



Office Submarket Report

East Dorset

South Coast

PREPARED BY



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OFFICE SUBMARKET REPORT

| | |
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12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

(888)

Vacancy Rate

2.6%

12 Mo Rent Growth

0.7%

The East Dorset Submarket in South Coast is a small submarket that contains around 520,000 SF of office space. The vacancy rate has been essentially unchanged over the past year, but at 2.6%, the rate was a bit below the 10-year average as of 2023Q2.

Net absorption was essentially flat over the past year. Things look better over the five-year timeframe, as the submarket has posted 5,000 SF of positive net absorption per year on average. Rents edged up by 0.7% over the past year, which significantly trails the

area's average annual growth rate of 2.6% over the past decade.

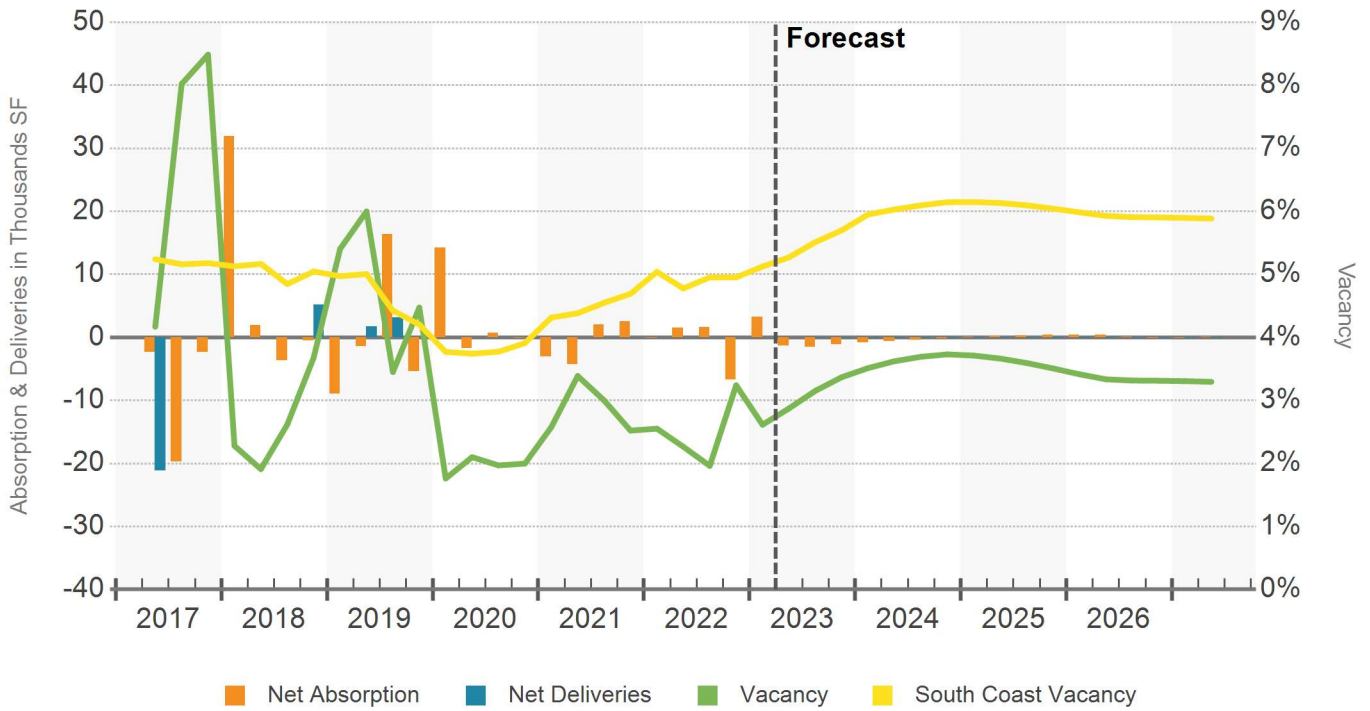
There are no supply-side pressures on vacancy or rent in the near term, as nothing is under construction. Moreover, the inventory has actually contracted over the past 10 years, as demolition activity has outpaced new construction.

Only a handful of properties have traded in the East Dorset Submarket over the past three years.

