

officebroker.com

SERVICED OFFICE REVIEW

EAST MIDLANDS
Q3 2010



EAST MIDLANDS***

INTRODUCTION

The following report utilises statistics for Q3 10 from officebroker.com, the UK's leading independent broker of serviced office space, to present activity in the serviced office market during Q3 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 Q3 10 compared to Q3 09.



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

HIGHLIGHTS

Q3 2010 COMPARED TO Q3 2009:

- Enquiry levels increased +18%
- The number of newly signed serviced office tenants (SOTs) increased by +37%
- Average number of workstations decreased to 2.7 per SOT
- Average workstation price decreased to £183.00
- Average license length increased from 5.9 months to 9.1 months

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SUPPLY OF SERVICED OFFICE SPACE

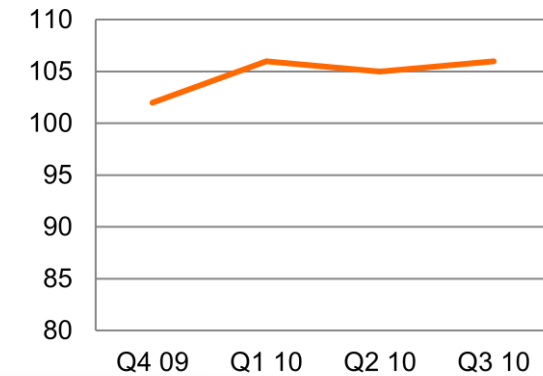
The number of serviced office buildings registered with officebroker.com in the East Midlands increased from 105 to 106

The total number of serviced office buildings registered with officebroker.com in the East Midlands increased to 106 during Q3 10 – representing a net decrease of 1 building on the figure of 105 recorded at the close of Q2 10.

officebroker.com currently lists 2,544 active serviced office buildings in the UK, with the 106 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 +18% in Q3 10

Quarterly Activity – The number of enquiries generated by officebroker.com for serviced office space in the East Midlands was +18% higher in Q3 10 when compared to Q3 09.

Year-to-Date Activity – Between January – September 2010 officebroker.com has recorded a +36% increase in the number of serviced office space enquiries 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 2010 to-date, with the largest increases occurring between February – April 2010.

National Comparison – During Q3 10 the number of enquiries received by officebroker.com throughout the UK increased by +16% when compared to Q3 09, indicating that the increases seen in the East Midlands are in-line with 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: Q3 10 East Midlands Enquiry Levels: 2009 vs 2010

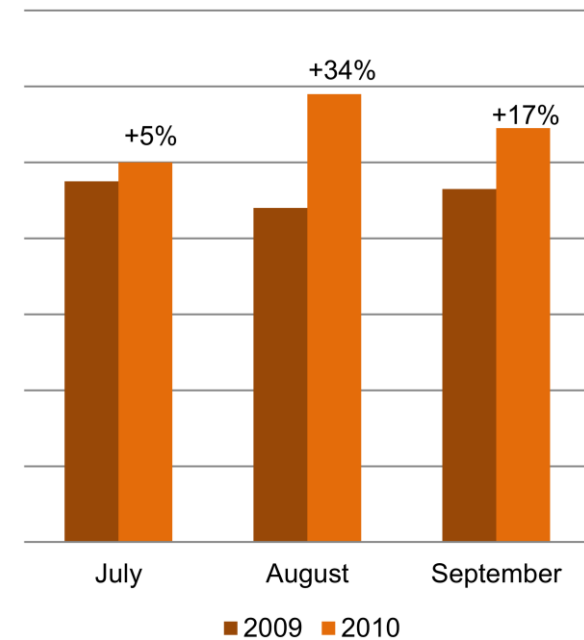
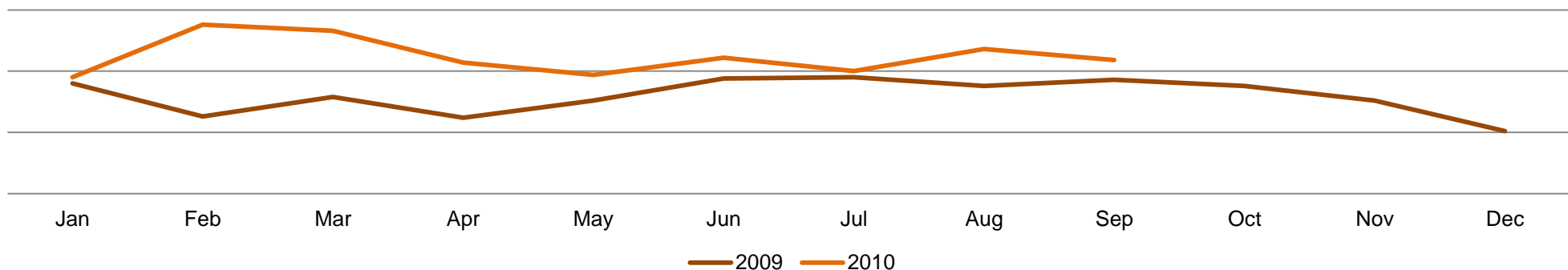


