

**20th July 2011**

## **Midtown yields under pressure to fall further by the end of the year**

Midtown yields will shorten further as demand grows from all Investor sectors, according to Farebrother's latest research. Prime yields are currently circa 5.25%. Transactions in Midtown for the first half of 2011 total £1.4bn, up on the £1.25bn total for the whole of 2010.

The largest recent transaction, Oxford Properties' purchase of 50% of MidCity Place from Beacon Capital followed three other large acquisitions - River Court by Chinese Estates for £280m at a yield of 5.25%, 65 Fleet Street by the Malaysian Employees Provident Fund (EPF) for £148m at an initial yield of 5.75% and J.P. Morgan's acquisition of 60 Victoria Embankment for £190m.

Alastair Hilton, Head of Investment at Farebrother commented "An increase in headline rents, scarcity of suitable target buildings and sustained competition from a well-funded, diverse and growing group of Investors will keep yields under pressure in Midtown. Finding an available building with the right return profile can be a challenge."

**ENDS**

## **Farebrother**

Farebrother is an established, multidisciplinary practice of property advisers and surveyors whose core business is to provide office and retail 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.

## **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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