

Savills: Take-up 11% above five year average: Professional and business services drive European office market

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According to Savills latest research, take up in the European office market in H1 2022 reached 4.3m sq m, 11% above the five year H1 average.

Professional and business services remained the most active sector, with a 21% share of total take up, in line with H1 2021. This was closely followed by technology, information and communication (20%) and banking, insurance and finance (20%), both of which recorded a 6% increase year-on-year.

Advanced manufacturing, pharma and industry has seen a drop in its share of take up from 13% to 6%, bringing it back to levels recorded in 2020 after seeing a noticeable jump in 2021.

When looking at the supply/demand ratio, most European office markets, led by France and Germany, remain undersupplied, with vacancy rates between 2% and 5% for Paris-CBD, Berlin, Cologne, Hamburg, Brussels, Munich and Stockholm.

Matthew Fitzgerald, Director, EMEA Cross Border Tenant Advisory at Savills, says: "Given economic headwinds, one could easily paint a negative picture for European office take up moving forward. However, there is still strong demand for high quality space in good locations that match with company culture and corporate sustainability targets."

Despite the volume of European real estate investment declining in the second quarter of 2022, offices traded for €43bn during H1 2022, in line with the five year H1 average, according to Savills. The asset class continues to take the largest share of total investment, recording 31% in 2022 so far.

Georgia Ferris, European Research Analyst at Savills, comments: “The number of European office transactions slowed in July, to the lowest month seen in recent years according to RCA data. This is perhaps underpinned by investors being more selective and putting a focus on the quality of product, with a premium placed on prime grade A offices.”

To read the full report, please visit [here](#)