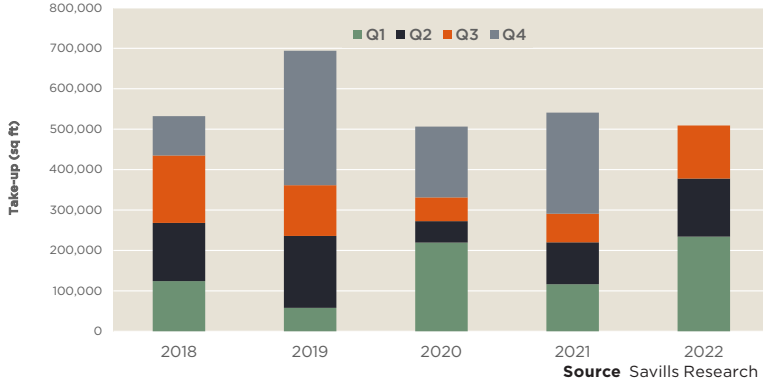


Bristol Occupational Office Data Q3 2022



Bristol Office Market Round-Up

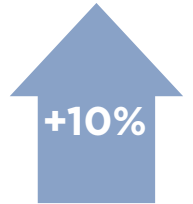
Take-up



Q3 2022 take-up, totalling 132,000 sq ft, was 10% above the five-year average for the market. This takes the total take-up recorded in 2022 to 510,000 sq ft. Given that this is just 6% below the annual total achieved in 2021, Savills fully expects that take-up in 2022 will comfortably surpass the total achieved last year.

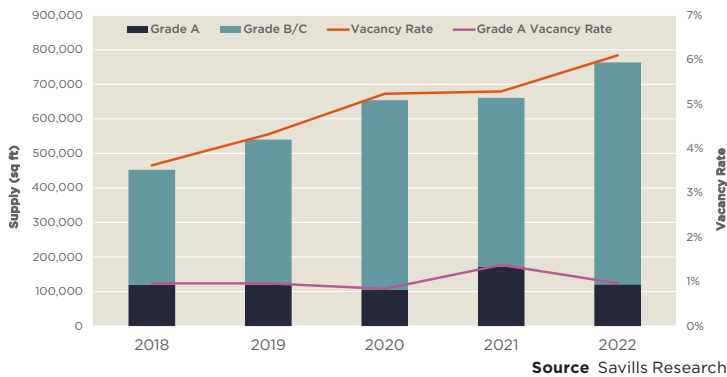
Grade A take-up accounted for 16% of Q3 take-up. The largest Grade A letting of the quarter was the 13,300 sq ft acquisition by Canada Life at No 1 The Distillery.

Take-up and supply Key data points



Q3 2022 take-up was 10% above the five year Q3 average

Supply



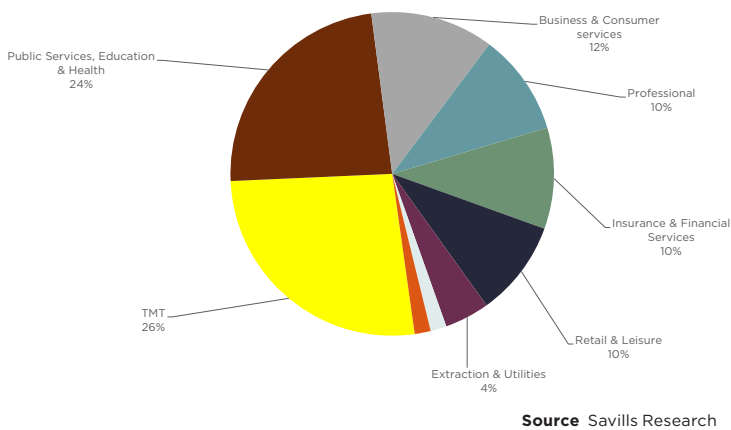
Total supply currently stands at 764,000 sq ft. This equates to just 1.3 years of supply, and with Savills regarding anything under two years as an undersupply, availability within the Bristol city centre market remains extremely limited.

