

Weak retail demand is key drag on rental outlook

- **Tenant demand edges upwards but not sufficiently so to offset the increase in available stock**
- **Rent expectations remain negative at a headline level; London offices and industrial space in both the North and South buck the trend**
- **Investment transactions projected to rise modestly leading to a more stable climate for capital values**

The latest RICS UK Commercial Market Survey continues to point to a generally subdued picture in the sector although there are a couple of slightly more encouraging signals in the data. On the occupier side, the results are consistent with a small increase in tenant demand in the final three months of the year but the availability of stock is also continuing to rise according to surveyors. Reflecting this, the rent expectations net balance remains in negative territory, albeit to a lesser extent than previously. Meanwhile, inducement packages being offered by landlords still appear to be on a rising trend.

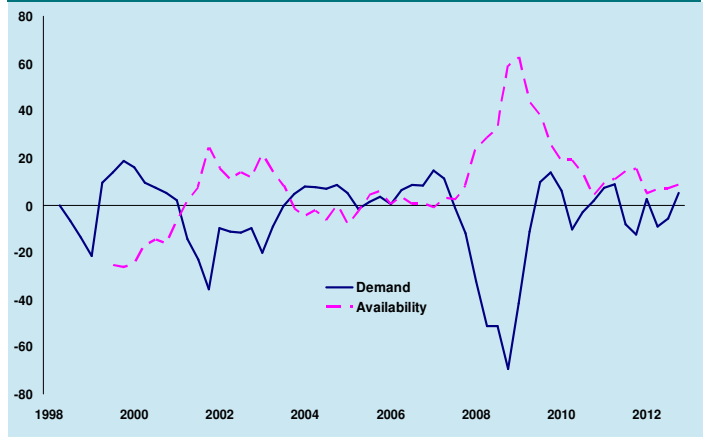
Regarding the investment market, the headline numbers point to a small increase in enquiries during the final three months of last year with actual transactions expected to increase in the first quarter. Alongside this, capital value expectations are broadly flat with the net balance reading of -3 representing the best outturn since the second quarter of 2011.

Looking at the sector breakdown, retail still appears to be bearing the brunt of the downturn in the occupier market. It is only the sector where tenant demand is continuing to decline; both offices and industrials recorded positive net balances. It also has the most negative reading for rent expectations. Meanwhile in the investment market, the retail results do now appear to be stabilising but that follows a period when they have been generally more downbeat than other sectors.

Significantly, tenant demand appears flat or edging upwards in all the broad regional blocs than we monitor. This is the first time that this has been the case in a year and a half. The rent expectations number by contrast generally remain rather more downbeat. Central London offices are projected to see further rent increases while industrial rents could begin to edge upwards in both the South and North regions.

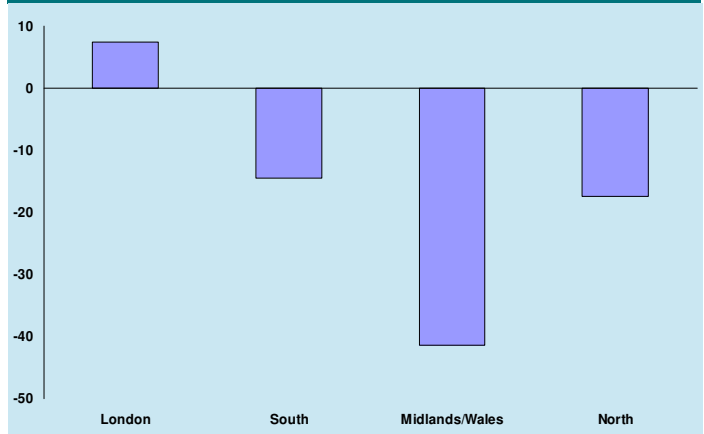
Occupier Demand And Available Space, England and Wales

% Balance, seasonally adjusted



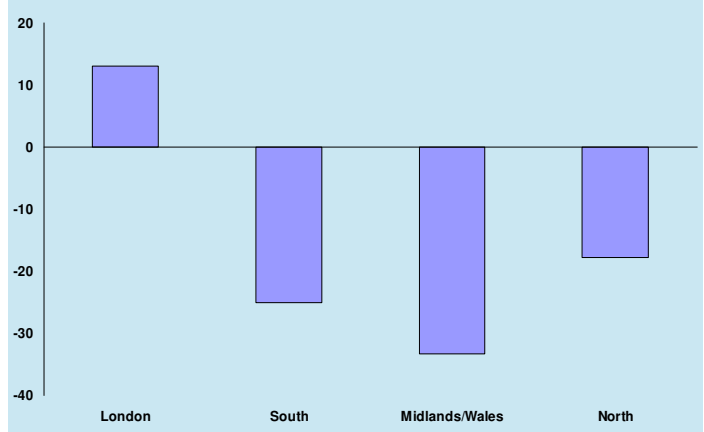
Regional Office Rental Expectations (1 quarter ahead)

% Balance, non seasonally adjusted



Regional Office Capital Value Expectations (1 quarter ahead)

% Balance, non seasonally adjusted



RICS

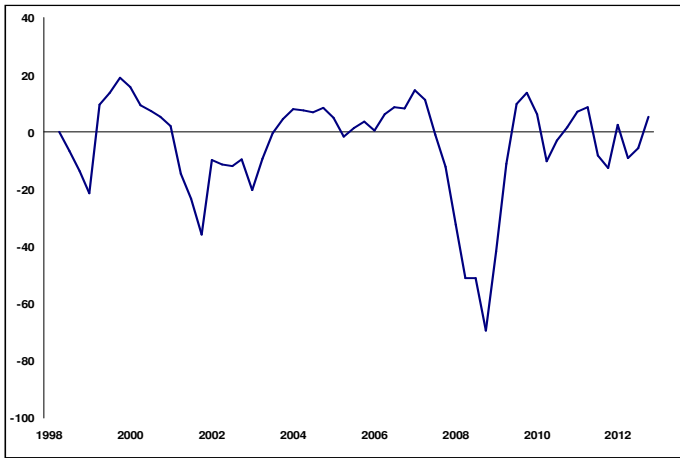
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Commercial property - all sectors

