

Offices: Europe reporting rental growth

Author: SF / pb | Published: 10.05.2011

Rents for the best office space across Europe increased slightly in the first quarter of 2011, although the differences between markets persist. Indicator of rent for office space in Europe, Jones Lang LaSalle increased by 1.5 % in the first three months of the year but this increase was caused primarily by continued growth in rents in London's West End (+4.6 %) and in Moscow (+17.6 %). In other markets, the index recorded a rise in rents only in Lyon (+4.2%) and Düsseldorf (+2.2%).

In Q1 2011 about 2.6 million sqm of office space were leased, which was 17 % less than in the fourth quarter of 2010 - this is nothing unexpected, however, since the first quarter is usually the weakest of the year. The total volume of rentals for the first quarter of 2011 was similar to that in the first quarter of 2010 (+4%) and only slightly lower than the average quarter in five years. Volumes of rents were much higher in Central and Eastern Europe (CEE). Moscow market reached the best results and a strong first quarter was also recorded in Warsaw and Prague. In Western Europe, tenants in Stockholm, Milan and Düsseldorf showed strong activity - the good first quarter in these markets has improved volumes in Western Europe. In London, the volumes of taken over areas decreased, however, the level of demand in this market increased.

10.05.2011 08:51, SF / pb