

# officebroker.com

## SERVICED OFFICE REVIEW

SCOTLAND  
Q2 2010



# SCOTLAND\*\*\*

## INTRODUCTION

The following report utilises statistics for Q2 10 from officebroker.com, the UK's leading independent broker of serviced office space, to present activity in the serviced office market during Q2 10.

The report focuses on the following key areas in Scotland \*\*\*:

- 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 Scotland was compiled to provide a comparative report of the changes within the serviced office market during Q2 10 compared to Q2 09.



\*\*\* officebroker.com defines the Scotland region as areas located within the following postcode prefixes: AB, DD, EH, FK, G, IV, KA, KW, KY, ML, PA, PH

## HIGHLIGHTS

### Q2 2010 COMPARED TO Q2 2009:

- Enquiry levels increased +22%
- The number of newly signed serviced office tenants (SOTs) decreased by -7%
- Average number of workstations per SOT decreased to 3.1
- Average workstation price decreased from £211.00 to £174.00
- Average license length decreased from 8.1 months to 7.5 months

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## SUPPLY OF SERVICED OFFICE SPACE

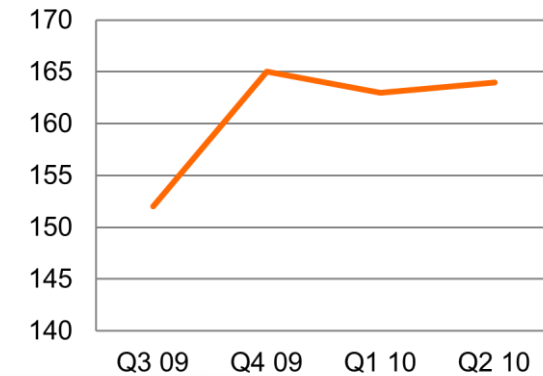
### The number of serviced office buildings registered with officebroker.com in Scotland increased from 163 to 164.

The total number of serviced office buildings registered with officebroker.com in Scotland increased to 164 during Q2 10 – representing a net increase of 1 building on the figure of 163 recorded at the close of Q1 10.

As shown in Fig 1, the total number of serviced office buildings registered with the officebroker.com service has increased overall during the last 12 months, rising from 152 in Q3 09 to 164 by the close of Q2 10.

This means that the overall number of serviced office buildings choosing to register with officebroker.com in Scotland has increased by a total of 12 buildings (+8%) within this twelve month period.

**Fig 1: Scotland:  
Serviced Office Buildings**



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# DEMAND FOR SERVICED OFFICE SPACE

## Q2 10 Enquiry Levels exceeded those of Q2 09 by +22% overall.

**Quarterly Activity** – The total number of enquiries received by officebroker.com for serviced office space in Scotland increased by +22% in Q2 10 compared to Q2 09.

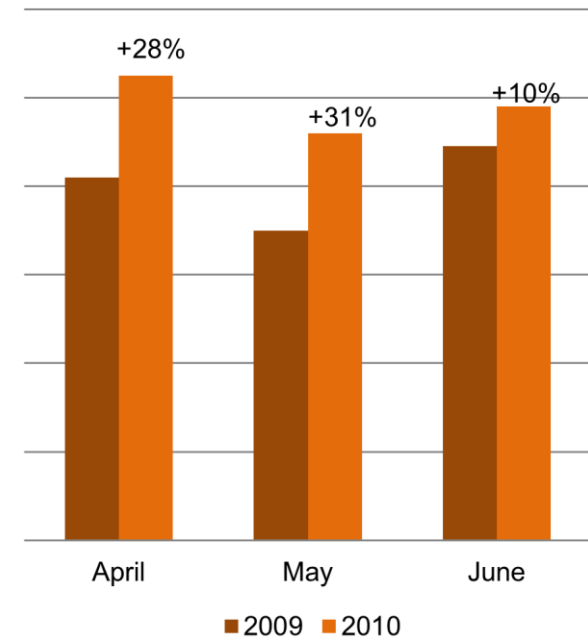
**Year-to-Date Activity** – This additional +22% increase in enquiries recorded by officebroker.com in Q2 10 follows a +40% increase in Q1 10, meaning the overall number of enquiries received by officebroker.com for serviced office space in Scotland during the first half of 2010 was +31% higher than in 2009.

