

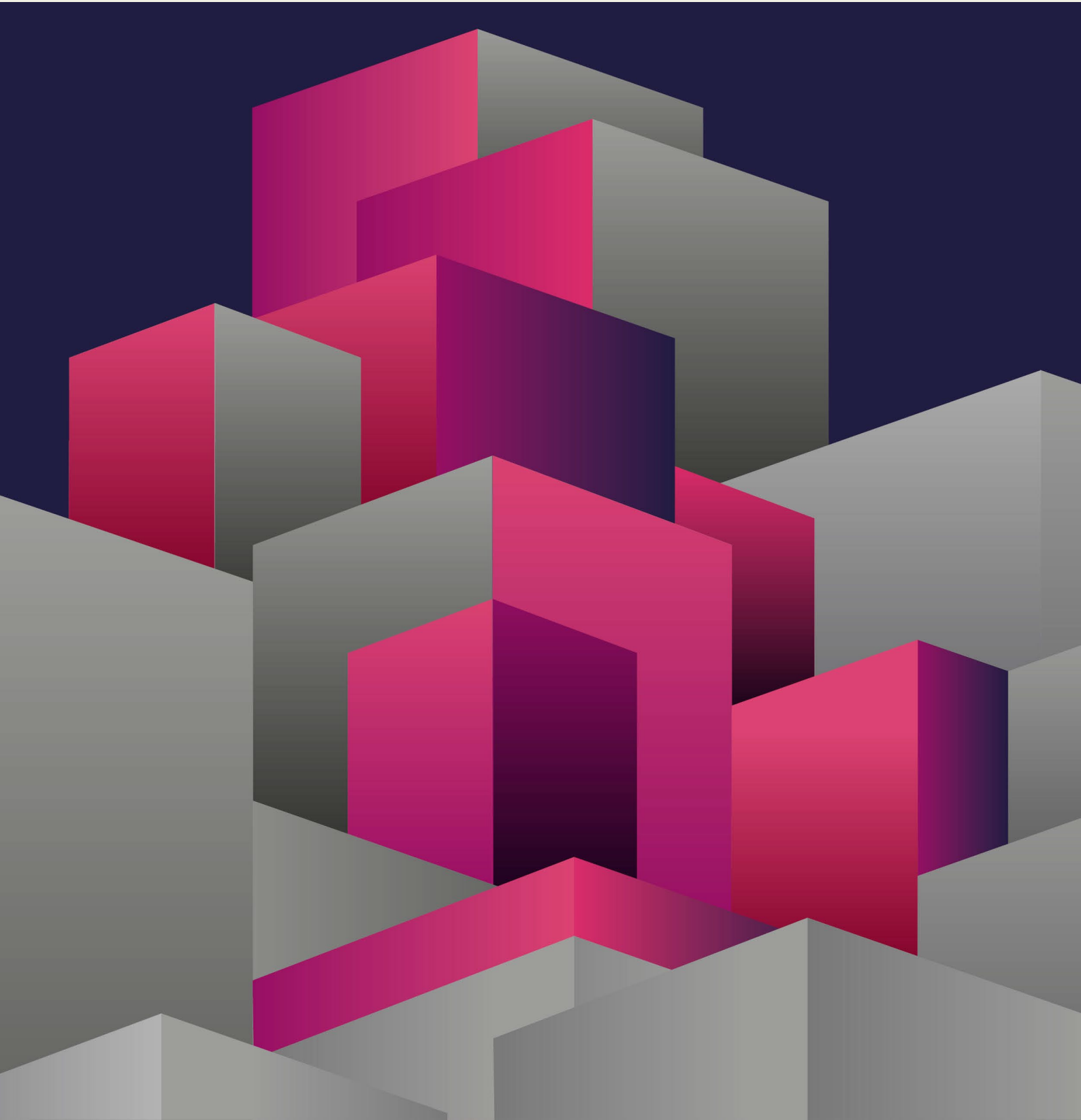
UK Cities



Q3 2025

OFFICE MARKET REVIEW

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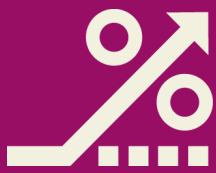
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Key takeaways



1

Leasing activity continued to grow year-on-year, with take-up reaching 2.5m sq ft in the first six months of 2025.



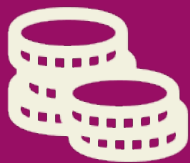
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Seven out of the ten regional cities recorded year-on-year rental growth, reaching as high as 20%.



3

Availability of new & grade A space is limited, with a vacancy rate of 3.0%, effecting a 'fight for quality'.



4

Investment volumes were subdued in H1, reaching £373.5m across the ten UK cities.



