

# Birmingham Office Market

## Research, 2019 Review



### OCCUPIER DEMAND

TAKE-UP (SQ FT)  
**780,095**  
6% ABOVE 10 YEAR AVERAGE

NUMBER OF DEALS  
**116**

MOST ACTIVE SECTOR  
**30%**  
B2B



### OCCUPIER SUPPLY

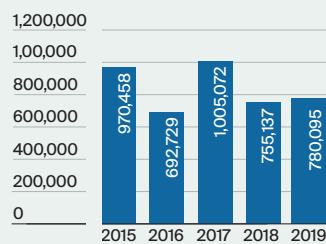
GRADE A AVAILABILITY (SQ FT)  
**125,000**

TOTAL MARKET VACANCY RATE  
**6.8%**

UNDER CONSTRUCTION (SQ FT)  
**2.1M**  
PRE-LET AND SPECULATIVE

#### Take-up

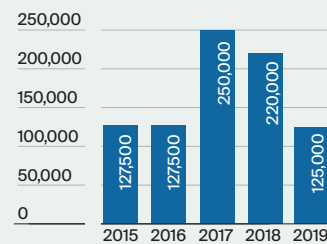
Last five years, sq ft



Source: Knight Frank Research

#### Grade A Availability

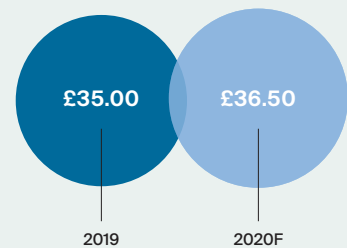
Last five years, sq ft



Source: Knight Frank Research

#### Prime Rent

£ per sq ft



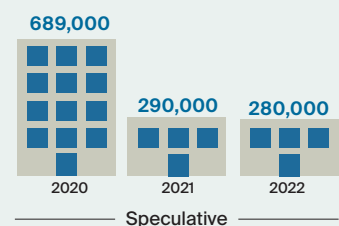
Source: Knight Frank Research

#### KEY TRANSACTIONS 2019

PROPERTY	OCCUPIER	SIZE (SQ FT)
Platform 21, Stephenson Street	Secretary of State (GPA)	110,780
6 Brindleyplace	WeWork	92,670
Louisa Ryland House, Newhall Street	WeWork	81,280
One Brindleyplace	Commonwealth Games	72,261

#### Development Pipeline

Schemes under construction sq ft



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

Source: Knight Frank Research



## INVESTMENT VOLUMES

INVESTMENT VOLUMES (£M)

**628**

VS 10 YEAR AVERAGE

**38%**

NUMBER OF DEALS

**16**



## YIELDS

PRIME CITY CENTRE

**5.00%**

PRIME OOT

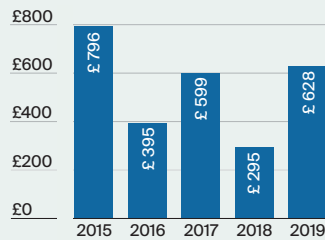
**6.25%**

FORECAST TOTAL RETURN 2020

**5.00%**

### Investment Volumes

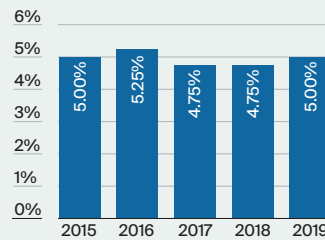
Last five years, £ millions



Source: Knight Frank Research

### Prime Yield

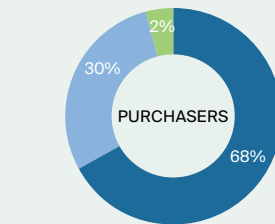
Net yield, %



Source: Knight Frank Research

### Investor Type

UK Overseas Private



Source: Knight Frank Research

## 2020 OUTLOOK

Activity in 2019 was heavily blighted by political uncertainty, the continuing stagnation caused by the discussion on Brexit and a looming election. What we have seen since is a sense of relief and optimism in the market. The sentiment looks set to resonate into Birmingham. Appetite for the city was already healthy on the back of much publicised infrastructure projects. However lack of stock has meant that the pent up demand wasn't being satisfied quickly enough. We anticipate some sales coming on the back of major lettings as and when they occur as well as there being some funding opportunities to unlock sites.

### KEY TRANSACTIONS 2019

PROPERTY	PRICE (£M)	YIELD (%)	PURCHASER	VENDOR
Mailbox, Commercial St	189	6.50	M7 Real Estate	Brockton Capital LLP
Priory Court/ Lewis Building	149	5.60	Gulf Islamic Investments	Legal & General Property
Church Street, 45	61	5.32	Royal London Asset Man	Aberdeen Standard Invest
Edmund Street, 120	48.75	6.10	Credit Suisse	M&G

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



#### Ashley Hudson

Partner, Office Head  
+44 121 233 6443  
ashley.hudson@knightfrank.com



#### Ben Wisher

Partner, Capital Markets  
+44 121 233 6456  
ben.wisher@knightfrank.com



#### Jamie Phillips

Partner, Occupier  
+44 121 233 6403  
jamie.phillips@knightfrank.com



#### Darren Mansfield

Partner, Commercial Research  
+44 20 7861 1246  
darren.mansfield@knightfrank.com

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