

Big 6 regional office markets record quarterly increase of take-up to 892k sq ft

3 years ago



The Big 6 regional office markets (Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester) recorded c.892,000 sq ft of take-up in Q3 2023, 15% up on the previous quarter but 11% down on Q3 2022. The decrease was a result of continued economic uncertainty, but there remains a healthy pipeline of activity with 3.2 million sq ft of requirements in the market, according to the international real estate advisor Savills.

Manchester was the stand out city reporting take-up almost double (179k sq ft) that recorded in Q2 2023. It was also the only market to report an increase in take-up (8%) in Q3 compared to the same period last year, which was driven by two educational deals – Arden University taking 42,944 sq ft at 2 Hardman Street and University Academy 92 Limited taking 36,751 sq ft at Riverside. Bristol (17%) and Glasgow (35%) also reported increases in take-up compared to Q2 2023.

Year to date (Q1-Q3 2023) combined take-up was 2.53 million sq ft, 8% below the total achieved in the same period last year (Q1-Q3 2022). Despite the overall decrease in take up, Edinburgh and Leeds have experienced stronger levels of demand this year. Edinburgh reported take-up 22% ahead of last year (Q1-Q3 2022), while Leeds recorded take-up 39% above for the same period, bolstered by the largest deal of the year completing in Q1 with Lloyds Banking Group's 125,000 sq ft acquisition at 11/12 Wellington Place in Leeds.

The largest deal of Q3 completed in Birmingham with Lloyds Banking Group completing the acquisition of c.60,000sq ft at 6 Brindley Place.

James Evans, head of national office agency at [Savills](#), says: "The continued economic uncertainty has had

an impact on the office leasing market with occupiers taking longer to make decisions. This has translated to fewer deals completing in Q3, however, it's encouraging to see positive momentum this year with a number of markets increasing activity quarter on quarter and a healthy pipeline of requirements. We anticipate further growth as many businesses now have a better understanding of their office needs and we expect continued momentum moving into the new year. This will further reduce the supply of prime office stock in many cities, leading to inevitable rental growth as occupiers compete to secure the best space. Polarisation however remains a key theme with weaker office stock falling foul of occupiers' ongoing flight to quality."