

End of Year Property Update

Telford by Craig Henn

Retail

The retail market has bounced back in recent months with a number of lettings in Wellington including those on the prime pitch of New Street to national retailers Heron Frozen Foods and Cash Convertors. With Landlords now willing to agree greater incentives and/or reduced rents, units in less prominent locations are also attracting interest. Rents in the main Telford Shopping Centre remain very high and as a result, a number of local traders are relocating to the district Town Centres and reducing their overheads.

Office

The office market has been hardest hit out of all of the commercial property sectors, however many companies are now seeing this as an opportunity to relocate to better quality accommodation at the same, or even lower, rents. Others are downsizing and taking advantage of low rents and purchase prices. Is it a good time to buy ... we think so, having recently purchased offices at Unit 8 Hollinswood House. The property consists of ground and first floor offices and provides us with room to further expand in future, whilst also cementing our position in Telford. Speculative development, such as the offices at Lakeside, have been put on hold for the time being, however other developments such as the Councils new offices in Wellington will be seen as a much needed boost to the Town Centre.

Industrial

Take up of industrial has been relatively good on smaller units of up to 10,000sqft. Landlords of multi-let industrial estates are refurbishing units before marketing and are also offering reduced rents and rent free periods to entice Tenants. With the exception of a handful of deals such as the acquisition of 22,000 sqft for Shrewsbury and Telford NHS Trust the level of sales/lettings of larger sheds has been lower this year. However, the reduction in rental levels, which has been fuelled by empty

property rates and an oversupply of units, has meant that purchase prices have also reduced and many companies are now seriously considering purchasing.

Redevelopment

With many development companies frustrated at the lack of funding available to them, TSR report positive news including the recent sale of a residential site in Church Stretton and the former Travis Perkins site in Welshpool recently being placed in Solicitors hands.

Shrewsbury by Iain Mills

The old adage of a 'game of two halves' could well be applied to this year for Commercial Property report TSR's Shrewsbury office. Following the widely reported downturn in the Economy and Property markets through the various forms of media during the first 6 months of 2009 and latter part of 2008, we are pleased to report a welcome return to signs of activity.

Acting on behalf of a number of clients we have completed a variety of Office lettings throughout Shrewsbury and Shropshire with notable deals being completed in Abbey Foregate of 3,600 sqft to Pertemps and sales of premises in Longden of approximately 3,700 sqft and in Shrewsbury Town Centre, former home to the Shropshire Star totalling 6,000 sqft. TSR have recently been instructed to market the eco friendly office park at Sansaw Business Park, were a recent letting of 3,000 sqft has been concluded with additional interest being obtained. Further matters are in solicitor's hands with a reinvigorated interest being receive from Local and Regional Companies looking to take advantage of incentivised lease terms.

The Northern side of Shrewsbury continues to be a popular location for commercial/industrial occupiers with four deals totalling 8,000 sqft being completed at Vanguard Park, Battlefield, with notable deals south of the town including the sale of a 15,000 sqft warehouse premises on a 2 acre site at Longden Road. Elsewhere in Shropshire, interest is being received at Wem Industrial Estate with various deals being completed, a modern 9,500 sqft warehouse premises was sold off the £525,000 price with a letting of part being completed almost simultaneously on the outskirts of

Shrewsbury. TSR have also acquired approximately 22,000 sqft in Corby negotiating attractive lease terms for the client. TSR have also received notable instructions to market Lancaster House, Shrewsbury (circa 19,000 sqft) and approximately 80,000 sqft in Welshpool.

TSR have acted in a number of investment deals, with two sizeable residential investment sales completed in Bristol off the asking prices of £1.6 million and £410,000 with a further deal in Shrewsbury on behalf of Marstons Brewery. TSR have acted on a number of significant mixed retail investment acquisitions throughout Wales with the tenants including Specsavers, Card Factory, Superdrug, Iceland Foods Limited and Coral amongst others.

Reports that the rate of unemployment has slowed coupled with the Bank of England holding interest rates at 0.5%, have aided to a tone of increased confidence from interested parties and dare it be said but signs for 2010 appear to be encouraging.

Wolverhampton by Andrew Groves

Office

The Wolverhampton office market has experienced a tough year with a lot of the activity being new properties coming to the market as companies have restructured and downsized. We're delighted to report there have been some signs of improve since the summer. TSR are currently in negotiations with a variety of occupiers on office suites ranging from 2,000 sq ft up to 30,000 sq ft. A 60,000 sq ft landmark office building called Peel House has also recently been placed under offer.

It is hoped that several of these potential deals will be converted in to lettings / sales early in 2010.

Industrial

The industrial sector has performed steadily on smaller units (below 15,000 sq ft) but bigger sheds have been more difficult to let due to the limited activity amongst larger occupiers. Landlords have become more flexible on rents and leases with an aim of

getting space let quickly and removing the rates liability that Landlords face on vacant buildings with Rateable Values above £15,000.

Freehold enquires have increased in the second half of 2009 across all sectors due to the common consensus that values have bottomed out and it is therefore a good time to be purchasing premises. The poor interest rates available in the banks are also persuading cash rich occupiers and investors to seriously look at investing in bricks and mortar.

Regeneration & Development

Much of the property headlines earlier in the year focused on development schemes being delayed, put on hold or scrapped completely. Wolverhampton was included in this with delays in bring forward the 96 ha I54 employment site and the CPO's being put on hold for the retail led Summer Row development in the City Centre due to funding difficulties. Recent news has however been more positive.

Peel has submitted a planning application for a new 100,000 sq ft supermarket on its existing retail park on Stafford Street. Peel hope to offer an answer to the city's hold up in supermarket supply which has been delayed due to the battle between Tesco and Sainsbury's on a site in Raglan Street which has been rumbling on for years.

Regeneration specialists Urban Splash have also turned their attention to Wolverhampton with the recent purchase of the former Sunbeam factory. Urban Splash state they have no immediate plans for the 150,000 sq ft landmark building but it is anticipated they will move forward with another mixed use scheme on a smaller version to their Fort Dunlop scheme in Birmingham.