

BIRMINGHAM
OFFICE MARKET FORUM

2023

*Building
on the Legacy*

Birmingham bounced back from the pandemic in 2022 with not just a raft of new investments and occupier announcements, but a renewed profile on the international stage thanks to the 2022 Commonwealth Games.

The Games brought attention to the city from a worldwide TV audience of more than 1.2 billion people, while more than 1 million people attended Games events live.

The legacy of the Games, and of the current wave of investment, will be felt for years to come and gives us another string to our economic and cultural bow.

The regional economy continues to grow and global businesses like Goldman Sachs continue to choose the city because of its superb business ecosystem and highly qualified and motivated talent pool.

Most of all, occupiers talk about people, as well as the quality of available space, and the business friendly environment promoted by both the local authority and regional mayor Andy Street.

The city's connectivity goes from strength to strength with further Metro extensions under construction, improvement works taking place at Birmingham Airport, and the construction of Curzon HS2 station underway.

The city's focus continues to be one of continuous improvement and promoting the skills agenda to ensure as many as possible can not only benefit from, but also contribute to, the city and the region's economic success.

Scott Rutherford

Chair, Birmingham Office Market Forum.

Birmingham

The city of 1001 trades continues to evolve and grow as more inner areas move into the city core and development spreads out from the centre.

Examples like the Perry Barr masterplan and activity at the UK Central Hub around the airport and NEC, demonstrates that all parts of the city can share in its success.

The diverse, educated and youthful population continues to grow with a predicted city population of 1.3 million by 2040 and a regional population figure of almost 4 million. This in turn supports the local housing market and demand for city centre living continues to be attractive to both investors and residents.

A strong pipeline of development activity is in place with a series of new developments coming into focus, from New Garden Square in Edgbaston to The Mailbox, while the masterplans for even larger sites like Smithfield and Martineau Galleries continue to take shape.

Plans for housing as well as commercial space continue to come forward, with a number of residential towers under construction and mixed use sites like Paradise and Arena Central proving their appeal.

New broadcasting investment is coming forward with BBC Birmingham moving to new purpose built facilities at Typhoo Wharf while Stephen Knight, creator of Peaky Blinders, has launched his Digbeth Loc studios nearby.



UGC Hub - Birmingham International Public Realm



Paradise

55%



GRADUATE RETENTION RATE

40%

OF POPULATION UNDER 25

£121 bn

REGIONAL ECONOMY



One in Seven



(13.2%) PEOPLE MOVING OUTSIDE LONDON MOVED TO THE MIDLANDS



NEW STREET

Busiest

TRAIN STATION OUTSIDE OF LONDON

TOP REGIONAL CITY FOR

Quality of Life



Investment

Following a strong 2021, 2022 continued with ongoing yield compression among Birmingham's prime assets. While some investors have currently taken a step back from the UK, Birmingham continues to show the resilience of its market where overseas funds in particular have chosen to take advantage of the weakness of Sterling.

The city has featured a number of high-profile deals over the past year and has a strong pipeline of enquiries. Development progress with the likes of Paradise moving forward with its next phases underlines future market direction with demand for office space remaining strong, especially from blue chip national and international clients.

Transaction volumes reinforced the robust nature of the Birmingham investment market and the strength of the Birmingham offer, especially in a year in which the city's profile was projected globally thanks to the Commonwealth Games.

Prime yields were at 5.5% at the end of 2022, representing one of the largest yields in the UK and Europe.

Notable transactions in 2022 include: • The £182 million sale of The Colmore Building • The £78.5 million sale of 125 Colmore Row • The £21 million sale of Edmund Gardens • The £18.96 million sale of Direct Line House.

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Availability

*Significant existing and under construction supply:

X, 10 Brindleyplace	180,000 sq ft
Enterprise Wharf	120,000 sq ft
Three Snowhill	120,000 sq ft
One Centenary Way	102,000 sq ft
Alpha Tower	65,000 sq ft
Baskerville House	54,000 sq ft
One Snowhill	48,000 sq ft
Dozells Building, 9 Brindleyplace	45,000 sq ft
103 Colmore Row	43,000 sq ft

Pipeline

*Single buildings greater than 50,000 sq ft with a live Detailed Planning Consent or Back to Frame Redevelopment:

