

London rental outlook strengthens, weaker elsewhere

- Tenant demand rises for second quarter driven by improvements in office and industrial markets
- Despite this, the outlook for rents falls back at faster pace as available space rises
- Capital values remain firm in London, but continue to fall across all other regions

The latest RICS UK Commercial Market Survey continues to show strong regional divergences, as the London office market outperforms all other sectors and regions. Surveyors suggest that an unwillingness by banks to lend at competitive rates is hampering the investment side of the market, with values outside the capital still depressed. Respondents to the survey also draw attention to the impact on rents of the change in the threshold for eligibility of owners to pay business rates when a property is empty.

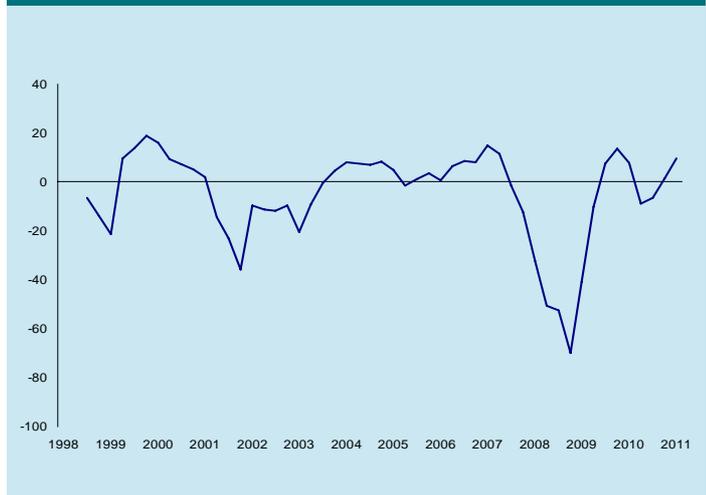
In the occupier market, tenant demand picked up at a quicker pace in Q1 as 10% more surveyors saw a rise in demand as opposed to a fall. Significantly, the rise in demand is struggling to filter through to the rental sphere; surveyors expectations are for rents in general to fall further next quarter, with the net balance slipping to -13 from -7 in Q4. Available space in the market continued to edge upwards from last quarter, contributing to the softer outlook.

Meanwhile, capital values fell at the quickest pace in 2 years (since Q2 2009), but significant differences across regions are evident. Interestingly, surveyors indicate that investment demand has turned around this quarter; the net balance moving into positive territory for the first time in 12 months.

The latest results suggest that London offices are outperforming all other markets, with rental expectations increasing at the fastest pace since Q3 2007. Available space actually fell in this segment of the market, but continues to increase elsewhere. New development over the quarter was down, with surveyors in all regions indicating a weaker picture; the notable exception was once again London offices where starts rose for the third consecutive quarter.

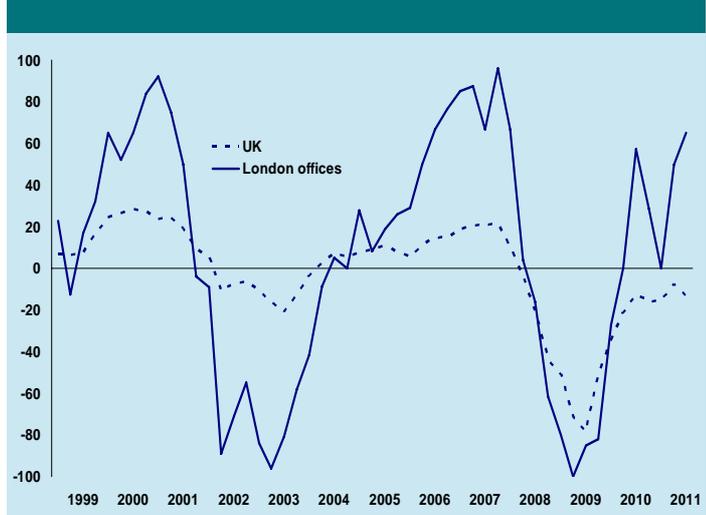
Change in sales and lettings of commercial property to occupiers, England and Wales

% Balance



Rental expectations - UK versus London offices

% Balance



All commercial property : England and Wales

Change during the quarter

Expected next quarter

% balance*	Change during the quarter			Expected next quarter	
	New sales/ lettings to occupiers	Available space for occupiers	Occupier enquiries for space	New sales/ lettings to occupiers	Rental levels
2010 Q1	8	16	7	9	-13
Q2	-9	20	-11	-4	-16
Q3	-6	15	-20	6	-15
Q4	2	4	7	17	-7
2011 Q1	10	6	8	5	-13

