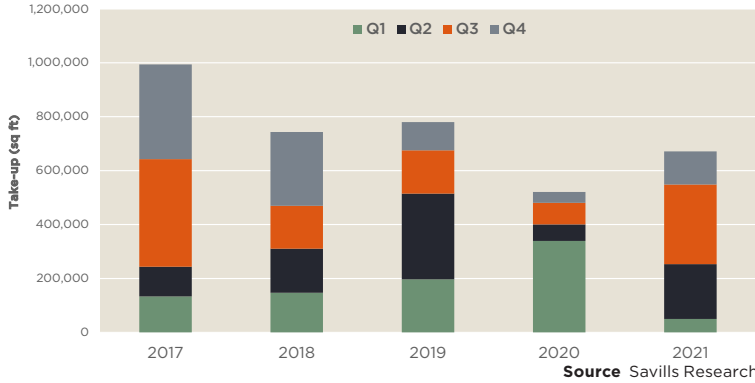


Birmingham Occupational Office Data Q4 2021



Birmingham Office Market Round-Up

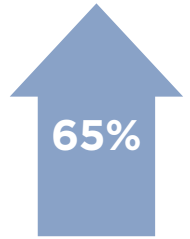
Take-up



Q4 2021 take-up, totalling 122,443 sq ft, was 59% below the previous quarter's total. This was however 203% higher than the total take-up for Q4 2020.

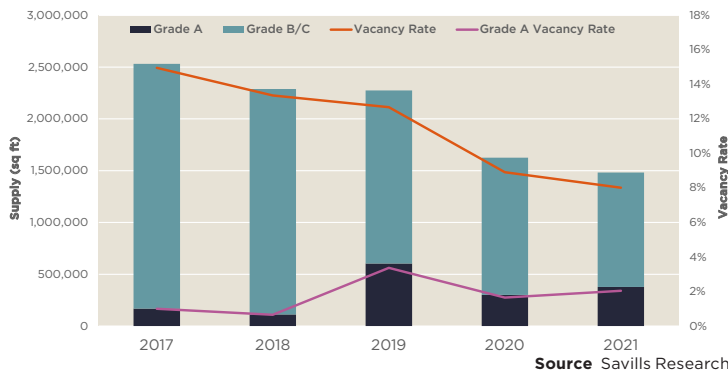
Grade A take-up of 106,637 sq ft accounted for 87% of total take-up in Q4. The total annual take-up increased by 29% in 2021, but still remained 9% below the 5-year annual average for Birmingham City Centre.

Take-up and supply Key data points



H2 2021 take-up represented a 65% increase on H1 2021

Supply



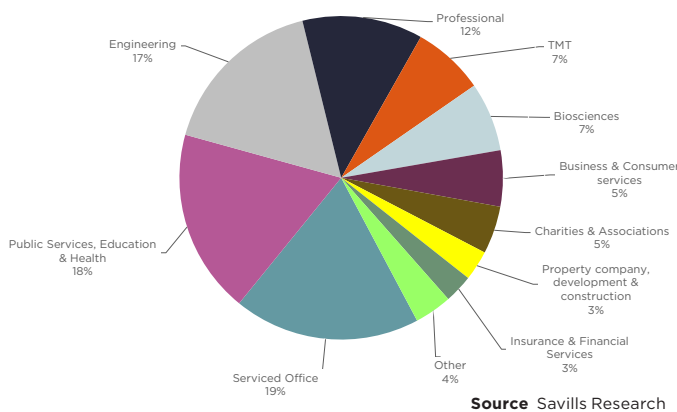
Total supply decreased by 8% in the final quarter of the year to 1,482,522 sq ft. This follows the trend of falling supply in Birmingham City Centre. Availability has decreased in every year since 2010.

Prime Grade A supply increased this quarter by 42% to 377,322 sq ft. This is a result of the inclusion of 103 Colmore Row following practical completion in December 2021.



Total vacancy rate has decreased in every year since 2017

Take-up by business sector



The 'Serviced Office' sector was the most active sector this year accounting for 19% of overall take-up. This was boosted by the 41,000 sq ft letting with new flex space operator x+why at Six Brindleyplace.

The take-up by 'Insurance and Financial Services' declined this year, recording 3% take-up in 2021 which was 5% down on the sector's 2020 share.

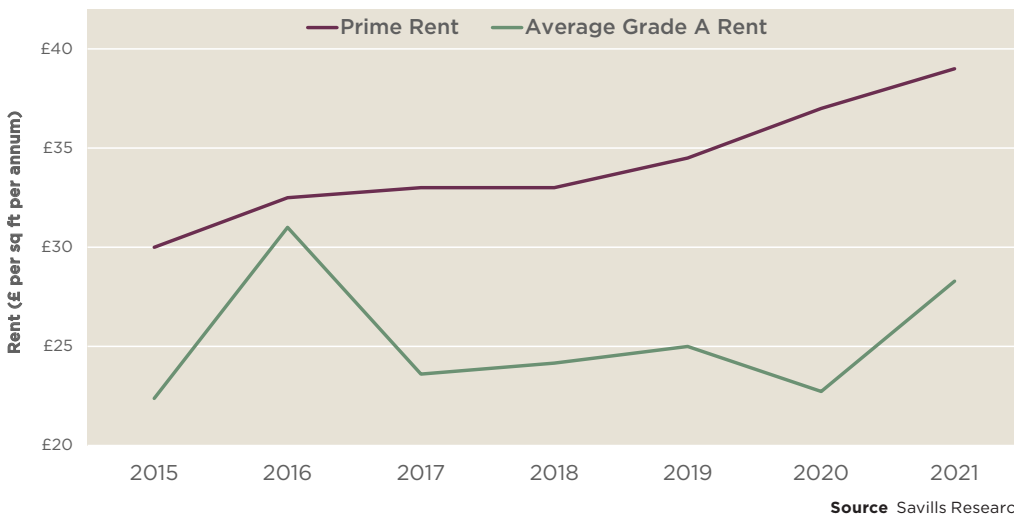


Birmingham prime rents reached £39 per sq ft in 2021



Prime Grade A headline rents increased three times in H2 2021

Rents



Prime rents increased by 5.4% in 2021 and currently stands at £39 per sq ft. Furthermore, the prime rent in the market has increased by 18% since 2017. Equally, average Grade A rents have increased significantly over the past 6 years. The average Grade A rent in 2021 was £23 per sq ft, representing 2.2% increase on 2020 and 7.3% on 2019.

Drivers For Growth



12%

Expected GVA growth in Birmingham over the next 5 years



4%

Expected office-based employment increase in Birmingham over the next 5 years



9,000

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

Source: Oxford Economics

Key Market Data

	Data	Year-on-Year Change
Take-Up 2021 (sq ft)	671,111	+29%
Grade A Take-Up 2021 (sq ft)	489,777	+10%
Average Deal Size (sq ft)	7,541	+55%
10-Year Average Annual Take-Up (sq ft)	707,034	-
5-Year Average Annual Take-Up (sq ft)	734,041	-
Q4 Supply (sq ft)	1,482,522	-9%
Q4 Prime Grade A Supply (sq ft)	377,322	+25%
Years of Supply*	2	-9%
Prime Rent	£39	5.4%

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

Source: Savills Research

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