

85% of top occupier deals around the world for the same amount or more space; tech occupiers remain resilient

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Analysis of a sample of the largest public deals for prime office space in H2 2023 across [Savills](#) prime office costs markets* shows that 85% were for the same amount or more space, and that the tech sector was the second most acquisitive type of occupier, defying expectations that companies are surrendering space and that tech, in particular, is in a period of retrenchment.

Savills says that only 15% of the 163 deals it examined featured an element of consolidation, while 45% were for the same amount of office space ('renewal'/'relocation') and 32% involved taking more space ('expansion'/'expansion and relocation'),

The finance sector was the most active occupier group across the cities examined in Savills analysis, completing deals for approximately 6.5 million sq ft of office space, but was followed by tech at 2.9 million sq ft, then government occupiers at 2.8 million sq ft (figure 2). Looking at the 30 deals it tracked in the tech sector, the international real estate advisor says that only four of these featured an element of consolidation, with six expansions and the majority (16) being relocations.

[View the full 'Market Makers' analysis here](#)

Jeremy Bates, EMEA head of occupational markets, Savills, comments: "While there has been much discussion about the changing nature of the office market, a large proportion of deals we tracked are for expansions, relocations, and new set-ups; only a small minority of businesses are consolidating their space. Occupiers of all types are growing their footprints in major markets across the world, despite

headwinds, and continue to place a high value on prime offices, notwithstanding that a shortage of this type of space is pushing up costs. Going forward, development is slowly picking up, but increasingly includes refurbishments of existing stock to comply with regulation. This trend should gradually increase occupier options.”

Kelcie Sellers, associate in Savills World Research team, adds: “Despite the perception that tech businesses in particular have moved towards a more hybrid working model, the industry remains one of the most active sectors in our sample, defying expectations and displaying strength in the office leasing industry. While the increasing costs of renting and global macroeconomic uncertainty are challenging, businesses of all ty