

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



knightfrank.com/research

# Sheffield Office Market

Research, 2019 Review



**OCCUPIER DEMAND**

TAKE-UP (SQ FT)  
**531,614**  
58% ABOVE 10 YEAR AVERAGE

NUMBER OF DEALS  
**100**

MOST ACTIVE SECTOR  
**31%**  
FINANCE & BANKING



**OCCUPIER SUPPLY**

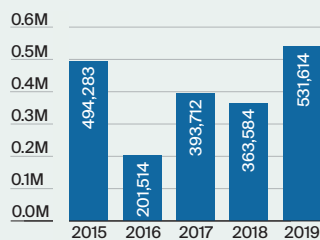
GRADE A AVAILABILITY (SQ FT)  
**64,000**

TOTAL MARKET VACANCY RATE  
**7.32%**

UNDER CONSTRUCTION (SQ FT)  
**388,000**  
PRE-LET AND SPECULATIVE

## Take-up

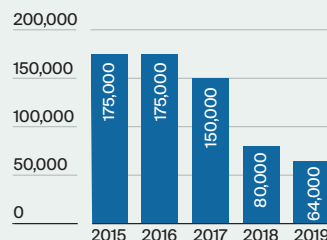
Last five years, sq ft



Source: Knight Frank Research

## Grade A Availability

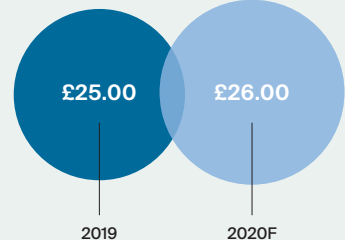
Last five years, sq ft



Source: Knight Frank Research

## Prime Rent

£ per sq ft



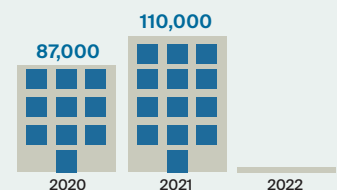
Source: Knight Frank Research

## KEY TRANSACTIONS 2019

PROPERTY	OCCUPIER	SIZE (SQ FT)
Grosvenor House	HSBC	140,000
1 Charter Square	CMS	47,500
38 Carver Street	Cubo / Staton Young	30,000
Hallamshire Business Park	Twinkl	20,000

## Development Pipeline

Schemes under construction sq ft



Speculative

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)

**37**

VS 10 YEAR AVERAGE

**74%**

NUMBER OF DEALS

**3**



## YIELDS

PRIME CITY CENTRE

**6.25%**

PRIME OOT

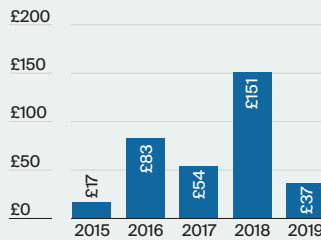
**8.00%**

FORECAST TOTAL RETURN 2020

**6.1%**

### Investment Volumes

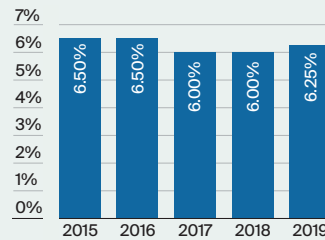
Last five years, £ millions



Source: Knight Frank Research

### Prime Yield

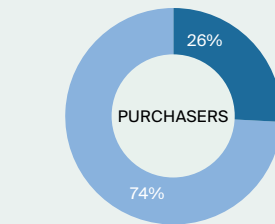
Net yield, %



Source: Knight Frank Research

### Investor Type

■ UK ■ Overseas ■ Private



Source: Knight Frank Research

## 2020 OUTLOOK

Despite political headwinds, office take-up in 2019 was almost twice the 5 year average. The market for 2020 is looking equally promising. The biggest challenge will be placement of demand. Grade A supply remains at an all-time low with just over 60,000 sq ft spread over a number of buildings. As such, any new large occupier may need to consider D&B although developers are active in the city. The Heart of the City II offers some availability, with work on the Pepperpot Building (37,000 sq ft) underway and the final building at the Digital Campus, Vidrio (60,000 sq ft) yet to start. The opportunity of existing office space at Pennine Five delivers up to 235,000 sq ft over 5 buildings and will be an exciting prospect for the market.

### KEY TRANSACTIONS 2019

PROPERTY	PRICE (£M)	YIELD (%)	PURCHASER	VENDOR
Riverside East, Millsands	24.65	6.32	Corum Asset Management	Sidra Capital (Saudi)
Aspect Court, Pond Hill	8.80	6.60	Sheffield Hallam	Regional REIT Ltd
Navigation House	3.75	10.36	Undisclosed	Downham Properties

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



#### Peter Whiteley

Partner, Office Head  
+44 114 241 3903  
peter.whiteley@knightfrank.com



#### Nick Wales

Partner, Capital Markets  
+44 114 241 3906  
nick.wales@knightfrank.com



#### Ben White

Associate, Occupier  
+44 114 241 3904  
ben.white@knightfrank.com



#### Darren Mansfield

Partner, Commercial Research  
+44 20 7861 1246  
darren.mansfield@knightfrank.com

**Knight Frank Research Reports are available at**  
[knightfrank.com/research](https://knightfrank.com/research)



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2020 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.