



STRONG DEMAND AND LOW SUPPLY WITHIN THE INDUSTRIAL AND LOGISTICS SECTOR THROUGHOUT DERBYSHIRE

The last 12 months has certainly been a rollercoaster journey for many businesses. As we begin to look forward once again, I thought it would be worthwhile looking at the take up within the industrial and logistics sector during this period with a particular focus on the mid-sized sector of the market within Derbyshire.

I am pleased to say that activity during the last 12 months has superseded expectations and the industrial/warehouse market has remained positively buoyant. Demand from local business has far outweighed supply resulting in excellent take up across the county. Both new build and second hand units have been let or sold to a variety of users including those within manufacturing/production, storage/distribution and trade counter sales sectors. As a result, the Derby Office of FHP have alone concluded 24 industrial/distribution transactions within this period and currently have a further 8 similar buildings under offer. This ignores both acquisition and Design and Build work that we have completed throughout the county during this time as well, quite a remarkable 12 month period.

We've seen a year on year uplift in rental values since March 2020 with an average increase between 5% and 10% over the last 12 months. Typical lease lengths remain between 5 and 10 years and pleasingly rent free periods are being kept to a minimum, if any. There appears to be an even stronger appetite for businesses to buy property to occupy thus benefitting from placing these assets within their pension schemes. With that in mind we are seeing uplifts in capital values in the region of 10% over the last 12 months. As demand continues to outweigh supply and it becomes increasingly difficult to source steel to build new schemes, I can see further growth in values over the next 6 -12 month period.

As a result of the exceptional interest, we have a number of clients speculatively building space throughout Derbyshire and the wider East Midlands area, schemes are coming out of the ground in various M1 corridor locations and more traditional manufacturing hot spots in an attempt to meet the ongoing demand we encounter, and I would be delighted to discuss these and indeed existing stock with any potential occupiers or provide disposal advice to any potential landlord or vendor client.

Whilst we have a selection of stock available, we do require more. We are speaking with occupiers on a day to day basis that require industrial/warehouse accommodation within Derby, Ilkeston, Alfreton, Ashbourne and Swadlincote. If you are having difficulty finding the right premises or are looking to sell or rent your premises, then we would be delighted to chat through and advise you accordingly.

For further information please contact Darran Severn of FHP Property Consultants on 01332 224854 or darran@fhp.co.uk.

Fisher Hargreaves Proctor Limited is the region's leading commercial property consultancy.
Visit our website: www.fhp.co.uk

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ENDS

Darran Severn

20 April 2021

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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