

*Rotherham Borough Investment &  
Property Trends Report*  
**2010/11**



a service of



**April 2011**

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## Introduction

RiDO monitors activity across the Rotherham Borough in relation to demand and supply for land & property. This is then provided to help inform developers, investment & property agents and the council as well as helping to improve the service that RiDO provides.

## Overview

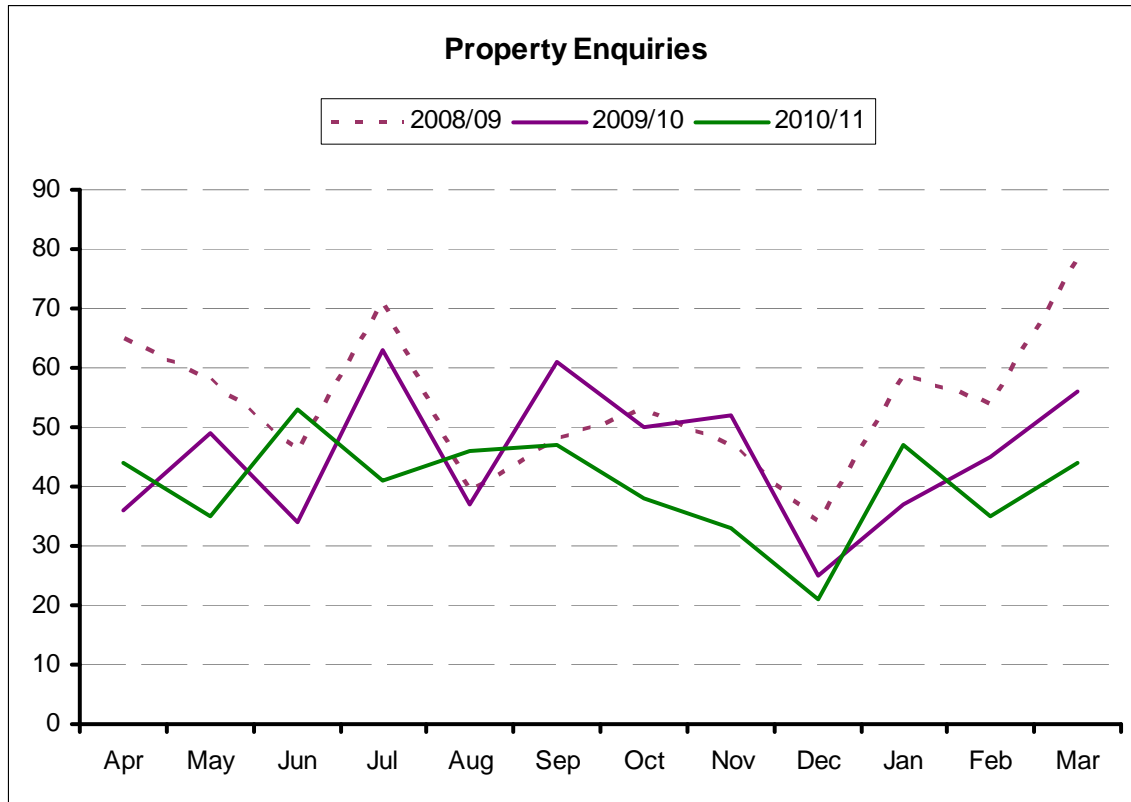
- This year we have seen another significant drop in property enquiries, with 486 taken this year, compared with 545 previously, a drop of 11%. This follows on from last year's drop of 16%, we hope to see signs of growth or stability this year, but public sector cuts could affect the private sector.
- Start-up property enquiries (excl. Business Centres) remained healthy, accounting for 33% of total enquiries, compared to 27% last year.
- Demand for both office and industrial property was highest in the 0-1000 ft.<sup>2</sup> size range.
- The source of enquiries analysis showed that our website remains the most popular source, whilst RMBC and Previous Contact are also popular sources.
- When questioned, most enquirers stated the reason for contacting RiDO was due to setting up a new business, with national expansions second.
- In terms of available floorspace for industrial and office property, the highest level (ft.<sup>2</sup>) is in the west-central area for industrial and in the north for office.



## Enquiry Levels (Demand for RiDO's Services)

### Monthly Enquiry Levels

The graph below shows the number of enquiries each month for the period April to March over 2008/09 to 2010/11.



