



Sanderson
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LEEDS OFFICE MARKET UPDATE

Q1 2025

A decorative graphic in the bottom right corner consisting of two concentric, thick blue curved lines that sweep upwards and to the right, resembling a stylized 'C' or a partial arc.



Q1 2025 IN BRIEF

LEEDS CITY CENTRE

241,282 SQ FT TAKE UP
(Q1 2024: 249,984 sq ft)

25 DEALS
(Q1 2024: 30 deals)

LEEDS OUT OF TOWN

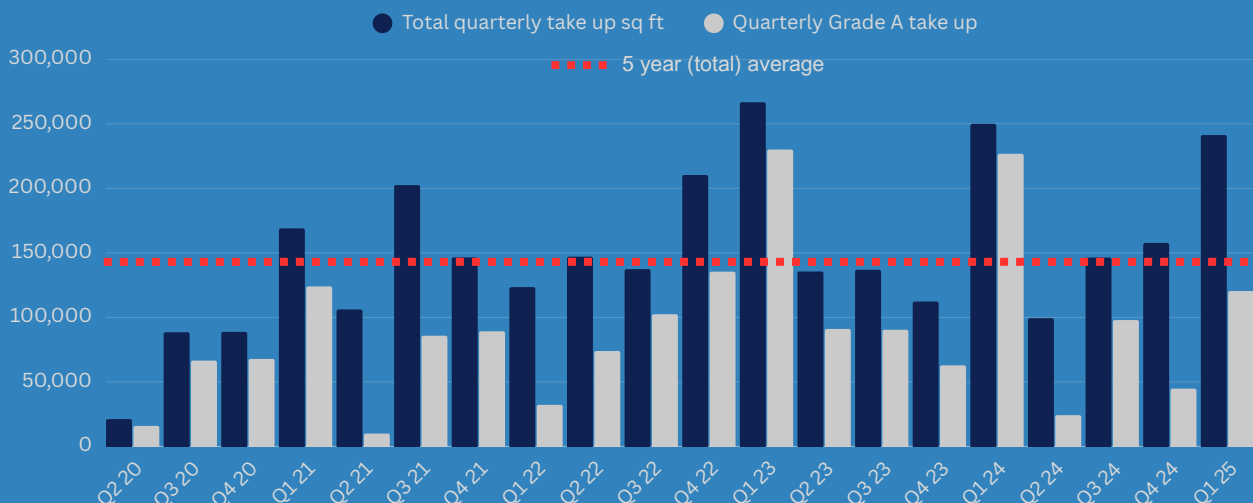
94,861 SQ FT TAKE UP
(Q1 2024: 39,540 sq ft)

27 DEALS
(Q1 2024: 14 deals)

Key Transactions

OCCUPIER	SQ FT	PROPERTY	TENURE
Network Rail	108,576 sq ft	Princes Exchange, LS1	Purchase
Interactive Investor	23,270 sq ft	3 South Brook St, Aire Park, LS10	Lease
TPT Recruitment Solutions	23,261 sq ft	3 South Brook St, Aire Park, LS10	Lease
2 Work	19,513 sq ft	ABC Building @ White Rose Park, LS11	Lease
Study Group	19,143 sq ft	8 Park Row, LS1	Lease
ICMP Management	16,598 sq ft	Switch, The Electric Press, LS1	Lease

Five Year Leeds City Centre Take Up



Q1 2025

KEY DATA

644,708 sq ft

Leeds City Centre
Take-up
Rolling 12 months

338,066 sq ft

Leeds Out of Town
Take-up
Rolling 12 months

£42.50 psf

city centre

£25.00 psf

out of town

PRIME RENTS

406,000 sq ft

Leeds City Centre

247,000 sq ft

Leeds Out of Town

GRADE A SUPPLY

68%

of all deals
<5,000 sq ft



It was a solid start to 2025 for Leeds office market across city centre and suburbs

Take up figures collated by Sanderson Weatherall / The Leeds Office Agents Forum showed a strong and steady start to the year for the city's office market. A total of 241,282 sq ft of city centre office space was transacted in the first three months of 2025 – on a par with the bumper 249,984 sq ft recorded during the same period in 2024.

