosciences' also delivered promising returns as the third most active sector, recording 11% of overall take-up. Much of this success can be attributed to Oxford and Cambridge, where 70% of 'Biosciences' take-up was recorded in 2021.

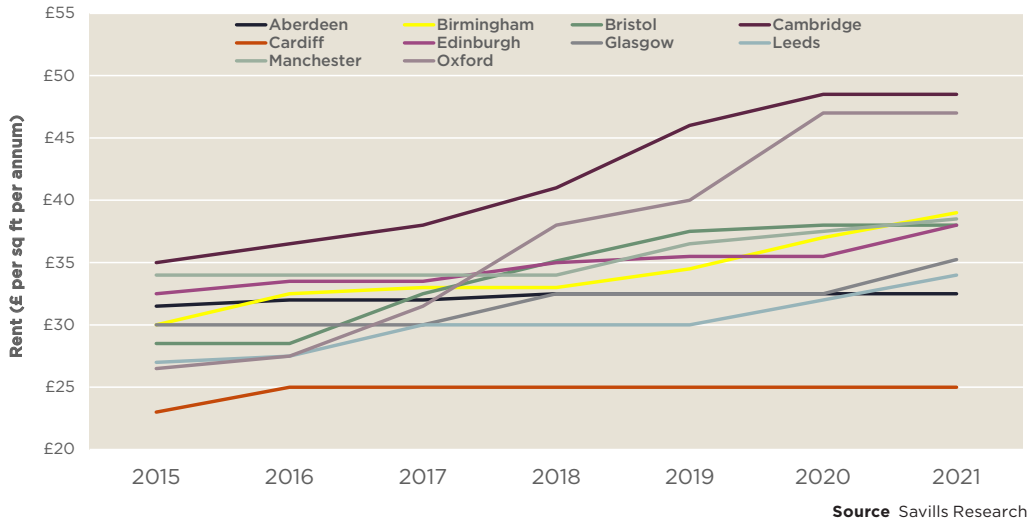


116,000 sq ft in Cambridge was the largest letting in 2021



'TMT' sector has been the most active sector in every year since 2018

## Prime Rents



There was significant prime rental growth in a number of the UK regional office markets in 2021. Cambridge repeated 2020's result of the highest prime rental values outside Greater London and the South East at £48.50 per sq ft. In terms of growth levels, Glasgow's prime rent increase of 8.5% to £35.25 per sq ft was the largest level of growth across the regional markets. There were also notable increases in Birmingham (5%), Leeds (6%) and Edinburgh (7%) as the demand for best in class space remained resilient in 2021.

## Drivers For Growth



12%

Expected GVA growth across the regional markets over the next 5 years



6%

Expected office-based employment increase in the regional markets over the next 5 years



1,400,000

New jobs in the Professional, Tech and Scientific sector in the UK regional cities in the next 10 years

Source: Oxford Economics

## Key Market Data

	Data	Year-on-Year Change
Take-Up 2021 (sq ft)	5,668,747	+28%
Grade A Take-Up 2021 (sq ft)	2,616,931	+21%
Proportion of Grade A take-up (%)	46%	-3%
Average Deal Size (sq ft)	5,680	-16%
10-Year Average Annual Take-Up (sq ft)	6,137,866	-
5-Year Average Annual Take-Up (sq ft)	6,383,018	-
Q4 Supply (sq ft)	14,636,578	+10%
Q4 Grade A Supply (sq ft)	4,994,738	+25%

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

Source: Savills Research

## Savills team

Please contact us for further information

### James Evans

Director  
Office Agency  
0161 277 7238  
jevans@savills.com

### Clare Bailey

Director  
Commercial Research  
020 7409 8863  
cbailey@savills.com

### George Roberts

UK Office Analyst  
Commercial Research  
020 7016 3790  
george.roberts@savills.com

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

