EG Radius

The South West: Britain's creative powerhouse

SUMMARY:

From cloud computing to e-payments, the South West hosts some of Britain's fastest-growing and most dynamic firms, as well as a growing number of multinationals. So how is their presence shaping its CRE market?

EG's new report examines both the deals and the data, as well as analysing the planning pipeline, to understand this region on the rise.

Key metrics

	Office	Industrial	Retail
Average Achieved Rent	£17.80 per sq ft	£8.52 per sq ft	£18.68 per sq ft
Average Deal Size	3,695 sq ft	14,791 qq Ft	1,505 sq ft
Average Lease Length	6 years, 4 months	7 years, 6 months	7 years, 2 months

REPORT:

Processing over £2 billion in monthly transactions on behalf of 110,000 customers, Dojo is one of Europe's fastest growing tech firms. When the fintech brand needed a new office for its contact centre, its leadership had one place in mind: Bristol.

'At Dojo, we know Bristol's tech industry boom stems from its long history of challenging conventions, and constantly being at the forefront of creativity and innovation,' said chief operating officer Justin Haines. 'That's why we chose the city as one of our UK hubs.'

Two years later and the decision to invest in the South West has paid off. In April, Dojo decided to upgrade its presence: taking on 50,000 sq ft in EQ, a prestigious new development that will provide Bristol's first fully 'net zero' office experience.

The move provides a reminder of Bristol's superb offer to the tech sector and wider knowledge economy. But it also tells a story that is taking place across the wider South West as fast-growing businesses look to make this powerful region part of their own growth journey.

OFFICE:
QUALITY COUNTS

Located in the heart of Bristol, the Grade A development EQ offers a new vision for such a historic city – with more than 200,000 sq ft of ultra-modern office space designed to help occupiers vastly reduce their environmental impact.

On top of that, EQ boasts some 15,000 sq ft of 'best in class' amenities – including a gym and wellness facility, a cycle hire scheme, and a large event space. The aim is to provide occupiers with the best quality space for flexible working and employee wellbeing.

It's an approach that is increasingly shaping the post-pandemic office market – and not just for large multinationals. EG's data shows that, while the number of office transactions in the South West has fallen, the volume of sq ft remains stable – as occupiers across the market prioritise larger and better spaces.

Stories of such moves are numerous. In October, regional accountants Corrigan completed their move to a Grade A office on Bristol's prestigious King Street. 'The state-of-the-art meeting rooms are generally more suited to the era of hybrid working,' commented the firm's founding partner Ed Corrigan.

Key Lettings (by size):

Address	Size Sq Ft	Lessee
Eq, 111, Victoria Street, Redcliff, Bristol, BS1 6PU	54,767	Paymentsense
No. 2 The Distillery, Avon Street, Bristol	24,375	Pax8
Halo, Finzels Reach, 1 Temple Street, Redcliffe, Bristol BS1 6EU	22,500	Deloitte South West

As the UK pushes ahead with its ambitious net zero strategy, sustainability has become a major decision factor for occupiers and investors alike.

In the spring, leading consultants EY confirmed their intention to combine their regional offices by taking 22,500 sq ft in Bristol's Halo – a BREEAM-outstanding development commended as one of the greenest in the UK.

Another major deal saw the US cloud consultancy Pax8 announcing it would be taking on 24,000 sq ft in premium Bristol development The Distillery – ranked BREEAM excellent. The space will become the firm's European HQ.

'We're so proud to say we started our European Journey in Bristol,' commented Cole Knuth, the company's chief revenue officer. 'There is so much creativity in this city, and that's been shown through the quality of new talent we're hired.'

INDUSTRIAL AND RETAIL: **CONTRASTING FORTUNES**

As the UK economy encounters new headwinds, the industrial market faces uncertainty – yet the South West market shows impressive resilience.

