



LEEDS OFFICE MARKET Q3 2019

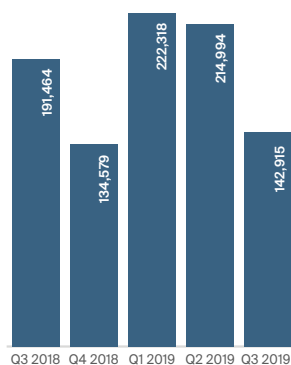


OCCUPIER HEADLINES

- Leeds city centre recorded 142,915 sq ft of take-up in Q3 2019. Although 34% lower when compared to Q2, this total is in line with the 10 year average of 140,857 sq ft. Take-up for 2019 has now reached 580,225 sq ft, 10% more when compared to the same period last year.
- The standout deal of Q3 saw BJSS lease 30,492 sq ft at 1 Whitehall Quay. Other major deals included, national TV and film operator, Versa Studios' 26,000 sq ft purchase of Kidd House and Red Kite Games' 12,496 sq ft lease at Park Row House.
- The TMT sector accounted for 50% of take-up in 2019.
- Grade A supply remains limited with a further 23% decrease, totalling 100,000 sq ft. The speculative refurbishment at 34 Boar Lane, due to complete by year-end, will provide 51,000 sq ft of office space. Occupiers seeking new grade A space will have to wait until early 2020.

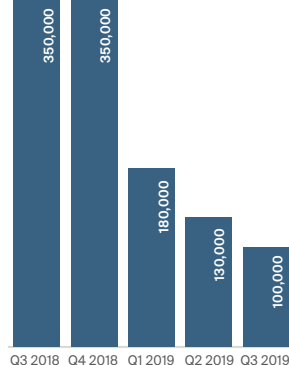
TAKE-UP* (sq ft)

| | |
|--------------------------------------|----------------|
| Q3 2019 | 142,915 |
| Q3 2019 vs 10 year quarterly average | 1% |

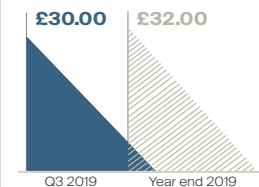


AVAILABILITY (sq ft)

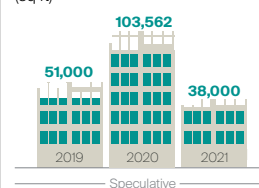
| | |
|--------------------------------------|----------------|
| Q3 2019 | 100,000 |
| Q3 2019 vs 10 year quarterly average | 131% |



PRIME RENT (£ per sq ft)



DEVELOPMENT PIPELINE (sq ft)



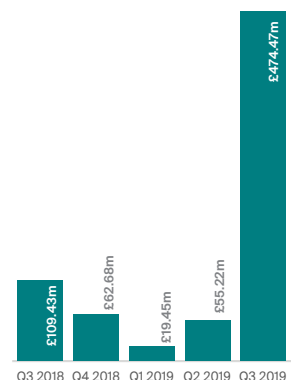
Dates indicate the potential completion date of schemes under construction as at Q3 2019. Development schemes are inclusive of both new and comprehensive refurbishment.

INVESTMENT HEADLINES

- Office investment volumes reached a record high in Q3 for Leeds city centre, totalling £474.5m. Consequently, investment for 2019 YTD totalled just over £549m, 83% above the total recorded in 2018.
- Supporting this rise was the £243m sale of Quarry House and the £211m sale of 7-8 Wellington Place to Legal & General. These represent the largest office deals to have completed across the UK regional cities in 2019.
- The aforementioned were the fourth and fifth biggest transactions, respectively, across all the regional cities, dating back to 2006. Quarry House is currently let to The Secretary of State for Housing, Communities and Local Government.
- Supported by L&G, UK money accounted for 78% of volumes.

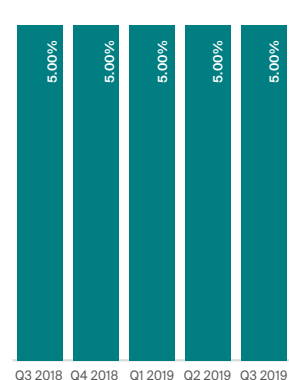
INVESTMENT VOLUMES (£)

| | |
|--------------------------|--------------|
| Q3 2019 | £474m |
| Rolling 12 Month Average | £612m |

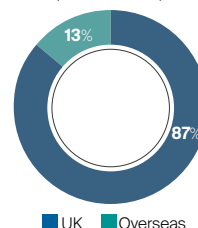


PRIME YIELD (NIY)

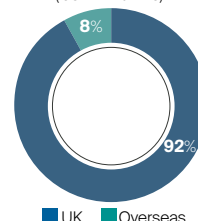
| | |
|---------------|--------------|
| Q3 2019 | 5.00% |
| Forecast 2019 | 5.00% |



PURCHASERS (last 12 months)



VENDORS (last 12 months)



KEY TRANSACTIONS



1 WHITEHALL QUAY

TENANT: BJSS
TERM: 10 years
SIZE: 30,492 sq ft
RENT: £22.50 per sq ft
DATE: Q3 2019



KIDD HOUSE, WHITEHALL RD

PURCHASER: Versa Studios
TERM: Freehold Sale
SIZE: 26,000 sq ft
PRICE: £2.65m
DATE: Q3 2019



QUARRY HOUSE, QUARRY HILL

PURCHASER: Legal & General Retire
VENDOR: R20 Ltd
PURCHASE PRICE: £243m
YIELD: Confidential
DATE: Q3 2019



7-8, WELLINGTON PLACE

PURCHASER: Legal & General Pensions
VENDOR: MEPC
PURCHASE PRICE: £211m
YIELD: Confidential
DATE: Q3 2019

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