BRISTOL
OFFICE MARKET Q2 2019

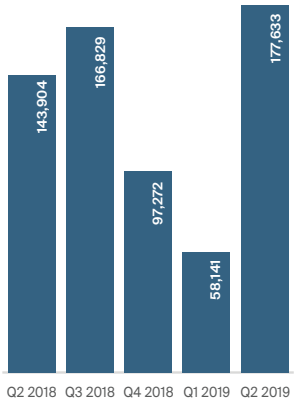
Knight Frank

OCCUPIER HEADLINES

- Despite wider political uncertainty, take-up in Q2 registered a healthy 177,633 sq ft. Take-up for the year-to-date rose to 235,774 sq ft as a result. This is 12% less than recorded at the same time last year.
- Take-up was dominated by serviced office operators, with four acquisitions in total, three of which were the largest deals of the quarter. Clockwise Serviced Offices and Spaces took 30,611 sq ft and 26,500 sq ft at The Generator Building and the Programme, respectively.
- Consequently the B2B sector accounted for 48% of take-up, with the TMT sector most active with 12 deals completed. Demand for 'quirky' space continues unabated with Channel 4 and Historic England joining Outlaw in securing space at the Fermentation Buildings, prior to practical completion.
- New grade A supply remains restricted with just 15,600 sq ft at Aurora. Both The Distillery and Assembly are currently under construction and due to complete in 2020.

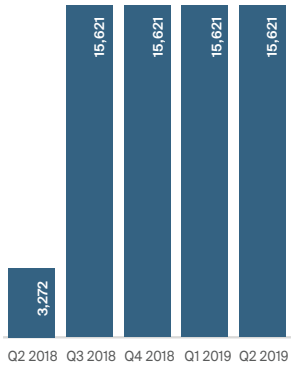
TAKE-UP*
(sq ft)

Q2 2019	**177,633**
Q2 2019 vs 10 year quarterly average	**39%**



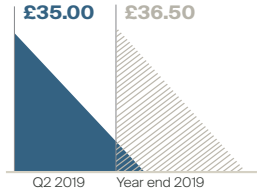
AVAILABILITY*
(sq ft)

Q2 2019	**15,621**
Q2 2019 vs 10 year quarterly average	**-92%**

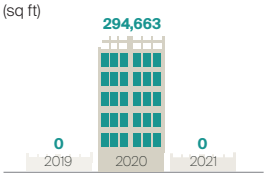


*New & Grade A speculative space only

PRIME RENT
(£ per sq ft)



DEVELOPMENT PIPELINE
(sq ft)



Dates indicate the potential completion date of schemes under construction as at Q2 2019

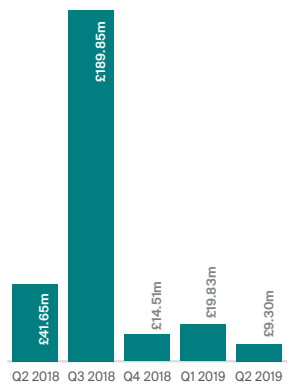
Development schemes are inclusive of both new and comprehensive refurbishment.

INVESTMENT HEADLINES

- Although investor interest remains high, transactional activity has been limited in 2019. Investment volumes in Q2 were £9.30m meaning the total for the H1 period increased to £29m.
- Whilst investment volumes for H1 2019 were low, we expect Q3 to be a far stronger quarter with over £110m of deals completing by the end of September.
- The sale of St James Court for £9.3m to Scotsgrove, a UK private investment company was the only transaction of Q2. The building includes a number of different tenants including BNP Paribas Leasing Solutions and business recovery firm Begbies Traynor.
- Domestic investment continues to dominate Bristol's office market accounting for 79% of investment volumes in the last 12 months.

INVESTMENT VOLUMES (£)

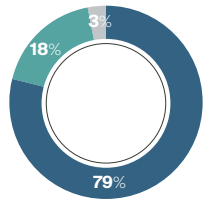
Q2 2019	**£9.30m**
Rolling 12 Month Average	**£233.50m**



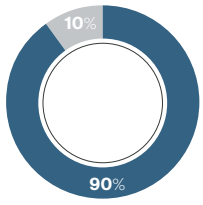
PRIME YIELD
(NIY)

Q2 2019	**4.75%**
Forecast 2019	**4.75%**

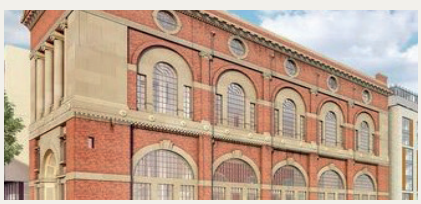
PURCHASERS
(last 12 months)



VENDORS
(last 12 months)

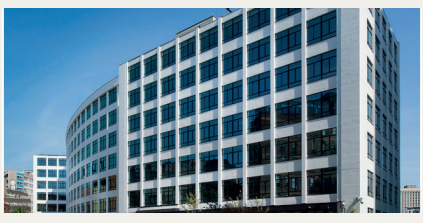


KEY TRANSACTIONS



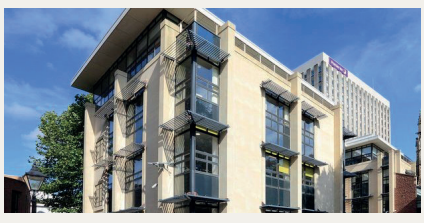
THE GENERATOR BUILDING, FINZELS REACH

TENANT: Clockwise Serviced Offices
TERM: Freehold Sale
SIZE: 30,611 sq ft
RENT: Confidential
DATE: Q2 2019



PROGRAMME

TENANT: Spaces
TERM: Confidential
SIZE: 26,500 sq ft
RENT: Confidential
DATE: Q2 2019



ST JAMES COURT

PURCHASER: Scotsgrove
VENDOR: Kames Capital
PURCHASE PRICE: £9.3m
YIELD: 6.50%
DATE: Q2 2019

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