WITHIN THE M27 REGION, ONLY 0.07 MILLION SQ FT OF PROPERTY WAS SECURED IN Q3 2012

Within the M27 region, only 0.07 million sq ft of property more than 50,000 sq ft in size was secured in Q3 2012, according to The BNP Paribas Real Estate Logistics Index, compiled in conjunction with IPD.

With regards to the M27 region’s take up of space, Q3 2012 actually recorded an increase from Q2 2012, when no space was taken within the region. Currently, the region only accounts for 2% of total nationwide supply and has 5.3 year’s worth of available space.

The UK Index covers a sample of 545 logistics properties across the UK, totalling £5.7 billion. This amounts to 28.5% of the total IPD Industrial Segment, worth £20.2bn as of the end of 2012. Nationwide, the UK logistics sector has been one of the stronger regional asset types in the UK.

Steve Williams, based within BNP Paribas Real Estate’s Southampton office, said: “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 & build facilities.”

“Looking ahead, there is still some further growth to be seen in this sector, where the right product is offered on well-located and proportionate development sites. However, the challenge for occupiers is whether they can commit to longer leases and whether developers are able to be more flexible, further enabling speculative and pre-let developments to increase in the region,” concluded Williams.

For a copy of The BNP Paribas Real Estate Logistics Index please email:
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About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers 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 36 countries with more than 150 offices and 3,400 employees (16 wholly owned subsidiaries and 20 by its Alliance network, that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas.

For more information: www.realestate.bnpparibas.com

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