

42020



Sanderson  
Weatherall

# LEEDS OFFICE MARKET UPDATE

PHOTO: 4 WELLINGTON PLACE, LEEDS  
LETTING TO ALLIANZ

WP

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FALL

# Q2 2024 IN BRIEF

**99,348 SQ FT**

Leeds City Centre Take Up

(Q2 2023: 135,560 sq ft)

**46,752 SQ FT**

Leeds Out of Town Take Up

(Q2 2023: 52,605 sq ft)

**23 DEALS**

Leeds City Centre

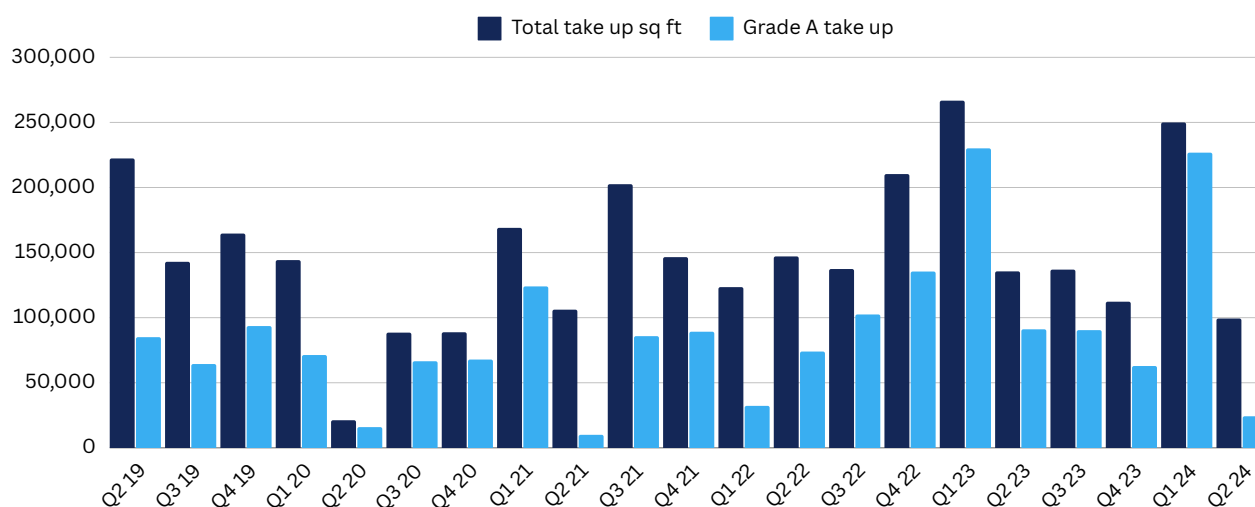
(Q2 2023: 29 deals)

## KEY TRANSACTIONS

| Occupier                           | Size (Sq Ft) | Property                         |
|------------------------------------|--------------|----------------------------------|
| Leeds Teaching Hospitals NHS Trust | 43,731       | Joseph's Well, LS3               |
| Impex Parts                        | 7,106        | Victoria Foundry, Holbeck, LS11  |
| Allianz                            | 6,770        | 4 Wellington Place, LS1*         |
| Future Forwarding Company          | 6,105        | U7 Turnberry Business Park, LS27 |

\*deal involving SW

## FIVE YEAR LEEDS CITY CENTRE TAKE UP



## KEY DATA

**598,519 sq ft**

Leeds City Centre  
Take-up  
Rolling 12 months

**232,502 sq ft**

Leeds Out of Town  
Take-up  
Rolling 12 months

**£38.00 psf**  
city centre

**£25.00 psf**  
out of town

**PRIME RENTS**

**472,000 sq ft**

Grade A Supply

**78%**

of all deals  
<5,000 sq ft

### Demand

Total office take up for the 2nd quarter of 2024 reached 146,100 sq ft. In the city centre, a total of 99,348 sq ft was transacted across 23 deals. The major city centre letting in Q2 was to Leeds Teaching Hospitals NHS Trust who took 43,731 sq ft of offices at Joseph's Well, making it the biggest deal in the first half of the year. Total H1 take up in Leeds city centre was 349,332 sq ft across 53 deals with an average deal size of 6,591 sq ft and 8 transactions in excess of 10,000 sq ft. This represents a 13% reduction on H1 2023 where city centre activity totalled 402,274 sq ft. It was however, broadly in line with the 5 year average.

Demand for city centre space was driven by sectors such as banking, professional services & the public sector.

The out of town market was quieter with 46,752 sq ft of space taken which was an uptick on the preceding quarter. The half year position totalled 86,292 sq ft, an approx. 29% decrease compared to H1 last year. The largest Q2 out of town deal saw logistics company Future Forwarding take 6,105 sq ft at Turnberry Park.

Occupier demand continues to be largely focussed on Grade A space delivering the highest quality and most sustainable environment. The sustainability credentials of buildings are being interrogated by occupiers who are increasingly focussed on electric-only options. Staff wellbeing remains at the forefront of relocating businesses thinking and best-in-class building amenities are a must-have as opposed to a nice-to-have feature.

## Supply

The current supply of Grade A space amounts to approx. 472,638 sq ft. Whilst there is no space currently under construction, there are numerous options in the supply pipeline. In the meantime, the primary location for new-build, Grade A space is Aire Park, the redevelopment of the former Tetley Brewery on Leeds' Southbank. This major new mixed development with public green space currently offers approx. 63,000 sq ft and 147,000 sq ft respectively in two distinct buildings, 1&3 South Brook Street. These have recently reached practical completion and have some lettings in legals.

## Rents

Prime rents are established at £38 per sq ft, although there is at least one letting under offer at £39.00 per sq ft in the city centre. With quoting rents for new build, Grade A space now £40 per sq ft and with few options available for larger occupiers, we expect prime rents to rise further by the end of the year.

Meanwhile, the best out of town rents remain at £25 per sq ft.

## Outlook

H1 2024 activity was behind the equivalent period last year. However, there were eight deals in excess of 10,000 sq ft, up from six in the equivalent period in 2023 which demonstrates the underlining confidence and appetite from businesses to take new accommodation.

There remains relatively limited options/choice of Grade A supply for occupiers in both the city centre and out of town markets. Hence, the recent practical completion of 1 & 3 South Brook Street and City Square House (in total c 231,000 sq ft of available Grade A space) leaves these developments well placed for letting success.

### Contact

**Richard Dunn, head of agency**

[richard.dunn@sw.co.uk](mailto:richard.dunn@sw.co.uk)

07801 767859

6th Floor, Central Square  
29 Wellington Street, Leeds, LS1 4DL  
[sw.co.uk](http://sw.co.uk)



**LIVINGSTONE HOUSE, LEEDS DOCK**  
**SW JOINT SELLING AGENT**