

### Sentiment in the commercial market eases further

- **Weaker demand and rising availability leads to most negative rent expectations net balance since Q3 2009**
- **Development starts fall further across all sectors of the market**
- **Capital value expectations fall further and surveyors expect investment transactions to slow significantly**

The latest RICS UK Commercial Market Survey continues to show falling occupier demand and rising availability, which is leading to an increasingly negative rental outlook. Furthermore, surveyors expect the market to stagnate as finance remains tight and tenants become increasingly cautious. In particular, respondents are continuing to express concern regarding economic prospects at home and abroad.

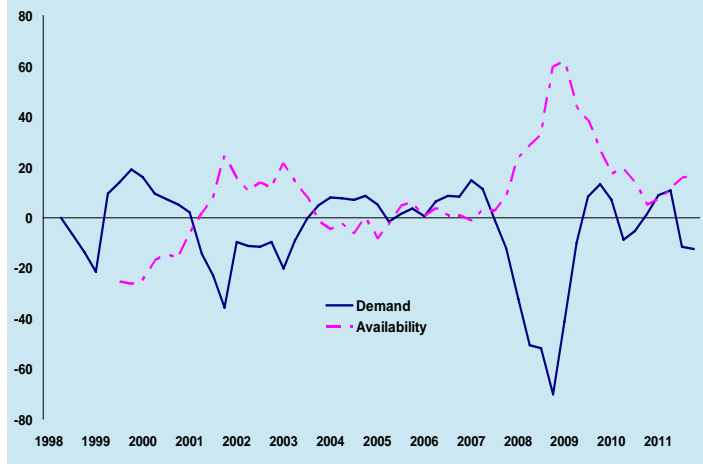
The mood among surveyors deteriorated across all sectors of the commercial market in the final three months of the year, with retail and offices suffering the most. The net balances for both tenant demand and expected rents fell further into negative territory, while available space continues to rise. Demand for industrial space was unchanged as was the supply of space, though rents are still expected to fall in Q1 2012.

The supply pipeline for commercial stock looks weaker, as new development starts eased further for all sectors, most notably for retail units. On the investment side, enquiries for office space fell for the first time in a year and expectations for future transactions also declined. Capital value expectations fell at a faster rate for all sectors.

Significantly, London and the South no longer seem immune to the negativity felt elsewhere in the UK. Indeed, the Central London office market, which had remained buoyant over the first half of the year, saw occupier demand fall for the first time in 18 months. Alongside this, available space is now rising for the first time since Q3 2009, though rental expectations remain broadly stable.

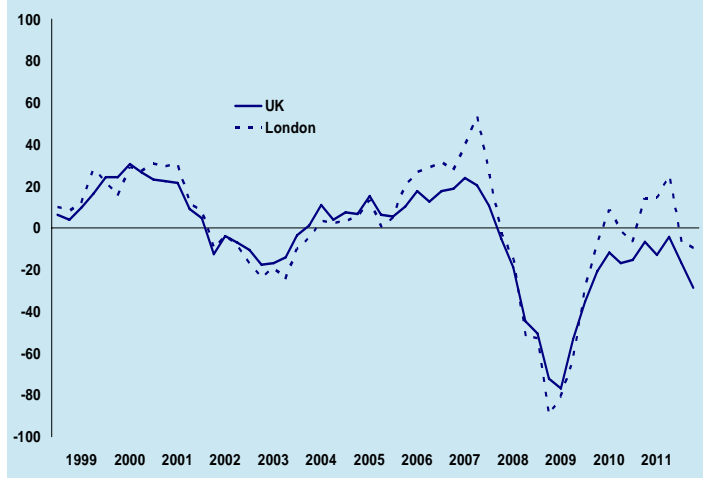
**Occupier demand and available space, England and Wales**

% Balance, seasonally adjusted



**Rental expectations (1 quarter ahead) - UK and London**

% Balance, non seasonally adjusted



**All commercial property : England and Wales**

**Change during the quarter**

**Expected next quarter**

% balance*		Change during the quarter		Expected next quarter	
		Available space for occupiers	Occupier demand for space	Capital values	Rental levels
	Q4	5	1	-9	-7
2011	Q1	7	9	-8	-11
	Q2	11	11	-3	-5
	Q3	16	-12	-13	-17
	Q4	16	-13	-29	-29

\* Net balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the unadjusted net balance will be 25%)

