

officebroker.com

SERVICED OFFICE REVIEW

WALES
Q3 2010



WALES***

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 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 Q3 10 compared to Q3 09.



*** officebroker.com defines the Wales region as areas located within the following postcode prefixes: CF, LL, NP, SA

HIGHLIGHTS

Q3 2010 COMPARED TO Q3 2009:

- Enquiry levels increased +10%
- The number of newly signed serviced office tenants (SOTs) decreased by -48%
- Average workstation requirement was 4.3 per SOT
- Average workstation price increased to £203.00
- Average license length increased to 7 months

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SUPPLY OF SERVICED OFFICE SPACE

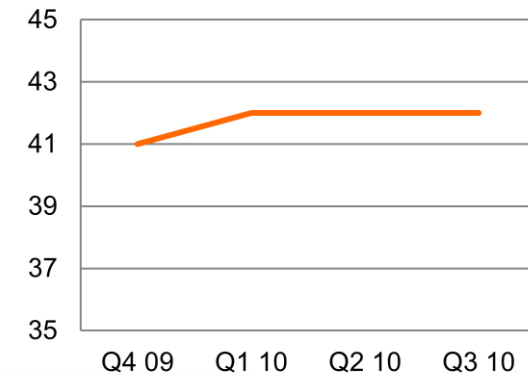
The number of serviced office buildings registered with officebroker.com in Wales remained unchanged during Q3 10.

The total number of serviced office buildings registered with officebroker.com in Wales was 42 in Q3 10, a figure which has remained unchanged since Q1 10.

officebroker.com currently lists 2,544 active serviced office buildings in the UK, the 42 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 +10% in Q3 10

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in Wales was +10% higher during Q3 10 when compared to Q3 09.

Year-to-Date Activity – Between January – September 2010 the number of enquiries generated by officebroker.com for serviced office space in Wales has exceeded 2009 levels by +19%.

As shown in Fig 3, the number of enquiries received by officebroker.com has been greater than that of 2009 during seven of the nine months to-date in 2010.

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 Wales are slightly lower than that of the UK national average during Q3 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: Q3 10 Wales Enquiry Levels: 2009 vs 2010

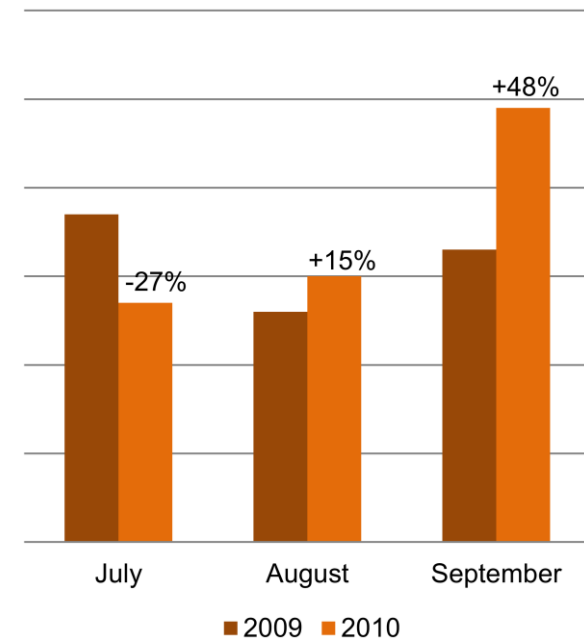
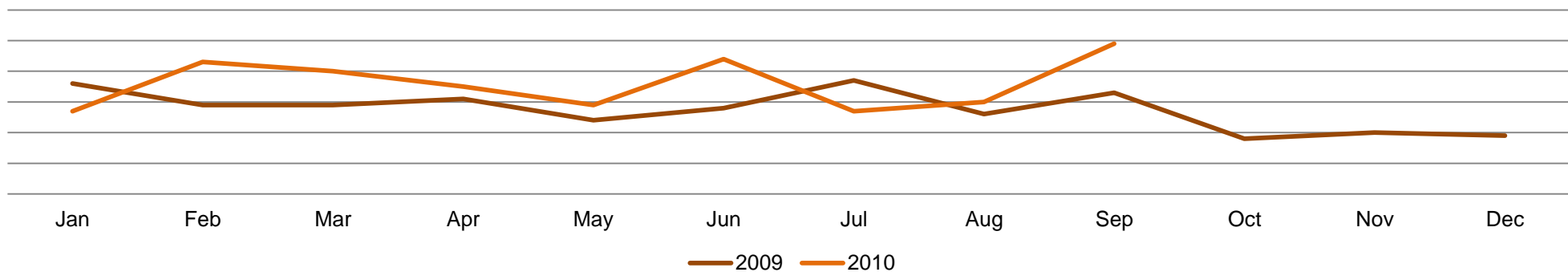