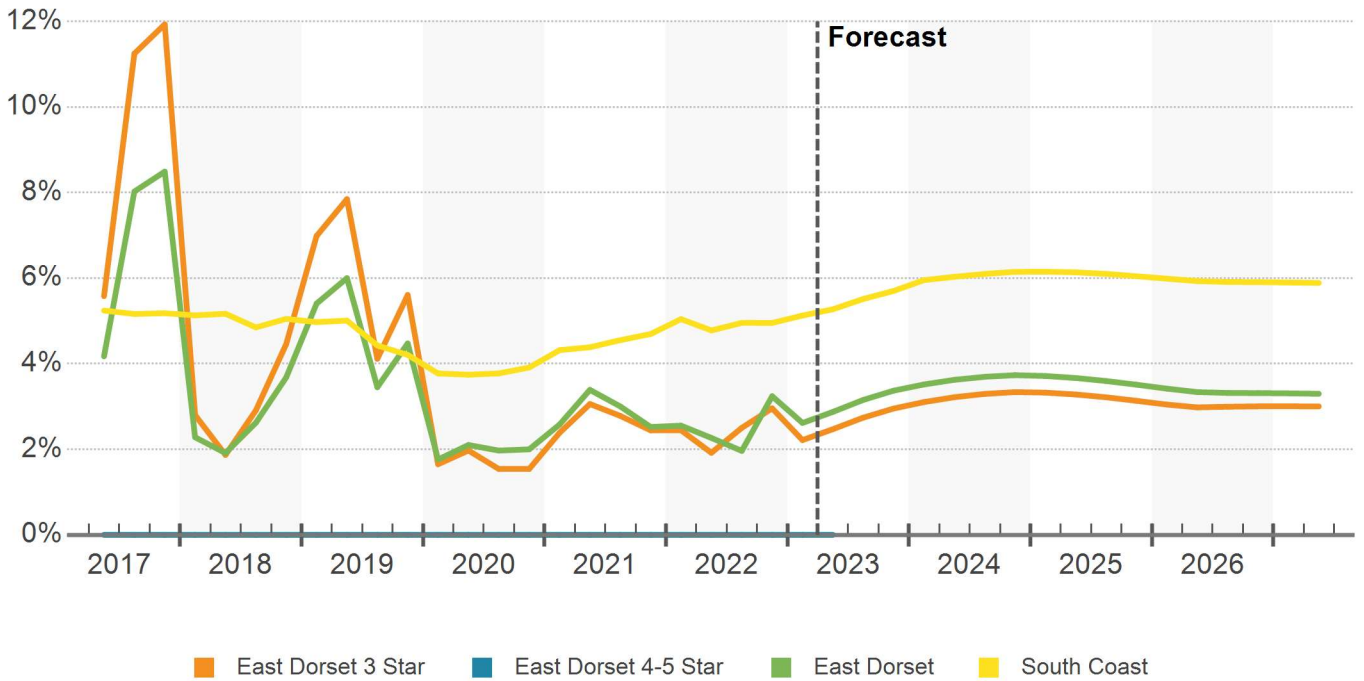
KEY INDICATORS

| Current Quarter | NIA | Vacancy Rate | Market Rent | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|----------------------|----------------|--------------------|------------------|-------------------|-------------------|---------------|--------------------|
| 4 & 5 Star | 0 | - | - | - | 0 | 0 | 0 |
| 3 Star | 359,081 | 2.2% | £19.13 | 2.6% | 0 | 0 | 0 |
| 1 & 2 Star | 164,401 | 3.5% | £13.58 | 3.5% | 0 | 0 | 0 |
| Submarket | 523,482 | 2.6% | £17.39 | 2.9% | 0 | 0 | 0 |
| Annual Trends | 12 Month | Historical Average | Forecast Average | Peak | When | Trough | When |
| Vacancy Change (YOY) | 0.2% | 5.4% | 3.4% | 13.7% | 2011 Q4 | 0.9% | 2016 Q4 |
| Net Absorption SF | (888) | 315 | (982) | 48,392 | 2014 Q1 | (60,209) | 2017 Q4 |
| Deliveries SF | 0 | 1,576 | 0 | 10,054 | 2019 Q3 | 0 | 2023 Q1 |
| Rent Growth | 0.7% | 1.8% | 0% | 17.5% | 2017 Q3 | -5.6% | 2011 Q2 |
| Sales Volume | £0 | £404.9K | N/A | £2M | 2018 Q3 | £0 | 2023 Q1 |

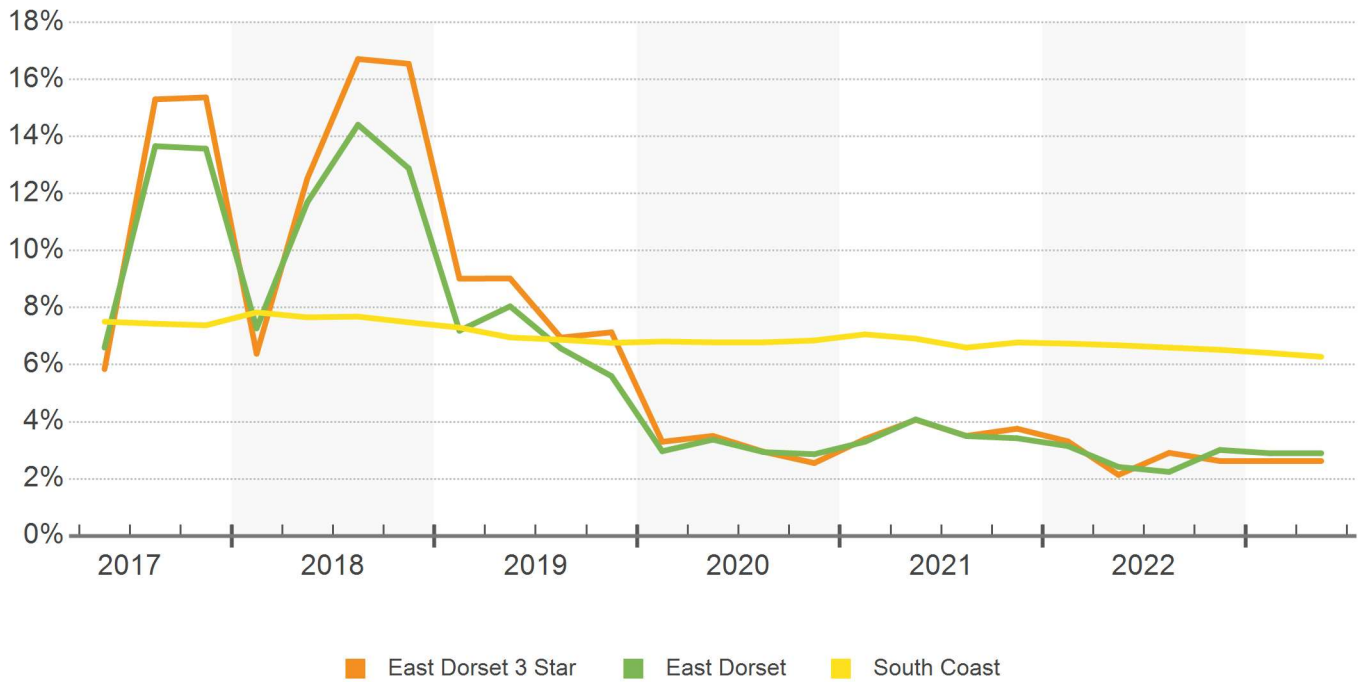
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



