

officebroker.com

SERVICED OFFICE REVIEW

WEST MIDLANDS
Q4 2010



WEST MIDLANDS***

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 West Midlands*** 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 West Midlands 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 West Midlands region as areas located within the following postcode prefixes: B, CV, DY, HR, ST, SY, TF, WR, WS and WV

HIGHLIGHTS

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased +32%
- The number of newly signed serviced office tenants (SOTs) was -12% lower
- Average workstation requirement was 4.1
- Average workstation price decreased to £173.00
- Average license length increased to 8.5 months

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SUPPLY OF SERVICED OFFICE SPACE

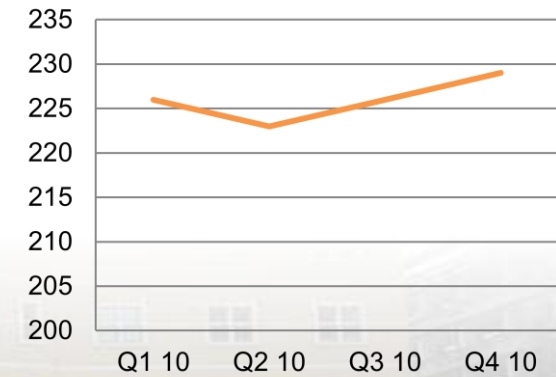
The number of serviced office buildings registered with officebroker.com in the West Midlands increased to 229

The total number of serviced office buildings registered with officebroker.com in the West Midlands increased to 229 during Q4 10, representing a net increase of 3 buildings since the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, the 229 serviced office buildings listed within the West Midlands region accounts for 8.8% of the total UK supply offered / available through the officebroker.com service.*

****Information correct at time of publication***

Fig 1: West Midlands: Serviced Office Buildings



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry Levels increased by +32% in Q4 10

Quarterly Activity – The number of serviced office space enquiries received by officebroker.com for the West Midlands region was +32% higher in Q4 10 than in the same period of 2009.

Year-to-Date Activity – As shown in Fig 3, enquiry levels exceeded 2009 levels on a regular basis during 2010, resulting in a net increase of +38% in the overall number of serviced office space enquiries received by officebroker.com for the West Midlands region.

National Comparison – During Q4 10 the total number of enquiries received by officebroker.com throughout the UK increased by +42% compared to Q4 09, meaning that the percentage increase seen in the West Midlands was slightly lower than the UK national average for Q4 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: Q4 10 West Midlands Enquiry Levels: 2009 vs 2010

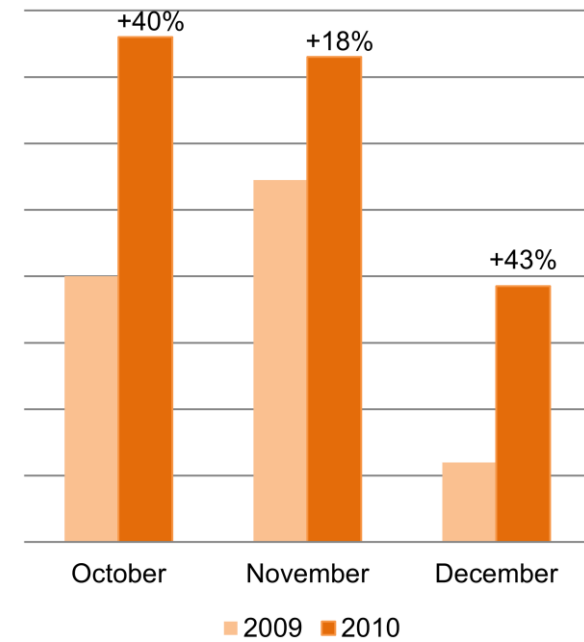
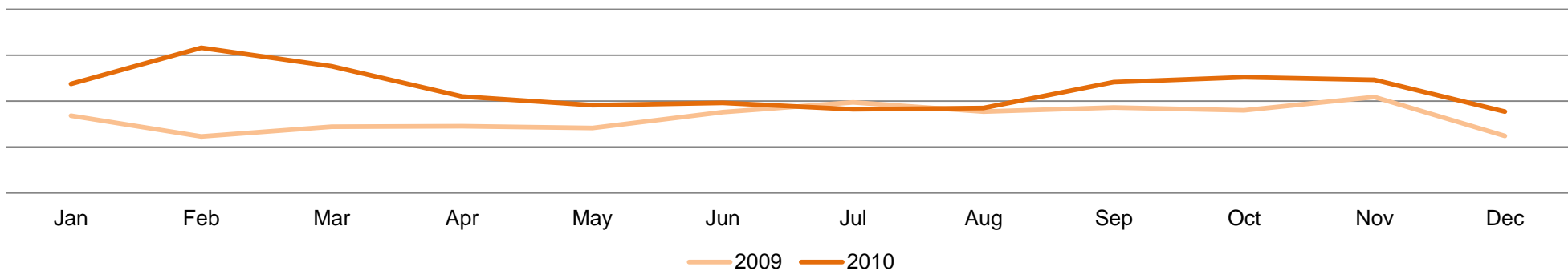