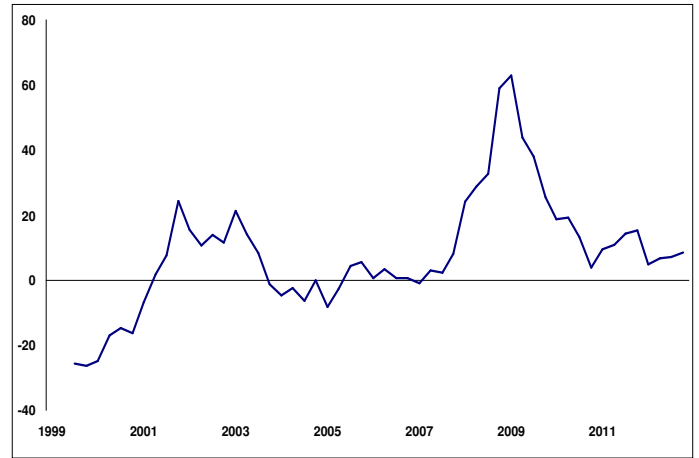
Occupier Demand

% balance, seasonally adjusted



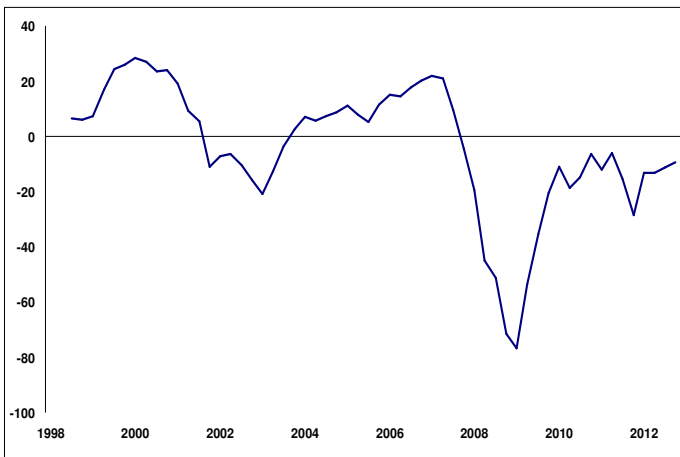
Supply

% balance, Available space seasonally adjusted



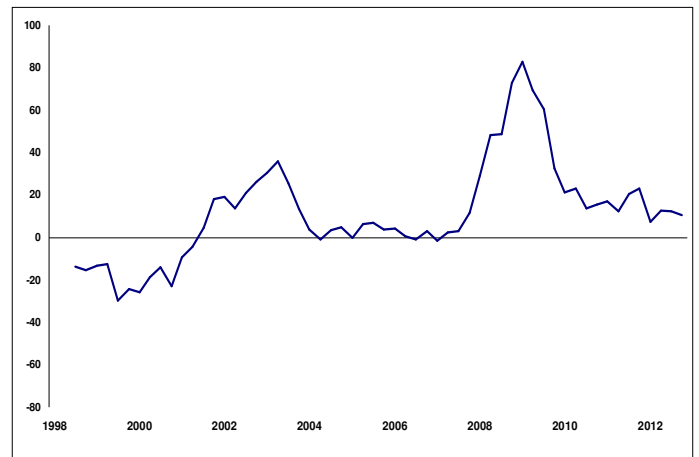
Rent expectations

% balance, seasonally adjusted



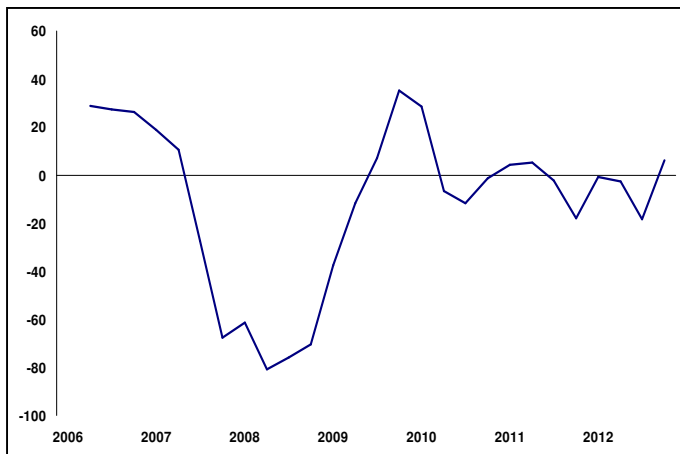
Inducements

% balance, seasonally adjusted



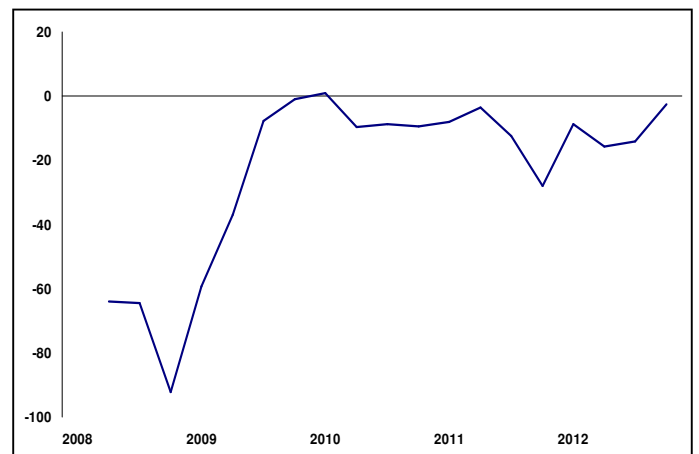
Investment enquiries

% balance, non seasonally adjusted



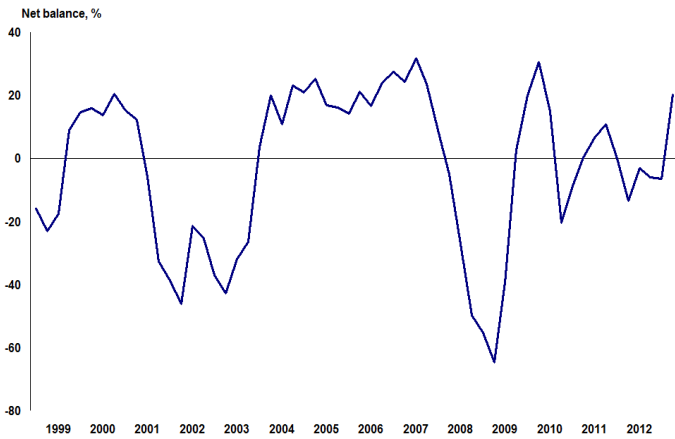
Capital value expectations

% balance, non seasonally adjusted