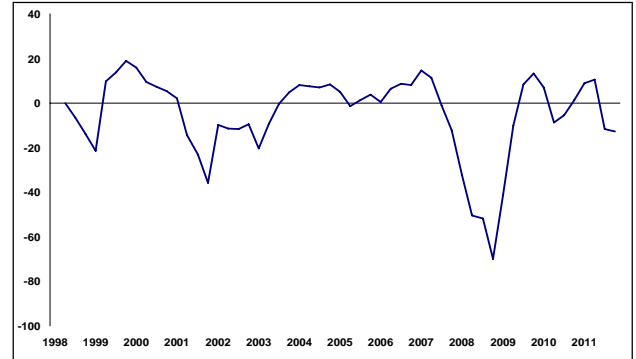
# Commercial property - all sectors

## Demand

Occupier demand declined for the second consecutive quarter at the headline level, though the pace of decline was largely unchanged; the net balance shifted from -12 to -13. Demand was particularly weak for office and retail space, while it remained broadly unchanged for industrial units.

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

% Balance, seasonally adjusted

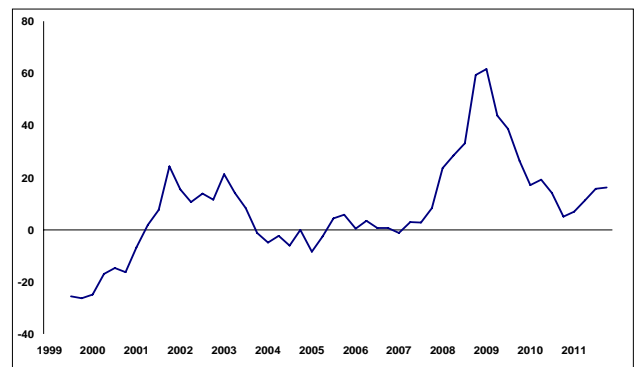


## Floor space availability

Available space continued to rise in Q4, though the net balance was unmoved at +16. Availability for retail and office space rose at the fastest pace, while it stabilised for industrial units.

### Change in available commercial space for occupation over the past quarter

% Balance, seasonally adjusted

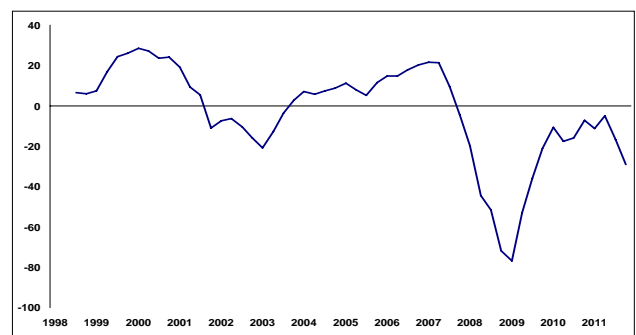


## Expected rents

Rental expectations have plummeted this quarter, with the net balance sinking to the most lowest reading since Q3 2009. Sentiment is most negative for office and retail rents, but rents are also expected to decline in the industrial sector.

### Surveyor expectations for the change in rents for the next quarter

% Balance, seasonally adjusted

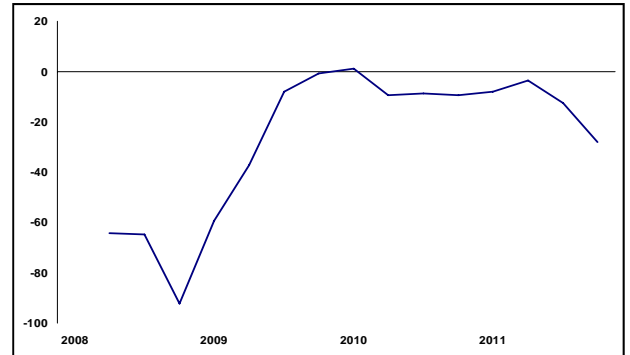


## Capital value expectations

Capital values are expected to continue falling into 2012, marking nearly 2 years of declines; the net balance fell further to -28. The greatest falls are anticipated for office and retail space.

