

officebroker.com

SERVICED OFFICE REVIEW

SOUTH WEST
Q4 2010



SOUTH WEST***

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 South 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 South West 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 South West region as areas located within the following postcode prefixes: BA, BH, BS, DT, EX, GL, PL, SN, SP, TA, TQ and TR

HIGHLIGHTS

Q4 2010 COMPARED TO Q4 2009:

- Enquiry levels increased +42%
- The number of newly signed serviced office tenants (SOTs) was -45% lower in Q4 10
- Average number of workstations per SOT increased to 4.2
- Average workstation price decreased to £210.00 in Q4 10
- Average license length increased to 9.1 months in Q4 10

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SUPPLY OF SERVICED OFFICE SPACE

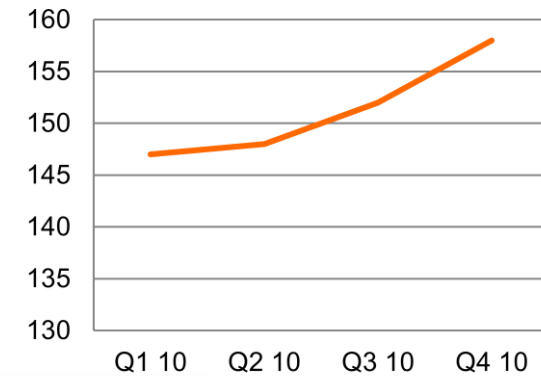
The number of serviced office buildings registered with officebroker.com in the South West increased from 152 to 158

The total number of serviced office buildings registered with officebroker.com in the South West increased to 158 during Q4 10 – representing a net increase of 6 buildings on the figure of 152 recorded at the close of Q3 10.

officebroker.com currently lists 2,616 active serviced office buildings in the UK, with the 158 serviced office buildings listed within the South West region accounting for 6% of the total UK supply offered / available through the officebroker.com service.*

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

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



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DEMAND FOR SERVICED OFFICE SPACE

Enquiry levels increased by +42% during Q4 10

Quarterly Activity – The total number of enquiries received for serviced office space by officebroker.com in the South West exceeded 2009 levels by +42% in Q4 10.

Year-to-Date Activity – Having successfully generated increased enquiry levels throughout 2010, officebroker.com has received +45% more enquiries during 2010 than in 2009.

National Comparison – During Q4 10, the overall number of enquiries received by officebroker.com throughout the UK increased by +42%, indicating that the increase which took place in the South West was trending in-line with the wider market during the final quarter of 2010.

** 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 South West Enquiry Levels: 2009 vs 2010

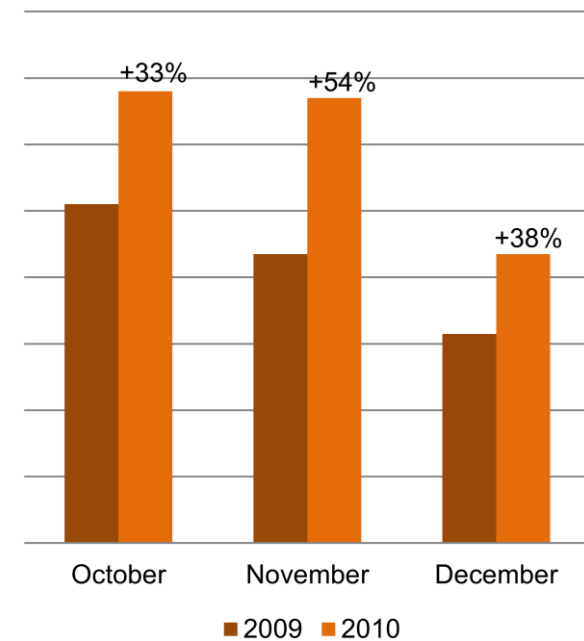
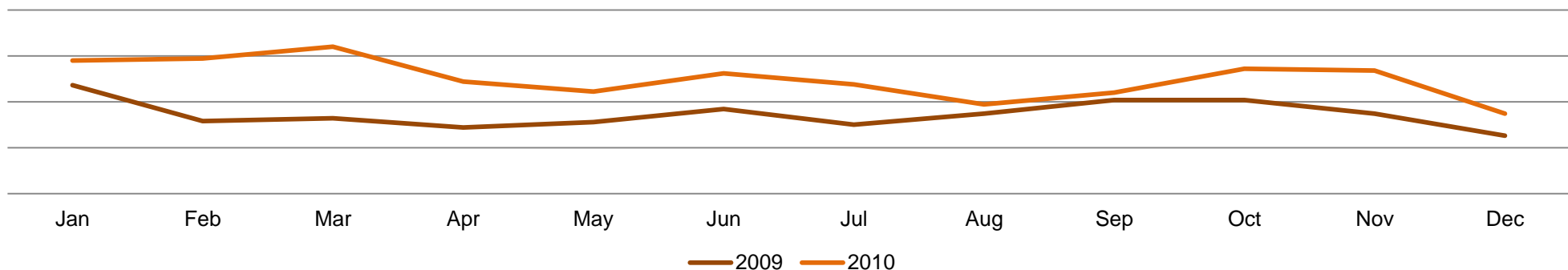


