

EDINBURGH OFFICE  
MARKET SNAPSHOT

H1 2025

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# H1 MARKET OVERVIEW

The Edinburgh office market showed resilience in H1 2025, driven by an uplift in take-up relative to the same period in 2024. However, occupier demand has been fluctuating, reflecting economic headwinds and cyclical lease event pressures, with many five-year lease breaks now due following short-term extensions agreed during 2020.

City centre take-up reached 198,271 sq. ft, a 22% increase on the 162,570 sq. ft recorded in H1 2024, and 14% above the five-year average. Across the wider Edinburgh market, take-up totalled 256,677 sq. ft in H1 2025, a 17% increase on the 219,136 sq. ft recorded in the same period last year.

On the supply side, prime Grade A availability in the city centre currently stands at 182,720 sq. ft, down 31% from 264,572 sq. ft in the same period last year, while total availability across the wider Edinburgh market reached 202,799 sq. ft. With no office schemes currently under construction in the city centre, prime Grade A availability is poised to tighten further.

Against this backdrop, a new headline rent in the high £40s was achieved in H1 2025, up from £45.00 per sq. ft in H1 2024. Headline rents continue to move in the right direction to unlock much-needed development stock.

Looking ahead, the ongoing imbalance between demand and supply is expected to continue to drive rental growth, despite sluggish economic conditions. Occupationally, we anticipate increased leasing activity in H2 2025, with a strong start seeing 139,800 sq. ft of new requirements since the beginning of July. Landlords and developers who are pragmatic with deal structures and are well-informed about current market dynamics are well-positioned to capitalise on the forward momentum in the market.



95 deals in total

## TAKE UP:

City centre total: 198,271 sq ft

Whole of Edinburgh (including city centre) total: 256,677 sq ft



## EXISTING, PRIME GRADE A SUPPLY:

- City centre total: 182,720 sq ft
- Whole of Edinburgh (including city centre) total: 202,799 sq ft

AVERAGE DEAL SIZE: 3,109 sq ft

£48.00 psf



New Grade A headline rent achieved

LARGEST LETTING DEAL BY SQ FT:

BUILDING: Waverley Gate

OCCUPIER: Wood Mackenzie

SIZE: 29,690 sq ft

# { MARKET INSIGHTS }



This Summer was possibly the longest & slowest for the Edinburgh market, and our sector wasn't immune. The good news, however, is that we're witnessing a marked uptick since the end of August, and there is some cause for optimism for Q4. The outlook for 2026 is quite mixed amongst our peers, but our house view is that there remains a strong desire by corporate businesses for a flight to quality for their staff, and Edinburgh remains at the 'top table' as a regional favourite.

Occupiers with lease events from now until 2030 simply have to break cover now, and they must seek advice from a firm like CuthbertWhite on what is (or isn't!) in the supply pipeline. The lead in time for quality refurbishments and indeed new builds is substantial. We also predict in 2026 that the public and educational sectors will push on with a rationalisation of their extensive estates, bringing some exciting opportunities for others to the fray. Finally, our fingers are crossed that the Scottish Election in May 2026 will bring in some change and reform as well. The business community is increasingly frustrated on many levels.



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Whilst the economy remains challenging, Edinburgh's office market continues to evolve – here are some of the current trends:

1. The amenity arms race remains real, even exacerbated by hybrid working – the workforce has higher expectations with gyms, cafes, restaurants, sandwich shops etc. all required on the doorstep;
2. City-centre landlords are in a strong position but need to keep their product "match fit" to attract and retain occupiers – there's more competition than you think;
3. Over-accreditation is an issue – Trumpism and a harder focus upon costs have seen a more practical approach to specification;
4. The gulf between the private and public sectors has never been wider, particularly with regard to WFH;
5. Rents will continue to rise for prime, Grade A city-centre offices but with tighter margins, we expect edge-of-town locations to draw more demand



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# { MARKET INSIGHTS }



It is good to see more demand in the office investment sector with the purchase of Quatermile One, Edinburgh happening off market. BauMont Real Estate Capital Limited and KZN Real Estate have acquired this landmark office to re-position through continued refurbishment. There is another large office re-position play currently under offer and a further proposed transaction at the prime end brewing.

We continue to debate what prime office yields are and there is evidence to suggest we are slightly keener than 7%. With continued rental growth and some evidence of sales it is good that office re-positioning pricing is closing in on underlying residual values created by hotel use.



