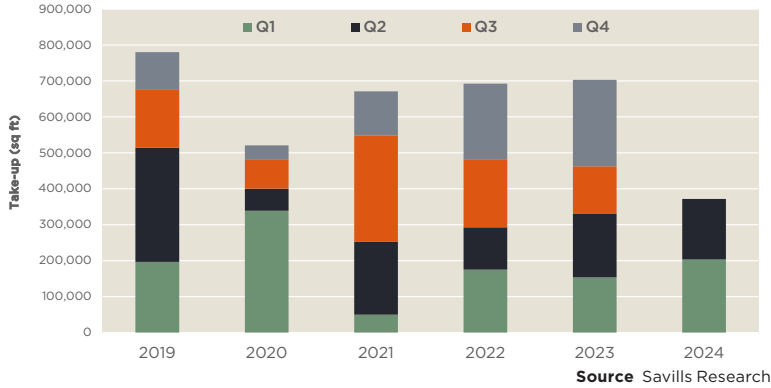


Birmingham Occupational Office Data H1 2024



Birmingham Office Market Round-Up

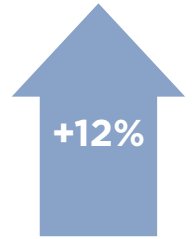
Take-up



Birmingham office take-up in Q2 2024 totalled 169,000 sq ft across 29 transactions, nine more than the previous quarter. Whilst Q2 take-up was 5% below the same period in 2023, it took the 2024 half year total to 372,000 sq ft, the highest H1 take-up since 2020 and 12% higher than H1 2023.

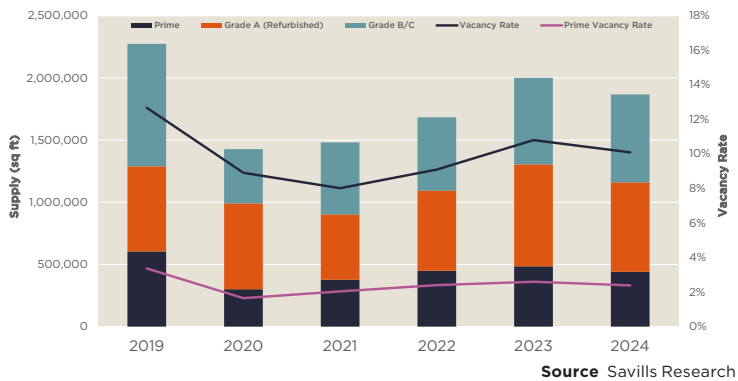
Grade A and Prime H1 take-up totalled 276,000 sq ft, therefore accounting for 74% of the total. This was the highest half year Grade A and Prime take-up since 2020.

Take-up and supply Key data points



H1 2024 take-up was 12% higher than the same period in 2023

Supply



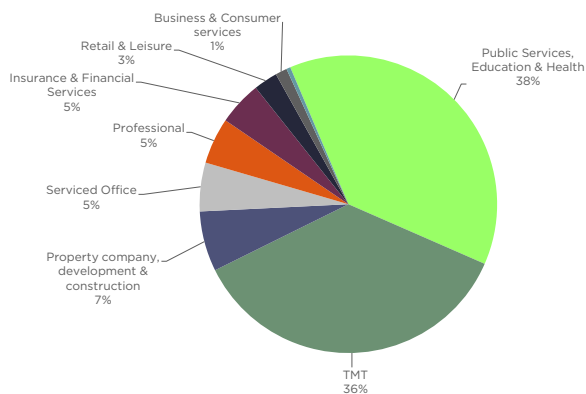
Availability in Birmingham at the end of H1 2024 stands at a total of 1.8 million sq ft, 6% lower than the previous quarter. This means that the total vacancy rate has decreased to 10.1%, a decline of 60 basis points.

Grade A and Prime availability has also decreased and is now at a total of 1.1 million sq ft. This comprises of 720,000 sq ft of Grade A space, and 441,000 sq ft of Prime space, a decrease of 4% and 13% respectively, highlighting the demand for best in class stock. The Prime vacancy rate is now 2.4%, a decrease of 30 basis points from the previous quarter.



