

officebroker.com

SERVICED OFFICE REVIEW

NORTH WEST
Q4 2010



NORTH WEST***

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 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 Q4 10 compared to Q4 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

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased +18%
- The number of newly signed serviced office tenants (SOTs) was -27% lower
- Average number of workstations per SOT decreased to 4.1
- Average workstation price decreased to £187.00
- Average license length increased from 6.9 months to 9.0 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 365 to 369

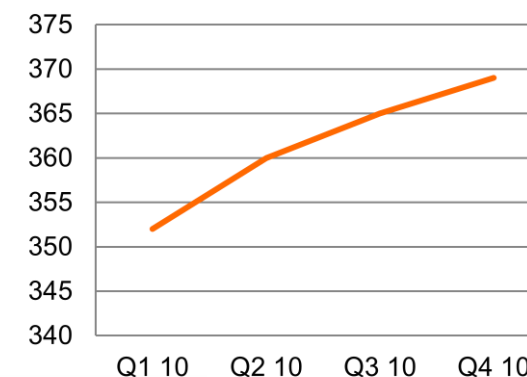
The total number of serviced office buildings registered with officebroker.com in the North West increased to 369 during Q4 10 – representing a net increase of 4 buildings on the figure of 365 recorded at the close of Q3 10.

As shown in Fig 1, the number of serviced office buildings registered with the officebroker.com service has increased continuously since Q1 10, resulting in an overall increase of 17 buildings in the overall number of serviced office buildings choosing to register with officebroker.com in the North West.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, the 369 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 increased by +18% overall in Q4 10

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in the North West region increased by +18% in Q4 10 compared to Q4 09.

Year-to-Date Activity – With a higher number of serviced office space enquiries being generated by officebroker.com during the opening and closing third of 2010, the overall number of serviced office space enquiries has risen +16% above 2009 levels during 2010.

National Comparison – In Q4 10 officebroker.com recorded an overall increase of +42% in the number of enquiries received for serviced office space compared to Q4 09.

With an increase of +18% being recorded within the North West during this same period, it would appear that activity was diminished within the North West during Q4 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: Q4 10 North West Enquiry Levels: 2009 vs 2010

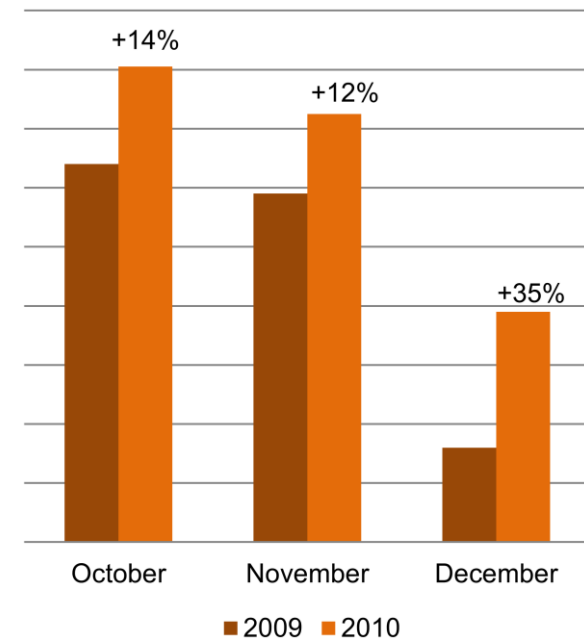
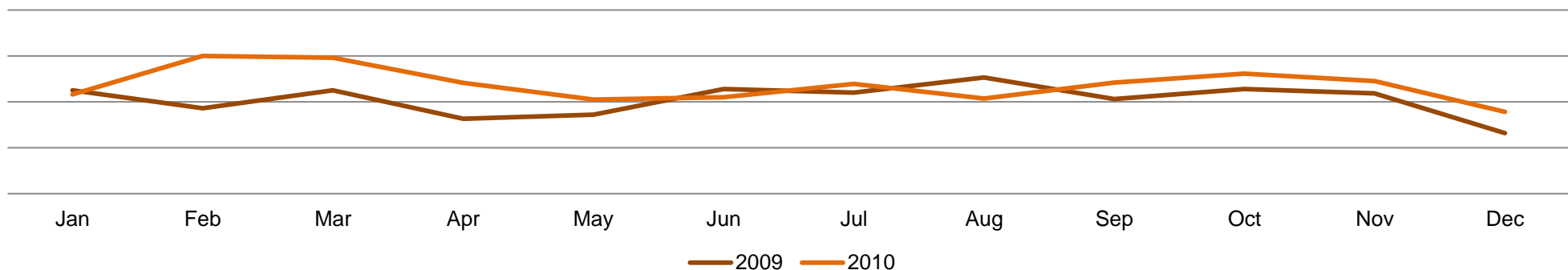


