

# officebroker.com

## SERVICED OFFICE REVIEW

EAST  
Q2 2010



# EAST \*\*\*

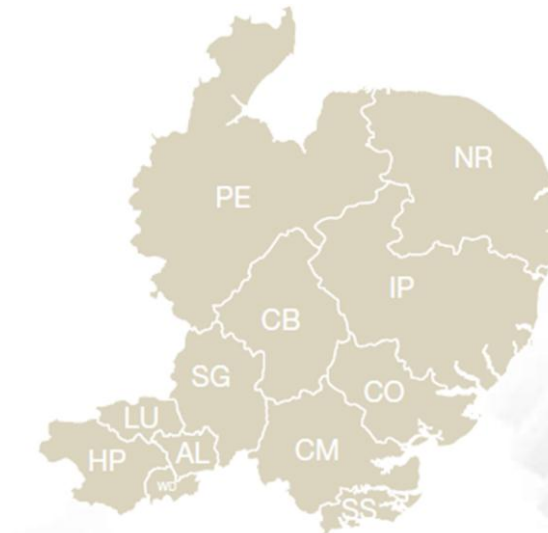
## INTRODUCTION

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 East \*\*\*:

- 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 East 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 East region as areas located within the following postcode prefixes: AL, CB, CM, CO, HP, IP, LU, NR, PS, SG, SS, WD

## HIGHLIGHTS

### Q2 2010 COMPARED TO Q2 2009:

- Enquiry levels increased +35%
- The number of newly signed serviced office tenants (SOTs) increased by +33%
- Average number of workstations decreased to 3.3 per SOT
- Average workstation price reached £232.00
- Average license length decreased from 8.4 months to 7.9 months

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## SUPPLY OF SERVICED OFFICE SPACE

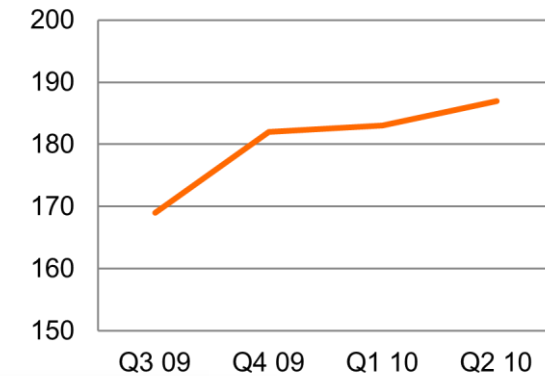
**The number of serviced office buildings registered with officebroker.com in the East increased from 183 to 187.**

The total number of serviced office buildings registered with officebroker.com in the East increased to 187 during Q2 10 – representing a net decrease of 4 buildings on the figure of 183 recorded at the close of Q1 10.

As shown in Fig 1, the total number of serviced office buildings registered with the officebroker.com service has continued to increase during the last 12 months, rising from 169 in Q3 09 to 187 by the close of Q2 10.

This means that the overall number of serviced office buildings choosing to register with officebroker.com in the East has increased by a total of 18 buildings (+11%) within this twelve month period.

**Fig 1: East:  
Serviced Office Buildings**



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# DEMAND FOR SERVICED OFFICE SPACE

## Q2 10 Enquiry Levels exceeded those of Q2 09 by +35% overall.

**Quarterly Activity** – The total number of enquiries received by officebroker.com for serviced office space in the East increased by +35% in Q2 10 compared to Q2 09.

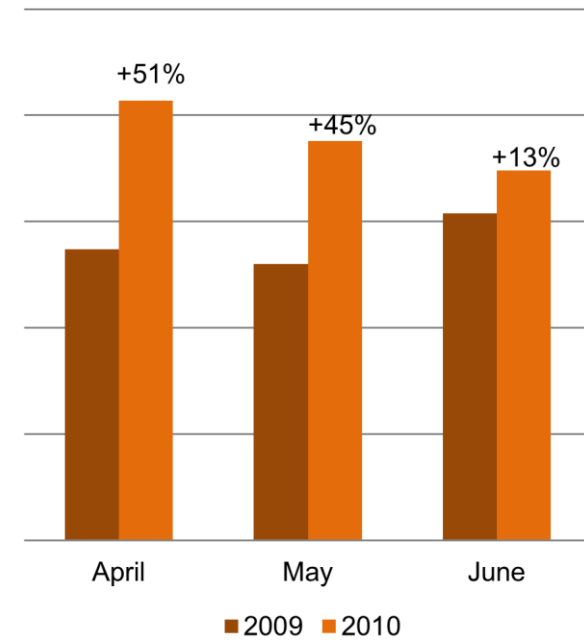
**Year-to-Date Activity** – This additional +35% increase in enquiries recorded by officebroker.com in Q2 10 follows a +65% increase in Q1 10, meaning the overall number of enquiries received by officebroker.com for serviced office space in the East during the first half of 2010 were +51% higher than 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 the East are greater than that of the UK national average during this same period.

