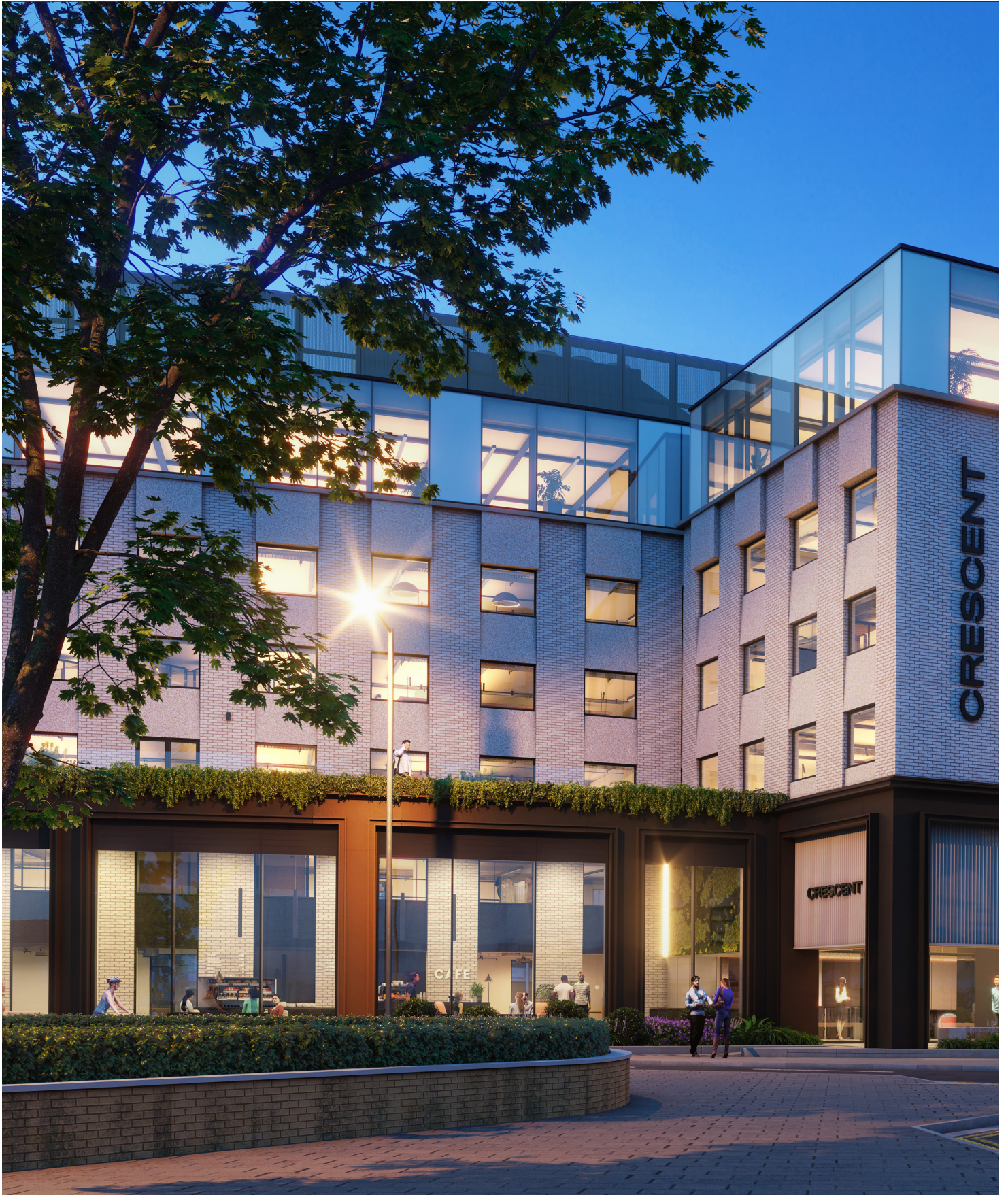


UK Commercial - Autumn 2024

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**SPOTLIGHT**  
Savills Research

# Bristol Office Spotlight



Tech • Professional • Growth

## Professional Sector Leads Demand in 2024

Over the past five years, offices - and what occupiers desire from them - have undergone significant changes. New demands such as wellness and sustainability have emerged, driven by the need to attract and retain employees, and meet company ESG targets.