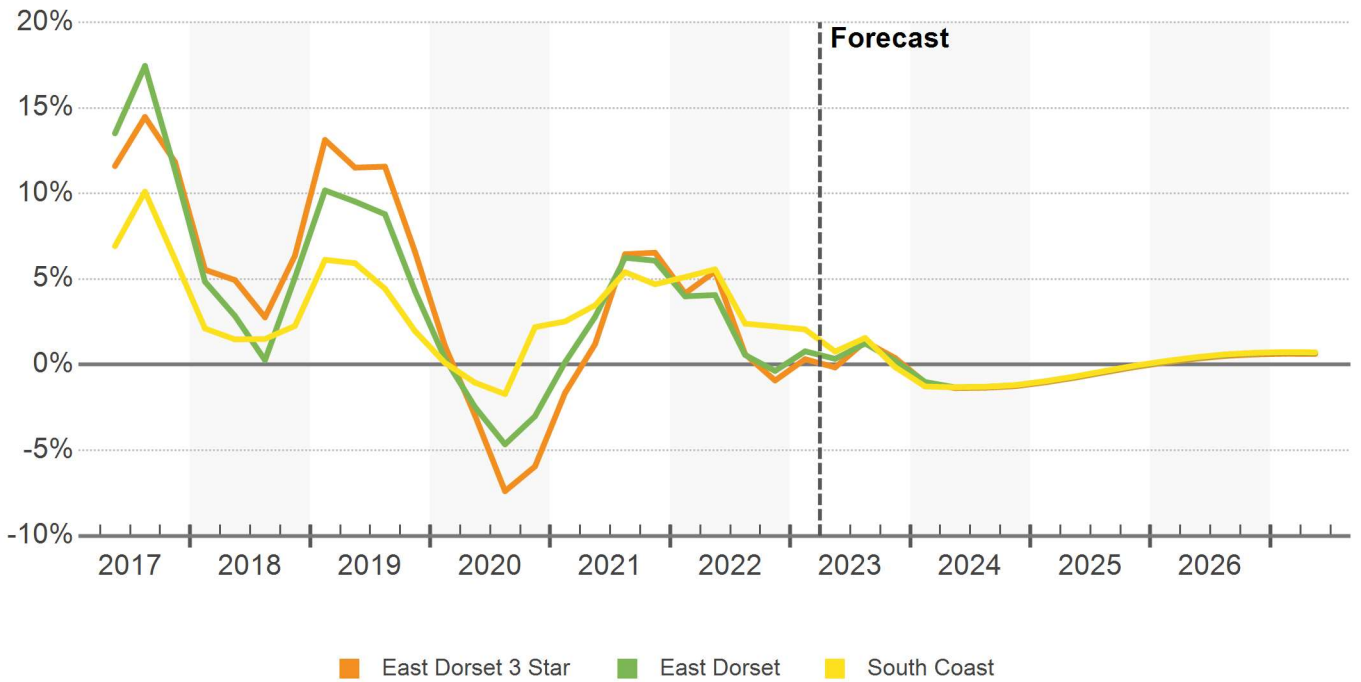
AVAILABILITY RATE



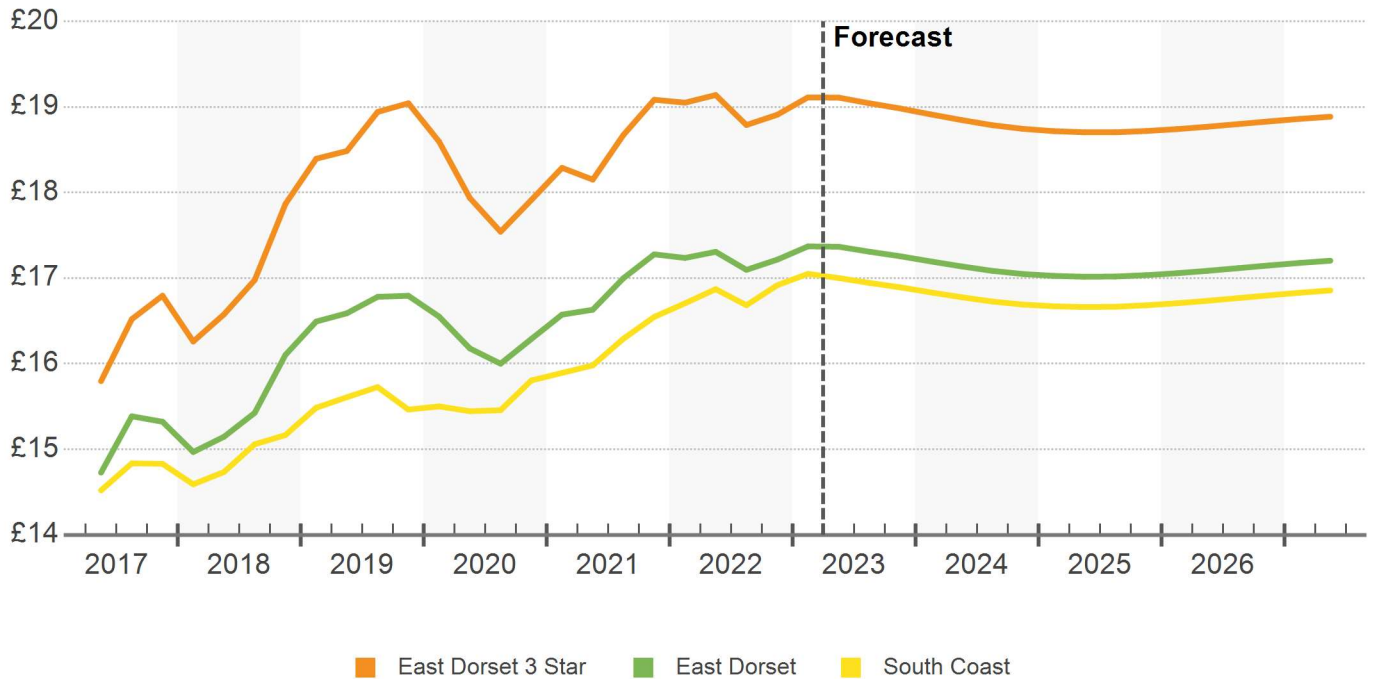
3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

| Property Name/Address | Rating | NIA | Deals | Leased SF | 12 Mo Vacancy | 12 Mo Net Absorp SF |
|--------------------------------------|--------|--------|-------|-----------|---------------|---------------------|
| Ferndown Industrial Estate | ★★★★☆ | 10,389 | 1 | 2,662 | 14.0% | 721 |
| Jessop House 26-28 Mill Ln | ★★★★☆ | 8,268 | 1 | 549 | 0% | 344 |
| 73-75 Victoria Rd | ★★★★☆ | 3,601 | 1 | 277 | 3.1% | 103 |
| 9 Nimrod Way | ★★★★☆ | 20,974 | 1 | 445 | 16.7% | (4,390) |