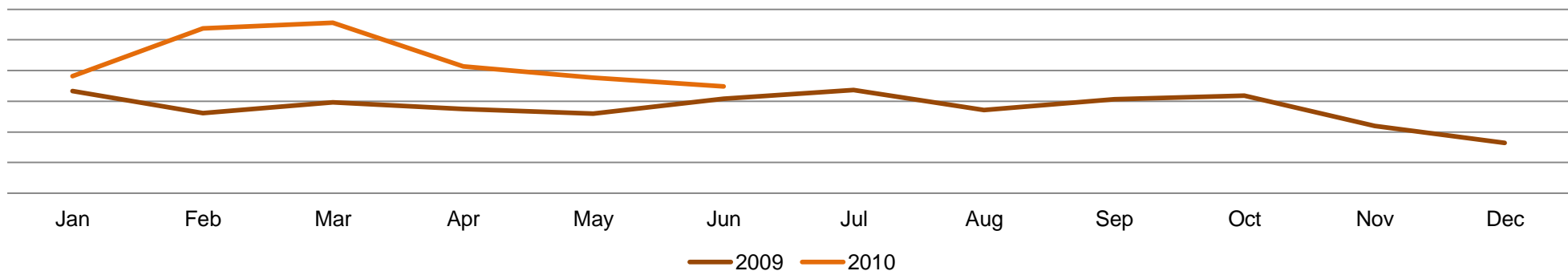
*\* Effective from 1<sup>st</sup> February 2010, officebroker.com extensively expanded its online marketing and affiliate program.*

*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 East Enquiry Levels: 2009 vs 2010**



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



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## NEW SERVICED OFFICE TENANTS (SOTs)

**+33% 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 increased by +33% in Q2 10 compared to Q2 09.

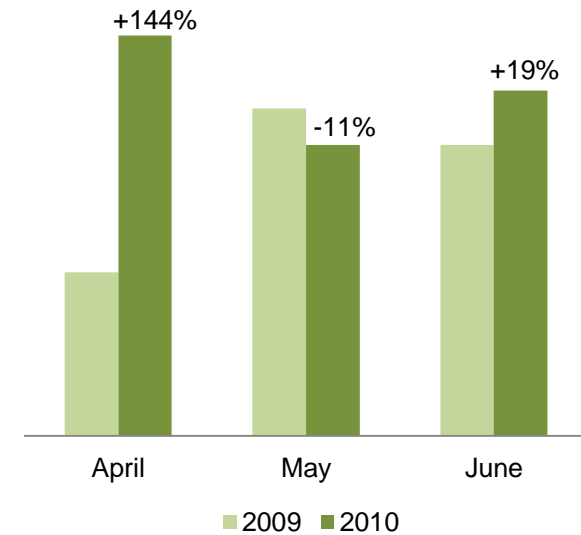
**Year-to-Date Activity** – During Q1 10 the number of new SOTs taking space through the officebroker.com service also increased (+8%). Taking into account the overall activity recorded in this opening 6 months of 2010, the total number of SOTs entering serviced office space via officebroker.com is +20% higher 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 (+65%), a result of the increased marketing activity outlined in the previous section of this report, have helped to generate an increase in the number of SOTs taking office space in the East through officebroker.com during Q2 10.