**National Comparison** – During Q2 10 the total number of enquiries received by officebroker.com throughout the UK increased by +33% compared to Q2 09, indicating that the increases seen in Scotland, while still positive, are slightly lower than in other areas of the UK during Q2 10.

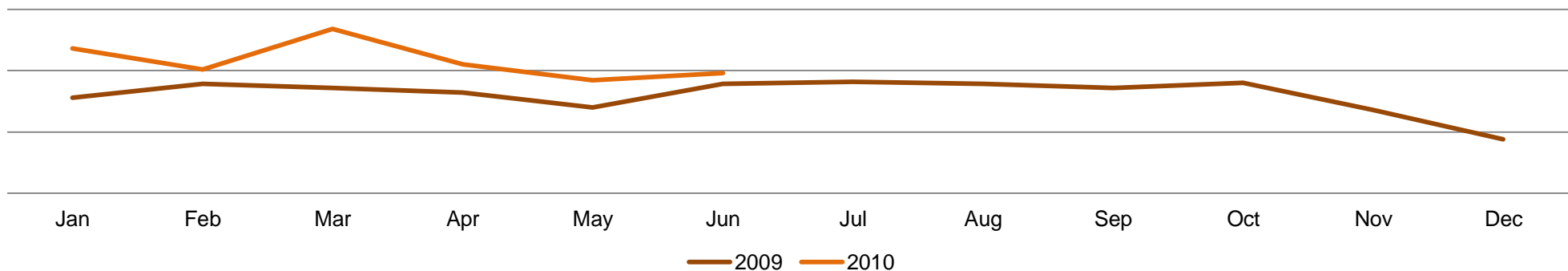
*\* Effective from 1<sup>st</sup> February 2010, officebroker.com extensively expanded its online marketing and affiliate program.*

*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: Q2 10 Scotland Enquiry Levels: 2009 vs 2010**



**Fig 3. Scotland: Enquiry Levels: Jan 2009 - June 2010**



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## NEW SERVICED OFFICE TENANTS (SOTs)

**-7% change in the number of SOTs in Q2 10 compared to Q2 09.**

**Quarterly Activity** – The number of businesses taking serviced office space through officebroker.com decreased by -7% in Q2 10 compared to Q2 09.

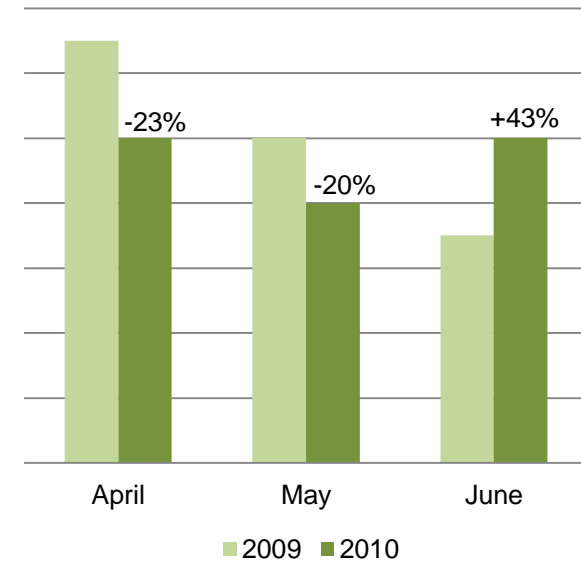
**Year-to-Date Activity** – During Q1 10 the number of new SOTs taking space through the officebroker.com service increased (+13%). Taking into account the overall activity recorded in the opening 6 months of 2010, the total number of SOTs entering serviced office space via officebroker.com is currently +3% higher than in 2009.

