

officebroker.com

SERVICED OFFICE REVIEW

WALES
Q2 2010



WALES***

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 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 Q2 10 compared to Q2 09.



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

HIGHLIGHTS

Q2 2010 COMPARED TO Q2 2009:

- Enquiry levels increased +30%
- The number of newly signed serviced office tenants (SOTs) decreased by -56%
- Average number of workstations was 3.7 per SOT
- Average workstation price decreased from £216.00 to £207.00
- Average license length increased from 6.2 months to 7.1 months

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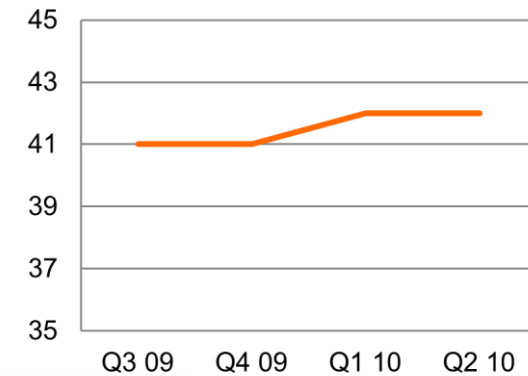
SUPPLY OF SERVICED OFFICE SPACE

The number of serviced office buildings registered with officebroker.com in Wales remained unchanged during Q2 10.

The total number of serviced office buildings registered with officebroker.com in Wales remained unchanged from Q1 10 levels in the second quarter of 2010.

As shown in Fig 1, the total number of serviced office buildings registered with the officebroker.com service has altered little during the last twelve months, with a net increase of only 1 building since Q3 09 when the total number of buildings registered in Wales stood at 41.

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



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DEMAND FOR SERVICED OFFICE SPACE

Q2 10 Enquiry Levels exceeded those of Q2 09 by +30% overall.

Quarterly Activity – The total number of enquiries received by officebroker.com for serviced office space in Wales increased by +30% in Q2 10 compared to Q2 09.

Year-to-Date Activity – This additional +30% increase in enquiries recorded by officebroker.com in Q2 10 follows a +17% increase in Q1 10, meaning the overall number of enquiries received by officebroker.com for serviced office space in Wales during the first half of 2010 was +23% 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 increases seen in Wales are in-line with that of the UK national average.

** 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 Wales Enquiry Levels: 2009 vs 2010

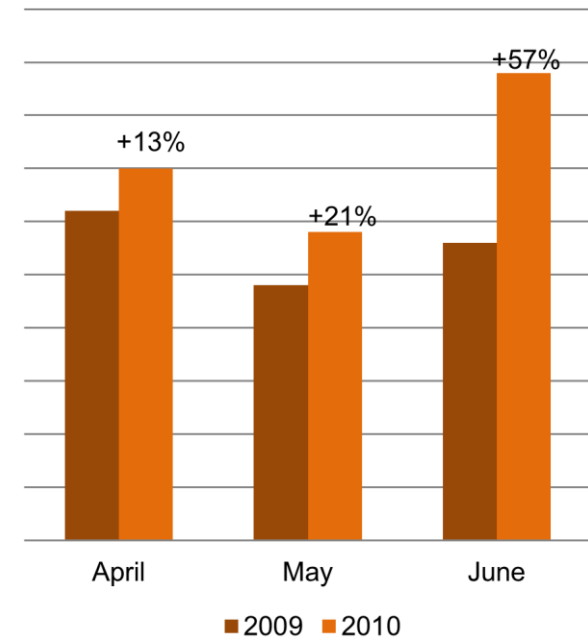
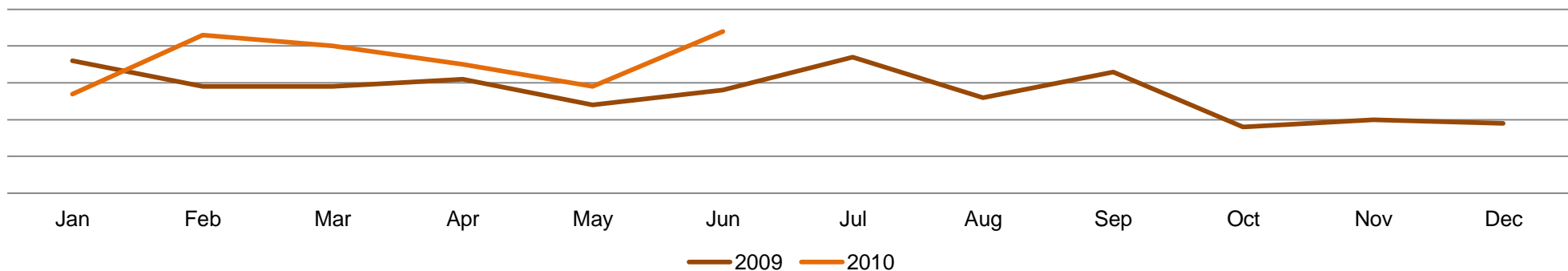