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

% Balance, non seasonally adjusted

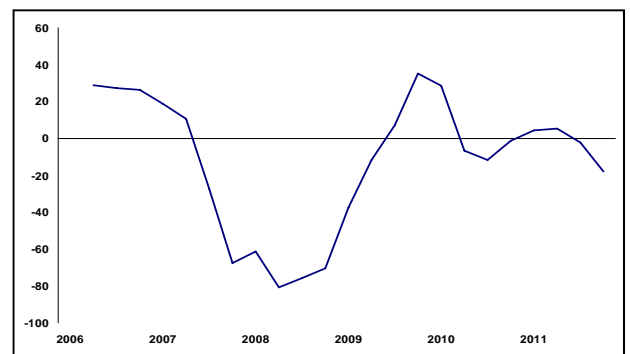


## Investment enquiries

Investment enquiries edged down in Q4, with the net balance falling from -2 to -18. The retail sector saw the greatest declines, though enquiries fell for all sectors.

### Change in investment enquiries for commercial real estate over the past quarter

% Balance, non seasonally adjusted

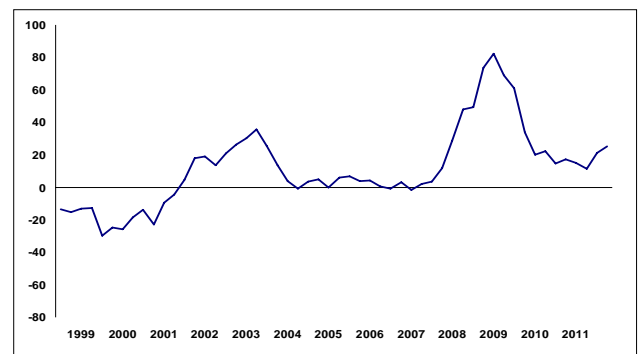


## Inducements

The value of incentive packages offered by landlords to secure a letting increased further in Q4, with the net balance ticking up to +25. Inducements are rising across all sectors of the market, but once again, most significantly for retail space.

### Change Inducements over the past quarter

% Balance, seasonally adjusted



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## Chartered surveyor market comments

### EAST MIDLANDS

Andrew Nichols MRICS, Gadsby Orridge, Derbyshire, 1332290390 - Market very quiet, increasing supply of secondary office and retail space with little occupational demand. Industrial market holding it's own - just.

Ian Leather, Lambert Smith Hampton, Northampton, 01604 664366 - The regional markets have a lack of Grade A space and an increasing supply of Grade B stock, some of which does not meet occupier aspirations. The Central London development stock is out performing the rest of the UK which is going to create ongoing supply problems. This will provide an opportunity for the landlord/investor with good quality Grade B space to attract occupier interest, plus an opportunity to recycle dated buildings much quicker than the development pipeline.

Mike Hammans MRICS, Hammans Property Consultants Nottingham, Nottingham, 0115 9390613 - Market conditions extremely hard, but there are foreign investors who will purchase good quality investments if the price is discounted

Ben Coleman BSc FRICS, Ben Coleman Associates, Northampton, 01604 660014 - The market continues to move sideways, shortage of investment stock continues to frustrate.

Stephen Smith BSc. FRICS, Blacklee Smith LLP, Northampton, 01604 635400 - There has been a slight increase in the number of enquiries for good secondary industrial/warehousing space but otherwise the market remains flat.

Andrew Woods FRICS, Harwoods, Wellingborough, 01933 441464 - Market conditions are difficult. Confidence is not high. Press and TV are negative. Office sector suffering but 2 freehold sales of older style offices have just completed for owner occupation.

William Bradley, Lambert Smith Hampton, Nottingham, 1159501414 - The office market is still relatively slow. There is a lack of enquiries and majority of those rarely come to fruition. The industrial market is livelier ie- more demand. But still remains a challenge to put a deal together bearing in mind the level of rent free tenants demand.

Tim Richardson BSc MRICS, Innes England, Derby, 1332362244 - There is still underlying activity in the industrial and office sectors with transactions occurring on sensibly prices freeholds. The leasehold market is very patchy.

J A Smith, FRICS, R Longstaff & Co, Spalding, 01775 766766 - The market remains challenging and there are, therefore, few transactions taking place.

### EASTERN

Jonathan Lloyd MRICS, Hazells Chartered Surveyors, Bury St Edmunds, 01284 702626 - In Bury St Edmunds, we have noticed that existing office stock is slowly but surely being taken up and there is little quality coming onto the market to replace it. This will leave new requirements, particularly over 5,000 sq ft, struggling to find suitable quality accommodation. This should have the effect of pushing up rental values in the near future.