The imbalance between supply and demand in Bristol's office market highlights the importance of efficient asset management and cost-effective development strategies. With only a fraction of the city centre's office stock classified as prime (1.5 years), developers and investors need to capitalise on opportunities to enhance existing assets and bring new developments to market in a financially viable manner.

Landlords are refurbishing existing buildings in order to continue to attract and retain businesses.

Occupiers continue to focus their leasing requirements on best-in-class offices which have excellent ESG credentials. This has been driven by the desire to satisfy employee needs and ensure staff return to the office, in addition to supporting wider corporate sustainability ambitions.

Major occupiers like Deloitte, PwC, and Osborne Clarke expanded their office footprints, responding to Bristol's growing role as a regional business hub and its appeal for companies looking to balance access to top-tier talent with lower operational costs compared to London.

The demand for Grade A office space in Bristol continued to rise, with vacancy rates at record lows and rental values reflecting strong competition.

Many professional services firms have prioritised high-quality spaces to attract and retain talent amid hybrid working trends. The professional services sector has played a key role in take-up over the last five years and in Q1-Q3 2024, the professional services sector dominated activity within Bristol's office market accounting for 38% of take-up, driven largely by strong demand from accountancy and legal firms seeking prime ad aoffice space.

Law firms, in particular, are fuelling this trend with DAC Beachcroft acquiring 44,000 sq ft at the Welcome Building earlier this year. Other notable examples include Burges Salmon and TLT, both of which have

invested heavily in expanding or modernising their Bristol offices.

The UK's largest regional legal services business, Knights, has also recently taken a new Grade A office in Bristol, creating a new rental high for the city.

As Bristol's reputation grows in the legal sector, more firms are making the city a core part of their regional strategy, catering to a client base that spans both national and international markets.

Other financial and consulting firms have followed suit. Companies like KPMG and Grant Thornton have capitalised on Bristol's thriving business ecosystem, often engaging with the city's tech and creative sectors. This cross-industry collaboration reflects the city's dynamic business environment and appeal to young professionals.

Overall, Bristol's professional sector momentum in 2024 highlights the city's rise as a key regional office market, with robust activity and strong demand for high-quality, strategically located office spaces.

## The race for 'quality' space

The surge in demand for office space in Bristol has driven prime vacancy rates to 2%, pushing prime rents to a record high of £48 per sq ft, with more rental growth expected as we go through 2025.

Limited availability of new Grade A developments has fuelled intense competition, especially in central locations. Bristol continues to have the highest Prime rent across the UK Big 6 markets and has experienced Prime rental growth of 28% since the end of 2019.

A standout project in Bristol's office market is Assembly - prime waterfront position and a city centre location. Beautiful landscaped and abundant outdoor spaces. Flexible floorplates and natural light. Sustainable design and genuine wellbeing focus.

Two other buildings which have added prime stock to the market are the Welcome Building and EQ. They both offer flexible office layouts, strong sustainability credentials, and high-quality amenities, designed for wellness, sustainability, and tenant flexibility.

