



Premier Data

What can be forecast by looking at demand across the UK?

## DEMAND DATA REPORT

EG's Demand Data uses enquiries from EG Propertylink to predict market trends and user sentiment. Which trends have emerged over the last 10 months?

### What trends have emerged across the UK?

EG Demand Data uses enquiries from EG Propertylink to predict market trends and user sentiment over time. While enquiries remained relatively consistent in 2021 across the office, industrial and retail sectors what is exciting is that when we look at Q1 2022 there are signs that the market is coming back to life as these enquiries start to increase again and stand even higher than the start of 2021.

When it comes to office space, the market is constantly shifting, with a wide range of trends such as the return to the office – shaping the office market across the UK and perhaps further beyond, affecting both supply and demand. Whereas others will be specific to a particular location, for example, when looking at the regional percentage change in enquiries, the South East has seen a significant increase of more than 18% in office enquiries, while Wales has seen a decrease of 17.7% (graph 2).

**30%**  
increase in enquiries

The South East and Midlands both saw over 30% increase in enquiries in Q1 2022 when compared to the same period in 2021.

Few sectors have thrived in the way industrial has over the last few years. In 2021, we saw headline after headline about developers reporting record demand and growth. You only have to look at the biggest listed player in the UK, SEGRO, for a sense of how the market performed last year.

SEGRO's market cap grew from £10.8bn in December 2020 to £16.9bn in December 2021, widening the gap between itself and the other two FTSE 100 listed developers, British Land and Landsec. EG Propertylink found that the industrial sector received the highest number of enquiries in each quarter since Q1 2021. Will this continue into Q2 and beyond as we see news of major players like Amazon putting the brakes on its years-long expansion drive?



### A regional focus

The story for much of the UK highlights that Q1 2022 is showing a big step up in demand when compared to Q1 2021. But is it possible to extrapolate the same narrative for each of the major regions across the office, industrial and retail sectors?

The South East, Midlands, South West, London and Scotland experienced an average of more than 10% increase in enquiries across all sectors demonstrating a significant rise in demand in these key regions. The same story cannot be suggested in the North East and Wales with the former having a decrease in enquiries in industrial (8.2%) and retail (11.1%) and the latter showing a decrease in all sectors (average 19.8%) when compared to the year before.

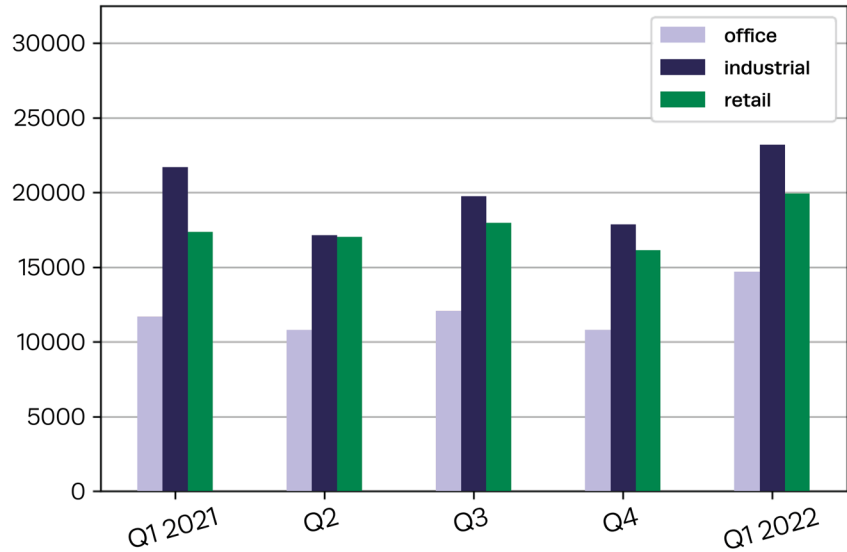
### Data applications are endless

Understanding the enquiries in their raw form provides the opportunity to analyse market activity that could affect asset values or assess potential return on investment for any opportunities. For example, agents seeking to value properties based on future potential income can advise their clients to increase their rents. Other sectors and services can seek business development opportunities in regions & sectors where demand exceeds supply. While these are interesting use cases, perhaps a more appealing story is the ability to use this data to show that enquiries are highly positively correlated with deals a few months later.

