officebroker.com

SERVICED OFFICE REVIEW

EAST
Q3 2010

EAST ***

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 ***:

- 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 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 region as areas located within the following postcode prefixes: AL, CB, CM, CO, HP, IP, LU, NR, PS, SG, SS, WD*

HIGHLIGHTS

Q3 2010
COMPARED TO Q3 2009:

- **Enquiry levels increased +29%**
- **The number of newly signed serviced office tenants (SOTs) increased by +16%**
- **Average workstation requirement decreased to 2.5**
- **Average workstation price decreased to £185.00**
- **Average license length increased from 6.5 months to 8.4 months**

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SUPPLY OF SERVICED OFFICE SPACE

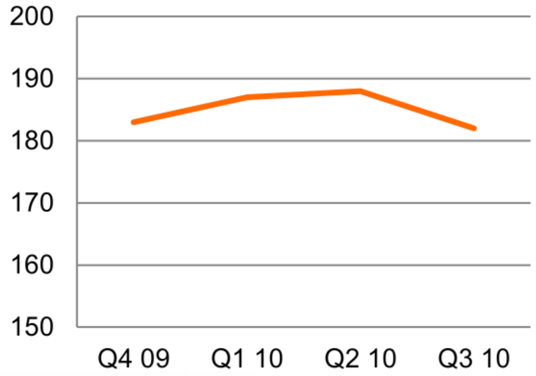
The number of serviced office buildings registered with officebroker.com in the East decreased from 188 to 182

The total number of serviced office buildings registered with officebroker.com in the East was 182 during Q3 10 – representing a net decrease of 6 buildings on the figure of 188 recorded at the close of Q2 10.

officebroker.com currently lists 2,544 active serviced office buildings in the UK, with the 182 serviced office buildings listed within the East accounting for 7% of the total UK supply offered / available through the officebroker.com service.*****

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

Fig 1: East: Serviced Office Buildings



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels increased by +29% in Q3 10

Quarterly Activity – The number of enquiries generated by officebroker.com for serviced office space within the East increased by +29% during Q3 10 when compared to Q3 09.

Year-to-Date Activity – During the nine months to-date in 2010 the number of serviced office space enquiries received by officebroker.com has increased by +45% on the levels recorded in 2009.

As shown in Fig 3, enquiry levels exceeded 2009 levels month-on-month during 2010, with the surge in enquiries seen between February – March beginning to stabilise from May onward.

National Comparison – During Q3 10 the total 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 are greater than 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
Enquiry Levels: 2009 vs 2010**

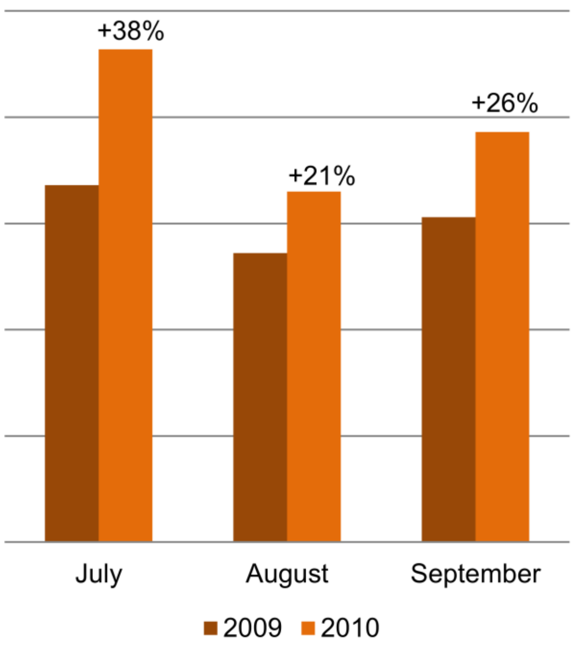
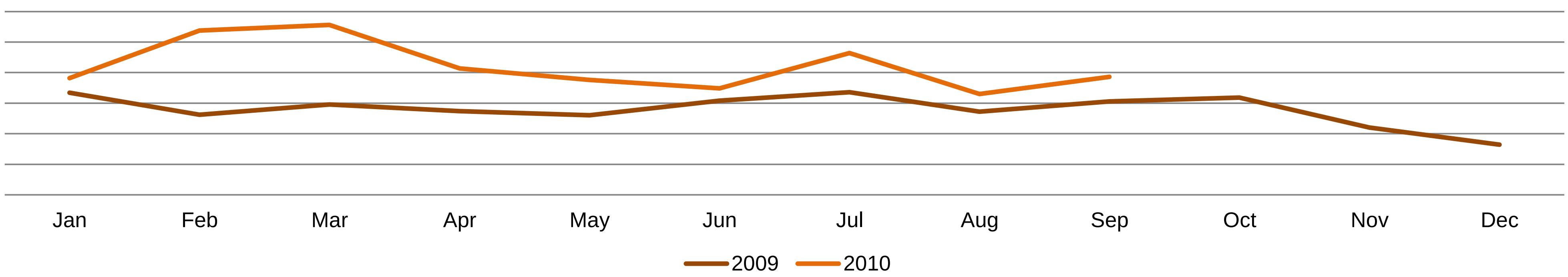


