# officebroker.com

## SERVICED OFFICE REVIEW

## SOUTH EAST
## Q4 2010

# SOUTH EAST***

## 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 South East *** region:

- 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 South East 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 South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN.*

### HIGHLIGHTS

**Q4 2010**
**COMPARED TO Q4 2009:**

- **Enquiry levels increased +36%**
- **The number of newly signed serviced office tenants (SOTs) decreased by -39%**
- **Average number of workstations per SOT decreased 3.3**
- **Average workstation price decreased to £215.00**
- **Average license length increased from 7.3 months to 8.3 months**

****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# SUPPLY OF SERVICED OFFICE SPACE

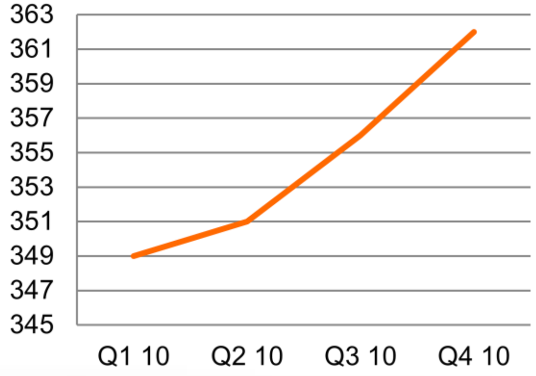
## The number of serviced office buildings registered with officebroker.com in the South East increased to 362

The total number of serviced office buildings registered with officebroker.com in the South East increased to 362 during Q4 10 – representing a net increase of 6 buildings on the figure of 356 recorded at the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, the 362 serviced office buildings listed within the South East region accounts for 13.8% of the total UK supply offered / available through the officebroker.com service.*****

****Information correct at time of publication***

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




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# DEMAND FOR SERVICED OFFICE SPACE

## Enquiry levels increased by +36% overall in Q4 10

**Quarterly Activity** – The number of enquiries received by officebroker.com for serviced office space in the South East has increased by +36% in Q4 10 compared to Q4 09.

**Year-to-Date Activity** – Having generated higher enquiry levels throughout 2010, the overall number of enquiries for serviced office space in the South East has exceeded 2009 levels by +40%.

**National Comparison** – During Q4 10 the total number of enquiries received by officebroker.com throughout the UK increased by +42%, indicating that the additional enquiries officebroker.com has generated in the South East was largely in-line with the activity recorded nationally during Q4 10.

** 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 South East Enquiry Levels: 2009 vs 2010**

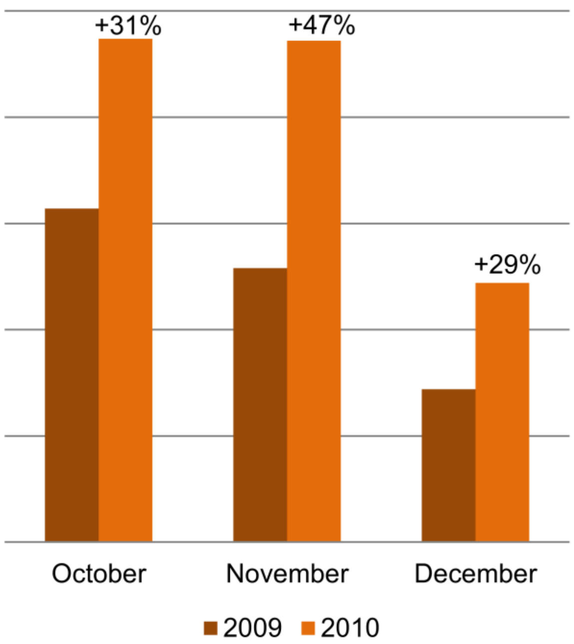
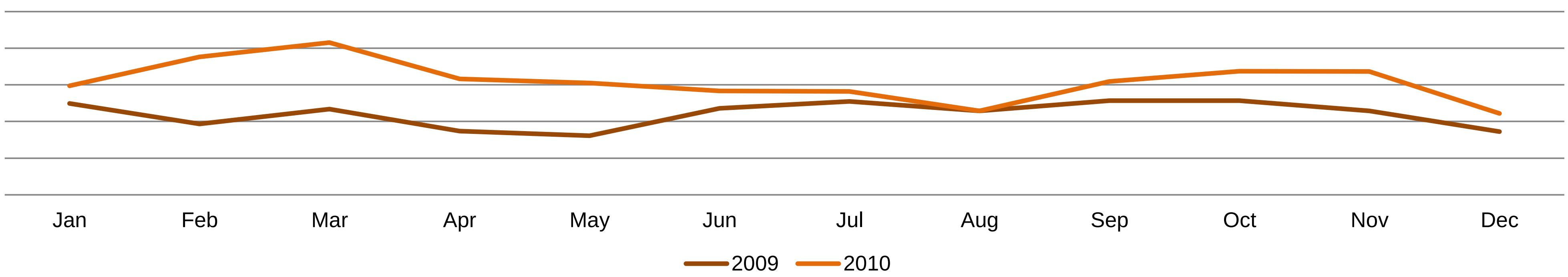



