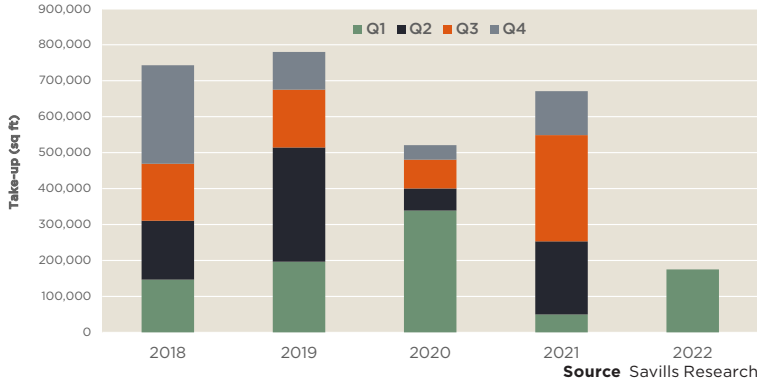


# Birmingham Occupational Office Data Q1 2022



## Birmingham Office Market Round-Up

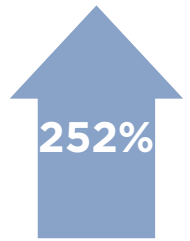
### Take-up



Q1 2022 take-up, totalling 175,000 sq ft, was 43% above the Q4 2021 total. Furthermore, this was 1% above the five-year Q1 average of 173,115 sq ft. In terms of number of completed deals, Q1 2022 was the largest number of Q1 deals recorded since 2000.

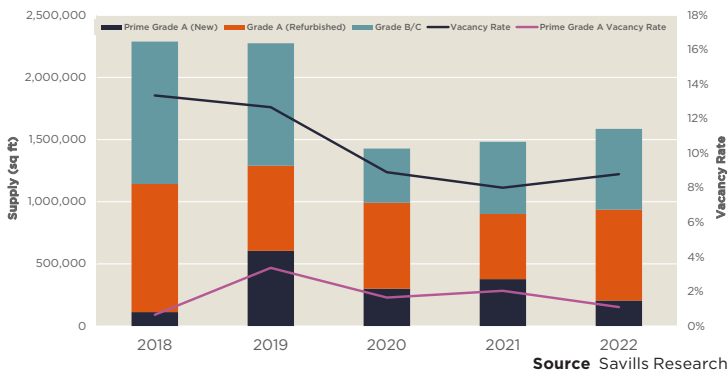
Grade A take-up of 129,000 sq ft accounted for 74% of total take-up in Q1, which represented an increase of 60% on the Grade A proportion in Q1 2021. This certainly represented a success for the market as it looks to continue its recovery from the ongoing effects of Covid-19.

### Take-up and supply Key data points



Q1 2022 take-up represented an increase of 252% on Q1 2021

### Supply



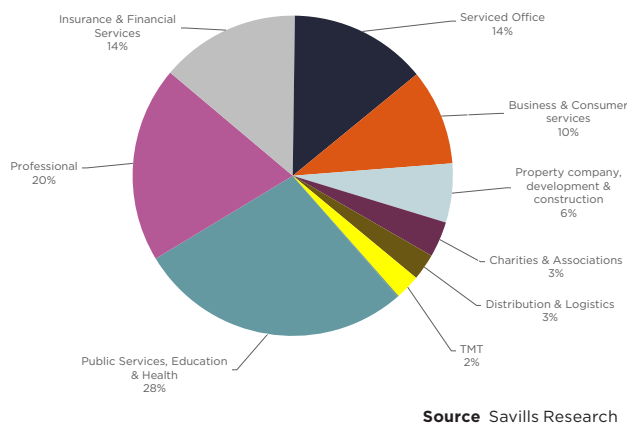
Total supply increased by 10% in the first quarter of the year to 1.6 million sq ft. This increase was at least partially caused by the introduction of Grade B buildings into the market which don't currently benefit from the same level of demand as the Prime Grade A market in the city centre core.