5

Pricing for prime assets remained unchanged at 6.50%.

Executive summary

LEASING IMPROVES IN Q3

Take-up reached 1.22m sq ft in Q3, representing a 19% increase on Q2, although still 6% below the five-year quarterly average. A total of 289 deals were completed during the quarter, the highest quarterly total of the year, supported by strong activity in smaller lot sizes.

Year-to-date, 3.7m sq ft has been leased, marginally above the five-year average for the same period. Smaller lettings have dominated, with 78% of all deals involving requirements of 5,000 sq ft or less. The average deal size in 2025 stands at 4,800 sq ft, 13% lower than in 2024, as occupiers remain focused on efficiency and flexibility within office portfolios.

PROFESSIONAL SERVICES AND TECH SECTORS UNDERPIN DEMAND

In terms of active sectors, the professional services have taken the most space in 2025, accounting for 22% of total take-up. Considered in deal numbers however, occupiers derived from the TMT sector has been the most active, representing 20% of all transactions. Both sectors continue to underpin demand across the regional markets, with a preference for well-located, high-quality accommodation.

OCCUPIER LENS SHARPENS BUT SUPPLY TO TIGHTEN

Reflecting the ongoing flight to quality, around 73% of requirements over 20,000 sq ft have been satisfied within New or Grade A space.

New and Grade A availability increased to just over 4m sq ft in Q3, a 13% rise year-on-year. However, much of this comprises second-hand Grade A stock, with genuinely new or recently refurbished space remaining scarce.

At the end of Q3, only 1.4m sq ft of speculative development was underway, with delivery expected over the next three years. The restricted development pipeline is likely to maintain supply constraints in the best-quality segment of the market.

RENT RISING AT PACE

Rents continued to rise, with the regional average prime rent across the main cities exceeding £40 per sq ft in Q3. The highest prime rent is now recorded in Bristol at £50 per sq ft, and seven of the ten major markets reported an increase over the past 12 months, reflecting sustained occupier competition for the best space amid limited new supply.

INVESTMENT MARKET IMPROVING?

Investment activity showed moderate improvement in Q3, with total volumes reaching £252m across 16 deals. While this represents an uptick in deal flow compared with earlier in the year, overall momentum remains subdued, reflecting continued caution among investors and limited availability of appropriately priced stock. Year-to-date investment volumes stand at £625m (Q1-Q3), around 17% lower than the same period in 2024 and 40% below the 5-year average.

ACTIVE FINAL QUARTER OF 2025

As of the end of Q3, approximately £569m of office assets were under offer, with a further £1.3bn being marketed for sale. This indicates a reasonable level of market engagement, though the time taken to convert offers to completions remains extended, and transactional liquidity is still below pre-2020 market conditions.

SIGNIFICANT SALES BOLSTER VOLUMES

Activity in the higher-value segment of the market picked up modestly, with two transactions exceeding £50m completed during the quarter. These included the sale of Mitchells & Butlers' HQ building in Birmingham to Blue Owl Real Estate for £55m, and BauMont Real Estate Capital's acquisition of Quatermile One in Edinburgh for a price exceeding £50m, alongside operating partner KZN Real Estate.

PRICING STABILISED.

Regional prime office yields remained stable between 6.50% and 10%, representing a 200-basis-point outward shift compared with pre-pandemic levels. Yields now appear to have reached a point of relative equilibrium, albeit inward shift is unlikely in the near term given the combination of elevated debt costs, and selective investor appetite.

Aberdeen

Despite a small dip in occupier activity in Q3, take-up for 2025 is at a three-year high. The investment market continued to generate volumes above the long-term trend level for the city.

Occupational

TAKE UP

Q3 2025 (SQ FT)

70,525
Q3 2024: 118,210 sq ft



GRADE A SUPPLY

Q3 2025 (SQ FT)

176,658
Q3 2024 Grade A Supply 135,604 sq ft



PRIME RENT
Q3 2025 (£ SQ FT)

£32.50

Q3 2024 Prime Rent £32.50 per sq ft

0%

31

NUMBER OF DEALS
Q3 2025

Q3 2024: 40 deals

DEVELOPMENT

PIPELINE

(U/C SPECULATIVE SQ FT)

0



PRIME RENT

FORECAST

2025 (PER SQ FT)

£32.50



Investment

INVESTMENT VOLUMES

Q3 2025

£15.9m
Q3 2024: £0m



PRIME YIELD
Q3 2025

10.00%

Q3 2024 Prime Yield 10.00%

0 bps

PRIME YIELD

FORECAST

Stable



DEMAND

- ◆ Take-up totalled 70,525 sq ft in Q3, representing a 31% decrease from Q2 2025. A total of 21 deals were completed during the quarter, marking the highest number recorded so far this year.
- ◆ To date, 234,879 sq ft has been let in 2025, the highest level recorded at this stage of the year since 2022. The current total already matches the full-year figure for 2024, highlighting improved occupier activity throughout the year.
- ◆ The average deal size in 2025 stands at 4,585 sq ft, marginally below the 10-year average of 5,000 sq ft. Energy and Utilities occupiers continue to be the dominant source of demand, accounting for a significant 72% of space let so far this year.

