Q2 2013 INDUSTRIAL PROPERTY TAKE UP IN THE NORTH EAST RISES 126%
-Overall UK take up almost 2m sq ft higher in H1 2013 than H1 2012-

Take up of industrial property in the North East in Q2 2013 rose an impressive 126% to 0.61m sq ft, according to new research by BNP Paribas Real Estate, the leading property adviser.

Overall in the UK take up of industrial property in Q2 2013 was 9.9m sq ft, the highest level since Q3 2011 with take up for the first half of 2013 reaching 17.1m sq ft, almost 2m sq ft higher than the first half of 2012. Interestingly, design and build deals accounted for 5.06m sq ft of take up in H1 2013, a rise of 69% compared to H1 2012.

Commenting on the data, associate director at BNP Paribas Real Estate, Kevin Mofid said: “The first half of this year has proven that the industrial and logistics market remains to be one of the more robust sectors, with positive take up levels. However, the market has been boosted by several large deals, such as a pre-let to M&S at London Gateway, which was 900,000 sq ft.”

In terms of other regions, the Midlands continues to lead the way, achieving the highest amount of take up in the second quarter of this year at 2.4m sq ft. Elsewhere, take up in London and the South East in Q2 2013 was 1.96m sq ft, in the North West it was 2.31m sq ft and in Yorkshire and The Humber it was 1.35m sq ft.

Director of Newcastle agency at BNP Paribas Real Estate, Aidan Baker: “The level of new logistics units available on the market continues to decrease across the UK. Nationwide, supply fell 1.8m sq ft to 142.1m sq ft, whilst the level of new stock in all core regions also continues to fall with just 20m sq ft available nationwide. The occupational figures suggest that it may be the right time for new, larger sized, speculative developments, due to the serious lack of supply.”

Ed Cornwell, senior director in BNP Paribas Real Estate’s national investment agency, added: “Investor appetite remains strong and prime yields are potentially hardening with a focus on multi let estates and long dated distribution income with indexation. Furthermore, the BNPPRE/IPD Logistics Index shows rental growth for the first quarter of 2013, which is being reflected in pricing.”

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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 34 countries with more than 180 offices and 3,300 employees (17 wholly owned subsidiaries and 17 by its Alliance network, that represents today more than 3,000 people).

For more information: www.realestate.bnpparibas.com

Press contact:

Alex Tucker, UK Press Officer – Tel: +44 (0) 207 338 4086 alex.tucker@bnpparibas.com