



BIRMINGHAM OFFICE MARKET Q3 2019

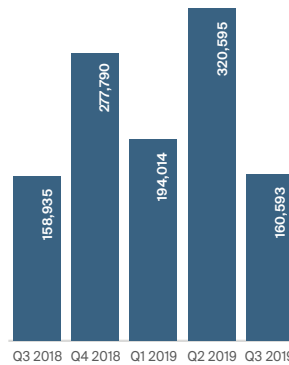


OCCUPIER HEADLINES

- Occupier activity slowed in Q3 2019, totalling 160,593 sq ft, a 50% decrease compared to the previous quarter. However, the total for 2019 (Q1 - Q3) reached 675,202 sq ft, the largest level of take-up for this time period since 2015 and 41% more when compared to the first three quarters of last year.
- The standout deal saw the Secretary of State (GPA) lease 110,780 sq ft at Platform 21. This will be the second hub the government opens in Birmingham. This boosted Public Sector take-up to 69% of the market total.
- Grade A availability more than doubled in Q3 reaching 322,500 sq ft, 13% below the 10 year quarterly average. The market is set to see a total of 624,000 sq ft of new office space added by year-end, with completions at 3 Snowhill and Two Chamberlain Square.
- Headline rents increased to £35.00 per sq ft in Q3 2019 before year-end.

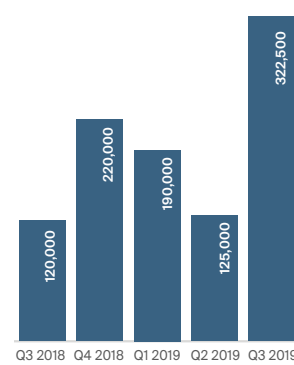
TAKE-UP* (sq ft)

Q3 2019 **160,593**
Q3 2019 vs 10 year quarterly average **-11%**

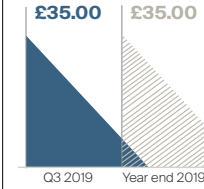


AVAILABILITY (sq ft)

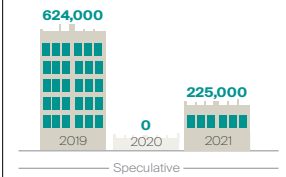
Q3 2019 **322,500**
Q3 2019 vs 10 year quarterly average **-13%**



PRIME RENT (£ per sq ft)



DEVELOPMENT PIPELINE (sq ft)



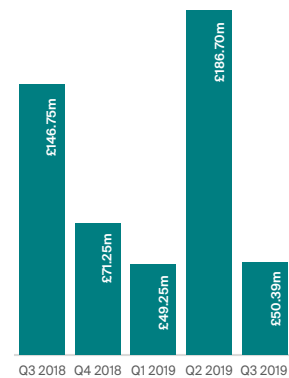
Dates indicate the potential completion date of schemes under construction as at Q3 2019. Development schemes are inclusive of both new and comprehensive refurbishment.

INVESTMENT HEADLINES

- Office investment volumes totalled £33.55m in Q3 2019, 68% below the 10 year average. As a result the total for 2019 reached £269.50m, 20% higher when compared to the same time last year.
- The largest transaction was the sale of 8 Cherry Street to Longmead Capital LLP for £19.1m. The second largest transaction was the acquisition of 60 Church Street for £16.8m by Topland Group. Currently let to Bruton Knowles, The Economist and BusinessLive publisher Reach Midlands.
- Overseas investment accounted for 52% of total volumes in Birmingham city centre for the last 12 months.

INVESTMENT VOLUMES (£)

Q3 2019 **£50.39m**
Rolling 12 month average **£357.60m**

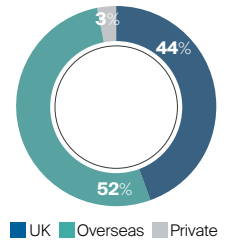


PRIME YIELD (NIY)

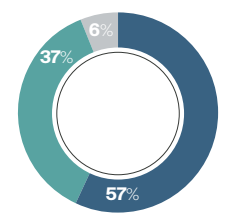
Q3 2019 **5.00%**
Forecast 2019 **5.00%**



PURCHASERS (last 12 months)



VENDORS (last 12 months)



KEY TRANSACTIONS



PLATFORM 21, STEPHENSON STREET

TENANT: Secretary of State (GPA)
TERM: 15 years
SIZE: 110,780 sq ft
RENT: £23.00 per sq ft
DATE: Q3 2019



5-6 GREENFIELD CRESCENT, EDGBASTON

TENANT: Haines Watts
TERM: N/A
SIZE: 6,846 sq ft
RENT: N/A
DATE: Q3 2019



BANK HOUSE, CHERRY STREET

PURCHASER: Longmead Capital LLP
VENDOR: Undisclosed
PURCHASE PRICE: £19.10M
YIELD: 5.82%
DATE: Q3 2019



60 CHURCH STREET

PURCHASER: Topland Group Plc
VENDOR: Catalyst Capital
PURCHASE PRICE: £16.84M
YIELD: 6.75%
DATE: Q3 2019

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