

officebroker.com

SERVICED OFFICE REVIEW

EAST
Q4 2010



EAST ***

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 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 Q4 10 compared to Q4 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

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased +71%
- The number of newly signed serviced office tenants (SOTs) reduced by -9%%
- Average workstation requirement increased to 3.9
- Average workstation price decreased to £221.00
- Average license length increased from to 7.6 months

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SUPPLY OF SERVICED OFFICE SPACE

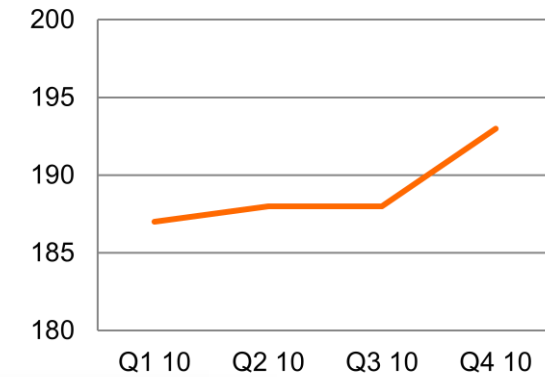
The number of serviced office buildings registered with officebroker.com in the East increased from 188 to 193

The total number of serviced office buildings registered with officebroker.com in the East of England was 193 during Q4 10 – representing a net increase of 5 buildings on the figure of 188 recorded at the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, with the 193 serviced office buildings listed within the East accounting for 7% of the total UK supply offered / available through the officebroker.com service.*

***Information correct at time of publication**

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



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels increase by 71% overall during Q4 10

Quarterly Activity – The number of enquiries generated by officebroker.com for serviced office space across the East of England exceeded Q4 09 levels by +71% during Q4 10.

Year-to-Date Activity – Between January – December 2010 the number of serviced office space enquiries received by officebroker.com has increased by +49% overall compared to 2009.

As shown in Fig 3, enquiry levels exceeded 2009 levels month-on-month throughout 2010, with notable peaks occurring in February, March, July and November.

National Comparison – During Q4 10 the total number of enquiries received by officebroker.com throughout the UK increased by +42% when compared to Q4 09, indicating that the increases seen in the East are greater than that of the UK national average during this same period.

** 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 East Enquiry Levels: 2009 vs 2010

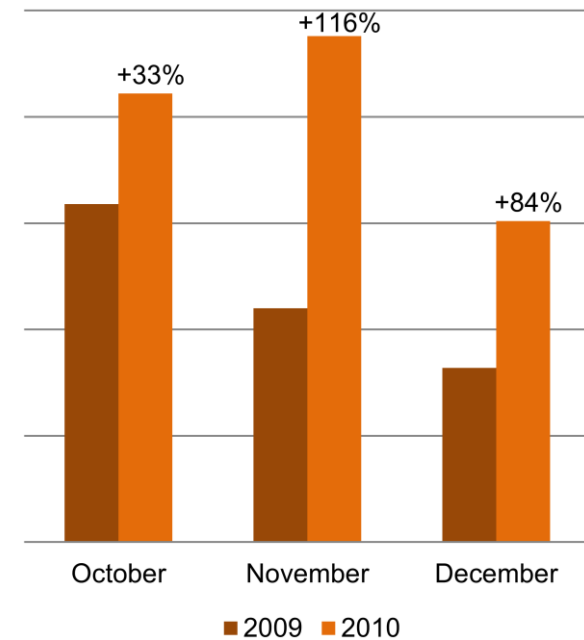
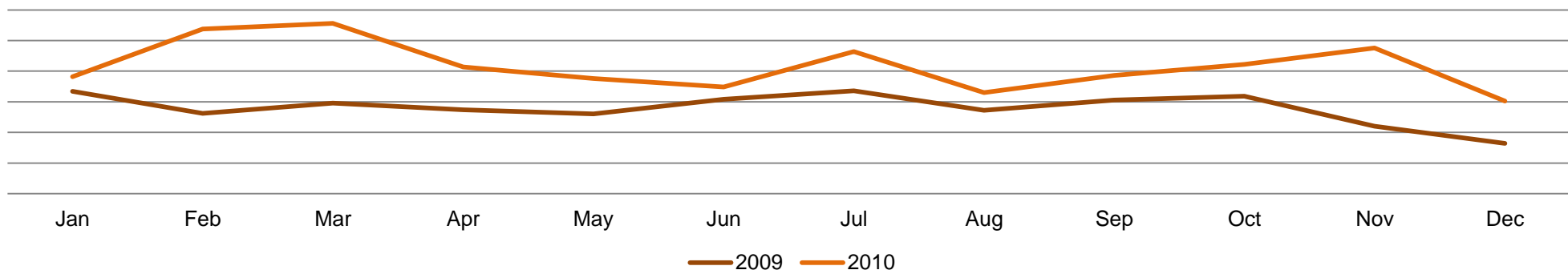