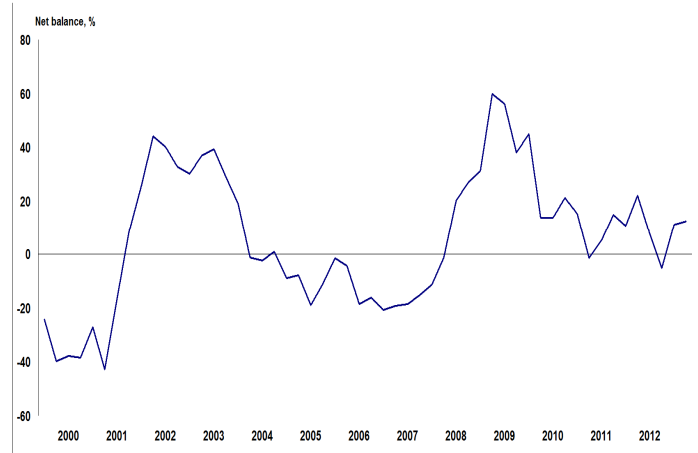


Office sector

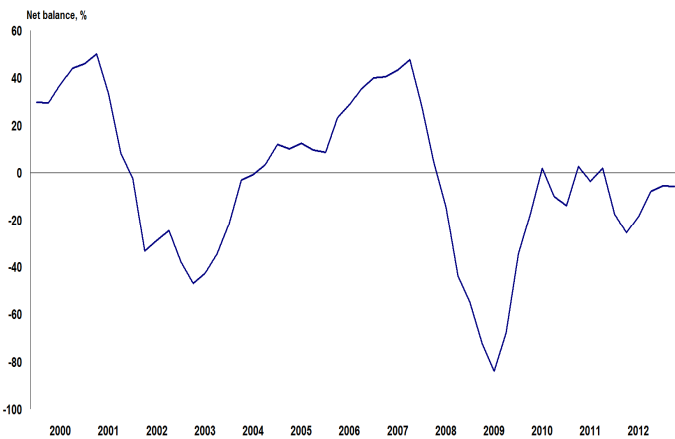
Demand



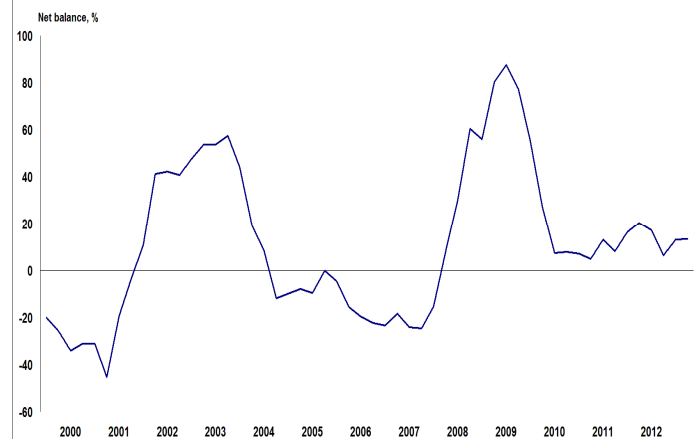
Available space



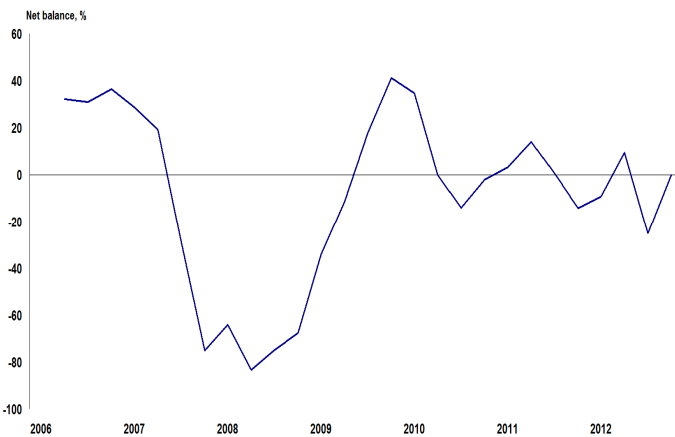
Rent expectations



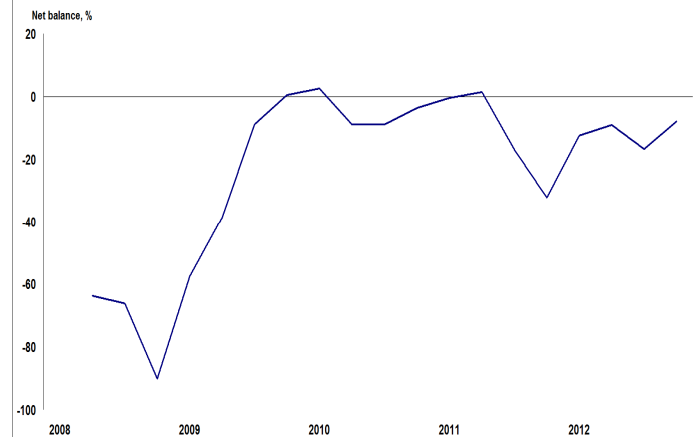
Inducements



Investment enquiries



Capital value expectations

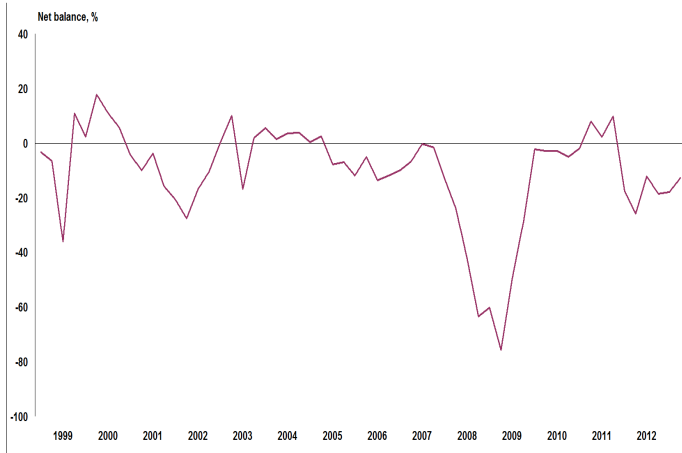


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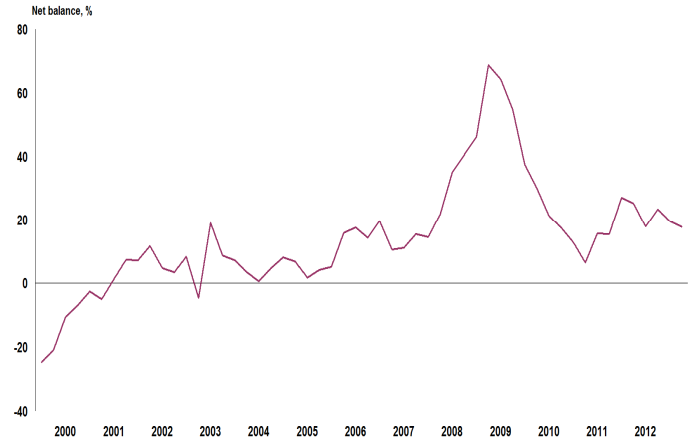
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Retail sector