Stand-out deals across the region in H1 2022 include 255,000 sq ft to US corporation Graphic Packaging International at the Titan estate in Yate, and 178,000 sq ft to battery manufacturer Yuasa at Phase 2 Ignition in Swindon.

Significantly both deals are examples of international companies being drawn to investor-driven and high-quality industrial premises. Titan had been subject to an extensive renovation, while Ignition is a purpose-built estate of prime warehouse space.

In line with the national picture, the retail sector continues to struggle – with take-up in H1 2022 marginally below expectations. The largest letting of the period is the confirmation that Primark will take on 29,700 sq ft on the former site of BHS in Salisbury.

Key Lettings (by size):

Address	Size Sq Ft	Lessee
Titan, Armstrong Way, Yate, BS37 5NG	255,686	Graphic Packaging International
Phase 2 Ignition Swindon, Faraday, Swindon, SN3 5HS	178,500	GS Yuasa Battery Sales UK
Hercules, Cribbs Causeway, Bristol, BS10 7TZ	167,607	Gregory Distribution

Top agents in Bristol:

Lettings and occupational sales, Jan-Sep 22

Savills
107,931 sq ft

CBRE
75,245 sq ft

Burston Cook Associates
44,696 sq ft

Knight Frank
37,956 sq ft

JLL
26,146 sq ft

Colliers
17,296 sq ft

Lambert Smith Hampton
16,208 sq ft

BTR:
SURGING AHEAD

Once a small part of the UK CRE market, build to rent (BTR) is consistently increasing across Britain – now accounting for more than 7% of new homes being built.

The sector is rapidly making inroads in Bristol, where a surging student population and a tight rental market has created a clear opportunity for investors.

In June, BTR specialist Grainger confirmed its third site in the city: with a plan to invest £128m in building 374 homes at Redcliff Quarter. Investment bank UBS has committed £64.7m to a smaller project.

While PBSA and BTR developments have been popular with tenants, the sector remains highly scrutinised. In October, plans for a 221 BTR scheme (from Donard Affordable Homes) faced a backlash from some locals – forcing developers to revisit their original plans.

Approving the revised plans, the chair of Bristol council's planning committee expressed his frustration that some of his colleagues had objected to such a 'well-designed scheme' – particularly given the city's need for more affordable housing.

2023: PLANNING AND PROSPECTS

What does the future hold for the South West? Judging by the number of planning applications, there is a clear case for optimism.

In 2021, more than 12,724 applications were submitted. With 95% of those applications approved, the total space in development could reach more than 50 million sq ft – with industrial being the largest share.

Investors remain encouraged. In October, warehouse specialists St Modwen Logistics announced they will invest £126m in three sites across the reign (Avonmouth, Chippenham and Newport).

'Demand for warehouse space in the South West continues to be high,' commented managing director Polly Troughton. 'Through the much-needed development of almost 900,000 sq ft of new space, we can meet those levels and encourage economic growth in the region.'

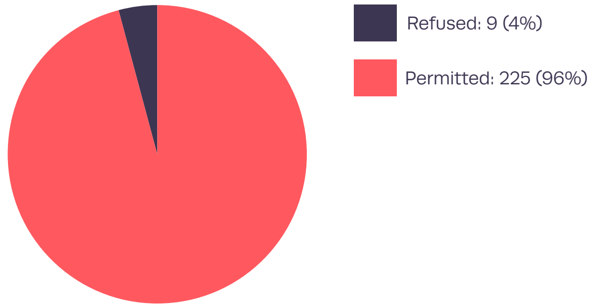
Though office applications remain down on pre-pandemic levels, the life sciences provides a particular bright spot. In September, pharma company Vecutura received consent to develop its new £58m Inhalation Centre of Excellence on the 100,000 sq ft Bristol & Bath Science Park.

'This new facility will help us to build on this successful track record, increasing workspace capacity and attracting talent to the South West area,' said chief executive Michael Austwick.

