Q3 2023

Sanderson Weatherall

LEEDS OFFICE MARKET UPDATE

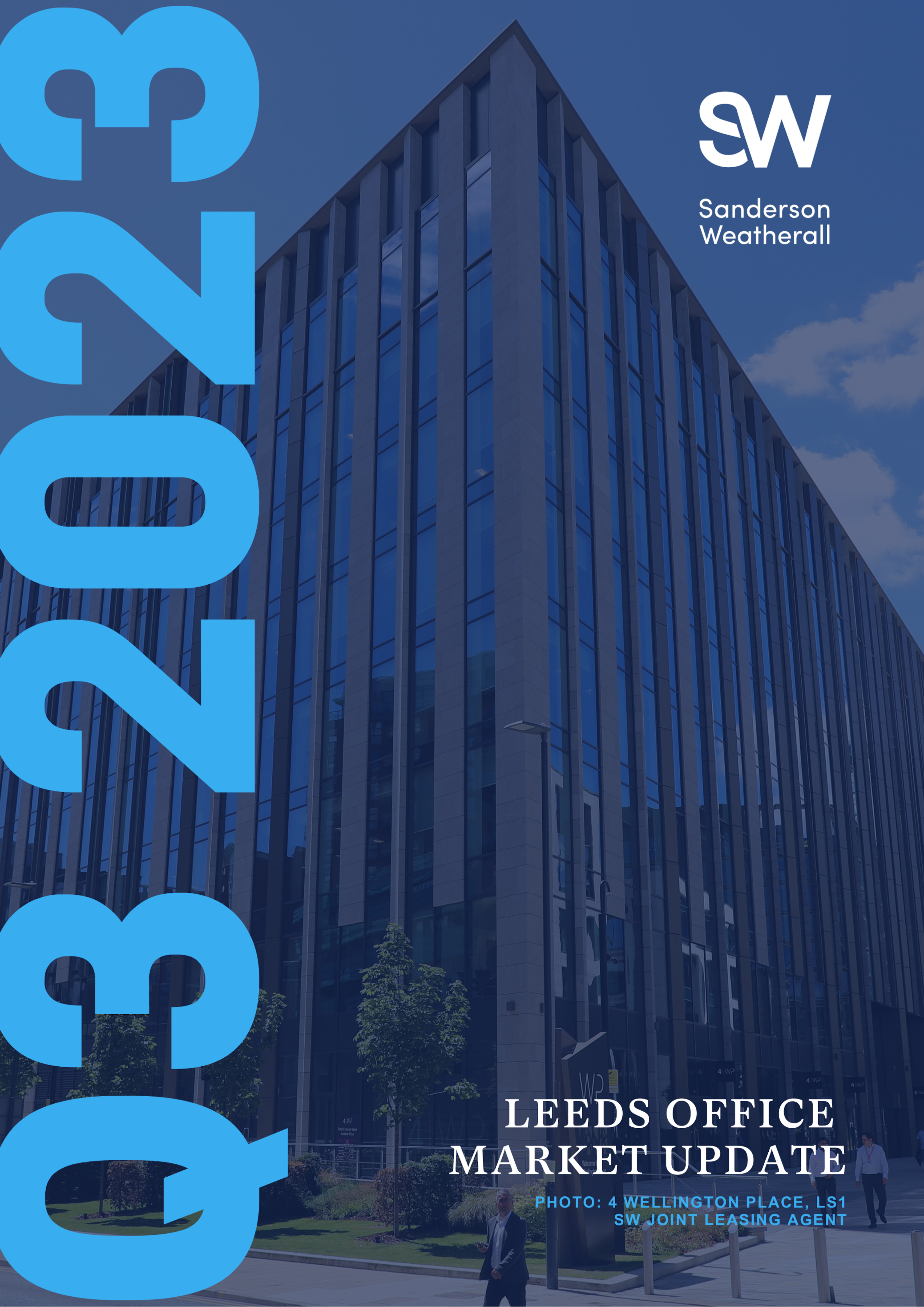

PHOTO: 4 WELLINGTON PLACE, LS1
SW JOINT LEASING AGENT

Q3 2023 SNAPSHOT

136,915 SQ FT

Leeds City Centre Take Up
(Q3 2022: 137,376 sq ft)

72,831 SQ FT

Leeds Out of Town Take Up
(Q3 2022: 51,233 sq ft)

31 DEALS

(Q3 2022: 34 deals)

KEY TRANSACTIONS

Irwin Mitchell	27,470 sq ft	4 Wellington Place, LS1*
Big Change	12,391 sq ft	Paradigm, 3175 Thorpe Park, LS15
RELX	12,334 sq ft	4 Wellington Place, LS1*
JLL	12,219 sq ft	12 Wellington Place, LS1
Azets	11,618 sq ft	12 King Street, LS1