Sam Kingston MRICS, Roche Surveyors, Norwich, 01603 619876 - The Norwich market remains in a difficult position. There is an over supply of office stock, generally, but with limited Grade A opportunities. The industrial market has fared better with supply more limited and still a reasonable number of enquires. The towns in Norfolk has suffered less as supply and demand is more closely aligned.

Mike Sumpster FRICS, Barker Storey Matthews, Cambridge, 01223 467155 - There has been a steady but low level of occupier and investment enquiries over the last three months. The political/economic news has slowed markets but it is hoped that the early part of 2012 will see some improvement as the existing stock of quality accommodation is taken up. Cambridge has seen a number of office and R&D deals completed mainly based on the science based industry.

Tony Barker BSc FRICS, Barker Storey Matthews, Peterborough, 01733 897722 - The lack of good quality modern office accommodation was highlighted by the pre-let of 31000 sq ft at Cygent Park, Hampton to Kelway in the Autumn. With the lack of new development there is now a shortage of freehold office space in the size range 3000 sq ft to 5000 sq ft.

Simon Beeton MRICS, Derrick Wade Waters, Harlow, 01279 629225 - Lack of good quality industrial stock above c 10,000 sq.ft. is reining in incentives. Office enquiries are increasing but demand is focused on best buildings in locality potentially releasing poor quality stock into the market for which there is little demand.

Craig Knights BSc (Hons) MRICS, Arnolds Chartered Surveyors, Norwich, 01603 216825 - The secondary office market remains the most problematic sector, closely followed by retail. We have seen a lot of activity in Lowestoft and Great Yarmouth Enterprise Zones and we are of the opinion that we will see a good level of activity in these locations in 2012.

Philip Woolner MA MRICS, Cheffins, Cambridge, 01223 213666 - Demand across the board is at very low levels, reflecting a lack of business confidence. Low levels of supply of prime office and industrial stock across the Cambridge region are holding values up.

Stuart King BSc MRICS, Davies King Chartered Surveyors, Letchworth Garden City, 01462 484272 - It has become a very hard market which can vary between close geographical areas.

Andrew Bastin FRICS, Bastin Steward, Norwich, 01603 665 996 - European financial uncertainty continues to dog occupier and investor decision making despite a supposed improvement in bank lending for the property sector.

### CENTRAL LONDON

Kim White MRICS, Kinney Green, City of London, 0202 643 1500 - Low supply and weak demand except at the lower end, up to 10,000 sq ft.

Christopher Pryke, George Trevor and Associates, London, 020 74992516 - The West End office market is holding up well in the face of a fall in confidence throughout the UK economy.

Neil Prince MRICS, Matthews & Goodman, London West End, 020 7747 3170 - The West End office market remains finely balanced with low supply, but also restrained demand. The development pipeline remains low with only well funded developers able to commence projects.

Phillipa Jeal MRICS, Phillipa Jeal Retail Property Consultants London, 020-7584-6861 - For central south west London market, Knightsbridge, Chelsea and Central London, demand still outstrips supply for retail & investments. Very few new developments. Few distressed sales as in these areas it can be possible to sell on the lease/freehold before the point of distress etc.

Roland Williams MRICS, Tuckerman Commercial Ltd., London, 0207 222 5511 - Our overall perception with office lettings in Victoria is that demand has remained fairly constant throughout the year, neither increasing or decreasing much. However there is now a shortage of quality stock which is forcing tenants to make quicker decisions and accept reduced incentives.

Kevin Kempen MRICS, Kinney Green, London, 0207 495 1222 - Difficult to draw any concrete conclusions from the past three months as the market would appear to be in a state of limbo with the majority of tenants only taking decisions where absolutely necessary.

Charles McClean MRICS, CJ McClean Associates Ltd, London, 020 7758 0415 - Tenant sentiment when relocating is very cautious and few are willing to commit to a lease beyond 3 years and most are looking to save money when relocating, even if it means having to move to a cheaper area.

Simon Kibble AssocRICS, Frost Meadowcroft, London - Kensington & Chelsea, 020 7938 2341 - There is a concern that the economic turmoil will have a negative effect on office demand and values in 2012 even though the end of 2011 has seen little effect of this.

### GREATER LONDON

Tunde Adegbemile MRICS, DTZ, London, 0203 296 3000 - With decreasing levels of availability of Grade A space in the Greater London industrial market, the pendulum appears to be swinging slightly back in favour of the landlord.