**Fig 3. South East Enquiry Levels: Jan 2009 - Dec 2010**




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# NEW SERVICED OFFICE TENANTS (SOTs)

## The number of new SOTs decreased by -39% in Q4 10

**Quarterly Activity** – The number of new businesses taking serviced office space through officebroker.com in Q4 10 was -39% lower than in Q4 09 within the South East region.

**Year-to-Date Activity** – During 2010, the total number of newly signed SOTs has decreased by -10% across the South East, with the higher numbers seen in the opening half of 2010 being countered by decreases during the latter stages of 2010.

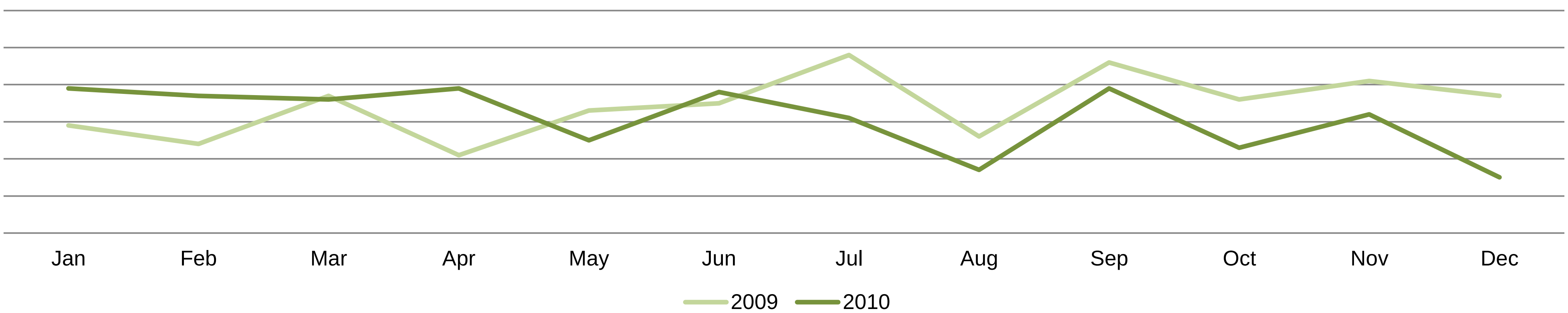
**National Comparison** – During Q4 10 the total number of SOTs taking serviced office space through the officebroker.com service reduced nationally by -26%.

Having recorded a decrease of -39% in new SOT levels during Q4 10, the South East would appear to have experienced a greater decrease than other areas of the UK during the final quarter of 2010.

The SOTs entering serviced office space in the South East during Q4 10 accounted for 10% of all SOTs assisted by officebroker.com during the final quarter of 2010.

**Fig 4: Q4 South East - SOT Levels 2009 vs 2010**


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




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# AVERAGE WORKSTATIONS PER SOT

## Average workstation requirement was 3.3 during Q4 10

**Quarterly Activity** – The average number of workstations per SOT totalled 3.3 at the close of Q4 10, a reduction of -11%, or 0.4 workstations, on the average requirement of 3.7 recorded in Q4 09.

**Year-to-Date Activity** – Having recorded lower workstation requirements between January – April 2010 (Fig 7.), the increased and more comparable requirements during the remainder of 2010 have helped to raise the average workstation requirement back to within -5% of the higher 2009 levels.

