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More space let in Midtown than the City or West End

The latest quarterly figures from Farebrother Research show that take-up of Midtown office space now exceeds both City and West End markets and is rising each quarter. In relative terms, Midtown returned 50% take-up over its share of total stock across the three areas, whilst both City & West End markets underperformed.

West End	434,000 sq ft take-up Q1 09 (33%)	68.7 m sq ft stock (40%)
Midtown	479,000 sq ft take-up Q1 09 (36%)	41.8 m sq ft stock (24%)
City	422,000 sq ft take-up Q1 09 (32%)	62.2 m sq ft stock (36%)

Availability has however risen in all markets. Midtown is more closely aligned to West End availability rates. West End is currently at 8.1%, Midtown at 9.1%, with the City at 12.6% where much supply is to come through current construction. In Midtown there is more secondhand Grade A space on the market than any other style, with new & refurbished and secondhand Grade B space of equal size.

Farebrother's Head of Leasing, Sales & Development Julian Hind, said "A three-tier market is emerging in Midtown. There's demand for the best new and refurbished space and, at the other end of the scale, secondhand Grade B offices on shorter leases, but on secondhand Grade A, there is a gap between landlords' and tenants' expectations of both headline rents and reasonable incentives, particularly in the £35-40 psf range. A rental adjustment of 10-15% in the coming months could be sufficient to convert more demand for secondhand Grade A stock."

ENDS

Q4 09 Take-up Data

In the previous Quarter (Q4 08), 34% of all take-up across the three markets was in Midtown. The City took 35% of all take-up in the three markets in Q4, but has 36% of total stock. The West End saw 31% let against 40% of total stock.

About Farebrother

Farebrother are property advisers and chartered surveyors offering a full range of property advice in the Centre of London specialising in Midtown and Southbank. Founded in 1799, the Practice acts for funds, estates, property companies, occupiers and private individuals, including Scottish Widows, PRUPIM, The Governing Body of Rugby School and Delancey.

Midtown

The Midtown office market broadly extends to Euston Road in the North, the Thames in the South, St Paul's in the East and Trafalgar Square in the West and has a total stock of 41.8m sq ft. The size of the City & West End markets are 62.2m sq ft and 68.7m sq ft respectively. Key occupiers include Deloitte, Goldman Sachs and Lovells. The proportion of occupiers from creative sectors; fashion, media, internet and IT has increased, with brands like Grey London, McCann Erickson and Alexander McQueen relocating to Midtown.

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