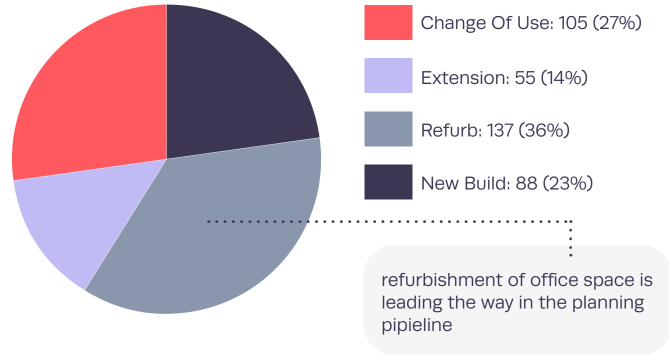
PLANNING:
PERMISSIONS VS REFUSED (OCT 2021 – 2022)

Office

Applications by decision type

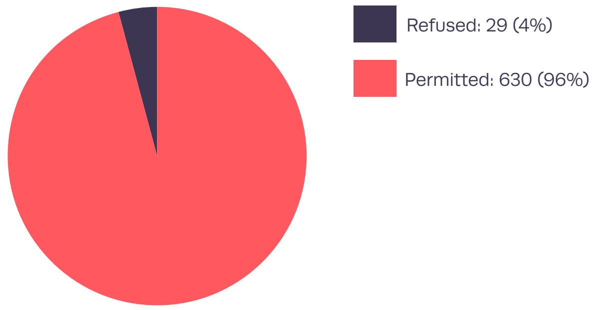


Schemes by development type

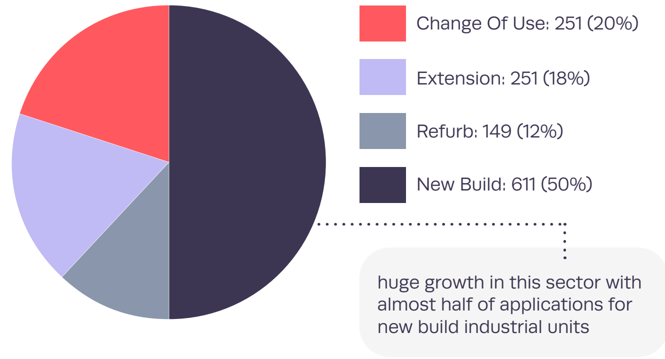


Industrial

Applications by decision type

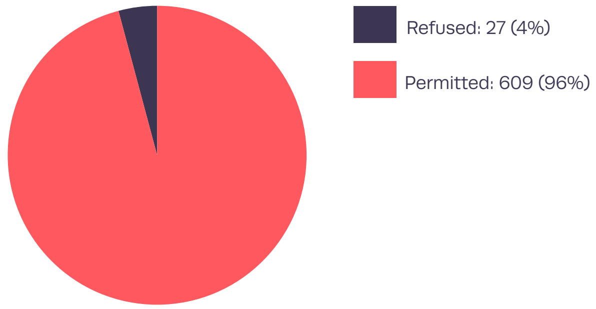


Schemes by development type

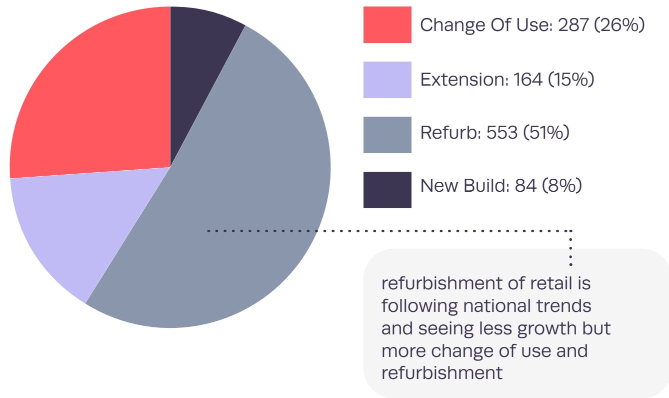


Retail

Applications by decision type



Schemes by development type



Radius

The EG Radius On-Demand Rankings reveal the latest deals and which contributors are acting on them every week, but which agents shifted the greatest space and landed most deals in your region in Q3?

