# officebroker.com

## SERVICED OFFICE REVIEW

NORTH WEST
Q2 2010

# NORTH WEST***

## INTRODUCTION

The following report utilises statistics for Q2 10 from officebroker.com, the UK's leading independent broker of serviced office space, to present activity in the serviced office market during Q2 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 Q2 10 compared to Q2 09.




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### HIGHLIGHTS

**Q2 2010**
**COMPARED TO Q2 2009:**

- **Enquiry levels increased +17%**
- **The number of newly signed serviced office tenants (SOTs) declined by -26%**
- **Average number of workstations per SOT rose from 4.0 to 4.6**
- **Average workstation price decreased from £195 to £164**
- **Average license length increased from 7.6 months to 8.4 months**

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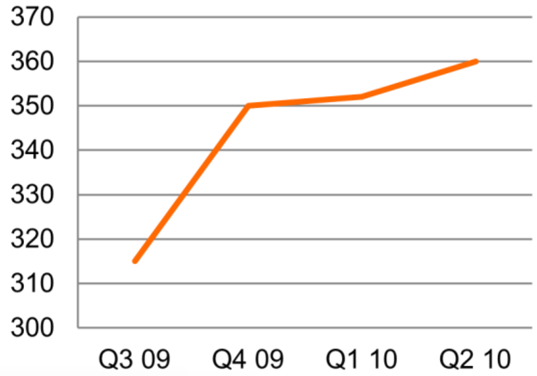
# SUPPLY OF SERVICED OFFICE SPACE

## The number of serviced office buildings registered with officebroker.com in the North West increased from 352 to 360

The total number of serviced office buildings registered with officebroker.com in the North West increased to 360 during Q2 10 – representing a net increase of 8 buildings on the figure of 352 recorded at the close of Q1 10.

As shown in Fig 1, the number of serviced office buildings registered with the officebroker.com service has increased continuously since Q3 09, resulting in an overall increase of 45 buildings (+14%) in the overall number of serviced office buildings choosing to advertise through officebroker.com in the North West.

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

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# DEMAND FOR SERVICED OFFICE SPACE

## Q2 2010 Enquiry Levels exceeded those of Q2 2009 by +17% overall.

**Quarterly Activity** – The total number of enquiries received by officebroker.com for serviced office space in the North West region increased by +17% in Q2 10 compared to Q2 09.

**Year-to-Date Activity** – This additional +17% increase in enquiries recorded by officebroker.com in Q2 10 follows a +28% increase in Q1 10, meaning the number of enquiries received by officebroker.com for serviced office space in the North West during the first half of 2010 was +22% higher than in 2009.

**National Comparison** – During Q2 10 the total number of enquiries received by officebroker.com throughout the UK increased by +33% compared to Q2 09, indicating that the percentage increases seen in the North West are lower than in other areas of the UK during Q2 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: Q2 10 North West Enquiry Levels: 2009 vs 2010**

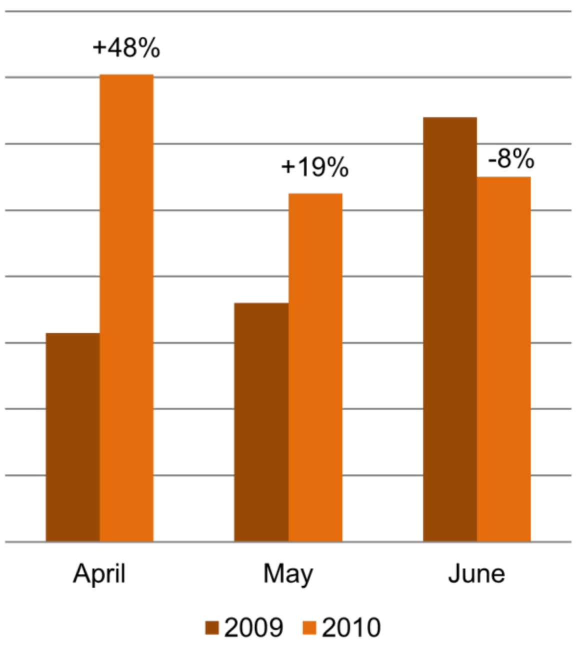
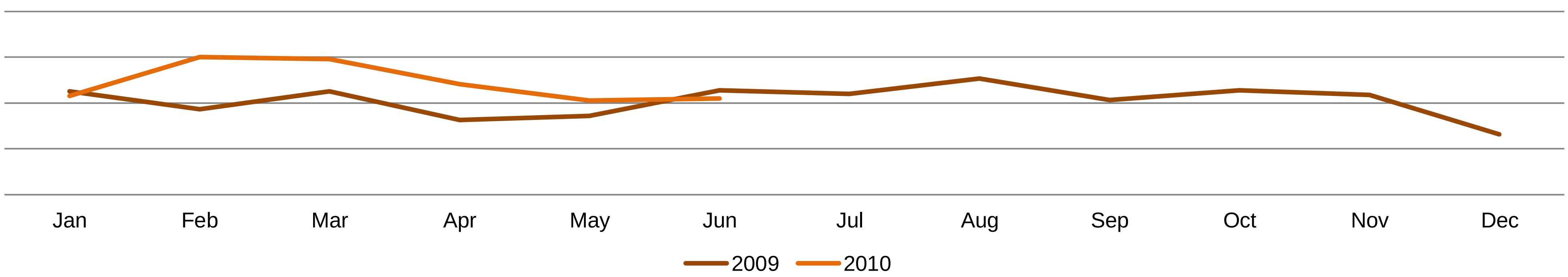



