

Birmingham At-A-Glance

	Net Rent/M ² /Year		Net Rent/SF/Year		Vacancy
	Low	High	Low	High	
CITY CENTRE OFFICE					
New Construction (AAA)	N/A	N/A	N/A	N/A	N/A
Class A (Prime)	£ 250	£ 296	\$ 41.05	\$ 48.60	N/A
Class B (Secondary)	£ 108	£ 216	\$ 17.73	\$ 35.47	N/A
SUBURBAN OFFICE					
New Construction (AAA)	N/A	N/A	N/A	N/A	N/A
Class A (Prime)	£ 205	£ 248	\$ 33.66	\$ 40.72	N/A
Class B (Secondary)	£ 161	£ 200	\$ 26.44	\$ 32.84	N/A
INDUSTRIAL					
Warehouse	£ 46	£ 69	\$ 7.55	\$ 11.33	N/A
Manufacturing	£ 46	£ 59	\$ 7.55	\$ 9.69	N/A
High Tech/R&D	£ 54	£ 67	\$ 8.87	\$ 11.00	N/A
RETAIL					
City Centre	£ 1,615	£ 3,498	\$ 265.17	\$ 574.35	N/A
Neighborhood Service Centers	£ 162	£ 646	\$ 26.60	\$ 106.07	N/A
Community Power Center (Big Box)	£ 124	£ 323	\$ 20.36	\$ 53.03	N/A
Regional Shopping Centres/Malls	N/A	N/A	N/A	N/A	N/A
DEVELOPMENT LAND	Low/Hectare	High/Hectare	Low/Acre	High/Acre	
Office in CBD (per buildable M ² /SF)	£ 110	£ 150	\$ 18	\$ 25	
Land in Office Parks	£ 350,000	£ 750,000	\$ 250,441	\$ 536,658	
Land in Industrial Parks	£ 175,000	£ 570,000	\$ 125,220	\$ 424,615	
Office/Industrial Land - Non-park	£ 150,000	£ 400,000	\$ 107,332	\$ 286,218	
Retail/Commercial Land	£ 500,000	£ 1,500,000	\$ 357,772	\$ 1,073,317	
Residential	£ 600,000	£ 2,000,000	\$ 429,327	\$ 1,431,089	

Conversion 0.529 £ = 1 US\$

Market Overview

■ Birmingham is an international city at the heart of the UK which, due to its central position and excellent communications, is well serviced as a distribution centre for the UK. It links onto the main national UK motorway network linking the north and south of the country. Birmingham is serviced by an international airport providing flights to major international destinations. It is also well serviced with rail links throughout the UK. However, due to the decrease in manufacturing in the city the unemployment rate has increased above the UK average. This is particularly true in the automotive sector. The most recent example of the changes being the announced closure of the Peugeot Ryton facility which is due to close in 2007. However, the increase in jobs in the service sector is in line with the national average. Occupiers include the Royal Bank of Scotland, Lloyds TSB and Britannic Assurance. The city is also well known for the size of its legal community which is one of the largest in the country.

In the office sector take up has been lower than expected in comparison to the equivalent period in 2005. Deals recorded included Bicson taking 1,606 square meters (17,286 square feet) in Three Brindley Place at a net rent of £264 per square meter (£24.23 per square foot) KPMG have been negotiating to take a pre-let on 11,148 square meters (119,997 square feet) in the Snow Hill development.

Out of town, the Big Lottery took a large amount of space at Edgbaston due to the lack of supply of suitable accommodation in the city centre. Other lettings have occurred on the Blythe Valley Park development.

Occupiers seeking high quality space have been struggling to find suitable premises with the only space coming on stream being refurbishment. Baskerville House with 18,132 square meters (195,172 square feet) and Temple Point with just over 6,000 square meters (64,584 square feet) are the only schemes made available during 2006.

Although there has been a lack of developable land in the Birmingham area available for development for distribution, there were a number of substantial schemes being brought forward in 2006. These included the development of the former Alstom site which is 56 acres and will provide up to 50,000 square meters with rail connections as well as frontage onto the M6. Severn Trent is also marketing a 70 acre site which is the second phase of Midpoint Park and is capable of providing 116,000 square meters of industrial and distribution space. Occupiers include Tesco, Co op, Unipart, Sainsbury and TK Maxx who utilise large amounts of distribution space in the area.

Slough Estates is developing 4 units of between 5,574 square meters (60,000 square feet) and 10,405 square meters (111,999 square feet) at Meteor Park near Junction 6 on the M6. Prime rents are £61 to 64 per square meter (£4.70 and £5.94 per square foot.)

The investment market remained active with remaining interest from investors. 4 St Philips Square which is let to the Government was sold at a yield reflecting 4.25%. At Colmore Square a vacant building with a price of £150 million was sold which reflects £448 per square meter capital value.

Source: NAI Global