Fig 3. East Midlands: Enquiry Levels: Jan 2009 - Sep 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

Newly signed SOTs increased by +37%.

Quarterly Activity – The number of newly signed SOTs taking serviced office space through the officebroker.com service in Q3 10 was +37% higher than in the same period of 2009.

Year-to-Date Activity – Newly signed SOT levels were +34% higher between January – September 2010 than during the same nine month period of 2009.

As shown in Fig 5, the number of SOTs entering serviced office space via officebroker.com was higher in six of the nine months to-date in 2010, with the larger increases recorded in April and July enhancing the impact of this increased demand.

National Comparison – During Q3 10 the total number of SOTs taking serviced office space through officebroker.com decreased nationally by -17% when compared to Q3 09.

Having recorded a +37% increase in SOT numbers during Q3 10, the activity in the East Midlands was appear significantly higher than the national activity recorded by officebroker.com during Q3 09.

Fig 4: Q3 East Midlands - SOT Levels 2009 vs 2010

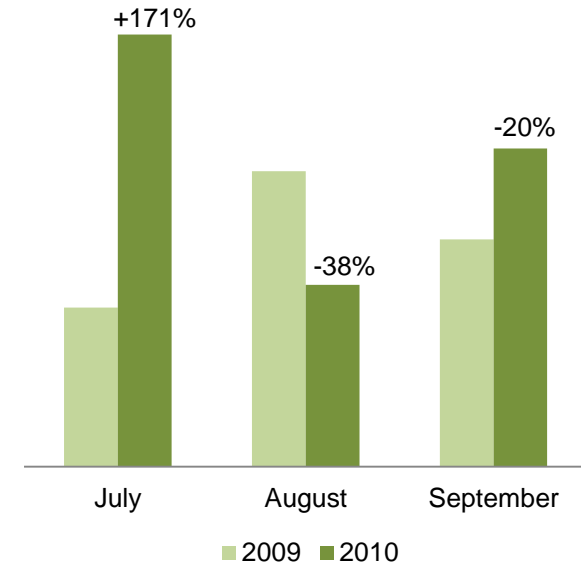
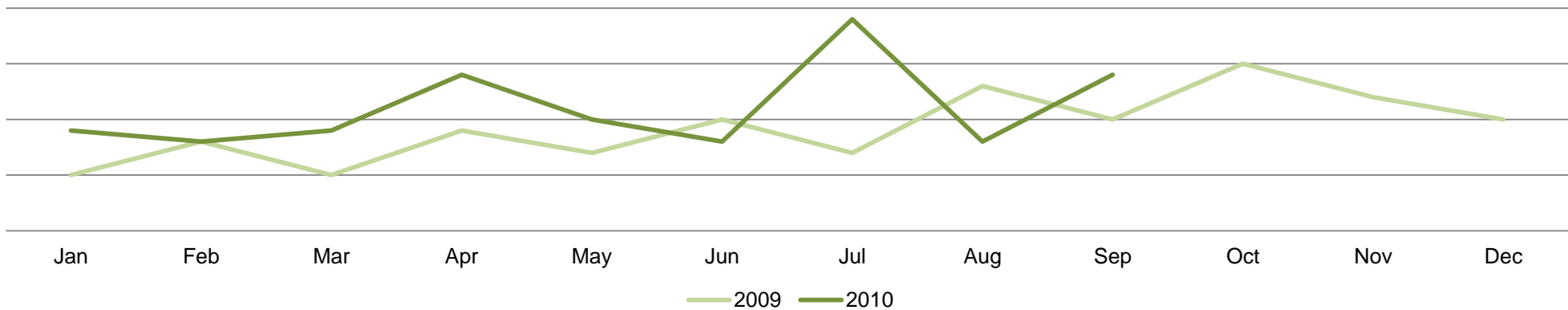


Fig 5. East Midlands - SOT Levels: Jan 2009 - Sep 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstation requirement decreased to 2.7 per SOT in Q3 10

Quarterly Activity – The average number of workstations per SOT totalled 2.7 at the close of Q3 10, a decrease of 0.8 workstations (-23%) on the average requirement of 3.5 workstations recorded in Q3 09.

