

officebroker.com

SERVICED OFFICE REVIEW

NORTH WEST
Q3 2010



NORTH WEST***

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 North 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 North West 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 North West region as areas located within the following postcode prefixes: BB, BL, CA, CH, CW, FY, L, LA, M, OL, PR, WA, WN.

HIGHLIGHTS

Q3 2010 COMPARED TO Q3 2009:

- Enquiry levels increased +1%
- The number of newly signed serviced office tenants (SOTs) was -45% lower
- Average number of workstations per SOT rose from 4.2 to 5.9
- Average workstation price decreased from £219.00 to £145.00
- Average license length increased from 6.6 months to 8.1 months

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SUPPLY OF SERVICED OFFICE SPACE

The number of serviced office buildings registered with officebroker.com in the North West increased from 360 to 365

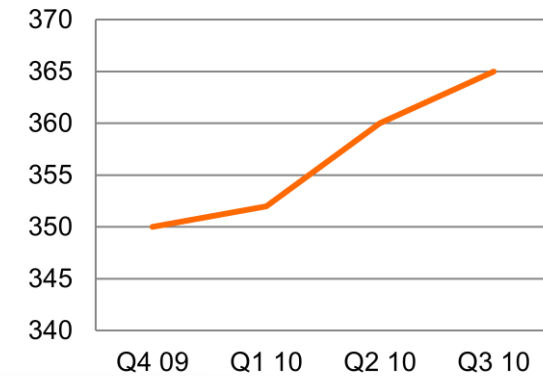
The total number of serviced office buildings registered with officebroker.com in the North West increased to 365 during Q3 10 – representing a net increase of 5 buildings on the figure of 360 recorded at the close of Q3 10.

As shown in Fig 1, the number of serviced office buildings registered with the officebroker.com service has increased continuously since Q4 09, resulting in an overall increase of 15 buildings (+4%) in the overall number of serviced office buildings choosing to advertise through officebroker.com in the North West.

officebroker.com currently lists 2,544 active serviced office buildings in the UK, the 365 serviced office buildings listed within the North West region accounts for 14% of the total UK supply offered / available through the officebroker.com service.*

***Information correct at time of publication**

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



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels exceeded those of Q3 09 by +1% overall.

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in the North West region increased by +1% in Q3 10 compared to Q3 09.

Year-to-Date Activity – Having also recorded increases during the preceding quarters of 2010, the overall number of serviced office space enquiries generated and channelled through the officebroker.com service is currently +15% higher in 2010 than in 2009.

National Comparison – During Q3 10 officebroker.com recorded an overall increase of +16% in the number of enquiries received for serviced office space compared to Q3 09.

With an increase of +1% being recorded within the North West during this same period it would appear that activity was diminished within the North West during Q3 10 compared to the activity recorded nationally.

** 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 North West Enquiry Levels: 2009 vs 2010

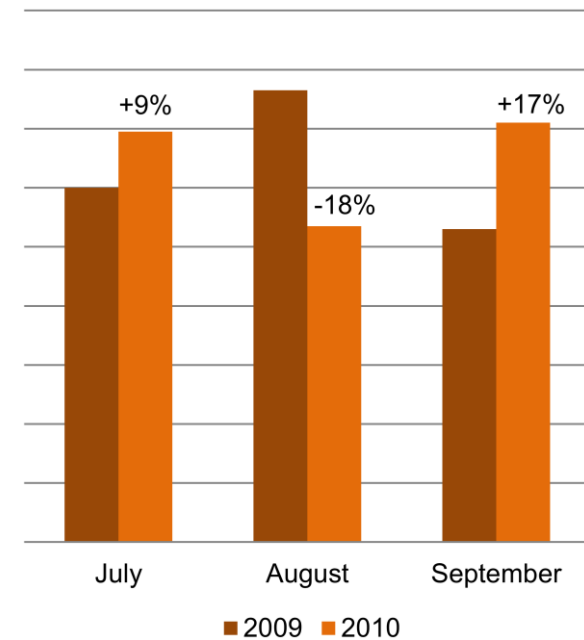
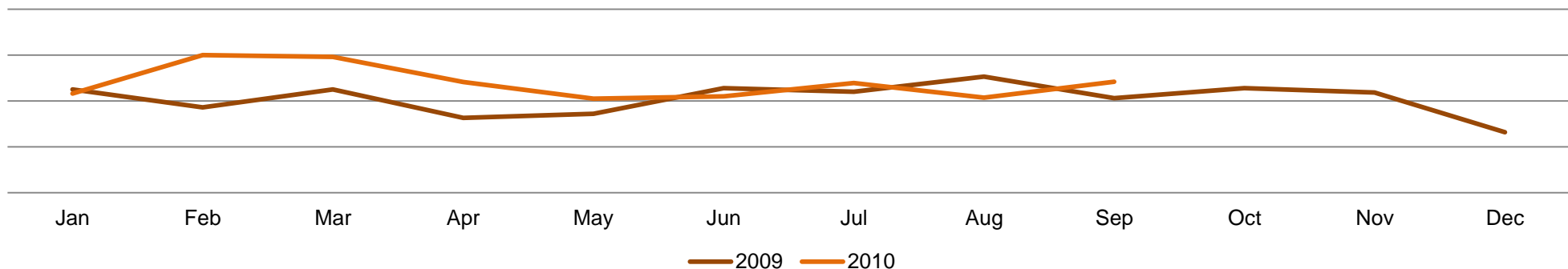