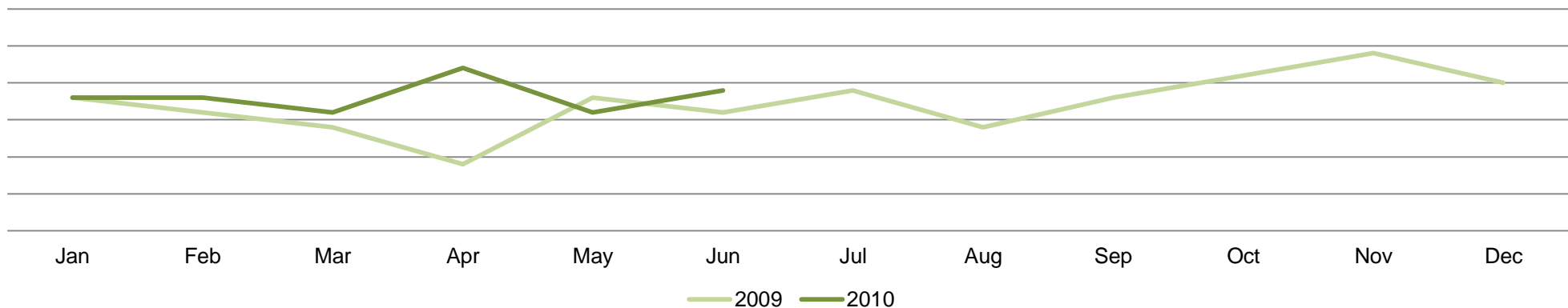
**National Comparison** – During Q2 10 the total number of SOTs taking serviced office space through officebroker.com increased nationally by +5% compared to Q2 09.

Having recorded a +33% increase in SOT numbers during Q2 10, the activity in the East is significantly above the national activity recorded by officebroker.com during this same period.

**Fig 4: Q2 East - SOT Levels 2009 vs 2010**



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



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# AVERAGE WORKSTATIONS PER SOT

**Average workstations per SOT decreased from 4.1 in Q2 09 to 3.3 in Q2 10.**

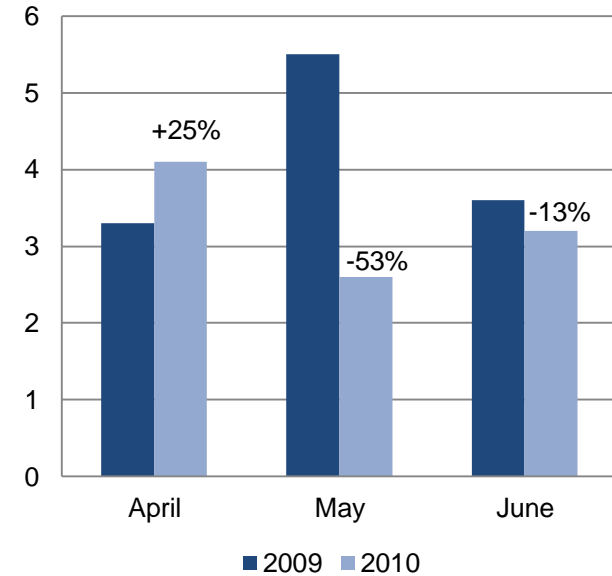
**Quarterly Activity** – The average number of workstations per SOT totalled 3.3 at the close of Q2 10, a decrease of -21% on the average workstation requirement of 4.1 per SOT recorded in Q2 09.

**Year-to-Date Activity** – Having recorded only a 1% variation in average workstation requirements in Q1 10 compared to Q1 09, the -21% decrease shown in Q2 10 means that overall workstation requirements in the East during the opening 6 months of 2010 are -12% lower than in the same period of 2009.

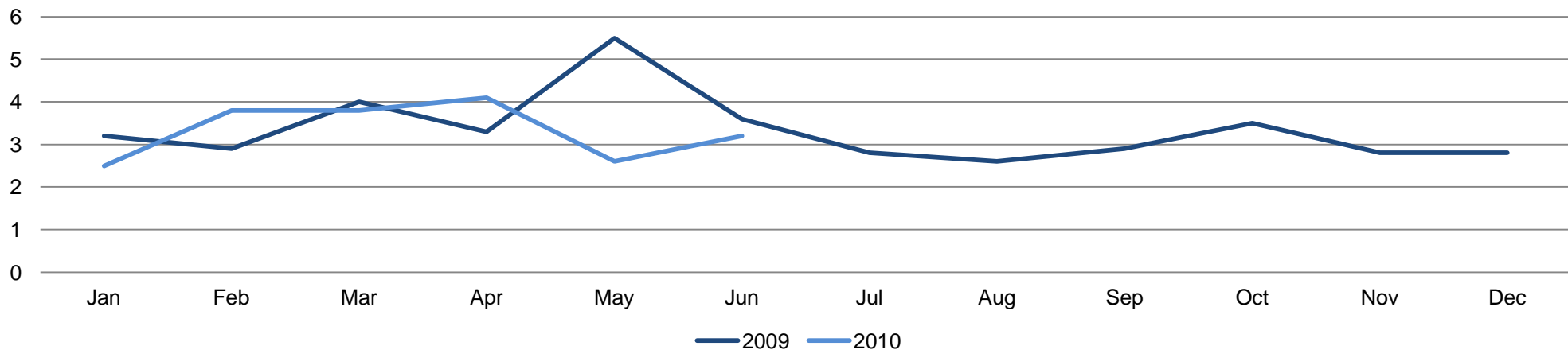
**National Comparison** – The average number of workstations per SOT throughout the UK increased from 3.8 in Q2 09 to 4.5 at the close of Q2 10 – a rise of +16%.

