

officebroker.com

SERVICED OFFICE REVIEW

WALES
Q4 2010



WALES***

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 Wales ***:

- 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 Wales 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 Wales region as areas located within the following postcode prefixes: CF, LL, NP, SA

HIGHLIGHTS

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased **+86%**
- The number of newly signed serviced office tenants (SOTs) decreased by **-35%**
- Average requirement was **3.1 workstations**
- Average workstation price decreased to **£192.00**
- Average license length increased to **8 months**

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SUPPLY OF SERVICED OFFICE SPACE

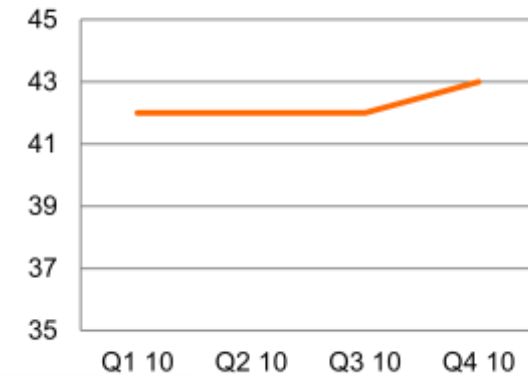
The number of serviced office buildings registered with officebroker.com in Wales increased to 43 during Q4 10

The total number of serviced office buildings registered with officebroker.com in Wales was 43 in Q4 10, an increase of one serviced office building on the figure of 42 registered at the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, the 43 serviced office buildings listed within Wales accounts for 1.6% of the total UK supply offered / available through the officebroker.com service.*

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

**Fig 1: Wales:
Serviced Office Buildings**



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels increased by +86% overall during Q4 10

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in Wales was +86% higher in Q4 10 than in the same period of 2009.

Year-to-Date Activity – As shown in Fig 3, higher enquiry levels were generated in 10 out of 12 months during 2010, with the largest year-on-year increases taking place in the final 3rd of 2010.

The overall impact of this activity was a year-on-year increase of +30% in the number of enquiries received by officebroker.com for serviced office space in Wales.

National Comparison – During Q4 10 the total number of enquiries received by officebroker.com throughout the UK rose by +42%, indicating that the relative increases seen in Wales during this same 3 month period were substantially higher.

** 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 Wales Enquiry Levels: 2009 vs 2010

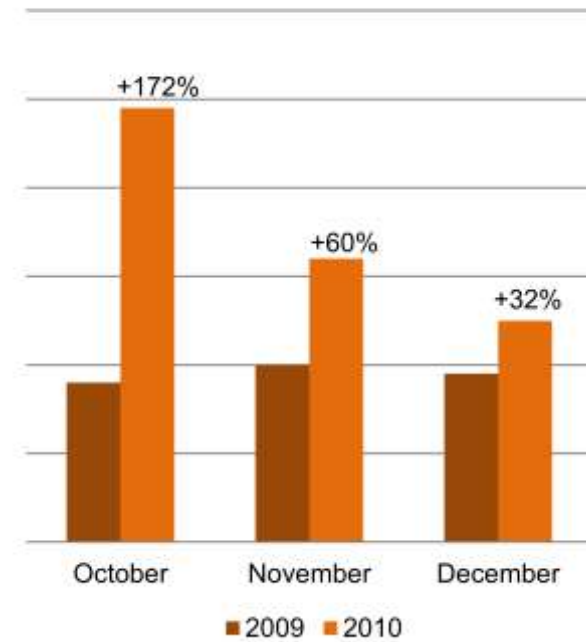
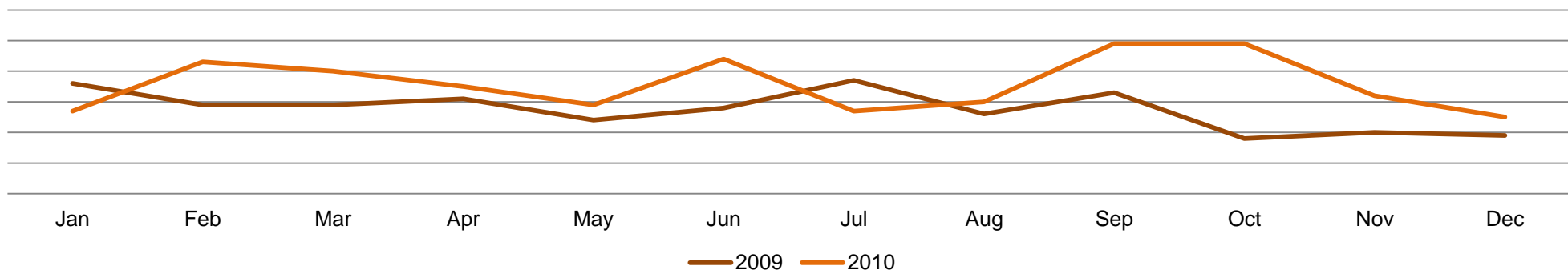


Fig 3. Wales: Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of newly signed SOTs reduced by -35% during Q4 10

Quarterly Activity – The number of newly signed SOTs entering serviced offices via the officebroker.com service was -35% lower in Q4 10 than in the same period of 2009.