What is interesting to note is that the lag time varies depending on the region and sector. For most regions, a lag of 6 weeks was observed whereas in other regions the lag could reach 8 weeks or more.

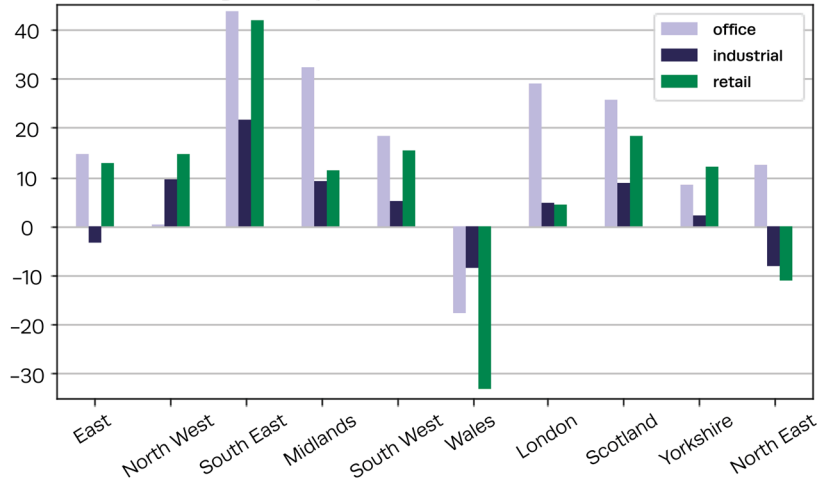
By combining demand data with transactions, the value of the enquiry data and potential use cases become wider, allowing property professionals to approach the market in a completely new way. In an industry often reliant on 'gut feeling' and professional experience, we can incorporate data based assessment to identify increases or decreases in locations and sectors based on occupier demand to help pinpoint what strategies would lead to successful commercial decisions.

Enquiries by category in the UK



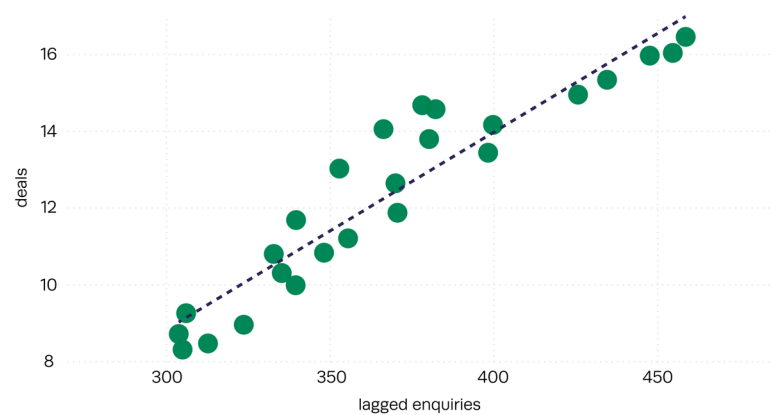
**Graph 1 legend:** Overall enquiries remained relatively stationary in 2021 across the office, industrial and retail sectors with signs of a reawakening market for Q1 2022

% change in enquiries between Q1 2021 and Q1 2022



**Graph 2 legend:** Percentage change in enquiries is calculated as: enquiries in Q1 2022 minus enquiries in Q1 2021, divided by enquiries in Q1 2021. Negative % indicates a decrease in enquiries.

Lagged enquiries (6w) and deals in London (retail)



