

18th July 2011

Midtown vacancy rate falls the furthest in seven years as West End occupiers join the fight for space

The amount of available office space in Midtown in Q2 2011 fell a significant 22% to 5.5% of total stock (down to 1.9m sq ft from 2.4m sq ft), a lower rate than the West End at 7.1% and City at 10.8%, largely driven by above average take-up and limited new supply. 566,000 sq ft was let in Midtown in Q2, 197,000 sq ft being on new space. No new or refurbished space was completed to the Midtown market in Q2.

The amount of available new and refurbished space in Midtown in Q2 fell 58% to a ten-year low of just 157,000 sq ft in nine schemes as occupiers competed hard for the best quality space. Available secondhand space also fell 15% to 1.75m sq ft.

Julian Hind, Head of Leasing, Sales & Development at Farebrother commented "We expect availability to fall further to 4.7% or 1.6m sq ft by the end of the year. Named occupier demand is up 10% to 4.4m sq ft - over a quarter of all requirements are now from West End occupiers seeking lower total occupational costs. With just 323,000 sq ft of speculative space coming onto the market in Q3, some of it already under offer, we expect the market to tighten still further."

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Farebrother

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

Midtown

The Midtown market broadly extends to Euston Road in the North, the Thames in the South, Farringdon Street/Road in the East and Trafalgar Square/Tottenham Court Road in the West. Major occupiers include Goldman Sachs, Deloitte and Warner Bros. The proportion of occupiers from creative sectors; fashion, media, internet and IT has increased in recent years, with brands such as Grey London, McCann Erickson, Agent Provocateur and Ben Sherman relocating to Midtown.

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