

[Construction and development activity remains subdued in the Eastern region although bright spots which are bucking the trend include Cambridge and Chelmsford, according to a new report.](#)

The report, '*Building Trends*', from the building consultancy of Bidwells, says Cambridge and Cambs remain relatively active. Demand for business and industrial space exceeds supply in Cambridge and office rents have reached around £30.50 per sq. ft. and industrial space £9.00 per sq. ft.

But partner Richard Pilsworth says: "...the property markets in the UK are generally now characterised by declining returns, retarding values, limited investment and weak demand." With the eurozone crisis continuing and the banking system fragile, he sees little sign of the situation changing, "...until at least well into 2013, probably longer."

Continued demand for office space in Chelmsford has pushed the town's vacancy rate to below 10 per cent with the largest recent let being to Chelmsford College which took 16,000 sq. ft. at Beacon House. Amlin Insurance is progressing with its plans for a new 80,000 sq. ft. headquarters at Parkway and work has now started on the former Anglia Ruskin site by Genesis Housing Group.

Activity remains low in Norfolk and Suffolk. In Norwich there is around 520,000 sq. ft. of vacant office space with a further 155,000 sq. ft. available nearby. The industrial market is a little more active, albeit from a low base, with the supply of space falling to 975,000 sq. ft. with rents holding up relatively well in both counties.

In Milton Keynes, demand is fairly robust for well-furnished accommodation with lower grade and poorly presented stock tending to stay empty. While office take-up in Milton Keynes was strong in the first six months of 2012, there is still an abundance of supply with a vacancy rate or around 22 per cent.

Development bright spots around Cambridge and Chelmsford

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