

# Inform

## Office Agency

Whitehall Plaza, Leeds  
Agent – Sanderson Weatherall

# Leeds Office Market Review of 2011

## Demand and Take Up

Take-Up in the Leeds Office Market rebounded in 2011 posting a 115,000 sq ft (40%) improvement on the preceding year.

Q4 City Centre Take-Up was 87,050 sq ft (Q4 2010: 80,792 sq ft) which was lower than anticipated as some 50,000 sq ft of anticipated transactions failed to complete by the year end including 17,000 sq ft to Dickinson Dees at No. 1 Whitehall Riverside. Grade A space accounted for approximately 60% of all accommodation taken.

Out of Town Take-Up in Q4 was a healthy 110,667 sq ft (Q4 2010: 53,326 sq ft) and the year overall was 11% up on 2010 albeit subdued versus historic levels.

There are a greater number of “mid sized” office requirements in the market and increasingly requirements of all sizes are Agent led as occupiers take specialist advice.

## Key Office Transactions 2011

Date	Occupier	Area sq ft	Address
Q1	Brown Butler	10,114	Leigh House
	Optimum 1	8,299	West One
Q2	Asda	38,039	The Mint
	Clarion	15,000	Elizabeth House
	Redmayne Bentley	13,930	9 Bond Court
Q3	Yorkshire Housing	26,485	Dyson's Chambers
	Ingeus	12,000	The Gateway
Q4	Towry Law	10,994	Toronto Square
	BskyB	10,235	2 Wellington Place



EG Award Winners  
for the seventh consecutive year

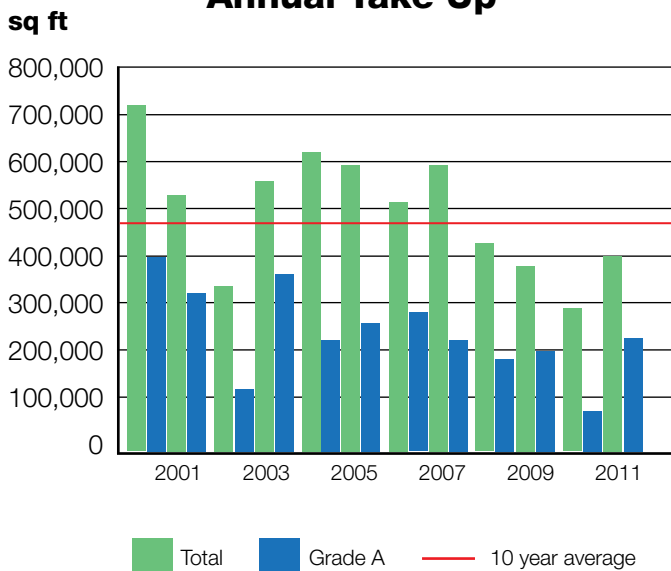




## Supply

In the City Centre levels of Grade A stock in prime areas continue to dwindle. With only roughly 550,000 sq ft remaining, developers with prime sites are gearing up to seize the opportunity this presents. For instance, a joint venture between Gregory Property Group and Marshall Construction has recently obtained detailed planning consent for Wellington Plaza a mixed hotel and office scheme on Whitehall Road. A pre-let of the 130 bed hotel element has been secured and 50,000 sq ft of Grade A offices are planned.

## Leeds City Centre Offices Annual Take Up



## Rents

Prime City Centre rents stand at £25 psf albeit incentives remain generous and the vast majority of transactions take place at more modest levels. For instance, less than 30% of the 24 deals done in Q4 were at headline rents of £20 and above.

Headline rents and incentives remain very building, lease length and tenant convent specific.

## Investment Comment

The regional and national investment markets remain stable although the weight of interest continues to

## 2011 Snap Shot

- **City Centre Take Up:** 398,159 sq ft (Average: 486,000 sq ft)
- **Out of Town Take Up:** 280,754 sq ft (Average: 365,000 sq ft)
- **Grade A supply:** c. 27 months average take up
- **Prime Rents:** £25 psf
- **Transaction Size:** 85% of deals <5,000 sq ft

be London focussed. Looking back on 2011 market monitor property data, reports total investment in the office sector of c. £15.38bn. Although offices remain the largest real estate investment sub-sector, activity by value of transactions is down 11.8% nationally emphasising the impact of the current economic climate. Locally investment transactions in Q4 2011 were few and far between largely attributable to a lack of available stock.

Looking forward to 2012 investor confidence in the region, and Leeds in particular, remains strong with several leading institutional investors having active requirements for Grade A or Sustainable buildings. The dearth of new construction in recent years will limit the availability of new "institutional grade" investments supplied to the market which in turn will have a positive bearing on existing prime stock.

## 2011 Summary

The prospects for Q1 2012 are quite encouraging, given the deals carried over from Q4 2011 to add to a number of scheduled transactions.

Beyond the first quarter, another tough year seems likely as the effects of the Government's Austerity Measures and general economic gloom at home and in the Euro zone continue. On the plus side, there is a relatively low level of available Grade A space in prime areas and a raft of lease events between 2013 and 2017, affecting major Leeds occupiers. Whilst some may well re-gear and remain insitu, it is anticipated that a significant proportion will move to either co-locate multi site operations or due to factors such as location, obsolescence and floor plate considerations with their existing premises.

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