BNP Paribas Real Estate – Q3 shows highest quarterly industrial take up since 2009

Take-up in the logistics and industrial sectors across the UK totalled 10.39 million sq ft in the third quarter of 2011 according to BNP Paribas Real Estate, the highest take up figure since Q3 2009.

Kevin Mofid, logistics analyst at BNP Paribas Real Estate said: “Take up for 2011, to the end of Q3, has totalled 24.95 million sq ft which is 200,000 sq ft less than the same three quarters for 2010. However based on active requirements and buildings which are known to be under offer, we expect that take up for the whole of 2011 should comfortably pass the 30 million sq ft mark which will be an increase on the 29.86 million sq ft achieved in 2010.”

BNP Paribas Real Estate’s supply statistics also seem to paint a fairly healthy picture for the occupier with 147 million sq ft of property on the market. However, delving deeper, the figures start to show a worrying polarisation of the market both in terms of availability of new space and the size of space on the market. And in some markets the availability of stock is becoming a critical issue.

Nationwide, there is currently 4.5 years of supply across new and second hand units. But for new units in the Midlands this falls to 1.4 years, whereas Yorkshire has 3.6 years’ supply, the highest figure for any of the core regions.

As of the end of Q3 there is a glut of second hand property available making up 82% of total supply, up from 75% this time last year. However the level of new stock on the market continues to decrease with just 23.5 million sq ft available, a decrease of 20% year on year.

The key trend for 2011 so far has been the emergence of the design and build market in the large unit market, driven by the lack of supply of large modern units. In Q3 3.17 million
sq ft of take up was in this category, a third of all take up for the quarter. 2.5 million sq ft of this was in the Midlands and the South East.

All figures refer to new and second hand property over 50,000 sq ft.

About BNP Paribas Real Estate
BNP Paribas Real Estate is a leading international real estate provider, and the 2nd player in Europe, in terms of results (Property Week annual ranking 2010). It offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.
BNP Paribas Real Estate has local expertise on a global scale through its presence in 30 countries (15 wholly owned subsidiaries) across Europe, India and Middle East with 3,300 employees in about 150 offices. BNP Paribas Real Estate is a subsidiary of BNP Paribas, one of the world's six strongest banks in the world according to Standard & Poor's (rated AA by Standard & Poor's i.e. 3rd rating level on a scale of 22).
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