Three Chamberlain Square	180,000 sq ft
Beorma Quarter	160,000 sq ft
19 Cornwall Street	100,000 sq ft
2 Brindleyplace	90,000 sq ft
King Edwards House	73,000 sq ft
1 Brindleyplace	73,000 sq ft
5 St. Philip's Place	67,000 sq ft
Foundry, 6 Brindleyplace	60,000 sq ft

*as of 31st December 2022

Take-Up

2023	Q1	153,550 sq ft	
	TOTAL	153,550 sq ft	18 deals

2022	Q1	175,261 sq ft	
	Q2	117,599 sq ft	
	Q3	189,492 sq ft	
	Q4	210,348 sq ft	
	TOTAL	692,700 sq ft	115 deals

ANNUAL TOTALS	2021	656,735 sq ft	94 deals
	2020	520,810 sq ft	50 deals

Major Deals

One Centenary Way - Goldman Sachs	110,000 sq ft
One Centenary Way - Arup	68,000 sq ft
Mailbox - International Workspace Group	50,000 sq ft
Foundry, 6 Brindleyplace - x+why	40,000 sq ft
103 Colmore Row - x+why	34,500 sq ft
103 Colmore Row - Shoosmiths	33,000 sq ft
The Citadel - Aston University	27,006 sq ft
The Colmore Building - ADN	22,709 sq ft
3 Brindleyplace - Reach PLC	11,983 sq ft

Infrastructure

At the heart of the UK and global trade and travel routes between both north and south and east & west, Birmingham is pushing ahead with a raft of initiatives to build a more resilient, sustainable and accessible transport network.

The region continues to attract investment from both the public and private sectors to improve connectivity.

HS2 surges ahead with construction work evident across the region with Curzon Street station now underway and the line to the north west of England re-confirmed by the government in the autumn of 2022.

High speed services to London are expected to begin between 2029 and 2033, with services to the north of England commencing by 2040.

Extensions to the West Midlands Metro meanwhile continue to be built, namely the new Wednesbury to Dudley line that

is due to eventually reach Brierley Hill, and the start of the Eastside extension which is under construction through Digbeth and projected to continue through East Birmingham and eventually meet up with Birmingham Airport, the NEC and the HS2 Interchange station.

Two previous extensions, through Wolverhampton city centre and along Broad Street to Hagley Road, are now complete.

Sprint buses continue to be developed for the A34 and A45 corridors and further work is being conducted to bring further sprint services forward.

Birmingham Airport is pushing ahead with a number of improvements including improved access to and from the departure and security zones.



HS2 - Curzon Street Station



Birmingham Airport



Orelle



Ikon Gallery - Brindleyplace



Grand Central

Lifestyle

Birmingham remains a regional and national centre for sport, leisure and culture, with a wide range of facilities, venues and events.

With a legacy new athletics stadium following the Commonwealth Games, two Olympic size swimming pools within four miles of the city centre, and a fine selection of theatres, art galleries and music venues, Birmingham punches above its weight in terms of cultural influence and the range of local amenities.

The city's renowned culinary offer boasts five Michelin starred restaurants, including Opheem, Simpsons, Carters, Adams and Purnell's, and a further seven Michelin starred venues across the wider region.

The Good Food Guide names Birmingham 'the most exciting food destination in the UK', and lists 3 Brummie venues within its British Top 20.

A vast array of other eateries, pubs, bars and cafes, including numerous independents, pepper the city and its suburbs meaning no-one is ever very far from a great place to eat and relax.