Fig 3. South West Enquiry Levels: Jan 2009 - Dec 2010



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NEW SERVICED OFFICE TENANTS (SOTs)

The number of newly placed SOTs was -45% lower in Q4 10

Quarterly Activity – The number of businesses taking serviced office space through officebroker.com in the South West was -45% lower in Q4 10 compared to Q4 09.

Year-to-Date Activity – In spite of overall increases in the number of new SOTs during both Q1 and Q2, the number of SOTs entering serviced office space via the officebroker.com service is currently -25% below that of 2009.

National Comparison – During Q4 10 the total number of SOTs taking serviced office space through officebroker.com was -26% lower than in the same period of 2009.

Having recorded a -45% decrease in SOT numbers during Q4 10, the South West would appear to have experienced a more substantial decrease in the number of newly signed SOTs compared to the majority of the UK during Q4 10.

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

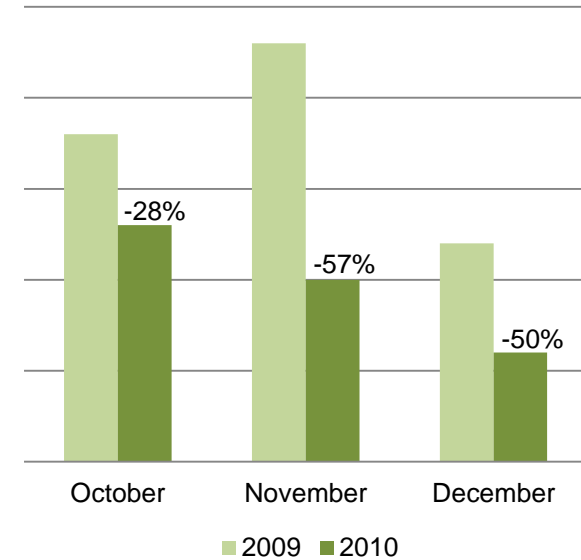
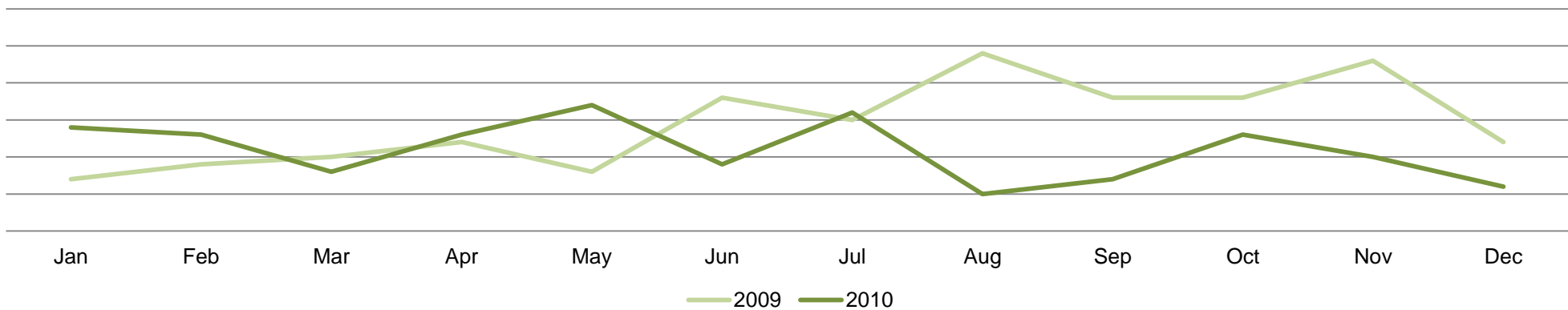