**Fig 3. North West Enquiry Levels: Jan 2009 - June 2010**

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# NEW SERVICED OFFICE TENANTS (SOTs)

## -26% decrease in the number of SOTs in Q2 10 compared to Q2 09

**Quarterly Activity** – The number of businesses taking serviced office space through officebroker.com was -26% lower in Q2 10 than in Q2 09

**Year-to-Date Activity** – During Q1 10 the number of new SOTs taking space through the officebroker.com service also fell below 2009 levels (-41%), meaning that the number of SOTs taking space via officebroker.com in the North West has decreased for the 2nd consecutive quarter in 2010.

With officebroker.com's sales cycle averaging 59 days from initial enquiry to placement, it would appear that the additional enquiries generated in Q1 10 (+28%), a result of the increased marketing activity outlined in the previous section of this report, are yet to result in a greater number of SOTs taking office space in the North West region through officebroker.com.

**National Comparison** – During Q2 10 the total number of SOTs taking serviced office space through officebroker.com increased nationally by +5% on Q2 09 levels.

At -26% the decrease in SOTs recorded in the North West is significantly behind the national activity recorded by officebroker.com during this same period.

The actual number of SOTs taking serviced office space through officebroker.com in the North West during Q2 10 was however the 4th highest of any UK region.

**Fig 4: Q2 North West - SOT Levels 2009 vs 2010**

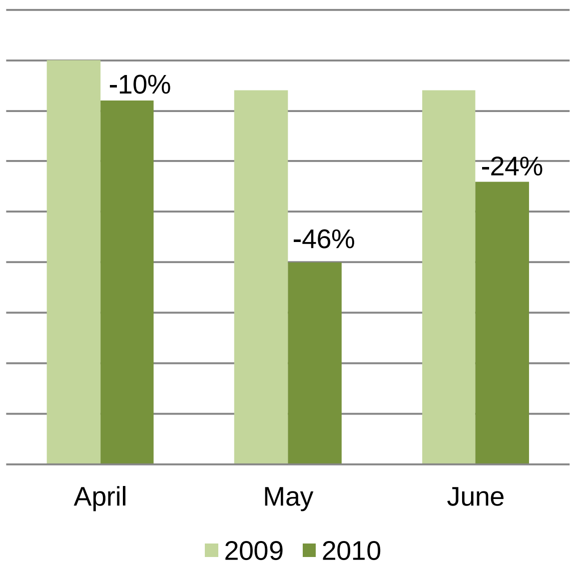
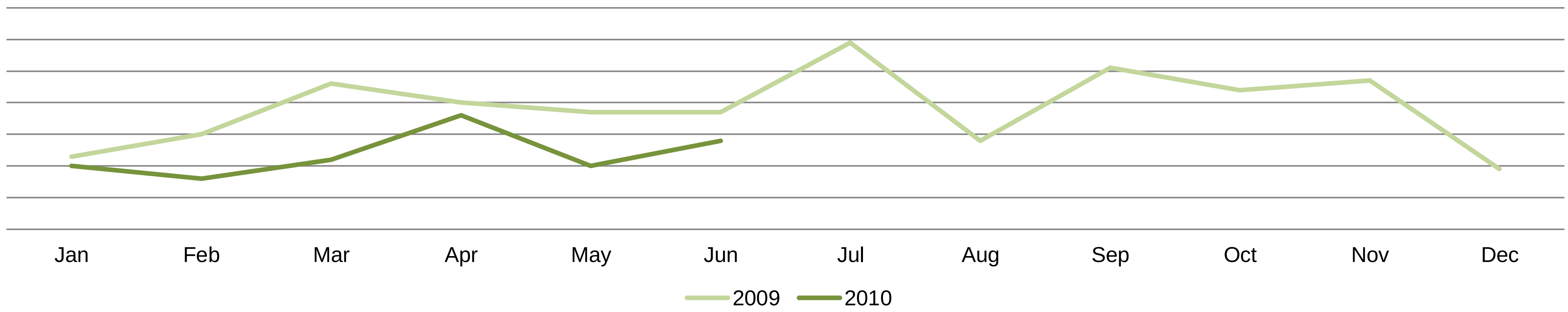