Fig 3. East : Enquiry Levels: Jan 2009 - Sep 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of newly signed SOTs increased by 16% in Q3 10

Quarterly Activity – The number of businesses taking serviced office space through officebroker.com increased by +16% in Q3 10 when compared to Q3 09.

Year-to-Date Activity – Between January – September 2010 the number of newly signed SOTs entering serviced office space via officebroker.com was +18% higher than during the same period of 2009.

Having successfully increased SOT levels in eight of the nine months to-date in 2010, the smaller rises recorded during the majority of 2010 were boosted by heightened activity in April 2010 (Fig 5), an increase made all the more prevalent by the corresponding dip that occurred in April 2009.

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 +16% increase in SOT numbers during Q3 10, the activity in the East is significantly above the national activity recorded by officebroker.com during this same period.

Fig 4: Q3 East - SOT Levels 2009 vs 2010

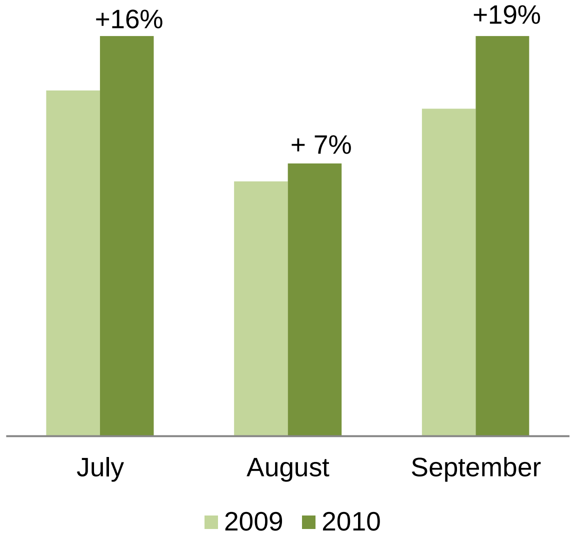
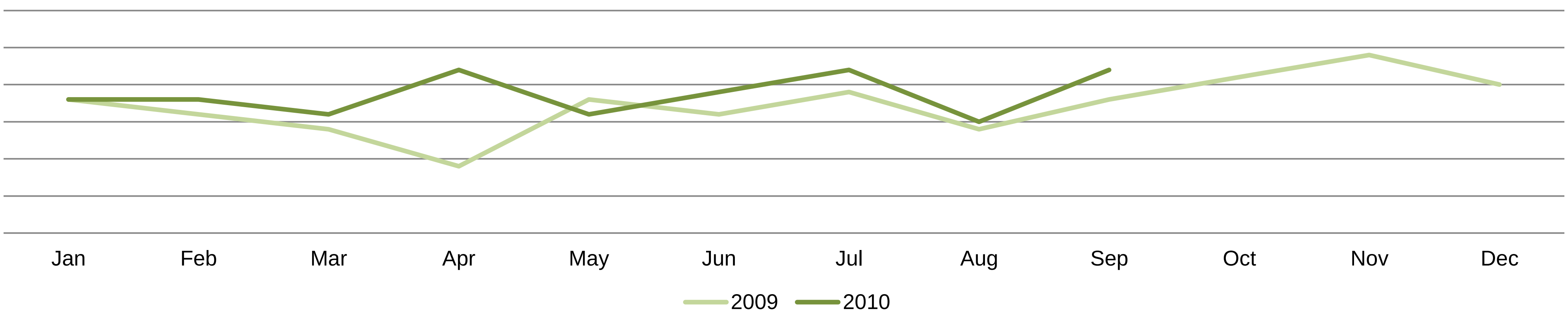


Fig 5. East - SOT Levels: Jan 2009 - Sep 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstation requirement decreased to 2.5 per SOT

Quarterly Activity – The average number of workstations per SOT totalled 2.5 at the close of Q3 10, a decrease of -8% on the average workstation requirement of 2.8 per SOT recorded in Q3 09.