**deals involving SW*

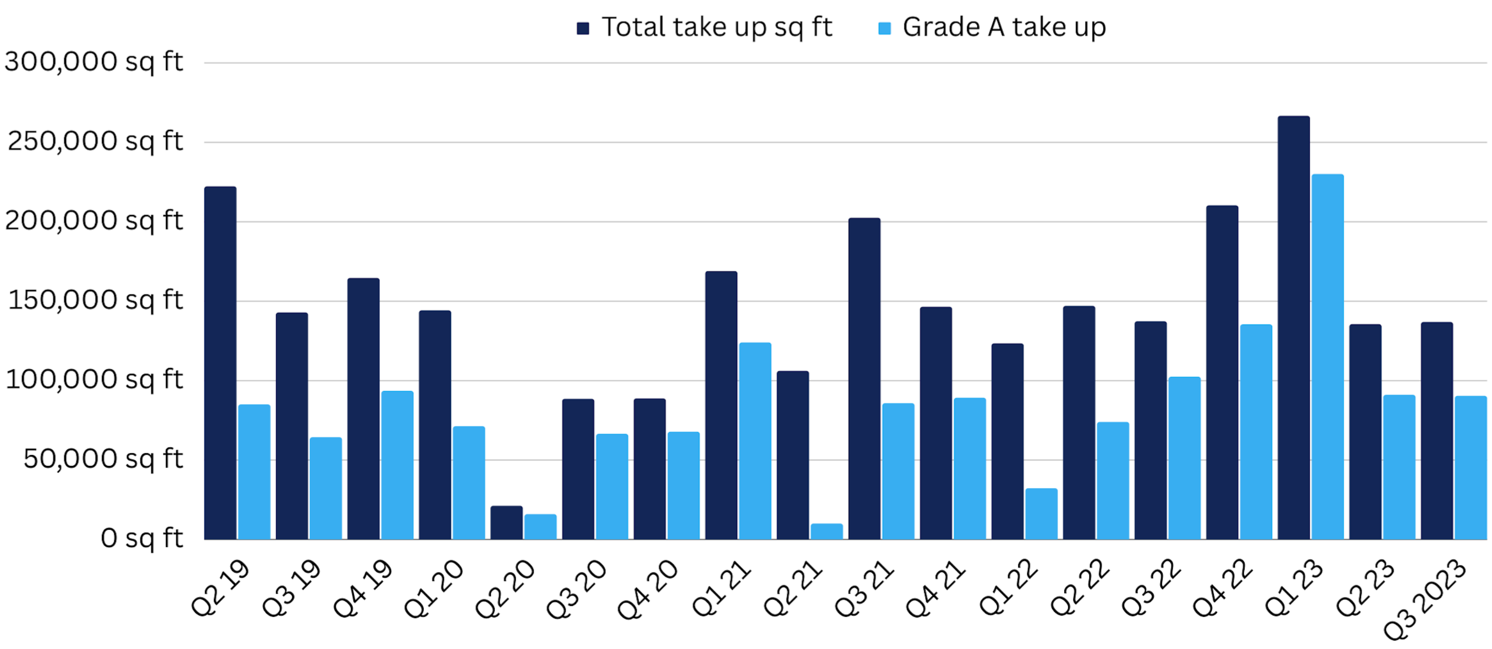

PHOTO: 6TH FLOOR, TOWN CENTRE HOUSE, LS2
SW LEASING AGENT

KEY DATA

Q3 2023

Take Up

749,510 SQ FT

Leeds City Centre
Rolling 12 months

246,385 SQ FT

Leeds Out of Town
Rolling 12 months

461,000 SQ FT

Grade A Supply

£37.00 PSF

Prime Rents
Leeds City Centre

£25.00 PSF

Prime Rents
Leeds Out of Town

84%

Deals <5,000 sq ft

DEMAND

Total office take up for the third quarter of 2023 reached 209,746 sq ft with another good quarters activity in the city centre where 136,915 sq ft was transacted in 31 deals.

After three quarters, year-to-date take up stands at 539,189 sq ft in the City centre and 185,754 sq ft Out of Town with the city centre figure approx. a third higher than this stage last year.

The largest city centre transaction in the third quarter was the letting to Irwin Mitchell of 27,470 sq ft at 4 Wellington Place (SW acted for the Lessor) and in the same building RELX took 12,334 sq ft. Other notable city centre deals centred on the professional services sector and included JLL pre-letting 12,219 sq ft at 12 Wellington Place, Azets signing for 11,618 sq ft at 12 King Street and Leigh Day committing to 10,158 sq ft at 1 City Square.

Out of Town a good quarters activity saw 38 deals totalling 72,831 sq ft transact in Q3. The largest letting was at Thorpe Park (J46 M1) where Leeds Tech firm Big Change signed for 12,391 sq ft at Paradigm, 3175.

The market continues to see a good level of active requirements with demand from a broad range of occupiers in the professional services, public, TMT and flex/serviced sectors. Occupiers are focused on the best quality, most sustainable and most conveniently located space and the market remains robust for this product. Demand for Grade B stock and / or offices in off-pitch locations is nowhere near as strong.

SUPPLY

City centre Grade A supply currently stands at approx. 461,000 sq ft with approx. 353,000 sq ft of this total under construction and due to PC within the next 3 to 6 months. The largest single concentration of space is at Aire Park on the former Tetley Brewery site where c. 211,000 sq ft across two buildings is under development and due to complete Q1 2024.

RENTS

Prime rents are now firmly established at £37.00psf and with centre Grade A availability being relatively limited, especially for larger occupiers, the market will hit £38.00psf by the end of the year.

Outlook

Grade A rents will increase as demand for the best space continues and from a national perspective, there does appear to be further headroom for growth as Leeds remains at a discount to other major cities. We expect £38.00psf to be confirmed by the end of 2023.

There are a number of significant and as yet unsatisfied requirements which are scheduled to commit by the end of the year and we expect annual take up for the year to exceed the 5 year average in both the city centre and out of town markets.

PHOTO: 26/27 PARK SQUARE SOLD BY SW

Sanderson Weatherall

Richard Dunn | Partner
richard.dunn@sw.co.uk
07801 767859

6th Floor, Central Square
29 Wellington Street, Leeds, LS1 4DL

sw.co.uk