Fig 3. Wales: Enquiry Levels: Jan 2009 - Sep 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of newly signed SOTs was -48% lower in Q3 10

Quarterly Activity – The number of newly signed SOTs entering serviced offices via the officebroker.com service was -48% lower in Q3 10 than in the same period of 2009.

Year-to-Date Activity – Between January – September 2010 the total number of newly signed SOTs entering serviced office space in Wales was -56% lower than during the same 9 months period of 2009.

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

Having recorded a -48% decrease in SOT numbers during Q3 10, the change in activity recorded in Wales is notably higher than that of the national activity recorded by officebroker.com during this same period.

Fig 4: Q3 Wales - SOT Levels 2009 vs 2010

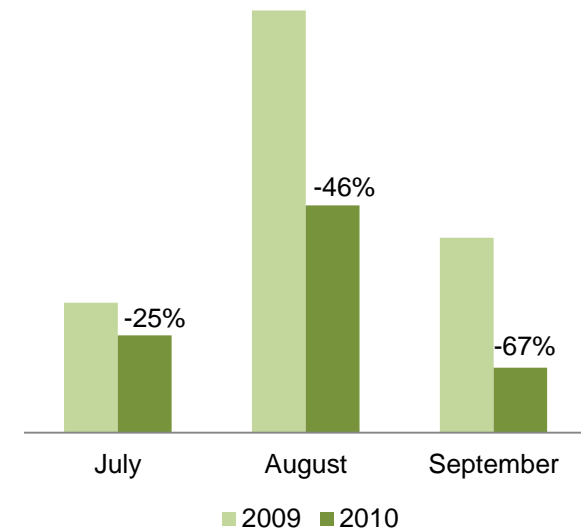
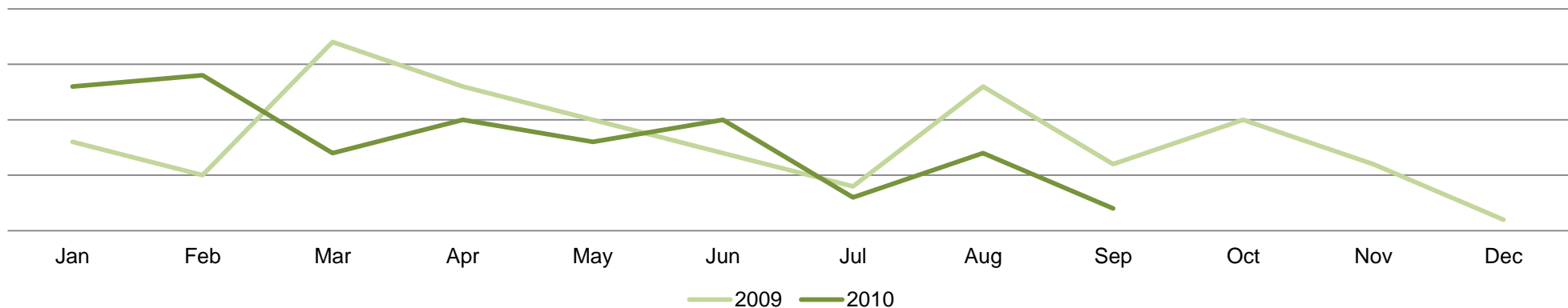


Fig 5. Wales - SOT Levels: Jan 2009 - Sep 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstations requirement increased to 4.3 per SOT in Q3 10

Quarterly Activity – The average number of workstations per SOT totalled 4.3 at the close of Q3 10, an increase of 1.4 (+48%) workstations on the average requirement of 2.9 recorded in Q3 09.

