

officebroker.com

SERVICED OFFICE REVIEW

EAST MIDLANDS
Q4 2010



EAST MIDLANDS***

INTRODUCTION

The following report utilises statistics for Q4 10 from officebroker.com, the UK's leading independent broker of serviced office space, to present activity in the serviced office market during Q4 10.

The report focuses on the following key areas in the East Midlands ***:

- Supply of and demand for serviced office space - In terms of the number of enquiries, the size and shape of those enquiries and the number of placements
- New Serviced Office Tenants (SOTs) - In terms of workstation prices and initial license length commitment

Using the statistics from these areas, a detailed overview of the serviced office industry in the East Midlands was compiled to provide a comparative report of the changes within the serviced office market during Q4 10 compared to Q4 09.



*** officebroker.com defines the East Midlands region as areas located within the following postcode prefixes: DE, LE, NG, NN

HIGHLIGHTS

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased +32%
- The number of newly signed serviced office tenants (SOTs) decreased by -30%
- Average number of workstations rose from 2.6 to 3.4 per SOT
- Average workstation price increased to £235.00
- Average license length increased from 5.9 months to 6.1 months

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SUPPLY OF SERVICED OFFICE SPACE

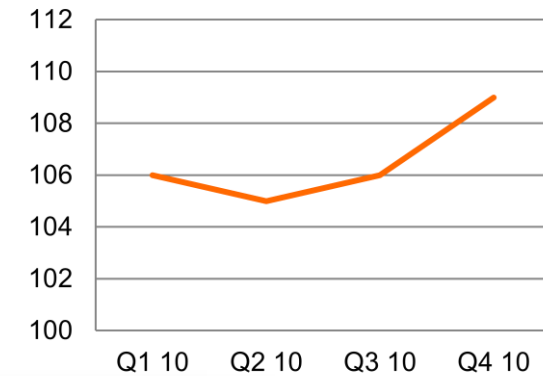
The number of serviced office buildings registered with officebroker.com in the East Midlands increased from 106 to 109

The total number of serviced office buildings registered with officebroker.com in the East Midlands increased to 109 during Q4 10 – representing a net increase of 3 buildings on the figure of 106 recorded at the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, with the 109 serviced office buildings listed within the East Midlands accounting for 4.1% of the total UK supply offered / available through the officebroker.com service.*

***Information correct at time of publication**

**Fig 1: East Midlands:
Serviced Office Buildings**



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels increased by +32% overall in Q4 10

Quarterly Activity – The number of enquiries generated by officebroker.com for serviced office space in the East Midlands was +32% higher in Q4 10 when compared to Q4 09.

Year-to-Date Activity – Between January – December 2010 officebroker.com has recorded a +35% increase in the number of serviced office space enquiries it has received compared to the same period in 2009.

Comparing month-on-month activity (Fig 3), it can be seen that enquiry levels have exceeded 2009 levels throughout the whole of 2010, with the largest increases occurring between February – April 2010.

National Comparison – During Q4 10 the number of enquiries received by officebroker.com throughout the UK increased by +42% when compared to Q4 09, indicating that the increase seen in the East Midlands is below that of the UK national average during this same period.

** Effective from 1st February 2010, officebroker.com extensively expanded its online marketing and affiliate program.*

As a direct result of this activity the number of enquiries received by officebroker.com increased substantially from February 2010 onward. Such increases, while generating abnormally large changes when placed against previous data, will ensure that the statistics reported by officebroker.com are an even more accurate assessment of the serviced office market here in the UK.