With the officebroker.com sales cycle averaging 59 days from initial enquiry to placement, it would appear that the additional enquiries generated in Q1 10 (+40%), a result of the increased marketing activity outlined in the previous section of this report, are yet to generate an increase in the number of SOTs taking office space in the Scotland through officebroker.com during Q2 10.

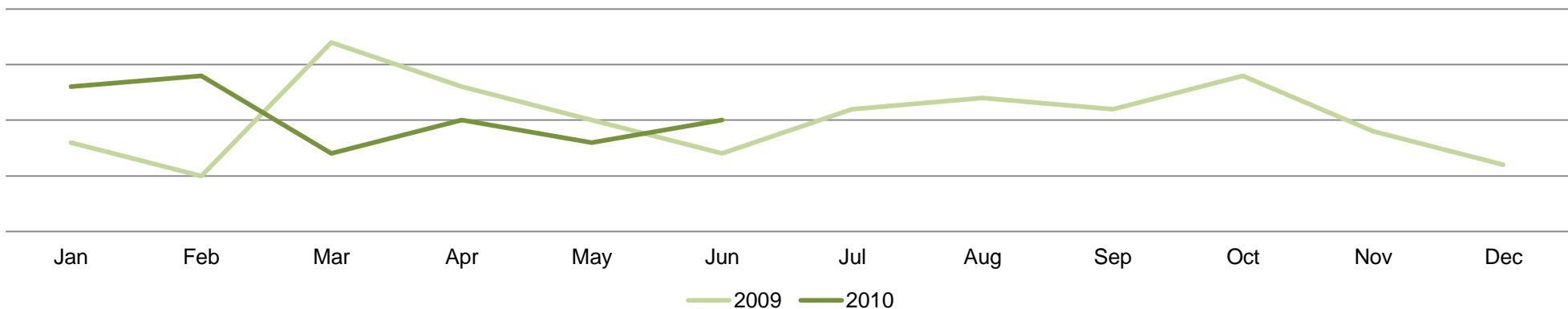
**National Comparison** – During Q2 10 the total number of SOTs taking serviced office space through officebroker.com increased nationally by +5% compared to Q2 09.

Having recorded a -7% decrease in SOT numbers during Q2 10, Scotland is behind the national activity recorded by officebroker.com during this same time period.

**Fig 4: Q2 Scotland - SOT Levels 2009 vs 2010**



**Fig 5. Scotland - SOT Levels: Jan 2009 - June 2010**



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# AVERAGE WORKSTATIONS PER SOT

**Average workstations per SOT decreased from 3.5 in Q2 09 to 3.1 in Q2 10.**

**Quarterly Activity** – The average number of workstations per SOT totalled 3.1 at the close of Q2 10, a decrease of -12% on the average workstation requirement of 3.5 per SOT recorded in Q2 09.

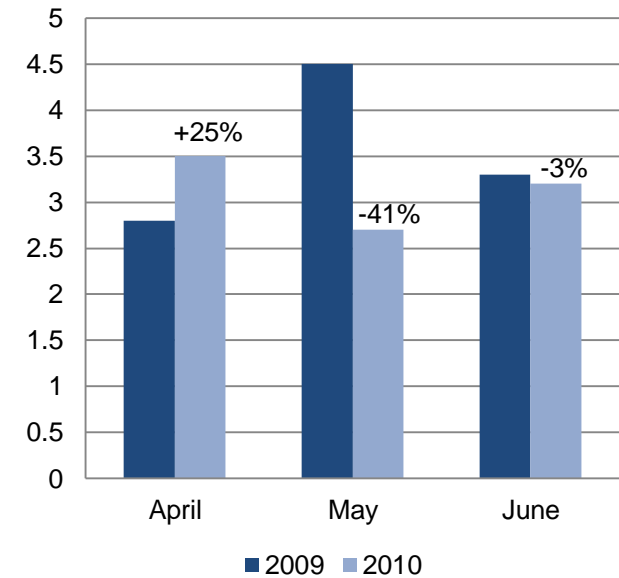
**Year-to-Date Activity** – Having previously recorded a +3% increase in average workstation requirements during Q1 10, overall workstation requirements in Scotland during the opening 6 months of 2010 are currently -6% below 2009 levels overall.