1 103 COLMORE ROW



2 ONE CENTENARY WAY



3 THREE SNOWHILL



4 BASKERVILLE HOUSE



5 ONE SNOWHILL



6 ENTERPRISE WHARF



7 ARCA



8 DOZELLS BUILDING, 9 BRINDLEY PLACE



9 4 ST. PHILIP'S PLACE



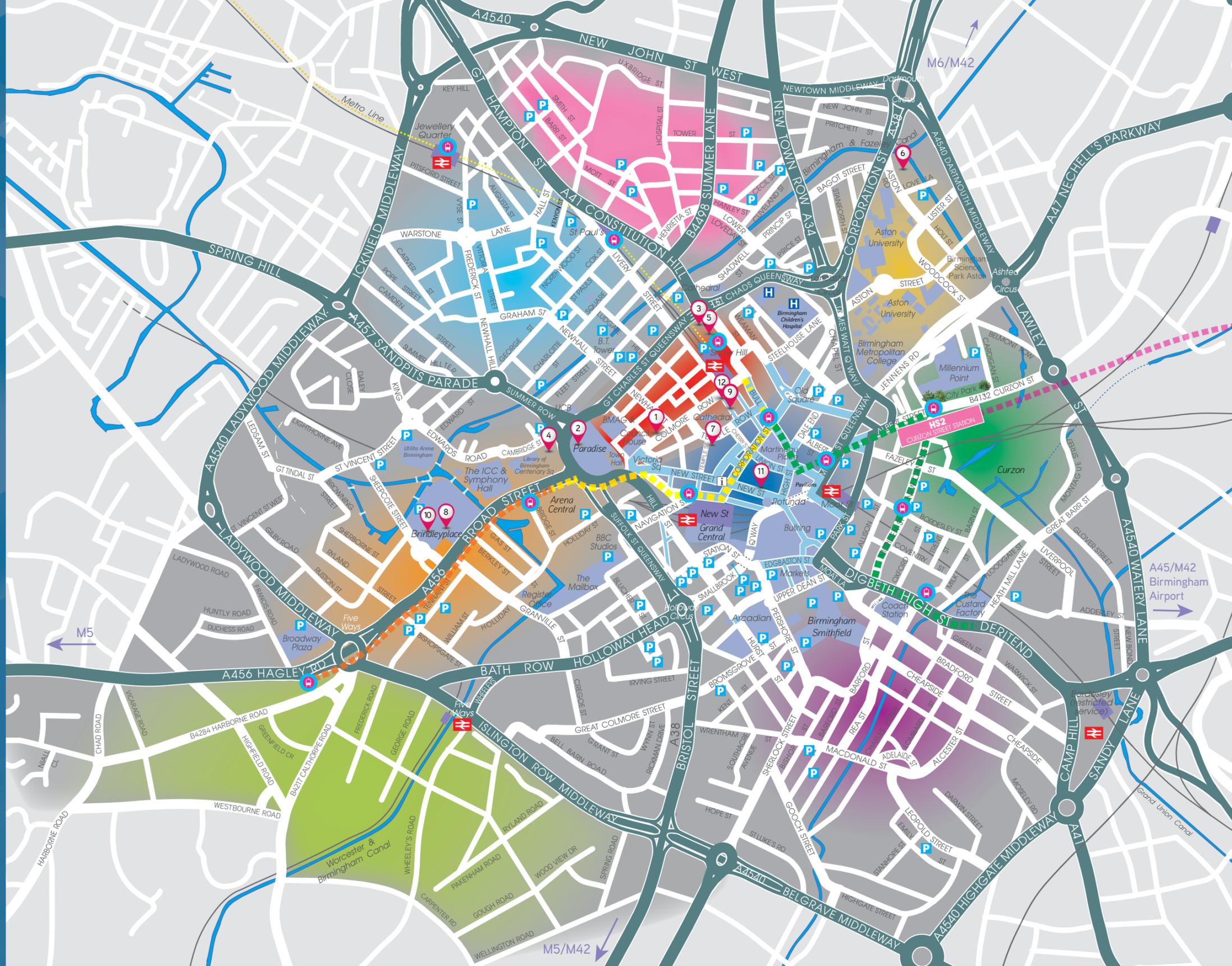
10 X, 10 BRINDLEY PLACE



11 KING EDWARD HOUSE



12 5 ST. PHILIP'S PLACE



Proposed High Speed 2 Line	Eastside Metro Extension	Jewellery Quarter	Edgbaston	Gun Quarter
Metro	Retail Quarter	Westside	Education Zone	
Metro Extension - April 2021	Southside	Colmore Business District	Eastside	

For more information on the above buildings, go to:
BirminghamOfficeMarket.co.uk

Members

Avison Young

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KWB

LSH

Savills

Vail Williams

Birmingham Office Market Forum brings together the city's leading office agents and West Midlands Growth Company to present a co-ordinated voice to investors, developers and occupiers about the city's ever-expanding office market and commercial offer.

In conjunction with:



**West Midlands
Growth Company**

BirminghamOfficeMarket.co.uk

All content provided in this document is believed to be correct at time of going to press (statistics 31.01.23)

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