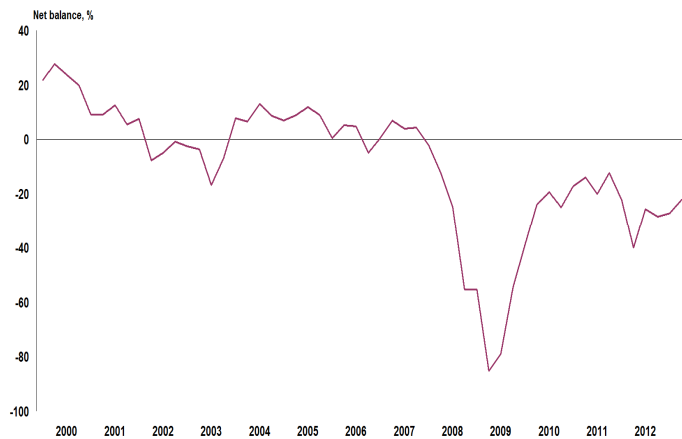
Demand



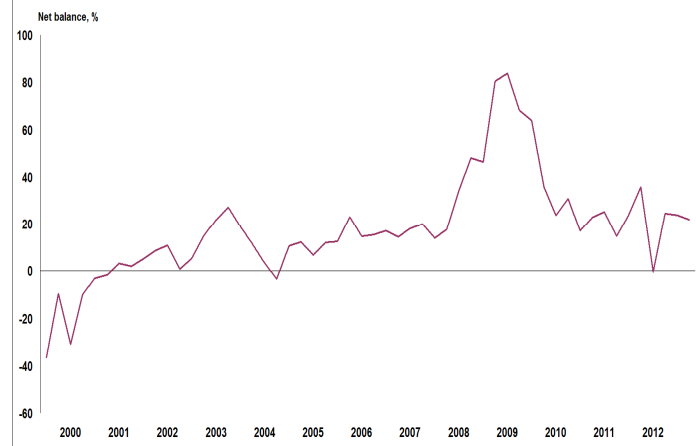
Available space



Rent expectations



Inducements



Investment enquiries



Capital value expectations

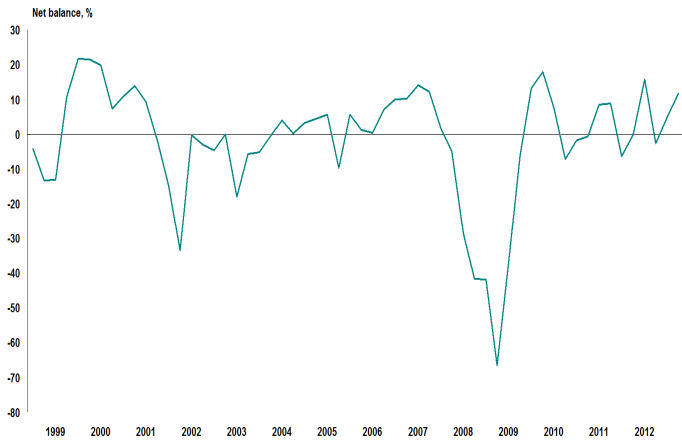


RICS

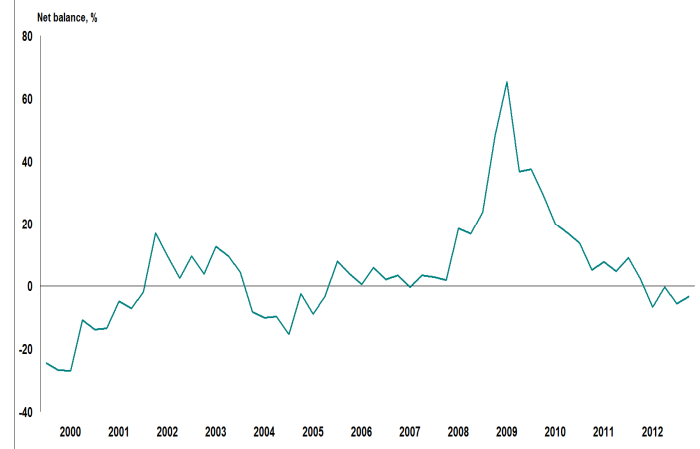
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Industrial sector