**National Comparison** – The average number of workstations per SOT throughout the UK increased from 3.8 in Q2 09 to 4.5 at the close of Q2 10 - a rise of +16%.

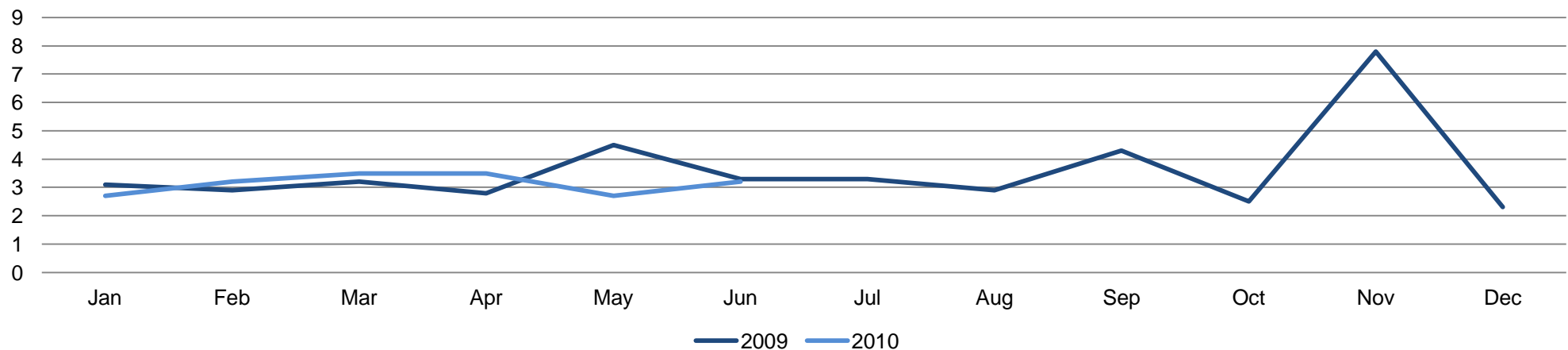
Comparing this national activity to that of Scotland in Q2 10, both the percentage change (-12%) and average workstation requirement (3.1) within the region were significantly lower than the national averages recorded by officebroker.com during this same period.

Having recorded an average workstation requirement of 3.1 per SOT during Q2 10, Scotland logged the 2<sup>nd</sup> lowest workstation requirement of any UK region during the second quarter of 2010, with only the Yorkshire & Humberside region (2.5) recording lower.

**Fig 6. Scotland - Workstations 2009 vs 2010**



**Fig 7. Scotland: Average Workstations Per Sot - Jan 2009 - June 2010**



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# SERVICED OFFICE SPACE COSTS

## Average price per workstation decreased by -17% in Q2 10 compared to Q2 09.

**Quarterly Activity** – The average price per workstation in Scotland was £174.00 in Q2 10, a decrease of -17% on the average price of £211.00 recorded in Q2 09.

