

4
2
2
4
Q



Sanderson
Weatherall

LEEDS OFFICE MARKET UPDATE

PHOTO: 4 WELLINGTON PLACE
NOW LET. SW JOINT LEASING AGENT



A LOOK BACK AT 2024

**653,410
SQ FT**



Leeds City Centre
Take Up

113 DEALS



Leeds City Centre

**282,745
SQ FT**

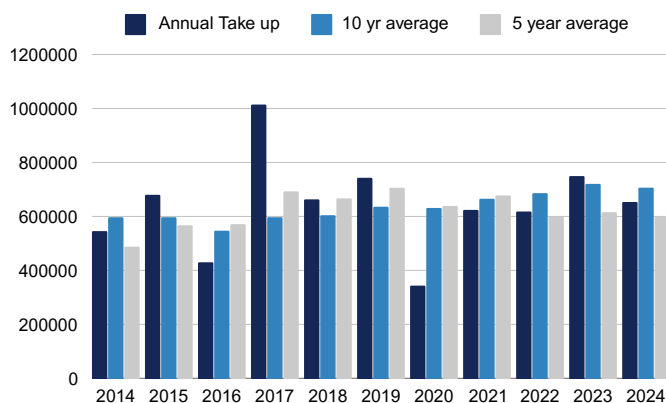


Leeds Out of Town
Take Up

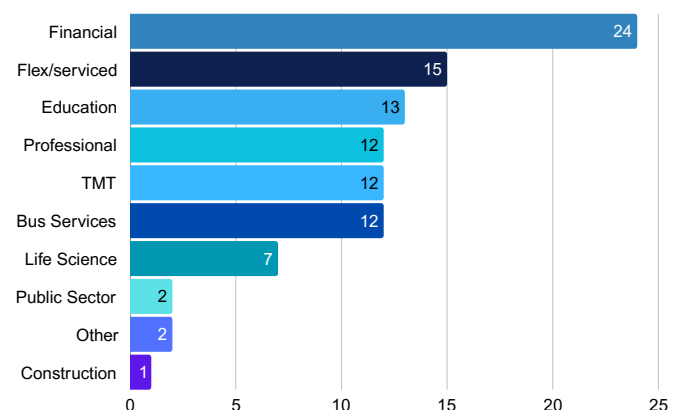
KEY TRANSACTIONS

Occupier	Size (Sq Ft)	Grade	Property
Leeds Teaching Hospitals NHS Trust	43,731	B	Joseph's Well, LS3
QBE Management Services	37,865	A	West Village, LS1
UK Infrastructure Bank	28,729	A	Whitehall Quay, LS1.
EY	25,303	A	12 Wellington Place, LS1
NG Bailey	25,230	A	White Rose Park, LS11.

LEEDS CITY CENTRE ANNUAL TAKE UP (SQ FT)



TAKE UP BY SECTOR (%)



Q4 2024 SNAPSHOT

157,706 SQ FT

Leeds City Centre Take Up
(Q4 2023: 112,272 sq ft)

83,560 SQ FT

Leeds Out of Town Take Up
(Q4 2023: 73,379 sq ft)

