



Exeter & Plymouth

Office
Market Report

Q4 2021



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Andrew Pearce Market Update



2021, the year after the pandemic, has seen a resurgence of demand in the Office Markets in Exeter and Plymouth.

After a year of the lowest take-up figures on record since my time in the market here in the South West we are seeing stronger demand as companies re – occupy their workplaces and re – set their home and office working policies.

As you would expect supply levels of vacant and available space has increased dramatically particularly in Exeter and Plymouth.

After a year of my new agency and consultancy business I have been encouraged by the bounce back that I predicted in my Q1 Office Market Report I issued in January of this year.

Transactions

It has been a great first year for Pearce Property Consultants and I can report some landmark statistics. I have been instrumental in the following:



Deals

So – a flight to quality is evidently a key criteria for corporates and local businesses and a reduction in floorspace occupied by some 30% to 50%, lower desk ratios and more flexi leases and flex space.

Looking forward to 2022:

The refurbishment of Broadwalk House for Clockwise by Castleforge Partners and Winslade House by Burrington Estates plus the completion of Ada Lovelace Building and the latest grow - out building named after George Parker Bidder (a famous Devon Engineer) by Exeter Science Park are all testimonies to the confidence returning to the office market in Exeter.



Office Award

Most Active Disposal Agent Sq Ft 2021 & Office Award - Most Active Single Brance Agency Acquisitions & Disposals Sq Ft 2021

Exeter

BROADWALK HOUSE

DISABLED
ACCESS
STAIR

Exeter Office Market

Recent Grade A/B deals



At last rents in Exeter are starting to move upwards for Grade A space. The City Centre market through lack of supply and out of town a flight to quality. £23.50 psf has been established as a headline and £25.00 psf is being quoting for Grade A refurbishments of Manor Court, Broadwalk House and Longbrook House. Out of town £20 psf is the benchmark at Skypark and Winslade Park with quoting rents there now at £22.50 psf and Exeter Science Park is holding line at £24.15 psf for new build CAT A space again on flexi - leases.



Exeter City Centre **ClockWise**

Broadwalk House, Southernhay West

300 flexi – office and co – working desks
refurbished and opened in Q3 2021.

Starting to fill up!

Exeter Out of Town **Winslade Manor & WinsladeHouse** Winslade Park

Fully refurbished and let/prelet on serviced office agreements
and flex leases from 200 sq ft - 6,000 sq ft.

Some 60,000 sq ft in total plus gym and restaurant facilities.



Tenants

Aecom, Lovells,
Burrington Homes, KTA,
Organic Agency, Water Babies,
LightFoot and
many more.