Between January and March, 25 city centre office deals completed with the largest transaction being the 108,576 sq ft sale of Princes Exchange, which Network Rail purchased, in part for its own occupation. Princes Exchange stands in a prominent position adjacent to Leeds railway station.

Other significant city centre deals included two at 3 South Bank Street at Aire Park where 23,270 sq ft was let to Interactive Investor and TPT Retirement Solutions signed up to 23,261 sq ft.

This first quarter included a number of notable lettings including the two which concluded at Aire Park, as this new commercial district begins to firmly establish itself in the city centre.

Prime Grade A office rents continued to edge upwards and given a shortage of supply in the short term, further evidence of lettings at rents in the early £40's per sq ft is likely as the year progresses.

Leeds' out-of-town market also performed strongly, with 94,861 sq ft of take-up recorded across 26 deals - representing a 140% increase on Q1 2024. The out-of-town market built on last year's momentum and a move towards premium office space is underlined by the largest letting in the suburbs this quarter - 2 Work's commitment to 19,513 sq ft at White Rose Park. The second largest letting saw Trimble UK secure 13,617 sq ft at Trimble House on Gelderd Road.

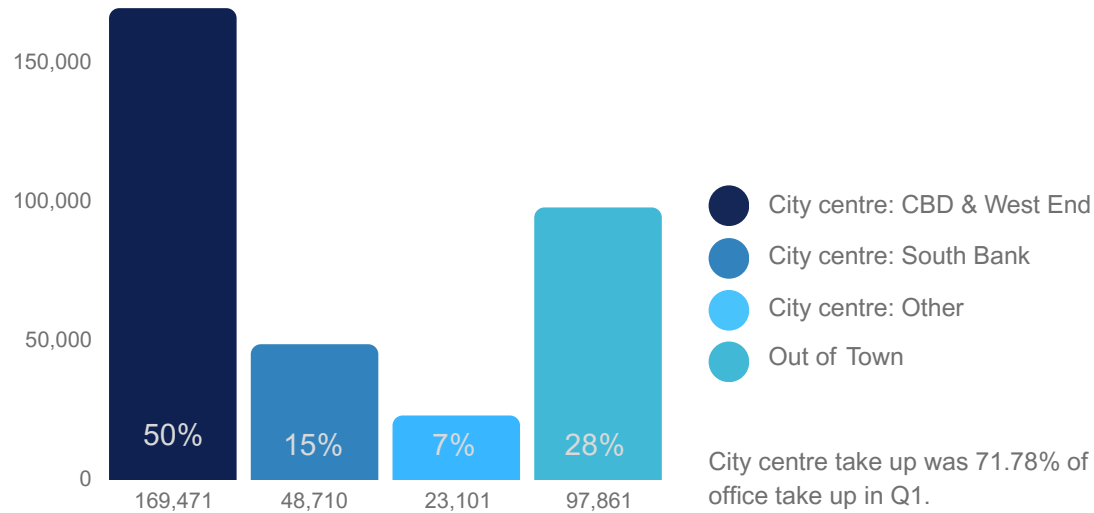
Given the upward pressure on rentals in the city centre and reducing office supply it is possible that further city centre occupiers might look to the best out-of-town locations to satisfy future requirements."

Jay Dhesi, SW



Take up by Location

200,000

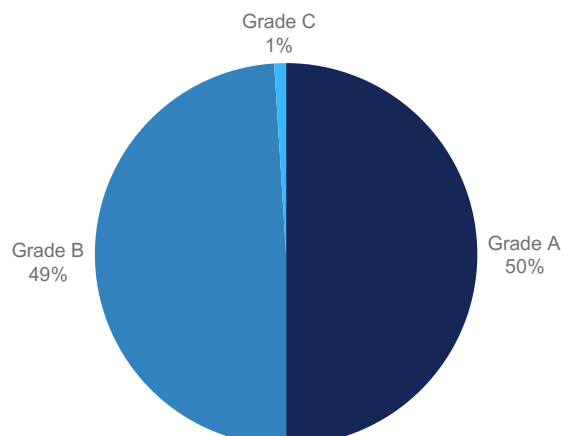


City centre take up was 71.78% of total Leeds office take up in Q1.

