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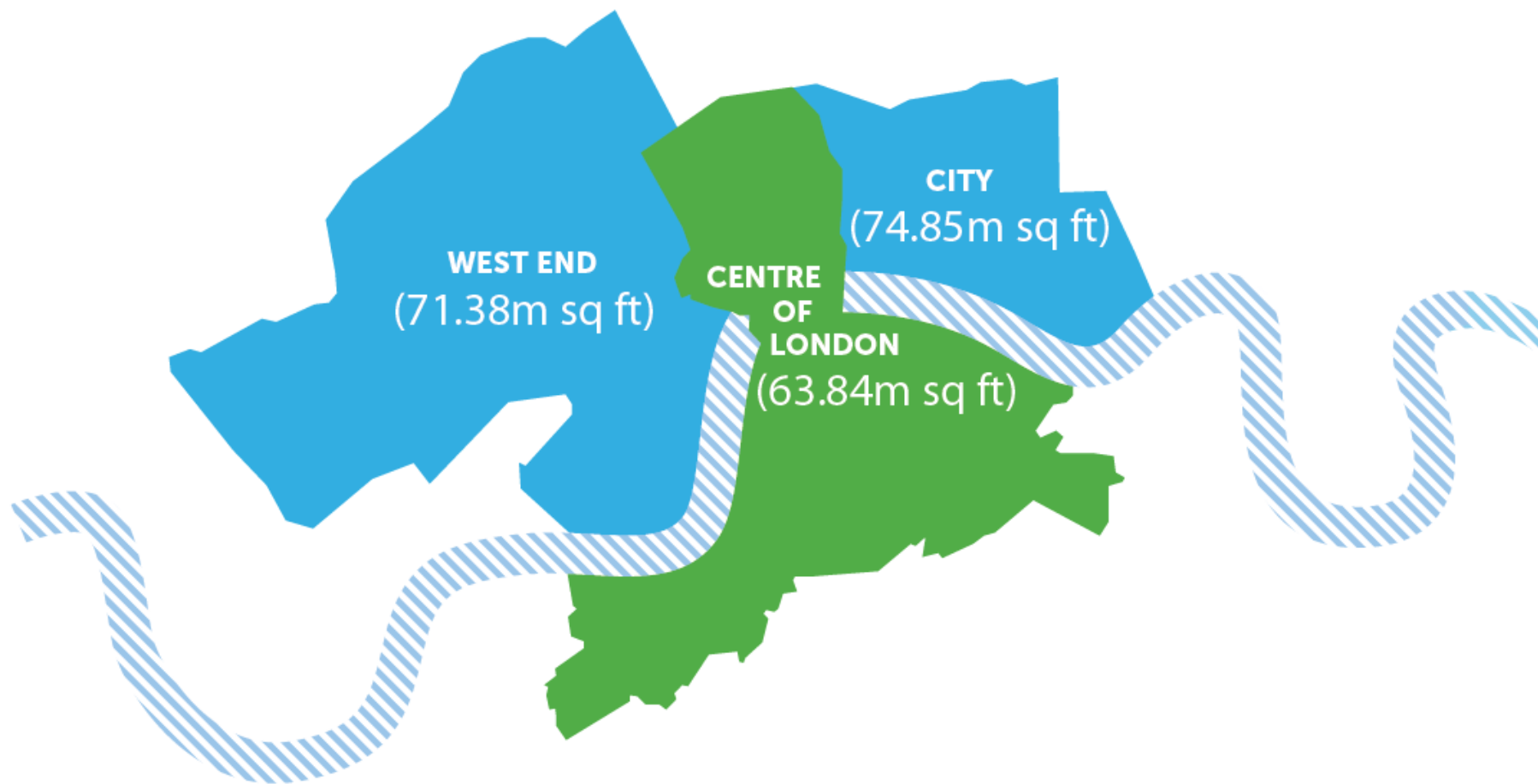
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The London Market from an International Perspective