Fig 5. South West SOT Levels: Jan 2009 - Dec 2010



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AVERAGE WORKSTATIONS PER SOT

Average workstation requirement increased to 4.2 in Q4 10

Quarterly Activity – The average number of workstations per SOT totalled 4.2 at the close of Q4 10, an increase of 1.4 workstations (+49%) on the average requirement of 2.8 workstations recorded in Q4 09.

Year-to-Date Activity – Taking into account all the activity recorded during 2010, the average workstation requirement in the South West has risen to 4.7 workstations - a requirement which is +10% higher than the 4.3 workstations recorded in 2009.

National Comparison – Throughout the UK in Q4 10 average workstation requirements remained within 3% of the levels recorded in Q4 09, having risen from 3.6 to 3.7 workstations.

Comparing this national activity to that of the South West in Q4 10, both the percentage change (+49%) and average workstation requirement (4.2) exceeded the national average during this same period.

Fig 6. Q4 South West Workstations 2009 vs 2010

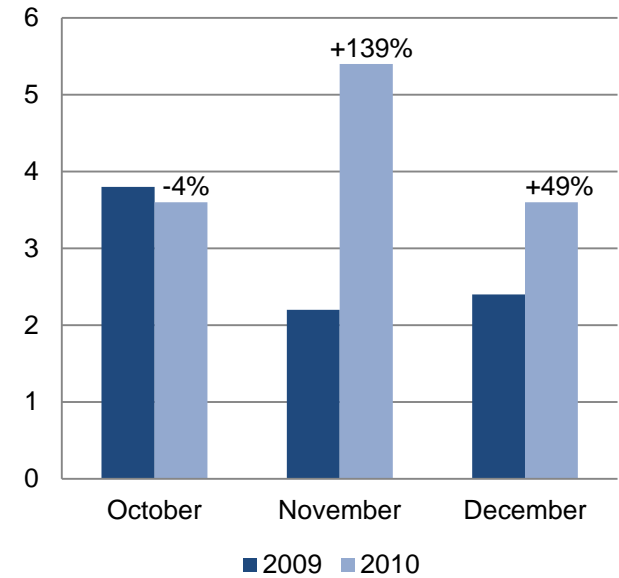
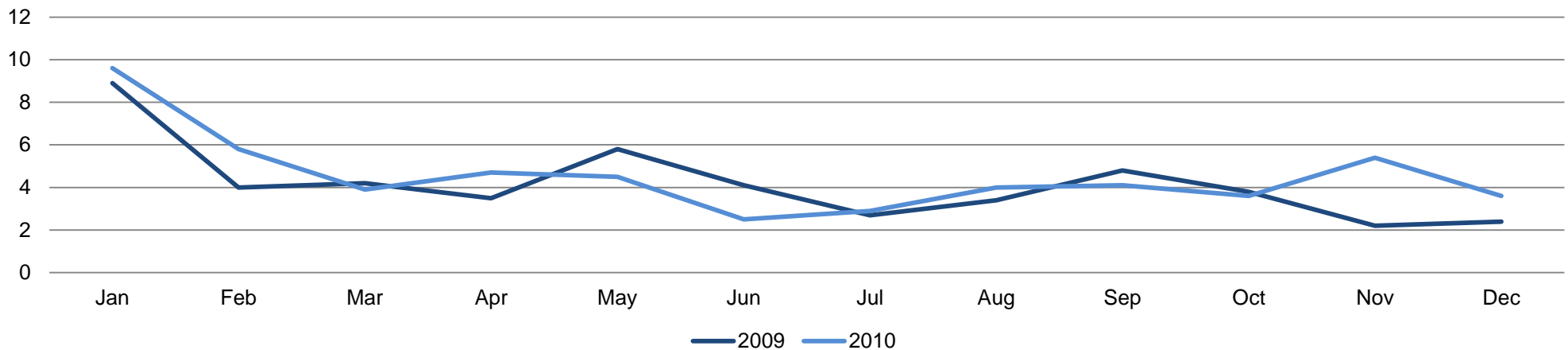


