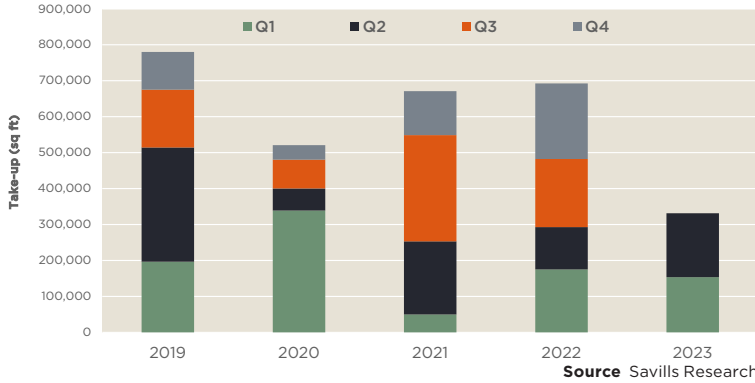


# Birmingham Occupational Office Data H1 2023



## Birmingham Office Market Round-Up

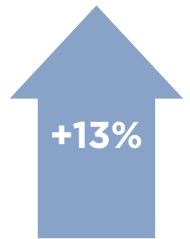
### Take-up



H1 2023 take-up totalled 331,000 sq ft in Birmingham city centre. This represented a 13% increase on the H1 2022 total and was just 9% below the 10-year H1 average for the market. There were 54 completed transactions which was 13% above the 10-year H1 average for completed deals.

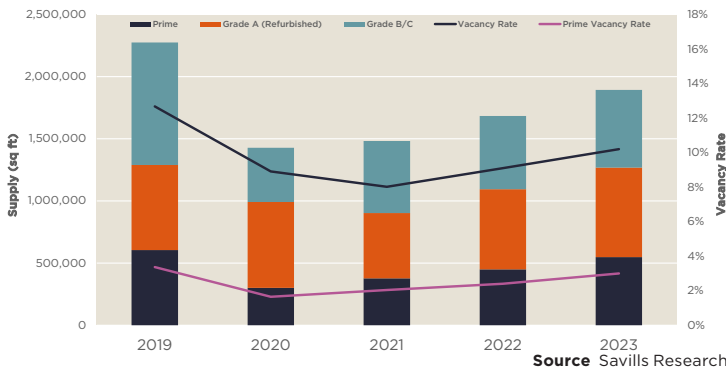
Prime take-up of 42,000 sq ft accounted for 13% of the H1 take-up, with standard Grade A accounting for 63% of the total, clearly demonstrating the continued preference for the better quality product in the market.

### Take-up and supply Key data points



H1 2023 take-up was 13% above the total achieved in H1 2022

### Supply



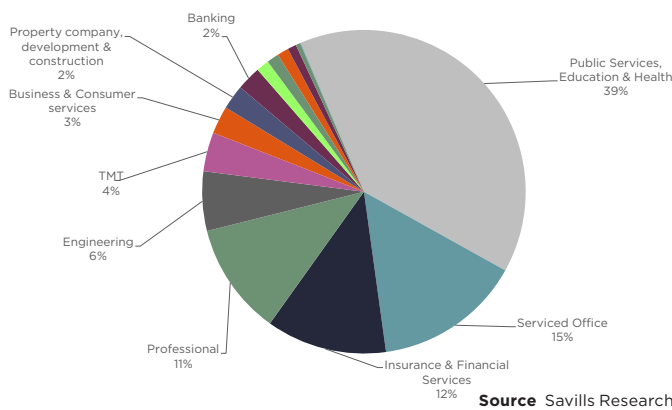
Total supply stood at 1.9m sq ft at the end of H1 2023. This represented a 12% increase on the Q4 2022 total. Based on this increase, this means at the half year point the vacancy rate for the market stood at 10.2%.

With recent completions of 120,000 sq ft at Enterprise Wharf and 210,000 sq ft at 10 Brindleyplace Prime availability stood at 550,000 sq ft at the end of Q2. Savills still considers the Prime market in Birmingham to be undersupplied with just 1.1 years of availability based on average Grade A take-up.