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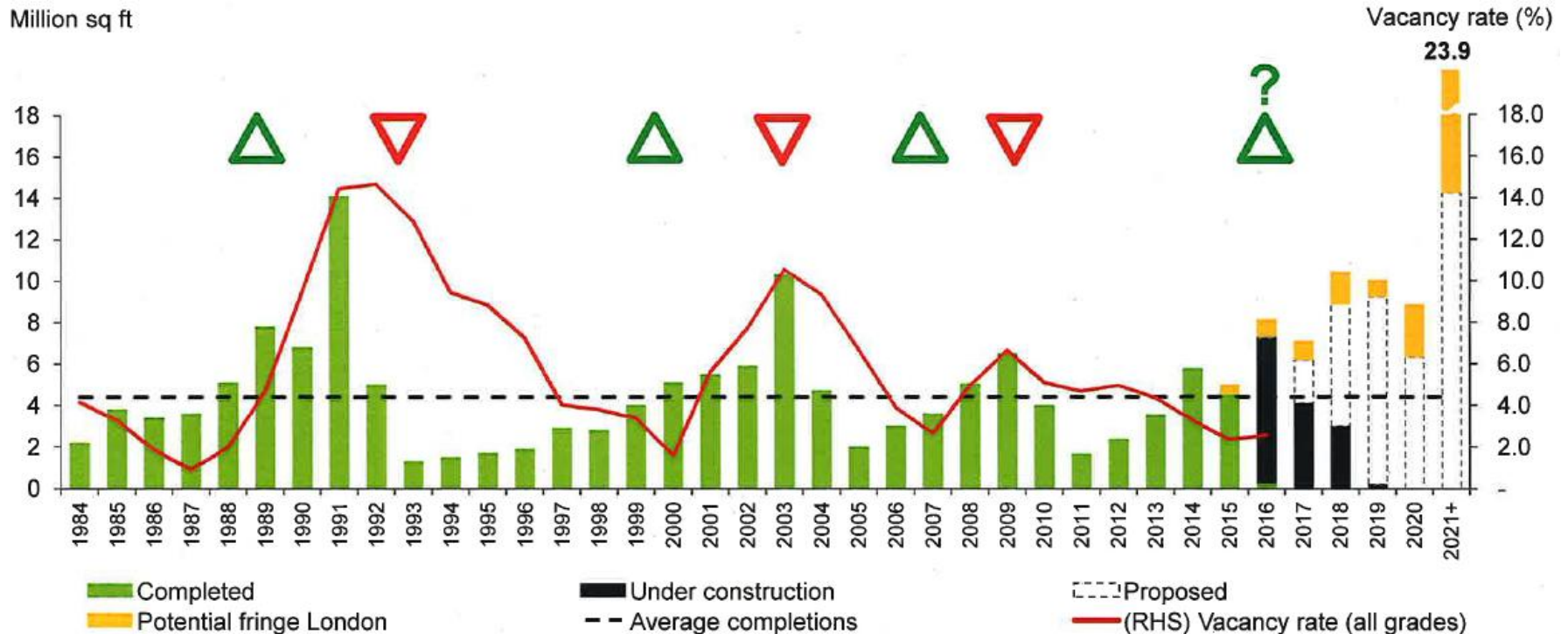
- Farebrother are Independent Chartered Surveyors
- Established 1799, City of London based
- Commercial Leasing, Investment, Development, Asset Management Advisors