- ◆ There were also approximately 400,000 sq ft of active requirements in the market at the end of Q3.
- ◆ Prime rents held steady at £32.50 per sq ft in Q3, with forecasts indicating that this level will be maintained through to year-end.

SUPPLY

- ◆ New and Grade A availability remained stable in Q3 at 176,658 sq ft, around one-third below the five-year average.
- ◆ The vacancy rate stood at 17% in Q3, reflecting a slight decline since the start of the year.
- ◆ Following the completion of Aurora in the second quarter, there is no office stock currently under construction in Aberdeen.

INVESTMENT

- ◆ Investment activity improved in Q3, with volumes reaching £15.9m. Across three deals.
- ◆ Year-to date, investment volumes are now £34m, behind the £67m recorded at the equivalent juncture in 2024, but on par with the 5-yr average for the period.
- ◆ The largest investment deal of the year to date is the sale of Kingshill Business Park for £10.7m at a NIY to HKIP.
- ◆ Prime yields remained stable at 10.00%, 350 bps above the level recorded at the onset of the covid-19 pandemic.

Birmingham

Prime rents continued to rise, driven by the delivery of new best-quality space across the city. Following a period of muted investment activity, interest has begun to increase.

Occupational

TAKE UP

Q3 2025 (SQ FT)

223,108

Q3 2024: 337,236 sq ft



GRADE A SUPPLY

Q2 2025 (SQ FT)

756,688

Q3 2024 Grade A Supply 295,300 sq ft



PRIME RENT
Q3 2025 (£ PER SQ FT)

£46.50

Q3 2024 Prime Rent £43.00 per sq ft

8%

33

NUMBER OF DEALS
Q3 2025

Q3 2024: 21 deals



DEVELOPMENT

PIPELINE

(U/C SPECULATIVE SQ FT)

324,950



PRIME RENT

FORECAST

2025 (PER SQ FT)

£47.50



Investment

INVESTMENT VOLUMES

Q3 2025

£55.0m

Q3 2024: £34.2m



PRIME YIELD
Q3 2025

6.75%

Q3 2024 Prime Yield 6.75%

0 bps

PRIME YIELD

FORECAST

Stable



DEMAND

- ◆ Take-up totalled 223,108 sq ft in Q3, double the level recorded in Q2 2025. A total of 33 deals were completed during the quarter, one-third higher than in Q2 and the highest total of the year. Notably, three transactions exceeded 20,000 sq ft, with the largest being the Birmingham Centre for Anatomy's 51,000 sq ft letting at the Birmingham Health Innovation Campus.
- ◆ So far in 2025, 408,912 sq ft has been let, 20% below the five-year average for the same period, reflecting the ongoing extended transaction process.
- ◆ The average deal size in 2025 stands at 5,700 sq ft, around 20% lower than the ten-year average of 7,000 sq ft.
- ◆ Professional services occupiers have been the most active, accounting for 39% of total take-up this year. Notably,

companies within this sector are responsible for four of the six deals above 20,000 sq ft recorded in 2025.

- ◆ Reflecting occupier preference for high-quality accommodation, Grade A space accounts for 76% of take-up this year.
- ◆ Prime rents increased to £46.50 per sq ft in Q3, representing an 8% uplift over the past 12 months. Forecasts indicate a further rise to £47.50 per sq ft before year-end.

SUPPLY

- ◆ New and Grade A availability rose to 756,688 sq ft in Q3, representing a 58% increase since the start of the year.
- ◆ The development pipeline currently comprises 324,950 sq ft across four schemes, signalling a moderate level of new supply in progress.

INVESTMENT

- ◆ In Q3, £55m of office stock was transacted, with the completion of the sale of the Michells and Butlers HQ to Blue Owl Real Estate Capital LLC. This meant that volumes for the year have now reached £133m.
- ◆ At quarter end, £180m of office assets was under offer with a further £370m actively being marketed. This backdrop could underpin a busy final quarter.
- ◆ Prime office yields are stable at 6.75%. This is 175 bps above the pre-pandemic level.