Year-to-Date Activity – Over the course of 2010, the overall number of newly signed SOTs has reduced by -51% on the levels recorded during 2009.

National Comparison – During Q4 10 the total number of SOTs taking serviced office space through officebroker.com was -26% lower than in Q4 09.

Having recorded a -35% decrease in SOT numbers during Q4 10, the activity recorded by officebroker.com in Wales would suggest that the serviced office market in Wales experienced a more difficult period than that of the rest of the UK during the closing months of 2010.

Fig 4: Q4 Wales - SOT Levels 2009 vs 2010

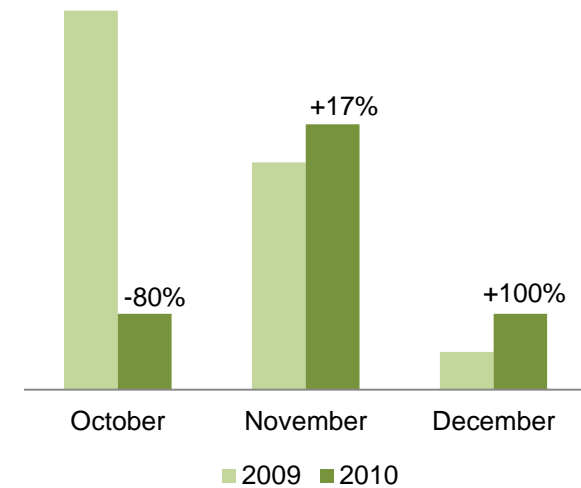
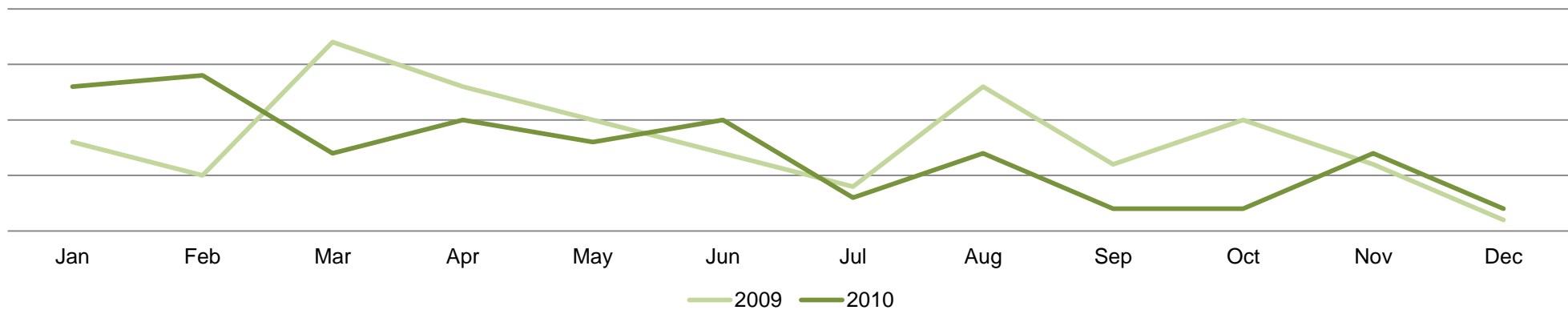


Fig 5. Wales - SOT Levels: Jan 2009 - Dec 2010



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AVERAGE WORKSTATIONS PER SOT

Average requirement decreased to 3.1 workstations in Q4 10

Quarterly Activity – The average number of workstations per SOT totalled 3.1 at the close of Q4 10, a decrease of 0.4 (-12%) of a workstation on the average requirement of 3.5 recorded in Q4 09.

Year-to-Date Activity – As shown in Fig 7, workstations requirements in Wales during 2010 have been characterised by a series of highs and lows, with a difference of 5 workstations having been recorded between the July high of 6.5 workstations and the April low of 1.5 workstations.

Despite this varied activity, the overall workstation requirement recorded in Wales during 2010 (3.3) remained within +3% of the requirement recorded during 2009 (3.2).

National Comparison – The average workstation requirement in the UK during Q4 10 was 3.7 workstations per SOT, an increase of +3% on the average requirement of 3.6 workstations recorded by officebroker.com during the same period of 2009.

