

SOUTH YORKSHIRE

Logistics and Industrial Commentary

H1 2016 Review

- Take-up of units over 50,000 sq ft in H1 totalled c. 704,000 sq ft. Whilst this is 18% down on the previous six month period, it is 14% higher than the same period last year and broadly in line with the five year average.
- The region has seen a softening in the number of enquiries that reflect uncertainty surrounding Brexit and the economic outlook. However occupier demand has continued and this has fed through to transactions across the market.
- B8 warehousing, coupled with light manufacturing, dominates demand and there is sustained interest in good quality accommodation throughout the region. Whilst demand is primarily leasehold driven there has been increased demand in the small to medium sized bracket (up to 50k) from owner occupiers as banks are now lending - the focus here is for good quality second-hand space but there is a severe shortage of freehold options of any size.
- There is a general shortage of quality supply across all size ranges. Headline rents for good quality 10 - 20k units are £5.50 psf, while incentives are circa four months - assuming a five year term.
- The speculative development at IPort has been well received in the market; IP2B is let to Fellowes and IP2A is under offer. The letting to Fellowes achieved a new headline rent of £5.25 psf plus 50p for fit out. The region is witnessing further speculative development at Helix, Barnsley (75,000 sq ft) which Harworth Estates have under construction and is due for practical completion in September. Furthermore St Modwen Developments are on site with two units of 37,000 and 41,500 in Doncaster, and Harworth Estates are due on site at AMP with 52,000 sq ft across six units, all of which we anticipate to be well received in the market.

Selected South Yorkshire transactions H1 2016

Address	Occupier	Size (sq ft)	Rent/Price (per sq ft)	Date
Barbados Way, Rotherham	BA Components	52,000	£1.7m	Jun-16
IP2b, Doncaster	Fellowes	131,750	£5.25 plus 50p for fit out	May-16
Orgreave, Sheffield	Pfisterer	53,952	£3.00	April-16
Chesterton, Rotherham	TGB Sheds	152,000	P/C	Feb-16
Upwell Street, Sheffield	Evolution	65,813	£1.9m	Feb-16
Ashroyd Business Park, Barnsley	Universal Components	165,000	P/C	Jan-16

*Freehold transaction



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Q2 2016 Prime headline rents (£ per sq ft) ▼/ ▲ - movement expected to Q2 2017

Market	under 20,000 sq ft	20,000 to 50,000 sq ft	50,000 + sq ft
Sheffield	£5.50 ▲	£5.25 ▲	£5.00 ▲
Doncaster	£5.50 ▲	£5.00 ▲	£5.50 ▲
Rotherham	£5.50 ▲	£5.25 ▲	£5.00 ▲
Barnsley	£5.50 ▲	£5.25 ▲	£5.00 ▲



West Moor Park

Regional outlook

- Whilst there is a general shortage of good quality supply there are a number of schemes along the M18 that have planning consent and are readily available to accommodate build to suit; these include Doncaster Distribution Park, Unity and I-Port. Along the M1 at Capitol Pk, Marshalls have acquired a 12 acre site to accommodate requirements of 20,000 – 150,000 sq ft.
- Sheffield Business Park and the Advanced Manufacturing Park (AMP) are focusing on advanced manufacturing and the R&D sector. The success of the parks is attracting other like-minded occupiers where premium rents are being achieved.