Take up by Occupier



Take up by Grade



A total of 336,143 sq ft of office space was transacted in the Leeds market during the first quarter of 2025.

In the city centre, the first three months of the year saw 25 transactions complete, totalling 241,282 sq ft. This reflected an average deal size of 9,651 sq ft and an 83,576 sq ft increase in space taken compared to the final quarter of 2024. The total level of space transacted was broadly in line with the equivalent quarter last year and there were five deals in excess of 10,000 sq ft including the sale of Princes Exchange which was by far the largest transaction of the period and therefore skewed the Grade B take up total.

As mentioned above, the largest deal of the quarter saw Network Rail purchase Princes Exchange, a landmark building in the CBD adjacent to Leeds railway station, in part for its own occupation. The other notable transactions were the lettings to

Interactive Investor and TPT Retirement solutions at 3 South Brook Street, Aire Park, the letting to Study Group of 8 Park Row and the deal which saw The Institute of Contemporary Music Performance take Switch at the Electric Press just off Millenium Square in the Civic Quarter.

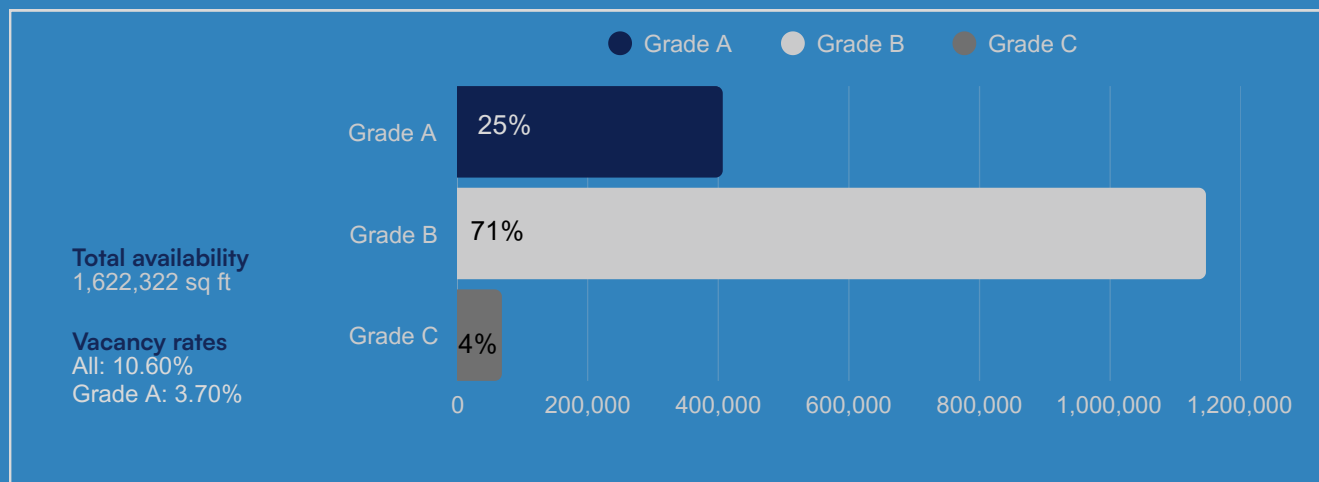
Demand for city centre workspace came from a range of sectors including Transportation, Financial services and Education. There remains a clear leaning towards Grade A space and there is a healthy pipeline of demand with 17 live requirements each in excess of 10,000 sq ft and totalling circa 340,000 sq ft.

Out of town, the market saw robust levels of activity with 27 transactions totalling 94,861 sq ft and as per the city centre a move towards premium quality space. The largest letting saw flex office provider 2-Work sign for 19,513 sq ft at White Rose Park with Trimble UK taking 13,617 sq ft at Gelderd Road the other notable transaction.