Tom Dymond MRICS, SGP Property & FM, London, 0207 788 8989 - We deal with Retail Leasehold disposals & Acquisitions across the UK. Generally the market remains very tough, with demand certainly not increasing over the past 3 months & the supply of prime & secondary units on the rise.

Justin Clack RICS, Frost Meadowcroft, London (Hammersmith & Fulham and Chiswick, 020 8748 1200 - Demand and office lettings and sales have held up in Hammersmith and Fulham and Chiswick in the last quarter despite the economic gloom widely reported. We expect there to be more uncertainty in Q1 2012 and therefore less office and investment transactions than in the last quarter of 2011 as companies remain cautious rather than expanding as the Euro Crisis continues. There will continue to be some transactions as companies take advantage of lease events to relocate.

Joshua Pater, Colliers CRE, Heathrow , 01895 813 344 - Demand and rents still solid in core markets inside M25. Softening seen in secondary and where supply lag still exists.

Kevin Burke FRICS, Frederick Holt & Company, South London, 020 7582 9375 - Despite the negative economic outlook, demand to lease and buy remains steady.

## NORTH EAST

Niall Deas MRICS, Robertson Simpson Limited & Chadwick Property Cons, Sunderland, 0191 493 4890 - Landlord's and vendors are making further adjustment to incentives which is attracting significant interest.

David Jackson BSc MRICS, Sanderson Weatherall, Stockton, 01642 426914 - There has been slightly more movement in the last 3 months but many occupiers are still cautious and hampered by a lack of finance. We are unlikely to see any spec building whilst empty rates are enforced which is stifling the market and reducing the supply of quality, environmentally friendly accommodation.

Bill Naylor FRICS, Naylor's Chartered Surveyors, Newcastle, 0191 232 7030 - Offices are massively oversupplied particularly out of town and demand is poor, the industrial market is holding up but retailing is continuing to struggle with few doing well. The lack of cohesive regional policy and representation is harming the North East economy as a whole

## NORTH WEST

Antony Hill FRICS, Antony Hill Partnership, Southport, 01704 532728 - There is interest in small shops and serviced offices but the landlords and are anxious to avoid "empty rates". Bank funding very tight. No large deals around. Need to keep at it to the market going.

Matthew Illingworth MRICS, Cushman & Wakefield, Manchester, 0161 828 5309 - The last quarter of 2011 has become tougher and occupiers are getting nervous and putting off decisions. Investors are also appearing to be nervous of 2012 and uncertainty is reducing levels of interest and values.

Stephen Sewell MRICS, Walton Goodland, Carlisle, 01228 514199 - Run up to Christmas trading period has seen initial take up of vacant city centre retail space albeit on flexible terms and heavily incentivised.

Charles Fifield FRICS, Fifield Glyn, Cheshire, 01606 351 351 - There has been an unusual increase in demand over the past few months. Retail demand usually tails off by November, however demand has stayed with occupiers looking at opening in the new year. We have also seen a return in interest from A5 Hot Food Takeaways. There seems to be more demand from short term office occupiers as well.

Martin Walton FRICS, Waltons, Tameside, 0161 367 9500 - A lot of people remain to be convinced we have reached the bottom of the market , once they do I expect improvement in activity if not values

Simon Adams FRICS, Peill & Company, Cumbria, 8454504444 - Still nervousness in the market, both from investors and occupiers, driven heavily by negative media sentiment. Various occupiers have the appetite to do deals, but confidence varies.

Mike Redshaw MA FRICS, Nolan Redshaw, Bolton, 0161 7630823 - Despite difficult current market conditions interest in the UK coal cutacre site on the M6 have been extremely strong which confirms the attractiveness of well positioned distribution sites on the M6.

## SCOTLAND

Alan Gilkinson, Ryden, Glasgow, 0141 270 3138 - Generally businesses are trading well and many report encouraging figures. However, there is a lack of confidence about the future and it appears easier to defer a decision, if this is an option, rather than to make a decision and take a risk. Consequently, from an occupational prospective, there is plenty of window shopping but few significant transactions. There are a good number of requirements for larger properties and it appears there will be greater activity in Q1 2012.

Allan Lapsley BSc FRICS MCI Arb, Speirs Gumley, Glasgow, 0141 332 9225 - Modern well maintained multi-let industrial and/or trade park estates remain popular with funds and property companies seeking asset management opportunities.