**Graph 3:** A strong positive correlation between retail deals and enquiries in London that took place 6 weeks before.

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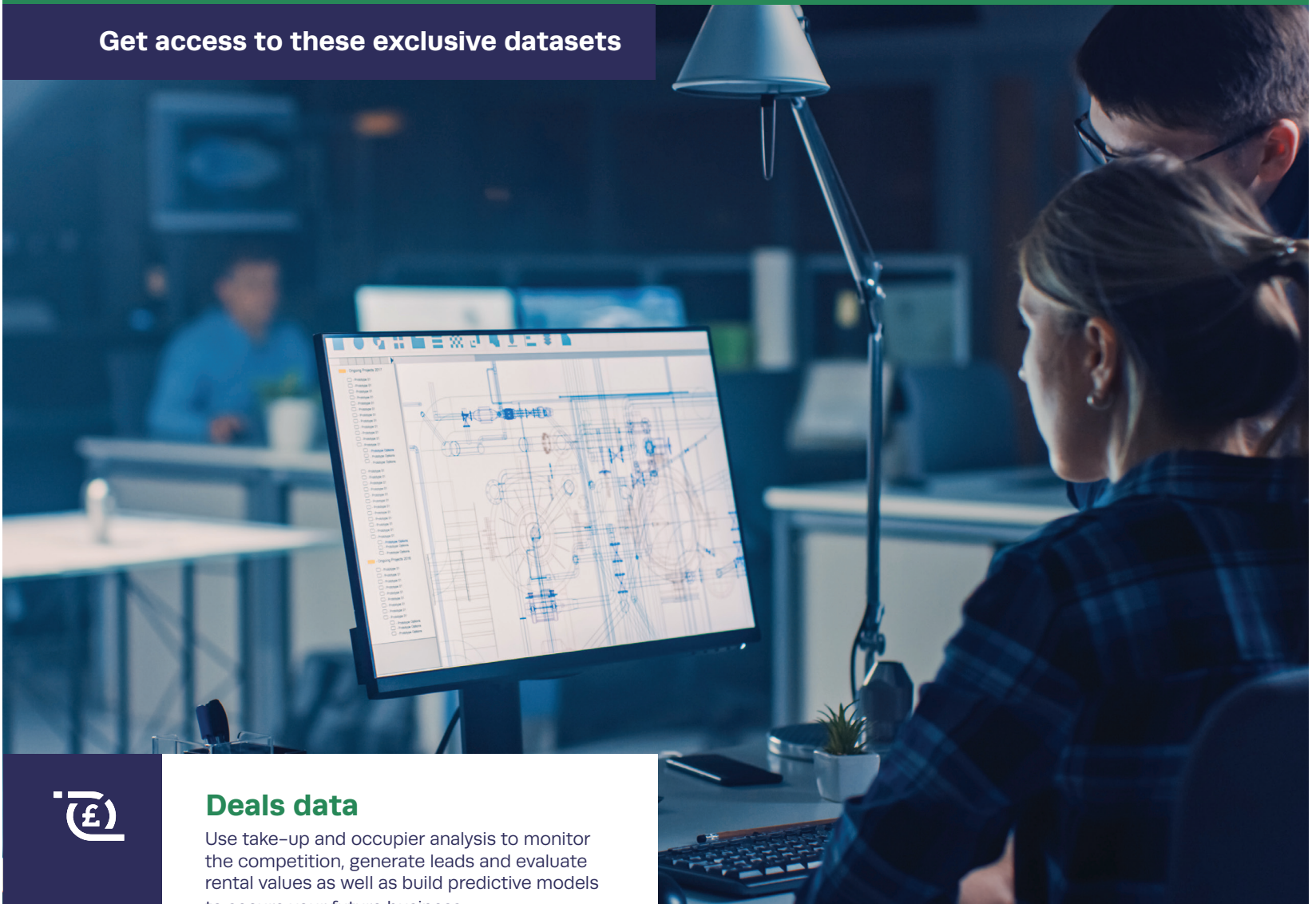


Premier Data

# Unlock the full power of EG Premier Data

EG Premier Data can provide your business with a constant flow of market data. Unlock value, gain insight into market behaviour and win new business by harnessing the power of our comprehensive data sets.

Get access to these exclusive datasets



## Deals data

Use take-up and occupier analysis to monitor the competition, generate leads and evaluate rental values as well as build predictive models to secure your future business.



## Demand data

Use enquiry and user sentiment data EG Propertylink to predict whether a location or sector, or both, is increasing or decreasing in popularity based on occupier demand.



## Planning and construction data

Track the full development pipeline with planning data providing visibility on construction start dates and estimated completion dates for your selected sector.



## Ownership data

Deep dive into the history of an asset and find up-to-date owner information alongside sale and lease comparable data.



## Availability data

View instructions as soon as they appear on the market to assess accurate market or tenancy movement in a specific area.

[eg.co.uk](https://eg.co.uk)