Fig 3. North West Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of new SOTs reduced by -27% in Q4 10

Quarterly Activity – The number of businesses entering serviced office space via officebroker.com was -27% lower in Q4 10 than in the same 3 month period of 2009.

Year-to-Date Activity – The number of newly signed SOTs failed to exceed 2009 levels on all but one occasion during 2010, resulting in a -35% reduction in the overall number of new SOTs entering serviced office space in the North West between January – December 2010.

National Comparison – Across the UK, the number of new SOTs entering serviced office space during the final quarter of 2010 also reduced, with Q4 10 levels ending -26% below the levels recorded during Q4 09.

Given that SOT levels in the North West reduced by -27%, it would appear that the activity recorded nationally during Q4 10 has been reflected within this regional market.

Despite the changes that have occurred within the region during Q4 10, the actual number of SOTs taking serviced office space through officebroker.com in the North West was the 3rd highest of any UK region.

Fig 4: Q4 North West - SOT Levels 2009 vs 2010

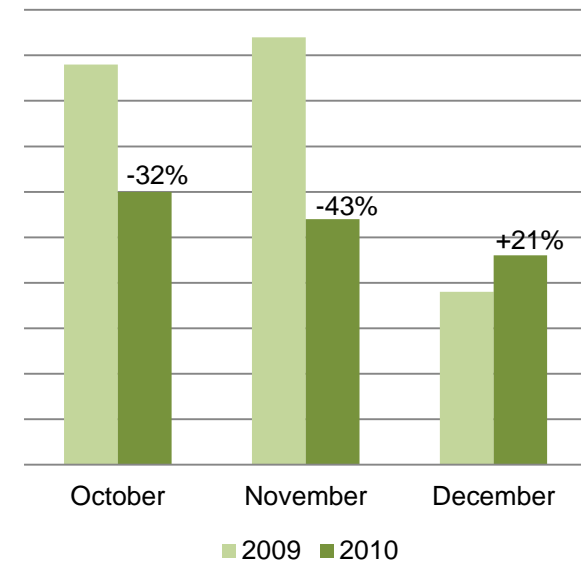
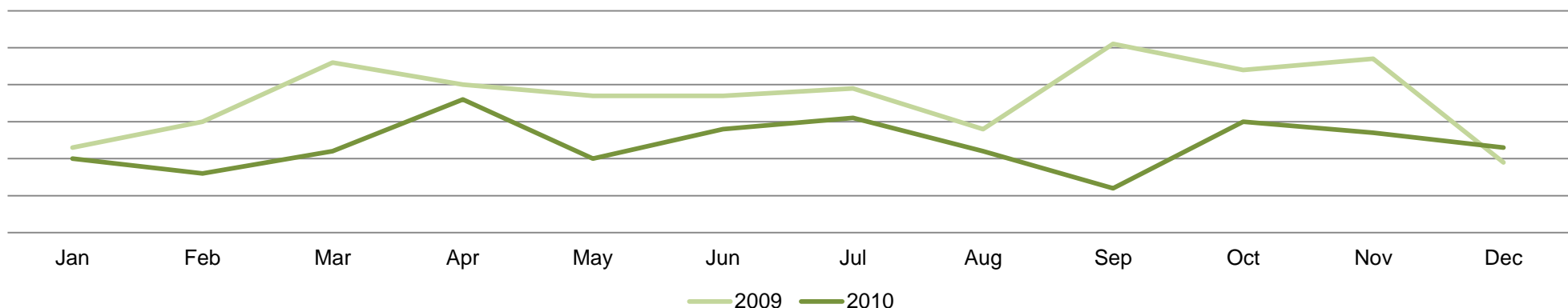


Fig 5. North West SOT Levels: Jan 2009 - Dec 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstation requirement reduced to 4.1 in Q4 10

Quarterly Activity – The average number of workstations per SOT totalled 4.1 at the close of Q4 10, an overall decrease of -22% compared to the average workstation requirement of 5.3 workstations per SOT recorded in Q4 09.