During 2010, the average requirement was 3.9 workstations compared to 4.1 workstations in 2009.

**National Comparison** – The average number of workstations increased (+3%) throughout the UK during Q4 10, rising from 3.6 workstations per SOT in Q4 09 to 3.7 workstations by the close of Q4 10.

Comparing this national activity to that recorded in the South East during Q4 10, it would appear that workstation requirements within the region are lower than that recorded nationally during Q4 10.

During Q4 10 the South East requirement of 3.3 workstations per SOT was the 3rd lowest recorded in any UK region, with only Yorkshire & Humberside (2.7) and Wales (3.0) posting lower average requirements.

**Fig 6. South East Workstations 2009 vs 2010**

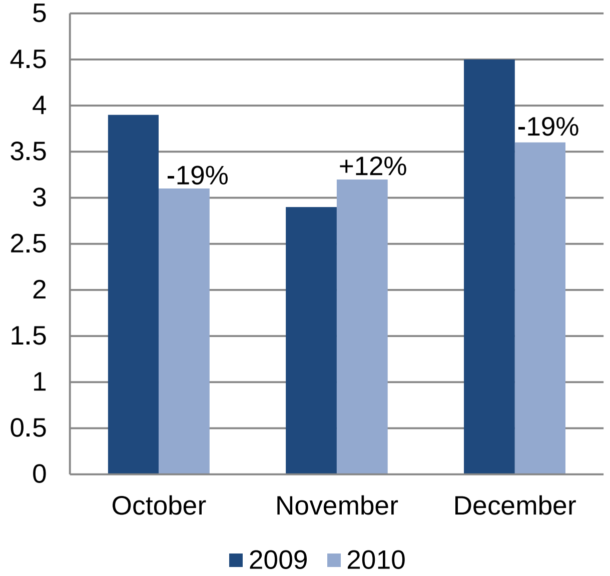
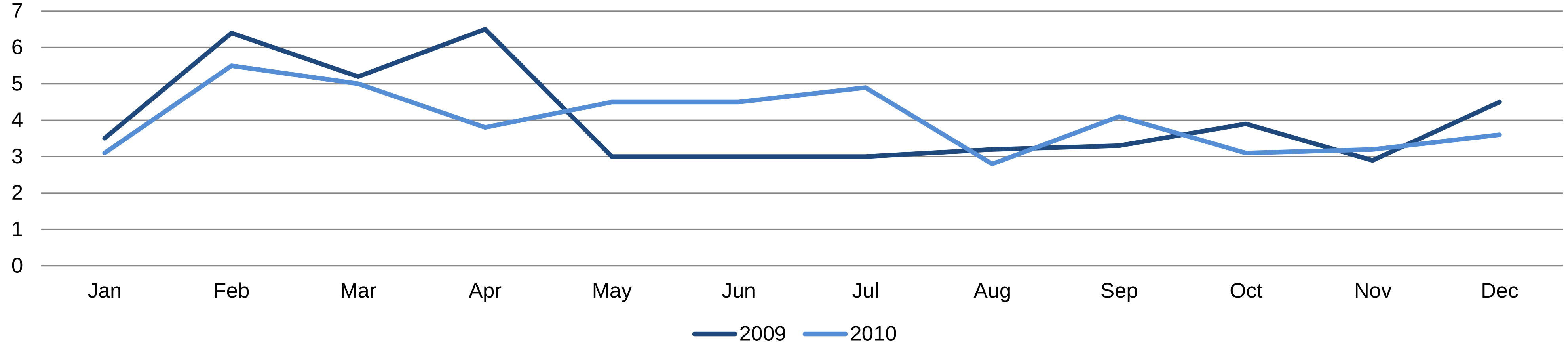



**Fig 7. South East: Average Workstations Per Sot - Jan 2009 - Dec 2010**




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# SERVICED OFFICE SPACE COSTS

## Average price per workstation reached £215.00 in Q4 10

**Quarterly Activity** – The average price per workstation in the South East was £215.00 in Q4 10, a decrease of £12.00 (-6%) on the average price of £227.00 recorded in Q4 09.

Comparing Q4 activity over a longer time frame, the average price of £215.00 per workstation recorded in 2010 remains £64.00 lower than the average price of £279.00 recorded in Q4 08.