Year-to-Date Activity – Between January – September 2010 workstation requirements in the East Midlands have averaged 3.3 workstations per SOT, a reduction of -8% on the average requirement of 3.6 workstations per SOT recorded in the same nine month period of 2009.

As shown in Fig 7, workstation requirements tracked 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 decreased from 4 workstations per SOT in Q3 09 to 3.9 workstations per SOT (-2%) at the close of Q3 10.

Comparing this national activity to that of the East Midlands in Q3 10, the percentage change recorded in the region (-23%) is significantly lower than the national average.

In addition the average workstation requirement within the East Midlands (2.7) also remained below the national average recorded in Q3 10.

Fig 6. Q3 East Midlands - Workstations 2009 vs 2010

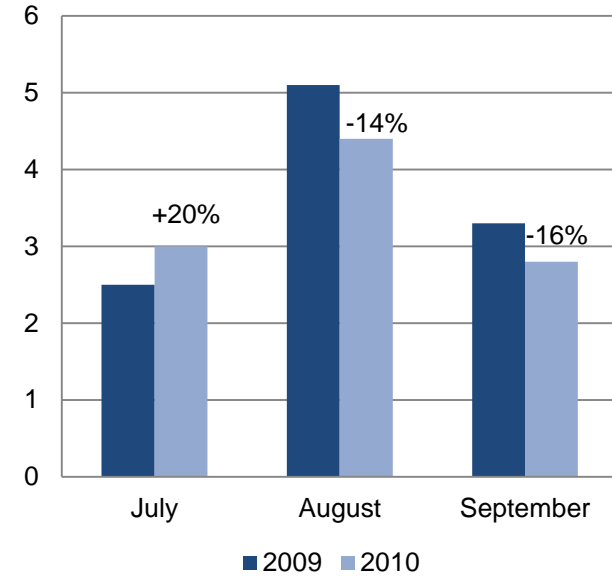
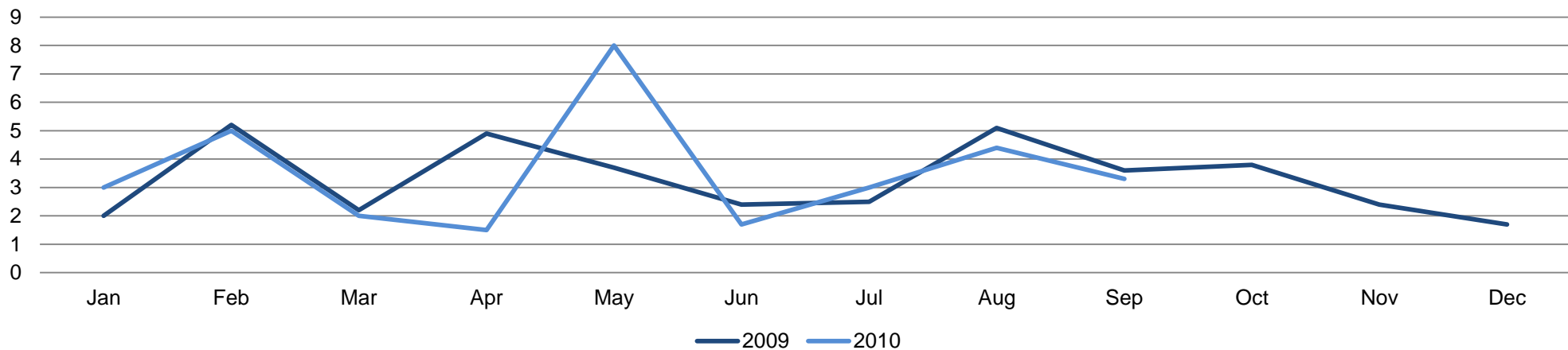


Fig 7. East Midlands: Average Workstations Per SOT - Jan 2009 - Sep 2010



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SERVICED OFFICE SPACE COSTS

Average workstation price decreased to £183.00 in Q3 10

Quarterly Activity – The average price per workstation in the East Midlands was £183.00 in Q3 10, a decrease of £68.00 (-27%) on the average price of £251.00 recorded in Q3 09.