Fig 3. North West Enquiry Levels: Jan 2009 - Sep 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of new SOTs reduced by -45% in Q3 10

Quarterly Activity – The number of businesses taking serviced office space through officebroker.com reduced by -45% in Q3 10 compared to Q3 09

Year-to-Date Activity – Having recorded a lower number of new SOTs entering serviced office space through the officebroker.com service in Q1 and Q2 of 2010, the additional decrease recorded in Q3 10 means that the overall number of SOTs placed during 2010 to-date is -37% lower than in 2009.

National Comparison – Throughout the UK during Q3 10 the total number of new SOTs entering serviced offices via officebroker.com was -17% lower than during the same period of 2009.

When comparing this activity to that of the North West, the percentage decrease recorded during Q3 10 was more than double that of changes recorded nationally during this period.

Despite the changes that have occurred within the region during Q3 10, the actual number of SOTs taking serviced office space through officebroker.com in the North West remained the 4th highest of any UK region.

Fig 4: Q3 North West - SOT Levels 2009 vs 2010

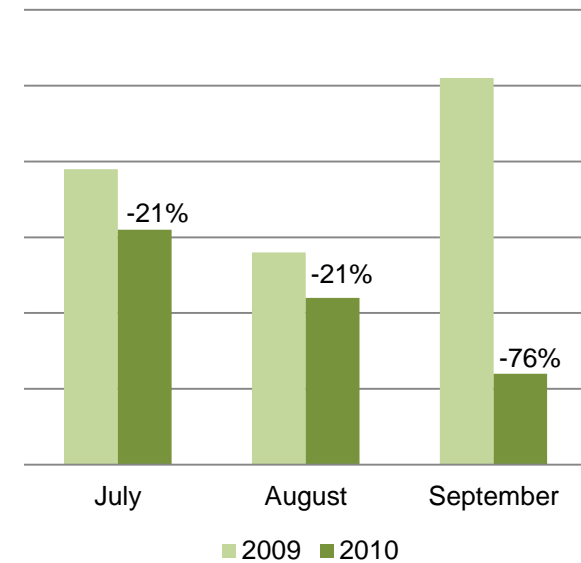
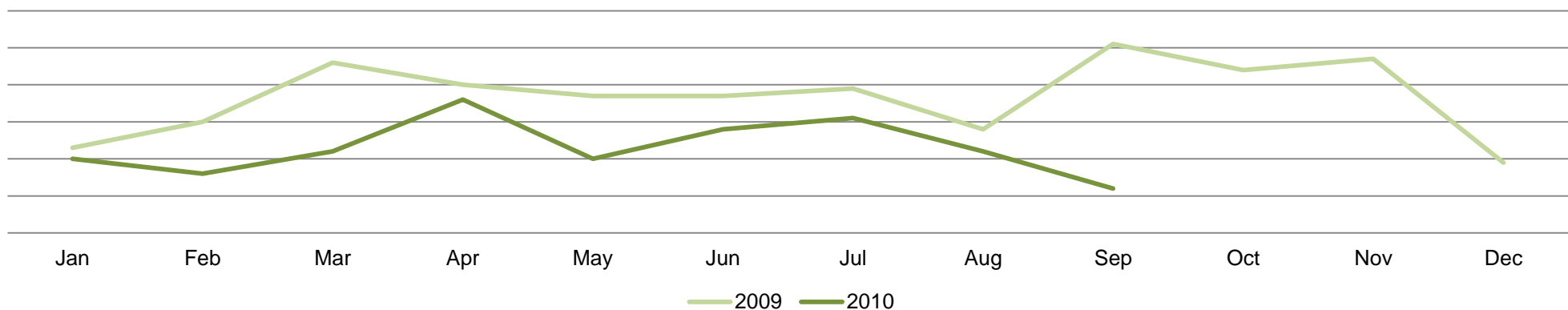


