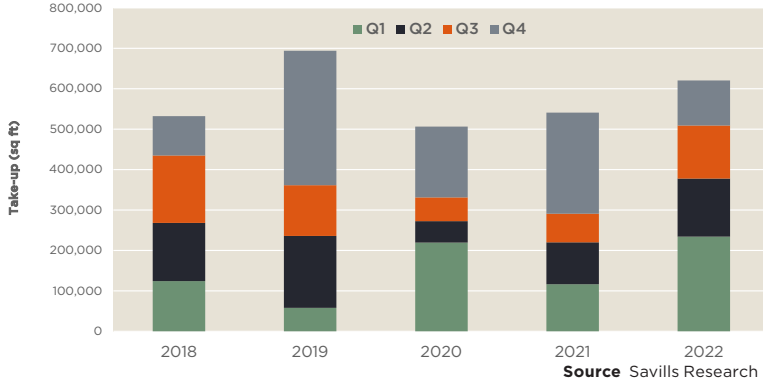


Bristol Occupational Office Data Q4 2022



Bristol Office Market Round-Up

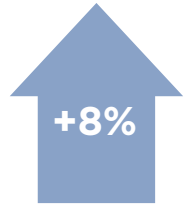
Take-up



2022 take-up, totalling 620,000 sq ft, was 8% above the five-year annual average for the market. This was made up of 116 completed lettings which was 18% above the five-year annual average and the most completed transactions since 2016.

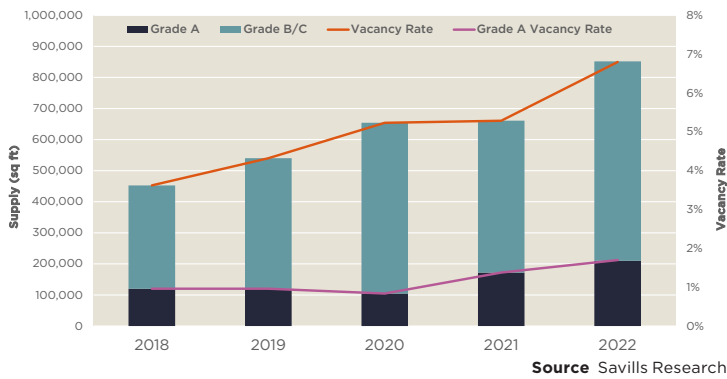
Grade A take-up of 198,000 sq ft accounted for 32% of the take-up total. The largest Grade A deal in 2022 was the 55,000 sq ft acquisition by Paymentsense at CEG's EQ building.

Take-up and supply Key data points



2022 take-up was 8% above the five-year average

Supply



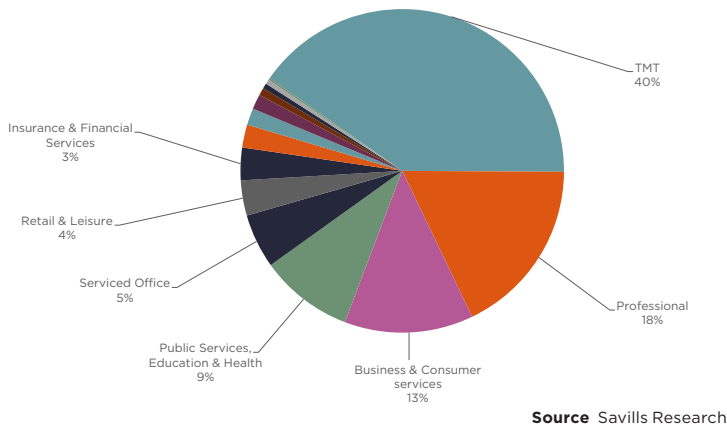
Total supply stood at 850,000 sq ft at the end of 2022. This means that there is just one-and-a-half years of supply in the market based on average demand.

Grade A supply stood at 210,000 sq ft at year end. Whilst this was an increase of 22% on 2021, this was due to the introduction of Buildings B and C Assembly into the supply list, and 25% of the space at these buildings has already been pre-let. Furthermore, with a Grade A vacancy rate of just 1.7%, availability for the best in class space remains severely limited in Bristol.



100% Increase in Grade A lettings compared to 2021

Take-up by Business Sector



The 'TMT' sector continues to perform strongly in Bristol and was the most active sector again in 2022, accounting for 40% of total take-up. This was spread across 30 deals at an average of 7,588 sq ft.

Elsewhere, it was also a strong year for the 'Professional' sector. The 21 completed transactions accounted for 18% of total take-up, the largest being the 22,500 sq ft letting at Halo to Deloitte.

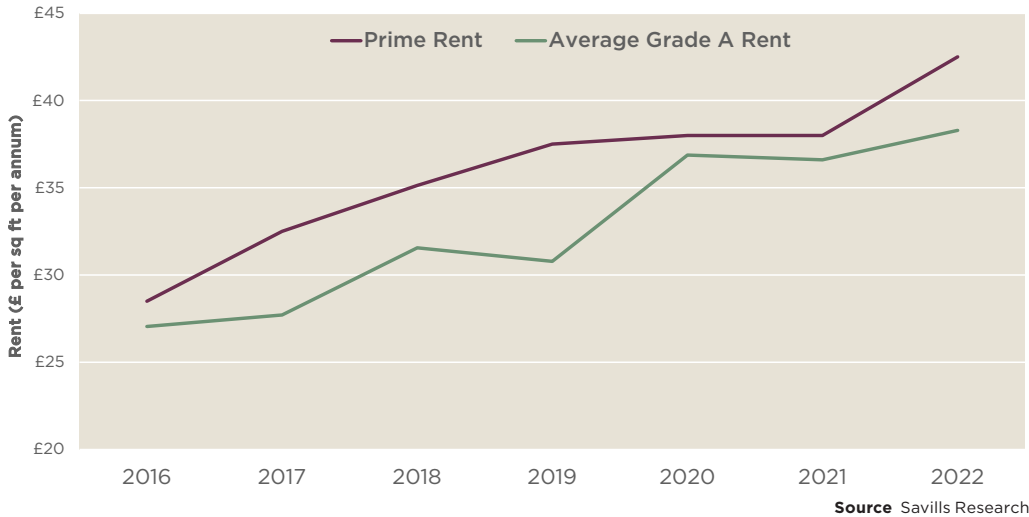


55,000 sq ft Largest letting recorded in 2022



119 Completed transactions in 2022, the highest since 2016

Rents



There was no increase in the prime rent in Q4 but there was 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. Average grade A rents have also increased significantly during this period. The average grade A rent in 2022 was £38.29 per sq ft, a 4% increase on the 2021 Grade A average and a 24% increase on the pre-Covid 2019 average.

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 2021 | Comparison to 2019 |
|------------------------------------|---------|--------------------|--------------------|
| Take-up 2022 (sq ft) | 620,211 | +15% | -11% |
| Grade A Take-up 2022 (sq ft) | 197,582 | +186% | -45% |
| Average Deal Size (median) (sq ft) | 3,255 | +39% | -3% |
| 10-Year Average Take-Up (sq ft) | 590,820 | - | - |
| 5-Year Average Take-Up (sq ft) | 576,773 | - | - |
| Q4 Supply (sq ft) | 851,940 | +29% | +58% |
| Q4 Grade A Supply (sq ft) | 210,153 | +22% | +175% |
| Years of Supply* | 1.5 | - | - |
| Prime Rent | £42.50 | 12% | +13% |

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

Source: Savills Research

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