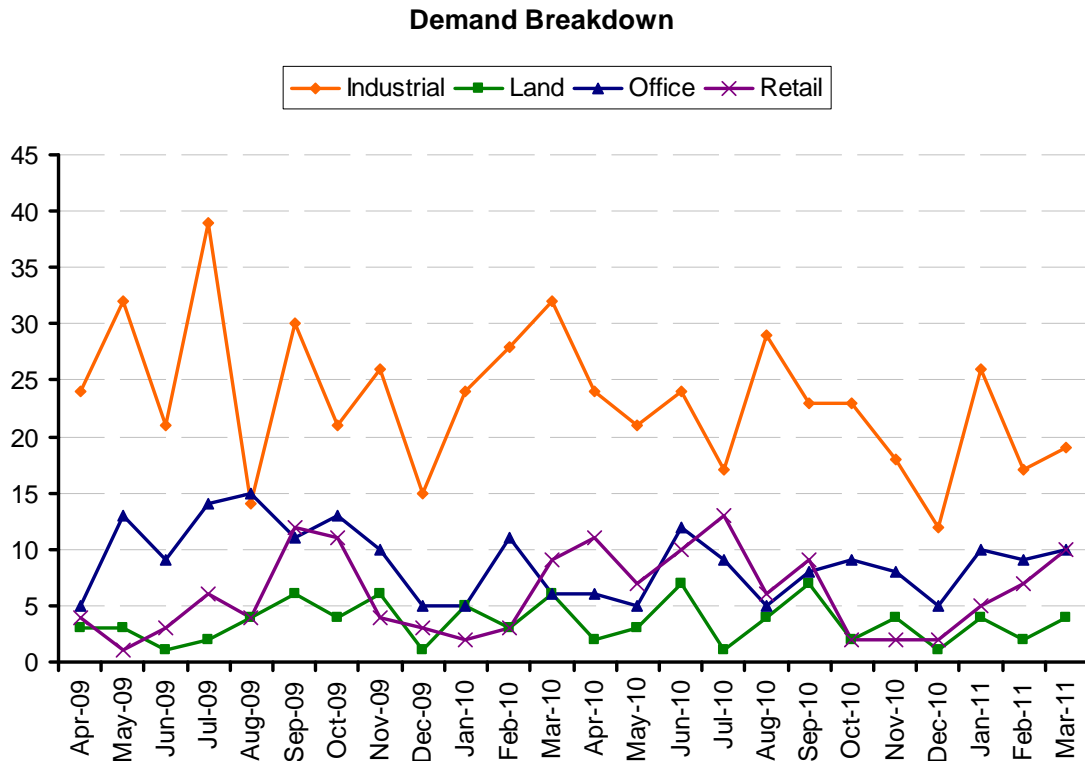
### Analysis

This year's enquiry numbers have underperformed our expectations, with property enquiries being 11% lower than the previous year. This fall is probably due to the slow recovery from the recession, combined with a lack of credit from the banks and a number of finding streams coming to an end.



## Yearly Enquiry Levels by Type

The graph below shows the number of enquiries each year for the period April 2009 to March 2011.



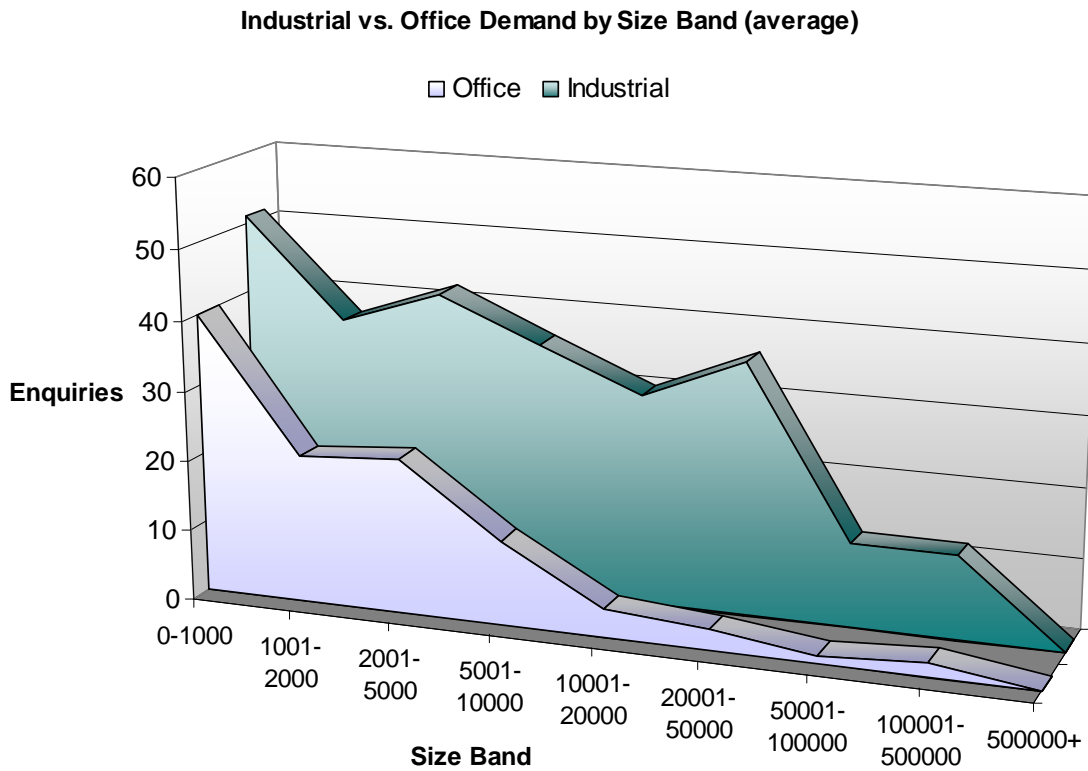
## Analysis

There has been a drop in annual enquiries for industrial, office and land, with the biggest drop being for office enquiries, which fell by 18% from the previous year. Industrial enquiries were close behind, falling by 17%, whilst land enquiries were down by 7%. We saw an increase in 35% for retail enquiries over last year, which is probably due to the marketing for the town centre retail grant scheme, combined with many of the start-ups we assist looking at setting up retail businesses.