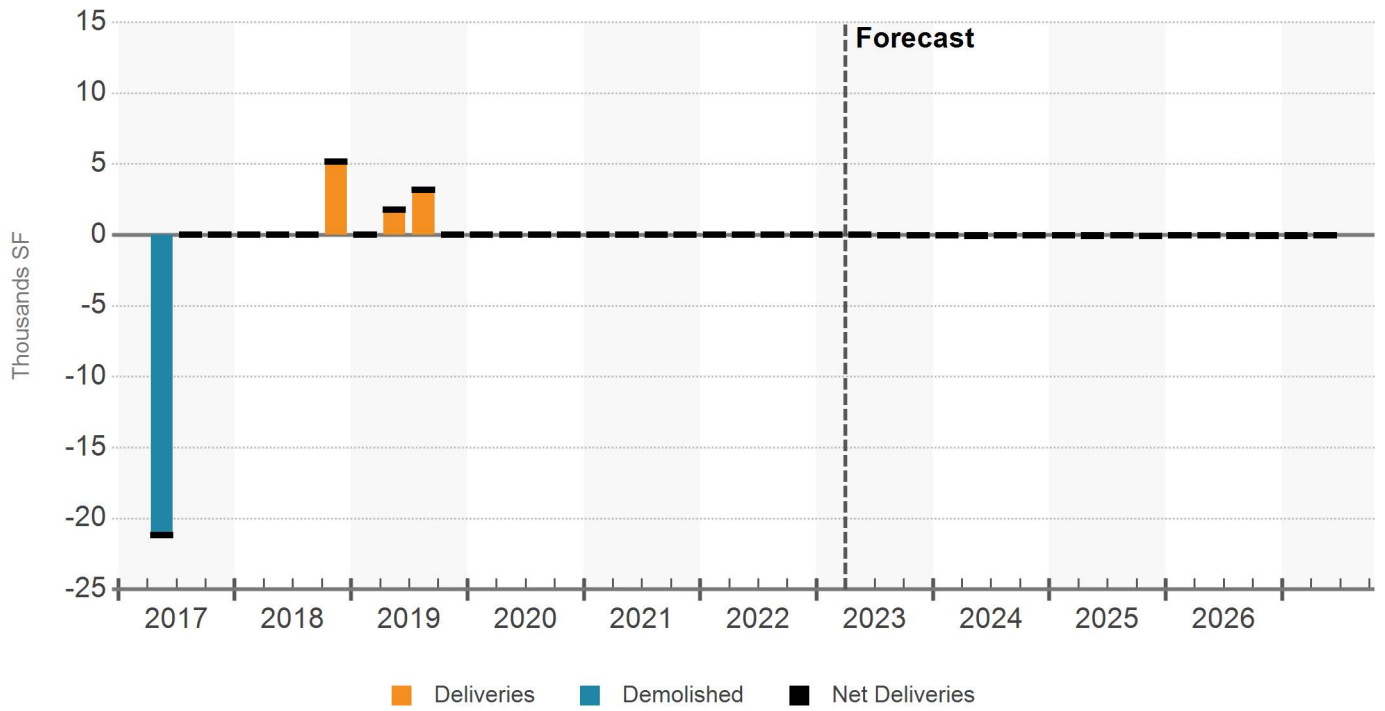
MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



