



## Midtown Offices outperform the City and West End in 2010

**London 16<sup>th</sup> May 2011:** Rental growth and income return in the Midtown sector was the strongest amongst the London Offices, **according to the Farebrother IPD Midtown Investment report.**

Rents saw an increase of 7.1% over 2010, outperforming both City and West End Offices, at 6.6% and 5.2% respectively, and were well above the all London Office average of 1.5%.

Income return, at 6.1%, was 40 basis points higher than the nearest London Office sector, offering investors an attractive return premium in a market increasingly focused on income streams.

**Alastair Hilton, Head of Investment at Farebrother commented** " The case for investment in Midtown becomes even more compelling, with all the key ingredients in place for strong asset performance. Whilst there are some clear short to medium term gains, in the long term the strategic position of the Midtown market can no longer be ignored."

**Greg Mansell, Research Manager at IPD said,** "The Midtown office market achieved total returns of 22.2% y/y in 2010. Re-pricing, as measured by IPD's yield impact series, was the main source of performance at 11.3% y/y, outlining the positive influence of sustained investor appetite for Midtown assets. Capital values increased not only due to favourable yield movements but were also supplemented by the timely return of rental value growth. By the end of 2010, rents were 7.1% higher than they were the previous year, which surpassed that of the City and West End office markets. With both investors and occupiers driving returns in Midtown, it is no surprise that the 2010 total return figure represents the fourth best year for Midtown office performance in IPD's 30-year history.

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### ***About Farebrother***

Farebrother is an established, multidisciplinary practice of property advisers and surveyors whose core business is to provide office brokerage, investment, landlord & tenant and management services to occupiers, investors and developers in Central London. A private practice since 1799, three partners have become Lord Mayors of London. The Practice acts for funds, estates, property companies, occupiers and private individuals, including PRUPIM, CBI and City of London.

### ***About IPD***

IPD is a global information business, dedicated to the objective measurement of commercial real estate performance. IPD's indices are the basis for the developing commercial property derivatives market and the most authoritative measures of real estate returns worldwide. As the world's number one provider of real estate performance analysis for funds, investors, managers and occupiers, IPD offers a full range of services including research, reporting, benchmarking, conferences and indices. For further information visit [www.ipd.com](http://www.ipd.com).

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