*Balance = Proportion of surveyors reporting a rise minus those reporting a fall
 For the first quarter survey, **198** responses were received for the office sector, **176** for the retail sector and **166** for the industrial sector.
 All figures are "Seasonally Adjusted" in the table



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Commercial property - all sectors

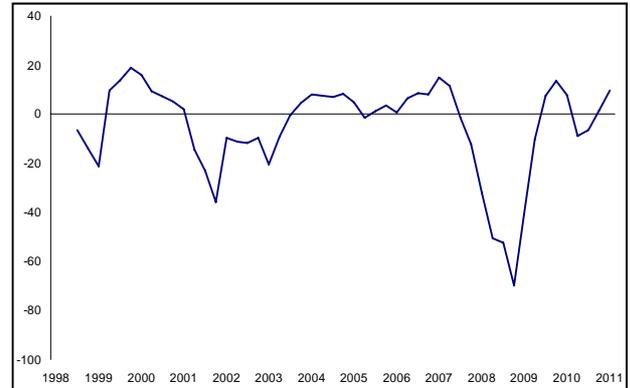
Demand

Demand from occupiers has increased from the previous quarter, with 10% more surveyors indicating a rise in demand than a fall. At a sector level, tenant demand was greater for industrial and office property, while on a regional basis, demand was greatest for London offices. Retail demand was greatest in the South and demand for industrial space was greatest in the North.

Current	Previous	Long Run Average
10	2	-5

Change in sales & lettings of commercial space to occupiers over the past quarter

% Balance, seasonally adjusted



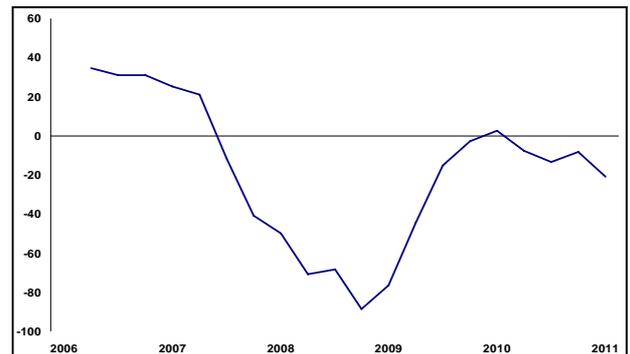
Capital Values

Values of commercial property fell for the fourth consecutive quarter, and at the fastest since Q2 2009. Surveyors indicated that capital values were unchanged from last quarter in the capital, while they fell in all other regions. They fell at the greatest pace in the South, and less so in the North and Midlands.

Current	Previous	Long Run Average
-21	-8	-19

Capital values of commercial real estate over the previous three month period

% Balance, non seasonally adjusted



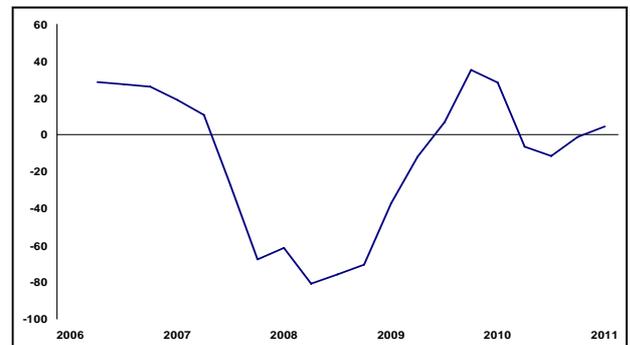
Investment Demand

Investment purchases of commercial property remained broadly stable in Q1, but the net balance has edged into positive territory for the first time in 12 months. Demand from investors across all three sectors remained little unchanged, but the results suggest that the mood is now improving, albeit only modestly.

