

## Savills: European office take up above the pre-pandemic average

2 years ago



According to [Savills](#) latest research, European office take up reached 9.9m sq m during 2022, 2% above the pre-pandemic average.

Post-Covid leasing activity continued to recover, rising by 14% yoy, as business confidence rose.

Vacancy rates increased by an average of 50 bps from 7.5% to 8% during 2022, with Dublin rising by 290 bps to 12.5%, Paris La Défense by 250 bps to 16.7%, Budapest by 210 bps to 11.3%, and Amsterdam by 220 bps to 7.8%, says the international real estate advisor.

Most of the rise in vacancy rates is reflected in an increase in secondary office stock, or in non-CBD locations following an occupier shift towards best in class, centrally-located assets. Some of this increase was recorded during the second half of the year, with a number of companies seeking to sub-lease space in order to reduce overall costs.

Mike Barnes, Associate Director European Research at Savills, says: “Prime European office rents rose by an average of 5.1% over the past 12 months. Occupier preferences for higher quality, energy efficient space in prime CBD locations, and new regulations on minimum Energy Performance Certificate (EPC) ratings are also supporting rental tone. As a comparison, secondary CBD rents only rose by 3.7% over the same period.”

Matthew Fitzgerald, Director, EMEA Cross Border Tenant Advisory at Savills, says: “We are still faced with tight office vacancy rates in European CBD markets, with Paris CBD at 2.3%, Berlin at 3.1% and Stockholm at 3.6%. The uncertain macroeconomic environment means that development pipelines have reduced in many countries but we are also seeing high quality short term sublease space being made available in

certain markets.

“Occupiers have to make their decisions while faced with constrained capital allocation and uncertain space requirements, increasing regulations around ESG, and still needing high quality space to retain talent.”

Read the full report [here](#)