Offices



Exeter Office Market

Take-up

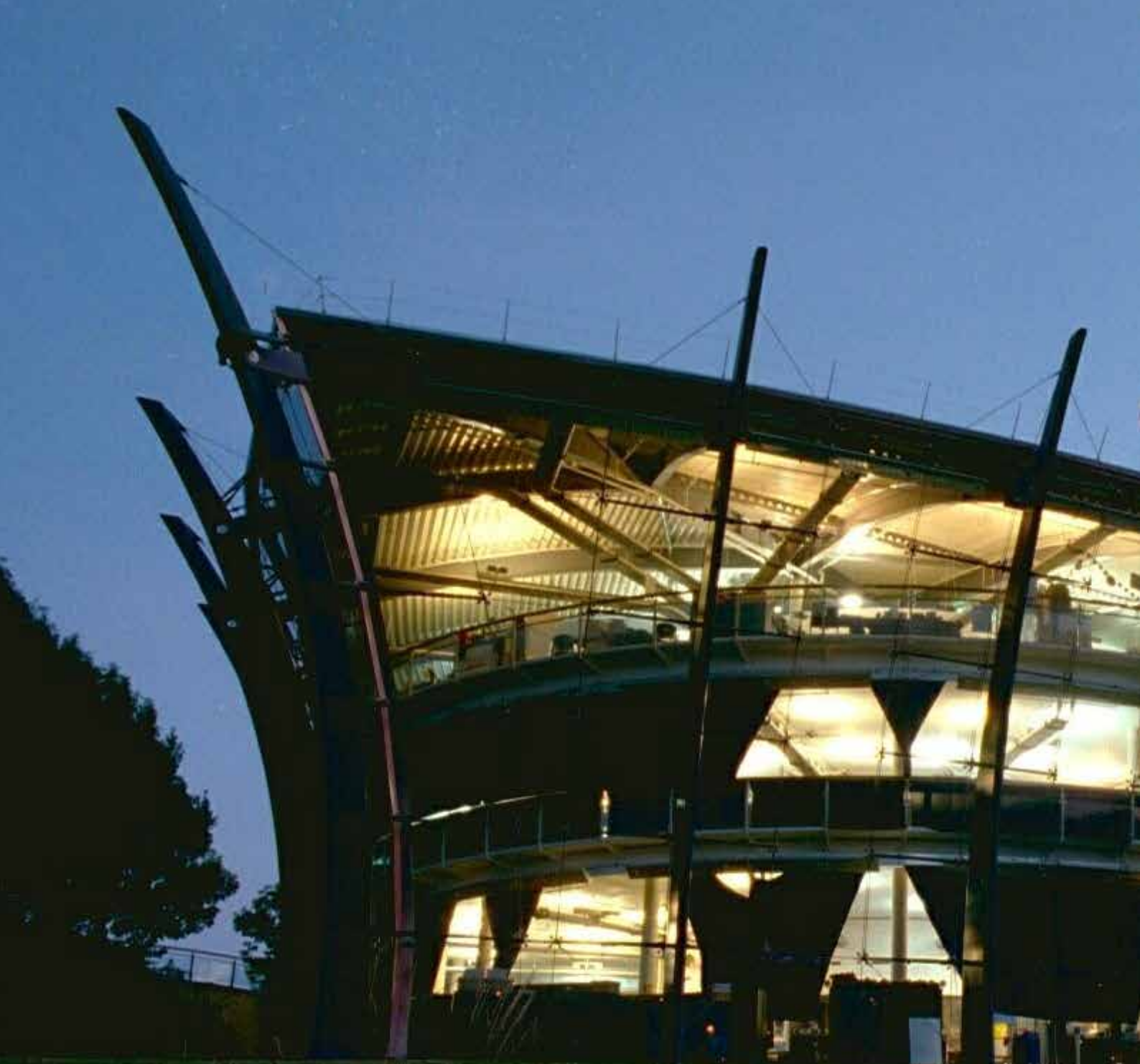
Whilst take - up has been low in the traditional leasing markets there has been strong demand in the flex - space markets which isn't taken into account in the statistics. This has been particularly so at Exeter Science Park, Winslade Park and Clockwise, Venaspace and Generator Hub in Exeter City Centre.



Availability

In Q4 2021 there is circa 355,256 sq ft available in the Exeter market with 100,000 sq ft plus at Pynes Hill. More stock is being refurbished in the City Centre including Manor Court and Longbrook House.

More second - hand stock is planned to be refurbished out of town including Brook House at Winslade Park, Aperture at Pynes Hill, and Milford House at Pynes Hill.



Plymouth

Credit: Plymouth Herald

Plymouth Office Market

Recent Grade A/B deals



The take - up in Plymouth this year will be over 100,000 sq ft but rents are still only at £15.00 psf for Grade A space in the City Centre and £13.50 psf to £15.00 psf out of town.



The Apex

Derriford

22,587 sq ft former VOA Offices sold by Mapeley to Venaspace who are a specialist flex – office operator in South of England for refurbishment to serviced/co -working offices.

Mast House

Sutton Harbour

17,411 sq ft prelet to Sitel UK Ltd under refurbishment for occupation in Q2 2022.





Trends

Office Market Trends



- 1.** Some companies are still working out how they will re-occupy the workplace in the provinces. **London seems to be back to business.**
- 2.** Companies ESG (Environmental, Social and Governance) Policies driving a flight to quality of the workspace with wellness & wellbeing major influencing factors.
- 3.** More Churn space coming to the market and Landlords looking to refurbish to re-present to the market as demand picks up.
- 4.** Owner occupiers and tenants looking to upgrade their workplace and collaboratively working with Landlords willing to invest for the future and reduce carbon footprint.
- 5.** Flex-space and flex-leases becoming more prevalent with Enhanced CAT A and CAT B fitout packages on offer.
- 6.** Office footprints still reducing by 25 - 50% with some desk occupancy ratios down to 30% per capita.
- 7.** Rents holding up for quality space but moving out for inferior low grade space.
- 8.** Stronger demand emerging in STEMM and Life Sciences Sectors.

Services



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Workplace and accommodation strategy



Sustainability mandates



Development consultancy



Market analysis and reporting



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