Year-to-Date Activity – In the opening nine months of 2010 the average workstation requirement recorded by officebroker.com in the East was 3.2 workstations per SOT, a requirement which is -9% lower than the requirement of 3.5 workstations recorded between January – September 2009.

As shown in Fig 7 a surge in the average workstation requirement occurred during May 2009, adversely raising the average requirement tracked by officebroker.com during 2009. The absence of such larger requirements in 2010 to-date however has only had a minimal impact upon the year-to-date average.

National Comparison – The average workstation requirement in the UK was 3.9 per SOT in Q3 10, a decrease of -2% on the average requirement of 4 workstations per SOT recorded in Q3 09.

Comparing this national activity to that of the East in Q3 10, the percentage change recorded within the region (-8%) is marginally higher than the national average, while the difference in average workstation requirements was more noticeable, with a 1.4 workstation (-35%) difference between the higher national average and the requirement recorded within the region.

Fig 6. Q3 East - Workstations 2009 vs 2010

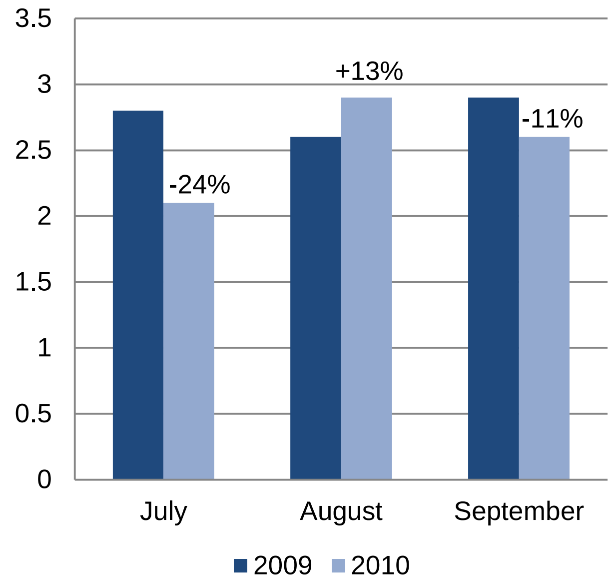
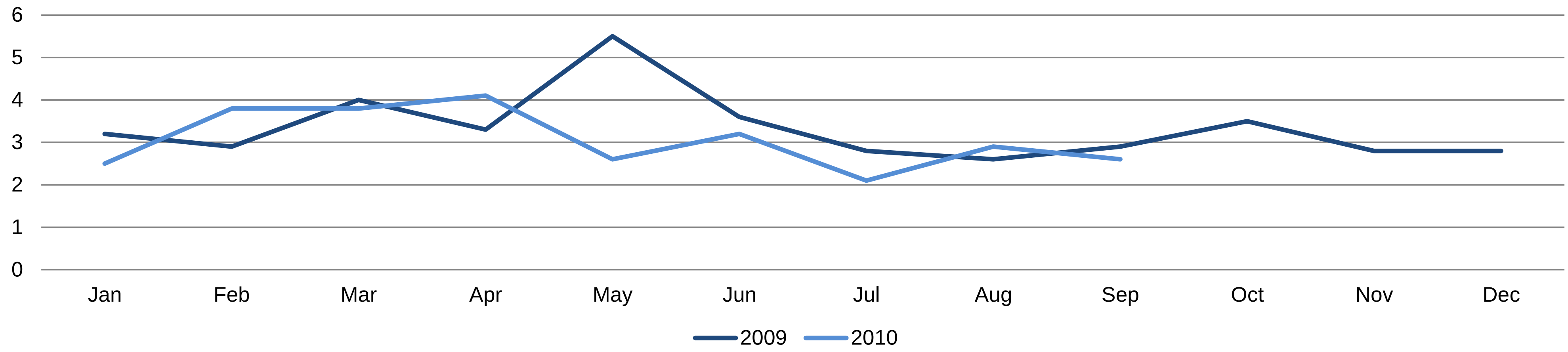


Fig 7. East: Average Workstations Per SOT - Jan 2009 - Sep 2010



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SERVICED OFFICE SPACE COSTS

Average workstation price decreased to £185.00 in Q3 10

Quarterly Activity – The average price per workstation in the East was £185.00 in Q3 10, an average price that is £65.00 (-26%) lower than the average price of £250.00 recorded in the same period of 2009.