Fig 5. North West SOT Levels: Jan 2009 - Sep 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstations increased to 5.9 per SOT in Q3 10

Quarterly Activity – The average number of workstations per SOT totalled 5.9 at the close of Q3 10, an increase of +41% on the average workstation requirement of 4.2 per SOT recorded in Q3 09.

Year-to-Date Activity – With increased year-on-year workstation requirements also being recorded during the previous quarters of 2010, the average workstation requirement in 2010 to-date currently exceeds 2009 levels by +57% having increased from 3.6 to 5.7 workstations per SOT.

National Comparison – The average number of workstations per SOT also increased throughout the UK during Q3 10, rising from 3.8 workstations in Q3 09 to 4.5 workstation at the close of Q3 10 - a rise of +16%.

Comparing this national activity to that recorded in the North West, it is clear that both the percentage increase (+41%) and the average workstation requirement (5.9) exceeded national averages during Q3 10.

Fig 6. North West Workstations 2009 vs 2010

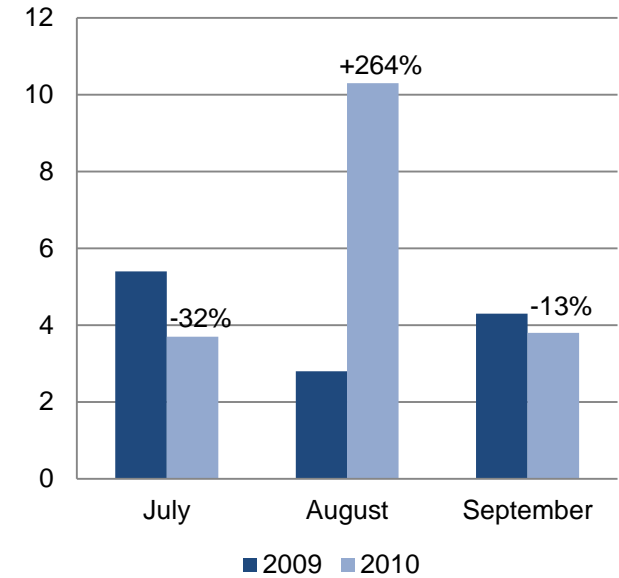
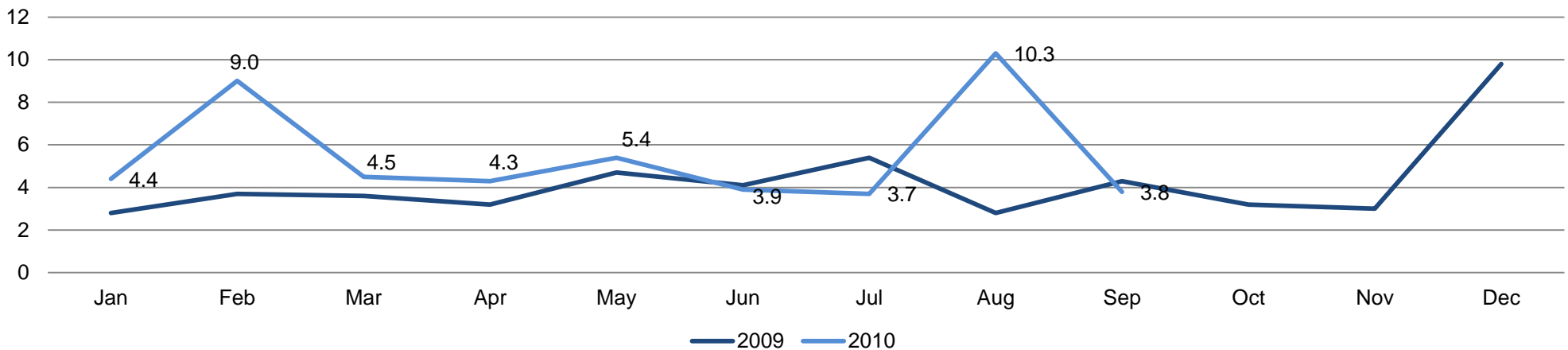


