BNP Paribas Real Estate’s “South East Cycle Autumn 2011” report shows that there has been a consistent take-up of Grade A offices in the Home Counties since January 2010, despite the poor economic climate.

The leading international real estate adviser’s research shows that, between January 2010 and July 2011, around 57% of the office transactions in the south east of England involved brand new properties or those that had undergone extensive refurbishment to bring them up to a Grade A specification. The bulk of this take-up was in the Thames Valley, which is a reflection of the demand for space in the area, dominated as it is by the TMT (technology, media and telecommunications) sector.

The properties that have been most in demand have been modern buildings with flexible floor plates; good green credentials; access to a wide pool of skilled and qualified staff; excellent transport links and good amenities. In many cases the level of surplus space from the last development cycle, combined with competitive deals that landlords have been willing to do, has provided businesses with the opportunity to upgrade and take premises that might have been more difficult to secure in a more buoyant market.

The TMT market has traditionally favoured the south east and the Thames Valley in particular due to the proximity of Heathrow. In 2000 it accounted for 62% of the office transactions in the south east but by 2001, due to the “dotcom” crash, it had fallen to 33%. It remains at this level today.
As activity by the TMT sector has decreased in importance, take-up has been rebalanced towards other sectors with engineering & manufacturing (13%), retail & leisure (14%), pharmaceutical & biotechnology (13%) and professional services (13%) all asserting their importance in the region’s economy.

BNP Paribas Real Estate’s Simon Fitch says: “The south east’s office market has clearly adapted to the changing demands and profile of the occupier and the availability of new and high quality space has helped it to recover from the doldrums of 2009.

“Well positioned, modern buildings that can demonstrate sustainable credentials remain the most sought after and those best suited to tough market conditions.”

-ends-

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. 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).

For more information: www.realestate.bnpparibas.com

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