



# SHEFFIELD OFFICE MARKET Q3 2019

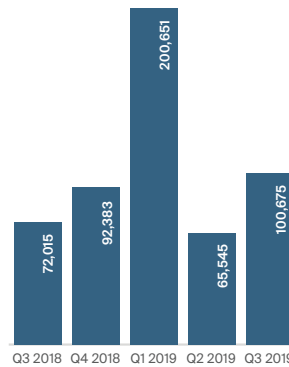


## OCCUPIER HEADLINES

- Sheffield city centre saw an uplift in take-up of 56% from the previous quarter, registering 100,675 sq ft in Q3 2019. This brings the total for 2019 YTD to 366,871 sq ft, a 35% increase when compared to the same period in 2018.
- Supporting this rise was serviced office provider Wizu who committed to 16,000 sq ft at 32, Eyre Street. The second largest deal is the 11,250 sq ft lease at Meadowhall Business Park to Tata Steel, which will accommodate 60 employees.
- The TMT sector accounted for 22% of take-up in Q3, followed by Construction & Engineering, 18%.
- Although availability increased to 95,000 sq ft, it remained 66% below the 10 year average. The refurbishment of 38, Carver Street, part of the Heart of the City II project is due to complete shortly.
- Our forecasts predict an increase in headline rents to £26.00 per sq ft in the next 12 months.

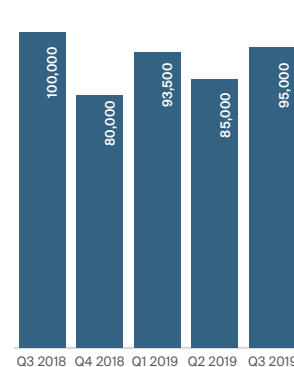
### TAKE-UP (sq ft)

Q3 2019 **100,675**  
Q3 2019 vs 10 year quarterly average **25%**

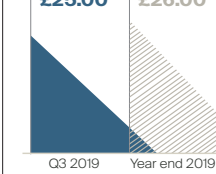


### AVAILABILITY (sq ft)

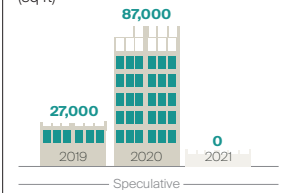
Q3 2019 **95,000**  
Q3 2019 vs 10 year quarterly average **-66%**



### PRIME RENT (£ per sq ft)



### DEVELOPMENT PIPELINE (sq ft)



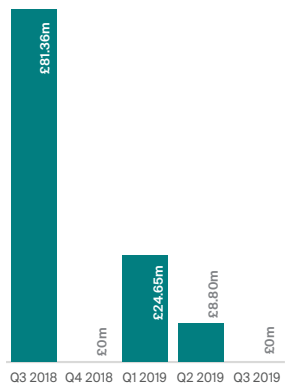
Dates indicate the potential completion date of schemes under construction as at Q3 2019. Development schemes are inclusive of both new and comprehensive refurbishment.

## INVESTMENT HEADLINES

- Investor activity in 2019 has been limited, with volumes totalling £33.45m by the close of Q3. This is 30% below the 10 year quarterly average for Q1-Q3.
- This slowdown is partially due to the lack of availability of stock in the market, given that many of the city's high profile buildings have been traded over the past 18-24 months. Uncertainty surrounding Brexit has meant that investors are taking a 'wait and see' approach before committing to any major deals.
- Domestic money accounts for the majority of investment in Sheffield city centre, 77% of over the last 12 months.

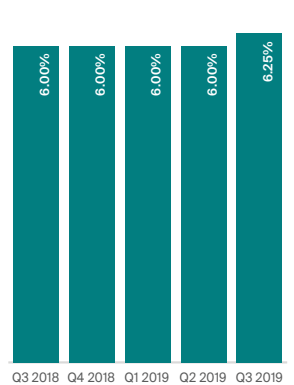
### INVESTMENT VOLUMES (£)

Q3 2019 **£0m**  
Rolling 12 Month Average **£33.45m**

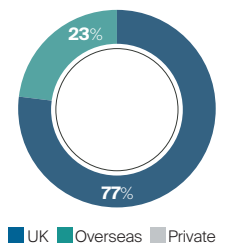


### PRIME YIELD (NIY)

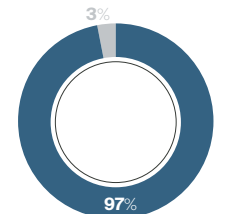
Q3 2019 **6.25%**  
Forecast 2019 **6.00%**



### PURCHASERS (last 12 months)



### VENDORS (last 12 months)



## KEY TRANSACTIONS



### 40 LITTLE LONDON ROAD

**TENANT:** SB Software Ltd  
**TERM:** 10 years  
**SIZE:** 3,563 sq ft  
**RENT:** £13.50 per sq ft  
**DATE:** Q3 2019



### 2 MEADOWHALL BUSINESS PARK

**TENANT:** Tata Steel  
**TERM:** 10 years  
**SIZE:** 11,250 sq ft  
**RENT:** £11.50 per sq ft  
**DATE:** Q3 2019

## KEY CONTACTS



### Office Head

**Peter Whiteley**

Partner

+44 114 241 3903

[peter.whiteley@knightfrank.com](mailto:peter.whiteley@knightfrank.com)



### Investment Markets

**Nick Wales**

Partner

+44 114 241 3906

[nick.wales@knightfrank.com](mailto:nick.wales@knightfrank.com)



### Occupier Markets

**Ben White**

Associate

+44 114 241 3904

[ben.white@knightfrank.com](mailto:ben.white@knightfrank.com)



### Research

**Darren Mansfield**

Partner

+44 20 7861 1246

[darren.mansfield@knightfrank.com](mailto:darren.mansfield@knightfrank.com)

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