Current	Previous	Long Run Average
4	-1	-13

Change in investment purchases of commercial real estate over the past quarter

% Balance, non seasonally adjusted



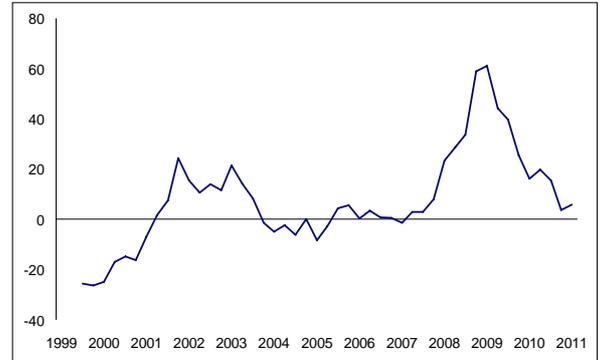
Floor space availability

Available space increased over the quarter at a mildly faster pace than recorded in Q4; remaining below the long run average, the net balance moved higher to +6 from +4. Space increased at a similar pace to last quarter for office and industrial property, but the pace increased noticeably for retail space. Floor space to occupy fell in London for the second quarter in succession, but picked up at a greater pace in all other regions. In particular, the driver of the negative net balance in London was the office market.

Current	Previous	Long Run Average
6	4	8

Change in available commercial space for occupation over the past quarter

% Balance, seasonally adjusted



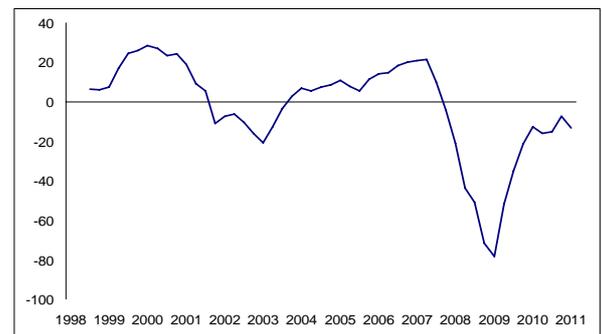
Expected rents

Rental expectations continued their slide for the 14th consecutive quarter, and at a faster pace than seen in the final three months last year; 13% more surveyors expect rents to fall over the coming quarter than rise. Retail rents are expected to fall at the greatest pace, with the expectation that rents for offices will remain broadly unchanged. Regionally, rents in London are projected to improve at the same pace as last quarter, while they are forecast to decline at a similar pace in the South and Midlands. They are estimated to drop at a noticeably quicker pace in the North. Once again, the London office market is the biggest contributor to positive rental expectations; indeed, no other sector in any region suggested rents will pick up next quarter.

Current	Previous	Long Run Average
-13	-7	-2

Surveyor expectations for the change in rents for the next quarter

% Balance, seasonally adjusted



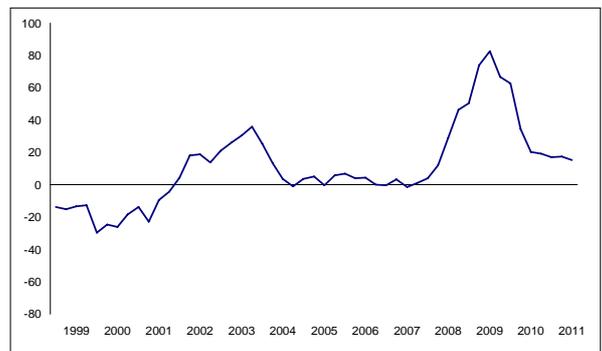
Inducements

Incentive packages offered by landlords to secure a letting continued to increase in Q1, and at much the same pace as in Q4. The net balance was little changed, (+15 from +18 previously). Inducements for industrial property slowed from Q4, but remained similar for office and retail space. Only London office and industrial properties saw the level of inducements fall, while they continued to increase elsewhere.

Current	Previous	Long Run Average
15	18	12

Change Inducements over the past quarter

% Balance, seasonally adjusted



Chartered surveyor market comments

EAST MIDLANDS

KETTERING

**Brendan Bruder BSc MRICS
Abbey Ross**

"The big news for Kettering is the sale of the Newlands Shopping Centre. The Centre was acquired by UBS Wealth Management only 5 years ago for a reported £55.5m. The resale is expected to fetch somewhere around the £40m mark showing starkly the fall from grace of secondary towns and increasing voids within the Centre. The market is more resilient than this would suggest and there are opportunities for a new owner to take a pragmatic approach and invest in the centre of what is still an affluent and busy town."