As shown in Fig 6, the reason that an overall decrease in workstation requirements occurred in Q4 10, was the absence of the larger requirements which had occurred during December 2009.

Year-to-Date Activity – Despite the decreased workstation requirements recorded in Q4 10, the rises occurring earlier in 2010 have produced an overall increase of +29% in the average workstation requirement of businesses entering serviced office space in the North West via officebroker.com in 2010.

Overall requirements increased from an average of 4.1 workstations in 2009 to 5.3 workstations in 2010.

National Comparison – The average number of workstations per SOT increased nationally during Q4 10, rising marginally from 3.6 workstations in Q4 09 to 3.7 workstations in the same period of 2010.

The average requirement of 4.1 workstations recorded in the North West was the 3rd highest requirement of any UK region during Q4 10, with only Central London (5.0) and the North East (4.7) posting higher.

Fig 6. North West Workstations 2009 vs 2010

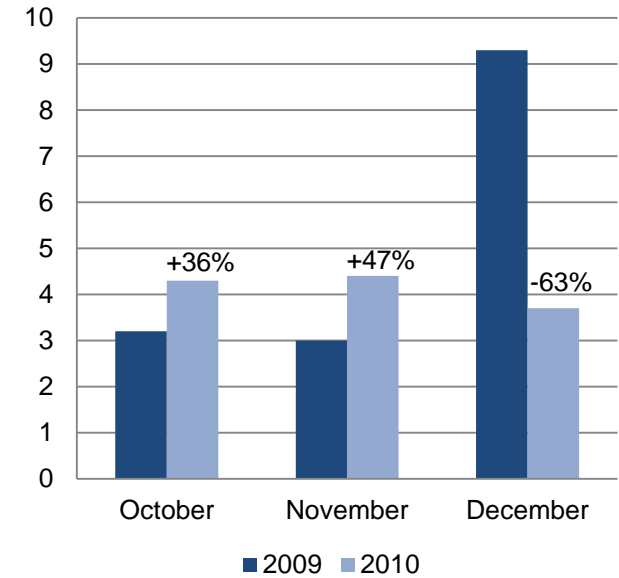
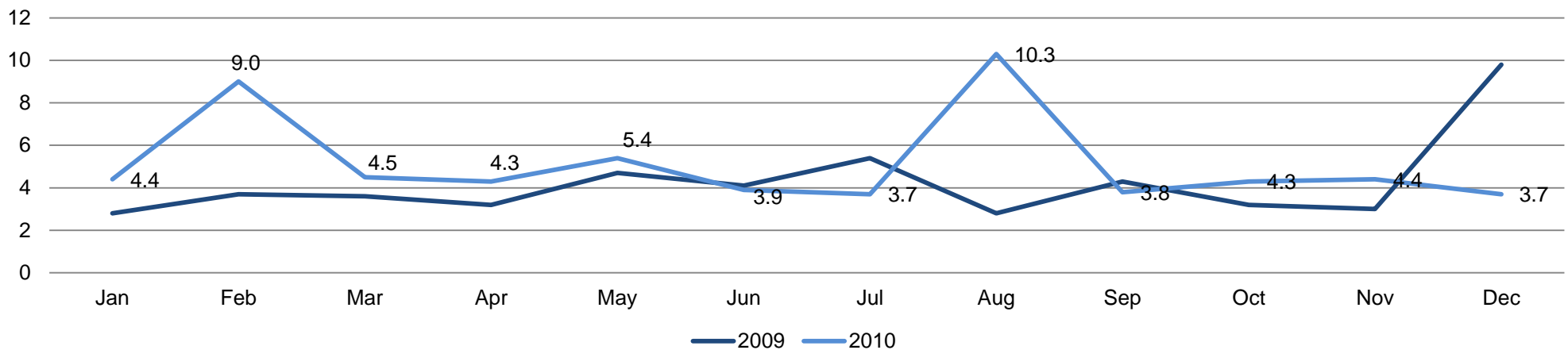


Fig 7. North West: Average Workstations Per Sot - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation reduced by -1%

Quarterly Activity – The average price per workstation in the North West was £187.00 in Q4 10, a price that is £1.00 (-1%) lower than the average price of £188.00 recorded during Q4 09.

