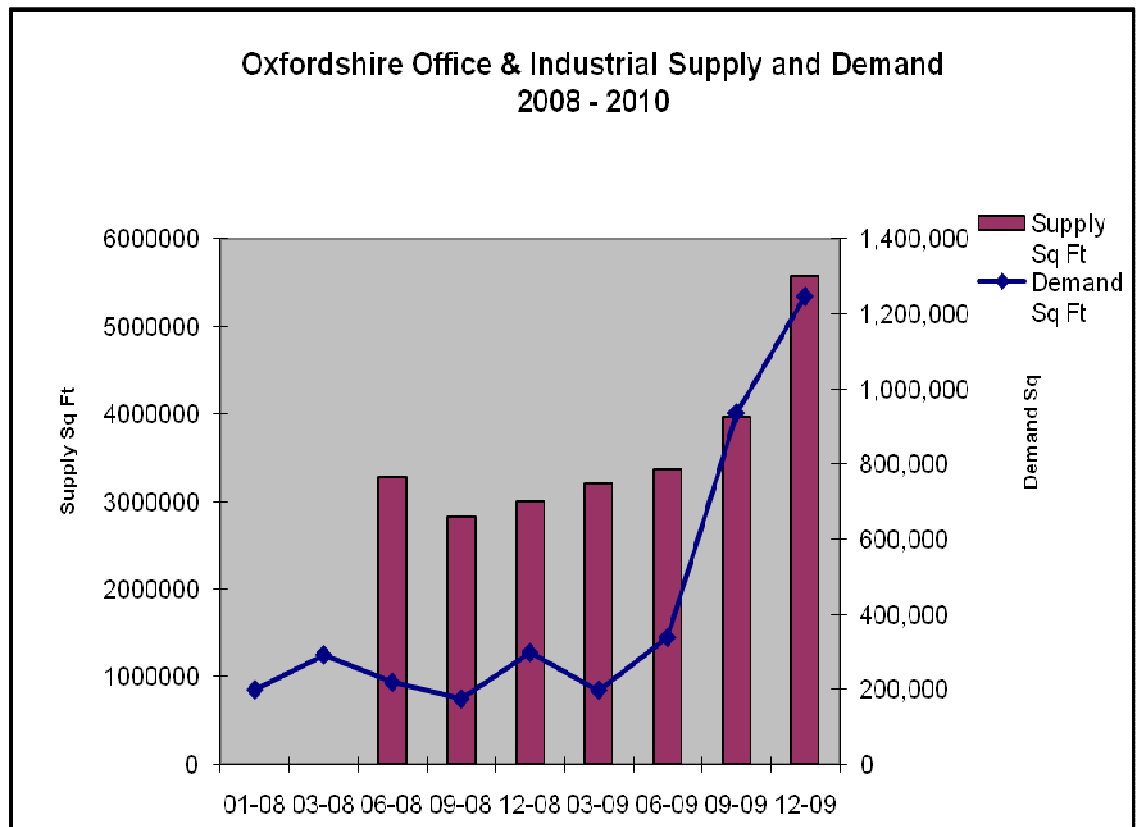


## Review of the Oxfordshire commercial property market: 2008 - 2009

Not surprisingly, the market has moved in an erratic and unpredictable manner during this turbulent period. Despite this, we have been tracking the market by analysing primary data in order to identify trends. We have expressed supply and demand fluctuations in the chart below, and made our observations for 2008, 2009 and 2010.



Sources: Demand - Meeson Williams Limited. Supply – EGPropertylink. Supply figures for Oxford, Abingdon, Witney, Bicester, Didcot, Banbury.

NB. As there is no central database for demand, we have analysed our own figures.

**2008:**

- Enquiry levels fell during Q2 & Q3 2008, to a low point in September.
- Between 09/08 – 03/09, enquiry levels were irregular and fluctuated reflecting levels of confidence perceived by individual companies. Most 'enquiries' were simply monitoring the market, or using available terms to renegotiate short term extensions on their own leases.
- Because of the time delay in transactions completing, supply continued to fall to September 2008, but from September supply quickly rose as new stock came into the market and existing buildings remained available.

**2009:**

- At the end of Q1, the level of enquiries only represented 6.14% of supply (measured in sq ft).
- Q2 & Q3 2009 saw a significant increase in enquiry levels, rising from 196,950 sq ft in March to 936,100 sq ft in September. This continued to rise to 1,247,379 sq ft by December 2009/January 2010, representing 22% of supply (measured in sq ft).
- Although the increase in the level of enquiries between September 2009 and January 2010 was encouraging, this only represented 311,279 sq ft compared with an increase in supply over the same period of 1,608,636 sq ft. It should be noted that the significant rise in supply was partly due to large warehouses coming onto the market, but there was a noticeable increase in most sectors.
- The cautious approach by applicants during this period meant that the acquisition process took much longer to complete, resulting in stock remaining in the market for longer, holding up supply levels.

**2010:**

- As well as an abundance of snow, 2010 has already brought renewed optimism.
- It is likely that as the transactions holding over from 2009 complete, supply adjusts downwards accordingly in the short term.
- With supply being 4,326,402 sq ft higher than our demand figures in December 2009, even with this short term adjustment, over-supply is set to continue for a considerable time; our guess is at least until 2012.
- With the prediction of a slow recovery from the recession, as well as the uncertainty surrounding the general election, the prospects for the Oxfordshire commercial property market in 2010 are unclear to say the least.
- Oxfordshire benefits from a healthy economy spread across many business sectors, and we have repeatedly experienced this optimism amongst dynamic companies, expanding and innovating in order to grow their businesses.
- The large range of terms available will continue, producing opportunities for those properly advised, and potential pitfalls for others.

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