Fig 2: Q4 10 East Midlands Enquiry Levels: 2009 vs 2010

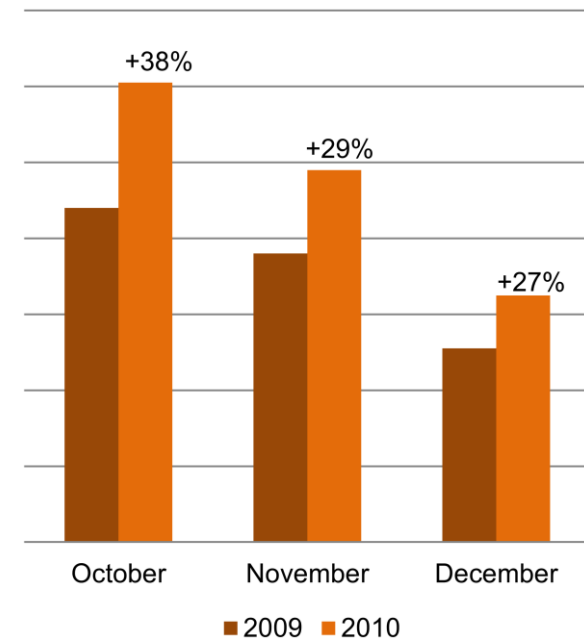
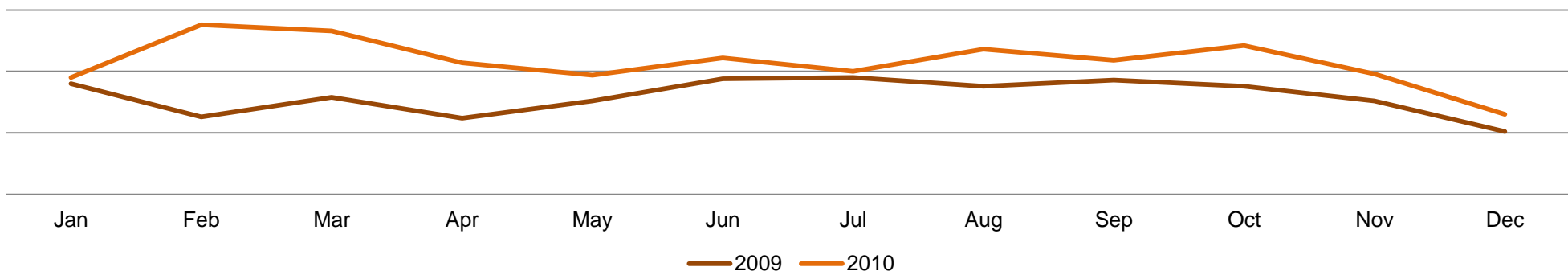


Fig 3. East Midlands: Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

Newly signed SOT levels were 30% lower in Q4 10

Quarterly Activity – The number of newly signed SOTs taking serviced office space through the officebroker.com service in Q4 10 was -30% lower than in the same period of 2009.

Year-to-Date Activity – Despite a reduction in the level of newly signed SOTs in the East Midlands during Q4 10, the overall number of newly signed SOTs recorded by officebroker.com throughout 2010 remains +13% higher than during the same 12 month period of 2009.

As shown in Fig 5, the number of SOTs entering serviced office space via officebroker.com has fluctuated during the latter 6 months of 2010, a notable change from the more moderate activity recorded during the previous 6 months of 2010.

National Comparison – During Q4 10 the overall number of SOTs taking serviced office space through officebroker.com nationally was -26% lower than during the same 3 month period of 2009.

With a decrease of -30% in the number of newly signed SOTs recorded across the East Midlands during 2010, it would appear that the activity recorded nationally has been reflected within the region during Q4 10.

Fig 4: Q4 East Midlands - SOT Levels 2009 vs 2010

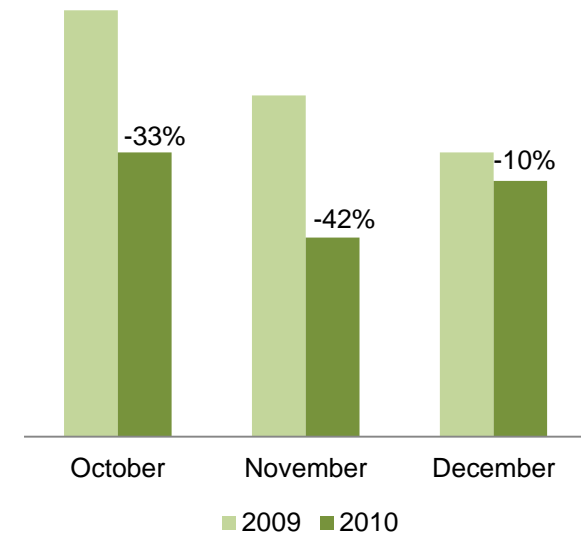
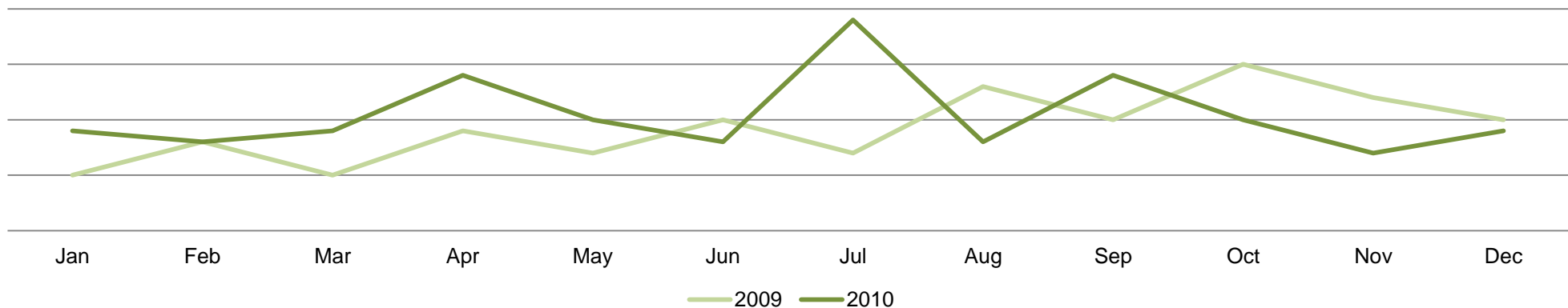