Bristol

Bristol's office market continued to strengthen in the third quarter, with the period marked by a headline occupier transaction. Demand for high-quality space remains strong, which combined with limited new supply is supporting upward pressure on rents.

Occupational

TAKE UP Q3 2025 (SQ FT)

227,767
Q3 2024: 86,157 sq ft
164%



GRADE A SUPPLY Q3 2025 (SQ FT)

155,691
Q3 2024 Grade A Supply 171,054 sq ft
-9%



PRIME RENT Q3 2025 (£ PER SQ FT)

£50.00
Q3 2024 Prime Rent £48.00 per sq ft
4%



NUMBER OF DEALS Q3 2025

34
Q3 2024: 20 deals



DEVELOPMENT PIPELINE (U/C SPECULATIVE SQ FT)

182,805



PRIME RENT FORECAST 2025 (PER SQ FT)

£52.50



Investment

INVESTMENT VOLUMES Q3 2025

£40.0m
Q3 2024: £22.0m
82%



PRIME YIELD Q3 2025

6.75%
Q3 2024 Prime Yield 6.75%
0 bps



PRIME YIELD FORECAST

Stable



DEMAND

- Office take-up increased by 92% in the third quarter, with take-up reaching 227,767 sq ft across 34 deals. Notably, this is the highest quarterly total in the city since Q1 2022.
- With one quarter remaining in 2025, take-up in Bristol has reached 439,420 sq ft year-to-date, just short of the total leased in all of 2024.
- Supported by the largest deal completed in the city in six years, a 90,362 sq ft letting to Hargreaves Lansdown at The Welcome Building, the financial services sector accounted for 42% of space let in Q3 and 27% of total take-up in 2025 to date.
- In terms of the number of occupier deals completed, professional services remain the most active sector, with 10

deals in Q3 and 19 in 2025 to date.

- New and Grade A space accounts for 61% of take-up in 2025, the highest proportion in a decade.
- Prime office rents continued to edge higher in Q3, rising to £50.00 per sq ft. This represents a 4% increase over the past 12 months and marks the highest prime rent among the major UK regional cities.

SUPPLY

- Following significant lettings in Q3, new build grade A availability fell to 155,691 sq ft. This reflects a 9% decrease of the past 12 months and is the lowest level since Q3 2023.
- The overall market vacancy rate rose to 9.6% in Q3 2025.

- Bristol's pipeline remains limited, with 182,805 sq ft across three refurbishment schemes under construction as at the end of the third quarter.

INVESTMENT

- Investment volumes for Q3 were £40m with the sale of 121 Winterstoke Road to Blue Owl Real Estate Capital LLC. This meant that year-to-date, £113.7m of assets have traded across eight deals.
- Notably, £30m of assets were under offer at quarter end and a further £156m of offices were on the market.
- Prime office yields held firm at 6.75%, 175 bps above the pre-pandemic level.

Cardiff

Cardiff's office market saw a modest improvement in the third quarter, with steady demand from financial and professional occupiers. Prime rents are edging higher, supported by limited availability of high-quality space.

Occupational

TAKE UP

Q3 2025 (SQ FT)

-64% **53,389**
Q3 2024: 146,394 sq ft



GRADE A SUPPLY

Q3 2025 (SQ FT)

-21% **259,949**
Q3 2024 Grade A Supply 313,589 sq ft



PRIME RENT

Q3 2025 (£ PER SQ FT)

£30.00
Q3 2024 Prime Rent £28.00 per sq ft 7%



NUMBER OF DEALS

Q3 2025

18
Q3 2024: 22 deals



DEVELOPMENT PIPELINE

(U/C SPECULATIVE SQ FT)

0



PRIME RENT FORECAST

2025 (PER SQ FT)

£32.00



Investment

INVESTMENT VOLUMES

Q3 2025

£0m
Q3 2024: £0m



PRIME YIELD

Q3 2025

7.25% 25 bps
Q3 2024 Prime Yield 7.50%



PRIME YIELD FORECAST

Stable



DEMAND

- ◆ Take-up reached 53,389 sq ft in Q3, 34% ahead of the Q2 2025 total but 44% below the 5-yr quarterly average. A total of 18 deals were completed during the quarter, the highest number recorded so far this year, although still below the 10-year quarterly average of 24. There were no transactions exceeding 10,000 sq ft, with the largest being Browne Jacobson's 9,135 sq ft letting at 1 Central Square.
- ◆ Year-to-date, 187,232 sq ft has been let, 45% lower than at the same stage in 2024. There have been no transactions above 50,000 sq ft this year, with the largest deal to date being CreditSafe's 49,937 sq ft letting at Ty Meridian in Q1.
- ◆ The average deal size in 2025 stands at 3,600 sq ft, 45% lower than in 2024 but only slightly below the five-year average of 3,900 sq ft.