Comparing this national activity to that recorded in Wales, it would appear that the workstation requirements were trending in-line with national averages during the final months of 2010.

Fig 6. Q4 Wales - Workstations 2009 vs 2010

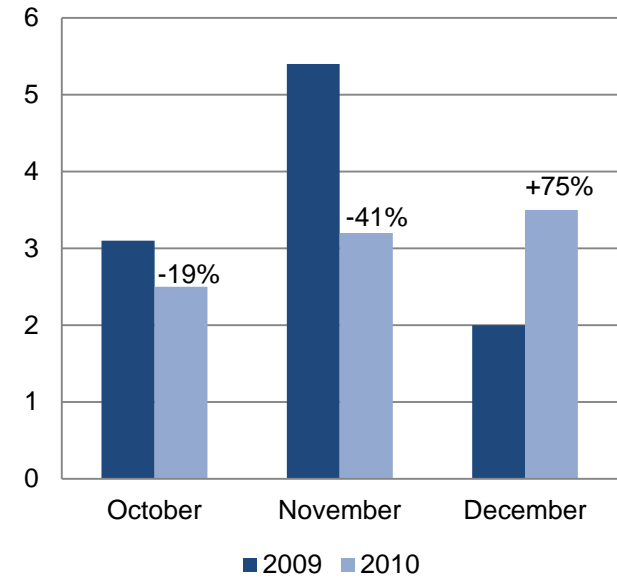
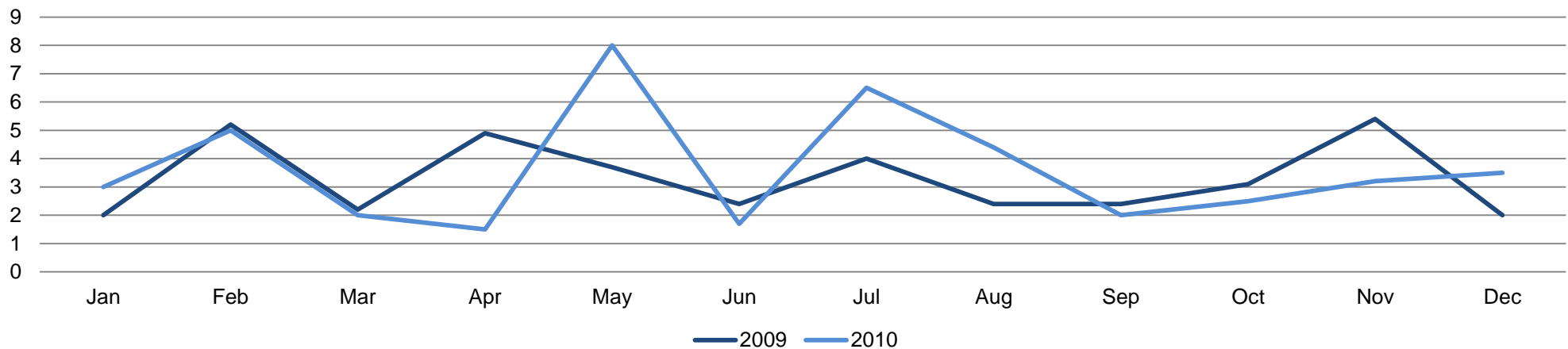


Fig 7. Wales: Average Workstations Per SOT - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation was £192.00 in Q4 10

Quarterly Activity – The average price per workstation in Wales was £192.00 in Q4 10, a price that is £3.00 (-2%) below the price of £195.00 per workstation recorded during Q4 09.

Year-to-Date Activity – During 2010 an average workstation price of £207.00 has been recorded by officebroker.com in Wales, a price that is £11.00 (+6%) higher than the 2009 average price of £196.00.

As shown in Fig 9, average workstation prices within Wales have varied greatly in 2010, with a difference of £158.00 between the March peak of £298.00 and the April low of £140.00 – indicating that the quality of office space being taken by serviced office based businesses in 2010 has remained varied.

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 the activity recorded in Wales to this nationwide average, the data from officebroker.com shows workstation prices in Wales to have been £34.00 lower during the final quarter of 2010.