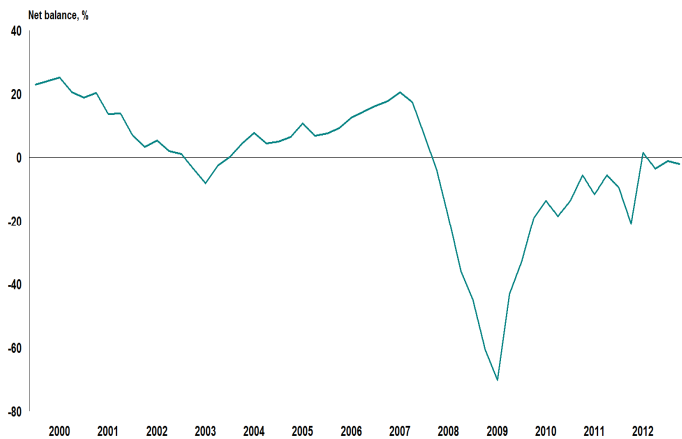
Demand



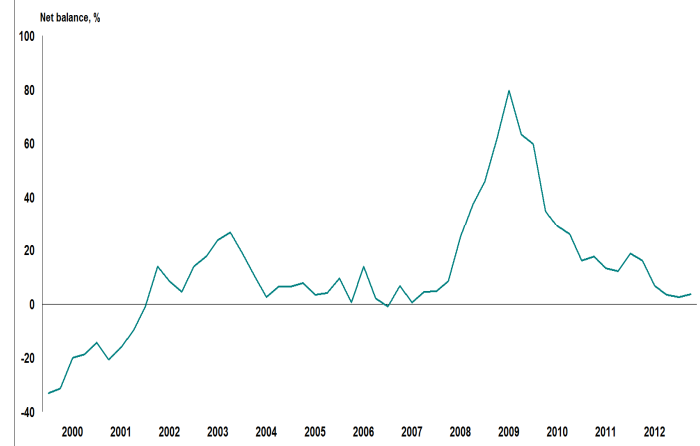
Available space



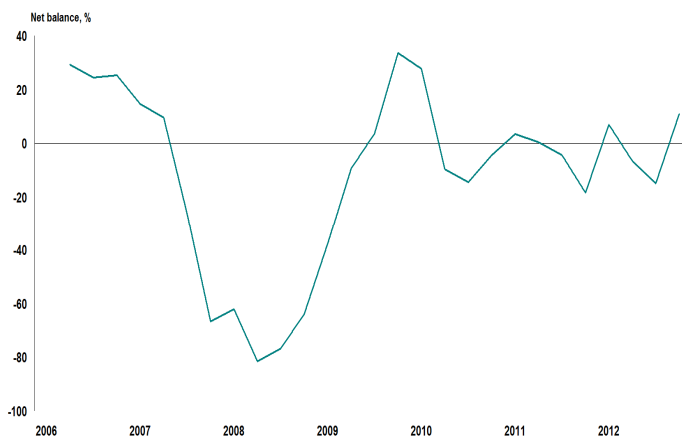
Rent expectations



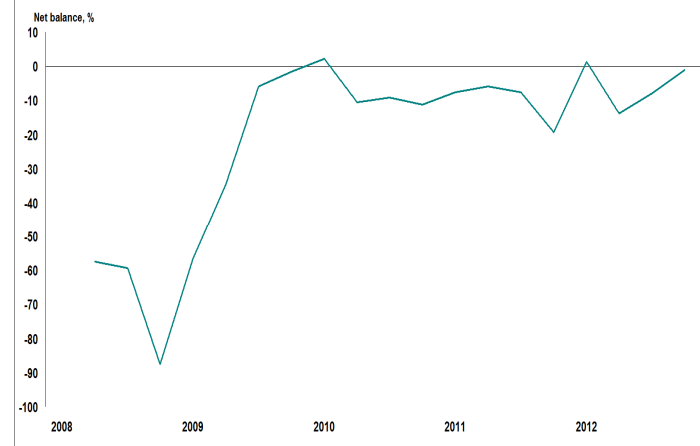
Inducements



Investment enquiries



Capital value expectations

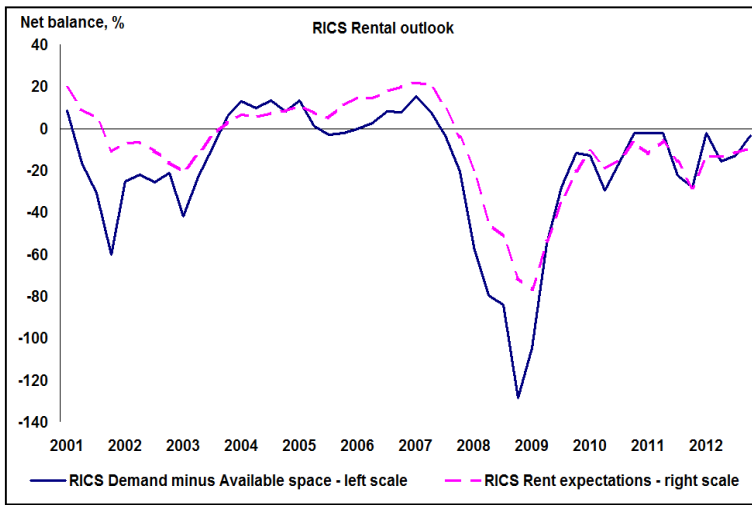


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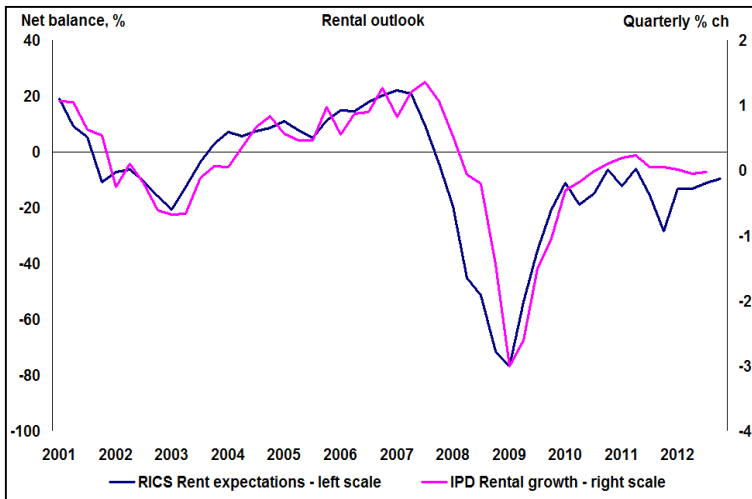
Key charts

Demand Supply balance against Rental expectations



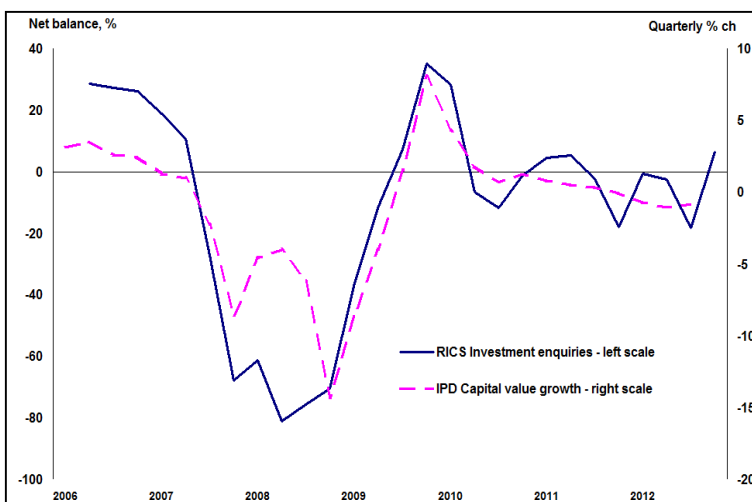
RICS 'Occupier demand minus Available space' serves as a good lead indicator of RICS Rental expectations.

RICS Rental expectations against IPD Rental growth



The RICS Rental expectations series correlates positively with the IPD measure of rental growth (on a quarterly basis).

RICS Capital value expectations against IPD Capital growth



RICS measure of future changes in values also tend to lead the IPD Capital growth index.

Chartered surveyor market comments

East Midlands

Benoleman BSc FRICS, Ben Coleman Associates, Northampton, 01604 660014 - Definite signs of life. Demand for quality offices - especially below 5,000 sq ft is the best for 3/4 years.

Brendan Bruder BSc MRICS, Abbey Ross Chartered Surveyors, Northampton, 01604 629988 - We reported last quarter in terms of the agreed funding for the redevelopment of Northampton Castle Rail Station and archaeology/excavation works have already started with the new development to commence in earnest in 2013 while the existing station remains in service. Demolition work has commenced at the former fish market site in Sheep Street, Northampton and the award-winning new bus station development will be completed before the existing Greyfriars site is demolished and cleared.

Brendan Bruder BSc MRICS, Abbey Ross Chartered Surveyors, Kettering, 01604 629988 - Kettering Borough Council has published its Economic Development Strategy for the run-up to 2021. The Strategy includes a £40 million initial investment in the central area, including the award-winning Market Place. Kettering sees its place as the main centre for North Northants - itself the largest single growth area outside of London.

Brendan Bruder BSc MRICS, Abbey Ross Chartered Surveyors, Daventry, 01604 629988 - Henry Boot Developments have finally submitted their detailed proposals - just north of Daventry's High Street, Phase 1 of Mulberry Place, is approximately 65,000 sq ft of retail, leisure, cinema and a state-of-the-art library. Other activity at DIRFT and the Ford site will proceed only on pre-lets or pre-sale bases.

Ian Leather, Lambert Smith Hampton, Northampton, 01604 664366 - Grade A offices in Northampton are at a premium. The poorer grade offices continue to dominate the market with demand starting to increase.

John Smith FRICS FAAV, R Longstaff & Co., Spalding, 01775 766766 - The market remains challenging.

Matthew Hannah MRICS, Innes England, Nottingham, 1159243243 - Vacancy rates remain the challenge in retail and cash rich investors are being very selective on the opportunities they progress.

