

officebroker.com

SERVICED OFFICE REVIEW

SOUTH WEST
Q2 2010



SOUTH WEST***

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



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HIGHLIGHTS

Q2 2010 COMPARED TO Q2 2009:

- Enquiry levels increased +50%
- The number of newly signed serviced office tenants (SOTs) increased by +3%
- Average number of workstations per SOT decreased to 3.9
- Average workstation price decreased from £267.00 to £171.00
- Average license length increased from 5.0 months to 6.3 months

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SUPPLY OF SERVICED OFFICE SPACE

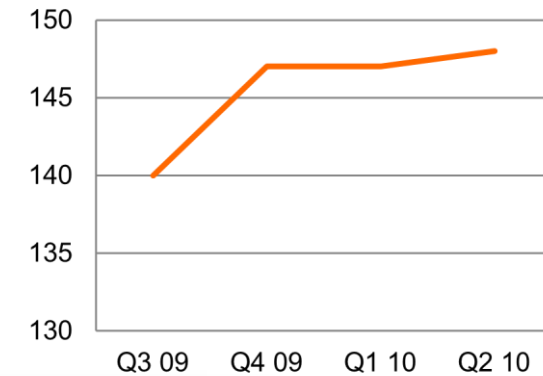
The number of serviced office buildings registered with officebroker.com in the South West increased from 147 to 148.

The total number of serviced office buildings registered with officebroker.com in the South West increased to 148 during Q2 10 – representing a net increase of 1 building on the figure of 147 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 140 in Q3 09 to 148 by the close of Q2 10.

This means that the overall number of serviced office buildings choosing to register with officebroker.com in the South West has increased by 8 buildings (+6%) within this 12 month period.

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



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DEMAND FOR SERVICED OFFICE SPACE

Q2 10 Enquiry Levels exceeded those of Q2 09 by +50% overall.

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in the South West increased by +50% in Q2 10 compared to Q2 09.

Year-to-Date Activity – This additional +50% increase in enquiries recorded by officebroker.com in Q2 10 follows a +62% increase in Q1 10, meaning the overall number of enquiries received by officebroker.com for serviced office space in the South West during the first half of 2010 was +57% 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 the South West are higher than in other areas of the UK during Q2 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: Q2 10 South West Enquiry Levels: 2009 vs 2010

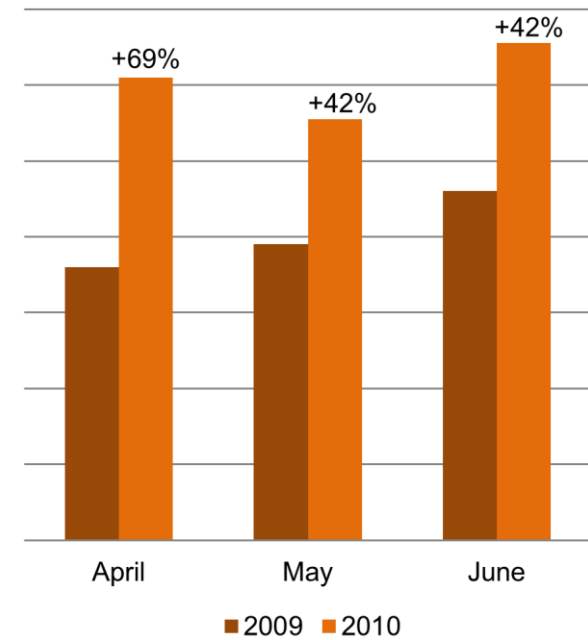
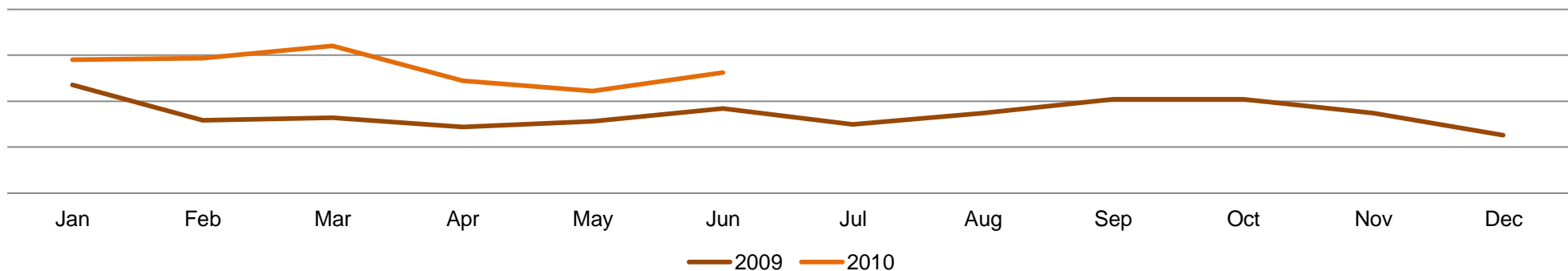