DAVENTRY

**Brendan Bruder BSc MRICS
Abbey Ross**

"Daventry has finally seen the completion of the award-winning iCon Building with space being offered to start up businesses. With the subdued market generally Henry Boot and Daventry DC have not finalised plans for the retail expansion of the town although development [on a pre-let basis] has been seen at DIRFT and nearby Crick. GPark at Crick is a 95 acre park being developed by Gazeley and a pre-let has been agreed with Butchers Pet Care for a 260000 sq ft eco friendly warehouse."

NORTHAMPTON

**Brendan Bruder BSc MRICS
Abbey Ross**

"Northampton Town Centre BID is up and running following last years positive vote. This BID now joins the Brackmills BID in dealing with improvements to vitality and viability of both areas. Deals are being done in Northampton with suggestions that 2011 and possibly the first half of 2012 representing the best letting and buying opportunity for a generation. Investment activity has been steady if unspectacular."

NORTHAMPTON

**Ben Coleman BSc FRICS
Ben Coleman Associates**

"Definite signs of more enthusiasm in the market. Enquiries up 25% on this time last year. Notable however that once deals are agreed, they take ages to complete!"

LEICESTER

**Thomas Dymond BSc(Hons)
MRICS**

**SGP Property & Facilities
Management**

"New retailers emerging in the market increasing demand for good retail space."

DERBY

**Tim Richardson BSc(Hons) MRICS
Innes England**

"Whilst there has been a small increase in occupier enquiries in the second-hand market over the last 3 months, although rents and incentives are still very competitive."

NORTHAMPTON

**Stephen Smith BSc FRICS
King West Blacklee Smith**

"Whilst there has been a small increase in occupier enquiries for industrial and office space during the first quarter of 2011, rents and capital values remain static. We are beginning to notice shortages in some areas, particularly for medium sized industrial space."

EASTERN

CAMBRIDGE

**Robert Alston BSc MRICS
Robert Alston Chartered
Surveyors**

"Prime property is in short supply and new development has not started to anticipate an impending shortage. There is still a relative glut of outdated office and industrial stock."

PETERBOROUGH

**Anthony Barker BSc FRICS
Barker Storey Matthews**

"As reported for the previous survey there is still a number of enquiries from occupiers of larger industrial and office floor space. Notwithstanding this, the number of transactions however remains low. We anticipate landlords for smaller vacant buildings becoming more competitive with downward pressure on rents when the empty rates relief for properties with RV below £18,000 is removed with effect from 1st April."

SOUTH HERTFORDSHIRE

**Stuart T King MRICS
Davies King**

"Any interest rate rise will greatly affect the markets and cause distress in a number of areas."

LETCHWORTH

**Stuart T King MRICS
Davies King**

"The market is remaining the same in many areas but an interest rate increase would be a major problem."

NORWICH

**Sam Kingston MRICS
Roche Chartered Surveyors**

"In Norwich, the office market remains difficult with supply outstripping demand. Industrial requirements are up with more occupiers in the market. The Norfolk market is generally more positive than for the last 12 - 18 months."

NORWICH

**Craig Knights BSc(Hons) MRICS
Arnolds Chartered Surveyors**

"The oversupply of secondary office space will continue to mean downward pressure on rents. However, the owner occupier market, particularly industrial / warehouse, remains relatively buoyant as well run businesses see an opportunity to purchase a property asset."

SOUTH HERTFORDSHIRE

**David Linnell MA FRICS
David Linnell Chartered Surveyors
Property Adviser**

"The market has not bounced back as was hoped after Christmas. Sentiment remains muted. Optimism is less evident in the business community generally."

BURY ST EDMUNDS

**Jonathan Lloyd MRICS
Hazell Chartered Surveyors**

"We have experienced increased occupier demand since the new year."

CAMBRIDGE

**Philip Woolner MA MRICS
Cheffins**

"2011 has started with a promising level of new occupier enquiries across the board. There are now shortages of stock of prime office product and good quality industrials which should lead to rising values over the next 6 months. Prime investments are maintaining high values but secondary product is harder to shift and the yield gap is significant. Subject to the availability of finance the climate is there for new development starts."

CENTRAL LONDON

WEST-END

**Christopher Burrows BSc FRICS
DTZ**

"As demand improves, supply continues to constrict leading to rental growth across the board."

WEST-END

**Paul Cockburn MRICS
Savills Commercial Ltd**

"Limited supply in occupational market in the West End has contributed to long lease lengths and rising rents for the top strata of offices in prime West End locations e.g. 1 Grafton Street - only seek 10 year terms. Strong investment demand met with very limited investment supply."

