

Exeter Office **Market Report**

Q1 2021

January 2021





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Andrew Pearce Market Update

2020 the year of the pandemic was very disappointing for take-up in the office markets.

In the South West and particularly so in Exeter and Plymouth there has been the lowest take-up on record since my time in the market here. Hardly surprising given the background.

However there have been some great development and infrastructure projects which have kept the local economy going and two major sales of prime office stock took place. The first Broadwalk House in Southernhay acquired by Castleforge Partners and the second Winslade Park acquired by Burrington Estates.

What has really given me confidence in the future is the determination, innovation and resilience of businesses to survive remodel and gear up for the bounce back we will see this year as the vaccine consumes the spread of the virus.

In this period of volatility and uncertainty I have set up my own niche office agency and consultancy business after 30 year at JLL.

Crazy, but some might say I have always flourished in times of adversity and now is the time when experience and expertise will help guide businesses through the next evolution of the new workplace and workspace.



Recent Grade A / B deals **Exeter City Centre**

The Senate

Southernhay Gardens

New letting to VOA

£23.50 psf



Broadwalk House

Southernhay

79,800 sq ft sold by the Crown to Castleforge Partners. To be refurbished in phases for letting in Q2/3 2021



City Centre

Recent Grade A / B deals **Exeter Out of Town**

Exeter Science Park

new 11,000 sq ft V - Sim building
completes for Exeter University



Ash House

Sowton

7,350 sq ft Let to CPS



Vantage Point

Pynes Hill

Another suite let - to Family Law

£17.00 psf



Recent Grade A / B deals

Winslade Park

Sold by Aviva to Burrington Estates – New Wellbeing Office Campus



Winslade Park

Brook House

Winslade Park

17,344 sq ft

To be refurbished

For sale or to let



Winslade Manor & House

Winslade Park

The Manor refurbished and fully let
or under offer at £50 psf fully serviced

Winslade House - under refurbishment
and letting at £20 psf



Clyst House

Winslade Park

62,221 sq ft

For sale or to let



Stock

Exeter office market **Take-up**

2017 Take-up
166,000 sq ft

2018 Take-up
198,000 sq ft

2019 Take-up
144,000 sq ft

2020 Take-up
113,723 sq ft

Lack of stock

in the City Centre but increasing availability out of town with Winslade Park

Total Supply
End 2020
391,906 sq ft

City Centre
Supply
81,635 sq ft

Out of Town
Supply
310,371 sq ft

Cheerful

Looking forward **Reasons to be cheerful**

- 1.** First phase of CityPoint (Exeter's new Office Residential and Leisure Quarter) under construction with new Leisure facilities and bus station
- 2.** New V- Sim building completed for Exeter University on Exeter Science Park
- 3.** 43,000 sq ft former Flybe Training Academy acquired by Devon CC and Exeter College in an off market deal
- 4.** Winslade Park sold by Aviva to Burrington Estates as a new Wellbeing Office Campus. The first phase of offices in the Manor and Winslade House attract major tenant interest
- 5.** Stovax sign up on new 200,000 sq ft HQ and manufacturing facility on Skypark
- 6.** Exeter University plan a further 1,200 student housing development on campus
- 7.** Marsh Barton gets it's long awaited consent for railway station and the Science Park's park and change finally completes
- 8.** The NHS acquire the former Homebase on Sowton to build a new Nightingale Hospital
- 9.** Exeter Science Park 20,000 sq ft Open Innovation Centre under construction next to Met Office HPC Complex with plenty of tenant interest
- 10.** Works starts on the new Hotel and Conferencing facilities at Exeter Chiefs Sandy Park. Another coup for Tony Rowe and his Team as well as their Cup double.

Trends

Review and replan

Reunite staff

Relook at office occupation

Report on options

Reinvest

Refurbish OR relocate

Looking forward **Re-Setting Trends**

- 1.** Home working has been a growing trend but now it has been forced upon businesses it has become the new norm
- 2.** Social distancing in the workplace has been difficult and a negative factor to social interaction
- 3.** Companies are still working out how they will re - occupy the workplace in the immediate and medium term
- 4.** Re occupation of the workplace has been deferred by many due to the latest lockdown
- 5.** With home working the ratio of fte to workstation has reduced with a lot of companies looking at 30 - 50% reduction in floor space
- 6.** Hub and club will become the norm and flex space has become more popular
- 7.** This is fuelling the "churn market " so more availability in 2021
- 8.** Out of town business and office parks becoming more popular because of less reliance on public transport
- 9.** Wellness and wellbeing featuring in new space search criteria
- 10.** Healthy buildings will score highly when companies look to relocate



andrew@pearceproperty.com (0)7971 278 386 www.pearceproperty.com

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