

101% increase in Q1 Bristol office take-up driven by tech occupiers

3 years ago



Bristol recorded 234,275 sq ft of office take-up in Q1 2022, a 101% increase on Q1 2021 (116,457 sq ft), making it the best ever Q1 on record, driven by Bristol's tech sector, according to the international real estate advisor Savills.

The TMT (Technology, Media, and Telecom) sector was the most active sector in Q1 2022, accounting for 44% of overall take-up. The Professional sector was second, accounting for 27% of take-up, whilst Business and Consumer Services finished third with their share of 9% of the quarterly total.

Venture capital investment targeting Bristol tech firms increased to over £400 million in 2021, more than double the amount raised in 2020, and the highest on record. Growth in Bristol's tech sector is driving both occupational demand and headline rents in the city, says the firm. In Q1 2022, prime rents increased 12% to £42.50 per sq ft.

Christopher Meredith, Director in the Office Agency team at Savills Bristol, says: "Bristol's growing tech sector is also driving employment in the region and demand for office space. Over the last five years the technology sector has been responsible for almost a third (30%) of all take-up and the city has seen significant growth in the number of tech companies starting small and growing big very rapidly in the city, with Graphcore, Ultraleap and Huboo being just a few examples. The average deal size has also increased as technology firms expand and increase their spatial demands in the city centre."

In 2017, the average letting stood at 4,474 sq ft in Bristol. By 2021, this had increased by an impressive 41% to 6,318 sq ft. This demand has had an impact on rents with top rents in the sector between 2016 and 2021, growing an impressive 38%.

Clare Bailey, commercial research director at Savills, adds: “The quality of building is one of the most important things to today’s workforce. Consequently, today’s occupiers expect a workplace that puts people first to help them perform to the best of their ability. Pivotal to the emergence of start-up and scale up technology companies in the city are innovation hubs such as The Engine Shed, Future Space and Unit DX. However, with the tech sector in Bristol maturing at a significant rate, creating desirable prime Grade A stock is also essential.”