DELIVERIES & DEMOLITIONS



All-Time Annual Avg. Square Feet

4,832

Delivered Square Feet Past 8 Qtrs

0

Delivered Square Feet Next 8 Qtrs

0

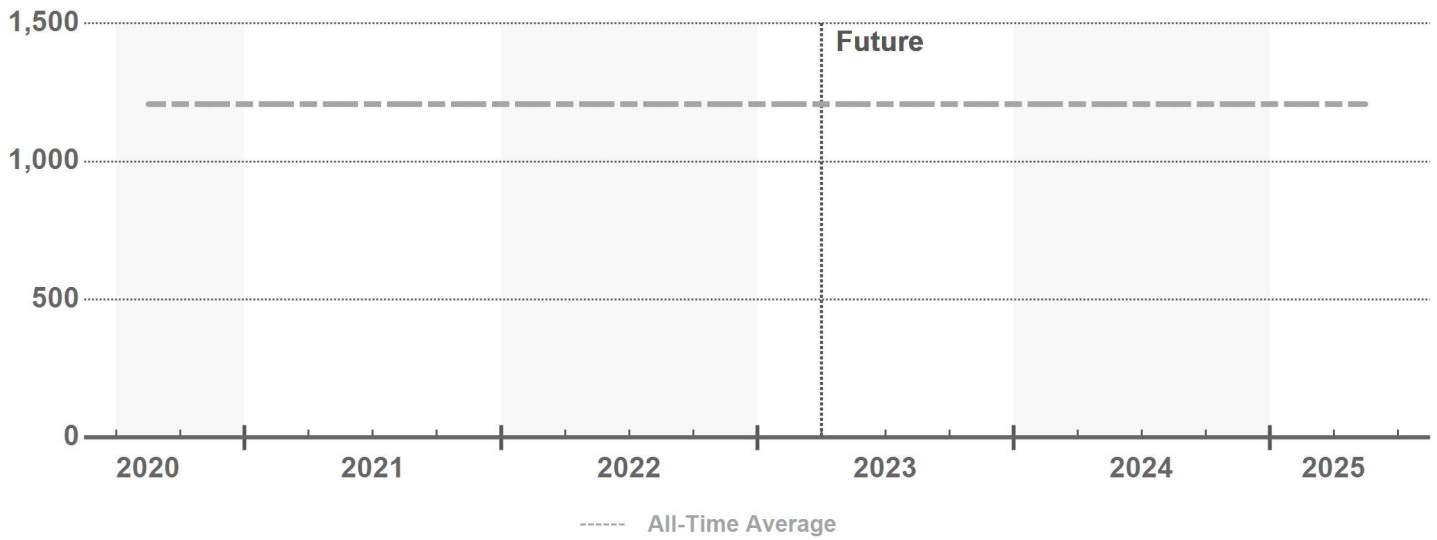
Proposed Square Feet Next 8 Qtrs

0

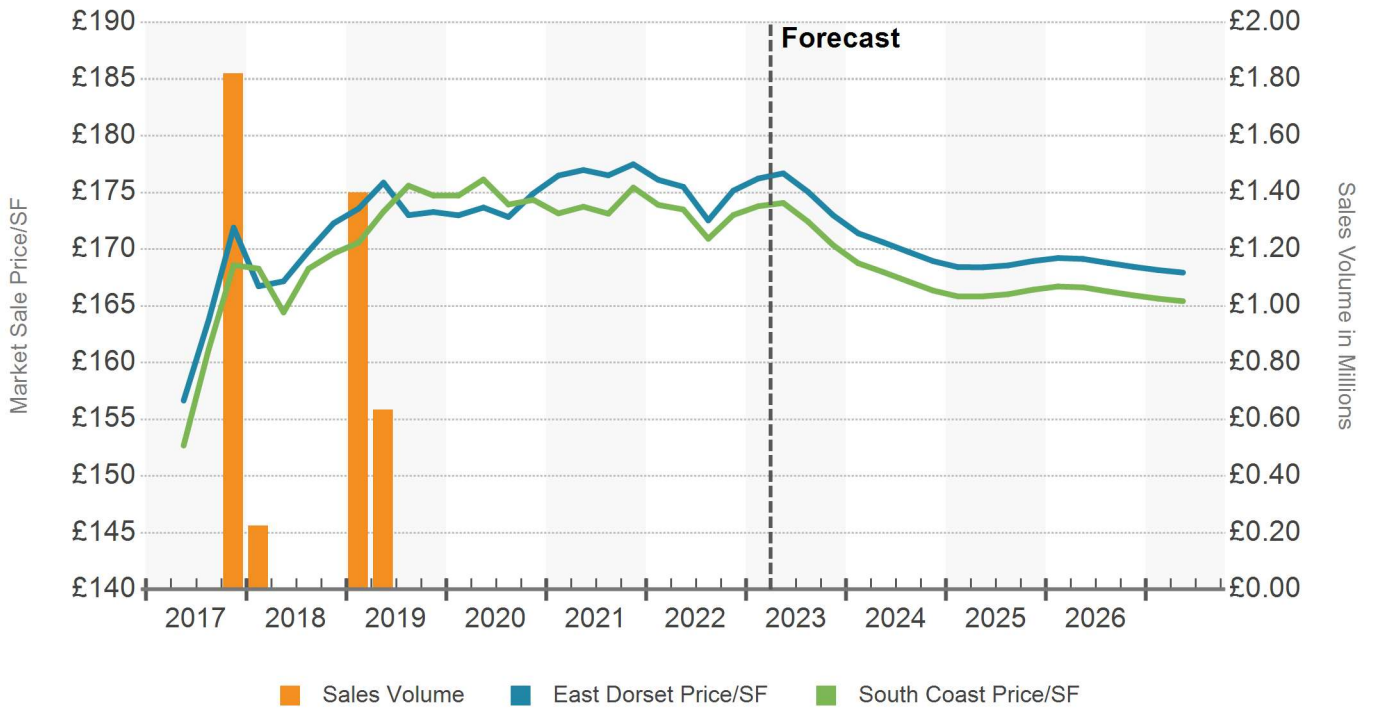
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