**Year-to-Date Activity** – As shown by Fig 9, the average workstation price recorded by officebroker.com in the South East region continuously fluctuated above and below 2009 levels during 2010.

The overall result of this ebb and flow is a 1% increase in average workstation prices within the region during 2010, altering from £237.00 in 2009 to £239.00 in 2010.

**National Comparison** – During Q4 10 the average price per workstation fell nationally by £6.00 (-3%), from £232.00 in Q4 09 to £226.00 by the close of Q4 10.

Comparing this national activity to that of the South East in Q4 10, it would appear that this regional activity is largely in-line with that of the national activity based on the data recorded by officebroker.com.

**Fig 8: Q4 Average Workstation Prices 2009 vs 2010**

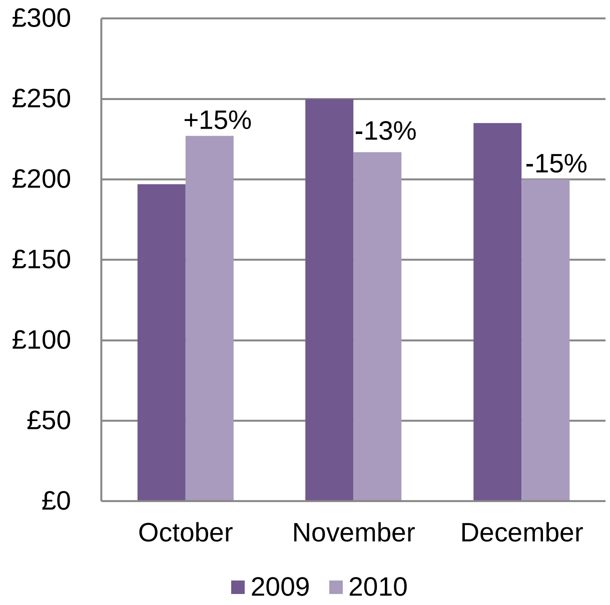
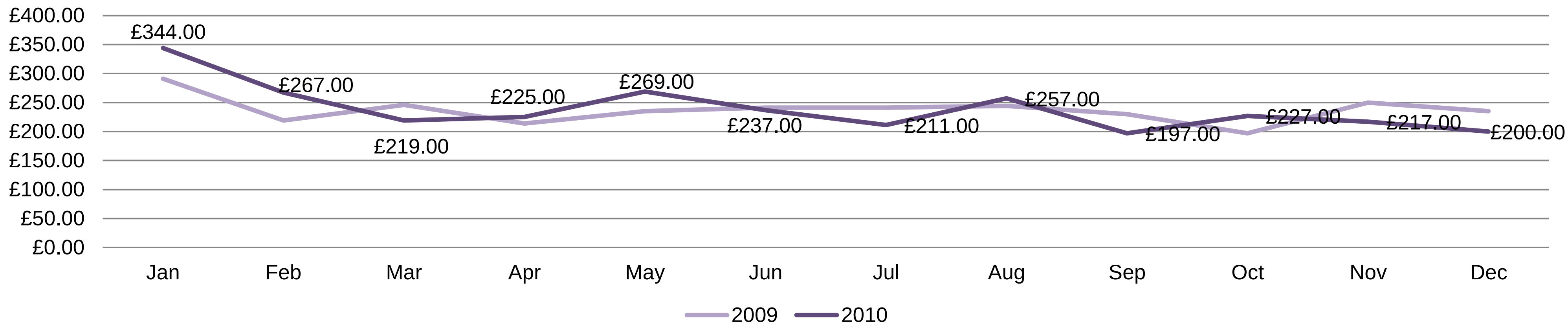



**Fig 9. South East: Average Price Per Workstation - Jan 2009 - Dec 2010**




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# AVERAGE LICENSE LENGTHS

## Initial license lengths increased to 8.3 months in Q4 10

**Quarterly Activity** – In Q4 10 new SOTs entering serviced office space in the South East via officebroker.com were signing average license lengths of 8.3 months, an increase of 1.0 months (+14%) on the average license length of 7.3 months recorded during Q4 09.

**Year-to-Date Activity** – As shown in Fig 11, average license lengths have exceeded 2009 levels on all but three occasions during 2010, resulting in a year-on-year increase of 1.6 months (+23%) in the average length of license being entered into by SOTs during 2010.