Fig 3. Wales: Enquiry Levels: Jan 2009 - June 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

-56% change 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 decreased by -56% in Q2 10 compared to Q2 09.

Year-to-Date Activity – During Q1 10 the number of new SOTs taking space through the officebroker.com service also decreased (-69%). Taking into account the overall activity recorded in the opening 6 months of 2010, the total number of SOTs entering serviced office space via officebroker.com is currently -61% lower than in 2009.

With the officebroker.com sales cycle averaging 59 days from initial enquiry to placement, it would appear that the additional enquiries generated in Q1 10 (+17%), a result of the increased marketing activity outlined in the previous section of this report, are yet to generate an increase in the number of SOTs taking office space in Wales through officebroker.com during Q2 10.

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

Having recorded a -56% decrease in SOT numbers during Q2 10, the activity in Wales is significantly behind the national activity recorded by officebroker.com during this same period.

Fig 4: Q2 Wales - SOT Levels 2009 vs 2010

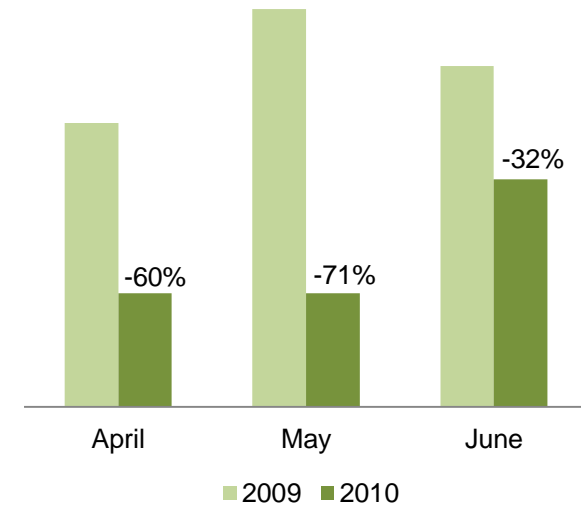
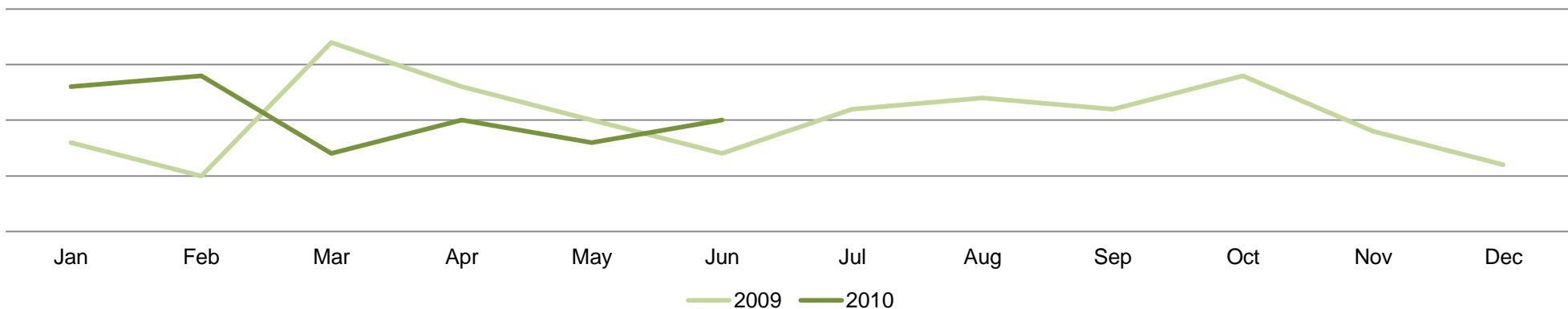


