

**Midtown defies its low Availability Rate in Q2 2015 with standout Take-up boosted by DLA Piper's 150,000 sq ft Pre-let at 160 Aldersgate Street, EC1**

“What came as a surprise in the 2nd Quarter 2015 was the sheer level of activity, given how constrained supply is, translating directly into strong rental growth across all areas and stock profiles.”

**Jules Hind, Leasing & Development Partner**

**Availability**

Midtown's Availability Rate is currently low at 3.2% and there is little sign of the supply shortage easing with an additional 565,000 sq ft currently under offer and most of the market's 1.27m sq ft development pipeline expected to let during construction

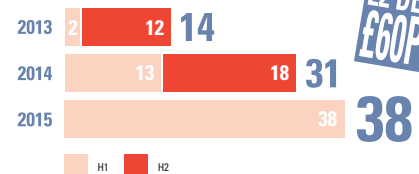
**565,000 sq ft**  
UNDER OFFER



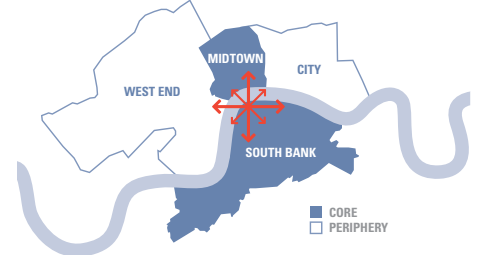
Midtown's Availability has remained top heavy with total New and Refurbished supply exceeding total Secondhand for the fourth consecutive quarter. Secondhand supply is currently under staggering pressure, falling 80% in the last five years

**Rents**

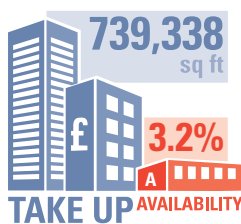
Rental tone of all levels of stock has shifted. A record 22 deals at £60.00 psf and over were transacted in Q2 15, compared with 16 in Q1 15 and 31 for the whole of 2014



Fundamental shift in the occupational market. Companies are looking at the Centre of London in Midtown and South Bank, ahead of the West End and City

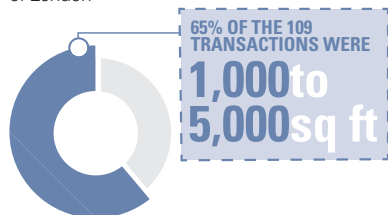


**Take-up**



Q2 15 Take-up reached an impressive 739,338 sq ft in 109 transactions, an increase of 23% on Q1 15 and 6% ahead of the 10-year quarterly average

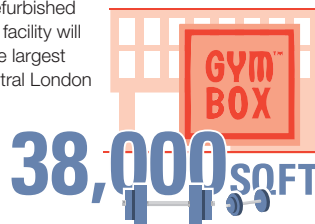
Demand is most intense in smaller offices due to 65% of the 109 transactions in Q2 15 were in the 1,000-5,000 sq ft size bracket, driven largely by Occupiers across the DAMIT (Design, Advertising, Marketing & PR, Media, Internet, Technology and Telecoms) sector seeking to cluster in the Centre of London



**Retail**

Gymbox selects Zebulon's 120 Holborn, EC1, for their flagship London gym

The newly refurbished 38,000 sq ft facility will be one of the largest gyms in Central London



“The office occupier mix in Midtown is evolving to be more Technology and Media biased, and as a result a more diverse retail and leisure offer is developing. The arrival of Gymbox at 120 Holborn is emblematic of this.”

**Neil Davies, Retail Partner**

“We know that demand remains fierce for assets, particularly in Midtown and its more peripheral locations, such as Farringdon, where a thriving occupational market is driving exceptional returns.”

**Alastair Hilton, Investment Partner**

**Investment**

£332m was invested in 11 transactions in Q2 15, down 52% on the previous quarter

UK Investors dominated the quarter with 66% of turnover in 8 of the 11 transactions. Investor sentiment remains positive and the drop in volume is symptomatic of the illiquidity challenge that our marketplace faces, driven by a lack of assets for sale



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DETAIL?**

Our full 16 page report incorporating detailed transactional data and comprehensive commentary on the overall performance of the Midtown Leasing, Development, Investment and Retail markets is available via our Leadership Team. Please contact us to request your copy and to discuss your interest in more detail.

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## NEED MORE DETAIL?

WE WOULD BE HAPPY TO PROVIDE  
YOU WITH THE FULL MIDTOWN MARKET  
REPORT FOR THE 2ND QUARTER 2015.

Our full 16 page report incorporating detailed transactional data and comprehensive commentary on the overall performance of the Midtown Leasing, Development, Investment and Retail markets is available via our Leadership Team. Please use one of the contact details above to request your copy and to discuss your interest in more detail.

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