Grade A take-up accounted for 74% of the total in H1 2024

Take-up by business sector



The sector that leased the most space in H1 2024, was the 'Public Services, Education & Health' sector, with a proportion of 38% of the total and leasing a combined 141,000 sq ft. There were 11 transactions in the sector, with the largest letting of 59,000 sq ft being acquired at Three Snow Hill.

The TMT sector was another notably active sector in H1, by leasing a total of 134,000 sq ft and therefore accounting for 36% of the overall total. This was through 12 deals, with the largest in the sector and H1 being acquired by the BBC at Typhoo Wharf, for a total of 84,000 sq ft.

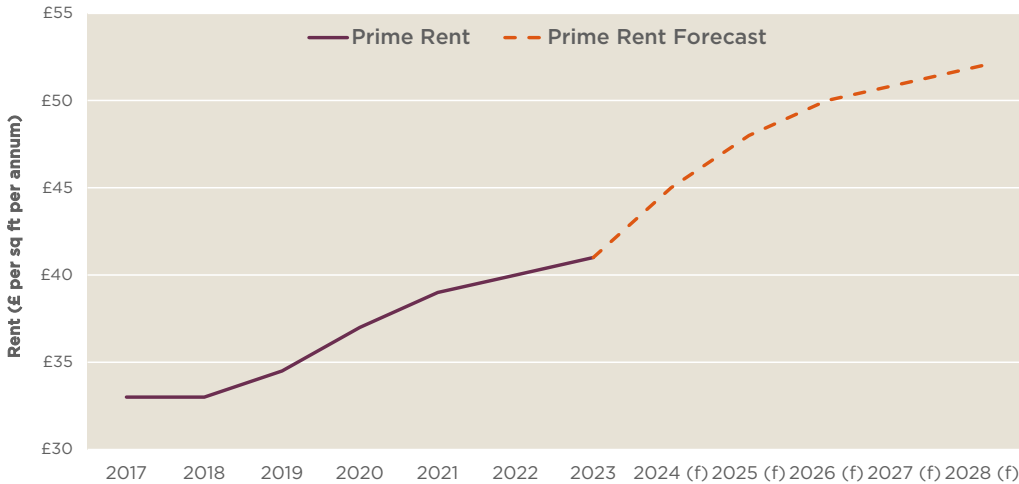


BBC acquired 84,000 sq ft at Typhoo Wharf, the largest deal in H1 2024



The 'Public Services, Education & Health' sector was the most active in H1 2024

Rents



Source Savills Research

The Prime headline rent has remained the same in H1 2024 and currently stands at £42.50 per sq ft, with Birmingham experiencing 23% prime rental growth since the end of 2019. Looking forward, against a backdrop of in demand Prime supply and a thin development pipeline, forecasts expect the Prime rent to grow by a further 22% over the next five-years to approximately £52 per sq ft by the end of 2028.

Drivers For Growth



8%

Expected GVA growth over the next five years



8%

Expected office-based employment increase over the next ten years



9,200

New jobs in the professional, tech and scientific sector in the next ten years

Source Oxford Economics

Key Market Data

	Data	Comparison to H1 2023	Comparison to H1 2019
Take-up H1 2024 (sq ft)	371,897	+12%	-28%
Grade A Take-up H1 2024 (sq ft)	275,615	+10%	-35%
Deal Count H1 2024	49	-9%	-11%
Average Deal Size (median) (sq ft)	2,752	+38%	+2%
10-Year Average H1 Take-Up (sq ft)	365,290	N/A	N/A
Q2 Supply (sq ft)	1,867,533	-6%	-15%
Q2 Prime Supply (sq ft)	440,791	-13%	N/A*
Prime Rent (£ per sq ft per annum)	£42.50	+4%	+23%

* historic comparison not possible with new 'Prime' category introduced in Q4 2022

Source Savills Research

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