



# BRISTOL OFFICES SNAPSHOT

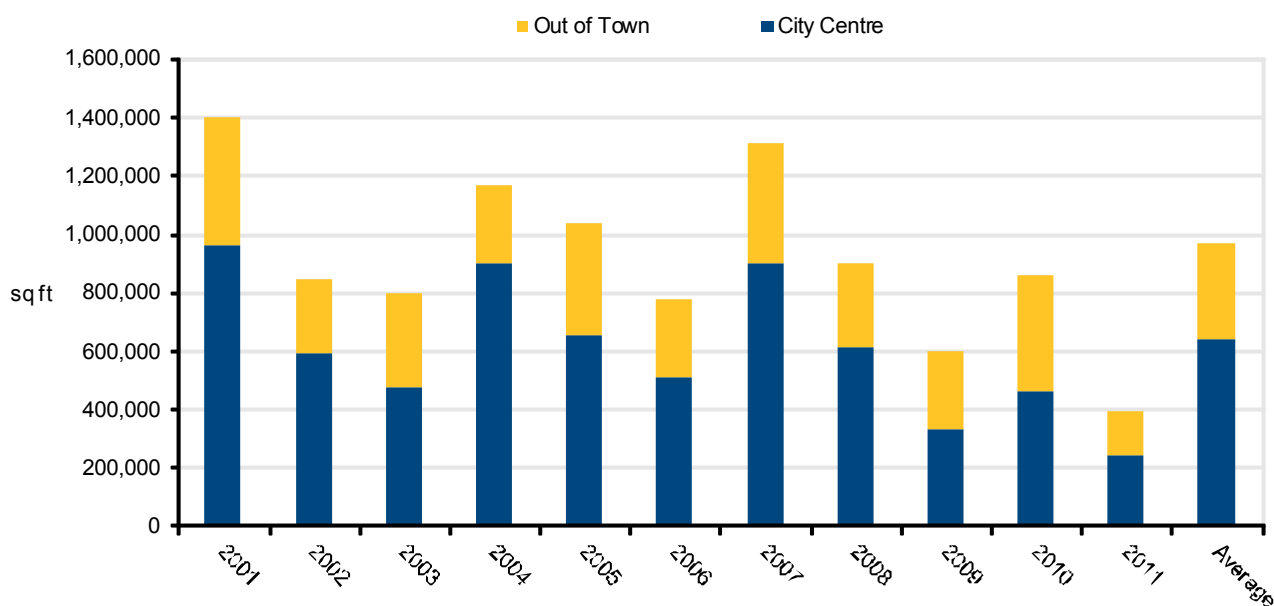
## Overview

- The first half of the year has seen city centre take-up on a par with 2010 (see **Figure 1**), but the out-of-town market has struggled, with a pronounced lack of larger transactions. After a strong first quarter, total take-up in Q2 (in- and out-of-town) fell by 31% to just under 160,000 sq ft.

## City Centre

- City centre take-up totalled 81,725 sq ft, down by 49% on the previous quarter, but up 18% on the same quarter of 2010.
- Q2 had only two transactions over 10,000 sq ft, as opposed to four in Q1, totalling just less than 75,000 sq ft.
- The largest transaction in Q2 was the letting to Triodos Bank of 27,221 sq ft at Westmarks' West One, Deanery Road. The Triodos deal was the only Grade A letting in the city centre this quarter, compared to three in the first quarter.
- Grade A quoting rents remain static at £27.00-£28.00 psf with deals being agreed marginally below these levels and with significant incentives (up to three months per year of term certain).
- Good Grade B still sits at £18.00-£20.00 psf with poorer Grade B static at around £10.00 psf.
- The smaller end of the market (1,000-3,000 sq ft) has improved over H1 2010, with almost 75% more space let (see **Figure 2**).
- Demand remains diverse but the financial sector was relatively dominant during the first half of 2011.