Fig 3. South West Enquiry Levels: Jan 2009 - June 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

+3% 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 increased by +3% 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 also increased (+35%), meaning that the overall number of SOTs taking space via officebroker.com in the South West is currently +16% higher in the opening 6 months of 2010 than in same period of 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 (+62%), a result of the increased marketing activity outlined in the previous section of this report, have helped to generate an increase in the number of SOTs taking office space in the South West region 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 +3% increase in SOT numbers during Q2 10, the South West would appear to be trending in-line with the national activity recorded during the same period.

Fig 4: Q2 South West - SOT Levels 2009 vs 2010

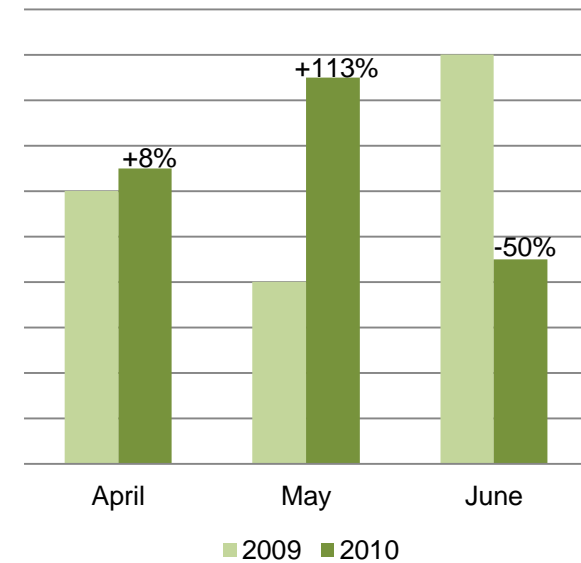
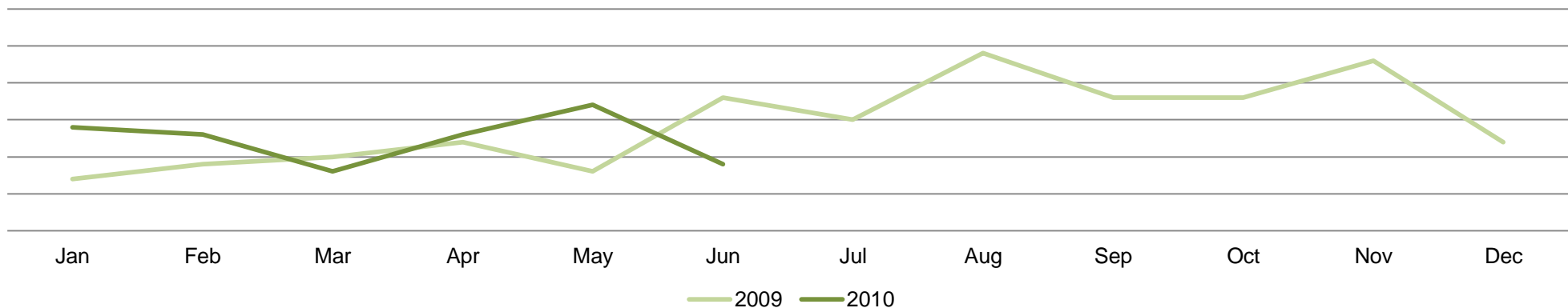


Fig 5. South West SOT Levels: Jan 2009 - June 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstations per SOT decreased from 4.4 in Q2 09 to 3.9 in Q2 10.