- ◆ Finance, Banking and Insurance companies remain the dominant source of demand, accounting for 36% of space let during the year.
- ◆ At quarter end, there is a further 114,833 sq ft of space currently under offer.
- ◆ Prime office rents have increased by 20% year-on-year reaching £30.00 per sq ft in Q3. Forecasts indicate an increase to £32 per sq ft by year-end.

SUPPLY

- ◆ With limited new space available, second-hand accommodation continues to dominate, representing 58% of total take-up. Refurbished space accounts for 40%, while New space makes up less than 2%. New and Grade A availability fell again in Q3 to 259,949 sq ft, marking the lowest level in five years.

- ◆ The vacancy rate edged up slightly to 11.5% in Q3, compared with 11.1% in Q2. The development pipeline remains limited, with 113,000 sq ft at John Street, Callaghan Square currently under construction. The building, which has been pre-let to Lloyds Bank, is scheduled for completion in Q4 2025.

INVESTMENT

- ◆ With no significant transactions completed in Q3, office investment volumes for 2025 remained at £37.6m of stock traded across five deals.
- ◆ Prime office yields held firm at 7.25% in Q3 2025, reflecting a 75bps to the prime UK regional level.

Edinburgh

Edinburgh's office market registered a dip in take-up during Q3, though activity levels remained resilient with a steady flow of smaller transactions. Demand continues to centre on Grade A space, with rents holding firm and investor confidence showing signs of improvement.

Occupational

TAKE UP

Q3 2025 (SQ FT)

-41% **67,536**
Q3 2024: 114,591 sq ft



GRADE A SUPPLY

Q3 2025 (SQ FT)

-54 **685,591**
Q3 2024 Grade A Supply 714,610 sq ft



PRIME RENT
Q3 2025 (£ PER SQ FT)

£46.00

Q3 2024 Prime Rent £45.00 per sq ft

2%

25

NUMBER OF DEALS
Q3 2025

Q3 2024: 29 deals

DEVELOPMENT

PIPELINE

(U/C SPECULATIVE SQ FT)

0



PRIME RENT

FORECAST

2025 (PER SQ FT)

£47.50



Investment

INVESTMENT VOLUMES

Q3 2025

28% **£61.6m**
Q3 2024: £48.0m



PRIME YIELD
Q3 2025

6.50%

Q3 2024 Prime Yield 6.75%

25 bps

PRIME YIELD

FORECAST

Stable



DEMAND

- ◆ Take-up totalled 67,536 sq ft in Q3, representing a 24% decrease from Q2 2025. A total of 25 deals were completed during the quarter, 20% higher than in Q2, although still below the 10-year quarterly average of 29. There were two transactions exceeding 10,000 sq ft, the largest being Avaloq Innovation's 17,590 sq ft letting at Quartermile One.
- ◆ So far in 2025, 255,686 sq ft has been let, 7% lower than at the same stage in 2024. There have been no transactions above 30,000 sq ft this year, with the largest deal to date being Wood Mackenzie's 29,690 sq ft letting at Waverley Gate in Q2.
- ◆ The average deal size in 2025 stands at 3,100 sq ft, around one-third below the ten-year average of 4,900 sq ft. Finance, Banking and Insurance companies

remain the dominant source of demand, accounting for 30% of space let this year. However, in terms of deal numbers, professional services occupiers have been the most active, accounting for 20% of transactions.

- ◆ Prime rents held steady at £46 per sq ft in Q3, with forecasts indicating an increase to £47.50 per sq ft by year-end.

SUPPLY

- ◆ Reflecting occupier preference for high-quality space, Grade A accommodation accounts for 60% of take-up in 2025. New and Grade A availability remained stable in Q3 at 685,591 sq ft, representing a 4% reduction over the past 12 months.
- ◆ Overall market vacancy was 10.9% at the close of H3, reflecting a slight rise since the turn of the year.

- ◆ Following the recent completions of New Clarendon and 30 Semple Street, there are no speculative office developments currently under construction in Edinburgh.

INVESTMENT

- ◆ Office investment activity improved in Q3, with £61.6m of office stock traded across two deals.
- ◆ The largest deals to complete was the sale of Quartermile One for a price exceeding £50m to Baumont Capital and KZN Real Estate Partners. The 123,000 sq ft office is home to Skyscanner and Ofcom.
- ◆ Prime office yields stood at 6.50%, at the end of Q3 reflecting an inward shift of 25 bps year-on-year. This is 175 bps higher than the pre-pandemic level.

Glasgow

Occupier demand remained consistent, underpinned by sustained activity from the professional services. Market dynamics continue to support rental growth, with supply tightening.

