

Updated quarterly, our dashboards provide a concise synopsis of activity in UK's regional office markets.



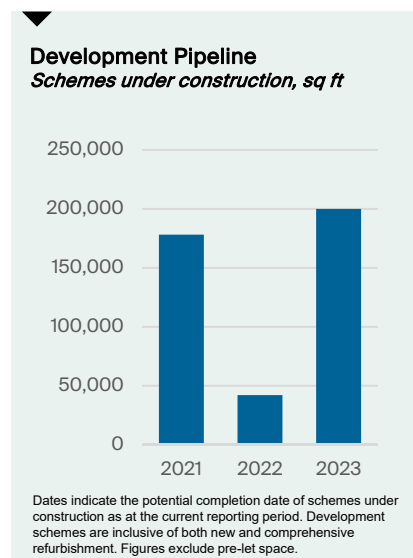
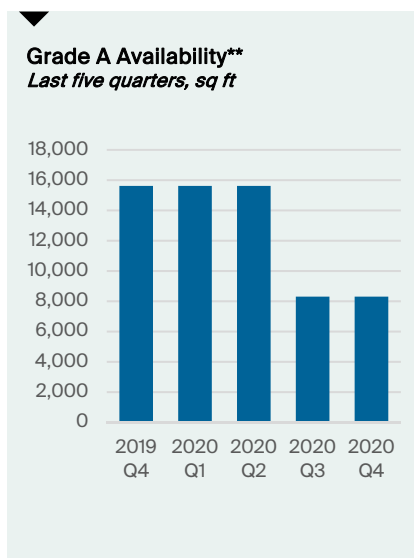
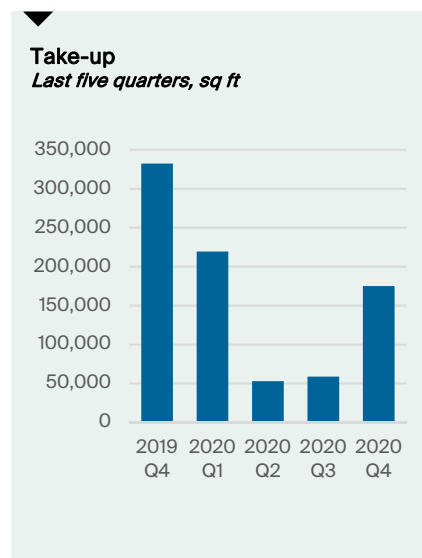
Bristol Office Market

knightfrank.com/research

Research, Q4 2020

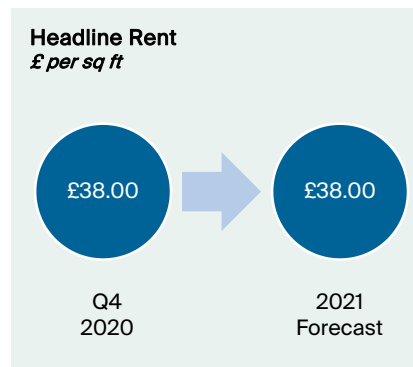
OCCUPIER DEMAND	TAKE-UP (SQ FT) 175,106	NUMBER OF DEALS 24	MOST ACTIVE SECTOR 36% Finance
OCCUPIER SUPPLY	GRADE A AVAILABILITY (SQ FT)** 8,309*	VACANCY RATE (TOTAL MARKET) 4.8%	UNDER CONSTRUCTION (SQ FT) 703,790 Pre-let and Speculative

Note: All figures are city centre
Note: ** New space only



KEY TRANSACTIONS

Building	Occupier	Size (sq ft)
3rd, 4th and 5th Flrs, Trinity Quay	DAS UK	37,828
Pt 3rd, 4th + 5th Flrs, One Glass Wharf	Jacobs UK Limited	35,291
2nd + 3rd Flrs, 33 Bristol	Orega Management Limited	22,734
Grnd + 1st Flrs, One Portwall Square	AHMM	8,567