As such, Prime Grade A supply reduced this quarter to 205,000 sq ft. This was influenced by the lettings at 103 Colmore Row to Gallagher and Browne Jacobson as well as the acquisition at Two Chamberlain Square by serviced office operator Cubo Work.



Prime Grade A vacancy rate decreased in Q1 2022

### Take-up by business sector



The 'Public Services, Education & Health' sector was the most active in Q1 accounting for 28% of overall take-up. This included the 27,000 sq ft letting to Office of the Public Guardian who expanded their space at Victoria Square House. This was the largest deal of the quarter in the Birmingham market.

'Professional' take-up of 35,000 sq ft so far in 2022 already equates to 43% of the annual total achieved by the sector in 2021. This presents the 'Professional' sector with a notable opportunity to build on this success over the next three quarters in an attempt to surpass the previous years total.

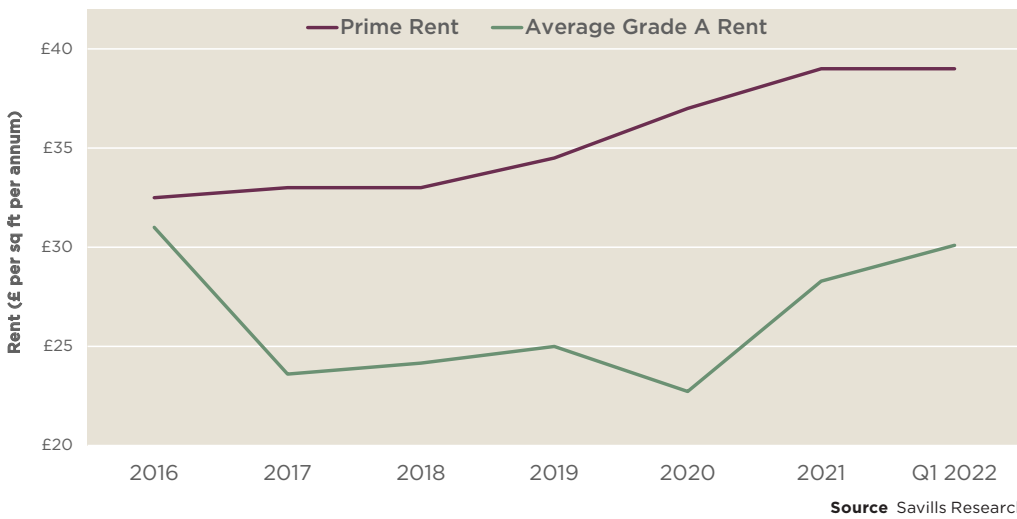


27,000 sq ft  
Largest deal in Q1 2022



Birmingham prime rents currently stand at £39 per square foot

## Rents



Prime rents increased by 5.4% in 2021 and currently stands at £39 per sq ft. Furthermore, the prime rent in the market has increased by 18% since 2017. Equally, average Grade A rents have increased significantly over the past two years. The average Grade A rent in Q1 2022 was £30.10, representing a 6.4% increase on 2021 and 32.4% on 2020.

## Drivers For Growth



9%

Expected GVA growth in Birmingham over the next five years



5%

Expected office-based employment increase in Birmingham over the next five years



8,300

New jobs in the professional, tech and scientific sector in the city in next 10 years

Source: Oxford Economics

## Key Market Data

	Data	Comparison to Q1 2021
Take-up Q1 2022 (sq ft)	175,261	+252%
Grade A Take-up Q1 2022 (sq ft)	128,937	N/A*
Average Deal Size (sq ft)	4,629	+86%
10-Year Average Q1 Take-Up (sq ft)	153,309	-
5-Year Average Q1 Take-Up (sq ft)	173,115	-
Q1 Supply (sq ft)	1,624,238	-3%
Q1 Prime Grade A Supply (sq ft)	205,202	-32%
Years of Prime Grade A Supply**	0.7	-
Prime Rent	£39	5.4%

\* no Grade A take-up recorded in Q1 2021

\*\* calculated by dividing Prime Grade A supply by 5-year annual average Grade A take-up

Source: Savills Research

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