Occupational

TAKE UP Q3 2025 (SQ FT)

-22%
82,594
Q3 2024: 106,182 sq ft



GRADE A SUPPLY Q2 2025 (SQ FT)

5%
824,721
Q2 2024 Grade A Supply 779,500 sq ft



PRIME RENT Q3 2025 (£ PER SQ FT)

£41.50
Q3 2024 Prime Rent £39.50 per sq ft 5%



NUMBER OF DEALS Q3 2025

29
H1 2024: 34 deals



DEVELOPMENT PIPELINE (U/C SPECULATIVE SQ FT)

72,356



PRIME RENT FORECAST 2025 (PER SQ FT)

£42.50



Investment

INVESTMENT VOLUMES Q3 2025

69%
£66.6m
Q3 2024: £39.3m



PRIME YIELD Q3 2025

7.50%
Q3 2024 Prime Yield 7.50% 0 bps



PRIME YIELD FORECAST

Stable



DEMAND

- ◆ Take-up totalled 82,594 sq ft in Q3, representing a 22% decrease from Q2 2025. A total of 29 deals were completed during the quarter, in line with the 5-year quarterly average. Notably, only three transactions exceeded 5,000 sq ft, with the largest being WSP's 18,558 sq ft letting at 110 Queen Street.
- ◆ To date, 349,795 sq ft has been leased in 2025, 7% ahead of the total recorded at the same stage last year, underscoring resilient occupier demand.
- ◆ The average deal size in 2025 stands at 3,350 sq ft, 4% higher than in 2024.
- ◆ Professional services occupiers have been the most active, accounting for 33% of total take-up this year.
- ◆ Reflecting occupier preference for higher-quality space, Grade A

accommodation accounts for 41% of take-up in 2025.

- ◆ Prime rents held firm at £41.50 per sq ft in Q3, reflecting a 5% annual increase, and are expected to remain stable through to year-end.

SUPPLY

- ◆ New and Grade A availability rose to 824,721 sq ft in Q3, representing a 5% increase over the past 12 months.
- ◆ The vacancy rate stood at 10.6% in Q3, showing a slight fall since the start of the year.
- ◆ The development pipeline remains limited, with only 72,356 sq ft under construction at 5 Cadogan Street.

INVESTMENT

- ◆ In Q3 2025, £66.6m of office stock was transacted, with the largest deal of the quarter being the acquisition of the Central Exchange building by a joint venture between Scottish property company Ediston and Strathclyde Pension Fund for close to £22m.
- ◆ Prime office yields remained stable at 7.50%, reflecting an outward movement of 225 bps since the onset of the pandemic in 2020.

Leeds

Occupier activity remains comfortably above trend. Supported by steady deal flow and a tightening supply of prime space, competitive pressure continues to drive rental growth.

Occupational

TAKE UP Q3 2025 (SQ FT)

163,549
12% Q3 2024: 146,372 sq ft



GRADE A SUPPLY Q2 2025 (SQ FT)

164,348
4% Q2 2024 Grade A Supply 192,841sq ft



PRIME RENT Q3 2025 (£ PER SQ FT)

£46.00
18% Q3 2024 Prime Rent £39.00 per sq ft



NUMBER OF DEALS Q3 2025

34
Q3 2024: 33 deals



DEVELOPMENT PIPELINE (U/C SPECULATIVE SQ FT)

43,100



PRIME RENT FORECAST 2025 (PER SQ FT)

£46.00



Investment

INVESTMENT VOLUMES Q3 2025

£11.4m
100% Q3 2024: £0m



PRIME YIELD Q3 2025

7.00%
0 bps Q3 2024 Prime Yield 7.00%



PRIME YIELD FORECAST

Stable



DEMAND

- ◆ Take-up totalled 163,549 sq ft in Q3, almost double the level recorded in Q2 2025. A total of 34 deals were completed during the quarter, the highest quarterly total for two years. Notably, three transactions exceeded 10,000 sq ft, with the largest being Eversheds' 47,016 sq ft letting at Keelstone.
- ◆ So far in 2025, 489,160 sq ft has been let, broadly in line with the total recorded at the same stage of 2024, demonstrating consistent occupier demand in the city.
- ◆ The average deal size in 2025 stands at 6,100 sq ft, 6% higher than in 2024.
- ◆ Reflecting ongoing occupier preference for high-quality space, Grade A accommodation accounts for 53% of take-up in 2025.

- ◆ Professional services occupiers have been the most active, accounting for 25% of total take-up so far this year.

- ◆ Prime rents rose to £46 per sq ft in Q3, the largest annual increase among the major UK regional cities. Interestingly, the required pre-let rent is over £50 per sq ft to support a development.