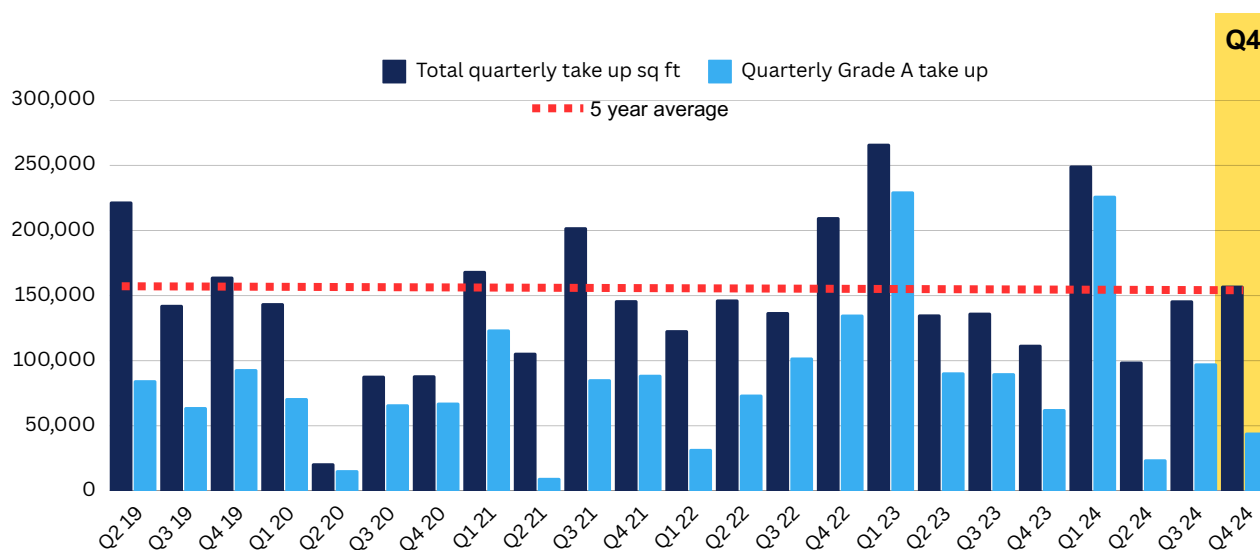
27 DEALS

Leeds City Centre
(Q4 2023: 32 deals)

KEY TRANSACTIONS

Occupier	Size (Sq Ft)	Grade	Property
X & Y	33,990	A	Bridgewater Place, LS11
Evoke Studios	27,772	A	West Village, LS1
Victoria College of Arts & Design	26,960	B	One Leeds City Office Park, LS11
Sec of State	10,556	B	Yorkshire House, LS1
SSE Services	10,748	B	3200 Century Way, Thorpe Park, LS15

FIVE YEAR LEEDS CITY CENTRE TAKE UP



Q4 2024

KEY DATA

653,410
sq ft

Leeds City Centre
Take-up
Rolling 12 months

282,745
sq ft

Leeds Out of Town
Take-up
Rolling 12 months

£42.50 psf
city centre

£25.00 psf
out of town

PRIME RENTS

479,000
sq ft

Grade A Supply

63%

of all deals
<5,000 sq ft

Demand

The Leeds office market demonstrated resilience in 2024 as it recorded 929,470 sq ft of transactions for the year, representing a 2% increase compared to 2023. The largest of the 113 city centre deals signed in 2024 was to the Leeds NHS Teaching Hospitals Trust, who took 43,731 sq ft at Joseph's Well.

The final year-end take-up total for the city centre was 653,410 sq ft, 13.67% higher than the five-year average.

In the last three months of the year (Q4 2024), Leeds city centre office take-up reached 157,706 sq ft across 27 deals, 40% higher than the same period in 2023. Among the key city centre transactions, x+y's commitment to 33,990 sq ft at Bridgewater Place for their first Leeds flex space offering, was the largest. Another notable letting was Evoke Studios, who took 27,772 sq ft at West Village.

Demand for city centre space in the final three months of the year was driven by the health, professional services and flex space sectors.

Occupiers continue to focus on Grade A space when considering a move and securing the highest quality, most sustainable and accessible working environment. The sustainability credentials of buildings are being interrogated by businesses who are actively pursuing electric-only options. We also note the continuing trend for occupiers to place greater emphasis on the amenities & services provided by their office buildings and which can support staff wellbeing. This "flight-to-quality" is underpinned by the need to bring workers back into the office and retain and attract the best talent.

The out of town market delivered a healthy performance in Q4 2024, with take up reaching 83,560 sq ft in 27 deals. This was a 14% increase on the equivalent period last year. The largest deal out of town in the final quarter saw SSE Services agree to take 10,748 sq ft at 3200 Century Way, Thorpe Park.