Year-to-Date Activity – Between January – September 2010 an average workstation price of £217.00 was recorded by officebroker.com, a price which is £11.00 (-5%) lower than the average of £228.00 recorded in the same nine month period of 2009.

As clearly shown in Fig 9 the overall decrease in average workstation price was the result of the lower prices occurring from June 2010 onward. Before this point average workstation prices had followed a similar pattern to 2009 but at a higher price, deviation from this pattern began in June 2010 and corresponded with the arrival of the lower prices responsible for lowering the year-to-date average.

National Comparison – During Q3 10 the average price per workstation fell nationally by £27.00 (-11%), from £251.00 in Q3 09 to £224.00 by the close of Q3 10.

Comparing this national activity to that recorded in the East, both the percentage change (-26%) and the average workstation price of £185.00 are notably lower, with a £39.00 (-17%) difference between average price recorded within the region and that recorded nationally.

Fig 8: Q3 Average Workstation Prices 2009 vs 2010

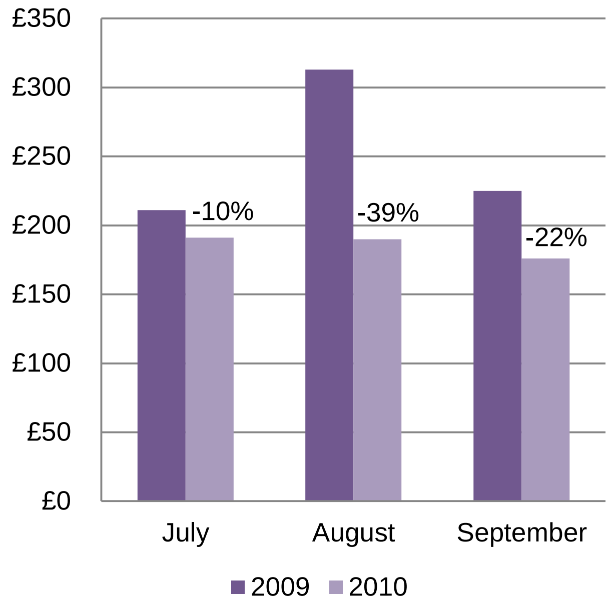
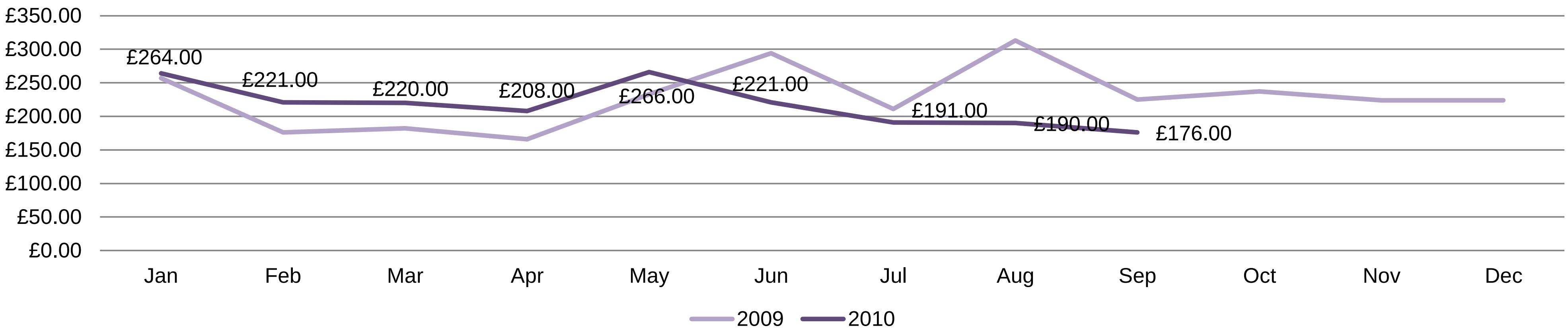


Fig 9. East: Average Price Per Workstation - Jan 2009 - Sep 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 8.4 months in Q3 10

Quarterly Activity – In Q3 10 new SOTs entering serviced office space in the East through officebroker.com were signing average license lengths of 8.4 months, a increase of 1.9 months (+29%) on the average license length of 6.5 months recorded during Q3 09.