**Fig 5. North West SOT Levels: Jan 2009 - June 2010**

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# AVERAGE WORKSTATIONS PER SOT

## Average workstations per SOT rose from 4.0 in Q2 09 to 4.6 in Q2 10

**Quarterly Activity** – The average number of workstations per SOT totalled 4.6 at the close of Q2 10, an increase of +15% on the average workstation requirement of 4.0 per SOT recorded in Q2 09.

**Year-to-Date Activity** – Having also recorded an increase in average workstation requirements during Q1 10 (+78% or 3.3 to 5.9 workstations), the subsequent rise in Q2 10 completes a six month period in which the overall number of SOTs entering serviced office space through officebroker.com showed increased workstation requirements.

As a result of this activity average workstation requirements in the North West were +43% higher in the opening six months of 2010 than during the same period of 2009.

**National Comparison** – The average number of workstations per SOT throughout the UK increased from 4.2 in Q2 09 to 4.3 at the close of Q2 10 - a rise of +3%.

Comparing this national activity to that of the North West in Q2 10, it is clear that both the percentage increase (+15%) and the average number of workstations taken (4.6) in the North West during Q2 10 were higher than that of the national averages for this same period.

**Fig 6. North West Workstations 2009 vs 2010**

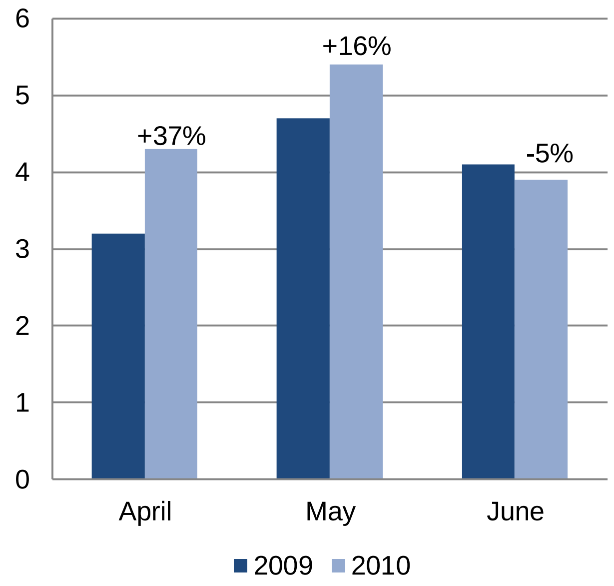
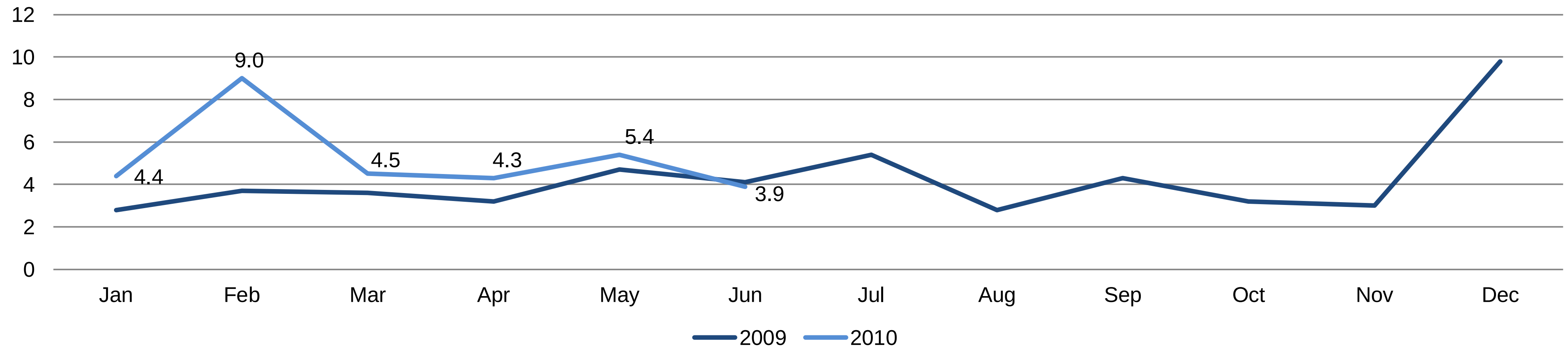



