

# Glasgow Office Market Briefing





Aurora

Lucent

123 St  
Vincent  
Street

55 Douglas  
Street

2 Atlantic  
Square

6 Atlantic  
Quay

200  
Broomielaw





# Key Themes

## Lettings Bounce Back

- Q3 take-up was c.100,000 sq ft
- Total take-up for 2024 is 297,985 sq ft, which is an increase of 28% year-on-year from Q3 2023
- Corporate occupiers are gravitating towards best-in-class space
- We predict a strong finish to Q4, off the back of the recent SSE letting of 62,000 sq ft at Aurora

## Falling Availability

- The market for larger floorplate buildings is tightening, partly fueled by Virgin Money's decision to remove 100,000 sq ft from the market
- Speculative development has effectively ended
- Occupiers with upcoming lease expiries will have to choose to either remain in their current space or seek pre-lets

## Rents increasing

- Current rents are approaching £40 psf
- Looking ahead, buildings with green credentials that align with corporate occupiers' ESG objectives remain well placed to outperform
- We are appraising new builds off £50 psf

## Investment Market Recovery remains slow

- Prime finding its level
- Debt availability improving
- UK funds re-emerging
- A further interest rate cut will provide further confidence to debt backed investors
- A counter cyclical start, would mean a 24 to 36-month active period on the building

# Best in Class Availability



## Aurora

- 174,263 sq ft in total
- Deals agreed with News UK, PWC, CUBO Works, Arcadis & SSE
- Rents from £36.50 - £37.75 psf
- 37,926 sq ft remains available
- No gas



## Lucent

- 96,348 sq ft in total
- Deals agreed with Pinsent Masons, RSM Tenon & BEAM Suntory
- Rents from £37.50 - £39.50 psf
- 48,713 sq ft remains available
- No gas



# Grade 'A' Availability (last development cycle)



## Cadworks

- 94,430 sq ft in total
- Deals agreed with TLT, RBC Brewin Dolphin, SThree & OVO Energy
- Rents from £33 - £36 psf
- 34,423 sq ft remains available
- No gas



## 2 Atlantic Square

- 107,975 sq ft in total
- Deals agreed with Atkins Realis, Burness Paull, BDO & Siemens
- Rents from £34 - £35 psf
- 39,636 sq ft remains available
- Gas is present



# Refurbished Availability



## 200 Broomielaw

- 79,231 sq ft in total
- No lettings
- Rents from £27 psf
- Gas is present



## 55 Douglas Street







- 85,262 sq ft in total
- Deal agreed with Reach
- Rents from £29 psf
- 70,816 sq ft remains available
- Building in administration - Under offer c.£14m
- Gas is present



## 6 Atlantic Quay

- 78,355 sq ft in total
- Deals agreed with EDF Energy & Iomart Group
- Rents from £29 psf
- 47,906 sq ft remains available
- Gas is present

# Tenants in the Market

Occupier	Size	Comments
 <p>LLOYDS BANK</p>	65,000 – 70,000	<ul style="list-style-type: none"> <li>• Best in class space</li> <li>• Full ESG</li> <li>• Top Tier Wellness</li> <li>• Timing Q1/Q2 2026</li> </ul>
 <p><b>Deloitte.</b></p>	14,000 – 17,000	<ul style="list-style-type: none"> <li>• Currently located at 110 Queen Street</li> <li>• Potential re-gear</li> <li>• Timing Q1 2025 for new space</li> </ul>
 <p>Pinsent Masons</p>	26,000	<ul style="list-style-type: none"> <li>• Issues with their pre-let at Lucent</li> <li>• Viewed 123 last month as part of initial round of viewings however, discounted due lack of proposals and no site start date</li> </ul>
 <p>JOHNSTON CARMICHAEL</p>	18,000 – 20,000	<ul style="list-style-type: none"> <li>• Scottish based accountancy practice</li> <li>• Currently located in tires space at 227 West George Street</li> <li>• Declined to view 123 due to lack of proposals and no site start date</li> </ul>
 <p><b>EY</b></p>	25,000 – 30,000	<ul style="list-style-type: none"> <li>• Potential relocation from G1, George Square</li> <li>• Grade A requirement</li> <li>• Original timing was Q1/Q2 2025</li> </ul>
 <p><b>DENTONS</b></p>	20,000 – 25,000	<ul style="list-style-type: none"> <li>• Potential relocation from G1, George Square</li> <li>• Single floorplate preferred</li> <li>• Original timing was H1 2025</li> </ul>

# What Occupiers Want

## TECH

- Sustainability is becoming a key consideration in office design. Eco-friendly materials and energy-efficient systems are being increasingly utilised in office constructions, reflecting a growing consciousness about environmental impact.
- The trend towards wellness-centric office spaces is gaining momentum. Designs are increasingly incorporating elements like natural lighting, biophilic elements, and ergonomic furniture, emphasising the importance of physical and mental well-being in the workplace.

## Sustainability & Wellness

- AI and automation are redefining office operations, leading to streamlined processes and enhanced productivity. These office technologies automate routine tasks, allowing employees to focus on more complex and strategic work.
- In the hybrid work model, connectivity and collaboration tools are indispensable. They enable effective communication and collaboration, irrespective of employees' locations, and are continually evolving to offer more sophisticated and user-friendly features.

## FLEX

- The demand for rental office spaces is shifting towards more flexible, short-term arrangements, driven by businesses' needs for agility and scalability.
- Serviced office spaces provide businesses with the agility to adapt to changing market conditions, optimise their workspace utilisation, and reduce overhead costs. They also cater to the preferences of employees who may prefer a hybrid work arrangement, combining in-office collaboration with remote work flexibility.
- This trend is likely to continue as the workplace landscape continues to transform in the years to come.





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# Thank you

## About MC<sup>2</sup>

We are completely focused on delivering results for owners, developers and occupiers.

With over 50 years' experience in the city's real estate market, we have advised on many of Glasgow's most prominent developments.

Whatever the project, we continuously aim to provide our clients with a personalised service to meet their requirements.

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