WEST-END

**Liell Francklin BSc MRICS
Savills**

"Increasing scarcity of core 'grade A' offices; secondary leasing market improving."

WESTMINSTER

**Liell Francklin BSc MRICS
Savills**

"Office leasing market in Westminster is patchy, but shortage of good 'Grade A' stock."

KENSINGTON & CHELSEA

**Simon Kibble TechRICS
Meadowcroft**

"The slight improvement in occupier demand and lack of new stock is leading to lower levels of availability. In some cases, this has driven down incentive levels being offered."

WESTMINSTER

**Charles McClean BSc MRICS
Edgerley Simpson Howe &
Partners**

"Letting activity appears to have increased in 2011, but can it be sustained through the summer? Occupiers remain cautious and are still keeping the lease commitments short-term."

MID-TOWN

**Neil Prince BSc MRICS
Matthews & Goodman**

"Mid-Town is catching its breath before the next push forward in the market. The indigenous demand from the professional services companies has fallen but with little supply rents are holding steady."

WEST-END

**Neil Prince BSc MRICS
Matthews & Goodman**

"The West End office market is going through rapid change at the moment with demand holding and supply falling quickly. This is leading to reduced incentives, and inevitably higher rents on the horizon within the next 3 to 6 months."

WESTMINSTER

**Neil Prince BSc MRICS
Matthews & Goodman**

"The Victoria and Westminster office market has not yet seen the demand and take up that is occurring in the rest of the West End. It is possibly subdued by the lack of public sector appetite for new space."

CITY

**Henry Timmis BSc(Hons) MRICS
NB Real Estate Ltd.**

"Plenty of money around and more stock coming through although slowly."

CITY

**Kim White BSc MRICS
Kinney Green**

"Shortage of Grade A space is pushing up rents and curbing incentives against demand which remains hesitant."

GREATER LONDON

SOUTH LONDON

**Kevin Burke FRICS
Frederick Holt & Company**

"Occupier demand to lease or buy is still quite good, but flexible terms for leasing are essential."

BROMLEY

**Roger Miller FRICS
Michael Rogers**

"Increased demand from office and retail occupiers. Less new supply coming to the market."

EAST LONDON

**Nick Sullivan BA MRICS
Dobbin & Sullivan**

"Market conditions remain challenging, with smart landlords working hard to agree deals and focusing on covenant strength alongside rental levels."

NORTH EAST

SOUTH SHIELDS

**Niall Deas MRICS
Robertson Simpson & Chadwick**

"Generally market in prime stock restricted by lack of supply which when countered with increase in investor activity has led to marginal though sustained increase in prices for good opportunities. Owner occupier market has increased strongly, well at least stronger than has been in last 24 months, particularly in decent industrial F/H and long L/H interests."

WASHINGTON

**Niall Deas MRICS
Robertson Simpson & Chadwick**

"Generally the market in prime stock restricted by lack of supply which when countered with increase in investor activity has led to marginal through sustained increase in prices for good opportunities. Owner occupier market has increased strongly, well at least stronger than has been in last 24 months, particularly in decent industrial freeholds and long leasehold interests."

SUNDERLAND

**Niall Deas MRICS
Robertson Simpson & Chadwick**

"Generally the market in prime stock restricted by lack of supply which, when countered with increase in investor activity, has led to marginal through sustained increase in prices for good opportunities. Owner occupier market has increased strongly, well at least stronger than has been in last 24 months, particularly in decent industrial freeholds and long leasehold interests."

NORTHUMBERLAND

**Karen Shorten BSc (Hons) MRICS
Storeys - SSP**

"Some development sectors are showing signs of improvement - eg; student development, residential land. Commercial development remains very difficult although there are some very positive signs in the hotel sector."

NORTH WEST

CARLISLE

**Simon Adams FRICS
Peill & Company**

"Very much a tenants' market, particularly with the empty rates relief ending in April; smaller landlords offering incentivised deals, or lengthy rent free periods to attract tenants into vacant space. Liability for empty rates for those properties under £18k RV likely to adversely affect smaller property owners disproportionately, including small investors, SIPP purchasers and small businesses."

CHESHIRE

**Charles Fifield BSc(Hons) MRICS
Fifield Glyn**

"Lots of retail requirements in January but very little in February"

SOUTHPORT

**Antony Hill FRICS
Antony Hill Partnership**

"Market confidence remains shaky and fragile with the current uncertainties within the UK economy, particularly impending redundancies in the health service and local government, both of which are relatively large office space occupiers. The silver lining, if it may be called that, is that demand from new start up independent retailers has increased. Investment activity is hampered by Banks' unwillingness to lend, though their appetite for lending to owner occupiers has improved."