SUPPLY

- ◆ New and Grade A availability decreased to 164,348 sq ft in Q3, representing a 14% reduction over the past 12 months.
- ◆ The vacancy rate stood at 6.61% in Q3, marking a slight rise since the start of the year.
- ◆ The development pipeline at quarter end totalled 134,985 sq ft, of which 43,100 sq ft remains available.

INVESTMENT

- ◆ In Q3 totalled £11.4m of office stock was transacted across two assets. This meant that the investment volumes for 2025 to date rose to £55m, double the total when compared to the same period in 2024.
- ◆ At the time of writing, five offices are currently under offer in the city centre and two have completed in Q4 which will lead to higher volumes for year end. Sentiment is improving and the outlook is increasingly more positive.
- ◆ Prime office yields remained stable at 7.00% in Q3 2025, reflecting an outward shift of 200 bps since the onset of the Covid pandemic.

Manchester

Occupier activity proved slow in Q3 albeit take-up for the year is ahead on the long-term trend. Availability of new and grade A space remains tight when compared to historical measure.

Occupational

TAKE UP Q3 2025 (SQ FT)

-56%
191,728
Q3 2024: 432,619 sq ft



GRADE A SUPPLY Q3 2025 (SQ FT)

7%
590,153
Q3 2024 Grade A Supply 553,751 sq ft



PRIME RENT Q3 2025 (£ PER SQ FT)

£45.00
Q3 2024 Prime Rent £45.00 per sq ft **0%**



NUMBER OF DEALS Q3 2025

46
Q3 2024: 51 deals



DEVELOPMENT PIPELINE (U/C SPECULATIVE SQ FT)

699,827



PRIME RENT FORECAST 2025 (PER SQ FT)

£48.00



Investment

INVESTMENT VOLUMES Q3 2025

-98%
£1.6m
Q3 2024: £96.1m



PRIME YIELD Q3 2025

6.75%
Q3 2024 Prime Yield 6.75% **0 bps**



PRIME YIELD FORECAST

Stable



DEMAND

- ◆ Take-up totalled 191,728 sq ft in Q3, representing a 27% decrease from Q2 2025. A total of 46 deals were completed during the quarter, marginally below the five-year quarterly average. Notably, only five transactions exceeded 10,000 sq ft, with the largest being Global Draw's 20,150 sq ft letting at the XYZ Building.
- ◆ So far in 2025, 773,270 sq ft has been leased, 5% ahead of the five-year average for the period, indicating a steady level of occupier demand despite a softer Q3.
- ◆ The average deal size in 2025 stands at 5,800 sq ft, 4% higher than in 2024. TMT occupiers have been the most active, accounting for 37% of total take-up during the year.
- ◆ Reflecting occupier preference for higher-quality accommodation, Grade A space accounts for 52% of total take-up in 2025.

- ◆ Prime rents held firm in Q2 at £45.00 per sq ft. The level represents a 20% increase since the onset of the covid-19 pandemic. Forecasts indicate rents could rise to £48.00 per sq ft by year end.

SUPPLY

- ◆ Grade A availability stood at 590,153 sq at Q3, reflecting a 7% increase when compared to the same period in 2024.
- ◆ The total market vacancy rate was 15.2% by the close of Q3 2025, reflecting a small rise from 14.4% at the same point in 2024.
- ◆ At the close of Q3, 699,827 sq ft of speculative office stock was under construction across four development projects in Manchester's city centre.

INVESTMENT

- ◆ In Q3, Investment consisted of a small sale to the value of £1.6m. Year-to-date, investment volumes have now reached £96.5m, 30% less when compared to the same period in 2024.
- ◆ Moving into the final quarter, £144m of office stock was under offer and a further £186m was actively being marketed for sale.
- ◆ Prime office yields remained stable at 6.75%, 175 bps softer than the level recorded at the onset of the pandemic.

Newcastle

Take-up levels improved in Q3 2025., with Public sector and TMT occupiers most active. The leaning towards Grade A space continued, albeit supply is tightening with the development pipeline limited.