Fig 5. East Midlands - SOT Levels: Jan 2009 - Dec 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstation requirement rose to 3.4 per SOT in Q4 10

Quarterly Activity – The average number of workstations per SOT totalled 3.4 at the close of Q4 10, an increase of +31% on the average requirement of 2.6 workstations recorded in Q4 09.

Year-to-Date Activity – Between January – December 2010 workstation requirements in the East Midlands have averaged 3.3 workstations per SOT, equalling the average recorded in 2009.

As shown in Fig 7, workstation requirements have remained largely in-line with 2009 levels during both the early and latter stages of 2010, with the only significant alterations in this pattern occurring between April and May.

National Comparison – The average workstation requirement throughout the UK also increased during the final quarter of 2010, rising from 3.6 workstations per SOT in Q4 09 to 3.7 workstations per SOT in Q4 10.

Comparing this national activity to that of the East Midlands, the percentage change recorded in the region (+31%) is significantly higher than that of the national average - however workstation requirements remain below that of the national average.

Fig 6. Q4 East Midlands - Workstations 2009 vs 2010

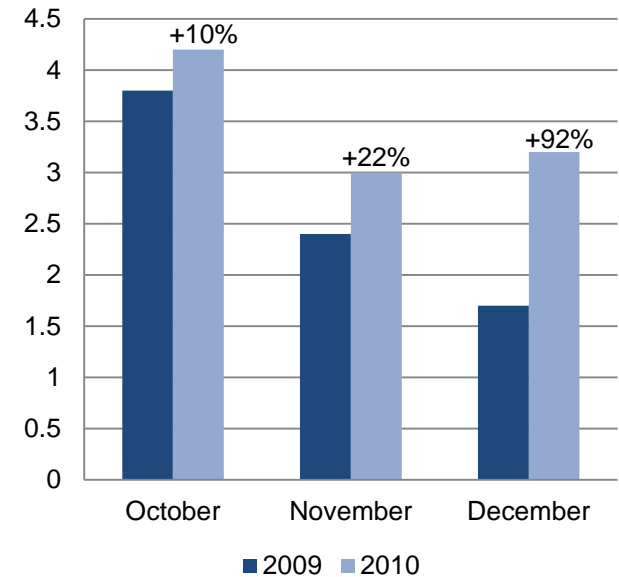
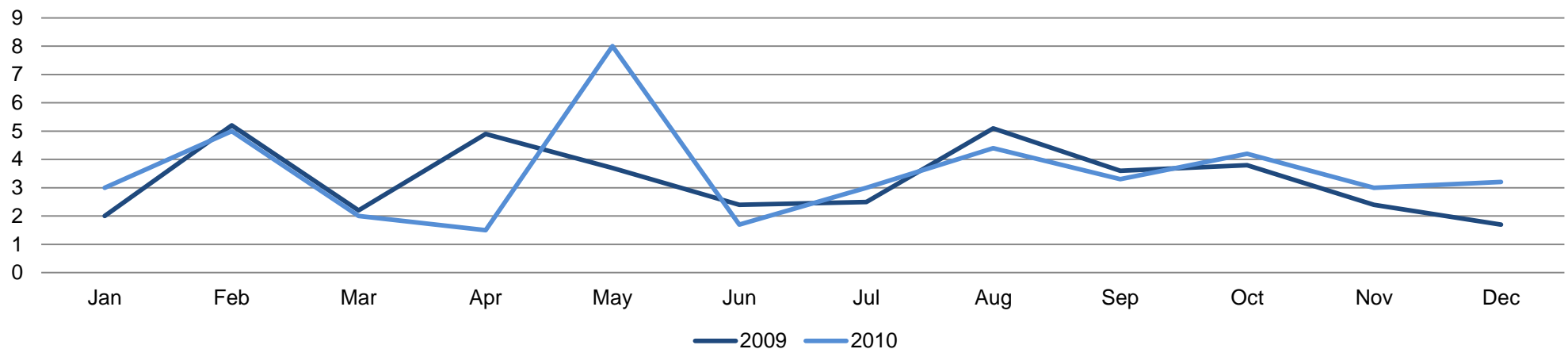


