

JUNCTION 28 BOUNCES BACK



The industrial and distribution market around Junction 28 of the M1 Motorway has seen a flurry of activity over the last 6 months leading to near full occupancy on some estates and increases in rents which are now close to pre-recession levels. Depending upon the size, position and specification of the properties we have typically seen rents rise in the order of 20-25% from mid recession levels, but in some instances significantly more depending upon particular circumstances.

FHP Property Consultants have transacted an average of 2 sales or lettings per month over the last 12 months with premises ranging from 600ft² to 150,000ft². By way of example, we have agreed 10 lettings at The Amber Business Centre. The Ecclesbourne Park Estate has been fully occupied since February although one unit of 4,500ft² has recently become available to let, with 4 viewings undertaken within the first week. Demand for larger units is also strong with several active requirements for premises in excess of 30,000ft².

Tim Richardson from FHP comments:

“Junction 28 and the surrounding area including Alfreton, Somercotes, Huthwaite and the Ashfields is a popular logistics and industrial location. The recent acquisitions by Co-op, Parker Knoll, UDG, Bombardier, Meridian Lightweight Technologies and Midland Aerospace at Castlewood Business Park totalling over 1,000,000ft² at the motorway junction reinforce this status as a prime manufacturing and distribution location”.

Activity hasn't been confined to the industrial sector though, with FHP agreeing 3 office transactions, latterly with terms being agreed for a letting of a modern office building at Key Point in Alfreton within a week of being placed on the market.

With new proposed development focussed on larger units there is little prospect of development of new units at the smaller end of the spectrum. This shortage of supply is leading to an upward pressure on both rents and capital values and the price differential between good second hand buildings and new build is closing.

Tim Gilbertson of FHP adds “With an ongoing shortage of buildings on the market and continued demand this is a good time to achieve a successful sale or letting. FHP cover the Junction 28 market from both their Derby and Nottingham offices ensuring a combined and co-ordinated approach.”

Perhaps before long we will be able to report that values have indeed finally reached or even exceeded their pre-recession levels.

End

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