FIGURE 1: BRISTOL OFFICES TAKE-UP

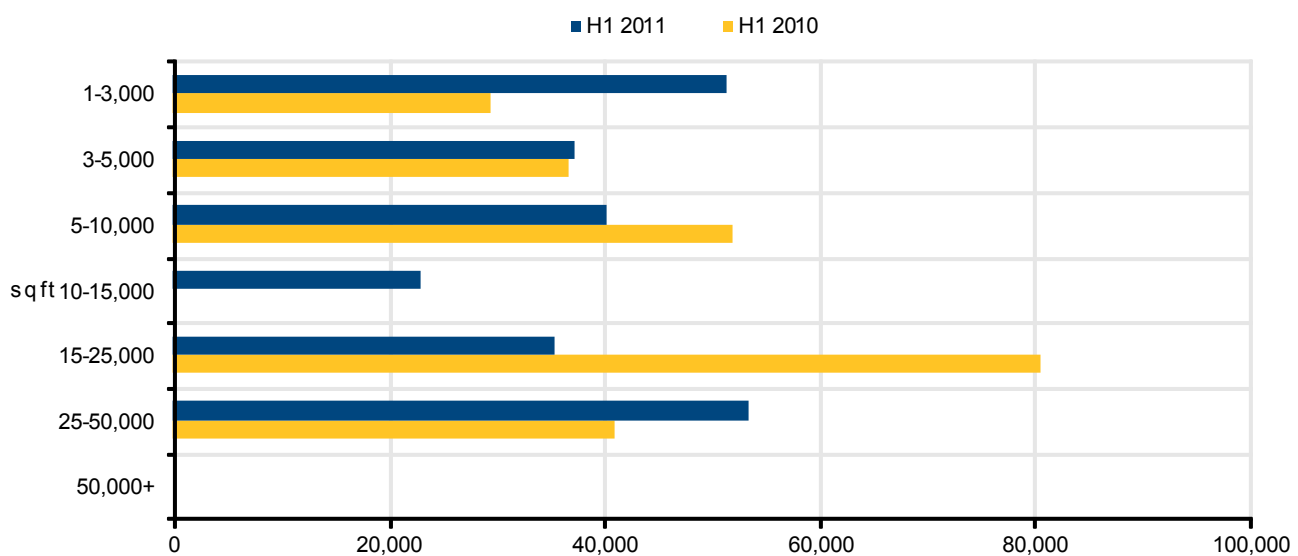


Source: Colliers International

## Out-of-town

- Out-of-town take-up totalled 77,883 sq ft in Q2 2011, up 8% on the previous quarter, but down by 35% on the same quarter of 2010.
- Grade A lettings made up 27,823 sq ft (36%) of the total and included the largest letting of the quarter to Brightside Group at Lysander House (18,796 sq ft), plus three lettings at Brabazon Office Park, Filton.
- Compared with the first half of 2010, take-up out-of-town is 40% lower. This was mainly due to a lack of transactions above 15,000 sq ft.
- Grade A quoting rents remain at £20.00-£22.00 sq ft with many Grade B quoting between £12.00-£15.00 psf.
- The smaller end of the market mirrors the city centre picture with take-up under 5,000 sq ft up by 26% compared to 2010.
- The better quality buildings have performed relatively well, as was the case in 2010.

FIGURE 2: BRISTOL CITY CENTRE TAKE-UP BY SIZE BAND H1 2010 VS H1 2011



Source: Colliers International

## Summary

- The city centre has followed the same pattern as 2010 with a strong first quarter followed by a much reduced level of take-up in the second quarter.
- The sub 5,000 sq ft markets have performed significantly better in both out-of-town and city centre markets compared to 2010, but overall the market has not kept pace with last year.
- Grade A buildings have contributed considerably to the figures but with the lack of supply going forward, this may boost the take-up of some of the large amount of Grade B stock currently available.

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