Occupational

TAKE UP Q3 2025 (SQ FT)

97,913
Q3 2024: 46,598 sq ft



GRADE A SUPPLY Q3 2025 (SQ FT)

247,743
Q3 2024 Grade A Supply 296,242 sq ft



PRIME RENT Q3 2025 (£ PER SQ FT)

£32.00
Q3 2024 Prime Rent £32.00 per sq ft



NUMBER OF DEALS Q3 2025

16
Q3 2024: 9 deals



DEVELOPMENT PIPELINE (U/C SPECULATIVE SQ FT)

96,350



PRIME RENT FORECAST 2025 (PER SQ FT)

£32.00



Investment

INVESTMENT VOLUMES Q3 2025

£0m
Q3 2024: £10.4m



PRIME YIELD Q3 2025

7.50%
Q3 2024 Prime Yield 7.50%



PRIME YIELD FORECAST

Stable



DEMAND

- ◆ Take-up totalled 97,913 sq ft in Q3, double the level recorded in Q2 2025. A total of 16 deals were completed during the quarter, 25% higher than in Q2 and above the 10-year quarterly average of 12. Notably, three transactions exceeded 10,000 sq ft, with the largest being 35,836 sq ft at Bank House.
- ◆ Year-to-date, 401,017 sq ft has been let in 2025, the highest total recorded at this stage of the year for the city, underlining the strength of occupier demand.
- ◆ The average deal size in 2025 stands at 8,500 sq ft, which is 48% higher than the ten-year average of 5,750 sq ft.
- ◆ In 2025, Public sector occupiers have been the largest contributors to take-up, accounting for 47% of total space let. By deal numbers, TMT occupiers have been the most active, representing 25% of transactions.

- ◆ Reflecting continued occupier preference for high-quality accommodation, Grade A space accounts for 74% of take-up in 2025.
- ◆ Prime rents remained at £32 per sq ft in Q3. Although forecasts indicate that this level will be maintained through to year-end, the completion of live requirements could realise further rises in the 6-12 months..

SUPPLY

- ◆ New and Grade A availability remained stable in Q3 at 247,743 sq ft, representing a 16% reduction over the past 12 months.
- ◆ The development pipeline in Newcastle is limited, with just one scheme under construction. Two Pilgrim Place will deliver 96,350 sq ft of space and is due to reach practical completion in early 2027.

INVESTMENT

- ◆ There were no office investment transactions in Newcastle so far in 2025.
- ◆ At Q3 however, there was £27m of assets under offer with a further £27.5m being marketed.
- ◆ Prime office yields remained at 7.50%, 175 bps above the pre-pandemic level.

Sheffield

Amid consistent occupier demand, the ongoing flight to quality continues to drive upward pressure on rents, as competition for a limited segment of the market continues.

Occupational

TAKE UP

Q3 2025 (SQ FT)

-27% **50,175**
Q3 2024: 68,277sq ft



GRADE A SUPPLY

Q3 2025 (SQ FT)

43% **289,300**
Q3 2024 Grade A Supply 202,300 sq ft



PRIME RENT
Q3 2025 (£ PER SQ FT)

£31.00
Q3 2024 Prime Rent £30.00 per sq ft 3%

23

NUMBER OF DEALS
Q3 2025

Q3 2024: 22 deals

DEVELOPMENT

PIPELINE
(U/C SPECULATIVE SQ FT)

0



PRIME RENT

FORECAST
2025 (PER SQ FT)

£31.00



Investment

INVESTMENT VOLUMES

Q3 2025

-100% **£0.0m**
Q3 2024: £1.6m



PRIME YIELD
Q3 2025

7.50%
Q3 2024 Prime Yield 7.50% 0 bps

PRIME YIELD
FORECAST

%

Stable

DEMAND

- ◆ Take-up totalled 50,175 sq ft in Q3, approximately one-third lower than in Q2 2025. A total of 23 deals were completed during the quarter, the highest number recorded so far this year. Notably, only two transactions exceeded 5,000 sq ft, highlighting the predominance of smaller lettings in the market.
- ◆ So far in 2025, 164,554 sq ft has been let, almost identical to the equivalent period in 2024, indicating stable overall activity levels year-on-year.
- ◆ The average deal size in 2025 stands at 2,991 sq ft, around 25% below the ten-year average of 4,000 sq ft.
- ◆ TMT occupiers have been the most active, accounting for 25% of total take-up this year.

- ◆ Prime rents remained steady at £31 per sq ft in Q3, reflecting a 3.3% uplift during 2025.

SUPPLY

- ◆ New and Grade A availability remained stable in Q3 at 289,300 sq ft, representing a 43% increase over the past 12 months.
- ◆ The vacancy rate rose to 8.6% in Q3, up from 6.4% at the start of the year. When considered for just new and grade A space, this dips to 3.2%.
- ◆ Following the completion of Plot 4a, West Bar at the close of 2024, there are no significant office developments currently under construction in Sheffield.

INVESTMENT

- ◆ There were no office investment transactions in Sheffield in Q3 2025. As such the total for the year remained at £23.8m.
- ◆ At quarter end however, there was £10m of assets under offer.
- ◆ Prime yields remained stable at 7.50%, reflecting an increase of 125 bps compared to the pre-pandemic level.

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