CBRE and Knight Frank win by volume

CBRE transacted more than 1.3m sq ft of offices across the regions and Knight Frank shifted over 1.5m sq ft of industrial space to make them the star performers in the Q3 EG Radius agent rankings.

However, in terms of number of deals done, the latest county rankings (p30) reveal regional specialists are often way out in front.

Based on transactional data shared by members of the EG Radius community, the tables reveal which agents were most successful during the period. They cover all occupier sales and lettings but exclude lease renewals and deals under NDAs at the time of publishing. Investment sales are reported separately in the table on p31.

Full leaderboards along with sector and city tables, plus top individual dealmakers and all the latest deals, can be found at: EGI.CO.UK/RADIUSDX/CONTRIBUTOR-RANKINGS

LONDON OFFICE MARKETS*

	Agent	Total space (sq ft)
West End	**CBRE**	**308,828**
	Knight Frank	203,206
	JLL	115,522
	Colliers	105,263
	Edward Charles & Partners	89,536
City core	**Cushman & Wakefield**	**408,209**
	JLL	351,328
	CBRE	191,727
	Knight Frank	132,801
	BH2	129,508
City fringe	**Compton**	**160,463**
	Cushman & Wakefield	56,671
	Richard Susskind & Co	45,408
	Ellis Brown Commercial	44,683
	BH2	41,096
Midtown	**Farebrother**	**99,772**
	JLL	49,306
	BH2	49,113
	Savills	42,100
	CBRE	31,653
Docklands	**CBRE**	**199,725**
	Cushman & Wakefield	154,556
	JLL	151,299
	Knight Frank	106,219
	Colliers	20,182
Southern fringe	**JLL**	**22,161**
	Union Street Partners	13,696
	Knight Frank	12,292
	Cushman & Wakefield	11,881
	Savills	11,384

Q3 REGIONAL LEADERBOARD Deals transacted on Radius between 01/07/22 and 30/09/22*