- Farebrother is the UK affiliate for Corfac International
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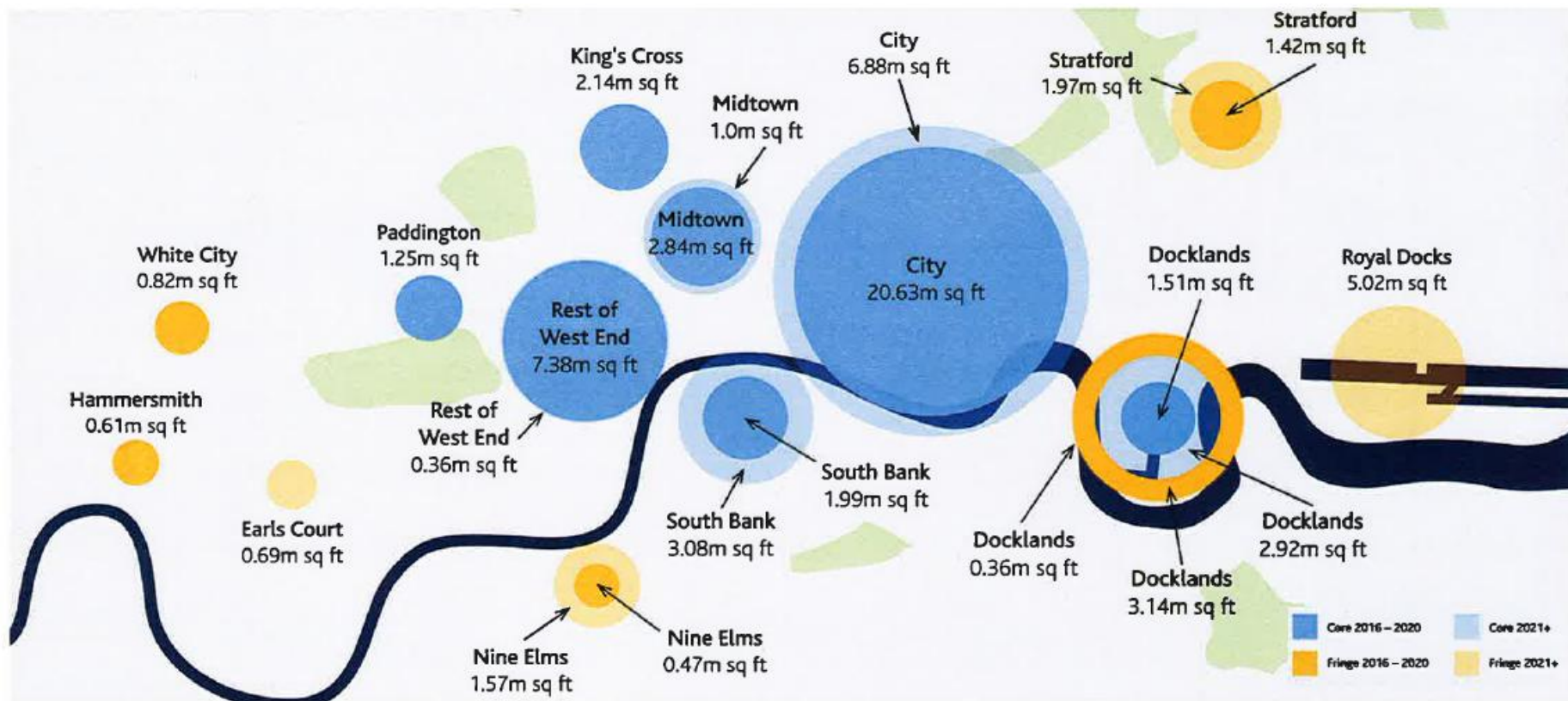
Supply remains historically low throughout Central London