Fig 7. East Midlands: Average Workstations Per SOT - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average workstation price increased to £235.00 in Q4 10

Quarterly Activity – The average price per workstation in the East Midlands was £235.00 in Q4 10, an increase of £24.00 (+11%) on the average price of £211.00 recorded in Q4 09.

Year-to-Date Activity – Workstation prices across the East Midlands, despite increases in both Q1 and Q4, have remained below the average price recorded by officebroker.com during 2009 – falling by -7% from an average of £209.00 per workstation in to £195.00 per workstation in 2010.

During 2010 the difference between the upper (£307.00) and lower (£155.00) average prices recorded by officebroker.com in the East Midlands region was £152.00.

National Comparison – During Q4 10 officebroker.com reported a £6.00 (-3%) decrease in the average workstation price throughout the UK, falling from £232.00 per workstation in Q4 09 to £226.00 in Q4 10.

When comparing this national activity to that recorded in the East Midlands, it is clear that both the percentage change and average workstation price exceeded that of the national average recorded during this same 3 month period.

Fig 8: Q4 Average Workstation Prices 2009 vs 2010

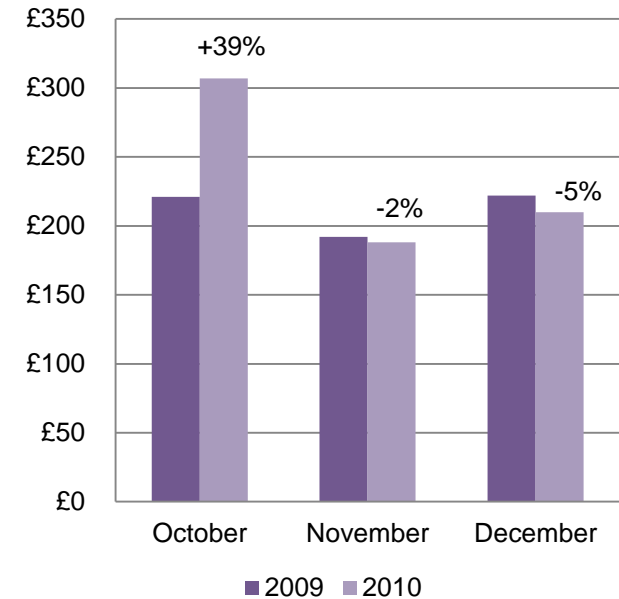


Fig 9. East Midlands: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 6.1 months in Q4 10

Quarterly Activity – In Q4 10 new SOTs entering serviced office space in the East Midlands through officebroker.com were signing average license lengths of 6.1 months, an increase of 0.2 months (+3%) on the average license length of 5.9 months recorded during Q4 09.

Year-to-Date Activity – Between January – December 2010 the average license length recorded by officebroker.com in the East Midlands was 7.8 months, an increase of 1.1 months (+17%) on the average license length of 6.7 months recorded during the course of 2009.

National Comparison – The average license length recorded by officebroker.com in the UK was 8 months during Q4 10, an increase of 1 month (+14%) on the average license length recorded in Q4 09.

With an average license length of 6.1 months recorded in the East Midlands, those businesses entering serviced offices via officebroker.com in Q4 10 were committing to average license lengths 1.9 months lower than the national average.