Q1 2025

Supply



Grade A supply currently stands at approx. 406,000 sq ft with no new starts on site during Q1. The primary location for Grade A availability is Leeds' South Bank and with Aire Park dominating the availability.

Grade A City Centre Availability	ADDRESS	AVAILABILITY SQ FT	COMMENTS
	1 South Brook Street, Aire Park, LS10	63,367	Fully vacant
	3 South Brook Street, Aire Park, LS10	93,807	Lettings to Devonshires, Interactive Investor and TPT
	MU4, Aire Park, LS10	75,000	c.55,000 sq ft of this total under offer
	3 Victoria Place, LS11	29,000	PC May 2025
	Globe Point, LS11	10,591	Lettings including to Gowling
	City Square House, LS1	21,472	DLA Piper are anchor letting
Grade A Out of Town Availability	ADDRESS	AVAILABILITY SQ FT	COMMENTS
	White Rose Park	118,000 sq ft	Major occupiers include Capita, DAZN & NG Bailey
	Leeds Valley Park	71,000 sq ft	
	South Central	49,000 sq ft	Occupiers include Bluesmith

There is also assorted availability at Thorpe Park which is spread over a number of suites/buildings.

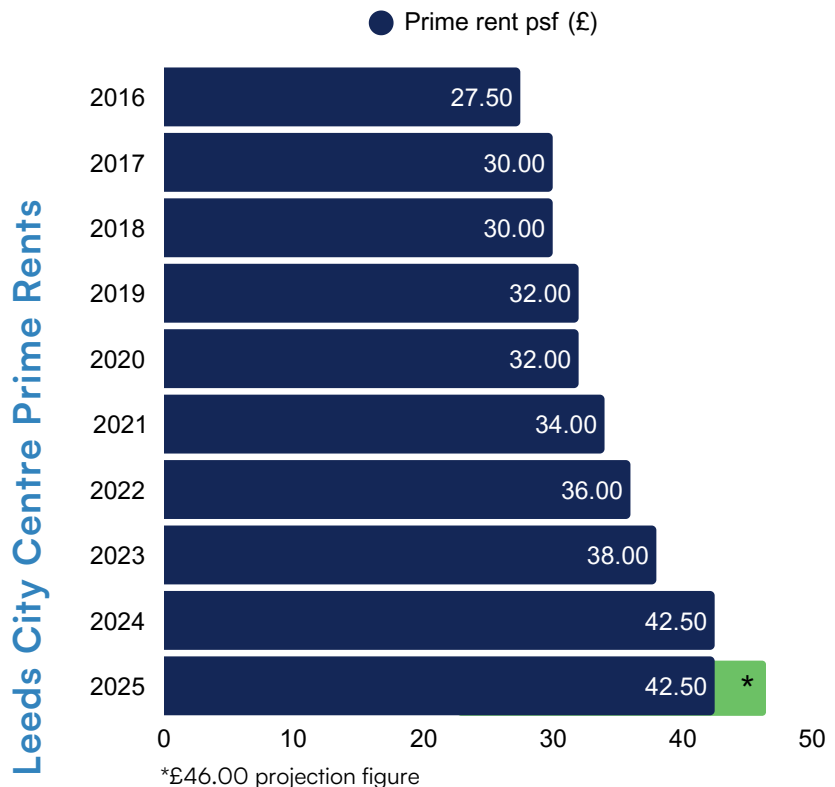
Out of town, Grade A supply stands at approx. 250,000 sq ft which accounts for approx. 30% of all available space. Grade A supply is predominantly concentrated at Leeds Valley Park, South Central and White Rose Park with the latter two seeing recent lettings to Bluesmith (South Central) and NG Bailey and 2-Work (White Rose Park)

Q1 2025

Rents

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

Despite rising prime rents, the viability of new office development remains challenging although the signs are that investor sentiment is improving. As a result, alternative use will continue to account for much of the activity involving Grade B/C buildings especially in fringe office locations.

Occupier preference for Grade A space will drive prime rent growth as the year progresses as supply steadily dwindles.

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