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Press Release 2025

2025 – THE EDITED INDUSTRIAL AND OFFICE PROPERTY HIGHLIGHTS

During the first half of 2025, FHP’s Industrial and Warehouse team achieved great success across the East Midlands with take-up being dominated by several “big shed” deals, including the lettings of EMDC 343, EMDC 190 and DVP 113, totalling 646,000ft² alone along the A50 corridor. In addition, there was a further 340,000ft² let at Junction 28 of the M1 Motorway at Panattoni Park. As we approach the end of the year, I can confirm that take-up across Derbyshire outside these transactions is very much in line with 2024. Market conditions have been tougher, with businesses feeling nervous due to a range of national and global influences.

Pleasingly, Derbyshire and the surrounding areas have remained resilient by virtue of excellent transport links, good access to the A38, A50 and M1 and a strong pull of local labour. Market activity for units between 20,000ft² and 40,000ft² has been stronger with good interest for both new build units and good quality second-hand stock. We have witnessed this at Stud Brook Business Park, a new development of warehouse units in Castle Donington which saw approximately 170,000ft² delivered, split across nine units ranging in size from 8,500ft² to 40,000ft². Seven out of the nine units have been let following completion earlier this year outlining the strong demand in this area.

Within Derby, there remains very little stock to both purchase and rent, particularly under 20,000ft². There is an appetite from both local and regional developers to deliver smaller unit schemes, but there are a few feasible sites available. Of the sites that have come to market this year, we have seen strong offers from owner-occupiers often out pricing developers.

In northeast Derbyshire, we have seen continued success in Chesterfield, particularly in Clay Cross to the south. Following on from 2024 where 60,000ft² was let/sold at Wingfield View Business Park, we have been working with the same local developer who is building out Egstow View Business Park which will provide thirteen trade counter/ warehouse units totalling 53,000ft². I am pleased to announce that 86% of the scheme is currently under offer with practical completion expected in December 2025/January 2026.

Generally, across the region, rental and capital values remain strong, with increases seen on better quality stock. I still see growth over the next couple of years as we continue to be more competitive than our neighbouring regions such as Leicestershire, Staffordshire and Birmingham.

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There is no doubt that enquiries and viewings have dropped compared to this time last year due to the impending autumn budget, however, we are still generally short of stock for properties to rent and we have even fewer freehold buildings of all calibres across all counties in the East Midlands as competition continues to dwindle. Deals have continued to complete, and as we head into 2026, we remain optimistic for an increase in demand and if economic conditions do improve then once again, our market will be faced with the lack of good quality space across all sizes and grades of accommodation.

Within the office sector, whilst focusing on Derby, Pride Park continues to be the primary choice for the majority of businesses we speak with today. With that in mind, when we look at some of the larger office transactions (5,000ft² plus), we have completed close to 30,000ft² of lettings off Pride Park, within some of the central multi-let office buildings, including Cardinal Square, Pentagon House and RTC Business Park.

We are continuing to see businesses relocate to better quality office space and we are consequently seeing landlords investing in their building to improve the quality of the offices that are available, not only enhancing the workspace, but also introducing collaborative breakout areas and amenity spaces. I would say there is a general drive from businesses to get people back in the office for at least three days of the working week.

The jewel in the crown has to be the letting of Edward Lloyd House on Pride Park, where we successfully secured a new occupier for the 9,700ft² detached office building. We achieved a headline rent of £18 per ft², a new high for a second-hand office building in Derby. Historically, headline rents have hovered around the £16.50 per ft² mark which is somewhat behind our neighbouring cities of Nottingham, Birmingham and Sheffield.

Whilst the city of Derby would certainly benefit from new build Grade A offices, the gap between these and existing is simply too significant, mostly because of high build cost. Moving into 2026, I hope we can continue to provide better quality office space across Derby, with a view of pushing rents even further, to dare I say it £20 per ft², which will help to bridge the gap between existing and new build offices.

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ENDS
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