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The Edinburgh office market is commonly summarised as facing a supply/demand imbalance. This is broadly correct, but the dynamics vary by size range: smaller offices of 500-4,000 sq. ft. behave differently compared with larger 4-5,000 sq. ft.+ spaces, where the imbalance is far more pronounced.

Supply at the smaller end of the market has remained steady and is by no means acute. Despite a slowdown in new requirements over the past six months, it continues to be the most active segment for transactions. As a result, competing stock is likely for landlords, making the presentation of both common areas and office suites critical to securing interest. While the term “hotelification” may be overused, its underlying point is valid - refurbished, well-managed buildings continue to perform strongly in the current market.

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# CITY CENTRE PIPELINE

## DEVELOPMENTS / REFURBISHMENTS YET TO COMMENCE - TIMING TBC:

Exchange Place 1  
(110k sq ft)



AT STAGE 4 DESIGN.  
PC DATE TBC

New Yards  
(185k sq ft)



NEW BUILD - SITE NOW  
CLEARED. SEEKING PRE-LETS

Rosebery House  
(158k sq ft)



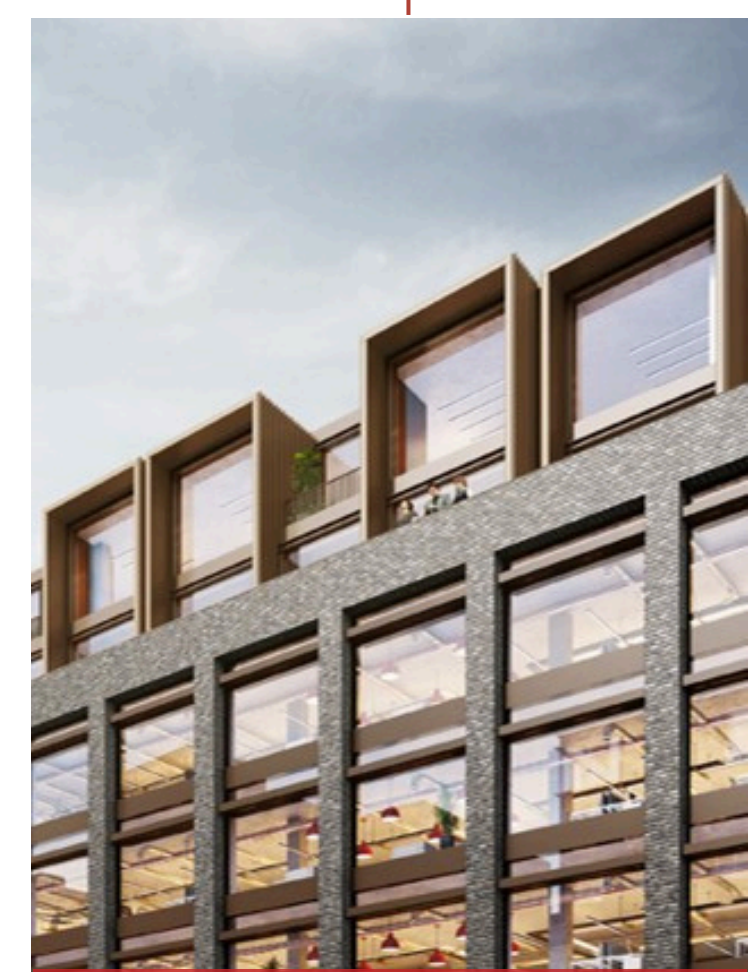
NEW BUILD - SITE NOW  
CLEARED. SEEKING PRE-LETS

Calton Square  
(200k sq ft)



REFURBISHMENT TO  
COMMENCE 2026

India Quay,  
Fountainbridge  
(120k sq ft)



NEW BUILD.  
SEEKING PRE-LETS



# PROPERTY SPOTLIGHT

## 📍 QUARTERMILE TWO

This Foster + Partners HQ building in the heart of Quatermile, directly adjacent to The Edinburgh Futures Institute, has just been comprehensively refurbished on an all electric basis with significantly upgraded reception and best-in-class new wellness facilities at Ground Floor level.

With the Ground Floor offices under offer and 37,000 sq ft now available over Third, Fourth, Fifth and Sixth Floors (the latter with a spectacular 2,500 sq ft 3-sided roof terrace), Quatermile Two is well positioned to benefit from increased demand from professional services and tech businesses in particular, employing 35 people plus and seeking a highly contemporary office in a world class mixed-use location.

 [quatermiletwo.co.uk](https://quatermiletwo.co.uk)