Year-to-Date Activity – The average year-to-date workstation price in the North West is currently £167.00, a price which is £23.00 (-12%) lower than the average price of £190.00 recorded during 2009.

As shown by Fig 9, workstation prices across the North West have failed to exceed 2009 levels on all but two occasions during 2010. What is worth considering however, is that this latest price decrease means that the average workstation price recorded in 2010 is now £89.00 (-34%) below the 2008 price of £256.00.

National Comparison – During Q4 10 the average price per workstation fell nationally by -3%, from £232.00 in Q4 09 to £226.00 by the close of Q4 10.

Average workstation prices in the North West were -£39.00 lower than the national average recorded by officebroker.com during this same period.

Fig 8: Q4 Average Workstation Prices 2009 vs 2010

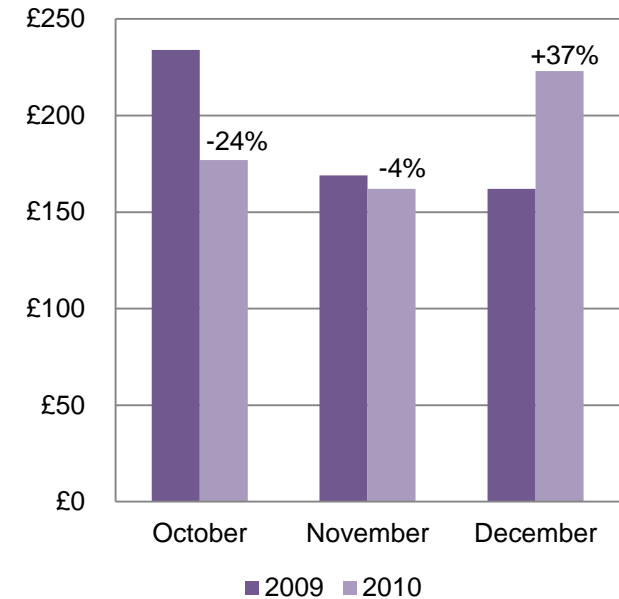
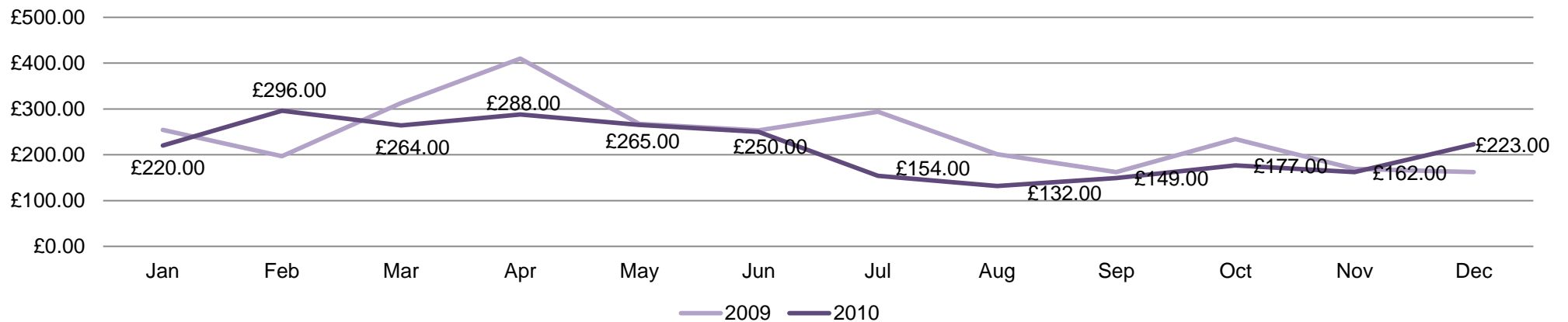


Fig 9. North West: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 9.0 months in Q4 10

Quarterly Activity – In Q4 10 new SOTs entering serviced office space in the North West through officebroker.com were signing average license lengths of 9.0 months, an increase of 2.1 months (+30%) on the average license length of 6.9 months recorded during Q4 09.