Fig 3. West Midlands Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The overall number of newly signed SOTs reduced by -12% in Q4 10

Quarterly Activity – The number of businesses taking serviced office space via officebroker.com in the West Midlands was -12% lower in Q4 10 than in Q4 09.

Year-to-Date Activity – As shown by Fig 5, the number of newly signed SOTs entering the market in 2010 has had both its highs and lows, with the difference between the peak and trough figures more pronounced than that recorded in 2009.

Despite the range of activity captured in the officebroker.com data, overall levels remained within 4% of 2009 levels during 2010.

National Comparison – During Q4 10 the number of SOTs taking serviced office space through officebroker.com was -26% lower nationally than during the same period of 2010.

At -12%, the decrease recorded in the West Midlands demonstrates that activity within the region, while still recording a decrease, was more favourable than that experienced nationally during Q4 10.

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

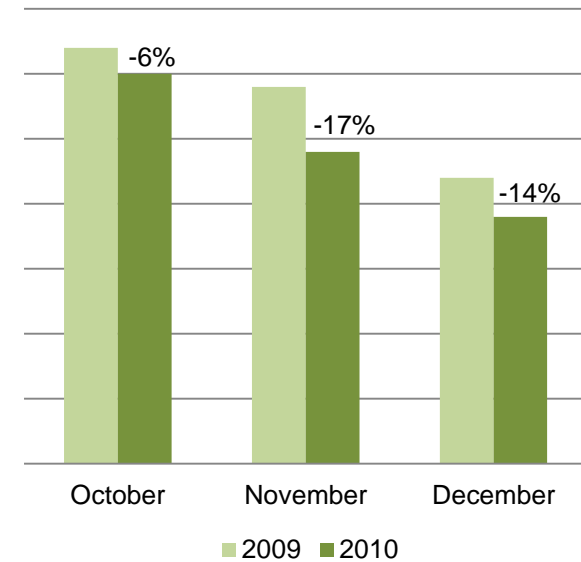
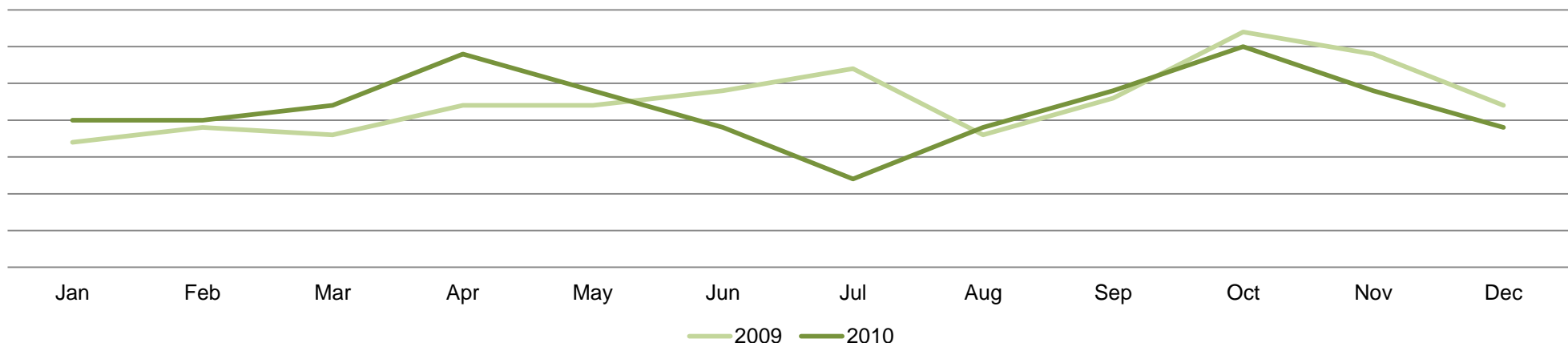