Year-to-Date Activity – During the opening nine month of 2010 the average license length for this region of the UK was 7.7 months, a decrease of -5% on the average license length of 8 months recorded between January – September 2009.

National Comparison – During Q3 10 license lengths averaged 8 months nationally, an increase of 2 months (+26%) on the average license length of 6 months recorded during Q3 09.

With an average license length of 8.4 months being recorded in the East, businesses entering serviced office space via officebroker.com during this period appear to have been trending in-line with the national activity recorded during this same period.

Fig 10: Q3 Initial License Length 2009 vs 2010

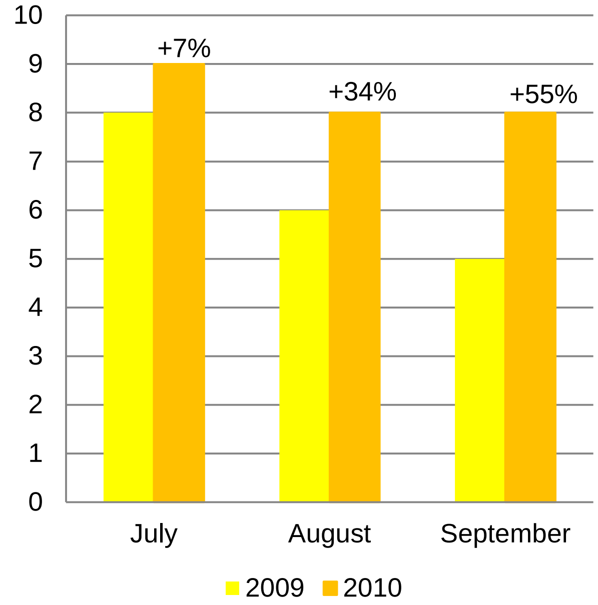
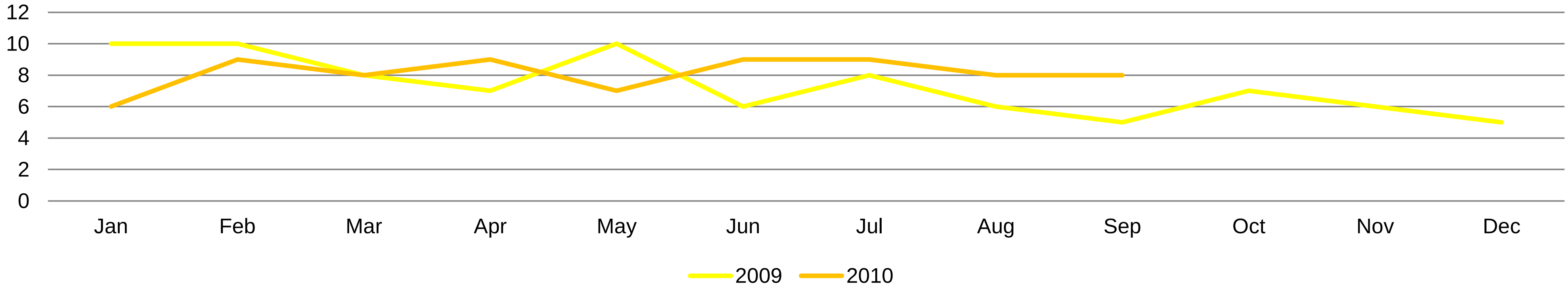


Fig 11. East: Average License Lengths - Jan 2009 - Sep 2010



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SUMMARY

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

- Enquiry levels increased by +29% during Q3 10, building upon the previous increases recorded in both Q1 and Q2 of 2010.
- The number of newly signed SOTs was +16% higher in Q3 10 when compared to Q3 09.
- Average workstation price decreased by -26% in Q3 10.
- Average license lengths increase to 8.4 months during Q3 10.

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RESEARCH

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officebroker.com research is also available online at:

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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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