	OFFICE		INDUSTRIAL		RETAIL	
	Agent	Total space (sq ft)	Agent	Total space (sq ft)	Agent	Total space (sq ft)
Greater London	**Cushman & Wakefield**	**875,787**	**CBRE**	**146,280**	**Savills**	**34,074**
	CBRE	803,173	JLL	120,679	Cushman & Wakefield	27,538
	JLL	790,422	Colliers	67,690	Stirling Ackroyd	13,952
	Knight Frank	580,066	KBW Chartered Surveyors	57,324		
	Compton	256,281	BNP Paribas Real Estate	44,230		
East Midlands	**FHP Property Consultants**	**96,449**	**Colliers**	**262,873**	**FHP Property Consultants**	**57,446**
	Innes England	53,311	FHP Property Consultants	258,159	Innes England	22,767
	Devono Property	37,800	Avison Young	133,324	Banks Long & Co	7,376
	Lambert Smith Hampton	20,508	Carter Jonas	126,629		
	Omeeto	11,303	Innes England	109,632		
East of England	**JLL**	**36,151**	**Fenn Wright**	**48,597**	**Penn Commercial**	**17,595**
	Bidwells	29,889	Bidwells	24,009	FHP Property Consultants	2,898
	Cheffins	13,421	Penn Commercial	19,712	Cheffins	1,199
	Fenn Wright	10,528	Eddisons	17,722		
	Cushman & Wakefield	9,225	JLL	11,161		
North East	**BNP Paribas Real Estate**	**32,835**	**Naylors Gavin Black**	**98,729**	**Bradley Hall Chartered Surveyors**	**8,026**
	Avison Young	26,244	Knight Frank	13,605	Youngs RPS	2,949
	Naylors Gavin Black	11,583	Dodds Brown	9,018	Naylors Gavin Black	1,889
	Bradley Hall Chartered Surveyors	8,730	Lambert Smith Hampton	1,400		
	Knight Frank	7,133				
North West	**JLL**	**83,213**	**Colliers**	**320,151**	**Hitchcock Wright & Partners**	**6,974**
	CBRE	74,849	JLL	173,406	Butters John Bee	4,416
	Avison Young	18,282	Knight Frank	62,381	FHP Property Consultants	1,500
	Savills	15,072	Hitchcock Wright & Partners	13,315		
	Be Group	13,265	Butters John Bee	7,089		
Scotland	**CBRE**	**114,129**	**Colliers**	**269,416**	**Graham + Sibbald**	**14,737**
	JLL	47,020	GM Brown Property Consultants	39,110	Savills	1,000
	Savills	46,131	CBRE	35,000	GM Brown Property Consultants	370
	Cushman & Wakefield	16,525	JLL	31,307		
	Avison Young	10,140	Graham + Sibbald	22,963		
South East (inc Home Counties)	**CBRE**	**115,615**	**Lambert Smith Hampton**	**476,075**	**Cushman & Wakefield**	**33,700**
	JLL	110,591	Adroit Real Estate Advisors	422,030	Lambert Smith Hampton	16,490
	Lambert Smith Hampton	74,764	JLL	322,944	Page Hardy Harris	15,447
	Brasier Freeth	74,447	Brasier Freeth	313,195		
	Hicks Baker	62,869	CBRE	175,908		
South West	**Knight Frank**	**53,992**	**JLL**	**371,743**	**Savills**	**24,543**
	CBRE	51,975	Knight Frank	285,662	Carter Jonas	11,251
	Lambert Smith Hampton	21,953	Myddelton & Major	163,629	Myddelton & Major	8,295
	JLL	16,502	Colliers	79,815		
	Myddelton & Major	15,910	Sibbett Gregory	55,163		
Wales	**Knight Frank**	**77,370**	**Knight Frank**	**997,515**	**Fletcher Morgan**	**8,175**
	Savills	41,909	Cushman & Wakefield	344,192	Hicks Baker	4,350
	Fletcher Morgan	25,686	Jenkins Best	217,568	Jenkins Best	3,590
	Ba Commercial	12,324	BA Commercial	131,120		
	Lambert Smith Hampton	4,290	Fletcher Morgan	32,318		
West Midlands	**CBRE**	**132,302**	**Avison Young**	**1,028,169**	**Creative Retail Property**	**57,947**
	Savills	26,778	Lambert Smith Hampton	168,498	Cushman & Wakefield	50,188
	JLL	19,862	Gerald Eve	131,780	Butters John Bee	20,045
	Avison Young	9,373	CBRE	115,406		
	Bromwich Hardy	6,631	John Truslove	67,280		
Yorkshire & Humberside	**Colloco**	**75,080**	**Gerald Eve**	**260,488**	**Knight Frank**	**2,867**
	Knight Frank	53,838	Knight Frank	163,800	Dodds Brown	991
	JLL	26,022	Colliers	71,678	Colloco	452
	CBRE	21,141	Carter Towler	58,820		
	Carter Jonas	3,964	FHP Property Consultants	13,805		

* These figures reflect deals entered onto the Radius platform by contributing agents and passing EG QA as of 14 October 2022 and exclude confidential deals. Disposals and acquisitions are included.