Fig 3. East : Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of newly signed SOTs reduced by -9% in Q4 10

Quarterly Activity – The number of businesses entering serviced office space via the officebroker.com serviced was -9% lower in Q4 10 than in the same period of 2009.

Year-to-Date Activity – Despite the decrease recorded in Q4 10, the overall number of newly signed SOTs entering space via the officebroker.com service during 2010 remains +10% above 2009 levels.

National Comparison – During Q4 10 the total number of SOTs taking serviced office space through officebroker.com decreased nationally by -26% when compared to Q4 09.

Having recorded a decrease of -9% in new SOTs during Q4 10, the activity seen in the East of England suggests that the region has outperformed other areas of the UK during Q4 10.

Between January – December 2010, the number of SOTs entering serviced office space in the East of England accounted for 8.4% of the total SOTs placed via the officebroker.com service in the UK.

Fig 4: Q4 East - SOT Levels 2009 vs 2010

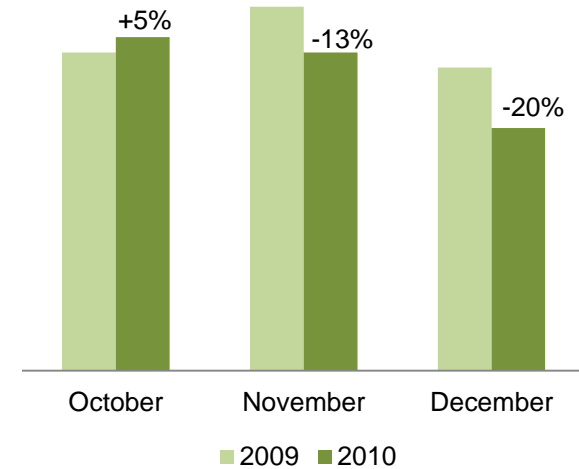
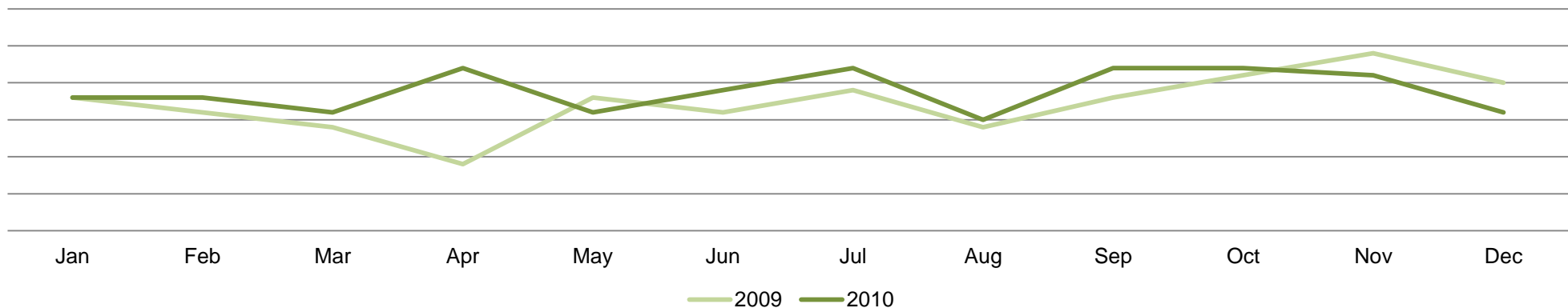


Fig 5. East - SOT Levels: Jan 2009 - Dec 2010



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AVERAGE WORKSTATIONS PER SOT

Average requirement increased to 3.9 workstations

Quarterly Activity – The average number of workstations per SOT totalled 3.9 at the close of Q4 10, an increase of +27% on the average workstation requirement of 3.0 per SOT recorded in Q4 09.