£47 per sq ft  
Prime rent forecast by the end of 2027

### Take-up by business sector



'Public Services, Education & Health' was the most active in H1 2023, accounting for 39% of total take-up. This was driven by demand from training and higher education institutions as QA IQ recorded the largest deal in the market in the first half of 2023 with its 45,000 sq ft acquisition at Louisa Ryland House.

Elsewhere, 'Serviced Offices' was the second most active sector, accounting for 15% of H1 take-up. This came off the back of a particularly strong Q2 with operators, Re-Defined and Cubo committing to a combined 48,000 sq ft of space in Louisa Ryland House and 2 Chamberlain Square respectively.

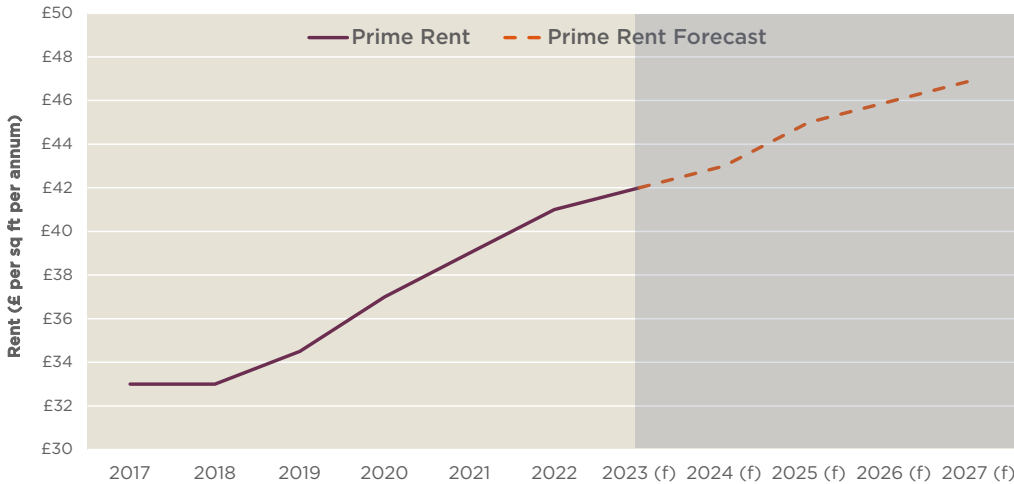


45,000 sq ft  
Largest transaction in H1 2023



54  
Completed office transactions in H1 2023 which was 13% up on the 10-year H1 average

## Rents



Source Savills Research

There was no increase in the prime rental tone in H1 2023, which currently stands at £41 per sq ft. Birmingham has experienced 19% prime rental growth since the end of 2019. Savills expects further growth in the second half of 2023, with latest forecasts expecting rents to increase to £42 per sq ft by the end of the year. Looking further forward, against a backdrop of restricted prime supply and an extremely thin development pipeline, the prime rent is projected to grow by a further 12% to approximately £47 per sq ft by the end of 2027.

## Drivers For Growth



8%

Expected GVA growth over the next five years



5%

Expected office-based employment increase over the next five years



9,200

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

Source Oxford Economics

## Key Market Data

	Data	Comparison to H1 2022	Comparison to H1 2019
Take-up H1 2023 (sq ft)	331,215	+13%	-36%
Prime Take-up H1 2023 (sq ft)	42,287	-62%	-65%
Grade A Take-up H1 2023 (sq ft)	208,543	+95%	-31%
Deal Count H1 2023	54	-10%	-2%
Average Deal Size (median) (sq ft)	1,998	-35%	-26%
5-Year Average H1 Take-Up (sq ft)	354,399	-	-
H1 Supply (sq ft)	1,892,905	+29%	-14%
H1 Prime Supply (sq ft)	547,672	+208%	+22%
Prime rent (£ per sq ft per annum)	£41	+5%	+24%

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

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