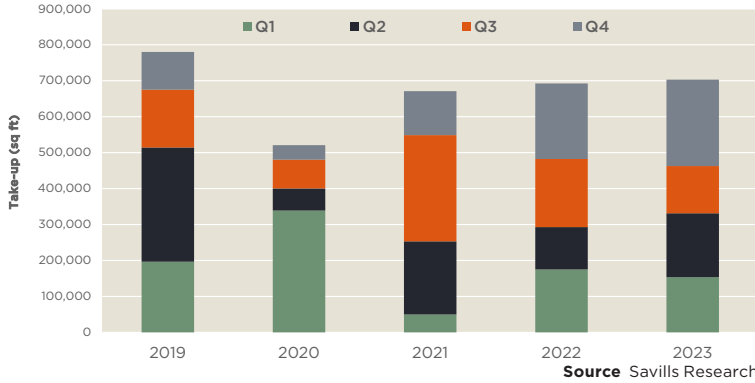


# Birmingham Occupational Office Data Q4 2023



## Birmingham Office Market Round-Up

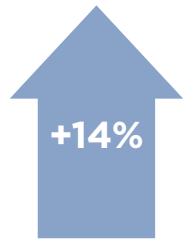
### Take-up



In the final quarter of 2023, take-up totalled 240,000 sq ft across 37 deals done, with 19 more deals done than Q3 2023. This was the highest quarterly take-up of 2023, and 14% higher than the same period in 2022. Grade A take-up accounted for 74% of the total, equating to 177,000 sq ft, and was 68% higher than Q4 2022.

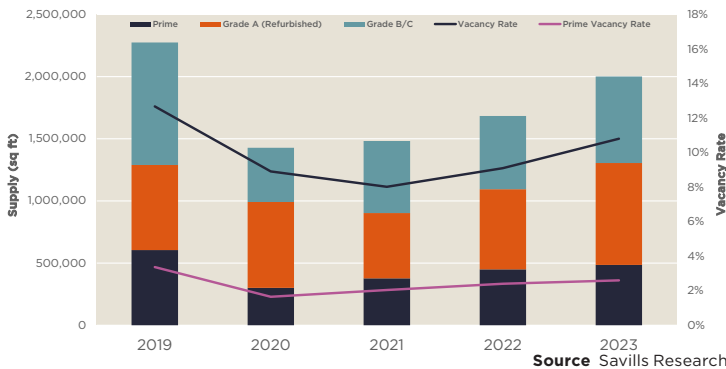
Annual take-up totalled 703,000 sq ft, the highest take-up since 2019, and 1% higher than 2022. The largest deal of the year was at 6 Brindley Place, where Lloyds Bank acquired 60,000 sq ft of Grade A space.

### Take-up and supply Key data points



Q4 2023 take-up was 14% above the total achieved in Q4 2022

### Supply



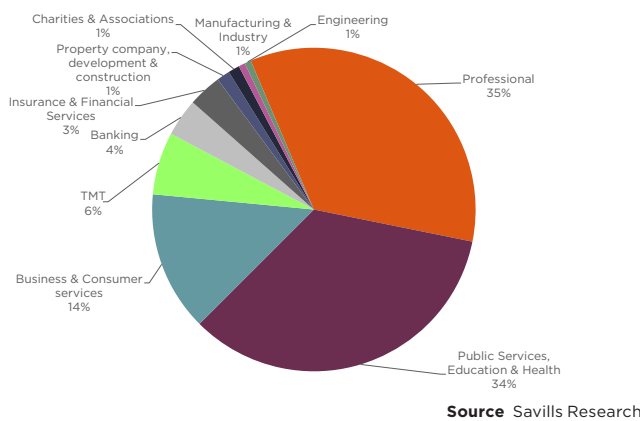
Availability in the final quarter of 2023 amounted to 2 million sq ft, which was 3% lower than Q3 2023. However, this continues to be higher than the same period in 2022 by 19%.