Radius

Q3 COUNTIES LEADERBOARD Lettings and occupational sales transacted on Radius between 01/07/22 and 30/09/22*

County	Agent	Deal count**
Bedfordshire	**Kirkby Diamond**	**19**
	Adroit Real Estate Advisors	7
	JLL	3
	Lambert Smith Hampton	3
	Venture Commercial Partners	2
Berkshire	**Page Hardy Harris**	**23**
	JLL	9
	Sharps Commercial	7
	Haslams Surveyors	7
	Hicks Baker	6
Bristol	**Burston Cook Associates**	**10**
	Knight Frank	8
	CBRE	5
	Savills	3
	Cushman & Wakefield	2
Buckinghamshire	**Duncan Bailey Kennedy**	**25**
	Philip Marsh Collins Deung	8
	Lambert Smith Hampton	5
	Kirkby Diamond	5
	Brasier Freeth	3
Cambridgeshire	**Cheffins**	**7**
	Eddisons	6
	Bidwells	5
	JLL	3
	Everard Cole	2
Cheshire	**Butters John Bee**	**8**
	JLL	3
	Knight Frank	3
	Be Group	3
	Colliers	2
Cornwall	**Vickery Holman**	**11**
	Colliers	1
	JLL	1
County Durham	**Bradley Hall Chartered Surveyors**	**10**
	BNP Paribas Real Estate	3
	Knight Frank	1
	Christie & Co	1
Derbyshire	**FHP Property Consultants**	**25**
	BB&J Commercial	17
	Innes England	13
	Omeeto	10
	JLL	1
Devon	**Vickery Holman**	**11**
	JLL	3
	CBRE	1
	Colliers	1
	James A Baker	1
Dorset	**Ellis And Partners**	**15**
	Sibbett Gregory	9
	Greenslade Taylor Hunt	3
	JLL	2
	Cushman & Wakefield	1
East Scotland	**Savills**	**9**
	Knight Frank	8
	CBRE	5
	Colliers	5
	JLL	3

See the most up-to-date rankings of all EG Radius community agents by sector, region, county and city at: www.egi.co.uk/radiusdx/contributor-rankings

County	Agent	Deal count**
East Sussex	**Eightfold Commercial**	**8**
	Flude Property Consultants	3
	Stiles Harold Williams Partnership	2
	Cushman & Wakefield	1
	Graves Son & Pilcher	1
Essex	**Fenn Wright**	**40**
	Kemsley	22
	Coke Consulting	5
	Whybrow Chartered Surveyors	5
	Cushman & Wakefield	3
Gloucestershire	**Knight Frank**	**3**
	Lambert Smith Hampton	3
	KBW Chartered Surveyors	3
	Colliers	2
	JLL	2
Greater Manchester	**JLL**	**11**
	Avison Young	5
	Colliers	4
	CBRE	4
	Knight Frank	4
Hampshire	**Lambert Smith Hampton**	**20**
	Holloway Iliffe & Mitchell	9
	Primmer Olds	9
	Hellier Langston	7
	Realest	6
Hertfordshire	**Brasier Freeth**	**23**
	Stimpsons	11
	Coke Consulting	5
	Perry Holt & Co	3
	Satchells Estate Agents	3
Kent	**Watson Day**	**17**
	Caxtons Commercial	11
	Harrisons Property Surveyors	8
	Sibley Pares	7
	Stafford Perkins	5
Lancashire	**JLL**	**5**
	Avison Young	2
	Colliers	1
Leicestershire	**Innes England**	**20**
	FHP Property Consultants	2
	Colliers	1
	Rushton Hickman	1
Lincolnshire	**Banks Long & Co**	**18**
	Lambert Smith Hampton	3
	JLL	2
	CBRE	1
	Avison Young	1
Merseyside	**CBRE**	**6**
	Hitchcock Wright & Partners	4
	Be Group	1
Norfolk	**Bidwells**	**11**
	Everard Cole	1

* These figures reflect deals entered directly onto the Radius platform by contributing agents and passing EG quality assurance as of 14 October 2022 and exclude confidential deals. Disposals and acquisitions are included.