Eastern

Alan Matthews BSc, FRICS, Barker Storey Matthews, Huntingdon, 01480 451578 - The office market remains difficult with a large supply of small units. There is a lack of good quality industrial space so rents and prices may rise. Whilst the market has felt quieter since April we have, surprisingly, agreed more deals in the last 6 months of 2012 than in the first 6 months seeing a 27% improvement.

Andrew Bastin, Bastin Steward Ltd, Norwich, 01603 665996 - There is a considerable overhang of second hand office space in central Norwich, with little enthusiasm for speculative refurbishment and few sizable enquiries. Demand for small industrial units is holding up and rental levels remain as they have been for several years.

Anthony Barker FRICS, Barker Storey Matthews, Peterborough, 01733 897722 - On a positive note there has been a significant increase in the number of smaller transactions particularly for industrial stock ranging between 1000sq ft - 3000sq ft. Demand for larger office space has also been good with the letting of two larger buildings at Hampton and Peterborough Business Park completed in the last 3 months.

Philip Woolner MRICS, Cheffins, Cambridge, 01223 213666 - The market slowed up a little as the end of 2012 approached. It will be interesting to see how occupier demand picks up in 2013 - it is a barometer of confidence levels. There are low levels of supply in and around Cambridge across all property sectors so we may see some increase in values as the year progresses.

Raymond Arrowsmith FRICS, Bowyer Bryce, Potters Bar, 020 8370 2536 - Market conditions remain challenging but steady. Businesses need more support from banks to free up ambition.

Samuel Kingston MRICS, Roche Chartered Surveyors, Norwich, 01603 619876 - The market generally remains flat. However industrial property has performed better across Norfolk than the office sector. Demand remains strong for warehousing in the eastern sea ports, but this is the main area where supply is short. There will continue to be a downward pressure on office rents as occupiers look for deals.

Central London

John M. H. B. Kent FRICS, CBRE, London - West End, 0207 182 2419 - Core market quiet but cheaper secondary areas witnessing new lettings. The weight of overseas capital pouring into the West End market has re-invigorated the investment arena as freeholders are tempted to sell. A lack of significant rental growth coupled with limited speculative funding for new buildings is keeping office development activity subdued although many former commercial buildings are converting to apartments on account of the high residential values currently prevailing.

Greater London

Charles McClean BSc MRICS, Edgerley Simpson Howe & Partners, Westminster, 020 7758 0400 - Sentiment is not bullish and everybody is planning for a tougher 2013!

Chris Tidder MRICS, Kemsley LLP, Romford, 01708 766733 - Letting deals in the industrial sector accounted for 89% of all industrial square footage dealt with by Kemsley over the last year. During 2006 and 2007, this statistic would have been reversed, with most applicant interest being for freehold property. Recent investment sales have shown the yields investors are willing to pay are stronger in the industrial sector than in the office sector, probably by around 2%, on a like for like basis.

Christopher Burrows BSc FRICS, DTZ, West-End C, 0203 296 4612 - More activity in quarter 4 with lettings prior to completion at 10 Portman Square (Aspect Capital & Saudi Aramco) 95 Wigmore Street (Lane Clark & Peacock) and a number of lettings in Victoria but the TMT sector is still the dominant sector for demand.

Kim White MRICS, Kinney Green, London, 0207 643 1500 - In the City the insurance sector has been the mainstay of demand, assisted by some high quality new stock in EC3 available both to let and pre-let

Raymond Arrowsmith FRICS, Bowyer Bryce, North London - O, 020 8370 2536 - Market conditions remain challenging but steady. Businesses need more support from Banks to free up ambition.

David Jackson BSc MRICS, Sanderson Weatherall, Stockton on Tees, 01642 426914 - The market remains tough but there are some sectors that are seeing positive growth. Lack of finance, confidence and empty property rates are the biggest hurdles to signs of improvement.

Gavin Black FRICS, Gavin Black and Partners, Newcastle upon Tyne, 1912302777 - The market is stronger over the last 3 months but the deals that are being done are at levels that are unhelpful for values and development appraisals. Funding is a major problem and there is no justification for any new development on a speculative basis in any area or for any use. The problem is circular and for this region which has been reliant on Public Sector demand to underpin the market the problems are considerable.

Jonathan Sykes 0088759, Jones Lang LaSalle, Newcastle upon Tyne, 0191 2302033 - Occupier demand is the lowest I have ever known and hence there is no new speculative development taking place.

Kevan Carrick FRICS, JK Property Consultants LLP, Newcastle upon Tyne, 1914060038 - The market is seeing a slight increase in enquiries, a small increase in take up, with a notable major mixed use development start. Talk is of starting industrial development in anticipation of demand continuing. Whilst the economic forecast remains unclear there is an air of confidence from the market, particularly industrial.

Richard J Brown MRICS, Dodds Brown LLP, Middlesbrough, 01642 244130 - The overall commercial market is poor in the this region with very little evidence of transactional activity.

North West

Antony Hill FRICS, Antony Hill Commercial, Southport Merseyside, 01704 532728 - Quiet market. Some improvement in the demand for small shops with small business rate relief. Office requirements limited to serviced offices with easy to agree terms. Empty business rates continues to be a problem.

Brian Rickets, Hitchcock Wright and Partners, Liverpool, 0151 227 3400 - Market is essentially stagnant with little in the way of growth expected over the next 12 months. The Euro zone uncertainty continues to weigh heavy on the market.

Charles Fifield FRICS, Fifield Glyn, Cheshire, 1606351351 - Market activity is very erratic, I think we are still somewhat bumping along the bottom. The first half of this quarter enquiries seemed to be down but the second half enquires have been up, balancing out even overall.

David Porter BSc(Hons) MRICS, Knight Frank, Manchester, 0161 833 0023 - Very little investment activity.

Malcolm Brymer BSc Hons MRICS, Corporate Property Partners, Crewe, 0161 929 7545 - Some good recent warehouse deals and a noticeable increase in demand for 60,000 sq ft+ warehouses. Distribution suppliers seem to be more active.

Mike Redshaw MA FRICS, Nolan Redshaw, Wigan Rochdale Bolton, 0161 763 0828 - We are seeing some very slight increase in enquiries and confidence levels but the market remains challenging.

Paul Nolan BSc(Hons) FRICS, Nolan Redshaw, Bury, 0161 763 0828 - Good office activity and a reduction in vacancy levels across the board is encouraging.

Paul Nolan BSc(Hons) FRICS, Nolan Redshaw, Oldham, 0161 763 0828 - A busier autumn period now coming to a close. Some signs of an increase in activity for next year.

Will Sadler MSc MRICS, Legat Owen, Chester, 01244 408200 - Demand from owner/occupiers and investors improving although supply still consistently in excess of demand. Last 6 months have been inconsistent.

Northern Ireland

Mike Dawson MRICS, Land & Property Services, Belfast, 7796338928 - continued pressure on landlords to offer increasingly flexible terms with generous incentives.