**Fig 7. North West: Average Workstations Per Sot - Jan 2009 - June 2010**

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# SERVICED OFFICE SPACE COSTS

## Average price per workstation decreased by -16% in Q2 10 compared to Q2 09

**Quarterly Activity** – The average price per workstation in the North West was £164.00 in Q2 10, a decrease of -16% on the average price of £195.00 recorded in Q2 09.

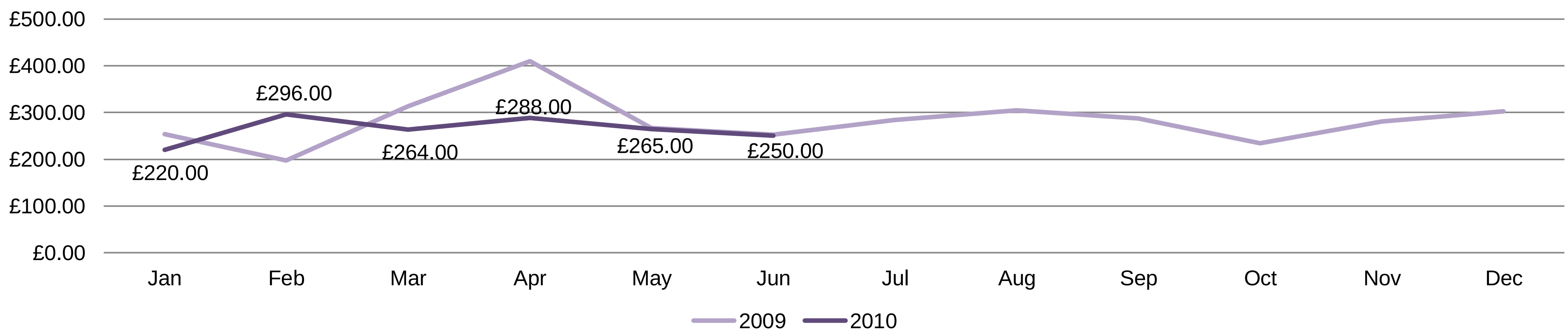
**Year-to-Date Activity** – This Q2 10 decrease follows an increase in workstation prices in Q1 10, which ended +10% above Q1 09 levels and represented the first increase in average workstation prices in the North West since 2008 according to officebroker.com's data.

**National Comparison** – During Q2 10 the average price per workstation fell nationally by -13%, from £274.00 in Q2 09 to £238.00 by the close of Q2 10.

This means that average workstation prices in the North West were -£74.00 (-31%) lower than the national average recorded by officebroker.com during this same period.

**Fig 8: Q2 Average Workstation Prices 2009 vs 2010**


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

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# AVERAGE LICENSE LENGTHS

## Initial license lengths increased to 8.4 months in Q2 10 from 7.6 in Q2 09

**Quarterly Activity** – In Q2 10 new SOTs entering serviced office space in the North West through officebroker.com were signing average license lengths of 8.4 months, an increase of 0.8 months (+11%) on the average license length of 7.6 months recorded during Q2 09.