** Ties in number of deals were broken by agents with the largest total square footage transacted.

Q3 COUNTIES LEADERBOARD Lettings and occupational sales transacted on Radius between 01/07/22 and 30/09/22*

County	Agent	Deal count**
North Wales	**Jenkins Best**	**3**
	Colliers	2
	BA Commercial	2
	JLL	1
	Towler Shaw Roberts	1
North Yorkshire	**Dodds Brown**	**4**
	JLL	2
	Carter Jonas	2
	CBRE	1
	Fleurets	1
Northamptonshire	**Prop-Search**	**18**
	Abbeyross	3
	Avison Young	1
	FHP Property Consultants	1
	Devono Property	1
Northumberland	**Bradley Hall Chartered Surveyors**	**6**
	Youngs RPS	4
	Lambert Smith Hampton	3
	Naylors Gavin Black	1
	Knight Frank	1
Nottinghamshire	**FHP Property Consultants**	**58**
	Innes England	14
	WA Barnes	7
	Omeeto	5
	Avison Young	1
Oxfordshire	**CBRE**	**14**
	JLL	3
	Carter Jonas	3
	Lambert Smith Hampton	3
	Hicks Baker	2
Shropshire	**Towler Shaw Roberts**	**10**
	Cooper Green Pooks	6
	Creative Retail Property	1
	Omeeto	1
Somerset	**Carter Jonas**	**6**
	Knight Frank	5
	Lambert Smith Hampton	4
	CBRE	2
	Myddelton & Major	2
South Wales	**Jenkins Best**	**28**
	Knight Frank	20
	Fletcher Morgan	14
	Savills	9
	M4 Property Consultants	9
South Yorkshire	**Colloco**	**12**
	Knight Frank	10
	Cushman & Wakefield	1
	Colliers	1
	FHP Property Consultants	1
Staffordshire	**Butters John Bee**	**24**
	Towler Shaw Roberts	7
	Rushton Hickman	5
	JLL	3
	Innes England	3
Suffolk	**Fenn Wright**	**15**
	Penn Commercial	10
	Cheffins	2
	JLL	2
	Everard Cole	2
Surrey	**Curchod & Co**	**27**
	JLL	10
	Hurst Warne	5
	Savills	4
	Knight Frank	3
Tyne & Wear	**Naylors Gavin Black**	**10**
	Bradley Hall Chartered Surveyors	9
	BNP Paribas Real Estate	8
	Knight Frank	4
	Youngs RPS	4
Warwickshire	**Bromwich Hardy**	**6**
	Savills	5
	Avison Young	4
	John Truslove	3
	CBRE	2
West Midlands	**Creative Retail Property**	**24**
	CBRE	15
	Savills	11
	JLL	9
	Avison Young	9
West Scotland	**JLL**	**24**
	Graham + Sibbald	23
	Colliers	15
	GM Brown Property Consultants	15
	CBRE	13
West Sussex	**Stiles Harold Williams Partnership**	**4**
	Eightfold Commercial	2
	Colliers	1
	JLL	1
	Cushman & Wakefield	1
West Yorkshire	**Knight Frank**	**18**
	CBRE	7
	JLL	6
	Carter Towler	6
	Colliers	3
Wiltshire	**Myddelton & Major**	**29**
	JLL	5
	Carter Jonas	4
	Knight Frank	1
	Avison Young	1
Worcestershire	**John Truslove**	**22**
	Knight Frank	1
	Avison Young	1

Q3 INVESTMENT SALES LEADERBOARD
Investment sales transacted on Radius between 01/07/22 and 30/09/22

Agent	Sale price total
JLL	**£1,568,661,040**
Knight Frank	£392,920,000
Cushman & Wakefield	£97,225,000
CBRE	£90,809,082
Avison Young	£51,717,500
Compton	£13,000,000
FHP Property Consultants	£7,139,000
Eddisons	£6,000,000
Bradley Hall Chartered Surveyors	£3,469,072
Page Hardy Harris	£3,400,000

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