MANCHESTER

**Chris Lloyd MRICS
DTZ**

"General sentiment is that enquiry levels from occupiers are increasing but actual commitment is still difficult to predict."

ROCHDALE

**Paul Marshall MRICS
Morris Dean**

"The market remains stable albeit comatosed. The only glimmer of a lease of life is the industrial market which has seen an increase in quarter on quarter enquiries. Secondary retail units really need to turn off their life support machines."

BURY

**Paul Nolan BSc(Hons) FRICS
Nolan Redshaw**

"Yet another mixed month. Starting well but ending somewhat subdued. We hope for better things in the spring."

OLDHAM

**Paul Nolan BSc(Hons) FRICS
Nolan Redshaw**

"Enquiries have again reduced over the past months and there seems to be an increase in supply of office and industrial accommodation."

BOLTON

**Mike Redshaw MA (Cantab) FRICS
Nolan Redshaw**

"After a bright start to the year with an increase in enquiries for industrial stock the market appears to have plateaued which is probably a reflection of the national economy."

ROCHDALE

**Mike Redshaw MA (Cantab) FRICS
Nolan Redshaw**

"Despite the general malaise in the market the commencement of the new 18 acre Crown Business Park on Junction 20 of the M62 is a promising sign that tentative speculative development is beginning to start again."

WIGAN

**Mike Redshaw MA (Cantab) FRICS
Nolan Redshaw**

"We are beginning to see an increase in occupier enquiries for industrial but the rest of the market remains subdued."

CHESTER

**Will Sadler MSc MRICS
Legat Owen**

"A noticeable increase in enquiries from SME occupational market since Q4 2010."

SOUTH EAST

EPSOM

**Nigel William Angus FRICS
Huggins Edwards & Sharp**

"Lack of bank funding affecting private sector development."

SOUTHAMPTON

**Andrew Archibald BSc MRICS
Keygrove Chartered Surveyors**

"It is a slow and difficult market with few occupiers"

HIGH WYCOMBE

**Stephen Bailey-Kennedy FRICS
Duncan & Bailey-Kennedy**

"The market remains difficult, but there is an increase in enquiries and transactions are being agreed particularly where landlord's/vendors are being flexible on price/rent."

BASINGSTOKE

James Clay BSc FRICS
London Clancy

"Public sector - Basingstoke and Deane Borough Council presently demolishing 2 x 65000 sq ft office buildings as part of the regeneration of Basing View - an office area predominantly developed in the late 1970's and 1980's. Both buildings held on ground leases from BDBC."

WINCHESTER

Annelies Culley MRICS
Goadsby

"Winchester is a small city with limited supply and development. Most notable is the resurrection of the Silver Hill scheme."

WOKINGHAM

Steve Griffin BSc FRICS
Pennicott Chartered Surveyors

"Demand for retail improving. Office space still hugely oversupplied and no sign of any speculative developments in the pipeline any time soon."

PORTSMOUTH

Derek Holloway FRICS
Holloway Iliffe & Mitchell

"Reduction in the Business Rates Relief threshold will force Landlords to accept softer terms and ultimately damage market rents in a negative way."

FAREHAM

Derek Holloway FRICS
Holloway Iliffe & Mitchell

"The lowering of the Business Rates Relief thresholds will no doubt make Landlords eager to accept softer deals in order to fill voids; this may well have a negative impact on rents, particularly in secondary markets."

TUNBRIDGE WELLS

Roger Miller FRICS
Michael Rogers

"Increased demand from office and retail occupiers. Reduction in the amount of new properties coming to the market."

PORTSMOUTH

Russell Mogridge MRICS
Hughes Ellard

"New regional business park (lakeside) has turned a corner, letting 35,000 sq ft in the last quarter with 60,000 sq ft under offer. This scheme is drawing occupiers from the entire Solent area. Industrial stock is extremely low."

SURREY

Matthew Pellereau FRICS
Matthew Pellereau Ltd

"Slow but showing signs of a little life!"

SOUTHAMPTON

Russell Mogridge MRICS
Hughes Ellard

"SME's are back in the market, boosting demand for sub-3,000 sq ft offices. Stock is low for industrial and offices out of town."

