

NEWCASTLE OFFICE

MARKET UPDATE

2025

Overview

Newcastle's office market delivered an annual combined take up of 800,106 sq ft across both City Centre and Out of Town office stock. In total there were 160 deals transacted in 2025 with city centre occupation out performing the out of town market for the first time. This could be due to the continued push towards higher quality office stock with ESG credential pressure on larger businesses, although it should be noted that the DWP transaction of 173,245 sq ft does somewhat contort the true picture of the market.

The market has seen a large push towards best of class accommodation, with both large and small businesses tending to conclude Grade A office transactions which is against the trend of the pre-covid market in the North East. Where tenants used to be extremely cost sensitive, it now seems that employers are fully aware that in order to attract good quality staff into the workplace, you must provide high quality office accommodation to aid staff wellbeing. This has seen an explosion of new Grade A serviced office schemes across the city which the majority are sitting at close to full occupancy on transactions of sub 2,000 sq ft.

CITY CENTRE
440,132 SQ FT

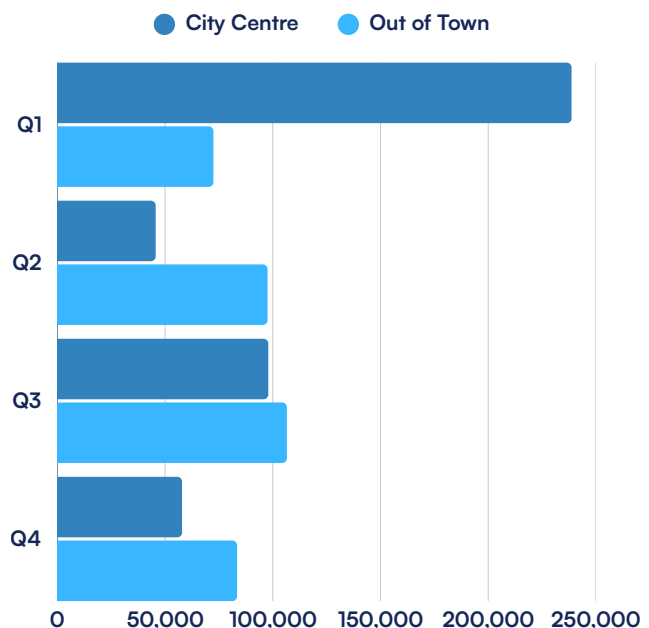
OUT OF TOWN
359,974 SQ FT

160
DEALS

Break Down by Quarter

CITY CENTRE
440,132 SQ FT

OUT OF TOWN
359,974 SQ FT



Key Transactions

OCCUPIER	SQ FT	PROPERTY
DWP	173,245	No.1 Pilgrim Place
Natara Global	13,200	Spectrum Business Park
Atom Bank	32,491	The Pattern Shop, Founders Place
UKMC	46,439	No.1 Grayling Court, Doxford International Business Park*
GPA	35,836	Bank House, Pilgrim Place
UKMC	40,624	Solar House, Doxford International Business Park*
Hubexo	14,000	One Trinity Gardens, Pandon
Cleva UK	11,090	Q4 Quorum Business Park*

*Deal involving Sanderson Weatherall

Key Data

800,106 sq ft
Transacted within 2025

21%
of all deals
< 5,000 sq ft

173,245 sq ft
Largest City Centre deal
to DWP

£32.00 psf
city centre

£16.95 psf
out of town

PRIME RENTS

Take Up by Location

OUT OF TOWN
359,974 SQ FT

CITY CENTRE
440,132 SQ FT

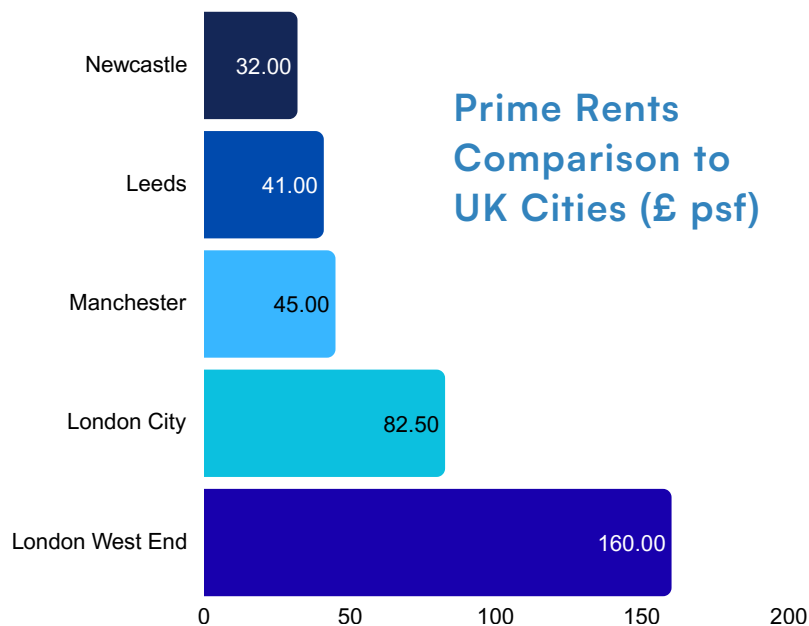


Although Newcastle City Centre accounts for the majority of office space leased, the most transactions occurred in properties out of the city centre. In the final two quarters of the year there were 24 transactions in the city centre compared to 59 in out of town locations suggesting that out of town locations remain popular for small businesses given the ease of transport.

Rents

Headline rents have remained at £32 per sq ft in Grade A city centre stock suggesting continued strong demand for quality accommodation. The lack of forthcoming supply has also seen an increase in quoting rents to £35 per sq ft on the best of class, albeit nothing has been yet transacted at this level.

Out of town headline rents remain at £16.95 per sq ft on Grade A stock at Cobalt and Quorum Business Parks. This remains an opportunistic market with many Grade A buildings on various business parks continuing to transact at figures between £8-14 per sq ft.



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