## SOUTH EAST

Craig Powell MRICS, Holloway Iliffe & Mitchell, Southampton, 023 9237 7800 - A large amount of recently constructed Grade A office space remains unoccupied at Solent Business Park, Fareham and this is stopping development of consented Southampton City Centre schemes such as Mayflower Point, when there is such an unequal balance between supply and demand. Older out of town offices with good parking ratios, that have been refurbished to a high standard are finding tenants when new space being offered at premium rents are standing empty.

Tom Holloway BA (Hons) MRICS, Holloway Iliffe & Mitchell, Portsmouth, 2392377800 - Within the southern Hampshire region there is a inconsistent level of enquiries, with the office market being the worst performer, this is compounded by soft deals being carried out at 1000 Lakeside, Portsmouth and consequently sucking in office occupiers from the surrounding region. The knock on effect is falling rents in the rest of the market!

Chris Ridge MSc FRICS, London Clancy, Southampton, 023 8033 0442 - Occupier demand across all sectors is very patchy. Occupiers are still seeking significant incentives and time taken to complete transactions is increasing. Availability of bank funding remains limited. Investors are becoming increasingly selective and looking for good value. Buying opportunities for investors are limited.

Andrew Archibald MRICS, Keygrove Chartered Surveyors, Southampton, 023 8063 5333 - There has been less activity in all market sectors since early October.

Jeremy Braybrooke MRICS, Osmond Brookes, Southampton, 023 8000 2020 - Retailers and investors alike are becoming more choosy in their expectations and requirements and know they don't have to ever hurry. Difficult times ahead for the High Street.

Colin Davies FRICS, Graves Son & Pilcher LLP, Brighton, 01273-321123 - Uncertainty in the financial markets is continuing to have an effect.

Scott Tyler MRICS, Allsop LLP, London, 0207 437 6977 - The last 4 weeks has seen greater uncertainty from all investors in light of Euro crisis. The UK funds still have money but are sitting and waiting as a number believe commercial property will be cheaper in the new year. Prime and south east holding up well. Outside south east , secondary , tertiary property is difficult and getting cheaper . High street retail is particularly under pressure with increased vacancy and likely to get worse post Christmas .

Chris White MRICS, White Commercial Surveyors Ltd, Banbury, 01295 271000 - Substantial activity in the larger industrial market coupled with a revival in the acquisition of sites by developers for Industrial D&B development. Constraints on the supply of existing Industrial premises. Retail and Office markets are dominated by limited demand and in the main conurbations excess supply.

Eloise Payne Bsc (Hons), East Sussex County Council, Lewes, 1273482172 - The past six months it has been increasingly difficult to find tenants and we are looking at downsizing our corporate office portfolio due to vacant spaces. There is more than enough space for County Council staff especially with the increase of hot desking and other flexible working patterns. There are a number of projects that have suffered uncertainty and/or delays in particular road scheme developments. Furthermore, improvement works have been reduced due to lack of budget funds.

Matthew Pellereau FRICS, Matthew Pellerou Ltd, Camberley, 1276601791 - We still live in difficult times but some deals are being done but it's very hard work getting any completed. Not unlike the early 1990s or mid 1970s.

Charles Stevens MRICS, Maple Burton, London, 0203 370 6001 - Levels of office demand/ Investment market interest polarises between 'inside' and 'outside' the N Circular. Out of town, things remain difficult. There is much more attention and confidence (developers, investors, occupiers and so on), the closer one moves in towards 'W1'.

Damian G Comerford FRICS, Dunster & Morton, Reading, 0118 955 1700 - The market is dominated by enquiries from existing tenants wishing to exercise "break clauses" or threatening to exercise & "break clauses" to take advantage of the incentives on new lettings often at lower rentals or with large rent free periods.

Stephen Bailey-Kennedy, Duncan & Bailey-Kennedy, High Wycombe, 01494 450951 - We are seeing a slow take up of mainly good quality office space which will result in a reduction in available stock within the next 12/18 months as no new developments is taking place.

## SOUTH WEST

Alistair Edgcumbe FRICS, Larkman Edgcumbe, Taunton, 01823 323523 - A sluggish end to a year that hasn't seen any records broken. However, there are retail sectors that are active and its not all doom and gloom on the high street. Nevertheless, until the macro economic problems in the UK and the eurozone chaos is sorted, it looks as if we will remain in the doldrums, a situation which could now last for several years.

Simon Pontifex FRICS, SPA (Chartered Surveyors), Cheltenham, 01242 255242 - Applicant numbers have been maintained at a low level but the number of transactions has increased.