Fig 5. Wales - SOT Levels: Jan 2009 - June 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstations per SOT remained unchanged in Q2 10 compared to Q2 09.

Quarterly Activity – The average number of workstations per SOT totalled 3.7 at the close of Q2 10, the same average workstation per SOT rate recorded by officebroker.com in Q2 09.

Year-to-Date Activity – Having previously recorded a +7% increase in average workstation requirements during Q1 10, overall workstation requirements in wales during the opening 6 months of 2010 remain within 3% of 2009 levels overall.

National Comparison – The average number of workstations per SOT throughout the UK increased from 3.8 in Q2 09 to 4.5 at the close of Q2 10 – a rise of +16%.

Comparing this national activity to that of Wales, in Q2 10 both the percentage change (0%) and average workstation requirement (3.7) within the region were significantly lower.

Having recorded an average workstation requirement of 3.7 per SOT during Q2 10, Wales logged the 4th lowest workstation requirement of any UK region during the second quarter of 2010.

Fig 6. Wales - Workstations 2009 vs 2010

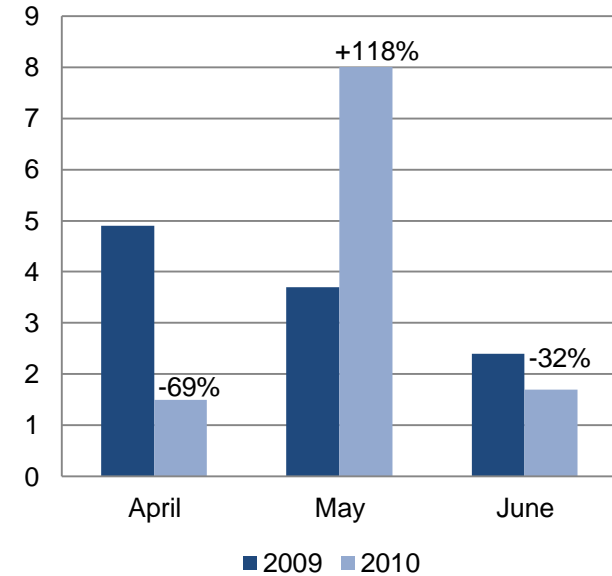
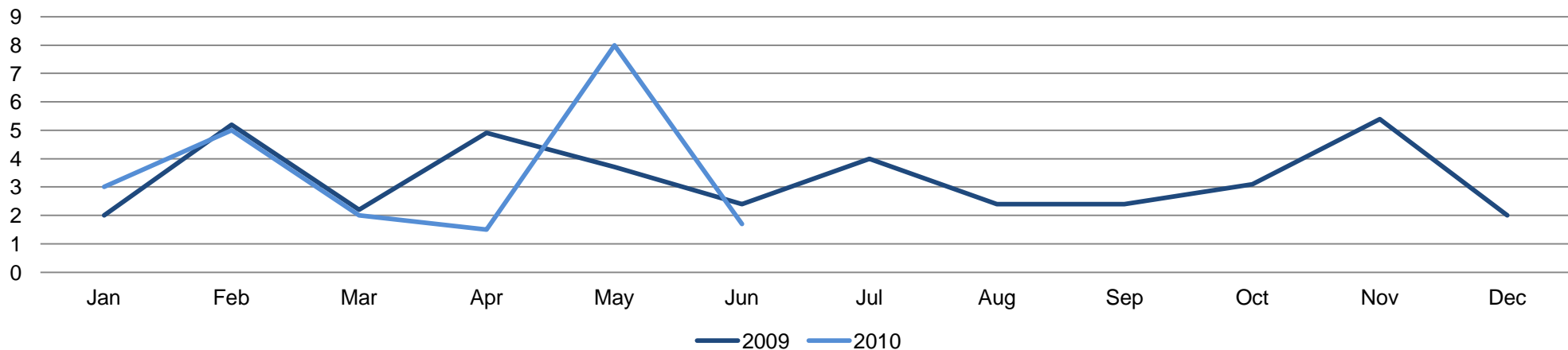


Fig 7. Wales: Average Workstations Per Sot - Jan 2009 - June 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation decreased by -4% in Q2 10 compared to Q2 09.