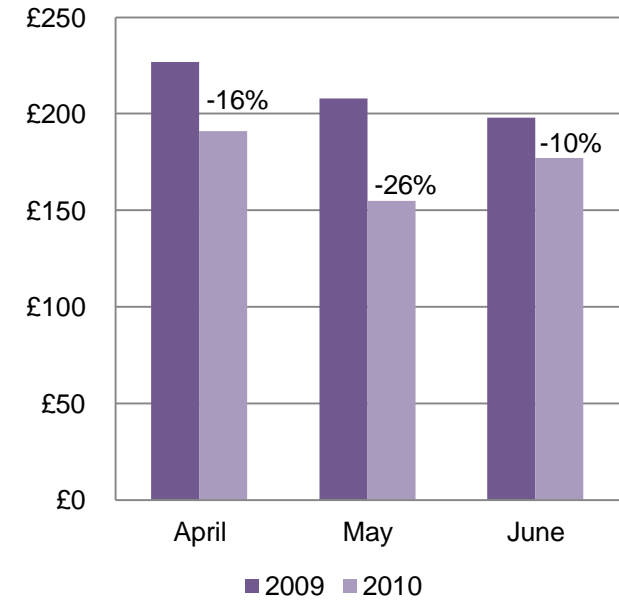
**Year-to-Date Activity** – Having recorded a +63% increase in average workstation prices during Q1 10, overall average workstation prices in Scotland are currently +20% higher in the opening 6 months of 2010 than in the same period of 2009 despite the decrease recorded in Q2 10.

**National Comparison** – During Q2 10 the average price per workstation fell nationally by -13%, from £274.00 in Q2 09 to £238.00 by the close of Q2 10.

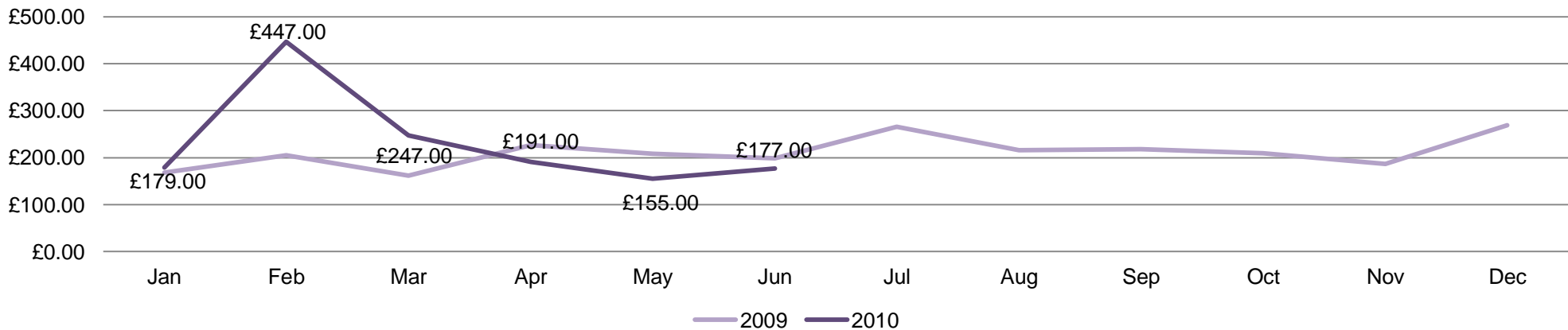
Comparing this national activity to that of Scotland in Q2 10, both the percentage change (-17%) and average workstation price (£174.00) were significantly below these national averages.

At the close of Q2 10 workstation prices in Scotland were £64.00 (-27%) below the national average.

**Fig 8: Q2 Average Workstation Prices 2009 vs 2010**



**Fig 9. Scotland: Average Price Per Workstation - Jan 2009 - June 2010**



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# AVERAGE LICENSE LENGTHS

## Initial license lengths increased to 8.1 months in Q2 10 from 7.5 in Q2 09

**Quarterly Activity** – In Q2 10 new SOTs entering serviced office space in Scotland through officebroker.com were signing average license lengths of 8.1 months, an increase of 0.6 months (+9%) on the average license length of 7.5 months recorded during Q2 09.

**Year-to-Date Activity** – The increase in average license lengths recorded in Q2 10 follows a decrease of 20% in the average license length in Q1 10. The overall result of this activity means that average license lengths in Scotland during the first 6 months of 2010 are -7% lower than during the same period of 2009.

**National Comparison** – During Q2 10 license lengths averaged 7.3 months nationally, an increase of +6% on the average license length of 7.0 months recorded in Q2 09.