Fig 7. South West: Average Workstations Per Sot - Jan 2009 - Dec 2010



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SERVICED OFFICE SPACE COSTS

Average price per workstation was £210.00 during Q4 10

Quarterly Activity – The average price per workstation in the South West was £210.00 in Q4 10, a decrease of £49.00 (-19%) on the average price of £259.00 recorded in Q4 09.

Year-to-Date Activity – With lower prices having been recorded in 10 of the 12 months in 2010, the average year-to-date workstation price in the South West was £200.00, a price £54.00 (-22%) lower than the average price of £254.00 recorded in 2009.

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

Comparing this national activity to that recorded across the South West, both the percentage change (-19%) and average workstation price (£210.00) remained below national averages during Q4 10 – indicating that market conditions have been tougher across this region of the UK during Q4 10.

Fig 8: Q4 Average Workstation Prices 2009 vs 2010

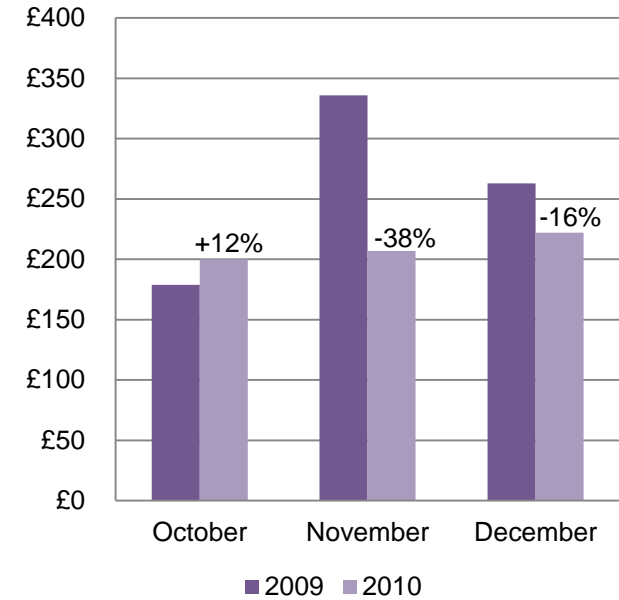
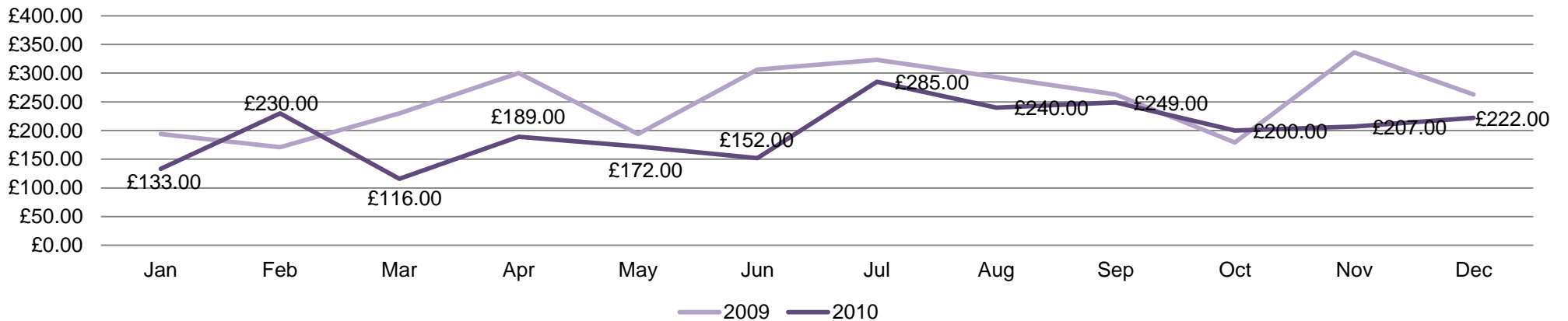