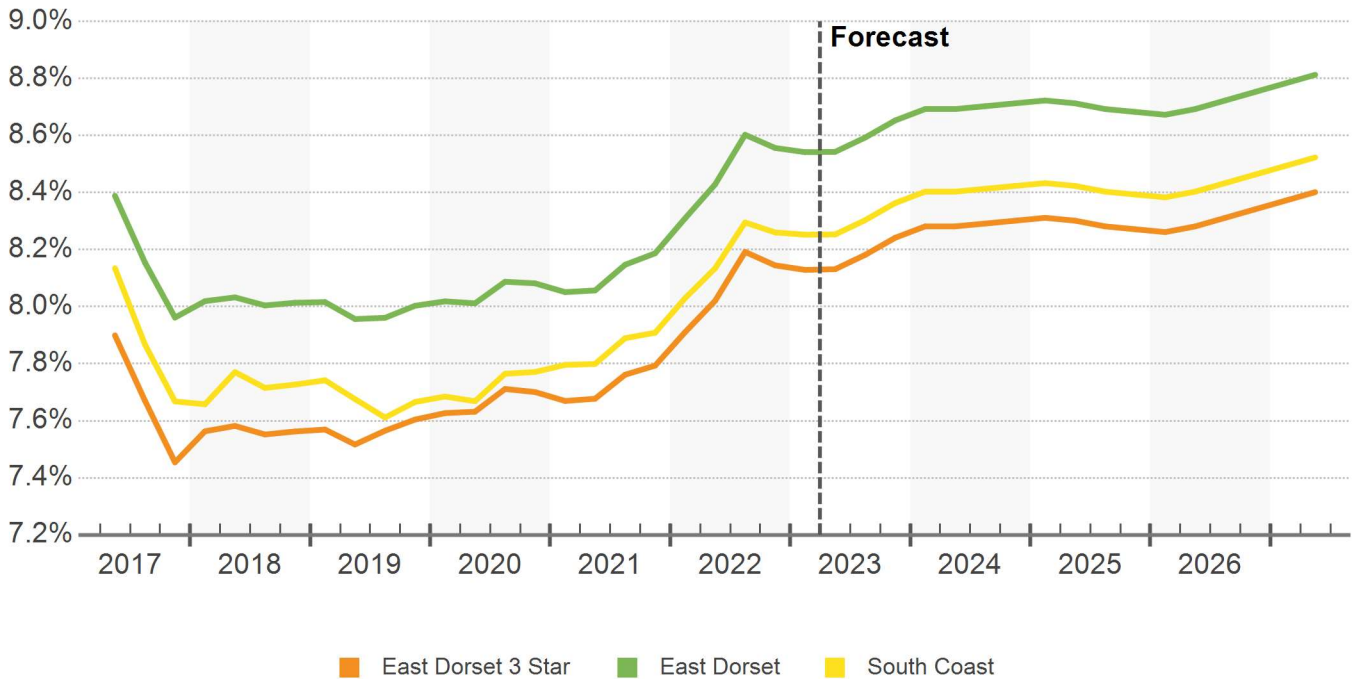
PAST & FUTURE DELIVERIES IN SQUARE FEET



SALES VOLUME & MARKET SALE PRICE PER SF



MARKET YIELD



Sales Past 12 Months

East Dorset Office

Sale Comparables

Avg. Yield

Avg. Price/SF

Avg. Vacancy At Sale

0

-

-

-

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

| Sales Attributes | Low | Average | Median | High |
|---------------------------|-----|---------|--------|------|
| Sale Price | - | - | - | - |
| Price/SF | - | - | - | - |
| Yield | - | - | - | - |
| Time Since Sale in Months | - | - | - | - |
| Property Attributes | Low | Average | Median | High |
| Building SF | - | - | - | - |
| Floors | - | - | - | - |
| Typical Floor SF | - | - | - | - |
| Vacancy Rate At Sale | - | - | - | - |
| Year Built | - | - | - | - |
| Star Rating | | | | |

OVERALL SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|-----------|-----------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 522,296 | (269) | -0.1% | (203) | 0% | - |
| 2026 | 522,565 | (269) | -0.1% | 841 | 0.2% | - |
| 2025 | 522,834 | (272) | -0.1% | 986 | 0.2% | - |
| 2024 | 523,106 | (269) | -0.1% | (2,064) | -0.4% | - |
| 2023 | 523,375 | (107) | 0% | (756) | -0.1% | - |
| YTD | 523,482 | 0 | 0% | 3,274 | 0.6% | 0 |
| 2022 | 523,482 | 0 | 0% | (3,761) | -0.7% | - |
| 2021 | 523,482 | 0 | 0% | (2,740) | -0.5% | - |
| 2020 | 523,482 | 0 | 0% | 12,956 | 2.5% | 0 |
| 2019 | 523,482 | 4,914 | 0.9% | 578 | 0.1% | 8.5 |
| 2018 | 518,568 | 5,140 | 1.0% | 29,632 | 5.7% | 0.2 |
| 2017 | 513,428 | (21,206) | -4.0% | (60,209) | -11.7% | - |
| 2016 | 534,634 | 0 | 0% | 3,953 | 0.7% | 0 |
| 2015 | 534,634 | 495 | 0.1% | 4,233 | 0.8% | 0.1 |
| 2014 | 534,139 | 3,248 | 0.6% | 15,960 | 3.0% | 0.2 |
| 2013 | 530,891 | 0 | 0% | 44,885 | 8.5% | 0 |
| 2012 | 530,891 | 0 | 0% | 2,715 | 0.5% | 0 |
| 2011 | 530,891 | 3,971 | 0.8% | (13,717) | -2.6% | - |

3 STAR SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|-----------|-----------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 359,081 | 0 | 0% | (126) | 0% | - |
| 2026 | 359,081 | 0 | 0% | 462 | 0.1% | 0 |
| 2025 | 359,081 | 0 | 0% | 734 | 0.2% | 0 |
| 2024 | 359,081 | 0 | 0% | (1,383) | -0.4% | - |
| 2023 | 359,081 | 0 | 0% | 17 | 0% | 0 |
| YTD | 359,081 | 0 | 0% | 2,662 | 0.7% | 0 |
| 2022 | 359,081 | 0 | 0% | (1,845) | -0.5% | - |
| 2021 | 359,081 | 0 | 0% | (3,240) | -0.9% | - |
| 2020 | 359,081 | 0 | 0% | 14,595 | 4.1% | 0 |
| 2019 | 359,081 | 4,914 | 1.4% | 578 | 0.2% | 8.5 |
| 2018 | 354,167 | 5,140 | 1.5% | 30,982 | 8.7% | 0.2 |
| 2017 | 349,027 | (21,206) | -5.7% | (58,267) | -16.7% | - |
| 2016 | 370,233 | 0 | 0% | (1,269) | -0.3% | - |
| 2015 | 370,233 | 495 | 0.1% | 1,705 | 0.5% | 0.3 |
| 2014 | 369,738 | 0 | 0% | 9,676 | 2.6% | 0 |
| 2013 | 369,738 | 0 | 0% | 38,903 | 10.5% | 0 |
| 2012 | 369,738 | 0 | 0% | 3,070 | 0.8% | 0 |
| 2011 | 369,738 | 3,971 | 1.1% | (4,930) | -1.3% | - |

Supply & Demand Trends

East Dorset Office

1 & 2 STAR SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|-----------|-----------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 163,215 | (269) | -0.2% | (77) | 0% | - |
| 2026 | 163,484 | (269) | -0.2% | 379 | 0.2% | - |
| 2025 | 163,753 | (272) | -0.2% | 252 | 0.2% | - |
| 2024 | 164,025 | (269) | -0.2% | (681) | -0.4% | - |
| 2023 | 164,294 | (107) | -0.1% | (773) | -0.5% | - |
| YTD | 164,401 | 0 | 0% | 612 | 0.4% | 0 |
| 2022 | 164,401 | 0 | 0% | (1,916) | -1.2% | - |
| 2021 | 164,401 | 0 | 0% | 500 | 0.3% | 0 |
| 2020 | 164,401 | 0 | 0% | (1,639) | -1.0% | - |
| 2019 | 164,401 | 0 | 0% | - | - | - |
| 2018 | 164,401 | 0 | 0% | (1,350) | -0.8% | - |
| 2017 | 164,401 | 0 | 0% | (1,942) | -1.2% | - |
| 2016 | 164,401 | 0 | 0% | 5,222 | 3.2% | 0 |
| 2015 | 164,401 | 0 | 0% | 2,528 | 1.5% | 0 |
| 2014 | 164,401 | 3,248 | 2.0% | 6,284 | 3.8% | 0.5 |
| 2013 | 161,153 | 0 | 0% | 5,982 | 3.7% | 0 |
| 2012 | 161,153 | 0 | 0% | (355) | -0.2% | - |
| 2011 | 161,153 | 0 | 0% | (8,787) | -5.5% | - |