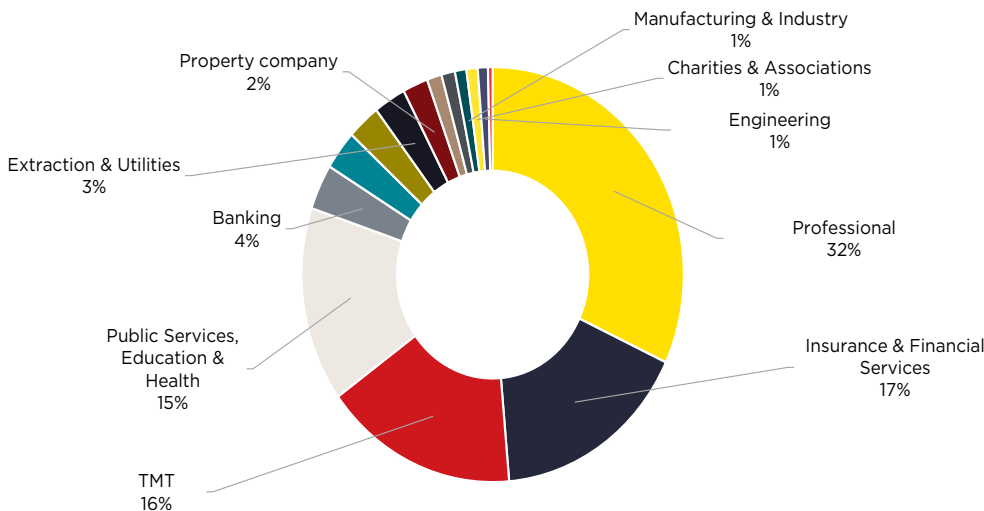
Crescent in Bristol is an ambitious refurbishment project revitalising a prominent city centre building into a hub for modern, sustainable workspaces that meet the evolving needs of businesses today.

Located near the thriving Temple Quay area, this development will deliver over 100,000 sq ft of high-spec, adaptable office space, placing a premium on wellness and environmental sustainability. Designed with flexible layouts, energy-efficient systems, and collaborative areas, Crescent is set to attract a diverse mix of tenants from sectors like tech, finance, and creative industries.

As high-quality, eco-conscious office space becomes increasingly limited in Bristol, Crescent's refurbishment plays a crucial role in reinforcing the city's reputation as a leading business destination, supporting both economic growth and sustainable development. This project enhances Bristol's appeal for companies seeking a forward-thinking work environment, contributing to the city's status as a key regional powerhouse in the UK.

This trend of premium office developments underlines Bristol's growing appeal as a top destination for businesses seeking vibrant, well-equipped workspaces.

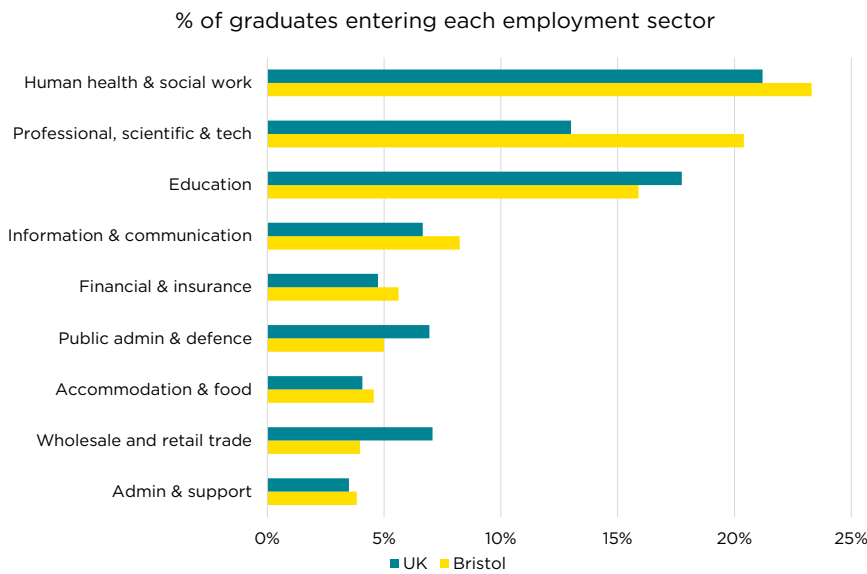
### The Professional Sector made up 38% of take-up in the first three quarters of 2024



Source Savills Research

At the heart of facilitating growth is the ability to attract and retain talent

**20% of graduates retained in Bristol work in science and tech, 54% higher than the UK average**



**+8%**  
Increase in average TMT deal size between 2020 and 2024

Source HESA/Savills Research

**Tech-driven growth and evolving demand reshape Bristol’s office market**

Bristol’s office market has experienced impressive growth over the past five years, largely driven by a tech sector that has expanded by over 30% during this period.