Fig 5. West Midlands SOT Levels: Jan 2009 - Dec 2010



**officebroker.com defines the Central London region as areas located within the following postcode prefixes: EC, SE1, SW1, WC, W1

AVERAGE WORKSTATIONS PER SOT

Average workstation requirement increased to 4.1 during Q4 10

Quarterly Activity – The average number of workstations per SOT totalled 4.1 at the close of Q4 10, an increase of +25% on the average requirement of 3.2 workstations per SOT recorded in Q4 09.

Year-to-Date Activity – During 2010 the average workstation requirement recorded by officebroker.com across the West Midlands region was 3.9 workstations, a slight increase (+4%) on the requirement of 3.8 workstations recorded during 2009.

National Comparison – The average number of workstations per SOT also increased nationally during the final quarter of 2010, edging-up from 3.6 workstations in Q3 10 to 3.7 workstations in Q4 10.

Comparing this activity with that of the West Midlands, both the percentage increase (+25%) and average workstation requirement (4.1) recorded with the region exceeded the activity logged nationally during Q4 10.

Fig 6: Q4 West Midlands - Average Workstations 2009 vs 2010

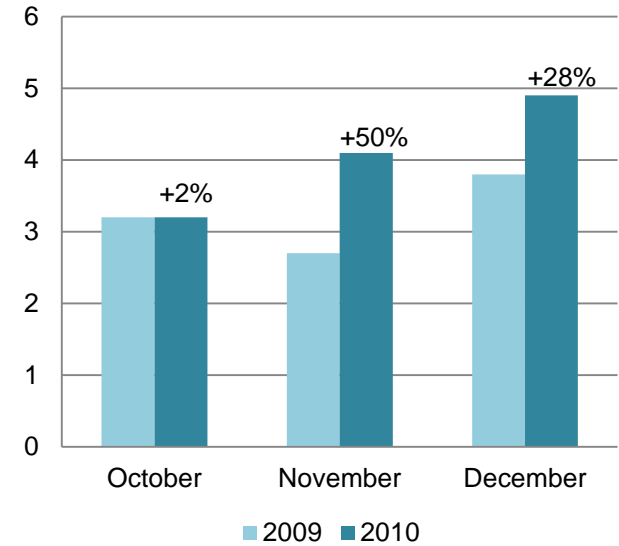
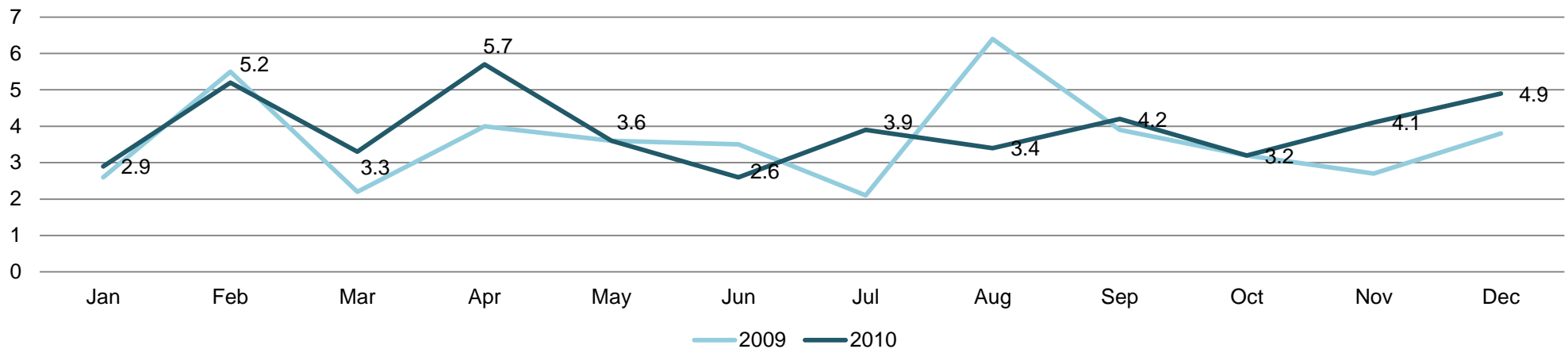