Year-to-Date Activity – In the opening 9 months of 2010 the average workstation requirement recorded by officebroker.com in Wales was 3.4 per SOT, an increase of +10% on the year-to-date requirement of 3.1 workstations per SOT recorded between January – September 2009.

National Comparison – The average workstation requirement in the UK during Q3 10 was 3.9 workstations per SOT, a decrease of -2% on the average requirement of 4 workstations recorded by officebroker.com during the same period of 2009.

Comparing this national activity to that of Wales, in Q3 10 both the percentage change (+48%) and average workstation requirement (4.3) recorded within the region exceeded national averages.

Fig 6. Q3 Wales - Workstations 2009 vs 2010

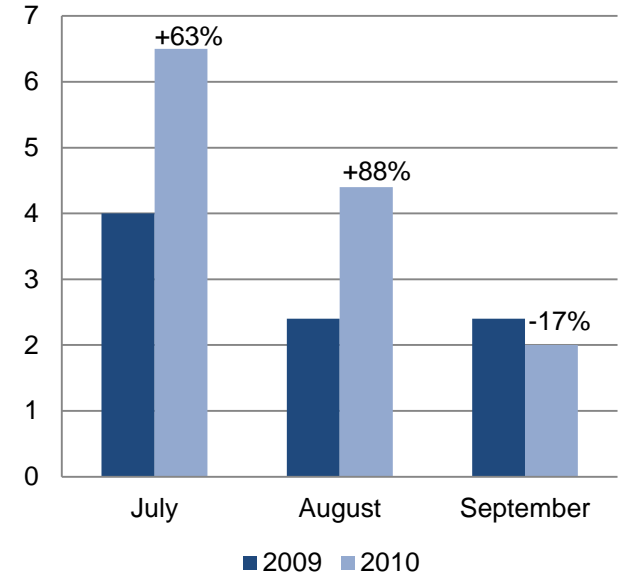
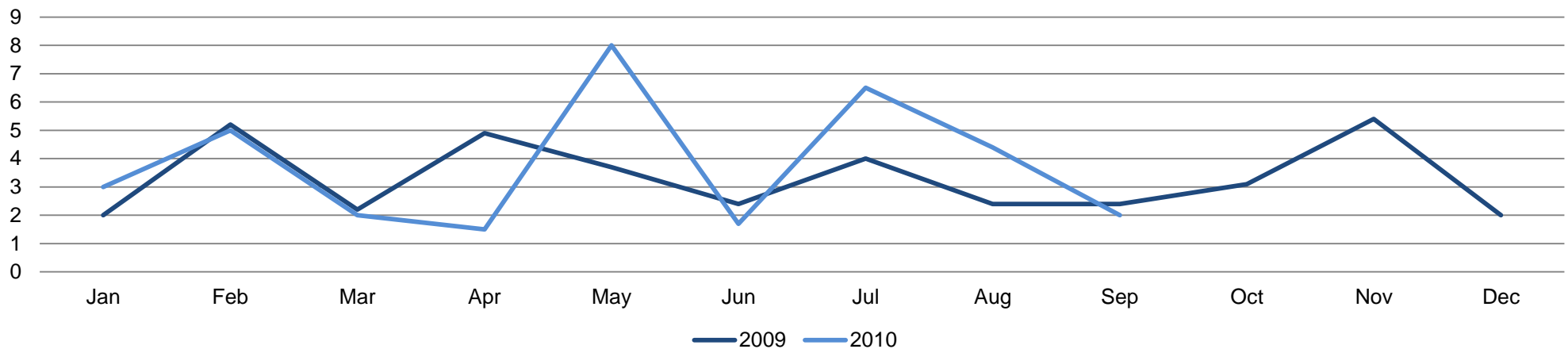


Fig 7. Wales: Average Workstations Per SOT - Jan 2009 - Sep 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation increased to £203.00 in Q3 10

Quarterly Activity – The average price per workstation in Wales was £203.00 in Q3 10, a price that is £14.00 (+8%) greater than the price of £189.00 recorded in the same financial quarter of 2009.

