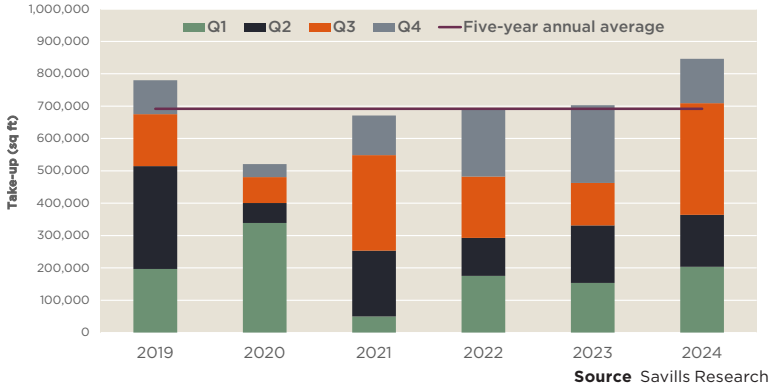


Birmingham Occupational Office Data Q4 2024



Birmingham Office Market Round-Up

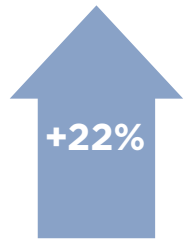
Take-up



2024 take-up in Birmingham totalled 846,321 sq ft across 97 transactions, 4% higher than the five-year average number of transactions. Take-up was 20% higher than 2023, and also 22% higher than the five-year annual average. Consequently, this was the highest annual take-up in seven years for the market.

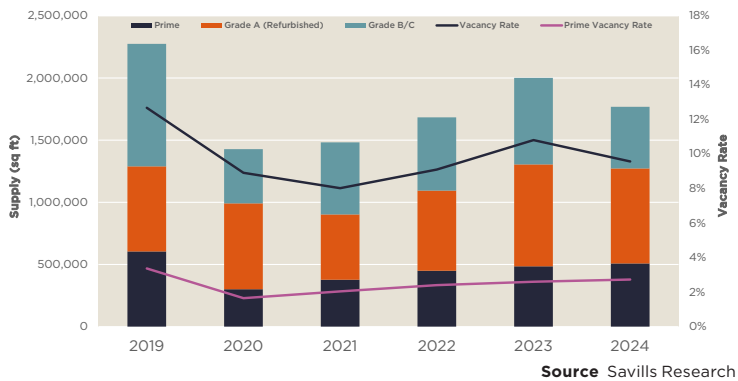
Grade A and Prime combined take-up totalled 364,464 sq ft and 58,697 sq ft respectively, with these combined totalling 423,161 sq ft, and therefore accounting for half of the total.

Take-up and supply Key data points



2024 take-up was 22% higher than the five-year annual average

Supply



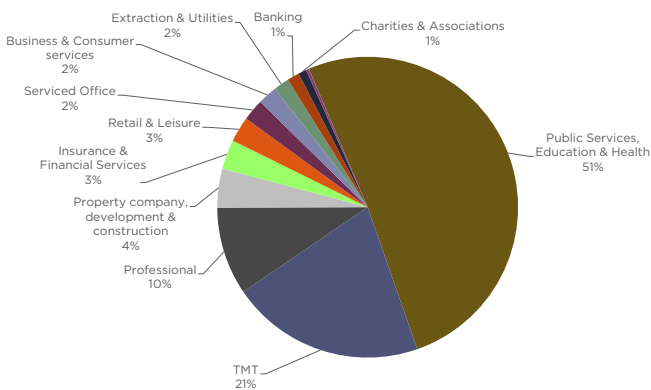
Availability at the end of 2024 stands at 1.76 million sq ft, a decrease of 4% on the previous quarter. The overall vacancy rate now stands at 9.56%, 40 basis points lower than Q3 2024, continuing to show the increased occupier demand within Birmingham.

Grade A and Prime combined availability total 1.27 million sq ft, and is on par with the previous quarter. This accounts for 72% of the total, with the Prime vacancy rate remaining the same at 2.7%, demonstrating the lack of best-in-class stock.