OVERALL RENT & VACANCY

| Year | Market Rent | | | Vacancy | | |
|------|-------------|----------|--------------|---------|---------|----------|
| | Per SF | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | £17.24 | 0.5% | -0.2% | 17,325 | 3.3% | 0% |
| 2026 | £17.15 | 0.7% | -0.8% | 17,311 | 3.3% | -0.2% |
| 2025 | £17.03 | -0.1% | -1.4% | 18,342 | 3.5% | -0.2% |
| 2024 | £17.05 | -1.2% | -1.3% | 19,517 | 3.7% | 0.4% |
| 2023 | £17.26 | 0.2% | -0.1% | 17,634 | 3.4% | 0.1% |
| YTD | £17.39 | 0.7% | 0.6% | 13,687 | 2.6% | -0.6% |
| 2022 | £17.22 | -0.4% | -0.4% | 16,961 | 3.2% | 0.7% |
| 2021 | £17.28 | 6.1% | 0% | 13,200 | 2.5% | 0.5% |
| 2020 | £16.29 | -3.0% | -5.7% | 10,460 | 2.0% | -2.5% |
| 2019 | £16.79 | 4.3% | -2.8% | 23,416 | 4.5% | 0.8% |
| 2018 | £16.10 | 5.1% | -6.8% | 19,080 | 3.7% | -4.8% |
| 2017 | £15.32 | 11.4% | -11.3% | 43,572 | 8.5% | 7.6% |
| 2016 | £13.76 | 3.2% | -20.4% | 4,569 | 0.9% | -0.7% |
| 2015 | £13.33 | 6.5% | -22.8% | 8,522 | 1.6% | -0.7% |
| 2014 | £12.52 | -4.7% | -27.6% | 12,260 | 2.3% | -2.4% |
| 2013 | £13.13 | -2.3% | -24.0% | 24,972 | 4.7% | -8.5% |
| 2012 | £13.44 | 0.2% | -22.2% | 69,857 | 13.2% | -0.5% |
| 2011 | £13.41 | -0.8% | -22.4% | 72,572 | 13.7% | 3.3% |

3 STAR RENT & VACANCY

| Year | Market Rent | | | Vacancy | | |
|------|-------------|----------|--------------|---------|---------|----------|
| | Per SF | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | £18.92 | 0.5% | -0.9% | 10,910 | 3.0% | 0% |
| 2026 | £18.83 | 0.6% | -1.3% | 10,784 | 3.0% | -0.1% |
| 2025 | £18.72 | -0.1% | -1.9% | 11,246 | 3.1% | -0.2% |
| 2024 | £18.74 | -1.3% | -1.8% | 11,980 | 3.3% | 0.4% |
| 2023 | £18.98 | 0.4% | -0.5% | 10,597 | 3.0% | 0% |
| YTD | £19.13 | 0.3% | 0.3% | 7,952 | 2.2% | -0.7% |
| 2022 | £18.91 | -0.9% | -0.9% | 10,614 | 3.0% | 0.5% |
| 2021 | £19.08 | 6.5% | 0% | 8,769 | 2.4% | 0.9% |
| 2020 | £17.91 | -5.9% | -6.1% | 5,529 | 1.5% | -4.1% |
| 2019 | £19.04 | 6.6% | -0.2% | 20,124 | 5.6% | 1.1% |
| 2018 | £17.87 | 6.4% | -6.4% | 15,788 | 4.5% | -7.5% |
| 2017 | £16.79 | 11.8% | -12.0% | 41,630 | 11.9% | 10.7% |
| 2016 | £15.02 | 1.3% | -21.3% | 4,569 | 1.2% | 0.3% |
| 2015 | £14.82 | 9.0% | -22.3% | 3,300 | 0.9% | -0.3% |
| 2014 | £13.60 | -6.4% | -28.8% | 4,510 | 1.2% | -2.6% |
| 2013 | £14.53 | -2.0% | -23.9% | 14,186 | 3.8% | -10.5% |
| 2012 | £14.82 | 1.7% | -22.3% | 53,089 | 14.4% | -0.8% |
| 2011 | £14.57 | 0.6% | -23.6% | 56,159 | 15.2% | 2.3% |

1 & 2 STAR RENT & VACANCY

| Year | Market Rent | | | Vacancy | | |
|------|-------------|----------|--------------|---------|---------|----------|
| | Per SF | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | £13.57 | 0.7% | 0.4% | 6,415 | 3.9% | -0.1% |
| 2026 | £13.47 | 0.9% | -0.4% | 6,527 | 4.0% | -0.3% |
| 2025 | £13.36 | 0.1% | -1.2% | 7,096 | 4.3% | -0.3% |
| 2024 | £13.34 | -1.1% | -1.3% | 7,537 | 4.6% | 0.3% |
| 2023 | £13.49 | -0.2% | -0.2% | 7,037 | 4.3% | 0.4% |
| YTD | £13.58 | 2.2% | 0.4% | 5,735 | 3.5% | -0.4% |
| 2022 | £13.52 | 1.4% | 0% | 6,347 | 3.9% | 1.2% |
| 2021 | £13.33 | 4.6% | -1.4% | 4,431 | 2.7% | -0.3% |
| 2020 | £12.74 | 7.3% | -5.7% | 4,931 | 3.0% | 1.0% |
| 2019 | £11.88 | -3.0% | -12.1% | 3,292 | 2.0% | 0% |
| 2018 | £12.25 | 1.2% | -9.4% | 3,292 | 2.0% | 0.8% |
| 2017 | £12.11 | 9.9% | -10.5% | 1,942 | 1.2% | 1.2% |
| 2016 | £11.01 | 9.3% | -18.5% | 0 | 0% | -3.2% |
| 2015 | £10.07 | -0.8% | -25.5% | 5,222 | 3.2% | -1.5% |
| 2014 | £10.15 | 0.7% | -24.9% | 7,750 | 4.7% | -2.0% |
| 2013 | £10.08 | -3.2% | -25.4% | 10,786 | 6.7% | -3.7% |
| 2012 | £10.41 | -4.3% | -23.0% | 16,768 | 10.4% | 0.2% |
| 2011 | £10.88 | -4.5% | -19.5% | 16,413 | 10.2% | 5.5% |