With an average license length of 8.1 months being recorded in Scotland, businesses entering serviced office space via officebroker.com during this period were committing to an additional 0.8 months compared to the national average during Q2 10.

The average license length of 8.1 months in Scotland was one of the longest of any UK region during Q2 10, with only the North West (8.4) and Central London (8.3) recording a highest average license length in Q2 10.

Fig 10: Q2 Initial License Length 2009 vs 2010

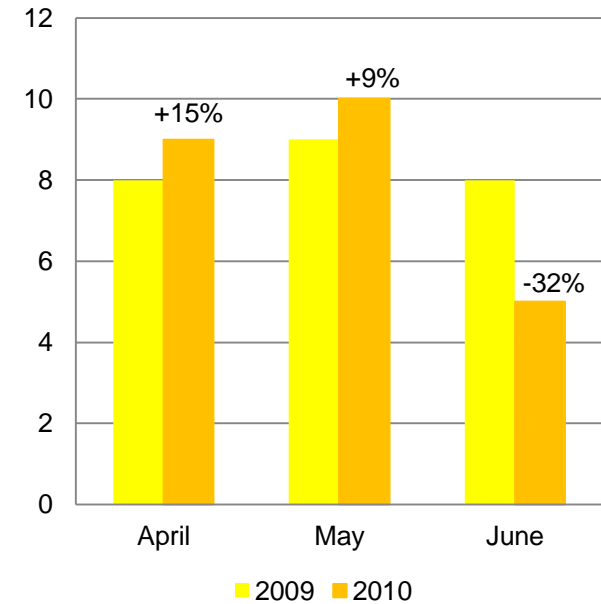
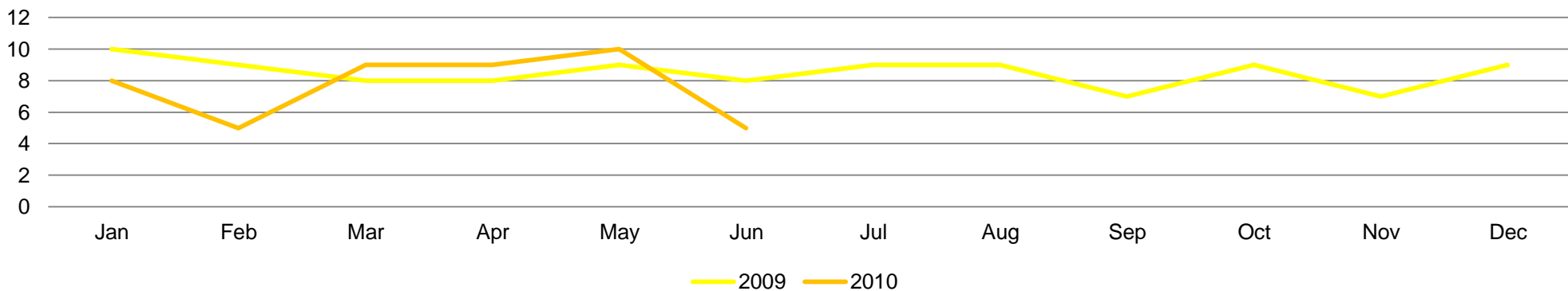


Fig 11. Scotland: Average License Lengths - Jan 2009 - June 2010



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## SUMMARY

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When taking into account all the information for Q2 10, the following key findings can be drawn:

- Enquiry levels increased by +22% during Q2 10, building upon the previous increase recorded in Q1 10.
- The overall number of new serviced office tenants decreased by -7%.
- Average workstation price fell below 09 levels in Q2 10.
- Average license lengths increased and were amongst the highest recorded in any UK region.

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## RESEARCH

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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:

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officebroker.com research is also available online at:

[www.officebroker.com/resources](http://www.officebroker.com/resources)

## EDITORS NOTES

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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.

## REFERENCES

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