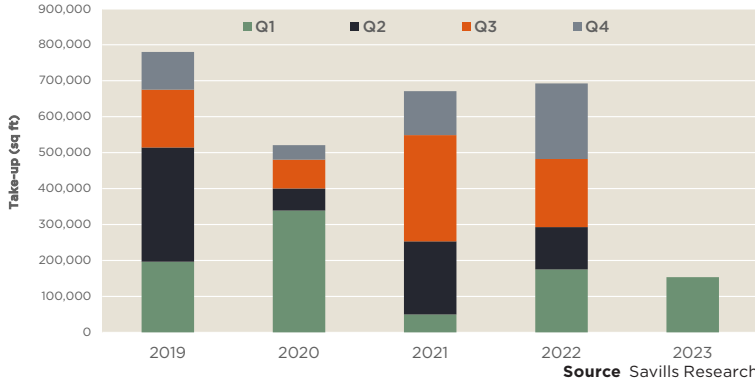


# Birmingham Occupational Office Data Q1 2023



## Birmingham Office Market Round-Up

### Take-up



Q1 2023 take-up totalled 154,000 sq ft in Birmingham city centre. This was just 8% below the long-term Q1 average for the market. There were 18 completed transactions in the quarter, the largest of these being the 45,000 sq ft Grade A acquisition by QA IQ at Louisa Ryland House.

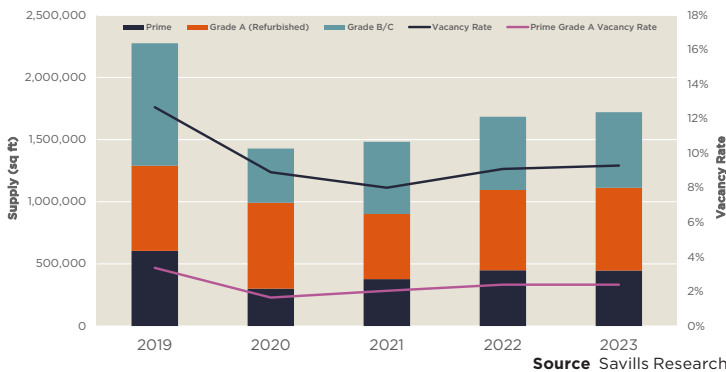
Grade A take-up was just under 100,000 ft which accounted for 65% of the overall total in the quarter. This represented a continuation of the flight to quality in the Birmingham market where Grade A demand has accounted for 72% of take-up over the last five years.

### Take-up and supply Key data points



Q1 2023 take-up was 8% below the long-term average for the market

### Supply



Total availability at the end of Q1 stood at 1.7m sq ft. This produced a total market vacancy rate of 9.3%. Based on average demand, this suggests that there is currently 2.5 years of supply in the city centre.

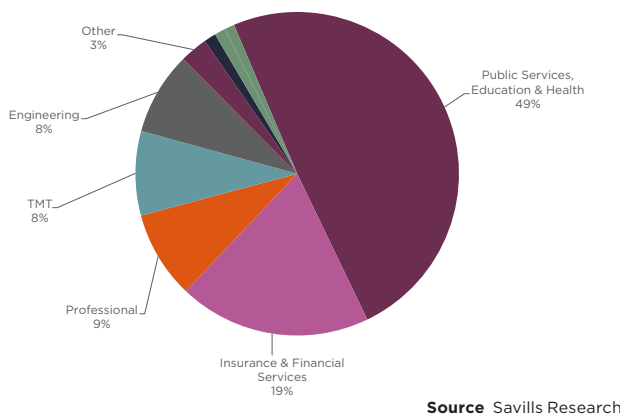
Prime availability was recorded at 445,000 sq ft at quarter end. This is made up of available space at 10 Brindleyplace, One Centenary Way, 103 Colmore Row, Three Snowhill and Two Chamberlain Square. This produced a Prime vacancy rate of 2.4% and equates to 0.9 years of supply based on average Grade A demand.



72%

Grade A proportion of take-up over the last five years

### Take-up by business sector



'Public Services, Education & Health' was the most active in Q1 2023, accounting for 49% of total take-up. This was driven by demand from higher education institutions, with QA IQ and Aston University responsible for the two largest deals in the market during the quarter.

Elsewhere, 'Insurance & Financial Services' was the second most active sector in the market, accounting for 19% of total demand. AON recorded the largest deal in the sector by signing a 23,000 sq ft deal which will see them relocate their operations in the city to The Colmore Building.



45,000 sq ft

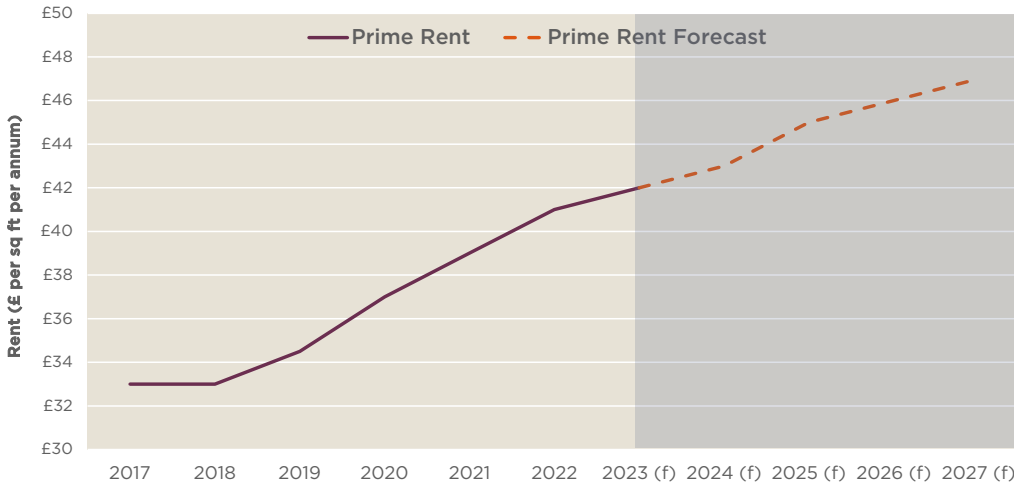
Largest transaction in Q1 2023



18

Completed office transactions in Q1 2023

## Rents



Source Savills Research

There was no increase in the prime rent Q1 2023, which currently stands at £41 per sq ft. Birmingham has experienced 19% prime rental growth since the end of 2019. Savills latest forecasts expect rents to increase to £42 per sq ft by the end of the year, with an expectation prime rent will 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 Q1 2022	Comparison to Q1 2019
Take-up Q1 2023 (sq ft)	153,550	-12%	-22%
Grade A Take-up Q1 2023 (sq ft)	99,093	-23%	-35%
Deal Count Q1 2023	18	-44%	-31%
Average Deal Size (median) (sq ft)	2,935	-22%	+15%
5-Year Average Q1 Take-Up (sq ft)	181,479	-	-
Q1 Supply (sq ft)	1,720,834	+6%	-11%
Q1 Prime Supply (sq ft)	446,342	+27%	+366%
Prime rent (£ per sq ft per annum)	£41	+5%	+24%

Source Savills Research

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