

Q3 2024



Sanderson
Weatherall

LEEDS OFFICE MARKET UPDATE

PHOTO: CITY SQUARE HOUSE
NEW PRIME RENT

Q3 2024 IN BRIEF

146,372 SQ FT

Leeds City Centre Take Up

(Q3 2023: 136,915 sq ft)

112,893 SQ FT

Leeds Out of Town Take Up

(Q3 2023: 72,831 sq ft)

33 DEALS

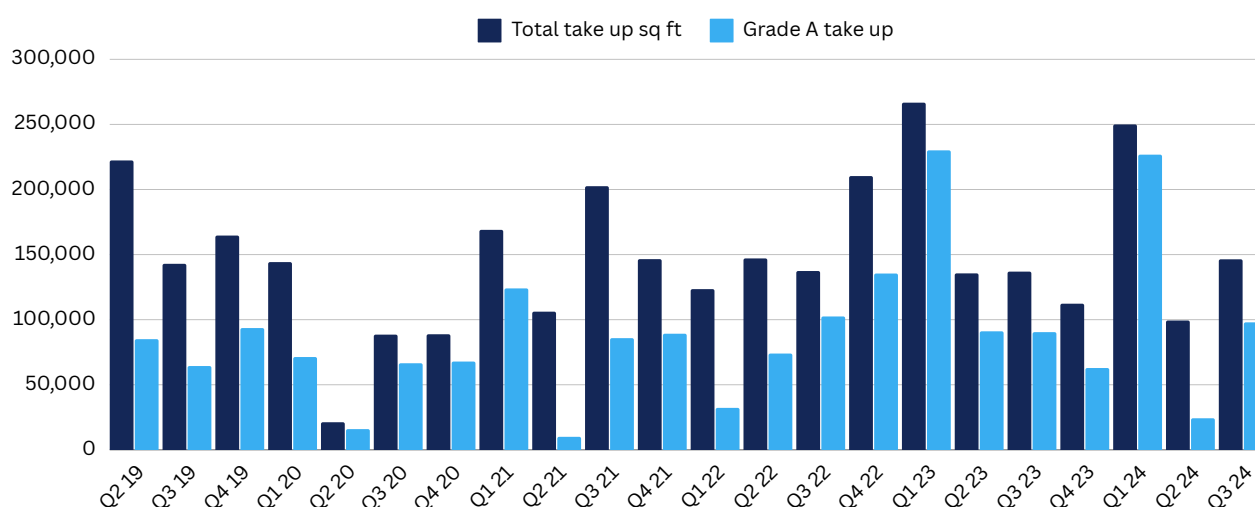
Leeds City Centre

(Q3 2023: 31 deals)

KEY TRANSACTIONS

Occupier	Size (Sq Ft)	Property
NG Bailey	25,230	ABC Building, White Rose Park, LS11.
University of Law	15,241	Yorkshire House, LS1
Wizu	13,860	One The Embankment, LS1
Elizabeth School	13,730	Regent House, LS1
Persimmon	13,134	9 Temple Point, LS15
Bluesmith Info. Systems	11,105	South Central, Millshaw, LS11

FIVE YEAR LEEDS CITY CENTRE TAKE UP



KEY DATA

607,976 sq ft

Leeds City Centre
Take-up
Rolling 12 months

272,564 sq ft

Leeds Out of Town
Take-up
Rolling 12 months

£39.00 psf
city centre

£25.00 psf
out of town

PRIME RENTS

459,000 sq ft

Grade A Supply

58%

of all deals
<5,000 sq ft

Demand

Total office take up for quarter totalled 259,265 sq ft which was 77% up on the preceding quarters activity.

In the city centre, a total of 146,372 sq ft was transacted across 33 deals and this was a 7% improvement on the equivalent period last year and 47% higher than the previous 3 months of 2024.

YTD city centre activity stands at 495,704 sq ft which means the market is poised to complete the year at or above the long term average in terms of take-up.

There were 8 transactions around or above 10,000 sq ft with the largest seeing the University of Law expanding to take 15,241 sq ft at a second city centre site and local flex operator Wizu taking nearly 14,000 sq ft at One The Embankment. Demand came from a broad range of sectors including Tech, Professional services, Education and Transport

The out of town market saw a welcome uptick in activity as 112,893 sq ft was taken in 22 deals. This was the best quarterly figure posted since Q1 2021 and was some 55% higher than the equivalent period last year.

There were four transactions in excess of 10,000 sq ft with the largest being the pre-let to NG Bailey of 25,230 sq ft at White Rose Park. The other significant lettings were to Persimmon (13,134 sq ft) at 9 Temple Point, to Bluesmith Information Systems (11,105 sq ft) at South Central, flex operator 2 Work at The Plateworks (10,026 sq ft) and Shark Ninja taking 9,530 sq ft at 3150 Thorpe Park. These lettings were all for Grade A space and the majority of OOT transactions were at the principal business parks with great amenity offerings to complement good motorway connectivity.

At White Rose Park, Munroe K are undertaking a major refurbishment and improvement scheme at the ABC building which has resulted in three deals being signed at the property this year. The arrival next year of the new White Rose railway station will give the Park a significant USP over its principal competitors.

Supply

The current supply of city centre Grade A accommodation stands at approx. 459,000 sq ft, with approx. half of this availability at Aire Park albeit there are a number of deals under offer that should complete in the next 3 months. Aire Park is the only city centre scheme that can accommodate large office requirements with occupation needed in the near future.

Out of town, the total supply of good quality & Grade A space at the principal business parks stands at approx. 332,000 sq ft.

Rents

The recent letting to a Tech occupier at City Square House established a new prime rent for Leeds at £39.00psf.

With quoting rents now north of £40psf on the best space and little choice for occupiers requiring occupation in the near future we expect prime rents to breach the £40psf barrier relatively soon.

Outlook

With no new speculative developments on site, larger office occupiers are currently faced with little choice beyond Aire Park in the city centre to house their requirements. Therefore, pre-lets will be necessary for those Tenants demanding the best space in other locations and this in turn will drive further rental growth to ensure the viability of new developments.

Tenant demand for Grade A space remains robust and we expect the year end take up figures to be in line with the long term average.

There has been a significant uptick in activity in the out of town market in the past quarter and we expect strong demand for high-quality office space at this principal business parks to continue as new accommodation is brought to market by opportunistic Landlords.

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