Year-to-Date Activity – Having exceeded 2009 price levels during Q1, average workstation prices in the East Midlands proceeded to drop below 2009 levels in each of the following 6 months.

This activity has resulted in an average workstation price of £181.00 for the year-to-date in 2010 within the East Midlands, a price that is £28.00 (-13%) below the average price recorded in the same period of 2009.

National Comparison – During Q3 10 officebroker.com reported a £27.00 (-11%) decrease in the average workstation price throughout the UK, falling from £251.00 per workstation in Q3 09 to £224.00 in Q3 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 were significantly lower than that of the national average recorded during this same 3 month period.

Average workstation prices in the East Midlands were £41.00 (-19%) below the national average in Q3 10.

Fig 8: Q3 Average Workstation Prices 2009 vs 2010

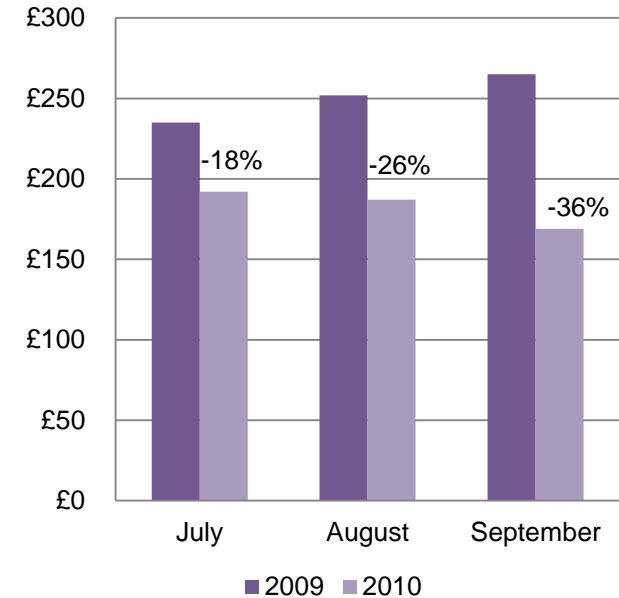
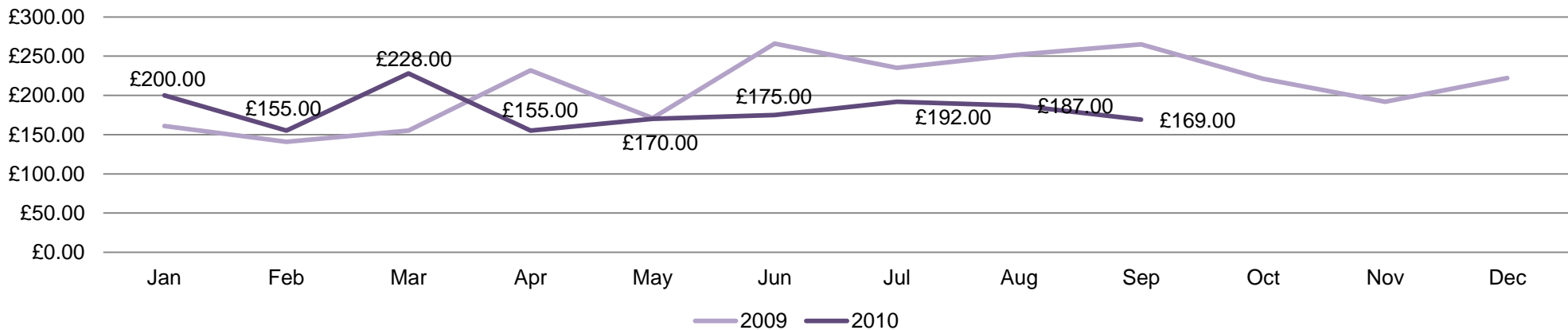


Fig 9. East Midlands: Average Price Per Workstation - Jan 2009 - Sep 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 9.1 months in Q3 10

Quarterly Activity – In Q3 10 new SOTs entering serviced office space in the East Midlands through officebroker.com were signing average license lengths of 9.1 months, an increase of 3.2 months (+55%) on the average license length of 5.9 months recorded during Q3 09.

