



## RISING INDUSTRIAL RENTS IN DERBYSHIRE

Over the past couple of years, despite the purported doom and gloom drummed up by the background of political uncertainty, we have seen strong growth in the take up of space in the industrial sector. Combine this with a shortage of prime and good secondary stock and you are left with rising rents. Good news for landlords, bad news for tenants.

This is exemplified with the recent uplifts achieved at the Amber Business Centre. In 2014/15 we saw rentals achieved in the region of £5.00 / ft<sup>2</sup> in the sub 3,000ft<sup>2</sup> bracket, recent transactions have seen this figure increase by over 30% to circa £6.60 / ft<sup>2</sup>. Not only have we seen significant rental increases we have also seen a shift from short-term leases to 3+ year terms on the estate.

This trend can be seen not just in Derbyshire but throughout the whole of the East Midlands with 2018 being a record year for take-up within the industrial market. Almost 9 million square feet of space was transacted in total, doubling the take-up for 2017 and 101% above the long-term average. Coupled with a vacancy rate of a mere 3.8% and the shifting composition of supply, with 57% of vacancies being Grade A, it is not surprising to see a strengthening in the rental profile.

In spite of some uncertainty over Brexit, most businesses are taking a long-term view and with a shortage of suitable properties the sector will remain resilient. Business has had enough of the negative news. Yes, it's still challenging but the evidence is that small and medium-sized companies in Derbyshire would rather focus on making progress. We're here to help them do that, and one way to move forward in a cautious climate is to tap into sound market knowledge of the commercial property market.

As a tenant, if you or your business has an upcoming rent review or lease renewal you should expect to see an increase in your rent. The level of increase is negotiable and decided upon market evidence and reasoned arguments which is why it is important to get advice from a property professional as early as possible.

For further information on how FHP can assist with upcoming lease events such as lease renewals or rent reviews, or for assistance helping you find the right property to meet your requirements, please do not hesitate to contact FHP.

Fisher Hargreaves Proctor Limited is the region's leading commercial property consultancy.  
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If you would like further information and advice on the above, or if you would like to investigate whether FHP Property Consultants could help you, please contact Liam Egan on 0115 950 7577 / [liam@fhp.co.uk](mailto:liam@fhp.co.uk).

Date: 19 August 2019

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