Quarterly Activity – The average number of workstations per SOT totalled 3.9 at the close of Q2 10, a decrease of -12% on the average workstation requirement of 4.4 per SOT recorded in Q2 09.

Year-to-Date Activity – Having previously recorded a +13% increase in average workstation requirements during Q1 10, overall workstation requirements in the South West during the opening 6 months of 2010 remain +2% above 2009 levels overall – despite the -12% decrease in workstation requirements in Q2 10.

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 the South West in Q2 10, both the percentage change (-12%) and average workstation requirement (3.9) within the region were lower than the national averages recorded by officebroker.com during the same period.

Fig 6. South West Workstations 2009 vs 2010

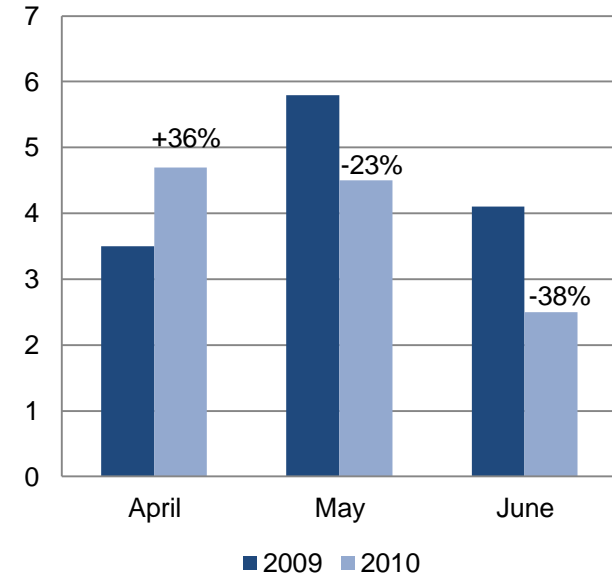
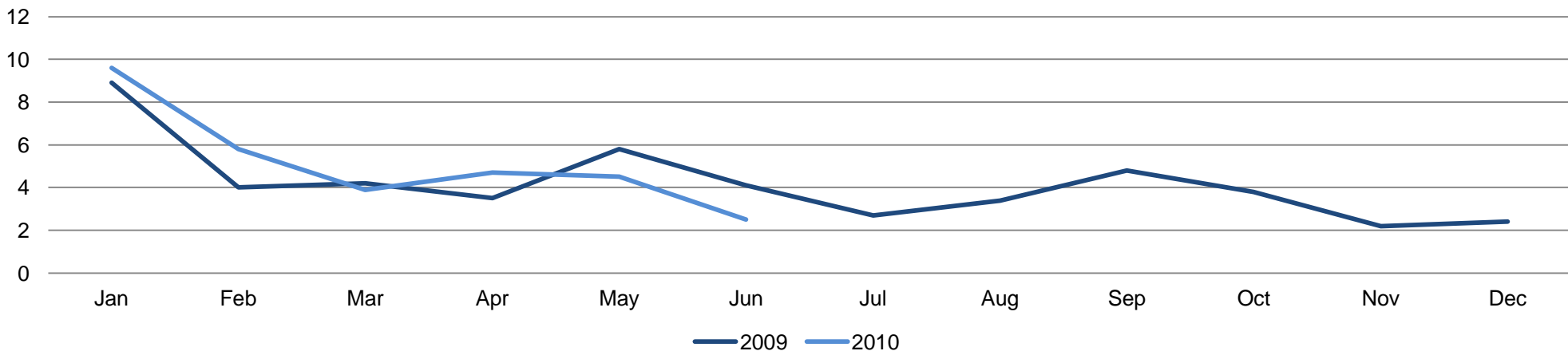


Fig 7. South West: Average Workstations Per Sot - Jan 2009 - June 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation decreased by -36% in Q2 10 compared to Q2 09.

