



DERBY OFFICE MARKET – CURRENT STATE OF PLAY

Although property development and transactions have a long lead-in time, the sector doesn't stand still and trends change continually. So what is the current situation in Derby? Here's a brief view from Tim Richardson at FHP Property Consultants' Derby Office.

Over the last 15-20 years much of the take-up has been on Pride Park, a prime business park location with easy access to the A52, A6 and railway station on the east side of the City. From its inception, it provided companies with new or modern second hand space, open plan, up to date specification, their own front door and onsite parking. Those attributes still exist and has been very successful. But with over 10,000 people working on Pride Park this has inevitably put a strain on the infrastructure, a consideration which is being relieved by the extensive road improvements currently underway.

Elsewhere in Derby, there has been a massive reduction in the supply of secondary office space as the traditional City Centre multilet schemes such as Heritage Gate and St Peters House have been converted to residential. The market has not really blinked at this reduction in supply, as much of the space suffered from a lack of investment over a long period and therefore had high void rates, but it has helped focus the attention to the remaining multilet offices such as Cardinal Square, Pentagon and RTC Business Park which have all seen extensive refurbishment and are enjoying high levels of occupancy.

Of the enquiries we have from businesses looking for office space we tend to find, and indeed positively encourage, that they look at space both on Pride Park, central Derby or elsewhere as they all have a different feel. The quality of specification nowadays is often consistently good in the refurbished second hand buildings and occupiers can put their own mark on them with their fit out. Whilst the stand alone buildings can provide an HQ corporate image, easy to drive to and park at the front, the multilet buildings can add a bit more interest with shared/communal break-out and coffee areas, gardens and staffed receptions. Times have changed and people are often genuinely surprised when they walk through the front doors of some of Derby's landmark office buildings.

The other sector which has fared well is serviced offices, providing flexible space chargeable by the desk giving the occupier complete peace of mind, flexibility to grow or contract as needed and cost certainty.

So overall, the Derby market is healthy, there are a good number of deals being done and a selection of high quality buildings for business to look at. Rents are still sensible, but with any new build options some time away and supply diminishing, we could see these rents edging up.

Fisher Hargreaves Proctor Limited is the region's leading commercial property consultancy.
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Notes to Editors

- FHP is a Midlands based commercial property consultancy with offices in Birmingham, Nottingham and Derby. Its 80 strong team offers a full range of professional and commercial property solutions for clients in the retail, leisure, office, industrial, residential land and investment markets.
- The Company also provides businesses with a full property consultancy service including valuations, rates appeals, compulsory purchase advice with the Company having a strong Property Management Department which manages properties for individuals, corporate and institutions.
- FHP has been involved in some of the largest commercial property deals and developments within the region and works with national operators including Intu Properties Plc and Clowes Developments (UK) Limited.
- FHP is also able to call upon the expertise of its sister residential property Company FHP Living Limited which handles the sales of select properties across Nottinghamshire and the surrounding areas from boutique offices in the Nottingham City Centre and West Bridgford.

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