

EDINBURGH OFFICE
MARKET SNAPSHOT

Q2 2023

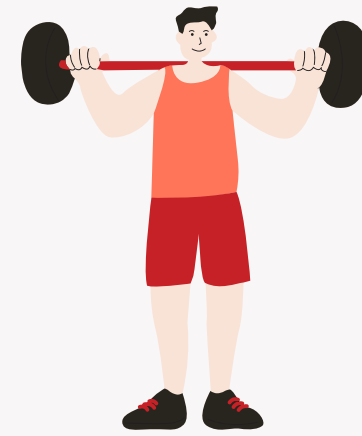


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Q2 MARKET OVERVIEW

The lack of speculative Edinburgh product is well documented and whilst strong rental growth is rife across the core city centre market, it is undermined by continued challenges in the debt and construction markets, together with a lack of investor sentiment.

Whilst take-up is below the 10 year average and the public sector continue to dodge their offices – undermining the cities they purport to serve – office occupancy levels are on the rise and those that do invest be they an investor/ developer or occupier, will reap the reward.



TAKE UP:

City centre total: 148,132 sq ft

Whole of Edinburgh (including city centre) total: 174,458 sq ft

↑ **£43.00** Grade A headline rent

EXISTING, PRIME GRADE A SUPPLY:

City centre total: 151,952 sq ft

Whole of Edinburgh (including city centre) total: 256,726 sq ft



SECTORS

The most active occupier sectors in Q2 are tech, financial services and serviced offices.



LARGEST TRANSACTION:

Building: No.2 Freer Street
Occupier: Analog Devices
Size: 28,086 sq ft



AVERAGE DEAL SIZE:

3,355 sq ft

52 Deals in total

MARKET INSIGHTS



"Occupiers are desperate for quality space but will not move if it's not a step up. Landlord's cannot be complacent – they need to invest in their spaces and provide a much more 'hands on' asset management service."

Chris Cuthbert
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"Whilst total take-up is down, how much of this is attributed to weakened demand or limited supply is a moot point. What is very clear however is that an acute shortage of prime supply – either new or refurbished – is driving the sharpest rise in rental growth ever seen across the city centre with further rental growth expected."

Nick White
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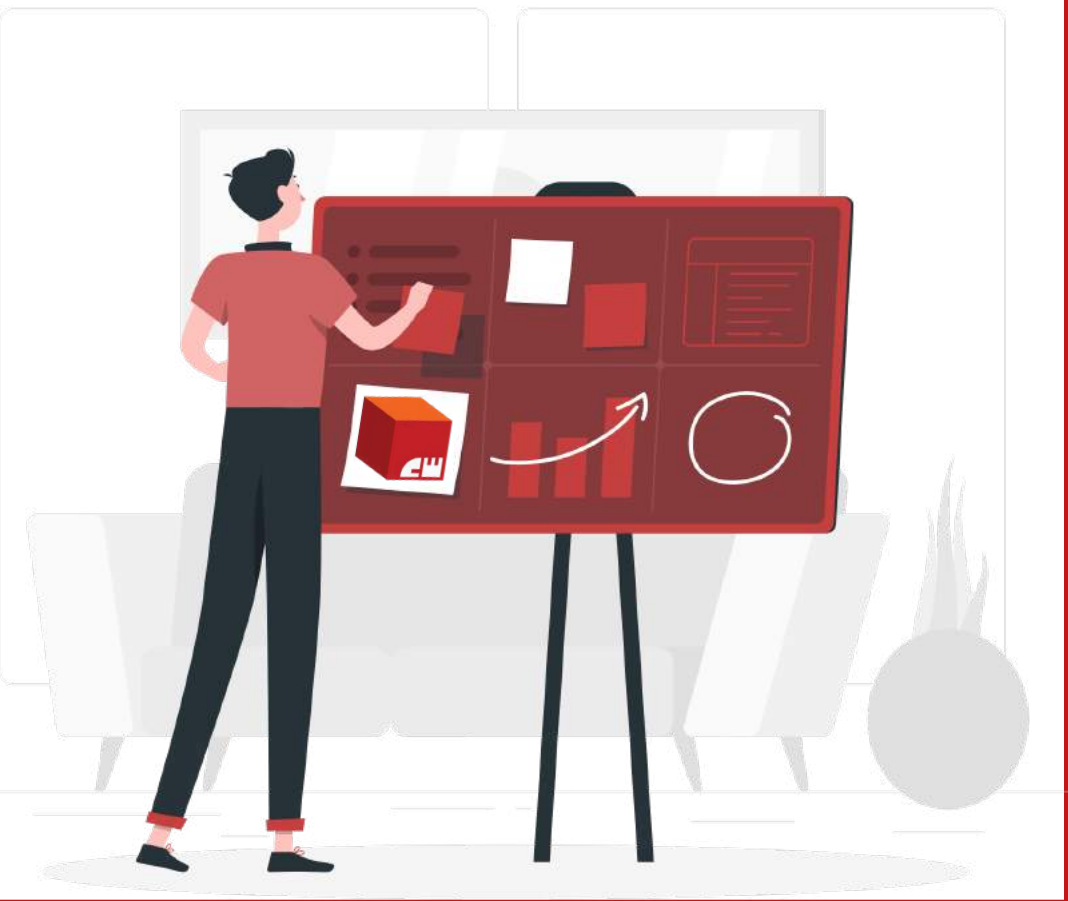
"Increased and unpredictable debt and refurbishment costs are causing investors to shy away from considering comprehensive "grey to green" office refurbishments. In Edinburgh city centre, where we have continued demand/supply imbalances, those that do will be rewarded with strong returns."

Stephen Kay
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"Devolved powers over non-domestic rates relief for vacant premises means there is a real threat Edinburgh will mimic Aberdeen's abolition of zero business rates for listed properties from April next year. Smart owners of vacant listed buildings will invest into their assets now to maximise lettable and minimise additional costs."

James Metcalfe
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PIPELINE

[PROJECTS ON-SITE]

[PROJECTS YET TO COMMENCE - TIMING TBC]

New Clarendon
(35k sq ft)

30 Semple Street
(57k sq ft)

24-25 St Andrew Square
(48k sq ft)

Edinburgh One
(85k sq ft)

28 St Andrew Square
(60k sq ft)

The Network
(82k sq ft)

1-5 Rutland Court
(39k sq ft)

9-10 St Andrew Square
(53k sq ft)

Calton Square
(160k sq ft)

Elgin House
(183k sq ft)

Rosebery House
(158k sq ft)

India Quay
(150k sq ft)

