



Sanderson
Weatherall

Leeds City Office Park

Three Leeds City Office Park
SW Leasing Agent

Q4 2021

Leeds office market update

— A look back at 2021

624,192 sq ft

Leeds City Centre take-up

102

Leeds City Centre deals

474,484 sq ft

Leeds Out of Town take-up

Key Transactions

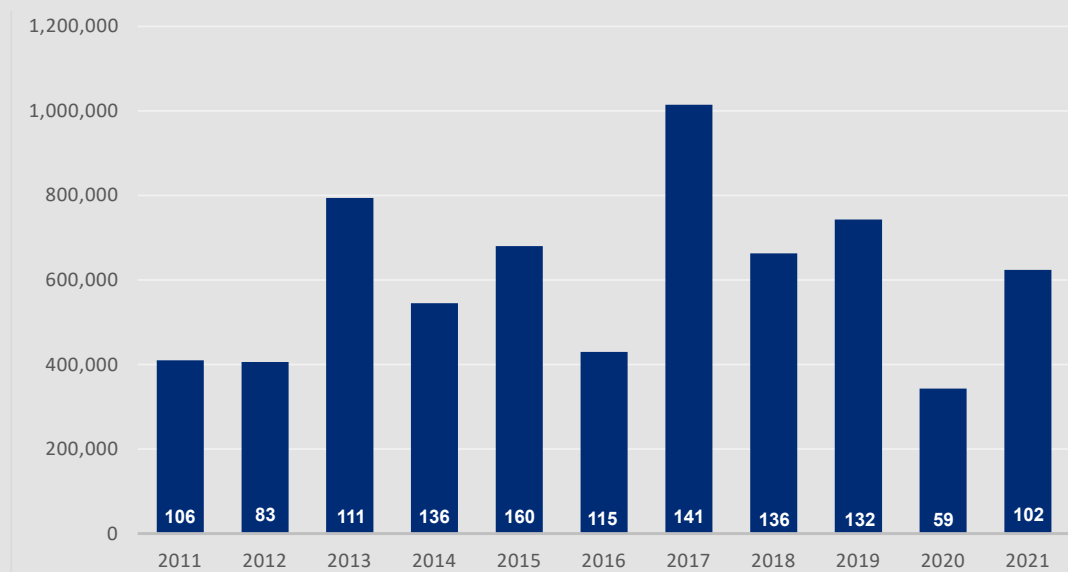
Lowell: 133, 118 sq ft at B3 Thorpe Park, LS15

DLA Piper: 83,132 sq ft at City Square House, LS1

Labcorp: 68,345 sq ft at Drapers Yard, LS11

Global Banking School: 41,097 sq ft at St George House, LS1

DWP: 21,207 sq ft at 123 Albion Street, LS2



Leeds City Centre ten year deals & take-up

— Q4 2021 Snap Shot

146,503 sq ft

Leeds City Centre take-up
(Q4 2020: 88,793 sq ft)

56,336 sq ft

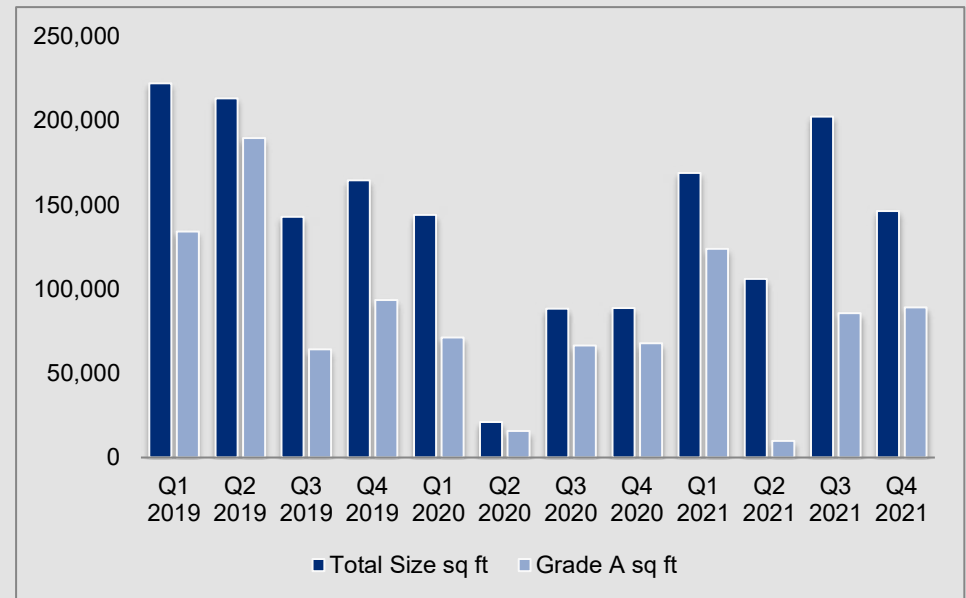
Leeds Out of Town take-up
(Q4 2020: 59,925 sq ft)