Fig 7. West Midlands: Average Workstations Per Sot - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average workstation price decreased to £173.00 in Q4 10

Quarterly Activity – The average price per workstation in the West Midlands was £173.00 in Q4 10, a decrease of £23.00 (-12%) on the average price of £196.00 recorded in Q4 09.

An interesting point when considering the Q4 10 price within a historical context, is that the Q4 10 average price of £173.00 per workstation is £88.00 lower than that of the pre-recession price of £261.00 recorded in Q4 08.

Year-to-Date Activity – As shown in Fig 9, 2010 workstation prices exceeded 2009 levels on a regular basis during the first eight months of 2010, before being interrupted by a notable downturn in average workstation prices during September and October.

The overall result of this activity was an -8% decrease in the average workstation price of £193.00 set in 2009, with 2010 posting a price of £178.00.

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.

At the close of Q4 10, workstation prices in the West Midlands were an average of £53.00 below the national average (£226.00).

Fig 8: Q4 West Midlands Average Workstation Prices 2009 vs 2010

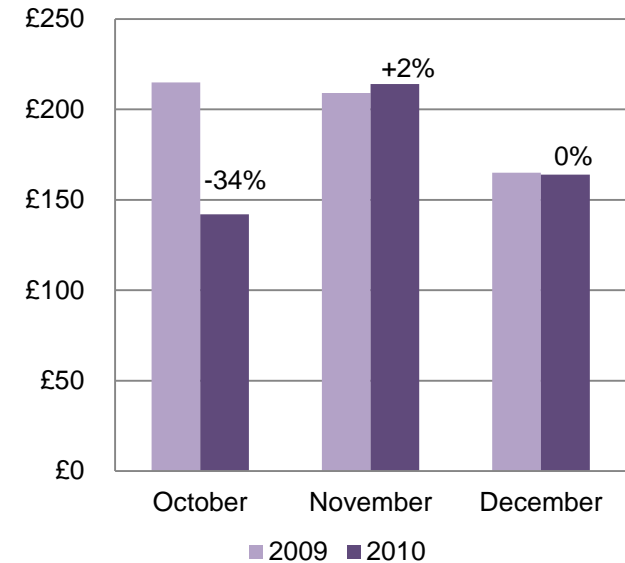
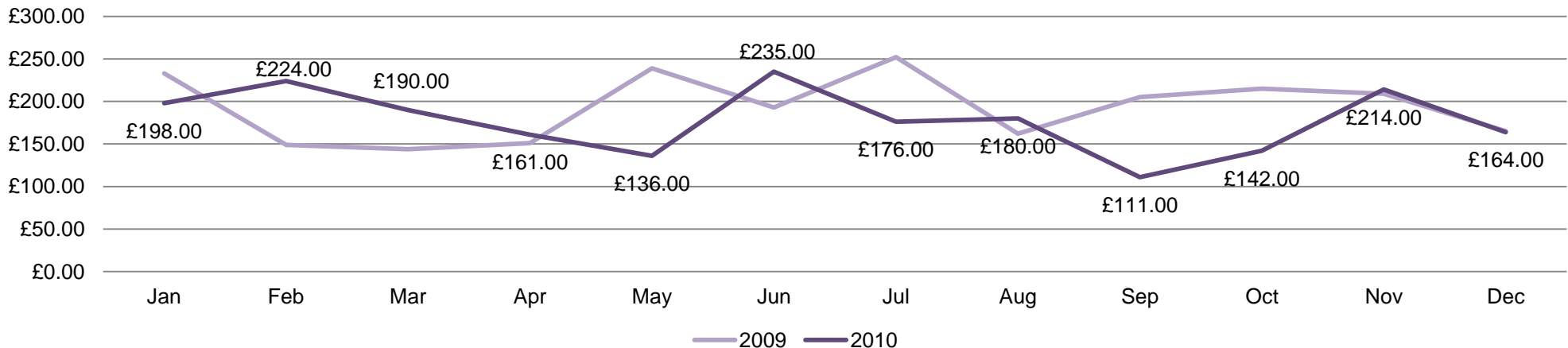


Fig 9. West Midlands: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 8.5 months in Q4 10

Quarterly Activity – During Q4 10 new SOTs entering serviced office space in the West Midlands via officebroker.com were signing average license lengths of 8.5 months, an increase of 1.2 months (+16%) on the average license length of 7.3 months recorded during Q4 09.