Year-to-Date Activity – Between January – September 2010 the average license length recorded by officebroker.com in the East Midlands was 8.3 months, an increase of 1.5 months (+23%) on the average license length of 6.8 months recorded during the same period of 2009.

National Comparison – The average license length recorded by officebroker.com in the UK was 8 months during Q3 10, an increase of 2 month (+26%) on the average license length recorded in Q3 09.

With an average license length of 9.1 months recorded in the East Midlands, those businesses entering serviced offices via officebroker.com in Q3 10 were committing an additional 1.1 months when compared to this national average.

The license length of 9.1 months recorded within the East Midlands was the second longest average license length recorded in any region of the UK during Q3 10, with only the Yorkshire & Humberside regions (9.7 months) recorded a greater average license length between July – September 2010.

Fig 10: Q3 Initial License Length 2009 vs 2010

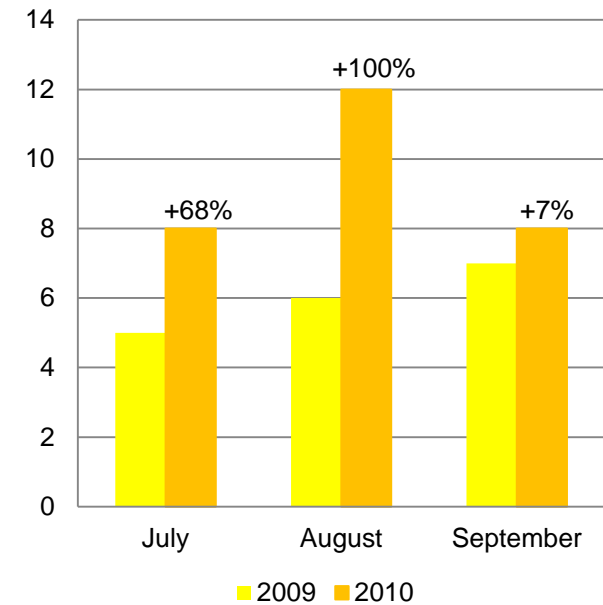
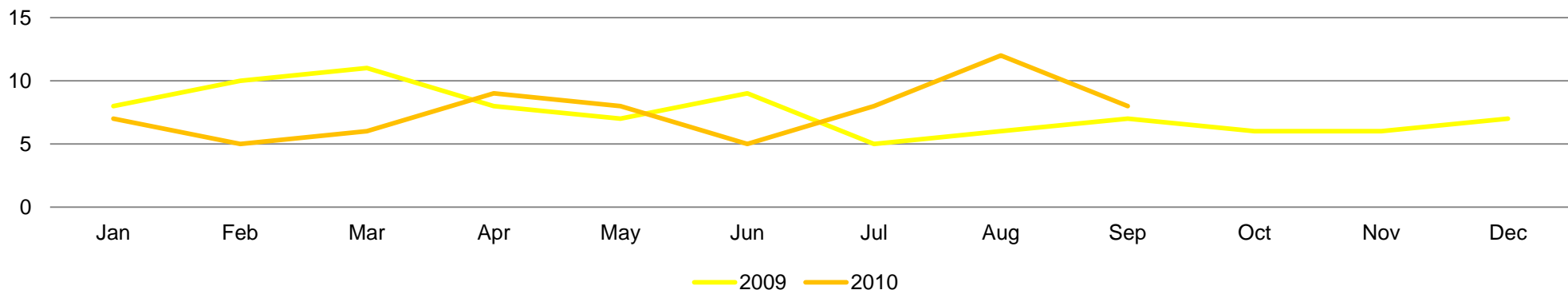


Fig 11. East Midlands: Average License Lengths - Jan 2009 - Sep 2010



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SUMMARY

When taking into account all the information for Q3 10, the following key findings can be drawn:

- Enquiry levels continued to exceed 2009 levels for the 3rd consecutive financial quarter.
- The number of new SOTs entering serviced office space via the officebroker.com service was +37% higher in Q3 10.
- Average workstation price decreased in Q3 10 and remained below the national for the same period.
- Average license lengths increased and where the second highest recorded in any UK region.

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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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