

Our dashboards provide a concise synopsis of occupier and investor activity in the UK's regional office markets.



Edinburgh Office Market

Research, 2019 Review

knightfrank.com/research



OCCUPIER DEMAND

TAKE-UP (SQ FT)*
348,819
38% BELOW 10 YEAR AVERAGE

NUMBER OF DEALS
105

MOST ACTIVE SECTOR
37%
TMT



OCCUPIER SUPPLY

GRADE A AVAILABILITY (SQ FT)*
354,431

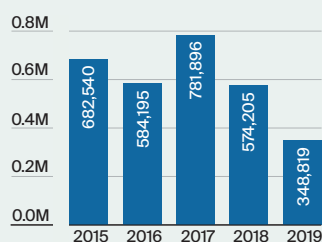
TOTAL MARKET VACANCY RATE
5.7%

UNDER CONSTRUCTION (SQ FT)
281,000
PRE-LET AND SPECULATIVE

* Denotes city centre

Take-up

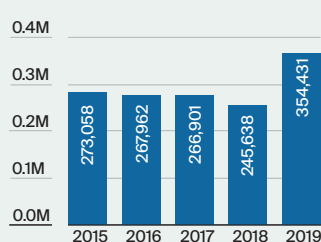
Last five years, sq ft



Source: Knight Frank Research

Grade A Availability

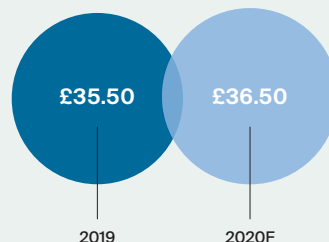
Last five years, sq ft



Source: Knight Frank Research

Prime Rent

£ per sq ft



Source: Knight Frank Research

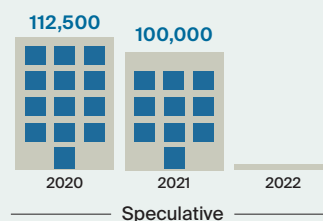
KEY TRANSACTIONS 2019

PROPERTY	OCCUPIER	SIZE (SQ FT)
George Street*	We Work	40,585
Exchange Crescent	Amazon	31,364
Apex 2,3, Haymarket Terrace	Illuminate Technologies	11,713
40 Princes Street	Multrees	10,978

* Knight Frank involvement

Development Pipeline

Schemes under construction sq ft



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

Source: Knight Frank Research



INVESTMENT VOLUMES

INVESTMENT VOLUMES (£M)

484

ABOVE 10 YEAR AVERAGE

74%

NUMBER OF DEALS

15



YIELDS

PRIME CITY CENTRE

4.75%

PRIME OOT

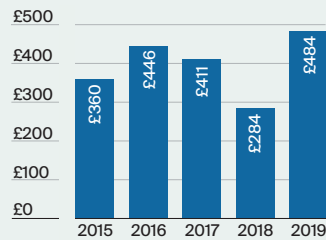
6.00%

FORECAST TOTAL RETURN 2020

7.8%

Investment Volumes

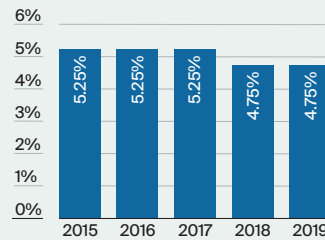
Last five years, £ millions



Source: Knight Frank Research

Prime Yield

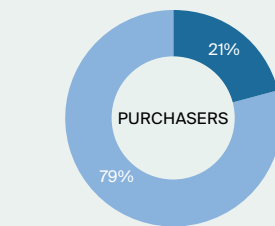
Net yield, %



Source: Knight Frank Research

Investor Type

■ UK ■ Overseas ■ Private



Source: Knight Frank Research

2020 OUTLOOK

The office investment market should continue to improve off the back of a strong 2019. A stabilising political outlook should encourage both foreign and domestic investors that Edinburgh offices offer attractive and consistent returns.

In the occupational market, tenants will have slightly more choice of Grade A space in the city centre with 2 major developments due to complete as well as further stock returning to the market however, we still anticipate that prime rents will increase by the end of the year. We expect the tech sector within the city to continue to perform strongly throughout 2020.

KEY TRANSACTIONS 2019

PROPERTY	PRICE (£M)	YIELD (%)	PURCHASER	VENDOR
St Andrew Square, 4-8	120	4.45	KanAm Grundinvest Fonds	Standard Life Pooled PPF
Leonardo Innovation Hub*	100	5.91	South Korean Investors	Brockton Capital LLP
Gyle Square	55.17	5.00	Hyundai Asset Management	Greenridge Regional UK
Exchange Plaza	54	5.30	Client of M&G Real Estate	Murray Estates

* Knight Frank involvement

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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