Tristan Aiken, GVA NI Ltd., Belfast, 02890 316121 - We expect there to be significantly less change to either retail and capital values in 2013. Investor demand for prime assets with long leases will continue to be strong in Northern Ireland. However, much of the future supply will be from quality secondary and distressed assets. We therefore expect asset quality to be a significant factor in performance in 2013.

Scotland

Alan Gilkison MRICS, Ryden LLP, Glasgow, 0141 270 3138 - Very difficult to generalise as the prime areas continue to do well and there are shortages of space but peripheral towns are suffering such as Cumbernauld and East Kilbride where there is little demand. There is a need for new well designed space but few developers are able to fund the product and pre-lets will become more common.

Paul Coulter MRICS, Coulter Commercial Real Estate Limited, Edinburgh, 0131 220 0008 - Few new industrial developments in prime areas, together with increased demand for up to 6000 sq ft has seen vacancy rates decrease and rental growth competition has led to incentives being reduced. Secondary and out of town offices and traditional high street retail has suffered with no real signs of recovery coming soon.

Andrew Archibald BSc MRICS, Keygrove Chartered Surveyors, Southampton, 023 8063 5333 - Any mild summer enthusiasm has dissipated. Shorter leases and flexibility are helping prevent rents from falling.

Ben Welch, Goadsby, Southampton, 2380227337 - No new development planned. Office rents for secondary stock still falling. Retail very sensitive to location.

Chris Ridge MSc FRICS, London Clancy, Southampton, 023 8033 0442 - Slight improvement in occupier demand from mid September following a very quiet summer period. Occupiers still very nervous of committing with deals taking a long time to complete and terms of transaction changing during legal's.

Chris White B.Sc (Est.Man.) MRICS Managing Director, White Commercial Surveyors Ltd, Banbury, 01295 271000 - 2012 has been a more difficult time for companies generally resulting in a lack of confidence and therefore expansion plans. Substantial increase in the number of distressed properties and Receivers/Liquidators wanting to crystallise losses now - so some opportunities for purchasers. This however also with a lack of existing industrial stock which in due course will lead to some real rental growth

Colin Brades MRICS, Cluttons LLP, Brighton, 01273 738383 - Brighton: Whilst retail vacancy rates remain below the national average, this cloaks a small increase in the availability of premises during late 2012 and continued hardship amongst both multiples, regional and independent traders. There has been no change or any significant transactions in both office and industrial sectors in the city.

Colin Brades MRICS, Cluttons LLP, Hove, 01273 738383 - Hove: All commercial sectors remain quiet with no significant transactions or fresh requirements.

Craig Powell MRICS, Holloway Iliffe & Mitchell, Southampton, 023 9237 7800 - As many retailers with high street stores expand their online presence prime retail tenants paying turnover rents are keen to ensure landlords only benefit from the slice of turnover generated by their bricks and mortar stores. Xmas 2012 was another record for online sales and landlords have to consider rent payment terms to incentivise larger retailers to retain their existing number and size of stores instead of moving to smaller formats that simply allow customers to collect online purchases

David Kemp MRICS, Canterbury City Council, Canterbury, 01227 862000 - retail occupiers looking for second tier centres where prime pitch competition in demand

Graham Mitchell FRICS, Caxtons Commercial Ltd, Gravesend, 01474 537733 - The market has been extremely flat across the board in the last three months and I expect it to remain so for the foreseeable future.

James Waghorn BSc DipArb FRICS FCI Arb, Martine Waghorn Chartered Surveyors, Maidstone, 01622 672233 - The market is broadly flat, with generally low occupier demand. There is no new speculative development with little appetite for funding from banks.

Jeremy Braybrooke 72086, Osmond Broks, Southampton, 023 8000 2020 - Christmas comes but once a year - thank goodness say Landlords, who these days have to assume a spate of casualties early in the New Year. But ever cloud has a silver lining (not just for the agents marketing them) as there is strong demand in this area both for prime units in the Cities and all good shops in market towns, so there are lettings to be done and not always on giveaway terms!

Matthew Pellereau FRICS, Matthew Pellereau Ltd., Surrey, 01276 601791 - Pretty tough still.

Nigel Angus FRICS, Huggins Edwards & Sharp, Epsom, Surrey, 01372 740555 - Lack of commercial property funding still affecting demand

Richard Stafford MRICS, Taylor Riley Commercial Ltd, Ashford Kent, 01233 629281 - things have picked up in last three months, if they continue at this rate we should see some positive changes in the 1st quarter next year, at the moment I am hoping to finish this year at the same level as last year which was 15% down on 2 previous years (calendar years)

Richard Swan, Whybrow Chartered Surveyors, Colchester, 01206 577 667 - We have seen an increase in demand from several investors/ developers in secondary office space with a view to changing the use and rent reductions achieving lettings at an industrial estate incorporating nursery style units of c. 1-2,000 sq.ft.

Russell Mogridge MRICS, Hughes Ellard Ltd, Southampton, 2380224080 - The long awaited development in Southampton City Centre - Mayflower Plaza is under way to build 1000 student bed accommodation to be delivered for the University in 2014 - the site has laid dormant for over 15 years and will brief life into the city. Bouygues have announced an ambitious residential & retail redevelopment of former government offices -vacant for over 10 years, outside of Gunwharf, Portsmouth 200 private flats 220 bed hotel, 600 student beds and 15 000sf commercial

Steve Griffin BSc FRICS, Pennicott Chartered Surveyors, Wokingham, 0118 979 8118 - Bit of life in retail sector otherwise we continue to flat line.

Stuart Jerden BA FRICS, Pearson Gore, Ramsgate, 01843 851000 - We cannot supply % for rental and capital values over the next 12 months due to the uncertainty in the property market.

Tom Holloway MRICS, Holloway Iliffe & Mitchell, Portsmouth, 023 9237 7800 - Landlords who have previously let space at low rates are now becoming less flexible, particularly where these deals will have a negative impact on estates with rent reviews and lease renewals looming!

Tom Holloway MRICS, Holloway Iliffe & Mitchell, Fareham, 023 9237 7800 - Landlords are starting to take a firmer line with tenants, particularly on multi let estates. Accepting low rents and flexible terms are now becoming less desirable as the impact on the overall investment value is becoming more important than just getting space let.

South West

Elms Commercial, Barnstaple, 1271326900 - Retail remains in line with the rest of the country with plenty of high street units remaining available. Some activity being seen for smaller good quality industrial units on the rental side.

Alistair Allison MRICS MAPM, Tuffin Ferraby Taylor LLP, Bristol, 0117 9349900 - We are seeing increased activity in the market, both in terms of investment transactions and also new development/refurbishment starts. Whilst this is not unusual, in that we often experience a pre-Christmas rush, the construction pipeline is certainly fuller than it has been over the past 12 months.

Alistair Edgcumbe FRICS, Larkman Edgcumbe, Taunton, 01823 323523 - The retail market is very segmented. Certain sectors continue to expand in the south west - convenience stores, coffee chains and discounters are all still active. Void levels are currently stable, although this may change in the New Year once Christmas is out of the way.

