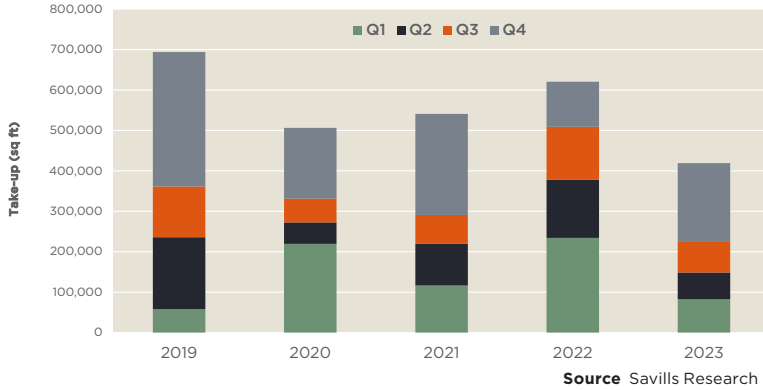


Bristol Occupational Office Data Q4 2023



Bristol Office Market Round-Up

Take-up



In the final quarter of 2023, take-up in Bristol reached 193,000 sq ft across 34 deals done. This was 74% higher than the same period in 2022, but overall annual take-up was down on the long-term average. H2 performed considerably stronger than H1, with take-up totalling 270,000 sq ft, 82% higher than H1. Q4 accounted for 71% of the H2 take-up, with it being the most successful quarter since Q1 2022.

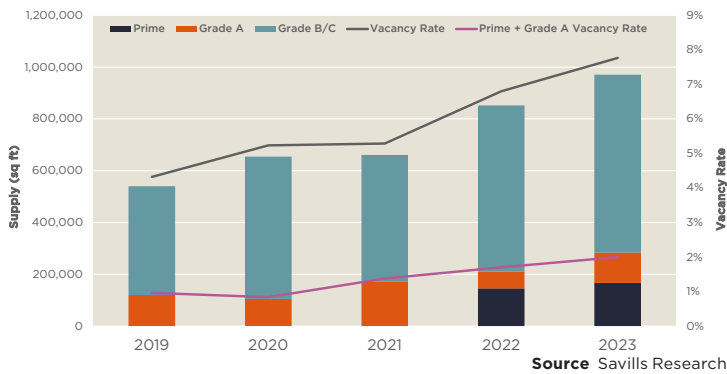
Grade A take-up totalled 42,000 sq ft, accounting for 21% of the total. This saw Grade A total take-up in Q4 125% higher than the same period in 2022.

Take-up and supply Key data points



34
Completed office transactions in Q4 2023

Supply



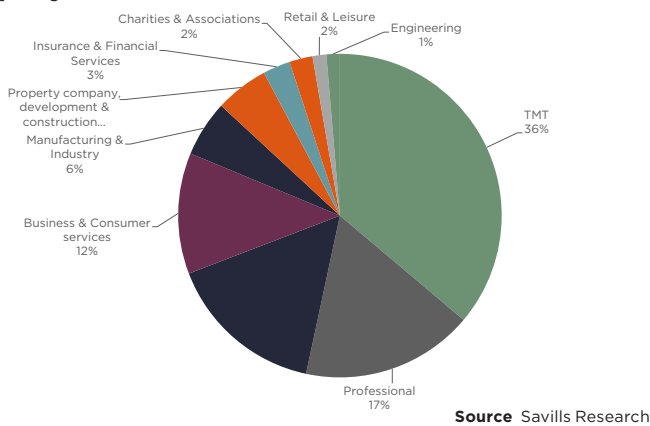
Total availability in Bristol in Q4 totalled 971,000 sq ft. Bristol has the second lowest vacancy rate in the regional markets, at 7.8%, however this has risen slightly due to recent development completions that have come in to the supply in the quarter.

Prime and Grade A availability reached a combined total of 284,000 sq ft. This equates to a Grade A vacancy rate of 2%.



74%
Q4 2023 take-up was 74% higher than Q4 2022

Take-up by business sector



The most active sector in the quarter was the 'TMT' sector which leased a combined total of 69,000 sq ft, accounting for 36%. This was largely driven by the 66,000 sq ft acquisition by Dyson at 1 George's Square, which was the largest deal recorded this year. It also contributed to the fact this was the highest recorded level of take-up for this sector since Q1 2022.

Another sector that was active in Q4 was the 'Professional' sector, which leased 33,000 sq ft in total. This was across 10 transactions, the largest of which saw Freeths acquire 8,000 sq ft of space at Aurora.

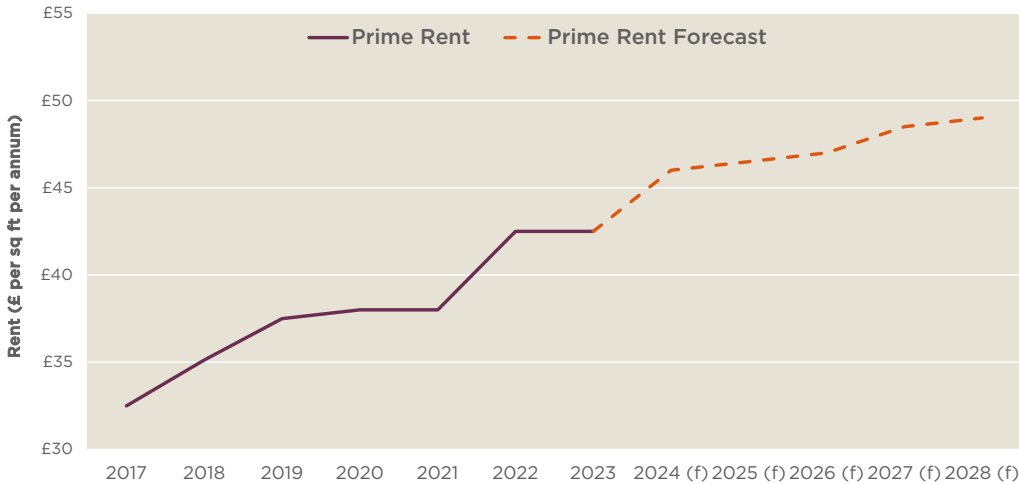


66,000 sq ft
Largest transaction in Q4 2023



Grade A take-up 125% higher than Q4 2022

Rents



Source Savills Research

There was no increase in the Prime rent in Q4 2023, however Savills are aware of a deal in Q1 2024 that is in excess of the Q4 headline rent of £42.50. Bristol continues to have one of the highest Prime rents across the UK Big 6 markets, and has experienced Prime rental growth of 13% since the end of 2019. Savills latest forecasts predict that the Prime rent will grow by a further 15% to at least £49 per sq ft by the end of 2028.

Drivers For Growth



7%

Expected GVA growth over the next five years



4%

Expected office-based employment increase over the next five years



7,920

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)	419,180	-32%	-40%
Take-up Q4 2023 (sq ft)	193,183	+74%	-42%
Grade A Take-up Q4 2023 (sq ft)	42,224	+125%	-84%
Deal Count Q4 2023	34	+17%	+21%
Average Deal Size (median) (sq ft)	2,198	-28%	-36%
10-Year Average Q4 Take-Up (sq ft)	210,139	-	-
Q4 Supply (sq ft)	970,735	+14%	+80%
Q4 Prime Supply (sq ft)	166,585	+15%	N/A*
Prime Rent (£ per sq ft per annum)	£42.50	No Change	N/A*

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

Source Savills Research

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