

Bristol Office Market

Research, 2019 Review



OCCUPIER DEMAND

TAKE-UP (SQ FT)
693,909
26% ABOVE 10 YEAR AVERAGE

NUMBER OF DEALS
107

MOST ACTIVE SECTOR
47%
TMT



OCCUPIER SUPPLY

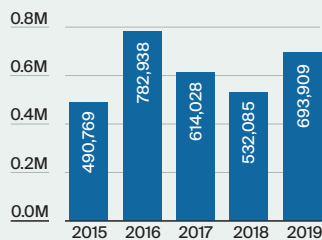
GRADE A AVAILABILITY (SQ FT)
15,621
NEW GRADE A

TOTAL MARKET VACANCY RATE
4.6%

UNDER CONSTRUCTION (SQ FT)
294,663
PRE-LET AND SPECULATIVE

Take-up

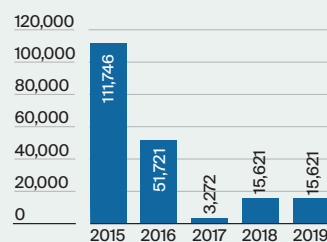
Last five years, sq ft



Source: Knight Frank Research

Grade A Availability*

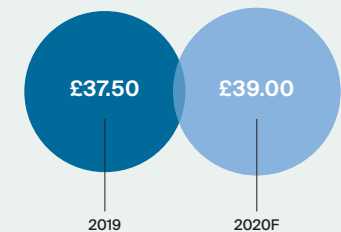
Last five years, sq ft



Source: Knight Frank Research
*New Grade A only

Prime Rent

£ per sq ft



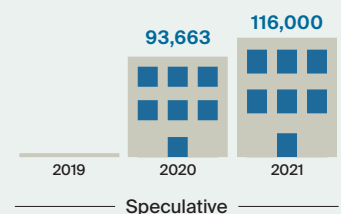
Source: Knight Frank Research

KEY TRANSACTIONS 2019

PROPERTY	OCCUPIER	SIZE (SQ FT)
Assembly	BT	200,742
The Generator Building, Finzels Reach	Clockwise Serviced Offices	30,611
Programme	Spaces	26,500
Temple Point	Instant Group	23,237

Development Pipeline

Schemes under construction sq ft



Dates indicate the potential completion date of schemes under construction as at the current reporting period.

Source: Knight Frank Research



INVESTMENT VOLUMES

INVESTMENT VOLUMES (£M)

304

VS 10 YEAR AVERAGE

-9%

NUMBER OF DEALS

22



YIELDS

PRIME CITY CENTRE

5.00%

PRIME OOT

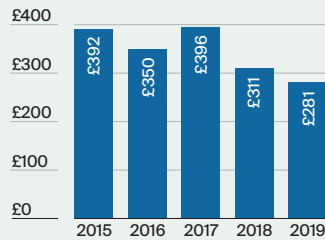
6.00%

FORECAST TOTAL RETURN 2020

8.90%

Investment Volumes

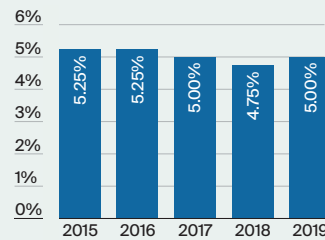
Last five years, £ millions



Source: Knight Frank Research

Prime Yield

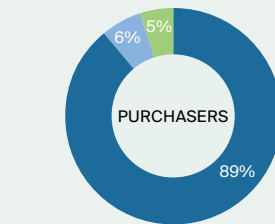
Net yield, %



Source: Knight Frank Research

Investor Type

UK Overseas Private



Source: Knight Frank Research

2020 OUTLOOK

Considering how volatile 2019 was, the Bristol occupational and investment markets did remarkably well. Offices saw over 330,000 sq ft leased up in the last quarter helped greatly by the BT deal at AXA / Bellhammer's The Assembly. Vacancy rate is close to a record low at 4.6% within only 92,000 sq ft currently under construction at Royal London's Distillery scheme at Glassfields. Prime office rents ended the year at £37.50 psf and we forecast further growth during 2020. Investment volumes were up against the average and overall the market is in good shape with more buyers than sellers. Regardless of your political leanings, the market has reacted positively to greater certainty around the UK's relationship with Europe and some much needed political stability.

KEY TRANSACTIONS 2019

PROPERTY	PRICE (£M)	YIELD (%)	PURCHASER	VENDOR
Temple Quay House	73.40	4.00	Alpha Real Capital LLP	M&G Real Estate
Kings Orchard, 1 Queen St	35	5.15	CCLA	Aviva Investors
Hartwell House, 55-61 Victoria St	28.15	5.18	Aberdeen Standard	Longwell Properties
Quayside, Temple Back	27.75	6.19	Legal & General UK PF	ERGO

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



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