Year-to-Date Activity – Between January – September 2010 an average workstation price of £212.00 has been recorded by officebroker.com in Wales, a price that is £16.00 (+8%) higher than the average price of £196.00 recorded in the same 9 month period of 2009.

As shown in Fig 9, average workstation prices within Wales have varied greatly in 2010, with a £158.00 (-58%) difference between the peak and trough prices recorded by officebroker.com to-date.

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 the activity recorded in Wales to that witnessed nationally, it is clear that while the percentage change recorded in Wales (+8) was notably higher than that recorded nationally, the average workstation price within the region remained £21.00 (-9%) below the national average during Q3 10.

Fig 8: Q3 Average Workstation Prices 2009 vs 2010

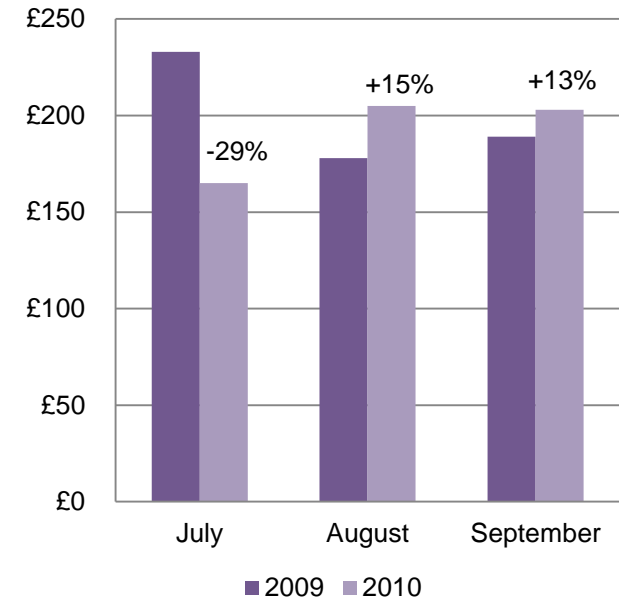
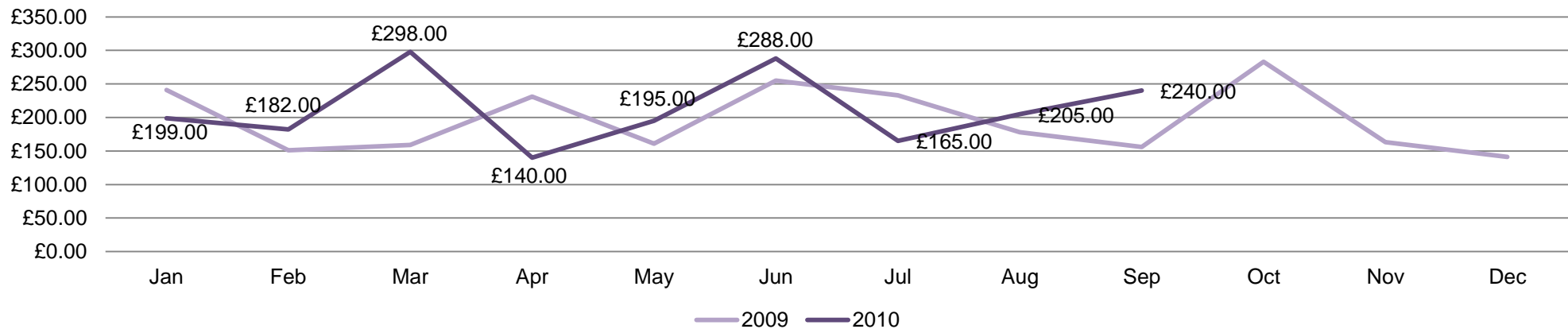


Fig 9. Wales: Average Price Per Workstation - Jan 2009 - Sep 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 7 months in Q3 10

Quarterly Activity – In Q3 10 new SOTs entering serviced office space in Wales through officebroker.com were signing average license lengths of 7 months, an increase of 2.8 months (+68%) on the average license length of 4.2 months recorded during Q3 09.