Year-to-Date Activity – Average license lengths in the West Midlands increased by 0.5 months (+6%) on the 2009 average of 7.6 months, placing the average license length of newly signed SOTs in the West Midlands during 2010 at 8.1 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 8.5 months being recorded in the West Midlands, businesses entering serviced office space via officebroker.com during this period were committing average license lengths that were largely in-line with the activity recorded nationally during this period.

Fig 10: Q4 Initial License Lengths 2009 vs 2010

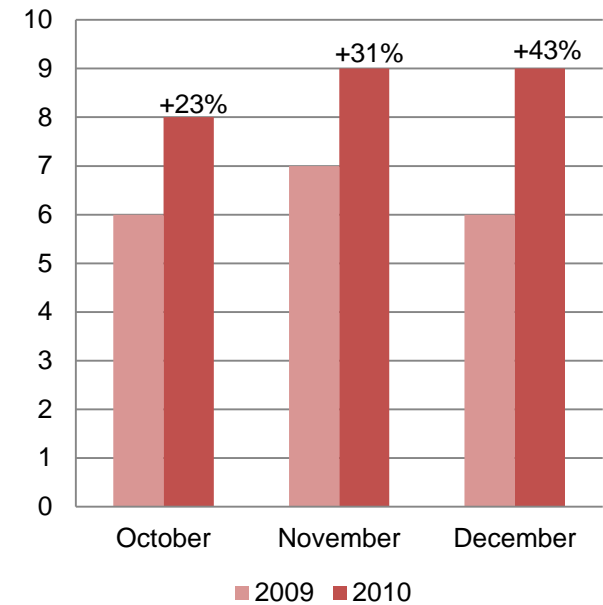
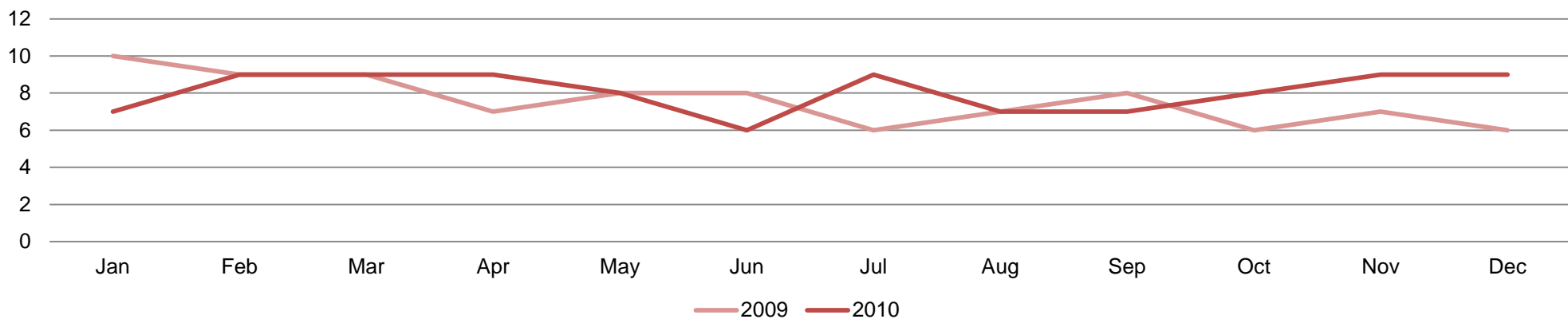


Fig 11. West Midlands: Average License Lengths - Jan 2009 - Dec 2010



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SUMMARY

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

- Enquiry levels continued to increase.
- The overall number of new serviced office tenants decreased across the West Midlands region.
- Average workstation price decreased.
- Initial license lengths increased and exceeded the national average.

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officebroker.com research is also available online at:

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.

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