Overall, initial license lengths have increased from 6.6 months in 2009 to 8.2 months in 2010.

**National Comparison** – During Q4 10 license lengths averaged 8.0 months nationally, an increase of +14% on the average license length of 7.0 months recorded in Q4 09.

With an average license length of 8.3 months being recorded in the South East, businesses entering serviced office space via officebroker.com during this period were committing to an additional 0.3 months compared to the national average during Q4 10.

**Fig 10: Q4 Initial License Length 2009 vs 2010**

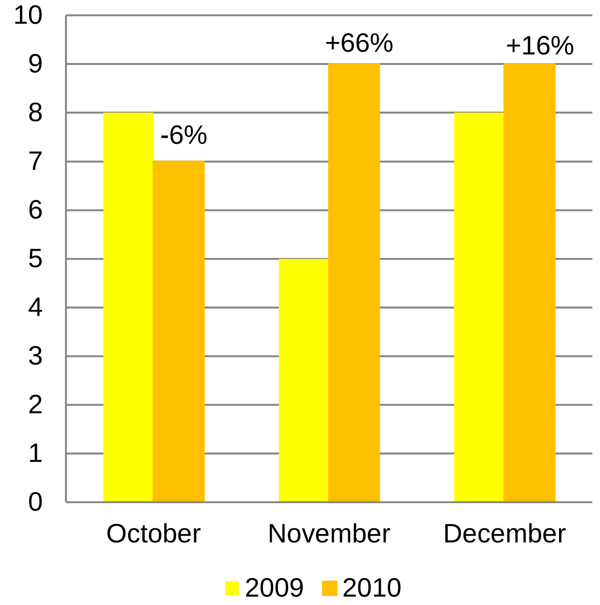
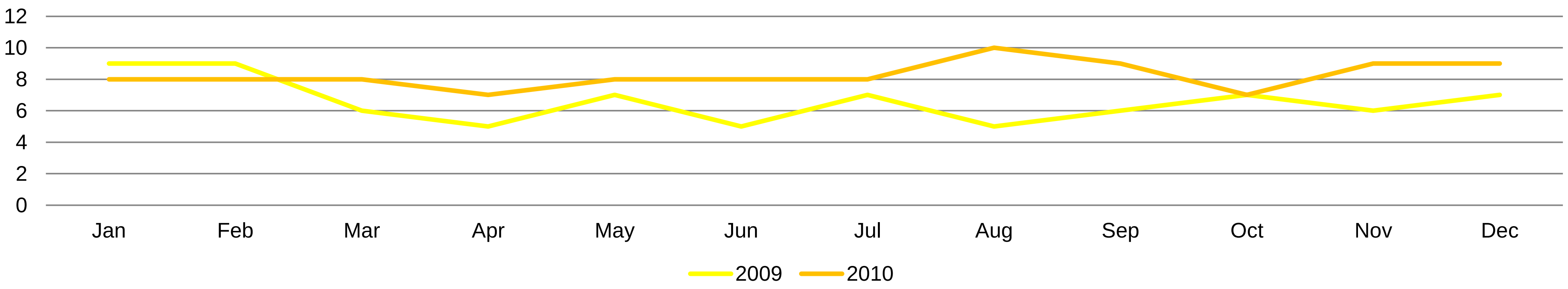



**Fig 11. South East: Average License Lengths - Jan 2009 - Dec 2010**




****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# SUMMARY

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

- Enquiry levels increased, exceeded 2009 levels by +36% in Q4 10.
- The overall number of new serviced office tenants decreased in Q4 10.
- Average workstation price reduced slightly in Q4 10 but increased overall during 2010.
- Average licence lengths exceeded 2009 levels and the national average during Q4 10.

**NEED TO KNOW MORE DETAIL?**

Explore what our Insight Report service can offer by viewing a sample:

CLICK HERE

****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*

# RESEARCH

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:

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

officebroker.com research is also available online at:

www.officebroker.com/resources

# EDITORS NOTES

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



****officebroker.com defines the South East region as areas located within the following postcode prefixes: BN, CT, DA, GU, ME, MK, OX, PO, RG, RH, SL, SO, TN*