OVERALL SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|---------|----------|------------|--------------|-----------|---------------------------|-------------|-------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Yield | Price/SF | Price Index | Yield |
| 2027 | - | - | - | - | - | - | £167.74 | 126 | 8.8% |
| 2026 | - | - | - | - | - | - | £168.45 | 127 | 8.8% |
| 2025 | - | - | - | - | - | - | £168.95 | 127 | 8.7% |
| 2024 | - | - | - | - | - | - | £168.95 | 127 | 8.7% |
| 2023 | - | - | - | - | - | - | £172.98 | 130 | 8.7% |
| YTD | - | - | - | - | - | - | £177.03 | 133 | 8.5% |
| 2022 | - | - | - | - | - | - | £175.16 | 132 | 8.6% |
| 2021 | - | - | - | - | - | - | £177.48 | 133 | 8.2% |
| 2020 | 3 | £0 | 0.5% | - | - | - | £174.92 | 131 | 8.1% |
| 2019 | 4 | £2M | 4.0% | £1,017,087 | £140.59 | - | £173.28 | 130 | 8.0% |
| 2018 | 1 | £225K | 0.3% | £225,000 | £141.24 | - | £172.28 | 129 | 8.0% |
| 2017 | 2 | £1.8M | 1.0% | £1,820,000 | £428.24 | - | £171.90 | 129 | 8.0% |
| 2016 | 4 | £1.8M | 9.1% | £607,332 | £38.99 | - | £156 | 117 | 8.6% |
| 2015 | 1 | £376.4K | 0.7% | £376,438 | £104.54 | - | £149.48 | 112 | 8.6% |
| 2014 | - | - | - | - | - | - | £140.42 | 106 | 9.0% |
| 2013 | - | - | - | - | - | - | £128.72 | 97 | 9.6% |
| 2012 | - | - | - | - | - | - | £128.26 | 96 | 10.0% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|---------|----------|------------|--------------|-----------|---------------------------|-------------|-------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Yield | Price/SF | Price Index | Yield |
| 2027 | - | - | - | - | - | - | £192.54 | 124 | 8.4% |
| 2026 | - | - | - | - | - | - | £193.54 | 125 | 8.3% |
| 2025 | - | - | - | - | - | - | £194.28 | 125 | 8.3% |
| 2024 | - | - | - | - | - | - | £194.34 | 125 | 8.3% |
| 2023 | - | - | - | - | - | - | £199.12 | 128 | 8.2% |
| YTD | - | - | - | - | - | - | £203.93 | 132 | 8.1% |
| 2022 | - | - | - | - | - | - | £201.70 | 130 | 8.1% |
| 2021 | - | - | - | - | - | - | £204.20 | 132 | 7.8% |
| 2020 | 3 | £0 | 0.7% | - | - | - | £200.98 | 130 | 7.7% |
| 2019 | 1 | £0 | 0.9% | - | - | - | £199.91 | 129 | 7.6% |
| 2018 | 1 | £225K | 0.4% | £225,000 | £141.24 | - | £200.73 | 130 | 7.6% |
| 2017 | 2 | £1.8M | 1.5% | £1,820,000 | £428.24 | - | £202.35 | 131 | 7.5% |
| 2016 | 3 | £1.6M | 11.1% | £780,993 | £40.01 | - | £184.92 | 119 | 8.0% |
| 2015 | 1 | £376.4K | 1.0% | £376,438 | £104.54 | - | £177.28 | 114 | 8.0% |
| 2014 | - | - | - | - | - | - | £166.77 | 108 | 8.4% |
| 2013 | - | - | - | - | - | - | £152.47 | 98 | 9.0% |
| 2012 | - | - | - | - | - | - | £152.42 | 98 | 9.3% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|--------|----------|------------|--------------|-----------|---------------------------|-------------|-------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Yield | Price/SF | Price Index | Yield |
| 2027 | - | - | - | - | - | - | £113.56 | 133 | 9.7% |
| 2026 | - | - | - | - | - | - | £113.65 | 134 | 9.7% |
| 2025 | - | - | - | - | - | - | £113.64 | 134 | 9.6% |
| 2024 | - | - | - | - | - | - | £113.48 | 133 | 9.6% |
| 2023 | - | - | - | - | - | - | £115.89 | 136 | 9.6% |
| YTD | - | - | - | - | - | - | £118.28 | 139 | 9.4% |
| 2022 | - | - | - | - | - | - | £117.20 | 138 | 9.5% |
| 2021 | - | - | - | - | - | - | £119.13 | 140 | 9.0% |
| 2020 | - | - | - | - | - | - | £118 | 139 | 8.9% |
| 2019 | 3 | £2M | 10.9% | £1,017,087 | £140.59 | - | £115.11 | 135 | 8.9% |
| 2018 | - | - | - | - | - | - | £110.13 | 129 | 9.0% |
| 2017 | - | - | - | - | - | - | £105.38 | 124 | 9.1% |
| 2016 | 1 | £260K | 4.7% | £260,012 | £33.85 | - | £92.84 | 109 | 9.9% |
| 2015 | - | - | - | - | - | - | £88.77 | 104 | 9.9% |
| 2014 | - | - | - | - | - | - | £82.87 | 97 | 10.3% |
| 2013 | - | - | - | - | - | - | £76.87 | 90 | 11.0% |
| 2012 | - | - | - | - | - | - | £75.49 | 89 | 11.4% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.