There is 1.3 million sq ft of Prime and Grade A space which accounts for 65% of the total supply, with 485,000 sq ft being Prime best-in-class space. Secondary space amounts to 696,000 sq ft, therefore accounting for 35%. Total vacancy rates have decreased to 10.8% from 11% in Q3. Similarly, Grade A vacancy rates have decreased marginally to 2.6%, down 30 basis points on Q3 2023.



£48 per sq ft  
Prime rent forecast by the end of 2028

### Take-up by business sector



The sector that leased the largest total space in Q4 2023 was the 'Professional' sector, totalling over 81,000 sq ft, accounting for 35% of the total take-up. This is the largest take-up in the sector since Q1 2016, and was largely driven by the acquisition of 32,000 sq ft at One Centenary Way by Mills & Reeve.

The sector which leased the second highest quantum of space was the 'Public Services, Education & Health' sector, with a combined total of over 80,000 sq ft. The largest deal in the sector was by Global Banking School, which leased 29,000 sq ft at Norfolk House.

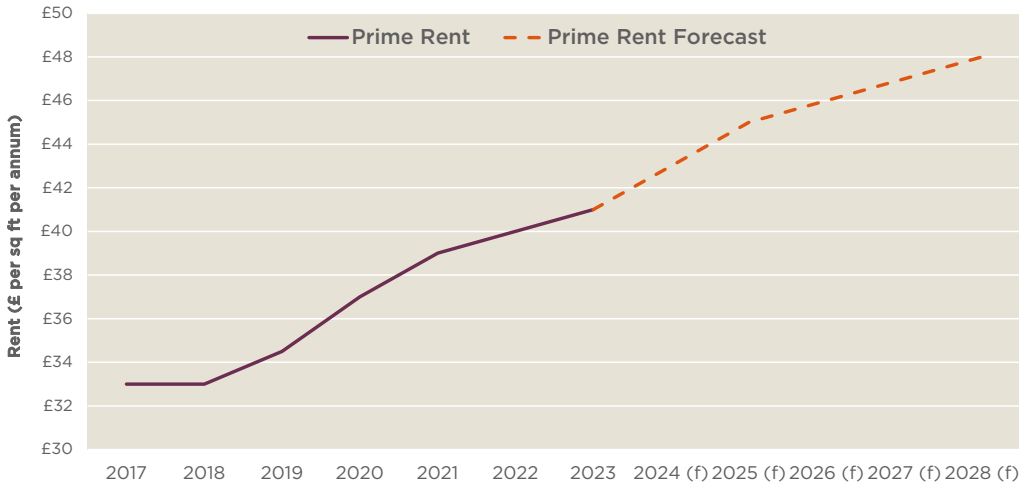


60,000 sq ft  
Largest transaction in 2023



37  
Completed office transactions in Q4 2023, 19 more than Q3 2023

## Rents



Source Savills Research

The Prime rent currently stands at £41 per sq ft, with Birmingham experiencing 19% Prime rental growth since the end of 2019. Looking forward, against a backdrop of in demand Prime supply and an extremely thin development pipeline, forecasts expect the Prime rent to grow by a further 17% over the next five-years to approximately £48 per sq ft by the end of 2028.

## 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 2022	Comparison to 2019
Take-up 2023 (sq ft)	702,993	+1%	-10%
Take-up Q4 2023 (sq ft)	240,274	+14%	+129%
Grade A Take-up Q4 2023 (sq ft)	176,848	+68%	+121%
Deal Count Q4 2023	37	+37%	+42%
Average Deal Size (median) (sq ft)	2,725	+1%	+51%
10-Year Average Q4 Take-Up (sq ft)	201,495	-	-
Q4 Supply (sq ft)	2,000,892	+19%	-12%
Q4 Prime Supply (sq ft)	484,792	+8%	N/A*
Prime Rent (£ per sq ft per annum)	£41	+5%	N/A*

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

Source Savills Research

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