Grade A take-up accounted for 50% of the total in 2024

Take-up by business sector



The most active sector in 2024 was the 'Public Services, Education & Health' sector, with a combined total of 431,929 sq ft across 21 deals, consequently accounting for 51% of the total. The largest deal of the sector was acquired by Aston University in Q3 2024 at 10 Woodcock Street, for a total of 189,053 sq ft. This was also the largest deal of the year.

Another active sector in 2024 was 'TMT', which accounted for 21% of the total by leasing a combined 176,449 sq ft. There were 19 lettings in the year, which was the highest on record for the sector. The largest of the deals was acquired by the BBC for a total of 84,000 sq ft at Typhoo Wharf.

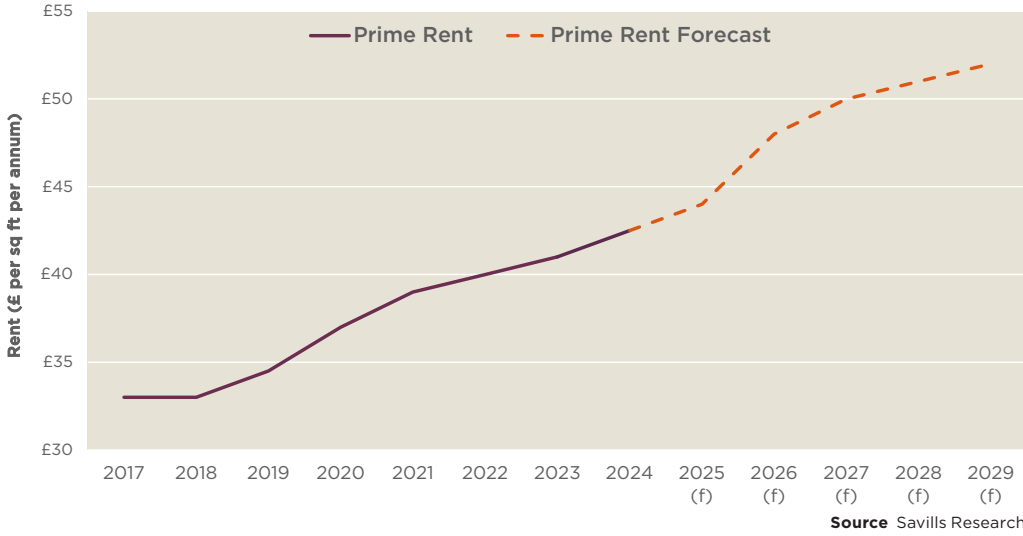


The largest deal of 2024 was 189,053 which was acquired by Aston University at 10 Woodcock Street



51%
The 'Public Services, Education & Health' sector was the most active in 2024

Rents



The Prime headline rent currently stands at £42.50 per sq ft, with Birmingham experiencing 23% rental growth since the end of 2019. Looking forward, against a backdrop of increasingly in demand Prime supply, a constrained development pipeline and a significant rise in requirements in the market, forecasts expect the headline rent to grow by a further 22% over the next five-years to approximately £52 per sq ft by the end of 2029.

Drivers For Growth



8%

Expected GVA growth over the next five years



8%

Expected office-based employment increase over the next ten years



13%

Employment growth in the professional, tech and scientific sector in the next ten years

Source: Oxford Economics

Key Market Data

| | Data | Comparison to 2023 | Comparison to 2019 |
|------------------------------------|-----------|--------------------|--------------------|
| Take-up 2024 (sq ft) | 846,321 | +20% | +8% |
| Grade A Take-up 2024 (sq ft) | 423,161 | -23% | -32% |
| Deal Count 2024 | 97 | -11% | -16% |
| Average Deal Size (median) (sq ft) | 3,079 | +14% | +49% |
| 10-Year Average Take-Up (sq ft) | 757,092 | N/A | N/A |
| Q4 Supply (sq ft) | 1,768,864 | -12% | -22% |
| Q4 Prime Supply (sq ft) | 508,331 | +5% | N/A* |
| Prime Rent (£ per sq ft per annum) | £42.50 | +4% | +23% |

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

Source: Savills Research

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