Year-to-Date Activity – Between January – September 2010 officebroker.com has recorded an average license length of 8.7 months in Wales, representing an increase of 2.9 (+50%) months compared to the average license length of 5.8 months recorded in the same 9 month 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 7 months being recorded in Wales, businesses entering serviced office space via officebroker.com during this period were committing to an average of 1 month less than the national average during this 3 month period.

Fig 10: Q3 Initial License Length 2009 vs 2010

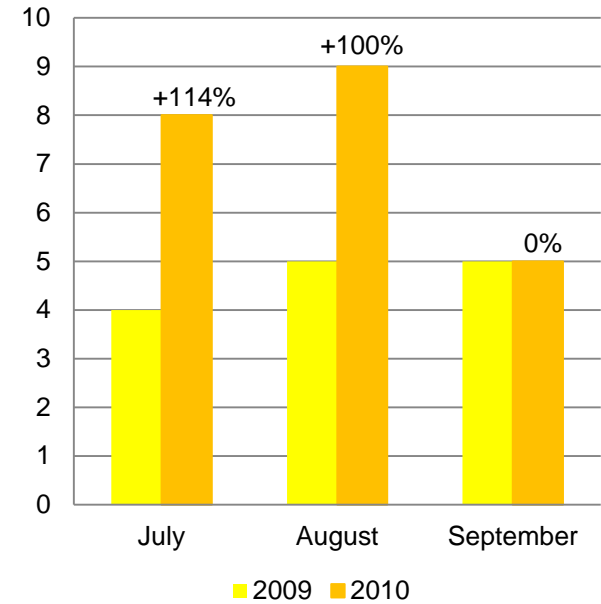
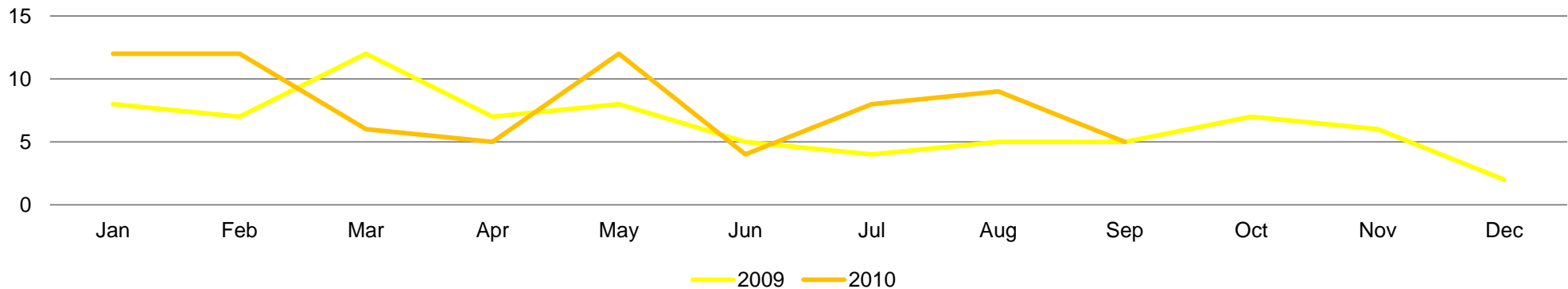


Fig 11. Wales: Average License Lengths - Jan 2009 - Sep 2010



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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 increase, exceeding Q3 09 levels by +10%.
- The number of newly signed SOTs was -48% lower in Q3 10.
- Average workstation price increased.
- 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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