

Professional services sector more than doubles its office take-up across key UK cities, says Savills

3 years ago



Post pandemic office take-up across the UK continues to be underpinned by the TMT and Professional Services sectors as the fight for talent and flight to quality trumps concerns over the short term economic outlook, according to [Savills](#).

Research from the international property advisor reveals that there has been a notable change over the last 12 months, with the Professional Services sector accounting for 18% of overall H1 take-up, across the Big 6 regional markets (Birmingham, Bristol, Edinburgh Glasgow, Leeds and Manchester), compared to 8% during the same period last year.

While the firm notes that it is the TMT sector that continues to dominate with 21% of overall take-up, the increase from the Professional Services sector is significant. In contrast, the Financial Services sector sits at the other end of the scale, with a dramatic fall in take-up compared to historic levels.

James Evans, head of national office agency at Savills, says: “Talk of the death of the office is itself now dead. Many businesses, although not all, have reached a conclusion that the office is vital for productivity, culture and development. We saw the rise in take-up for the Professional Services sector start to accelerate towards the end of last year, and it is interesting that many of the firms in this market have grasped the nettle and made a move.

“Whilst many such moves have seen an approximate 15% reduction in footprint, the volume of deals completed demonstrates the unequivocal shift towards best-in-class space. This in turn will underpin the

rental growth in prime offices in the most prominent regional centres.”

Savills notes that, although corporates continue to seek clarity over their hybrid working model and the quantum of space they require, the Big 6 markets are generally experiencing greater transaction volumes and liquidity compared to six months ago. Overall office take-up for the Big 6 regional office markets was 2.56 million sq ft during the first half of 2022, which is higher than the 2021 figure recorded for the same period but remains 15% down on the 10-year average.

James Evans continues, “With tightening monetary policy, ongoing inflation and a reduction in both consumer and business confidence, one could easily paint a negative picture for office take-up moving forward. However, in an environment with record job vacancies and levels of employment, many firms have recognised the correlation between best-in-class offices, recruitment and retention of the best people. As one business leader recently said to me – ‘without this move we won’t get the best people, and without the best people we have no business, irrespective of the economic picture.’”