

BRISTOL

LOGISTICS AND INDUSTRIAL

SPRING REVIEW 2009

Overview

Bristol's location at the axis of the M4/M5 interchange, combined with its reputation as the leading commercial centre in the South West ensures that there is plenty of activity in the industrial property market.

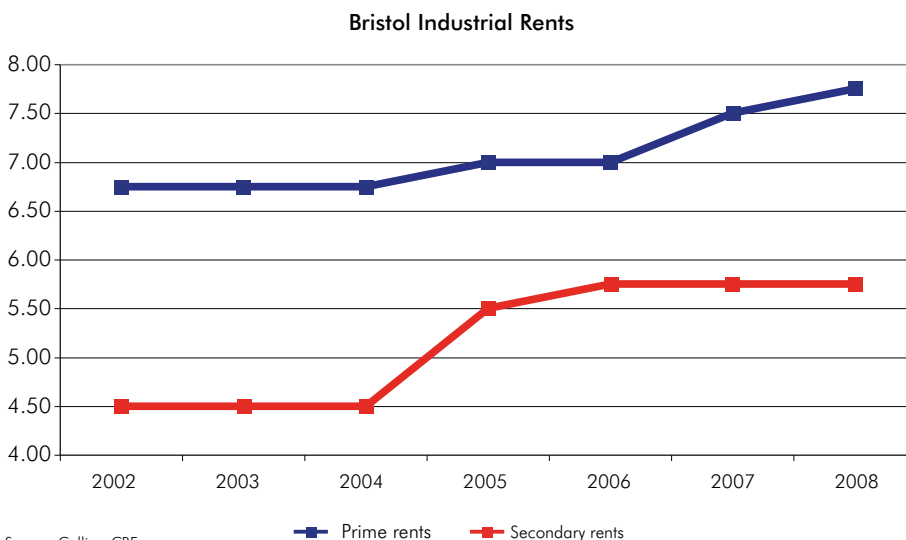
- Current availability: 3.2 million sq ft.
- 2007 take-up: 2.3 million sq ft.
- 2008 take-up: 1.3 million sq ft.

Rents

As with all locations the Bristol market is being affected by the economic downturn however a general undersupply of good quality, well located units means that rental levels remain steady.

Incentives equating to six months rent free for five year periods are available.

- Prime Rents: £7.75 per sq ft
- Secondary Rents: £5.75 per sq ft



Chancerygate

Supply

The supply pipeline is very limited with no new development completions occurring in 2008.

- Vacancy rate for Bristol industrial stock is an estimated 10%.
- Colliers CRE is currently marketing 575,000 sq ft within 74 units.

Demand

The letting by Gazeley of their two speculative units of 120,000 sq ft and 210,000 sq ft respectively at the very end of 2008 helped to boost total take-up for the year, however figures still remained lower than those seen in 2007.

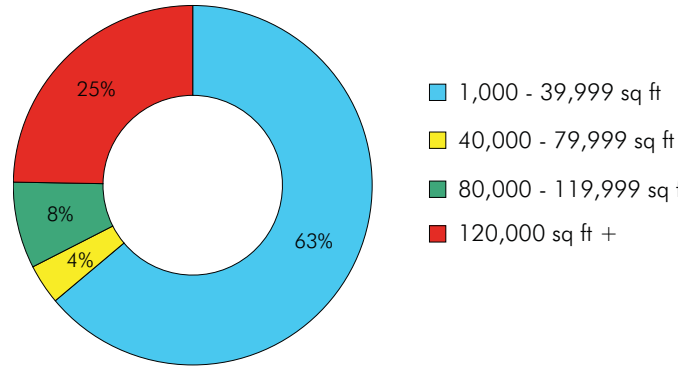
Demand throughout the year has been fairly stable although there has been a shift of emphasis from freehold to leasehold in terms of preference.

Outlook

Despite the pessimistic view of the economy it is unlikely that Bristol will suffer as much as other parts of the country.

We do not anticipate a significant reduction in headline rents which reflects a lack of supply of available units, and a reasonable level of demand.

Bristol 2008 take-up by transaction size



Source: Colliers CRE / SPN



Unit 203 Emerald Park East, Emersons Green

CONTACTS

Head of Logistics and Industrial

Len Rosso
020 7487 1765
leonard.rosso@collierscre.co.uk

Bristol Office

Tim Davies
01117 917 2048
tim.davies@collierscre.co.uk

Research

Guy Grantham
020 7344 6793
guy.grantham@collierscre.co.uk

Disclaimer

This bulletin gives information based primarily on survey and published data which may be helpful in anticipating trends in the property market. However, no warranty is given to the accuracy of and no liability for negligence is accepted in relation to the forecasts, figures or conclusions contained in it and they must not be relied on for investment purposes. This bulletin does not constitute and must not be treated as investment advice or an offer to buy or sell property.

09035/RSC/February 2009