Fig 7. North West: Average Workstations Per Sot - Jan 2009 - Sep 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation decreased by -34%

Quarterly Activity – The average price per workstation in the North West was £145.00 in Q3 10, a price £74.00 (-34%) lower than the average price of £219.00 recorded during Q3 09.

Year-to-Date Activity – The average year-to-date workstation price in the North West is currently £160.00, a price which is £30.00 (-16%) lower than the average price of £190.00 recorded during the same nine month period of 2009.

Comparing this year-to-date price to the same period in 2008 the changes which have taken place with the North West appear even greater, with the 2010 year-to-date price of £160.00 being £88.00 (-35%) lower than the year-to-date price of £248.00 recorded during 2008.

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

Average workstation prices in the North West were -£79.00 (-35%) lower than the national average recorded by officebroker.com during this same period.

Fig 8: Q3 Average Workstation Prices 2009 vs 2010

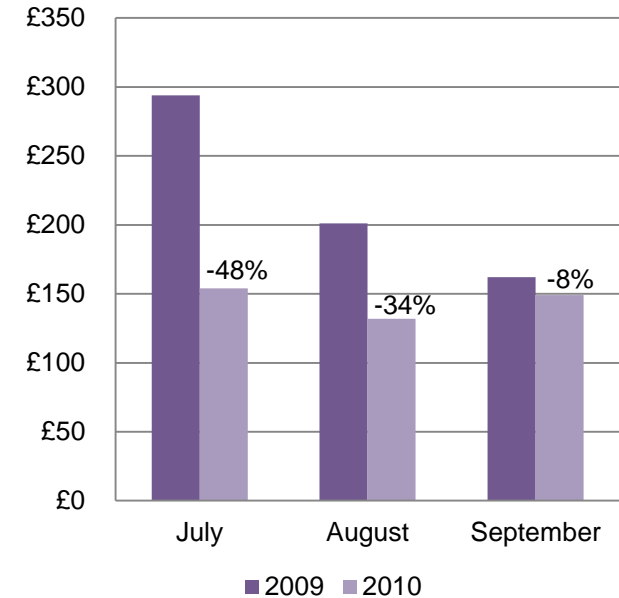
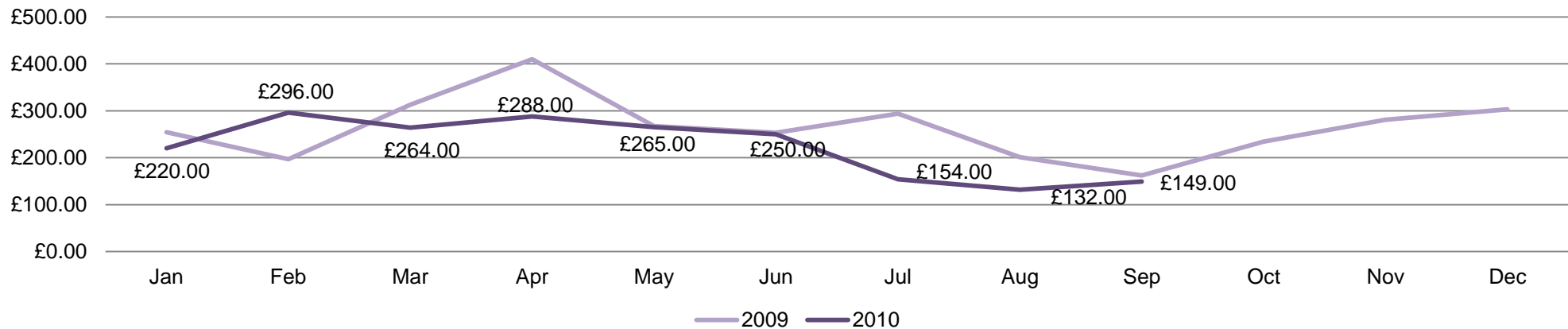


Fig 9. North West: Average Price Per Workstation - Jan 2009 - Sep 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 8.1 months in Q3 10

Quarterly Activity – In Q3 10 new SOTs entering serviced office space in the North West through officebroker.com were signing average license lengths of 8.1 months, an increase of 1.5 months (+23%) on the average license length of 6.6 months recorded during Q3 09.