Michael S Nightingale MRICS, Miller Commercial, Truro, 01872 247000 - Activity levels remain low when compared with the same period last year. We are still seeing little evidence of increased bank lending and do not expect the position to change in the coming months.

John Plimmer FRICS, Chesterton Humberts, Taunton, 01823 331234 - We remain busy in a very difficult market.

Dean Speer MRICS, Myddelton & Major, Salisbury, 01722 337577 - Enquiries from occupiers have dwindled as the second quarter has progressed and the "bad news" from Europe has eroded confidence in the future. Bank funding remains scarce and difficult to grasp.

Peter Foyle FRICS, Bruton Knowles, Gloucester, 01452 880152 - Redevelopment plans have been approved for St Oswalds Park with Tesco proposing to redevelop their existing site in the retail park with a new food store and additional retail units totalling 165,000 sq ft of gross retail space. Plans are now awaited from developer Stanhope who are Gloucester City Council's preferred developer for the redevelopment of Kings Quarter with 200,000 sq ft of new and replacement retail floor space.

Andrew Kilpatrick, Kilpatrick & Co, Swindon, 01793 643101 - The Eurozone crisis and general economic gloom is doing little to assist market confidence, in Swindon, or elsewhere and with growth forecasts trimmed back to under 1% for 2012, market conditions are likely to remain difficult for 2012.

Michael T Ripley FRICS, Stephen & Co., Weston Super Mare, 01934 621 101 - The level of enquiries has been reasonable but most deals have been incentive led with landlords keen to minimise exposure to rates liability.

Chris Wilson BSc FRICS Minst D, Goadsby, Poole and Bournemouth, 01202 550000 - Good demand for small freeholds off plan on 2 speculative industry schemes in Dorset.

Robert Smith BSc, Ash & Co, Gloucester, 01452 300433 - Good quality stock is attracting enquiries and results in transactions. Secondary retail market is fairly buoyant. Over-supply of offices in and out of town.

## WALES

Jonathan Smart MRICS, DTZ, Cardiff, 029 2026 2232 - Office - Ongoing occupier uncertainty. Limited enquiries across the board. Limited Grade A availability, particularly within Cardiff City Centre. Sentiment remains poor. Industrial - still a focus on good quality on the M4 corridor. More agent lead requirements and larger national companies looking to take advantage of lease end/breaks to expand or amalgamate.

Gareth Williams FRICS, Gareth Williams Commercial, North Wales, 01745 330077 - Locally sourced demand for secondary retail and smaller industrial/distribution units continues to be encouraging. However, prime retail and larger industrial units continue to be difficult as does the office sector.

Rowland Jones FRICS, Rowland Jones Chartered Surveyors, Swansea, 00 44 1792 648809 - It is difficult to establish any pattern as it is events far outside our control that is influencing the process.

Ben Bolton MRICS, Cooke & Arkwright, Cardiff, 02920 346376 - Take up has concentrated on city centre properties which accounted for 43% of overall take up during Q3. Most of this take up was of Grade B space. Deals are mainly for companies occupying less than 5,000 sq ft. Available Grade A space continues to decrease following several lettings in Cardiff Waterside and ING committing to reoccupy the first floor Callaghan 2 which was formerly on the market. Total vacant space has steadily fallen over the last 3 years.

Chris Sutton MRICS, Jones Lang LaSalle, Cardiff, 029 2022 7666 - The office market has benefitted from the continued expansion of Admiral Insurance in Cardiff, Swansea and Newport. However, the public sector is actively seeking to reduce the size of its estate with a number of high profile buildings recently vacated. Developer J R Smart is leading from the front with further speculative development planned Capital Quarter scheme, located south of Cardiff city centre.

Adele Paterson MRICS, Burnett Davies, South Wales, 029 2062 1162 - In general the market seems stagnant, there is an over supply of secondary office space and a lack of demand resulting in increased incentives for tenants.

## WEST MIDLANDS

Robert Rae BSc FRICS, North Rae Sanders, Coventry, 024 766 36888 - The auto-motive market is helping drive manufacturing enquires to circa 30% with improved uptake of stock reducing supply in industrial warehouse market across all sizes. Market is tempered by euro and banks. However firms are also doing some design and build.

Jonathan Owens MRICS, Arkwright Owens, Hereford, 1432267213 - It is difficult to provide 3 monthly snapshots of the market especially in a small rural city - enquiries always "tail off" in winter and generally pick-up in spring.