Grade (sq ft)	Midtown	West End	City	South Bank
New & Refurbished	632,401	475,687	750,353	230,660
Secondhand Grade A	428,518	676,475	2,014,397	221,793
Secondhand Grade B	416,181	1,010,339	1,112,909	122,291
Total	1,477,100	2,162,501	3,877,659	574,744
Stock	41,600,949	71,524,260	65,964,329	21,279,286
Availability Rate (%)	3.6%	3.0%	5.9%	2.7%

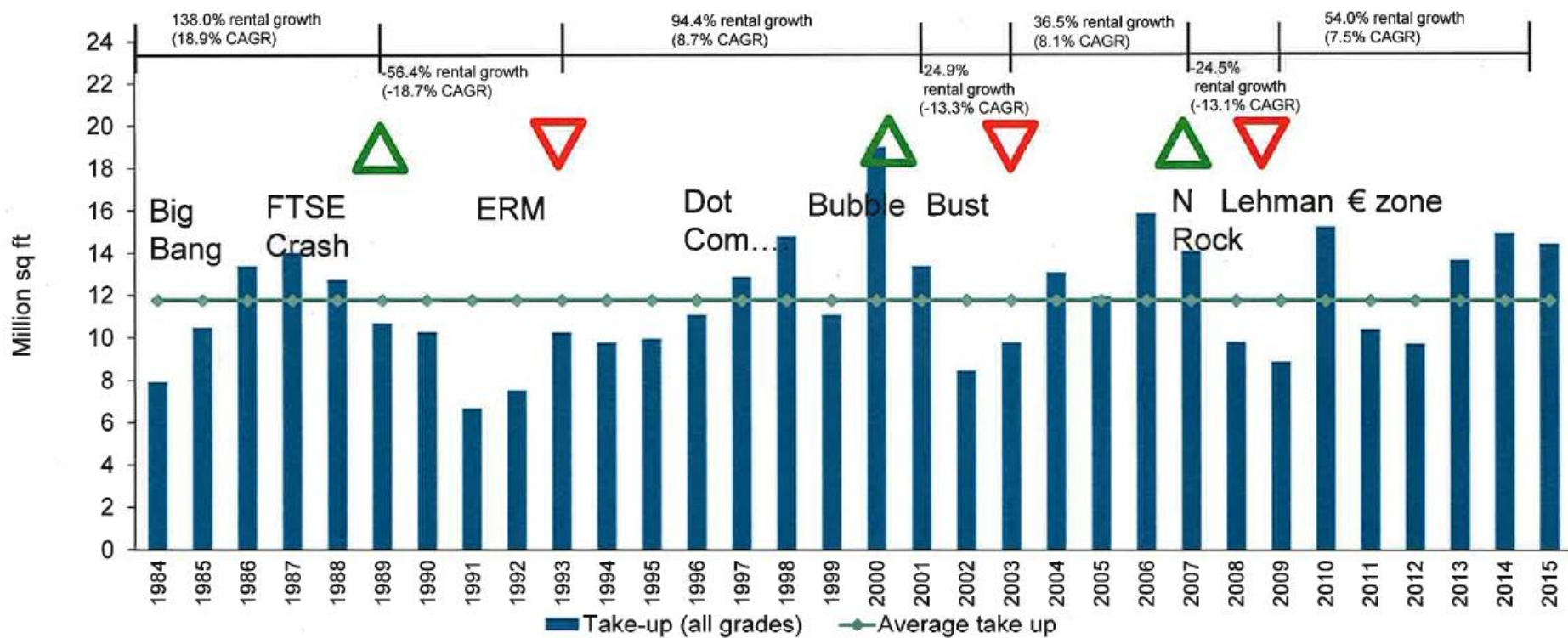
Development completions and vacancy



Proposed office schemes



Take-up



- Current demand above 10,000 sq ft subdued. Plenty of churn below 10,000 sq ft
- Current supply of new offices remains low
- Medium to long term concerns re: over supply in Financial District
- London is now a single market excluding West End
- Continued emergence of London's fringe markets i.e. South Bank, Eastern fringe, Midtown, Hammersmith, Kings Cross
- Reduced rental growth expected compared to previous years
- Low cost office options focused outside city core
- Improved transport facilities – Thameslink (N/S) Crossrail (Elizabeth Line) (E/W)
- HS1 & HS2 and Crossrail 2 to come
- Occupiers less location sensitive Vs hunt for talent, style of building, place making and cost

- UK investment in commercial property was £12.1bn in Q1 2016. Down 26% on previous year. £4bn from overseas investors
- London retains it's top 3 global importance to International Investors
- 2015 was a record year for Global Investment into London
- 2016 has seen a slightly lower level of activity due to increased rents and lower yields but there is still strong Global demand for prime property
- Notable purchase was ENPAM's £400M purchase of 50% stake in Amazon's new London HQ at 4.25% yield
- The second half of 2016 will see increased activity with more investments for sale. These will be very interesting for International buyers if sterling continues to fall
- As the population of London continues to grow there will continue to be strong demand in for prime commercial property in London

Brexit or Bremain?

- The EU accounts for almost 50% of UK exports
- A strong vote to remain will mean business as usual (Property Cycle watch!)
- A vote to leave will create uncertainty and negative sentiment
- Sterling will continue to weaken against the Dollar and Euro
- A marginal vote to stay could lead to ongoing uncertainty and a possible second referendum. This would not be good for the London property market
- Future development and occupier demand is currently on hold