The license length of 6.1 months recorded within the East Midlands was the lowest average license length recorded in any UK region during Q4 10.

Fig 10: Q4 Initial License Length 2009 vs 2010

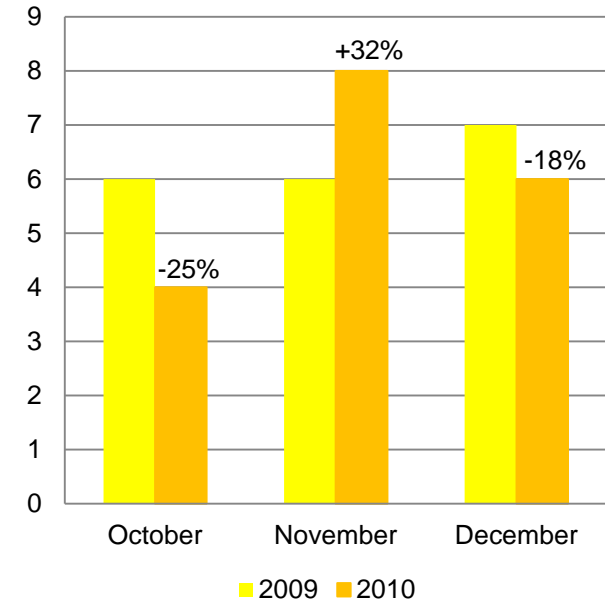
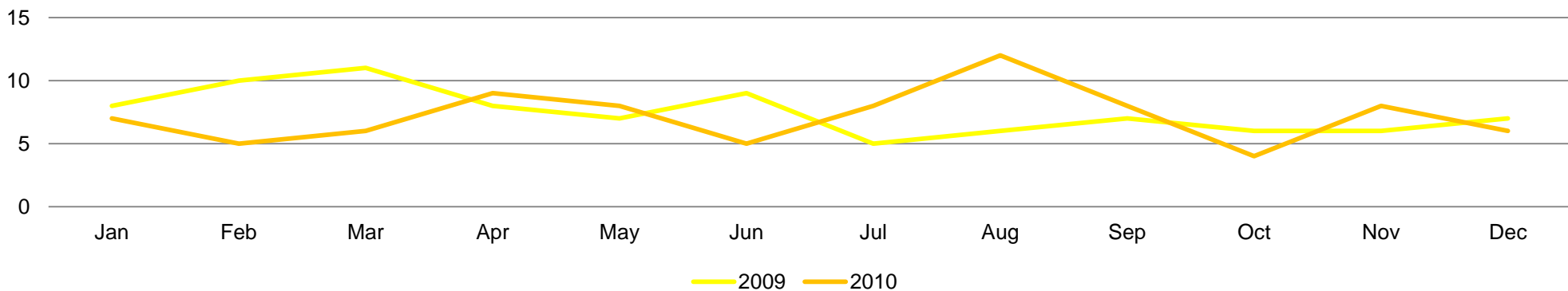


Fig 11. East Midlands: Average License Lengths - Jan 2009 - Dec 2010



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SUMMARY

When taking into account all the information for Q4 10, the following key findings can be drawn:

- Enquiry levels continued to exceed 2009 levels for the 4th consecutive financial quarter.
- The number of new SOTs entering serviced office space via the officebroker.com service reduced by 30% in Q4 10.
- Average workstation price increased in Q4 10 and exceeded the national average.
- Average license lengths increased but remained the lowest recorded in any UK region during Q4 10.

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RESEARCH

Simon Jones
Simon.jones@officebroker.com
0870 112 3667 (opt 2)
Sir Robert Peel Mill, Mill Lane, Fazeley,
B78 3QD

EDITORS NOTES

For more information in relation to officebroker.com's research, or for further details on any other UK Regions, please contact us via the following channels:

officebroker.com research is also available online at:

www.officebroker.com/resources

REFERENCES

officebroker.com is an independent specialist for serviced office space. Working with over 95% of all UK office space providers, officebroker.com offers free, consultative advice to assist businesses seeking office space in the UK and internationally.

Clients receive expert advice from regional consultants, who offer support and guidance throughout the process of finding office space, arranging a tour, and finalising the contract.

Contact officebroker.com for help finding serviced office space, or to advertise a building online.

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