Quarterly Activity – The average price per workstation in the South West was £171.00 in Q2 10, a decrease of -36% on the average price of £267.00 recorded in Q2 09.

Year-to-Date Activity – Having also recorded a decrease of -20% in average workstation prices during Q1 10, overall average workstation prices in the South West are -29% below 2009 levels between January – June 2010 according to the data collected by officebroker.com.

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.

At the close of Q2 10 workstation prices in the South West were £67.00 (-28%) below this national average.

Fig 8: Q2 Average Workstation Prices 2009 vs 2010

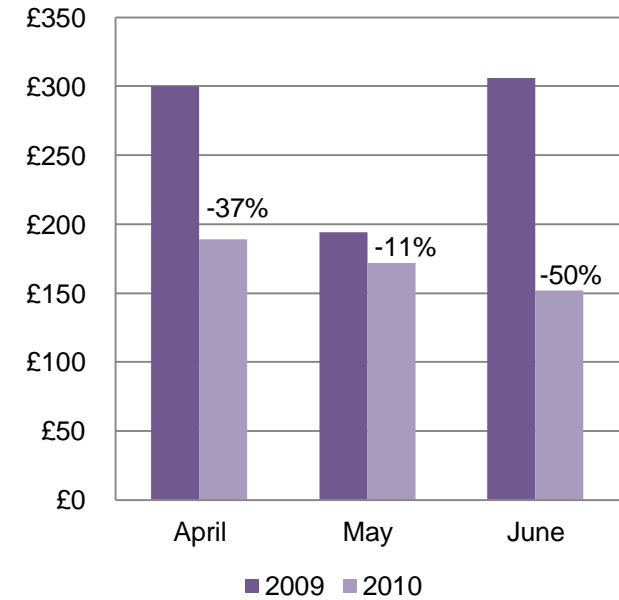
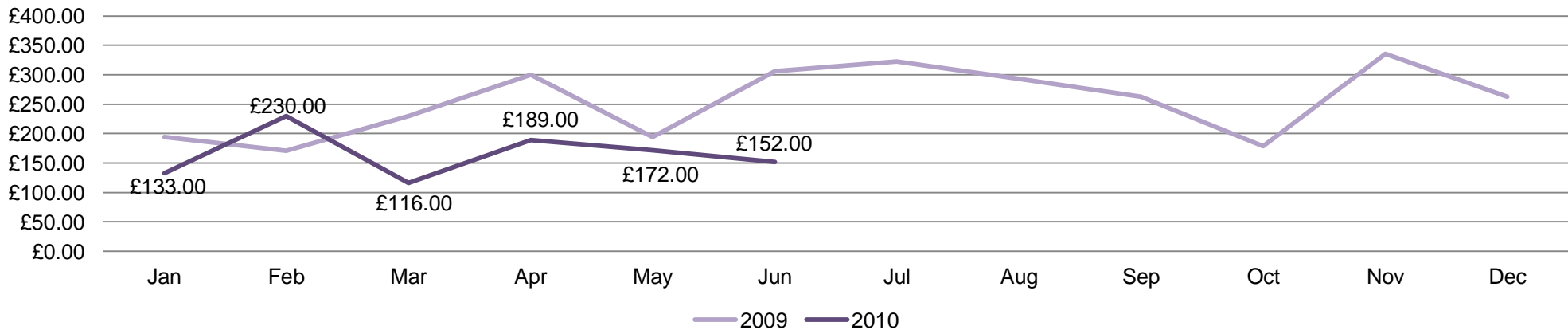


Fig 9. South West: Average Price Per Workstation - Jan 2009 - June 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 6.3 months in Q2 10 from 5.0 in Q2 09

Quarterly Activity – In Q2 10 new SOTs entering serviced office space in the South West through officebroker.com were signing average license lengths of 6.3 months, an increase of 1.3 months (+25%) on the average license length of 5.0 months recorded during Q2 09.