Comparing this national activity to that of the East in Q2 10, the percentage change recorded within the region (-21%) is significantly altered from that the national average, with the resulting workstation requirement (3.3) also falling behind the national average recorded by officebroker.com during this period.

**Fig 6. East - Workstations 2009 vs 2010**



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



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# SERVICED OFFICE SPACE COSTS

## Average price per workstation remained within 1% of Q2 09 levels in Q2 10.

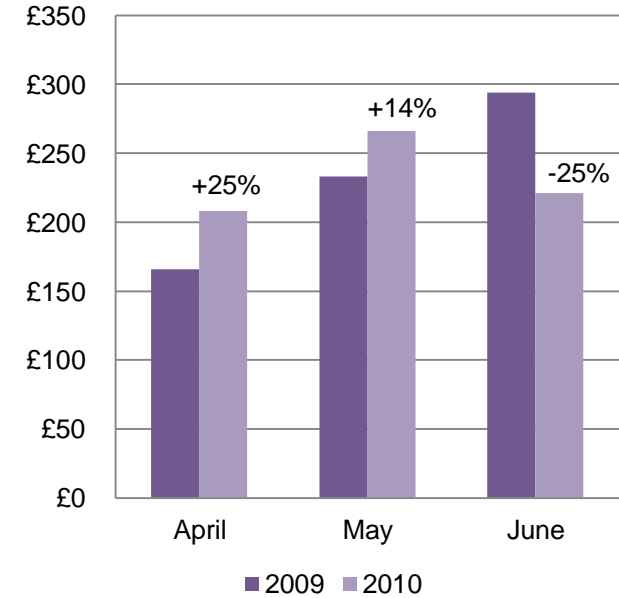
**Quarterly Activity** – The average price per workstation in the East was £232.00 in Q2 10, an average price that remained within 1% of the price of £231.00 recorded in Q2 09.

**Year-to-Date Activity** – Having recorded a +15% increase in average workstation prices during Q1 10, the result of the activity in Q2 10 means that overall average workstation prices in the East are currently +7% higher in the opening 6 months of 2010 than in the same period of 2009.

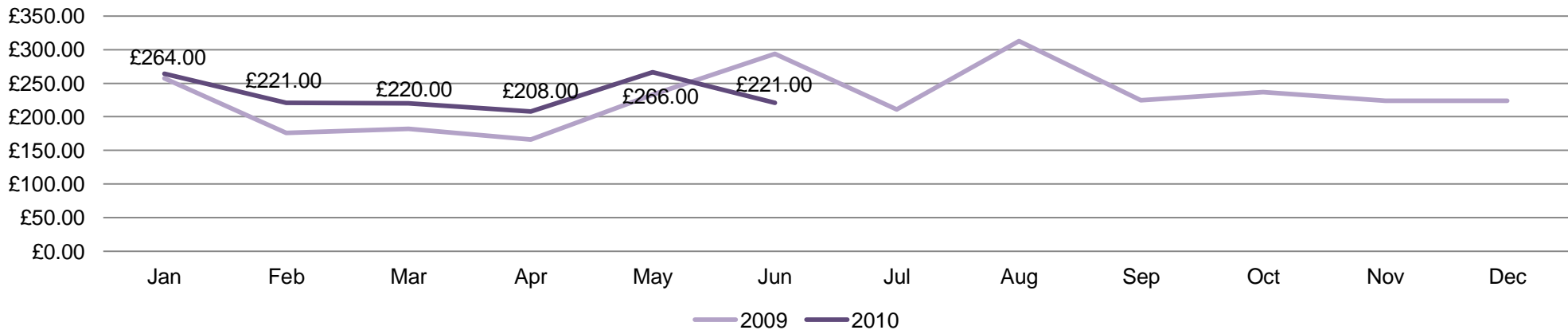
**National Comparison** – During Q2 10 the average price per workstation fell nationally by -13%, from £274.00 in Q2 09 to £238.00 by the close of Q2 10.

