Industrial take up in London and the South East rose by 58% in Q1 2012 compared with the first quarter of the year, totalling 1.55 million sq ft, according to new research by BNP Paribas Real Estate, the leading international property adviser.

Overall, the Midlands accounted for the majority of the transactions in the second quarter, with take up in the region totalling 1.75 million sq ft, 20% of the total national figure, compared to 2.48 million sq ft in Q1. Nationwide, take up in Q2 2012 rose by 26% compared to the first quarter of the year, totalling 8.54 million sq ft.

The biggest increase was seen within the design and build space, where take up rose to 2.59 million sq ft compared to 0.40 million sq ft in Q1. Take up of new stock also rose to 1.61 million sq ft compared to 1.36 million sq ft in Q1. Notably, larger facilities which are more than 250,000 sq ft were most popular within Q2, rising 224% since the first quarter to 4.42 million sq ft.

The national supply of available industrial and logistics property of new and second hand stock has fallen for the second quarter in a row, totalling 146.8 million sq ft of available space, a fall of 1.3% compared to the first quarter of 2012.

Kevin Mofid, an associate director at BNP Paribas Real Estate, says: “Activity in London and the South East has increased this quarter, which is a positive sign. However, as we enter the quieter summer months, activity may reduce slightly. Looking ahead, take up so far is on a par with the half year point of 2011. Knowing the requirements in the market and what is rumoured to be under offer, we expect that take up for the year end will reach the same level as 2011, circa 30 million sq ft.”

Head of industrial agency at BNP Paribas Real Estate, Ranjit Gill added: “As occupiers realise that there is a restricted amount of new stock coming onto the market, the demand for better quality second hand stock continues to increase, causing supply to further fall. This market dynamic is helping to create an interest in design and build facilities.”
About BNP Paribas Real Estate

BNP Paribas Real Estate is a leading international real estate provider. 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 and 15 by its Alliance network, that represent today more than 2,500 people) with 3,400 employees. BNP Paribas Real Estate is a subsidiary of BNP Paribas with more than 150 offices. For more information: www.realestate.bnpparibas.com

Real Estate for a changing world

Press contacts: Alex Tucker, UK Press Officer, +44 (0) 207338 4086 alex.tucker@bnpparibas.com