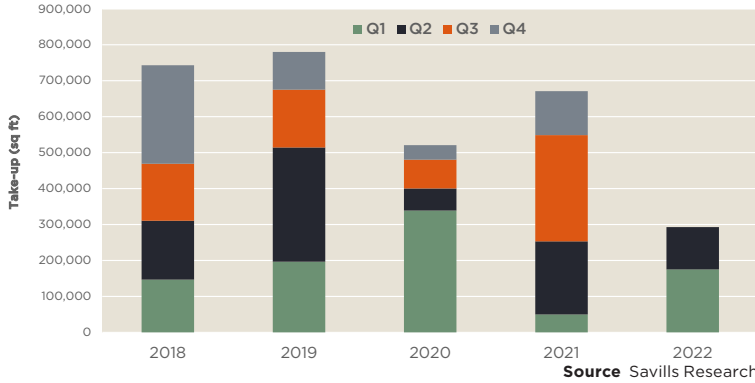


Birmingham Occupational Office Data H1 2022



Birmingham Office Market Round-Up

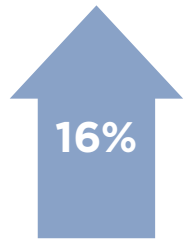
Take-up



H1 2022 take-up, totalling 293,000 sq ft, was a 16% increase on the same period in 2021. Take-up in Q2 reached a total of 118,000 sq ft across 28 lettings. In terms of completed transactions, this was 33% above the five year average for the market.

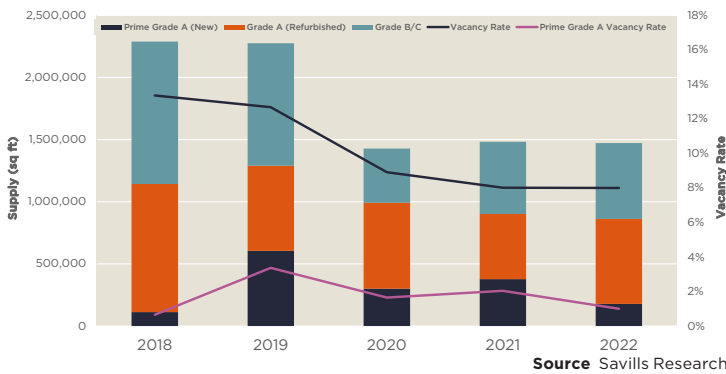
Grade A take-up of 217,000 sq ft accounted for 74% of the overall take-up in H1 2022 which represented an increase of 20% on the Grade A proportion in H1 2021. This is indicative of the continuing flight to quality in Birmingham as occupiers seek to move to a better standard of space.

Take-up and supply Key data points



H1 2022 take-up represented an 16% increase on H1 2021

Supply



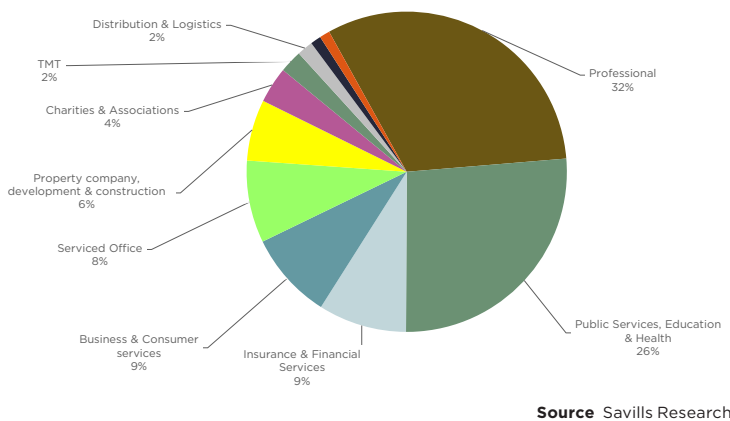
Total supply decreased by 7% in the second quarter of 2022 standing at 1.5 million sq ft at quarter end. This represented a continuation of the trend towards dwindling supply for offices in the Birmingham City Centre core market.

Prime Grade A supply significantly reduced this quarter to 178,000 sq ft. This represented a 13% decrease on the Q1 2022 total. As a result, there is now under half a year of available Prime Grade A supply in the market as competition increases for the best in class space in Birmingham.