Quarterly Activity – The average price per workstation in Wales was £207.00 in Q2 10, a decrease of -4% on the average price of £216.00 recorded in Q2 09.

Year-to-Date Activity – Having recorded a +23% increase in average workstation prices during Q1 10, overall average workstation prices in Wales are currently +9% higher in the opening 6 months of 2010 than in the same period of 2009.

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.

Despite recording a lower percentage decrease (-4%) in average workstation price in Wales compared to this national average, the average price per workstation in Wales was £31.00 (-13%) lower than the national average during Q2 10.

Fig 8: Q2 Average Workstation Prices 2009 vs 2010

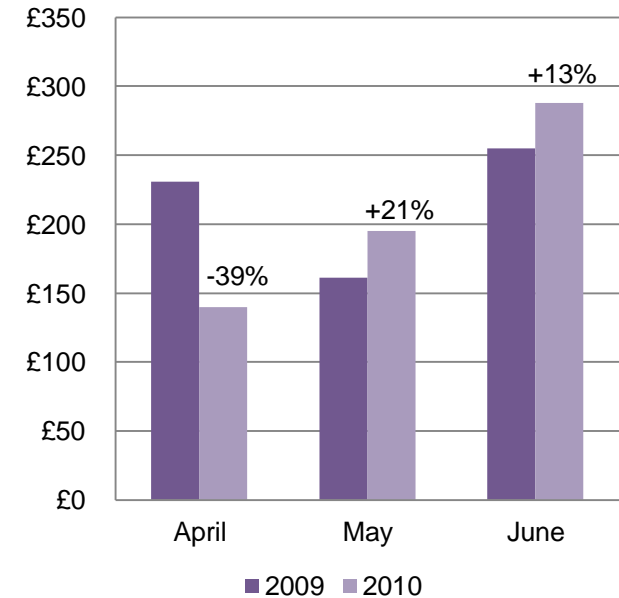
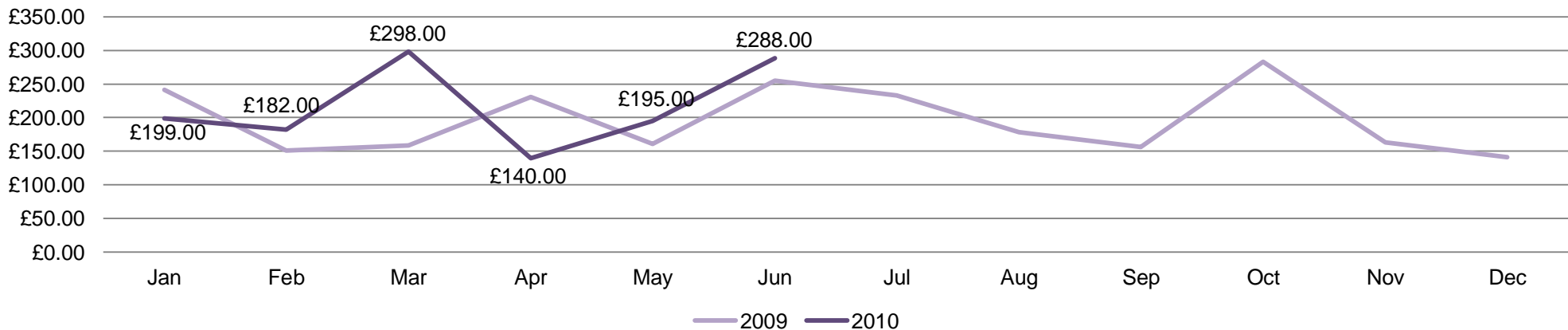


Fig 9. Wales: Average Price Per Workstation - Jan 2009 - June 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 7.1 months in Q2 10 from 6.2 in Q2 09

Quarterly Activity – In Q2 10 new SOTs entering serviced office space in Wales through officebroker.com were signing average license lengths of 7.1 months, an increase of 0.9 months (+15%) on the average license length of 6.2 months recorded during Q2 09.