PORTSMOUTH

Craig Powell BSc (Hons) MRICS
Holloway Iliffe & Mitchell

"The reduction in the empty business rates threshold from £18000 to £2600 is encouraging landlords to ensure their properties are competitively priced to try and reduce their empty rate liability."

FARNHAM

Iain Steele FRICS
Park Steele

"Market busier. Deals are longer in lawyers hands."

BANBURY

Ian Sloan FRICS
Bankier Sloan

"Still not much activity!"

SOUTHAMPTON

Christopher Ridge MSc FRICS
London Clancy

"Development activity remains non-existent. Occupier enquiries remain level and tenants still have upper hand when negotiating terms. Rent free periods and incentives remain important parts of a deal. Landlords are keen to get occupiers in almost at any cost with holding costs on empty properties increasing due to business rates."

SOUTH WEST

YEOVIL

A R Edgcumbe FRICS
Larkman Edgcumbe Ltd

"Yeovil usually suffers in a downturn and this one is no exception. Retail voids are quite high, but occupancy levels remain resilient."

CHELTENHAM

Simon J Pontifex FRICS
S P A Chartered Surveyors

"Applicant numbers has reduced across all sectors, but those in the market are serious and have led to completed transactions. Retail is stronger. The office sector remains in an oversupply situation. Industrial are maintaining market activity."

PLYMOUTH

Peter Luff FRICS
Edward Symons & Partners

"We are getting close to the point where perception of property value matches reality. Once we get there market activity may be expected to improve, bringing with it an element of confidence."

TAUNTON

John C O Plimmer FRICS
Chesteron Humberts

"Tough but busy. Deals still being done but period before conclusion getting longer and longer!"

SWINDON

Andrew Kilpatrick BSc FRICS
ACI Arb IRRV
Thompsons

"Q1 started encouragingly, with a rise in occupier enquiries across all sectors of the market. Whether this welcome increase in activity is translated into more deals remains to be seen, so the outlook is tinged with cautious optimism. A number of longer term projects for Swindon are gradually inching forward in anticipation of improved market conditions and future demand. Amongst these is a planning consent for a new 95,000 sq ft office building on a site previously allocated for residential development. If built, this will be the first new town centre office development in Swindon for many moons!"

GLOUCESTER

Peter Foyle FRICS
Bruton Knowles

"There is renewed activity for industrial buildings over 20,000sqft, from those in the manufacturing sectors which are continuing to perform well."

WESTON-SUPER-MARE

Michael T Ripley FRICS
Stephen & Co

"No local developments started but plans proposed and applications started will be lodged shortly!"

TAUNTON

A R Edgcumbe FRICS
Larkman Edgcumbe Ltd

"Retail voids in Taunton are not at critical levels, but closing deals is hard work. The general outlook for this year looks uncertain."

SALISBURY

Dean Speer BSc MRICS
Myddelton & Major

"Some signs of improved occupier demand for industrial property. Office demand still very weak. Prime retail sector looking more positive. Very little activity amongst purchasers as funding very scarce."

BOURNEMOUTH

Alastair Warwick-Smith
Goadsby

"Whilst there have been some improvements in investment values and the levels of genuine interest in these, they are fractional increases, from a very low base."

WEST MIDLANDS

LICHFIELD

Richard Calder BSc FRICS
Calders

"Some increase in office demand, but rents are still slipping."

WORCESTER

Michael Jones FRICS
Allan Morris & Jones Commercial

"Still good demand for small industrial/warehouse units from occupiers. Residual bulk commercial premises categories remain in depressed state. Good demand throughout the Midlands for HMO type premises fuelled probably by ongoing depressed general market conditions."

LICHFIELD

Graham Jones BSc MRICS
Kingston Commercial Property Consultants

"There are early signs that the market is improving with a noticeable rise in the level of enquiries within most sectors. Interest in freehold opportunities has also risen. However, prospective tenants remain nervous and often are seeking relatively short term flexible deals."

COVENTRY

David John Penn BA BSc MRICS
Shortland Horne

"No development supply will lead to an imbalance within 2 years, which should mean pricing and term improvements, particularly for industrial."

SHROPSHIRE

David Perrin FRICS
Nock Deighton

"Little demand for secondary/tertiary retail in principal market towns in Shropshire. Office demand at an all time low."