Prime Grade A vacancy rate decreased to 1% in Q2 2022

Take-up by business sector



The 'Professional' sector was the most active in H1 2022 accounting for 32% of overall take-up. This included three transactions at 103 Colmore Row to RSM, Arcadis and Browne Jacobson. These three transactions, totalling 36,000 sq ft accounted for over a third of Professional take-up in the first half of 2022.

Elsewhere, 'Public Services, Education & Health' was the second most active sector, accounting for 26% 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 H1 2022 in the Birmingham market.

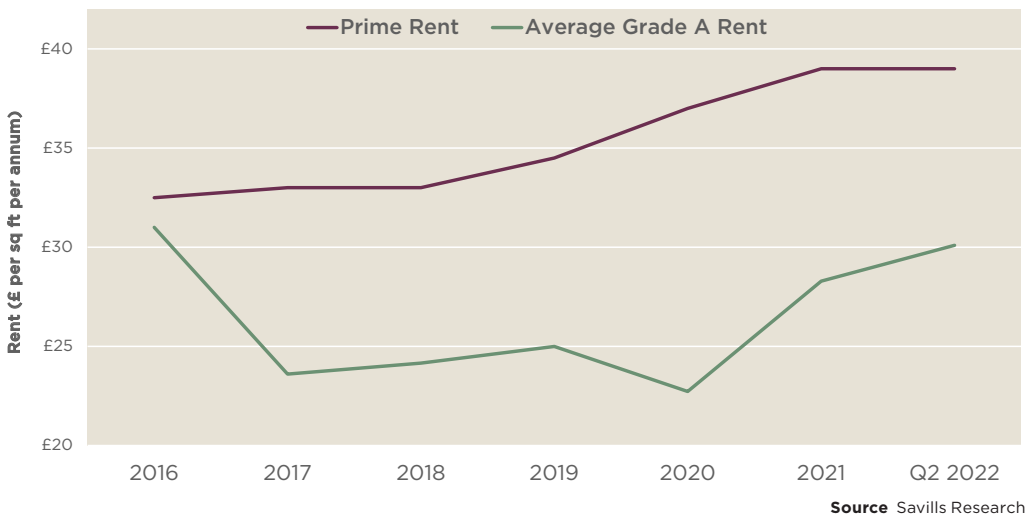


Birmingham prime rents currently stand at £39 per square foot



27,000 sq ft
Largest deal in H1 2022

Rents



Prime rent currently stands at £39 per sq ft in Birmingham city centre. Whilst there was no increase in H1 2022, the prime rent in the market has increased by 18% since 2017 and Savills expects that the prime headline rent will increase to at least £40 per sq ft by the end of Q3. Equally, average Grade A rents have increased significantly over the past two years. The average Grade A rent in H1 2022 was £30.10, representing a 6.4% increase on 2021 and 32.4% on 2020.

Drivers For Growth



7%

Expected GVA growth in Birmingham over the next five years



3%

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



7,560

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 H1 2021
Take-up H1 2022 (sq ft)	292,860	+16%
Grade A Take-up H1 2022 (sq ft)	216,719	+57%
Average Deal Size (median) (sq ft)	3,072	+48%
10-Year Average H1 Take-Up (sq ft)	349,776	-
5-Year Average H1 Take-Up (sq ft)	344,500	-
H1 Supply (sq ft)	1,472,515	-1%
H1 Prime Grade A Supply (sq ft)	177,867	-30%
Years of Prime Grade A Supply*	0.3	-
Prime Rent	£39	5.4%

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

Source: Savills Research

Savills team

Please contact us for further information

Ben Thacker

Director
Office Agency
0121 200 4561
ben.thacker@savills.com

Nick Williams

Director
Office Agency
0121 634 8401
nwilliams@savills.com

Jonathan Ottewell

Associate Director
Office Agency
0121 634 8419
jottewell@savills.com

Clare Bailey

Director
Commercial Research
020 7409 8863
cbailey@savills.com

George Roberts

UK Office Analyst
Commercial Research
020 7016 3790
george.roberts@savills.com

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