Year-to-Date Activity – The increase in average license lengths recorded in Q2 10 follows an overall increase of +29% in the average license length recorded in Q1 10, meaning that average license lengths in the South West during the opening 6 months of 2010 are +27% (1.4 workstations) higher 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 6.3 months being recorded in the South West, businesses entering serviced office space via officebroker.com during this period were committing to 0.7 months less (-10%) compared to the national average during Q2 10.

Despite the +25% increase in average license length during Q2 10, the average license length of 6.3 months within the South West was the lowest of any UK region during Q2 10.

Fig 10: Q2 Initial License Length 2009 vs 2010

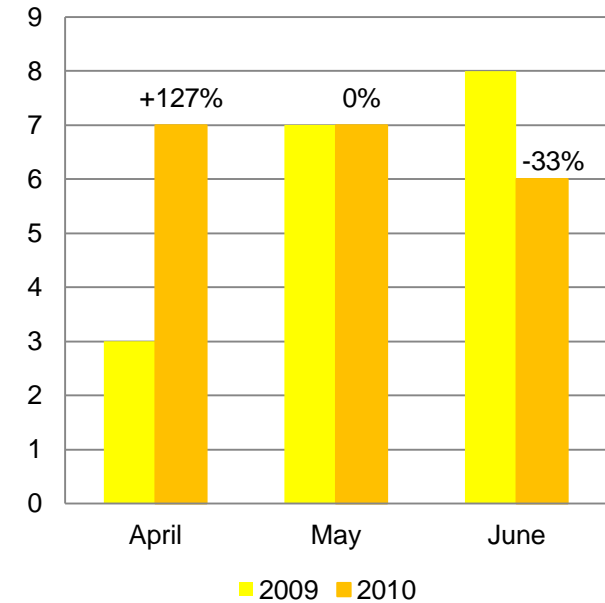
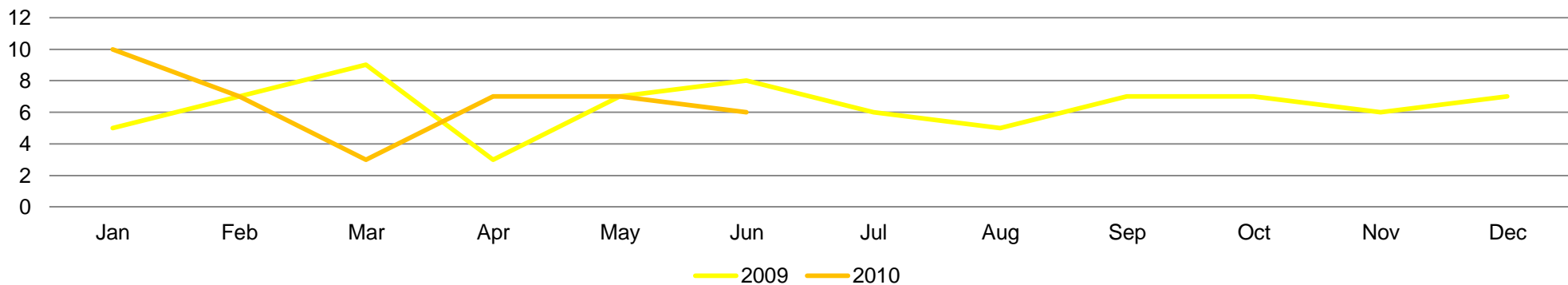


Fig 11. South West: Average License Lengths - Jan 2009 - June 2010



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SUMMARY

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

- Enquiry levels increased by +50% during Q2 10, building upon the previous increase recorded in Q1 10.
- The overall number of new serviced office tenants increased.
- Average workstation price fell below 09 levels for the 2nd consecutive quarter.
- Average license lengths exceeded Q2 09 levels in Q2 10 but were the lowest average levels recorded in any UK region.

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RESEARCH

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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.

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