THINGS CAN ONLY GET BETTER – AS 2012 LOGISTICS TAKE UP FALLS TO ITS LOWEST LEVEL

Take up of logistics properties in 2012 was 27.8 million sq ft, the lowest figure recorded since 2008 by BNP Paribas Real Estate, the leading international property adviser.

Commenting about the data, associate director at BNP Paribas Real Estate, Kevin Mofid said: “Although take up was lower last year, there were still positives within the market – with 5 million sq ft of take up recorded for design and build facilities.”

The level of new logistics units available on the market continues to decrease across the UK. Currently, supply stands at 142 million sq ft, its lowest level since 2010. For example, in the Midlands there is currently only one year’s worth of new supply available. As take-up increases, particularly from the manufacturing sector, there will be even fewer quality logistics properties available in the market.

Interestingly, the Midlands continues to lead the way when it comes to take up, with more than 8 million sq ft of recorded last year, almost double any other region. Elsewhere, take up in London and the South East last year was 4.45 million sq ft, whilst take up in Yorkshire and The Humber was 4.28 million sq ft.

“The occupational figures suggest that it may be the right time for new, larger sized, speculative developments, due to the lack of current supply. However, from an economical point of view, those who acquired land at post-crash prices may find it hard to make speculative developments feasible,” added Mofid.

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About BNP Paribas Real Estate

BNP Paribas Real Estate, leading international real estate provider, 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 36 countries with more than 180 offices and 3,400 employees (16 wholly owned subsidiaries and 20 by its Alliance network, that represents today more than 3,000 people).

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