Year-to-Date Activity – Comparing activity month-on-month since the beginning of 2010, the average workstation requirement in the East of England has been 3.4 workstations per SOT, a requirement which is equal to the average workstation requirement recorded during 2009.

With an overall workstation requirement of 3.4 workstations per SOT, the East of England has posted the 3rd lowest individual requirements of any UK region in 2010.

National Comparison – The average workstation requirement in the UK was 3.7 per SOT during Q4 10, a requirement which was within 3% of the Q4 09 requirement of 3.6 workstations per SOT previously recorded by officebroker.com.

Comparing this national activity to that recorded in the East of England in Q4 10, both the percentage change (+27%) and the average workstation requirement (3.9) exceed that of the national average.

Fig 6. Q4 East - Workstations 2009 vs 2010

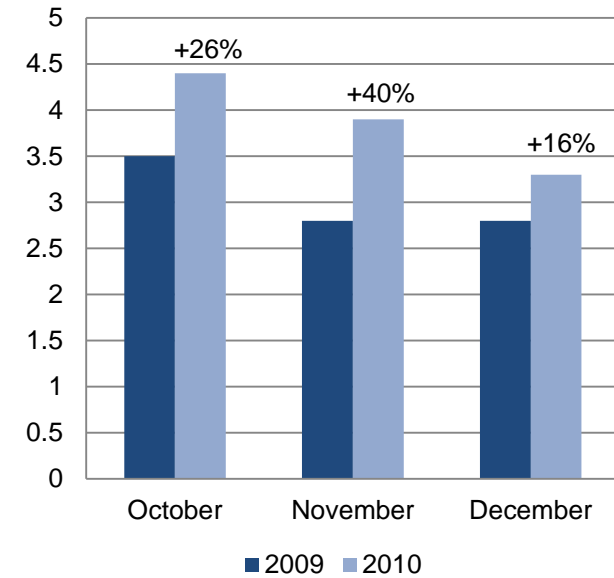
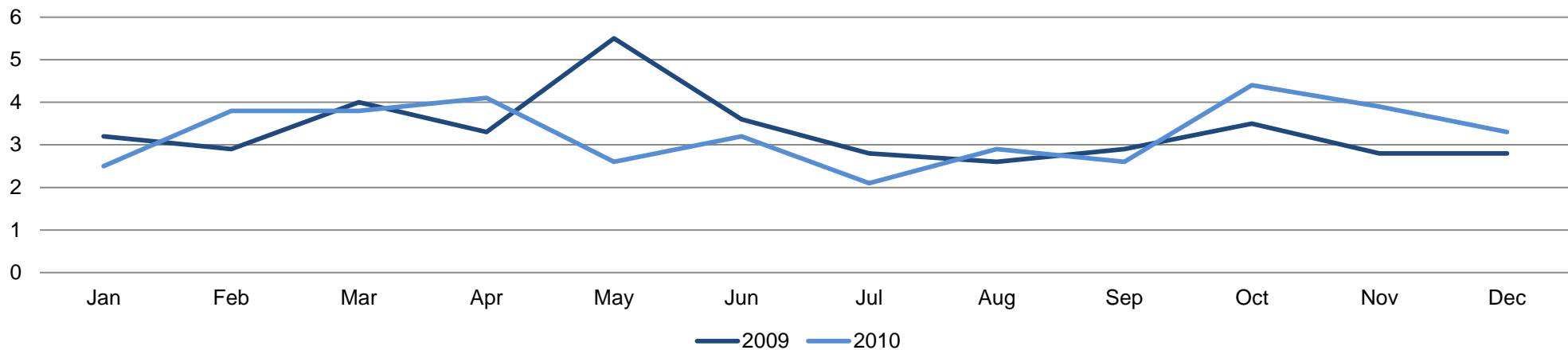


Fig 7. East: Average Workstations Per SOT - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average workstation price was £221.00 in Q4 10

Quarterly Activity – The average price per workstation in the East of England was £221.00 in Q4 10, an average price that is £7.00 (-3%) lower than the average price of £228.00 recorded in Q4 09.