Andrew Hosking, Stratton Creber Commercial, Exeter, 1392202203 - Vacancy rates for shops in Exeter are at their lowest levels for a number of years. Confidence appears to be returning to all markets, although this remains fragile.

Andrew Hosking, Stratton Creber Commercial, Torbay, 1392202203 - Torbay remains characterised by an oversupply of shops with limited demand. However, the industrial sector is holding up reasonably well.

Andrew Hosking, Stratton Creber Commercial, Barnstaple, 1392202203 - Demand across all sectors remains subdued but deals are still taking place.

Andrew Kilpatrick BSc FRICS ACI Arb IRRV, Kilpatrick & Co, Swindon, 1793643101 - Swindon market continues to be challenging, albeit the generally static conditions are occasionally broken by bursts of activity to lighten the gloom of the economic recession. No major change expected for 2013 - although would be pleased if events surprised me!

Jenny Rowe MSc MRICS, Carter Jonas, Wiltshire, 01225 747268 - Rents generally staying flat, but value of incentive packages decreasing.

Michael Ripley FRICS, Stephen & Co., Weston-super-Mare, 01934 621101 - Redevelopment of Dolphin Square has just started providing retail and leisure facilities. Market remains difficult but enquiry levels reasonable

Mike Nightingale MRICS, Miller Commercial, Truro, 01872 247000 - The market appears to have stabilised. Transaction levels remain low however confidence is slightly improved.

Mike Oldrieve MRICS, Vickery Holman, Exeter, 01392 203010 - Has been more encouraging

Peter Luff FRICS, Edward Symmons LLP, Plymouth, 01752 222233 - There is growing activity amongst investors who now see the market getting close to the "perceived bottom"

Simon Pontifex FRICS, spa Chartered Surveyors, Cheltenham, 01242 255242 - The market has seen selective activity across the board. Conversion rates are extremely slow but the market has its bright patches.

Wales

Chris Sutton MRICS, Jones Lang LaSalle, Cardiff, 029 2022 7666 - The focus of the new Cardiff Enterprise Zone is to procure and deliver new office accommodation, particularly for the financial and professional services sector. This should see a pick up in construction and an improved property offer, both of which will be good for the capital.

Chris Sutton MRICS, Jones Lang LaSalle, Newport (South Wales), 029 2022 7666 - There is action in Newport city centre with developer Queensberry looking to start work at the end of 2013 on its 390,000 sq ft development of Friars Walk. Debenhams and Cineworld are signed up with further lettings in the frame. The proposed 77,000 sq ft office letting nearby to Admiral would provide much needed footfall to attract further lettings.

Chris Sutton MRICS, Jones Lang LaSalle, Swansea, 029 2022 7666 - Plans for large scale central regeneration in Swansea remain delayed due to the downturn however the city's Business Improvement District (BID) is generally recognised as a driver for innovation to help combat poor market conditions. The proposed creation of a Swansea 'city region' is perceived as a positive step to improve business links and promote economic growth across the sub-region.

Gareth Williams FRICS, Gareth Williams Commercial, North Wales, 01745 330077 - Over the last quarter we have seen an encouraging increase in both enquiries and completed transactions in the retail and industrial/distributor sectors, driven mainly by indigenous small to medium size business. Retail activity has mainly been just off prime in the larger centres and noticeably in the smaller 'niche' centres.

Jason Thorne BSc MRICS, Lambert Smith Hampton, Swansea, 01792 702 800 - Landlords have become more realistic on rents. The main issue on a letting proceeding is high rates. Public sector need to be forced to sell assets such as non important freehold interests.

Malcolm Brymer BSc Hons MRICS, Corporate Property Partners, North Wales, 0161 929 7545 - Some high profile tenants have moved into vacant retail in Llandudno, verifying its status as a regional lead. Llandudno remains busy and vibrant.

Peter Graham BSc FRICS, Stephenson & Alexander, Cardiff, 02920 340244 - 3 months is a short period in which to expect much change!

Rowland Jones FRICS, Rowland Jones Chartered Surveyors, Swansea, 01792 648809 - This market is very difficult to interpret and from our interaction with businesses and occupiers the uncertainty in the market and the difficulty to plan going forward is a major factor in the lack of any decision making by businesses

West Midlands

Graham Jones MRICS, Kingston CPC, Lichfield, 01543 414300 - The market shows some signs of slight improvement in certain sectors as the supply has gradually reduced as a result of very little if any new development and demand has slightly increased but this is still a very fragile situation.

Mike Arthan, Barbers, Telford, 01952 221200 - There are some signs of increased interest in bargain properties.

Richard Calder FRICS, Calders Surveyors, Tamworth, 01827 61144 - Improved industrial inquiries appear to be driven by perceived return of engineering and production projects from China and the Far East because of quality issues. This has been enhanced by the Autumn statement i.e. improved capital allowances etc etc.

Robert Rae FRICS, North Rae Sanders, Coventry, 2476636888 - Market is now getting tight especially for large warehousing and manufacturing facilities. Freeholds much in demand with little stock across all size ranges. Offices now picking up off the bottom flexibility required but choice now more limited which will over next year see incentives reduce and rents stabilise

Roger Wilkins FRICS, Wilkins Chartered Surveyors, Worcester, 1905723722 - The market continues to be weak. There has been a slow increase in office occupation, which may result in a reduction in incentives, but it is early days. Small industrials are the strongest market and continue to be reasonably well let. The retail picture remains weak, though Worcester has fared better than most towns.

Yorkshire and Humberside

Barry Crux FRICS ACI Arb, Barry Crux and Company, York, 01904 659990 - The market has been very flat over the last three months with little transactional activity. Small improvement in enquiries for property and business opportunities yet to turn into take up. We remain hopeful however that 2013 will see that happen. York and North Yorkshire has not suffered as dramatically as many other parts of the north in terms of business failures and vacancy rates. There are worries about the effect of the very large out of town retail scheme due to start construction soon.

Graeme Haigh MRICS, Bramleys LLP, Huddersfield, 01484 530361 - At long last the first signs of stabilisation are emerging. Although no real appetite for improvement and no real gains visible at least we can say "its stopped getting worse". Dare we be optimistic about the coming year?

Malcolm Stuart FRICS, Malcolm Stuart Property Consultants LLP, Tadcaster, 01937 530853 - Development market is dormant, other than for any pre-let schemes (Funding is problematical on acquisitions and even worse for development schemes) Secondary investment market continues to move out in yield terms due to volume of distressed sales.

Max Reeves, The Helmsley Group, York, 01904 682800 - There has been little noticeable change in market conditions in the past 3 months and no signs that anything will be changing in the near future.

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Methodology

Responses have been amalgamated across the three real estate sub-sectors of offices, retail and industrial property at a country level, to form a net balance reading for the commercial market as a whole.

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