**Year-to-Date Activity** – The additional increase in average license lengths recorded in Q2 10 follows an increase of +13% in average license lengths during Q1 10, meaning that in the opening 6 months of 2010 average license lengths in the North West were +11% higher than in the same period of 2009.

**National Comparison** – During Q2 10 license lengths averaged 7.3 months nationally, an increase of +6% on the average license length of 7.0 months recorded in Q2 09.

With an average license length of 8.4 months being recorded in the North West, businesses entering serviced office space via officebroker.com during this period were committing to an additional 1.1 months (+15%) compared to the national average during this same period.

The average license length of 8.4 months within the North West was the highest of any UK region during Q2 10, with only Central London (8.3 months), Scotland (8.1 months) and the West Midlands (8.1 months) also recording average license lengths in excess of 8 months during this same period.

**Fig 10: Q2 Initial License Length 2009 vs 2010**

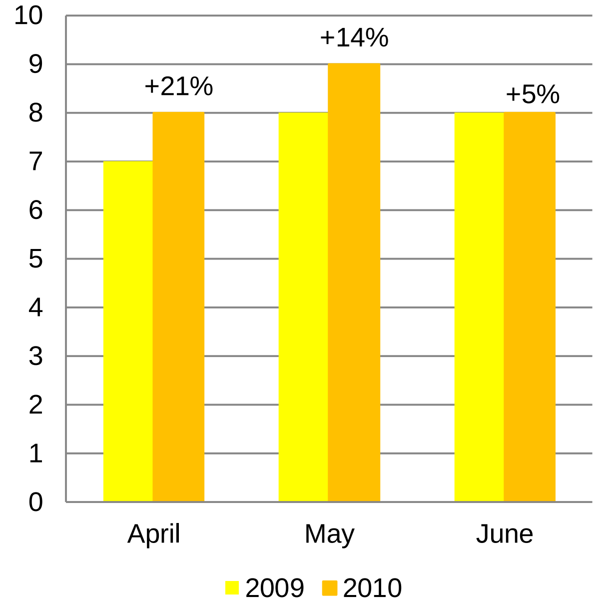
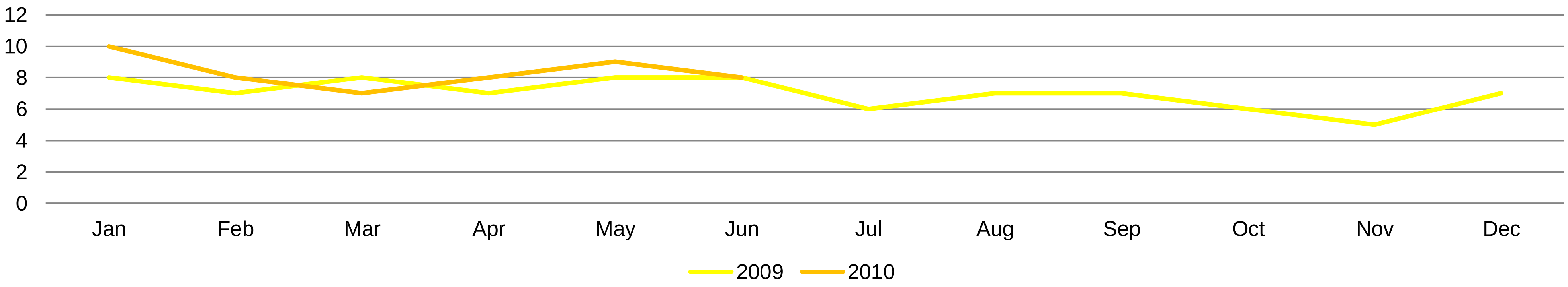



**Fig 11. North West: Average License Lengths - Jan 2009 - June 2010**

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# SUMMARY

When taking into account all the information for Q2 10, the following key findings can be drawn:

- Enquiry levels increased by +17% during Q2 10, building upon an increase in Q1 10.
- The overall number of new serviced office tenants decreased for the 2nd consecutive quarter.
- 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 2nd consecutive quarter and were the highest of any UK region in Q2 10.

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# RESEARCH

For more information in relation to officebroker.com's research, or for further details on any other UK Regions, please contact us via the following channels:

Simon Jones
**Simon.jones@officebroker.com**
0870 112 3667 (opt 2)
Sir Robert Peel Mill, Mill Lane, Fazeley, B78 3QD

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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