Supply

The current supply of Grade A office space in Leeds city centre amounts to approximately 479,000 sq ft or roughly 9 months take up. Of this total, c 380,000 sq ft is built and ready to occupy.

The primary location for new Grade A space is Aire Park on Leeds' South Bank which is the development of the former Tetley Brewery site by Vastint. The first two office buildings, 1 & 3 South Brook Street completed late last year and total 63,000 sq ft and 147,000 sq ft respectively.

Aire Park announced it's first letting in December, with Devonshires solicitors taking approx. 7,000 sq ft at 3 South Brook Street and there are a handful of other lettings in these buildings scheduled to be announced in the next 3-4 months.

Phase two at Aire Park is now under construction and comprises another 70,000 sq ft. However, between 45 – 55,000 sq ft of this building is rumoured to be under offer to Eversheds.

There is very little Grade A standing stock remaining in the traditional core/CBD and West End of the city and there is only one building in this area capable of satisfying a 25,000 sq ft requirement. Future new-build supply here is proposed at Wellington Place, Whitehall Riverside and Whitehall Plaza albeit no speculative development is planned and the viability challenges of regional office development mean that no new office buildings are expected in these locations without a significant pre-let(s). At Wellington Place, building no 2 is now vacant and is to be substantially refurbished. MEPC are in discussions with a couple of major occupiers with a view to commencing work once a major pre-commitment is secured. This is scheduled to be the next building available at Wellington Place and where a typical floor is between 15,000 and 17,500 sq ft.

The other source of Grade A space in the last 24 months has been "Tenant-release / Grey" space as in the post pandemic period, corporate occupiers seek to offload surplus space. Examples of this being Flutter at 4 Wellington Place who have released (and let) c. 45,000 sq ft to occupiers including Irwin Mitchell and Allianz and DLA Piper who have put c. 20,000 sq ft of space on the market (out of c. 85,000 sq ft) at City Square House.

At the current time there is relatively little, Tenant-release space of any quality available.

GLOBE POINT, LS11 NEW PRIME RENT



This lack of city centre, Grade A space is providing an opportunity for the principal business parks serving the city. White Rose Park for instance has newly refurbished accommodation being delivered in the ABC Building and One Station Plaza offering Grade A space capable of satisfying requirements up to 54,000 sq ft. With a wealth of amenities and a dedicated railway station opening later this year providing direct links to Leeds city centre and Manchester, the park offers an accessible alternative to the city centre for occupiers.

Rent

A new high of £42.50 psf was recorded in Q4 of 2024 albeit on a small, sub-2,500 sq ft, suite at Globe Point in Holbeck. Otherwise, there are a small number of larger lettings in legals at the moment and at rents of £40.00 per sq ft and above.

Due to supply constraints, a lack of choice for larger (say 20,000 sq ft plus) requirements and good levels of occupier demand we forecast prime rents to be in the mid-high £40's by the close of 2025.

Headline rents for really good quality refurbished space currently sit in the mid to late £30's which we forecast to increase during the course of the year.

Outlook

The availability of new or significantly refurbished office space in the city centre is unlikely to improve before 2026/7. Therefore, organisations with substantial space requirements and seeking Grade A accommodation should be proactive to secure their desired locations or explore pre-let options to ensure their future relocation needs are met.

Prime rents are forecasted to rise further from the current peak of £42.50 per sq ft by the end of 2025.

We forecast that the lack of Grade A choice in the city centre combined with rising rents will result in some larger occupiers, especially in the contact centre sector, relocating to the principal business parks in the out of town market.

Contact

Richard Dunn, Head of Agency

richard.dunn@sw.co.uk
07801 767859

Jay Dhesi, Senior Surveyor

jay.dhesi@sw.co.uk
07518 290500

Richard Thornton, Consultant

richard.thornton@sw.co.uk
07761 038922

6th Floor, Central Square
29 Wellington Street, Leeds, LS1 4DL
sw.co.uk



AIRE PARK, LS11

SW
Sanderson
Weatherall