WALSALL

Stephen Smith MRICS
Fraser Wood Mayo & Pinson

"The market remains relatively quiet, with demand continuing to be muted."

COVENTRY

Robert Rae BSc FRICS
North Rae Sanders

"We have seen renewed viewings and deals coming through in the industrial sector. We expect supply to decrease due to take up currently in legals and lack of stock coming through, particularly with no speculative development likely to be underway at least for 18 months or more."

EVESHAM

Anthony Rowland FRICS
Timothy Lea & Griffiths

"A turgid market. Void rates is becoming of increasing concern. This is a tax on capital, which cannot be correct. Locally, the town is recovering from a high street refurbishment. Retail activity is low as a result."

WORCESTER

Roger Wilkins FRICS

Wilkins Chartered Surveyors
"The market seems very difficult, but with some slight improvements. Some cheaper industrial units are moving, and demand for retail is fair. The office market remains poor. Incentives are very important in producing deals and break clauses are extremely common."

YORKS HUMBER

YORK

Barry Crux FRICS
Barry Crux & Company

"It has been a disappointing start to 2011 as the expected increase in activity has not happened. There are many complex factors affecting market sentiment and hence activity, not least of which has been a severe winter. Uncertainty still abounds with a general reluctance amongst the business community to take risk."

NORTH YORKSHIRE

Richard Peak BSc Hon MRICS
Reeves & Co

"We expect a big impact from the small rates allowance threshold in April. Although we are seeing an increase in enquiries there is plenty of stock out of town to back this up. The majority of enquiries are now city centre only (offices) which there is a lack of supply (or could be)"

LEEDS

J Reeves FRICS
Reeves & Co.

"Sentiment is pretty grim out there"

HUDDERSFIELD

Alex McNeil MRICS
Bramleys

"Market conditions remain and the days of the 'easy' deal are seemingly dead. The lack of funding and hesitancy by purchasers and tenants continues to extend marketing periods, but some new enquiries continue to surface. Market is sectorially unbalanced with industrial holding up well, while offices continue to struggle."

WALES

Deeside

Chris Armstrong FRICS
Guy Woodcock & Company

"There is just no money out there."

CARDIFF

Peter Graham BSc FRICS
Stephenson & Alexander

"Still tough, and we expect a tough 12 months ahead."

NORTH WALES

Gareth Williams FRICS
Gareth Williams Commercial

"The retail sector, although not at a full stop, continues to be very difficult. The future of the office market remains uncertain in the light of reducing public sector activity. Industrial and warehousing, up to circa 10,000 sq ft. continues to be active albeit at a reduced level and with greater incentives."

SCOTLAND

INVERNESS

Roy Durie c/o Charlie Lawrence
Ryden

"Inverness is heavily dependent on the public sector. Any cuts may impact on the property market by increasing the supply of office buildings."

GLASGOW

Allan Lapsley BSc FRICS MCI Arb
Speirs Gumley

"Growing office space shortage. Activity in the Scottish market still tends to be for prime investments or prime locations."

EDINBURGH

Angela Lowe MRICS
Cushman & Wakefield

"The Edinburgh office market is in recovery however it continues to be a tenant favourable market for now."

ABERDEEN

Roy Durie c/o Karen Forsyth
FRICS MIMgt

Ryden

"Severe lack of office supply will lead to a more landlord friendly market. Demand healthy due to oil industry. More investment activity in the office sector, very little industrial and retail. Lack of industrial supply. Speculative development being undertaken by developers where funding is not so much of an issue. Healthy demand due to rise in oil price."

Contributor details

EAST MIDLANDS

Martin Acton MRICS
Cushman & Wakefield

Richard Wilkins BSc
(Hons) MRICS
Wilkins Hammond

Richard Blacklee FRICS
King West Blacklee
Smith

EASTERN

Brendan Bruder BSc
MRICS
Abbey Ross

Robert Alston BSc
MRICS
Robert Alston Chartered
Surveyors

Nigel J B Carnall FRICS
W A Barnes

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Commercial property market information

The **Commercial Market Survey** is available from the RICS web site - www.rics.org/economics, along with other monthly and quarterly surveys covering residential sales & lettings, construction activity and the farmland market.

Methodology

Survey questionnaires were sent to real estate organisations on 10th December 2010, with responses received up until the 4th of January 2011. Respondents were asked to compare conditions over the latest

three months with the previous three months. A total of 410 company responses were received.

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