The current Grade A supply level in the market is 121,000 sq ft. This represents a significant decrease of 30% on the Q4 2021 total and is indicative of the severe lack of Grade A supply within the market. As such, Grade A vacancy rate currently stands at 1% at the end of Q3 2022.



19 Completed lettings in Q3. This was a 19% increase on the five-year Q3 average

Take-up by Business Sector



The 'TMT' sector continues to perform strongly in Bristol and was the most active sector again in Q3 2022, accounting for 27% of total take-up. This included the 8,300 sq ft Grade A letting to Experis at Aurora.

Elsewhere, it was also a strong quarter for 'Public, Services, Education & Health'. The 4 completed transactions accounted for 24% of total take-up, the largest being the 19,800 sq ft letting at 70 Redcliff Street to WECA.

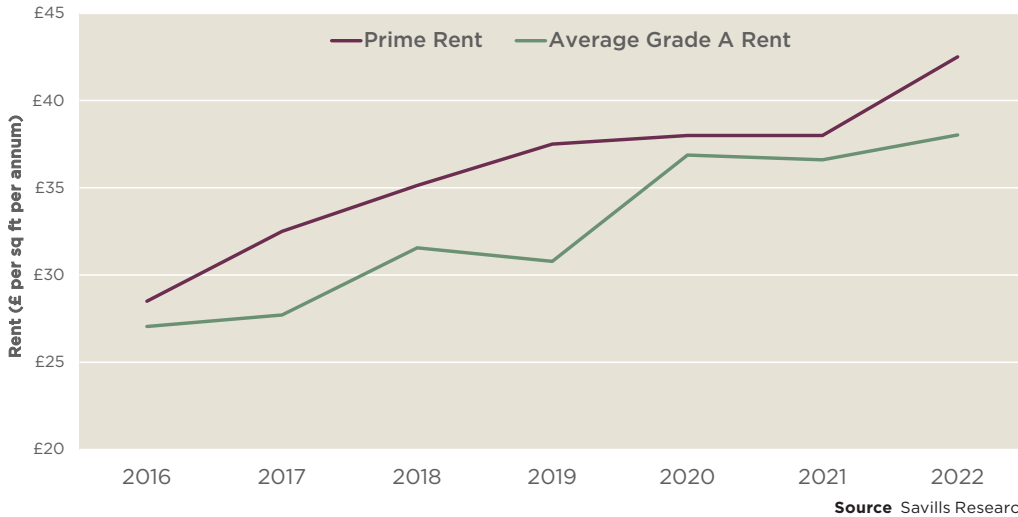


19,800 sq ft Largest letting recorded in Q3 2022



27% Share of 'TMT' take-up in Q3 2022

Rents



There was no increase in the prime rent in Q3 2022 but there has been 12% of rental growth in 2022 with prime rent currently standing at £42.50 per sq ft. Furthermore, at £42.50 per sq ft Bristol has the highest prime rent in the UK Big Six markets. Equally, average grade A rents have also increased significantly during this period. The average grade A rent in 2022 has been £38.03 per square foot, a 4% increase on the 2021 Grade A average. Savills expects average Grade A rents to increase as the headline rent becomes more established within the market.

Drivers For Growth



Expected GVA growth over the next five years



Expected office based employment increase over the next five years



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

Source: Oxford Economics

Key Market Data

	Data	Comparison to Q3 2021	Comparison to Q3 2019
Take-up Q3 2022 (sq ft)	131,197	+85%	+4%
Grade A Take-up Q3 2022 (sq ft)	21,569	-	-45%
Average Deal Size (median) (sq ft)	4,329	+155%	+68%
10-Year Average Q3 Take-Up (sq ft)	125,249	-	-
5-Year Average Q3 Take-Up (sq ft)	119,078	-	-
Q3 Supply (sq ft)	763,545	+16%	+60%
Q3 Grade A Supply (sq ft)	120,906	-1%	+156%
Years of Supply*	1.3	-	-
Prime Rent	£42.50	12%	+21%

*calculated by dividing total supply by 5-year average annual take up

Source: Savills Research

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