Fig 8: Q4 Average Workstation Prices 2009 vs 2010

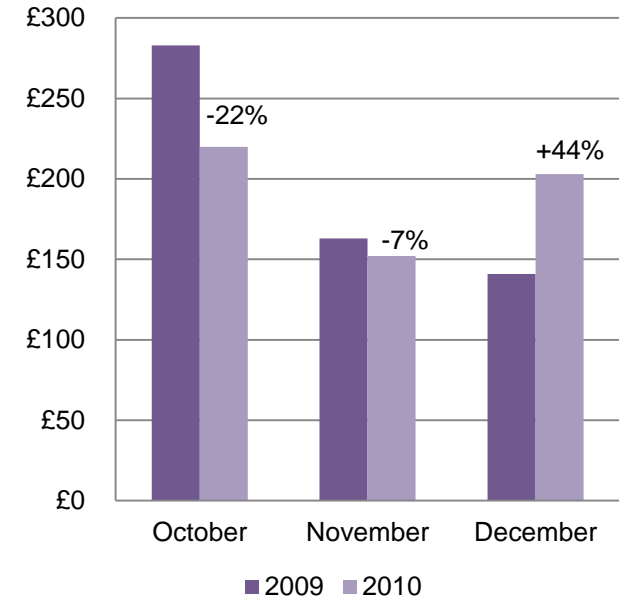


Fig 9. Wales: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 8 months during Q4 10

Quarterly Activity – In Q4 10 new SOTs entering serviced office space in Wales through officebroker.com were signing average license lengths of 8 months, an increase of 0.8 months (+12%) on the average license length of 7.2 months recorded during Q4 09.

Year-to-Date Activity – During the course of 2010, average license lengths in Wales increased by 2.9 months (+53%), rising from 5.6 months in 2009 to 8.5 months by the close of 2010.

National Comparison – During Q4 10 license lengths averaged 8 months nationally, an increase of +14% on the average license length of 7 months recorded in Q4 09.

With an average license length of 8 months being recorded in Wales, businesses entering serviced office space via officebroker.com during this period were trending in-line with that of the UK national average.

Fig 10: Q4 Initial License Length 2009 vs 2010

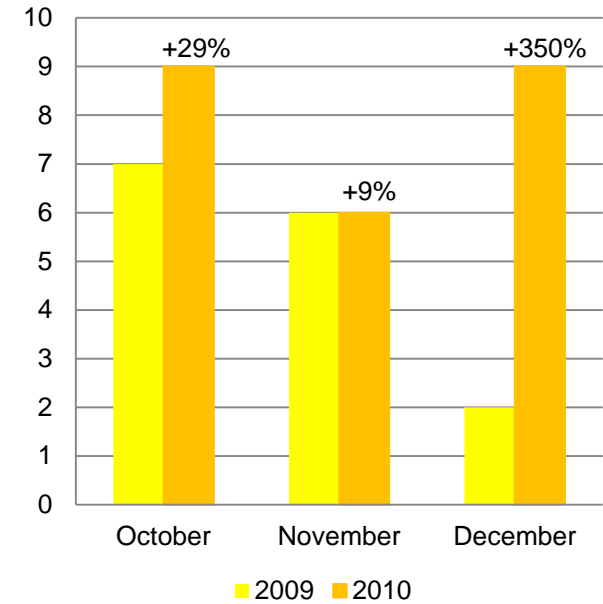
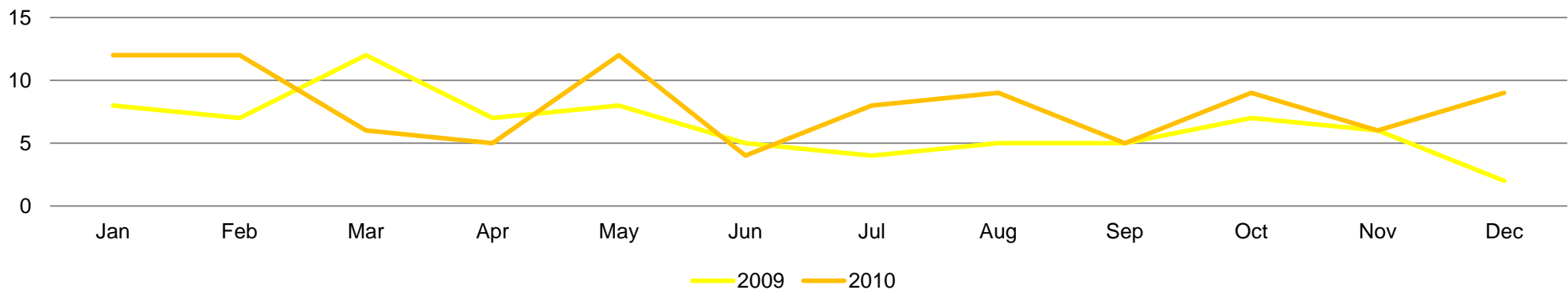


Fig 11. Wales: Average License Lengths - Jan 2009 - Dec 2010



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SUMMARY

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

- Enquiry levels continued to increase.
- The number of newly signed SOTs reduced during Q4 10.
- Average workstation prices remained within 2% of 2009 levels.
- Average license lengths increased.

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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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