33

Leeds City Centre deals
(Q4 2020: 14)

Key Transactions

Occupier	Size (sq ft)	Property (Landlord)
Cubo	19,821	6 Wellington Place
WSP	19,417	3 Wellington Place
Conduent	19,184	1 Leeds City Office Park
NHS Shared Bus. Services	12,415	1 Munroe Court, White Rose Park



Leeds City Centre take-up

Key Data Q4 2021

624,192 sq ft

Leeds City Centre Take-Up
(rolling 12 months basis)

£34.00 psf

Prime City Centre Rents

£24.75 psf

Prime Out of Town Rents

884,000 sq ft

Grade A supply
(657,000 of this total is under
construction)

474,484 sq ft

Leeds Out of Town Office Take-Up
(rolling 12 months basis)

67%

of all deals < 5,000 sq ft

5.25%

Prime Yields

Demand

Office take up in Leeds totalled 202,839 sq ft in Q4.

In Leeds city centre, 146,503 sq ft of office space was taken across 33 deals. There were three principal lettings in the quarter, each of almost 20,000 sq ft of Grade A space. MEPC's Wellington Place's scheme completed two of these deals, with independent serviced & co-working office operator Cubo Work taking the 3rd floor comprising 19,821 sq ft of ex Sky Bet space in 6 Wellington Place. In the other letting, engineering & professional services consultant WSP signed up for a floor of ex HMRC space in 3 Wellington Place totalling 19,417 sq ft. The final deal of this trio saw Conduent, a business services provider, become the first occupier in the refurbished 1 Leeds City Office Park where they signed for a floor of 19,174 sq ft.

Total city centre take up in 2021 was 624,192 sq ft which was an increase of 286,746 sq ft on 2020.

In the Out of Town market, the year ended on a modest quarter with a total 56,336 sq ft of space taken in 21 deals. The significant deal of Q4 saw NHS Business Services sign up for 12,415 sq ft at 1 Munroe Court at White Rose Park. However, the year-end position for the Out of Town Market was extremely positive with 2021 take up being 175% higher than in the preceding year.



Letting to Cubo Work
6 Wellington Place, Leeds
Photo credit: Bevan Cockerill Photography

Q4 2021



Roundhouse Business Park
SW Leasing Agents

Supply

There is an acute lack of new-build Grade A office accommodation in the Out of Town market.

In the city centre there is approx. 226,000 sq ft of standing Grade A stock albeit none of this space is new-build and which equates to roughly nine months recent Grade A take-up.

There is however a good pipeline of new space coming through with approximately 657,000 sq ft of currently un-let Grade A space under construction. The majority of this will be available for occupation between Q2 2022 and Q4 2023.

Rents

Both the city centre and out of town markets posted strong transaction levels in 2021 and this occupier confidence, combined with relatively limited levels of city centre supply means that we are inevitably starting to see upward pressure on rents for the best office space. There does appear to be more headroom in the market given that office rents in Leeds continue to compare favourably to its regional peers, with Bristol and Edinburgh achieving or getting close to the £40 per sq ft mark. We therefore expect 2022 to herald an increase in prime rents from their current level of £34.00 per sq ft.

Outlook

Despite lockdowns and the pandemic continuing to impact decision making from some businesses, encouragingly every single quarter in 2021 was materially more active than 2020 with occupiers seeking better quality space where they could.

With the easing in restrictions related to Covid and a sustained return to the office we expect more activity from corporate occupiers who will feel able to make decisions on their future accommodation needs with more confidence. We expect that such occupiers may well take less space going forward to accommodate a degree of hybrid-working but also that the trend of “trading up” the quality of their space will continue.

With the focus on flexible working, employee wellbeing and a move towards Carbon zero and sustainability, we expect businesses to continue to use their workplaces as a tool with which to help attract and retain the best staff and as such demand for the best located office space, both in and out-of-town will continue to drive the Grade A market.

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