

UNITED KINGDOM

COLLIERS OFFICE

MARKET COMMENTARY

AUTUMN 2018



OFFICE MARKET CONDITIONS	MANCHESTER	LEEDS	BRISTOL	BIRMINGHAM	EDINBURGH	GLASGOW	M25	DUBLIN	BELFAST
Corporate office occupier confidence	▲	▲	▬	▲	▬	▬	▬	▲	▲
Demand sub 5,000 sq ft	▲	▲	▲	▬	▬	▬	▲	▲	▲
Demand over 20,000 sq ft	▲	▲	▬	▲	▲	▲	▲	▬	▲
Occupiers thinking of moving	▲	▲	▬	▬	▬	▬	▲	▬	▲
Occupiers thinking of upsizing	▲	▲	▬	▲	▬	▬	▬	▲	▲
Occupiers doing neither but thinking about remaining on a lease re-gear	▲	▬	▬	▼	▲	▲	▬	▬	▬
Institutions showing more interest in refurbishment	▲	▲	▲	▲	▲	▲	▲	▬	▬
Institutions showing more interest in direct development	▲	▲	▲	▲	▲	▲	▬	▬	▬
Alternate use as the owner sees no future as office building	▲	▬	▬	▼	▲	▬	▼	▬	▼
Occupiers doing more desk share	▲	▲	▬	▲	▲	▲	▲	▲	▲
Occupiers actively encouraging a work from home policy	▬	▬	▬	▬	▲	▲	▲	▲	▲
City centres are increasingly the focus for office demand	▬	▲	▲	▲	▲	▲	▬	▲	▲
Business parks are for the increasing few to whom it suits	▼	▬	▬	▬	▲	▲	▬	▬	▬
Out of centre will become the campus for the major corporate	▬	▬	▬	▼	▬	▲	▲	▬	▬
Govt demand still discussed	▲	▲	▼	▬	▲	▲	▼	▲	▲
Demand from AsiaPac companies	▬	▲	▬	▬	▲	▬	▬	▬	▬
Owner occupation demand as preferred	▬	▬	▬	▬	▬	▬	▲	▬	▼
Leasing demand as preferred	▬	▲	▬	▬	▲	▲	▬	▬	▲

Demand up ▲ Demand down ▼ Demand flat ▬

WHO'S IN THE MARKET?

GLASGOW

- HMRC
- J.P. Morgan
- Scottish Ministers
- Virgin
- WeWork

BELFAST

- BE Offices
- Citi
- Deloitte
- Kainos
- PA Consulting
- PWC

MANCHESTER

- Atkins
- Balfour Beatty
- Channel 4
- Fieldfisher
- General Medical Council
- Key Travel
- Lonza Pharmaceuticals
- Lowell Finance
- Moneysupermarket
- NHS North West
- The Office Group
- WeWork

DUBLIN

- Amazon
- Central Bank
- DocuSign
- Facebook
- Google
- HubSpot
- Intercom
- OPW
- Salesforce
- Slack
- WeWork

BRISTOL

- Ashfords
- EDF
- ForrestBrown
- JLT
- Orega
- Regus
- St. James's Place Wealth Management
- Stirling Dynamics

EDINBURGH

- Centrica
- HSBC
- Pinsent Masons
- Spaces
- The Office Group
- WeWork

LEEDS

- AECOM
- Atkins
- Channel 4
- Deco
- DLA Piper
- Hays Recruitment
- Link Asset Services
- O2
- Regus
- White Young Green
- William Hill

BIRMINGHAM

- Adecco
- Channel 4
- Countryside Homes
- Curvature
- General Dental Council
- GKN
- Inspired Gaming
- Personal Touch Financial Services
- SIPP Education
- Taylor Wimpey
- Wolseley

M25

- Allianz (Petplan)
- Axa (Swiftcover)
- Hitachi Europe
- Honeywell
- KPMG
- Maersk
- Samsung
- Xerox



SOUND BITES



I spend a lot of time thinking about common areas. Historically companies or buildings would have had a nice polished reception, the kind where the chief executive would have walked in and thought, this is a space to be proud of. But I think receptions need to be vibrant places, people need to walk in and feel they are coming somewhere exciting, somewhere that reflects their purpose, interests, health and well-being.

Carissa Kilgour
February 2018



According to an HqO report, tenants are unsatisfied with their current amenities. This can largely be attributed to a lack of understanding – landlords do not offer adequate or enough amenities, while others overcompensate with extreme offerings that do not fit the tenant profile.

HqO
March 2018



A new study shows that the number one argument for the open office, increased collaboration, is wrong. Converting traditional offices with walls and doors and separation into open-plan offices causes face-to-face interaction to plummet, not rise. People try to shield their attention (and sanity!) by retreating into headphone-clad cocoons, and instead rely on instant messaging or email to interact.

Signal v Noise
July 2018



If the old paradigm of an office building or a headquarters was processing tasks, like a factory, the new paradigm is unlocking people's creative potential, like a university. That's a big shift. It's not about fixing space to suit efficiencies and desk ratios, but creating flexibility around where and when people do their work, both inside and outside of the building.

Gensler
Dialogue 28



A rival to WeWork has leased more buildings in New York City than its SoftBank-backed competitor. Knotel, which has raised \$100m from technology and real estate investors, provides flexible offices aimed at mid-sized businesses, with the companies own brands – rather than Knotel's – over the door.

Financial Times
October 2018



We often think we should be designing office space for the younger generation, but this study of 250,000 employees surveyed found that the older employees had the more complex work activities. The reality is that the under 25 demographic (global) represents just 4.4% of the workforce and have the lowest activity complexity. Collectively, the 35-44 and 45-54 age groups record the highest activity complexities – meaning they have the greatest need for dynamic workplace infrastructure.

Facility Executive
May 2018



As retailers work to reinvent themselves amid a shifting environment, it is presenting new opportunities for office occupiers. While many of these big-box players still want to operate on main floors where shoppers can easily view and purchase products, the need to showcase items on higher levels has decreased. This shift has left available space for new offices.

Wall Street Journal
February 2018



Assets with great sustainability credentials. As perceptions about environmental change continue to shift, more governments and large corporations are putting in place strict sustainability criteria about the buildings they can and can't lease. The most sustainable buildings will be able to attract these large, stable tenants.

UBS
June 2018



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