422,000 sq ft
ANNUAL TAKE-UP IN LINE WITH 10 YEAR AVERAGE DESPITE BEING LIMITED BY CONSTRAINED STOCK.

23% decrease
LIMITED NEW STOCK AND CONVERSION TO ALTERNATIVE USES RESULTS IN FALL IN AVAILABILITY OF 23% IN 2016.

174,000 sq ft
THREE SCHEMES CURRENTLY UNDER CONSTRUCTION WILL BRING 174,000 SQ FT OF NEW GRADE A SPACE TO THE MARKET IN LATE 2017/2018.

H2 2016 Key Occupier Deals

Source: Cushman & Wakefield.

Annual take-up by grade (million sq ft)

Source: Cushman & Wakefield.

Availability by grade (million sq ft)

Source: Cushman & Wakefield.
The key story in the Edinburgh occupational market at present is one of limited supply within the core city centre. The current lack of good quality space in prime locations is creating competition for the best space and driving up rents across the city.

We continue to see solid occupational demand and take-up with Edinburgh’s outstanding further education sector playing a critical role in producing the human capital required to support the retention and expansion of businesses across the city.

James Thomson, Partner

### Investment View

2016 was an exceptional year for the Edinburgh market, with investment volumes of £463m reflecting the highest levels since 2007. The year was notable for a number of high profile transactions including TRIUVA’s acquisitions of Quartermile 4 and Waverleygate for £68m and £63m respectively, (with C&W advising on both deals). These deals, along with DEKA’s purchase of Atria One & Two and HSBC’s acquisition of Exchange Place 2 & 3, have demonstrated Edinburgh’s attractiveness as an investment location for overseas buyers, who are attracted by the city’s strong fundamentals and current imbalance between office market supply and demand.

Calum Cowe, Associate

### H2 16 Key Investment Transactions

<table>
<thead>
<tr>
<th>Address</th>
<th>Purchaser</th>
<th>Vendor</th>
<th>Price (£m)</th>
<th>Initial Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waverley Gate</td>
<td>IVG Immobilien</td>
<td>Prudential plc</td>
<td>63.33</td>
<td>5.7</td>
</tr>
<tr>
<td>Edinburgh Park Office Bldng</td>
<td>n/s</td>
<td>n/s</td>
<td>9.80</td>
<td>n/a</td>
</tr>
<tr>
<td>Shandwick House</td>
<td>Westerwood Development Company</td>
<td>Goldman Sachs</td>
<td>4.65</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: RCA

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