Year-to-Date Activity – The increase in average license lengths recorded in Q4 10 follows additional increases during the previous quarters of 2010, meaning that the average license length in the North West during 2010 was 8.5 months. This was 1.6 months longer than the 2009 average of 6.9 months.

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 9.0 months being recorded in the North West, businesses entering serviced office space via officebroker.com in this period were committing to license lengths that were 2 months longer than the national average for Q4 10.

Fig 10: Q4 Initial License Length 2009 vs 2010

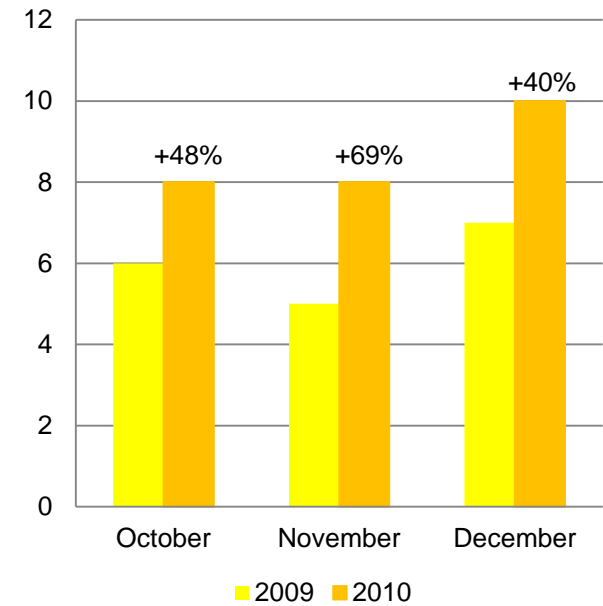
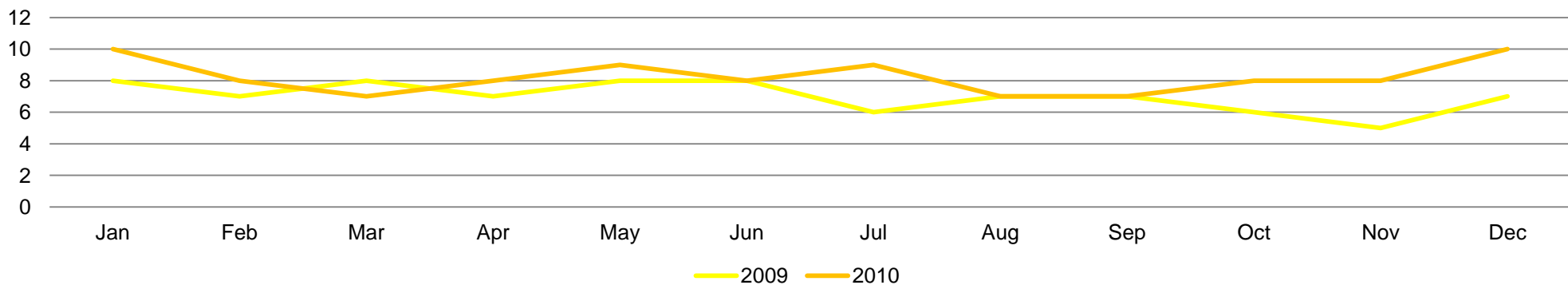


Fig 11. North West: Average License Lengths - Jan 2009 - Dec 2010



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SUMMARY

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

- Enquiry levels exceeded Q4 09 levels by +18% during Q4 10.
- SOT levels were -27% lower during Q4 10 than in Q4 09.
- Average workstation price remained within 1% of Q4 09 levels.
- Average license lengths continued to increase and were amongst the highest recorded in any UK region during the final quarter of 2010.

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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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