



Office Market Pulse

M1 Corridor

Q3 2013

Robust take-up across the M1 Corridor

- After successive years of decline, Q3 saw office take-up stabilise in Luton, Milton Keynes and Northampton.
- Take-up for Northampton was 37,700 sq ft. With the year-to-date total now at 102,656 sq ft, take-up is already equal to 2012's total.
- Milton Keynes' take-up was 41,112 sq ft, taking total take-up year-to-date to 92,389 sq ft. With a further 117,000 sq ft currently under offer, total take-up should be in line with 2012 (163,600 sq ft).
- Luton office take-up reached 36,770 sq ft in Q3. With year-to-date take-up now standing at 63,700 sq ft and a further 44,179 sq ft under offer, the outlook for the office market is fast improving, after hitting a five-year low in 2012.

Region's supply remains static

- Occupiers are trading up into better quality space, so supply along the M1 Corridor has remained largely static, despite robust take-up.
- The shortage of good quality stock across the region continues to hamper the office market, and with a swelling in both take-up and demand, this situation is only likely to worsen in the short-term.

Early signs of improved demand

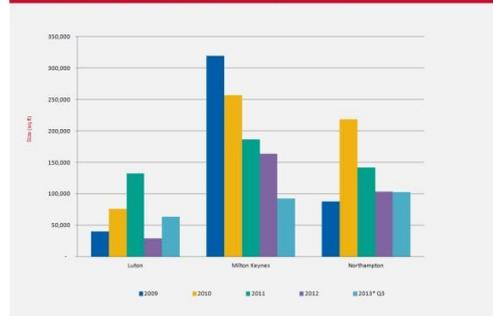
- Across the M1 Corridor markets, demand registered during the course of Q3 2013 peaked against five-year averages; Luton 136%, Milton Keynes 167% and Northampton 114%.
- It is perhaps too early to suggest a wholesale change in fortunes for the office markets, but these results are certainly a step in the right direction.

Significant occupational transactions in Q3 2013

Property	Size (sq ft)	Landlord(s)	Tenant	Lease information
Elgin House Billing Road, Northampton	13,335	Five Charge Ltd	Hewitsons	Confidential
Phoenix House Central Milton Keynes	15,500	IM Properties	The Gym Group	15 year lease £9.50 per sq ft
4 Dunstable Road, Luton	7,818	Grant States Ltd	London School of Science & Technology	10 year FRI £6.00 per sq ft

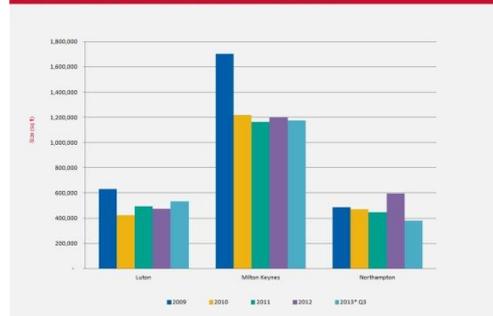
Source: Lambert Smith Hampton

M1 Corridor office market take-up, annual comparison



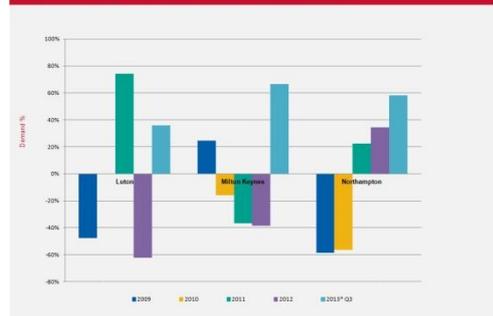
Source: Lambert Smith Hampton

M1 Corridor office market supply, annual comparison



Source: Lambert Smith Hampton

M1 Corridor office market demand, annual comparison



Source: Lambert Smith Hampton



Office Market Pulse

M1 Corridor

UK Investment Transactions

Our Q3 2013 UK Investment Transactions report shows that investment in UK commercial property hit a six year high in the third quarter of 2013.

At £11.6bn, quarterly investment levels are 50% above the post-2010 market average, and 40% up on the Q2 total of £8.24bn.

What does this mean for the market? [Read the full report on our website.](#)



For any queries, or for more detailed information about the M1 Corridor office market, please contact:

Ian Leather	Regional Director, Office Agency	0121 236 2066	ileather@lsh.co.uk
David Grove	Northampton	01604 664 366	dgrove@lsh.co.uk
Duncan Quig	Luton / Milton Keynes	07725 372577	dquig@lsh.co.uk
Louise Bennett	Luton / Milton Keynes	07584 600673	ljbennett@lsh.co.uk
Adam Ramshaw	Capital Markets	0121 237 2935	aramshaw@lsh.co.uk

Details of Lambert Smith Hampton can be viewed on our website www.lsh.co.uk

Due to space constraints within the report, it has not been possible to include both imperial and metric measurements.

© Lambert Smith Hampton October 2013.

This document is for general informative purposes only. The information in it is believed to be correct, but no express or implied representation or warranty is made by Lambert Smith Hampton as to its accuracy or completeness, and the opinions in it constitute our judgement as of this date but are subject to change. Reliance should not be placed upon the information, forecasts and opinions set out herein for the purpose of any particular transaction, and no responsibility or liability, whether in negligence or otherwise, is accepted by Lambert Smith Hampton or by any of its directors, officers, employees, agents or representatives for any direct, indirect or consequential loss or damage which may result from any such reliance or other use thereof.

All rights reserved. No part of this publication may be transmitted or reproduced in any material form by any means, electronic, recording, mechanical, photocopying or otherwise, or stored in any information storage or retrieval system of any nature, without the prior written permission of the copyright holder, except in accordance with the provisions of the Copyright Designs and Patents Act 1988.

Warning: the doing of an unauthorised act in relation to a copyright work may result in both a civil claim for damages and criminal prosecution.