Having recorded such little change in workstation prices between Q2 09 and Q2 10 in the East, workstation prices have remained within 3% of this national activity, with a difference of only £6.00 in the average price of a workstation during the second quarter of 2010 being recorded by officebroker.com.

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



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



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# AVERAGE LICENSE LENGTHS

## Initial license lengths decreased to 7.9 months in Q2 10 from 8.4 in Q2 09

**Quarterly Activity** – In Q2 10 new SOTs entering serviced office space in the East through officebroker.com were signing average license lengths of 7.9 months, a decrease of 0.5 months (+6%) on the average license length of 8.4 months recorded during Q2 09.

**Year-to-Date Activity** – The increase in average license lengths recorded in Q2 10 follows an -18% decrease in the average license lengths in Q1 10. The overall result of this activity means that average license lengths in the East during the first 6 months of 2010 are -12% lower 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 7.9 months being recorded in the East, businesses entering serviced office space via officebroker.com during this period were trending in line with that of the national average during Q2 10.

Fig 10: Q2 Initial License Length 2009 vs 2010

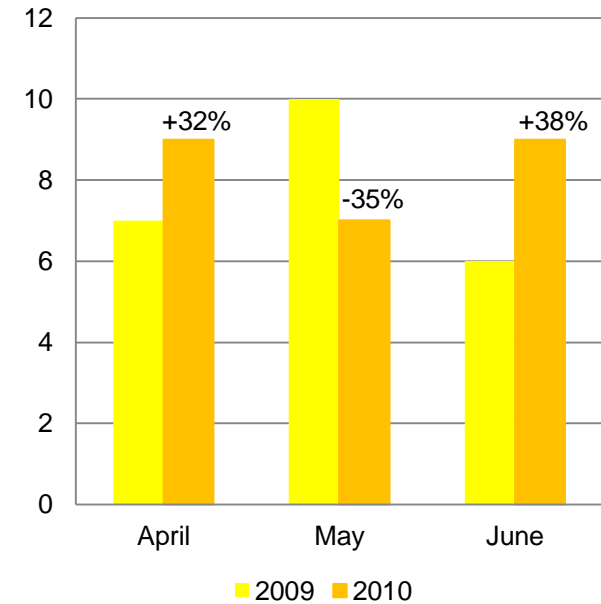
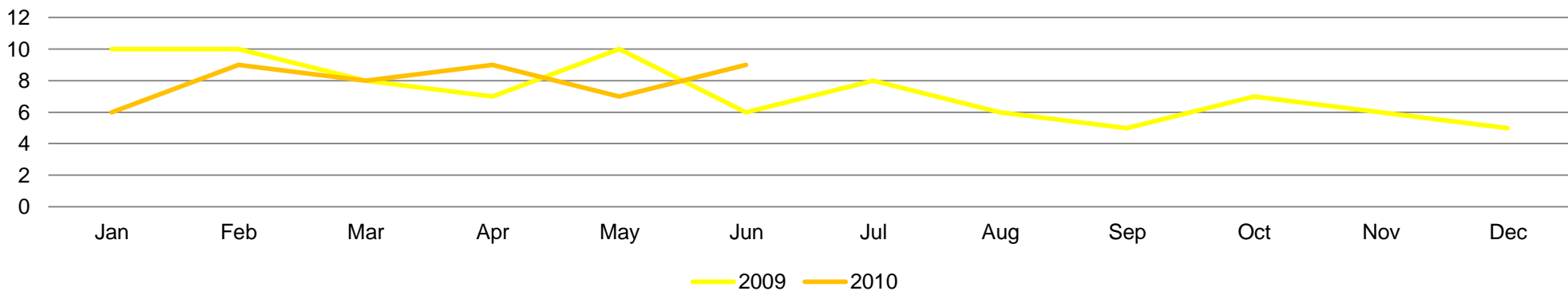


Fig 11. East: Average License Lengths - Jan 2009 - June 2010



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## SUMMARY

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

- Enquiry levels increased by +35% during Q2 10, building upon the previous increase recorded in Q1 10.
- The overall number of new serviced office tenants increased by +33%.
- Average workstation price in Q2 10 remained within 1% of the price recorded in Q2 09.
- Average license lengths decreased but remained above the national activity recorded during Q2 10.

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## RESEARCH

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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:

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officebroker.com research is also available online at:

[www.officebroker.com/resources](http://www.officebroker.com/resources)

## EDITORS NOTES

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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.

## REFERENCES

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