



ABERDEEN OFFICE MARKET Q3 2019

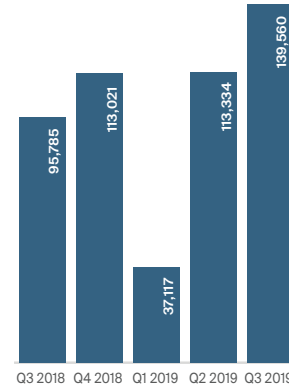


OCCUPIER HEADLINES

- Take up for Q3 2019 increased by 23% from Q2 reaching 139,560 sq ft. Total take-up for 2019 totalled 290,011 sq ft, 5% more when compared to the same period in 2018.
- The largest deal saw Oceaneering commit to a 51,356 sq ft lease at Building 3, Aberdeen International Business Park. The firm will combine 7 properties into one office location with a purpose-built workshop on a neighbouring site, demonstrating its commitment to the North Sea.
- Consequently, the Energy & Utilities sector accounted for the highest level of take up, 40%.
- Grade 'A' availability continues to fall, totalling 678,933 sq ft, a 6% decrease compared to Q2 2019. City centre and out of town new build offices are seeing a healthy level of take up. The development pipeline consists of mainly proposed schemes, which will only commence once a pre-let is secured. However, it is understood a local developer is planning to build new speculative offices in Westhill, due for completion next year.

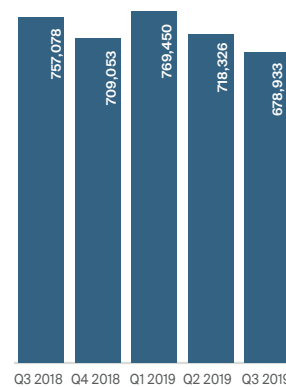
TAKE-UP (sq ft)

Q3 2019 **139,560**
Q3 2019 vs 10 year quarterly average **5%**

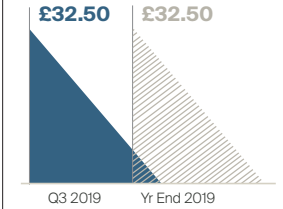


AVAILABILITY (sq ft)

Q3 2019 **678,933**
Q3 2019 vs 10 year quarterly average **110%**



PRIME RENT (£ per sq ft)



DEVELOPMENT PIPELINE (sq ft)

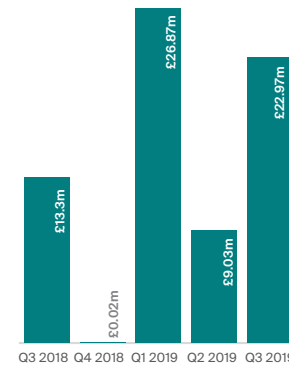


INVESTMENT HEADLINES

- Investment volumes more than doubled in Q3 2019, reaching a total of £22.97m as a result of a single transacted office deal. Investment volumes are currently at £58.85m compared to £144.50m during the same time last year. Q3 2019 is 51% above the 5-year quarterly average.
- The sale of 3, Enterprise Drive for £22.4m to Middle Eastern investor Blacksand Real Estate Investment, was the largest transaction for Q3 in Aberdeen.
- Aberdeen continues to attract overseas investors, with this buyer group accounting for 84% of investment volumes, over the last 12 months.

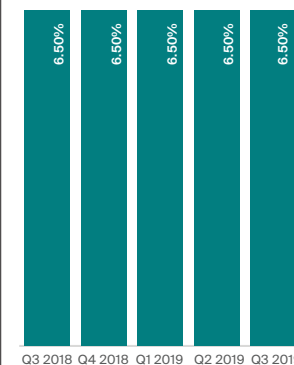
INVESTMENT VOLUMES (£)

Q3 2019 **£22.97m**
Rolling 12 Month Average **£58.85m**

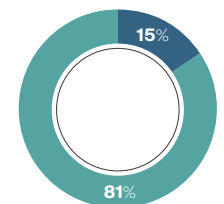


PRIME YIELD (NIY)

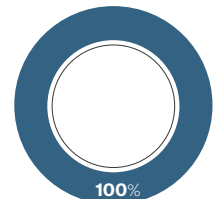
Q3 2019 **6.50%**
Forecast 2019 **6.50%**



PURCHASERS (last 12 months)



VENDORS (last 12 months)



KEY TRANSACTIONS



BUILDING 3, AIBP DYCE

TENANT: Oceaneering
TERM: 15 years
SIZE: 51,356 sq ft
PRICE: £17.00 per sq ft
DATE: Q3 2019



ONE TECH HUB, SCHOOLHILL

TENANT: ONE Codebase
TERM: N/A
SIZE: 17,100 sq ft
RENT: N/A
DATE: Q3 2019



TECHNIP FMC, BUILDING 3, ENTERPRISE DRIVE

PURCHASER: Blacksand Real Estate Investment
VENDOR: Blackrock
PURCHASE PRICE: £22.4m
YIELD: 6.70%
DATE: Q3 2019

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