Carole Taylor MRICS, BNPParibas Real Estate, Birmingham, 0121 237 1200 - Availability of investment funds - this varies according to sector. There is increased private money available but fund money has decreased.

Richard Day Bsc (HONS) MRICS, Daniel & Hulme, Stoke on Trent, 01783 213344 - The market is still very difficult with potential occupiers demanding further reductions in rent and higher incentives.

Tony Rowland MRICS, Timothy Lea & Griffiths, Evesham, 01386 765700 - Its a very tough market, void rates, increased car parking charges, and the general recession has all but killed demand for town centre property in Evesham. In rural locations, there is still some demand, but it is sluggish. Something needs to kick start the economy.

Jonathan Carmalt MRICS, Jones Lang LaSalle, Birmingham, 01212149935 - Trend for secondary pricing to move out further and prime to remain stable but scarcity of product may lead to yield compression (at the prime end). Viewings are slightly better for office property, but decision making is still protracted and confidence thin.

Roger Wilkins FRICS, Wilkins Chartered Surveyors, Worcester, 01905 723722 - The market remains difficult in all sectors. The brightest situation remains in industrial properties, with smaller light industrial units remaining quite well let, although more price sensitive than hitherto, and demands for rent frees on lease renewals. The take-up on offices remains problematic, with good deals for tenants right across the board. In retail, Worcester has remained quite well let, but the omens for the new year are not very good.

Stephen Smith MRICS, Fraser Wood Mayo & Pinson, Walsall, 01922 629 000 - The market remains difficult and 2012 is likely to be another challenging year.



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## YORKS HUMBER

David J Matindale, FSL Commercial and Residential, Wakefield, 01924 365250 - There are a lot of vacant office properties on the market at present.

Richard Flanagan MRICS, Lawrence Hannah LLP, York, 01904 659800 - Enquiry levels remain low for occupier markets, with lack of confidence cited as reason for not making decisions.

Max Reeves, Reeves and Co., York, 01904 682804 - There has been a uplift in occupier requirements over the past few months although we do not foresee this as a market shift and expect demand to remain weak throughout 2012.

Michael Hare FRICS, Feather Smailes Scales LLP, Harrogate, 01423 501211 - It is still a very hard market which shows no indication of improving in the short to medium term. The worries over European sovereign debt, the threat of going back into recession and the continuing lack of funding from banks are all influencing the market with limited confidence in the business community to do anything but "sit tight". Refreshingly we saw a good November in terms of deals agreed but this is probably no more than a blip.

David E Watson BSc FRICS, Fawley Watson Booth, Leeds, 0113 234 7900 - The growing and most worrying trend in recent months has been the lack of decision-making apparently taking place. A lot of people dashing about madly looking at things which they are then failing to progress. Whilst all the news coming out in the economy is so gloomy, a further dip seems inevitable. If it was not going to happen anyway the general lack of enthusiasm from businesses to move forward will create another period of recession as a self-fulfilling prophecy.

Graeme Haigh MRICS, Bramleys, Huddersfield, 01484 530361 - Slightly stronger close to the year than the opening gives some optimism for 2012. Lets just hope its not another false dawn. Eurozone uncertainty continues to affect sentiment but the British keep calm and carry on; mentality appears to be winning through.

## NORTHERN IRELAND

Rory McConnel MRICS, McConnell Chartered Surveyors, Belfast, 2890205900 - Northern Ireland is still experiencing very difficult conditions with an increasing lack of confidence contributing to an already subdued market. Hopes are still pinned on increasing inward investment particularly in the office sector and, to be fair, there have been a few highlights this year, in particular Allen & Overy's 34,000 sq ft leasehold office acquisition at Obel Tower.

## Contributor details

## EAST MIDLANDS

Alan Faulkner MRICS, Maxeys Grounds & Co LLP, Wisbech

Alex Reid MRICS, Mather Jamie, Leicestershire

Andrew Nichols MRICS, Gadsby Orridge, Derbyshire

Andrew Woods FRICS, Harwoods, Wellingborough

Ben Coleman BSc FRICS, Ben Coleman Associates, Northampton

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### Methodology

Questionnaires were sent to real estate organisations on 1<sup>st</sup> December 2011, with responses received up until the 19<sup>th</sup> of December. Respondents were asked to compare conditions over the latest three months with the previous three months. A total of 189 responses were received.

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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