Year-to-Date Activity – The increase in average license lengths recorded in Q3 10 follows additional increases during both Q1 and Q2, meaning that in 2010 average license lengths in the North West are currently +16% higher than in the same period of 2009.

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

With an average license length of 8.1 months being recorded in the North West, businesses entering serviced office space via officebroker.com during this period were committing to license lengths that were in-line with the national activity recorded by officebroker.com.

Fig 10: Q3 Initial License Length 2009 vs 2010

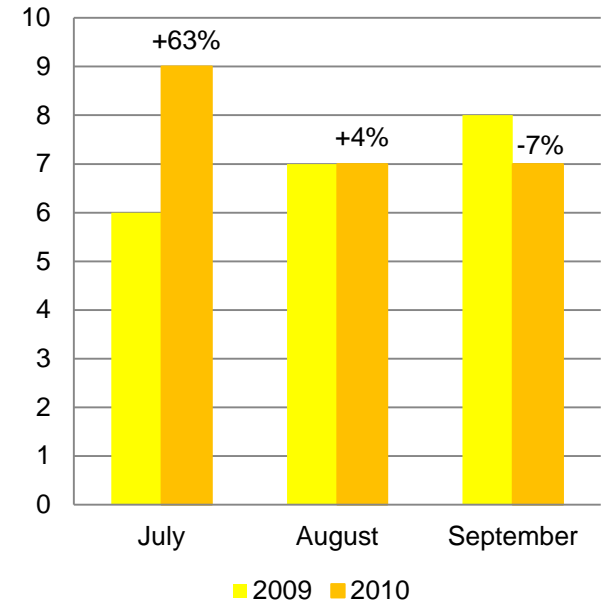
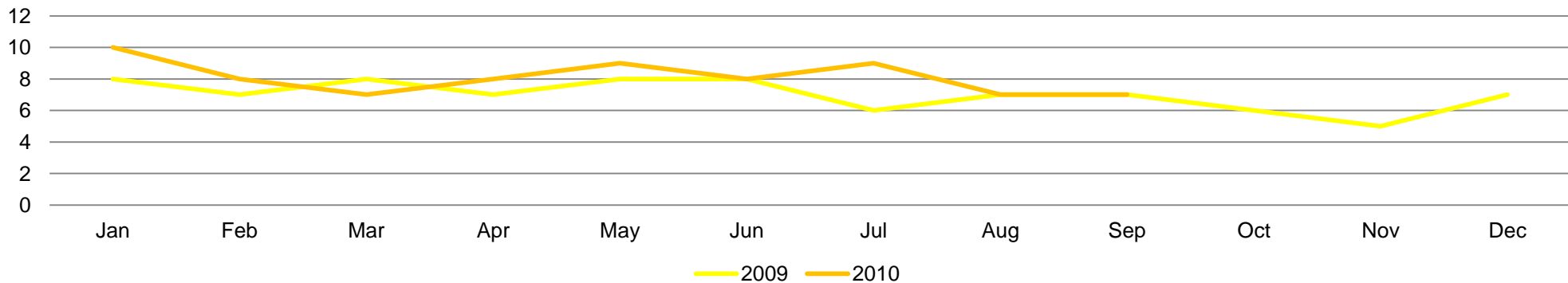


Fig 11. North West: Average License Lengths - Jan 2009 - Sep 2010



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SUMMARY

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

- Enquiry levels remained within 1% of 2009 levels during Q3 10.
- The overall number of new serviced office tenants continued to decrease.
- Average workstation price, having risen for the first time since 2008 in Q1 10, returned to an overall pattern of decline within the North West.
- Average license lengths increased for the 3rd consecutive quarter.

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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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