Fig 9. South West: Average Price Per Workstation - Jan 2009 - Dec 2010



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AVERAGE LICENSE LENGTHS

Initial license lengths increased to 9.1 months

Quarterly Activity – In Q4 10 new SOTs entering serviced office space in the South West through officebroker.com were signing average license lengths of 9.1 months, a licence length that is 1.7 months and +22% longer than the average license length of 7.4 months signed during Q4 09.

Year-to-Date Activity – As shown in Fig 11, initial license lengths have increased overall during 2010, resulting in the 2009 average of 5.6 months extending to 7.6 months at the close of 2010.

Despite the overall improvement in this area of the market, the 7.6 month average recorded in 2010 remains the lowest initial license length of any UK region during 2010.

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 9.1 months being recorded in the South West, businesses entering serviced office space via officebroker.com during this period were committing to an additional 1.1 months compared to the national average during Q4 10.

Fig 10: Q4 Initial License Length 2009 vs 2010

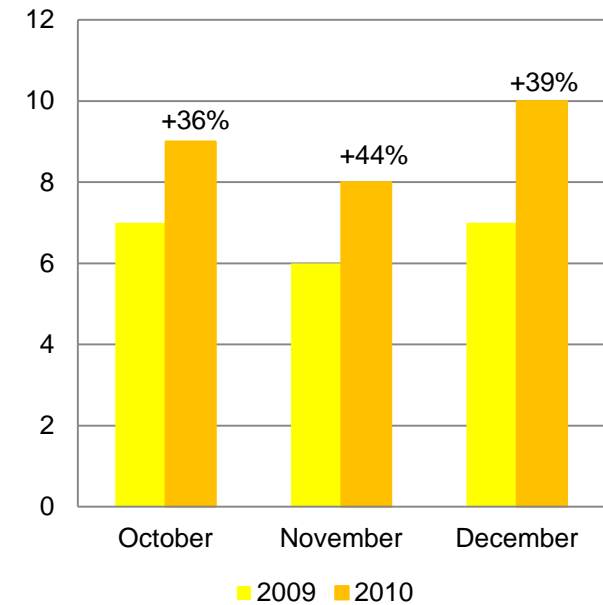
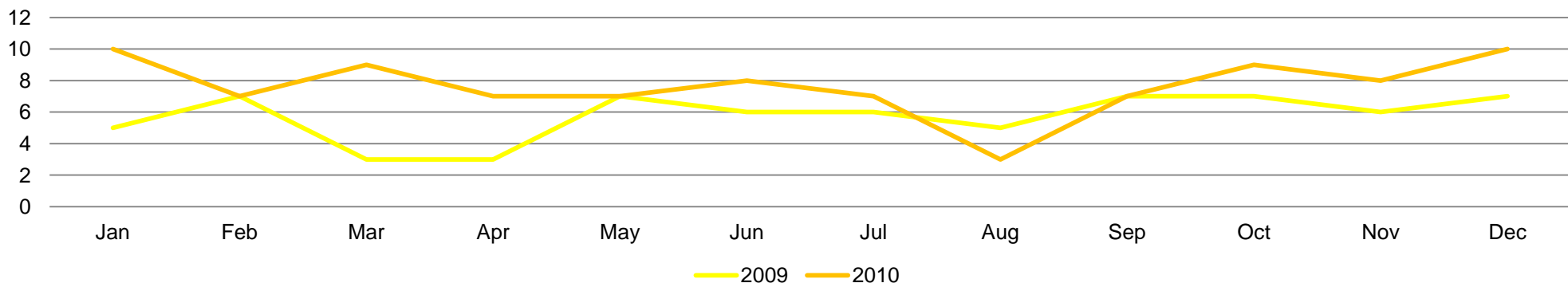


Fig 11. South West: Average License Lengths - Jan 2009 - Dec 2010



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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.
- Average workstation price continued to fall below 2009 levels.
- Average license lengths increased substantially during 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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