Year-to-Date Activity – The increase in average license lengths recorded in Q2 10 follows a previous increase of +41% in the average license lengths in Q1 10. The overall result of this activity means that average license lengths in Wales during the first 6 months of 2010 are currently +29% longer than during 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 7.1 months being recorded in Wales, businesses entering serviced office space via officebroker.com during this period were committing to 0.2 months less than the national average for the same period.

Fig 10: Q2 Initial License Length 2009 vs 2010

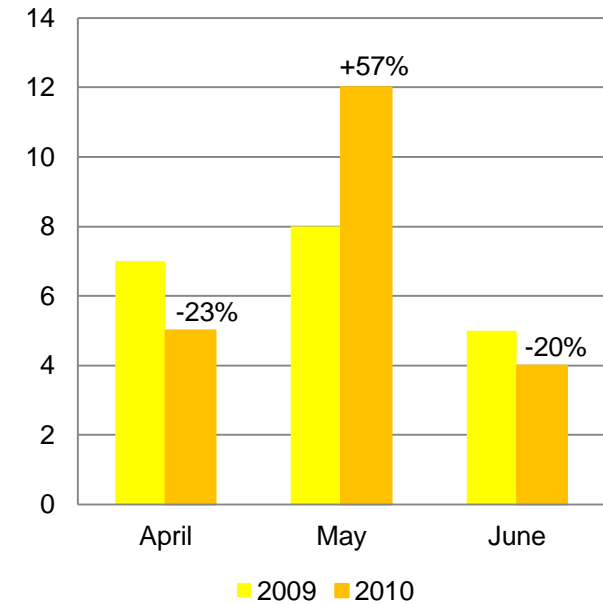
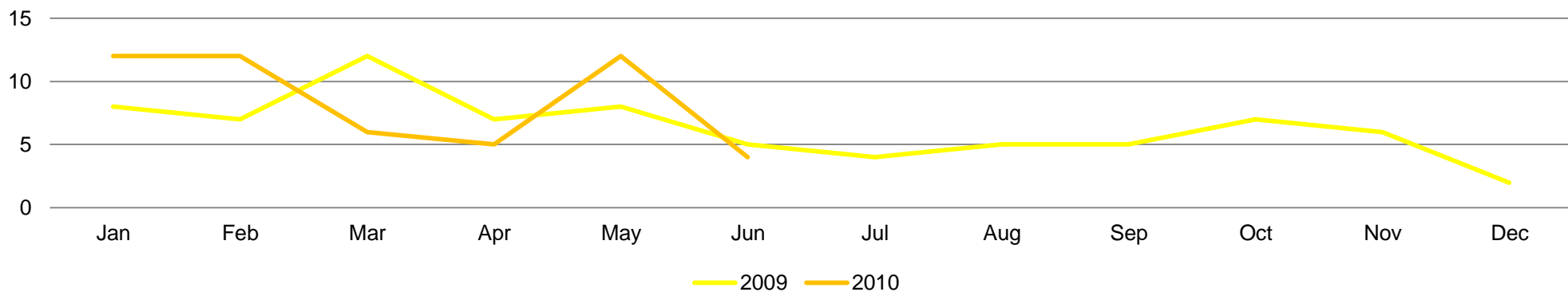


Fig 11. Wales: Average License Lengths - Jan 2009 - June 2010



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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 +30% during Q2 10, building upon the previous increase recorded in Q1 10.
- The overall number of new serviced office tenants decreased by -56%.
- Average workstation price fell below 09 levels in Q2 10.
- Average license lengths increased in line with the national activity recorded during Q2 10.

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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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