Year-to-Date Activity – Between January – December 2010 the average workstation price recorded by officebroker.com was £218.00, a price which is £10.00 (-4%) lower than the average of £228.00 recorded in the same period of 2009.

Despite average workstation prices remaining within 4% of the higher 2009 prices, a difference of £88.00 per workstation was recorded by officebroker.com between the peak price of £264.00 per workstation in January and the September low of £176.00 per workstation.

National Comparison – During Q4 10 the average price per workstation fell nationally by £6.00 (-3%), from £232.00 in Q4 09 to £226.00 by the close of Q4 10.

Comparing this national activity to that recorded in the East of England, both the percentage decrease (-3%) and average workstation price (£221.00) has remained in line with the Q4 10 UK national averages.

Fig 8: Q4 Average Workstation Prices 2009 vs 2010

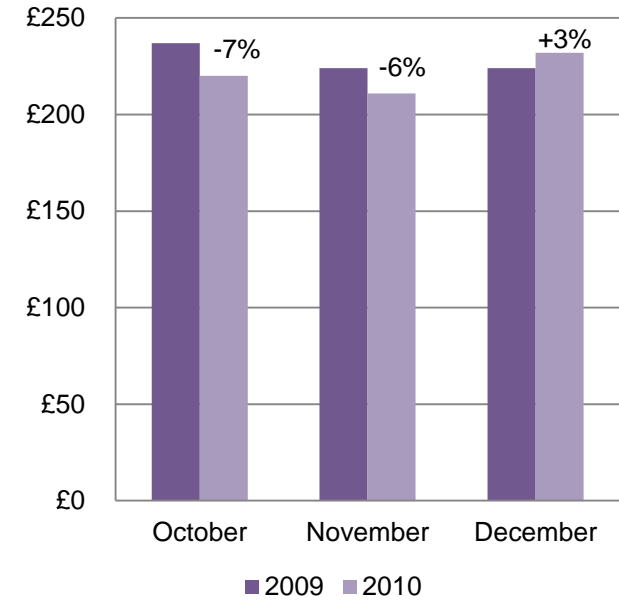
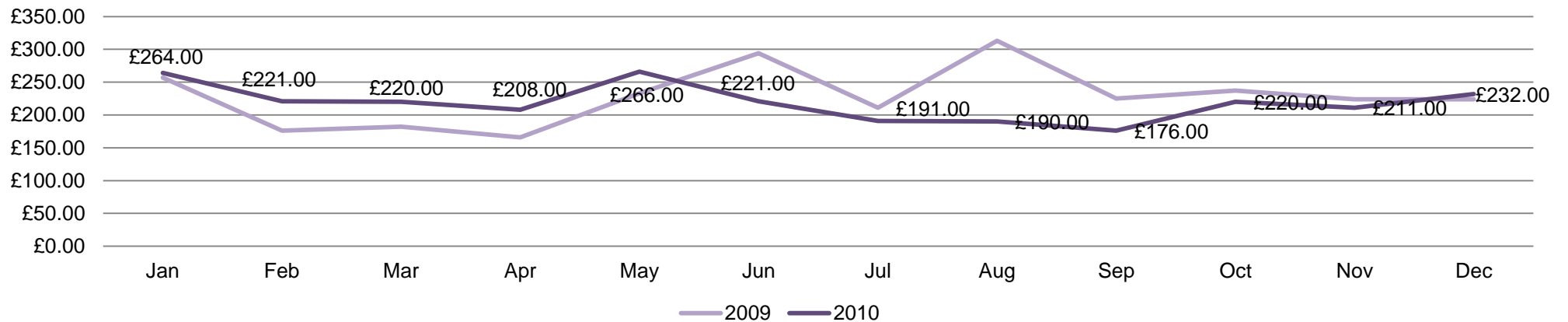


Fig 9. East: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 7.6 months in Q4 10

Quarterly Activity – In Q4 10 new SOTs entering serviced office space in the East of England through officebroker.com were signing average license lengths of 7.6 months, an increase of 0.8 months (+12%) on the average license length of 6.8 months recorded during Q4 09.