INVESTMENT ACTIVITY

VOLUMES £M
£142m

QTR vs 10yr AVERAGE
+110%

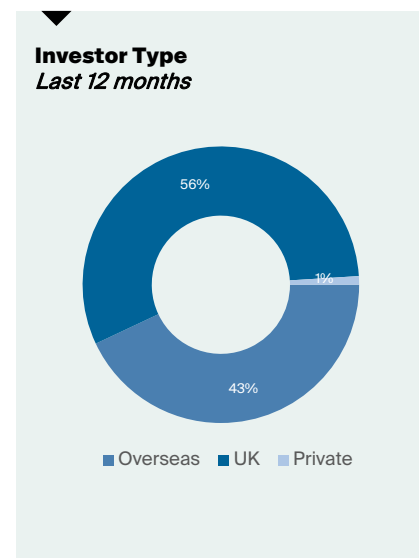
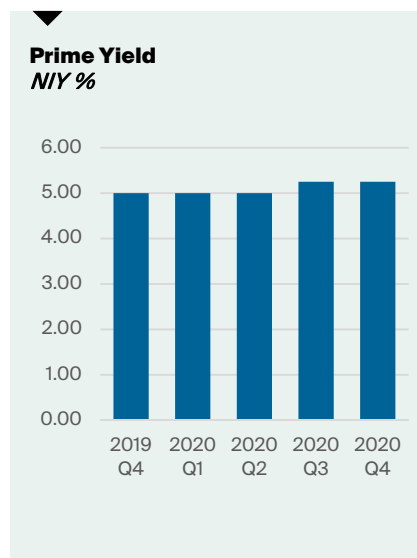
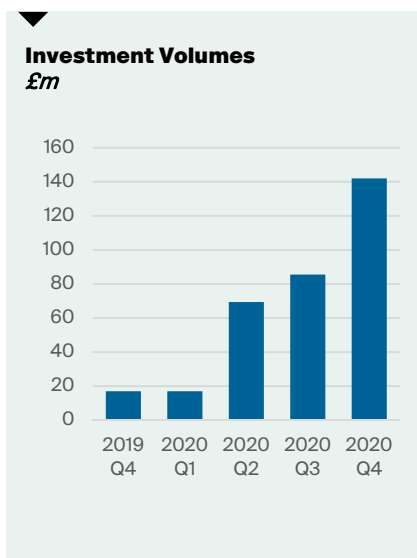
NUMBER OF DEALS
3

YIELDS

PRIME CITY CENTRE
5.25%

PRIME OOT
6.25%

FORECAST TOTAL RETURN
5.1% (PA 2020-2024)



Summary

Although additional Covid restrictions punctuated the final quarter of 2020, occupier activity registered an increase underpinned by pent up demand and positive news regarding Covid vaccines. Office take-up was 175,010 sq ft, 21% above the 10-year quarterly average. The strong final quarter meant that total take-up for the year rose to 506,200 sq ft. While this is 13% below the 10-year annual average, this represents a positive market performance given the obstacles to activity in 2020.

Similarly, the practicalities of conducting due diligence also hindered investors through 2020. Even so, investment volumes in Q4 were £142m across three deals, meaning the total for 2020 increased to £312m. This total is 16% above the 10-year annual average.

Whilst the pandemic continues to undermine confidence and limit office market activity, business strategies focussed beyond the crisis are beginning to enter the market. Importantly, both occupiers and investors are starting to take a long-term view, particularly with regard to better quality space. Despite market challenges, prime rents moved on in 2020. Competitive pressure for the best in class offices could see further movement in 2021.

KEY TRANSACTIONS

Building	Price £m	Buyer	Vendor
Assembly	Circa £134m	LCN Capital Partners	AXA IM
2410 Aztec West	£4.64m	Regional REIT	M7/Colony Capital
230 Bristol Business Park	£3.47m	Wesleyan Assurance	BMO UK Property Fund

We like questions, if you have one about our research, or would like some property advice, we would love to hear from you.



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