Slough experienced strong levels of occupier demand in 2018 with 299,000 sq ft transacted and was the highest level since 2005. This was a 191% increase on 2017 and 169% above the long-term average. The high levels of take-up were driven by Slough Borough Council purchasing 25 Windsor Road which comprises 110,000 sq ft for their own occupation. Furthermore, Stanley Black & Decker, Orange and Indivior all each leased over 20,000 sq ft in 2018 highlighting the corporate demand present in the market. At the end of Q1, only 9,429 sq ft has been transacted in Slough. The new developments in the town centre and at Bath Road Central have experienced good levels of demand. Slough has the highest concentration of global headquarters outside of London and these occupiers are loyal to the town and willing to upgrade their current office space and pay higher rents in order to remain in Slough. This was exemplified by the three aforementioned deals with each occupier previously being based in Slough and they have committed their long-term future to the town. The theme of existing occupiers in the town, upgrading their office space has continued into 2019 with Page Group leasing 9,429 sq ft at LaSalle Investment Management’s The Switch. They are relocating from Wellington House. There was a rise in activity from serviced office operators in Slough in 2018 with four new centres opening. Citibase, Central Working, Spaces and Orega all opened new centres totaling a combined 83,000 sq ft, which accounted for 28% of all market take-up in 2018. Supply in the market is at its lowest level since 2000 with 578,000 sq ft of all grades currently available. It is expected that supply will continue to fall in the market as there is currently no speculative development taking place and there are limited office development sites in the town centre. The specification of the new developments delivered in the current cycle is unprecedented in Slough. These new buildings have attracted both existing occupiers and inward movers to Slough.

**Slough Take-Up**

Take-up in 2018 was 191% above 2017 and 169% above the long-term average.

**Key Occupational Deals**

- **Slough Borough Council**
  - 109,000 sq ft
  - 25 Windsor Road
- **Stanley Black & Decker**
  - 47,000 sq ft
  - 270 Bath Road
- **Spaces**
  - 32,000 sq ft
  - The Porter Building
- **Orange**
  - 22,000 sq ft
  - The Porter Building
- **Indivior**
  - 21,000 sq ft
  - 234 Bath Road

**Occupational Overview**

Slough is a key office centre in the Thames Valley with corporate demand present in 2018 and set to continue in 2019.

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**The high specification of the new developments delivered in the current cycle is unprecedented in Slough. These new buildings have attracted both existing occupiers and inward movers to Slough.**

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**SLOUGH KEY STATS**

**Data for deals and supply above 5,000 sq ft**

**Take-Up**

- **299,000 sq ft**
  - Transacted across 10 deals in 2018

**Supply**

- **578,000 sq ft**
  - 38% of the available space is classified as grade A

**Development Pipeline**

- **0 sq ft**
  - There are currently no new schemes under construction

**Prime Rents**

- **£36.00 psf**
  - This rent was achieved at The Porter Building

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**The high specification of the new developments delivered in the current cycle is unprecedented in Slough. These new buildings have attracted both existing occupiers and inward movers to Slough.**
After very strong demand in 2018, we expect take-up to be more in line with the long term average. The above average demand from the serviced office sector is unlikely to be replicated in 2019.

Corporate demand is set to continue in Slough in 2019. AkzoNobel are set to be active in the market.

We expect premium rents on smaller deals in 2019. Yitu paid £37.50 per sq ft at The Porter Building in 2018 where they leased 4,749 sq ft which was a record headline rent for the Slough market.

The telecoms industry is strong in Slough with Orange, O2 and HTC all headquartered in the town. Three Chinese technology companies have recently opened new offices in Slough these are Yitu, Oppo Mobile and ZTE. There could be further activity from the sector in 2019 as the sector seeks to realise potential synergies by clustering together.

Occupiers are loyal to Slough as they are attracted by the fast connections to central London, and the ability to recruit from a highly skilled talent pool. This provides a continued opportunity for investors to buy existing stock with asset management potential and take advantage of the current supply shortage.

Office based employment is forecast to increase by 7.7% in Slough in the next five years.
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