Year-to-Date Activity – Between January – December 2010, the average license length for this region of the UK was 7.7 months, an increase of 1% on the 2009 average of 7.6 months.

National Comparison – During Q4 10 license lengths averaged 8 months nationally, an increase of 1 month (+14%) on the average license length of 7 months recorded during Q4 09.

With an average license length of 7.6 months being recorded in the East of England, businesses entering serviced office space via officebroker.com during this period appear to have been trending in-line with the national activity recorded during this same period.

Fig 10: Q4 Initial License Length 2009 vs 2010

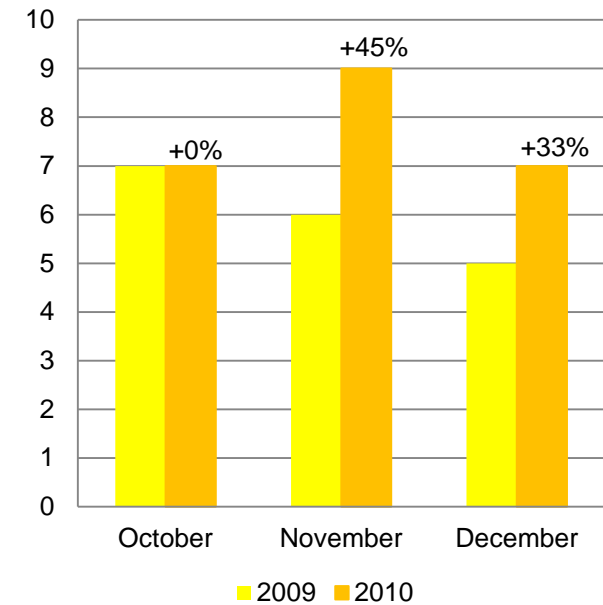
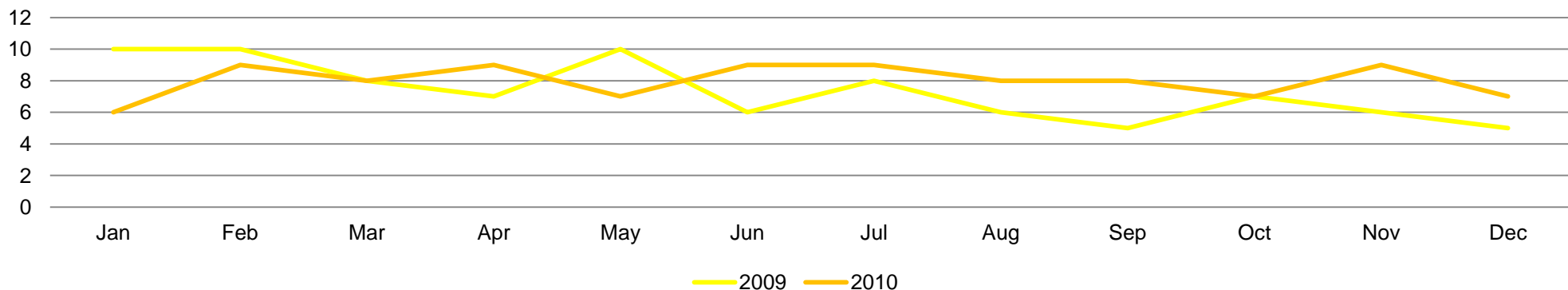


Fig 11. East: Average License Lengths - Jan 2009 - Dec 2010



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SUMMARY

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

- Enquiry levels increased by +71% during Q4 10 compared to Q4 09.
- The number of newly signed SOTs was -9% lower in Q4 10 than Q4 09.
- Average workstation price fell by -3% during Q4 10 compared to Q4 09.
- Average license lengths increase to 7.6 months in Q4 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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