Unlike areas dominated by a single industry, Bristol’s strength lies in its diversity across subsectors, including telecoms, semiconductors, advanced materials, computing innovation, and cybersecurity. Emerging fields like green tech, health tech, and creative technology (createch) are also gaining traction, enhancing the city’s reputation.

Bristol’s tech ecosystem features a balanced mix of tech giants, such as Amazon, Nokia, and Sony, alongside high-growth startups that are thriving. In fact, Bristol-based tech firms represent 36% of the city’s high-growth businesses, with 87% of these companies currently in the seed or venture stages. This variety of talent and businesses has fostered an entrepreneurial atmosphere, attracting investors and increasing business resilience in the region.

The average deal size has increased by 8% over the past decade, suggesting that more companies are scaling within Bristol, while others are drawn to the city’s vibrant tech environment.

With tech now making up nearly 25% of Bristol’s economy, the city attracts top companies and skilled professionals, driving demand for high-quality office spaces that meet sustainability and connectivity standards. High demand and limited new developments reinforce Bristol’s status as a regional powerhouse and a prime investment location for long-term growth.

The office market appeals to both newcomers and established tech players seeking a regional presence. However, demand is shifting: companies increasingly seek flexible leases and hybrid-friendly spaces, potentially creating a two-tier market. Premium spaces with modern amenities are expected to command higher rents, while older or less adaptable properties may face rent pressures or prolonged vacancies.

Looking ahead, Bristol’s limited development pipeline may steer occupiers toward high-quality refurbished properties, further shaping the competitive landscape of the city’s office market. As competition for space intensifies, the focus on flexible, sustainable spaces will be critical in attracting top-tier tenants and securing future growth.

**Nurturing Innovation: How universities power Bristol’s tech workforce**

Bristol’s vibrant tech workforce is deeply connected to the city’s renowned educational and research institutions. With the University of Bristol, UWE Bristol, University of Bath, and Bath Spa University, the region benefits from each university’s distinct strengths, which collectively drive Bristol’s reputation as an innovation hub and attract tech talent from across the UK and beyond. Indeed, the tech sector is at the heart of Bristol’s startup ecosystem, with the region recently being named the UK’s fourth-best city for tech recruitment. In fact, 20% of graduates retained in Bristol work in science and tech, 54% higher than the UK average.

These universities host prominent research groups like the Bristol Robotics Laboratory, the Institute for Advanced Automotive Propulsion Systems (IAAPS), and Future Space. Partnered with networks such as SETSquared—a leading university incubator—these groups have supported startups and driven impactful projects in close collaboration with the tech sector. However, many advocate for even deeper integration between universities and industry to unlock the full potential of these relationships.

As crucial players in economic development, universities also have a direct impact on regional prosperity. The University of Bristol’s new Temple Quarter Enterprise Campus, opening in September 2026, exemplifies this impact. Situated in the city centre, this campus will unite academic, industrial, and entrepreneurial expertise, creating a space dedicated to teaching, research, and innovation. It will accommodate around 300 enterprise partners, including local SMEs and international firms, fostering daily interactions with students and academics. This collaborative environment will help transform cutting-edge research into real-world solutions, strengthening Bristol’s position as a tech and innovation leader.

With this talent pipeline and vibrant ecosystem, Bristol continues to attract companies eager to be near skilled graduates and tech startups, making it a sought-after location for innovation-driven enterprises.

The city’s thriving office market appeals to both new companies and established tech players seeking a regional presence



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