## Demand – Office vs. Industrial

The graph below highlights the demand (by enquiry number by size band) for Industrial Property vs. Office Property in the Rotherham Borough.



### Analysis

Office enquiry demand continues to be largely for the smaller units available, usually for under 1000 ft.<sup>2</sup>, but still showing reasonable demand up to 5000 ft.<sup>2</sup>. This can partially be attributed to the demand from start-ups for small premises.

Industrial enquiries however have the most demand in the 0-1000 - 5000 ft.<sup>2</sup> size bracket, with a very good level of demand up to 50,000 ft.<sup>2</sup>. Again, many start-up industrial companies require property in the smaller brackets and so make up a large number of requests highlighted.



## Enquiry Demand by Area

In order to give a more specific view of demand across the borough, it was broken down into 4 key areas, shown in Appendix A. These are north, west-central, east and south.

Demand is captured through a question upon first taking a property enquiry, 'Do you have a preferred location within the borough?'. This is then translated into the appropriate 'quadrant'.

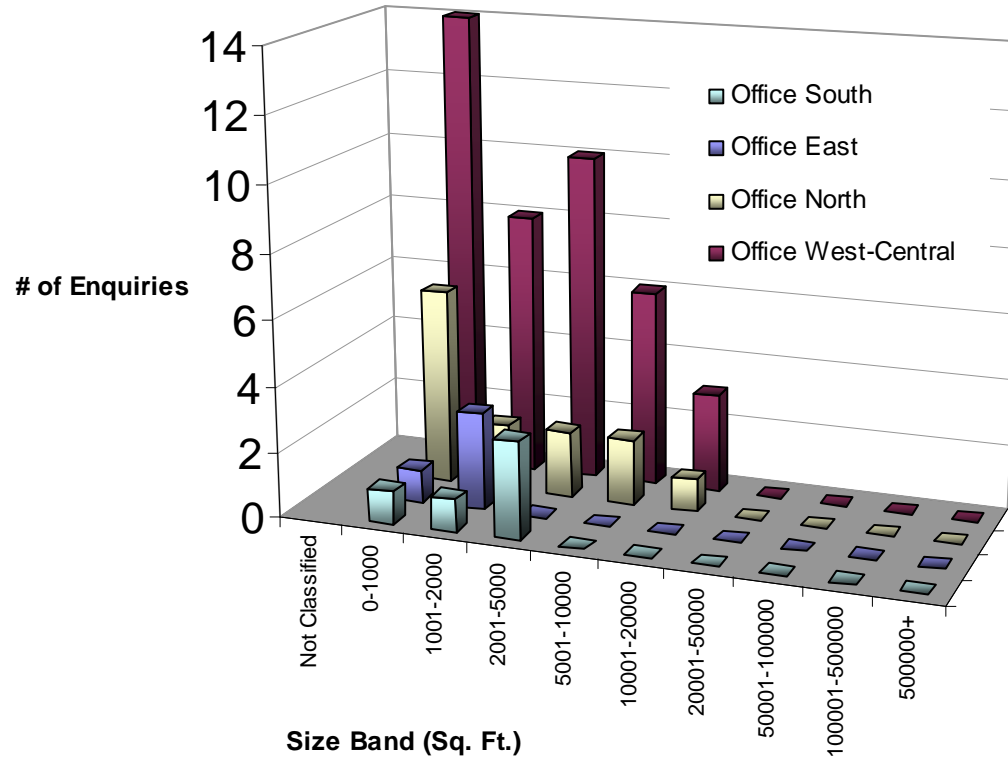
Demand for Office & Industrial property by quadrant is broken down over the next few pages.

**Please note that only a small dataset is available for the analysis on the next four pages, and the results are indicative only.**



## Office Demand by Quadrant

65% of total office property requests were made for a preferred location. The graph below demonstrates this.





### *West-Central*

Most of the specific demand for office accommodation within the Borough was made for the West-Central area, especially for the smaller end of the market.

### *North*

Some interest was shown specifically for the northern part of the borough, but mainly within the smallest size bracket.

### *South*

Demand for office space in the south of the borough remains quite low, with only the smallest three brackets receiving enquiries.

### *East*

As this area is largely rural and residential there isn't usually much demand, we received just 4 enquiries within the smallest two size bands.

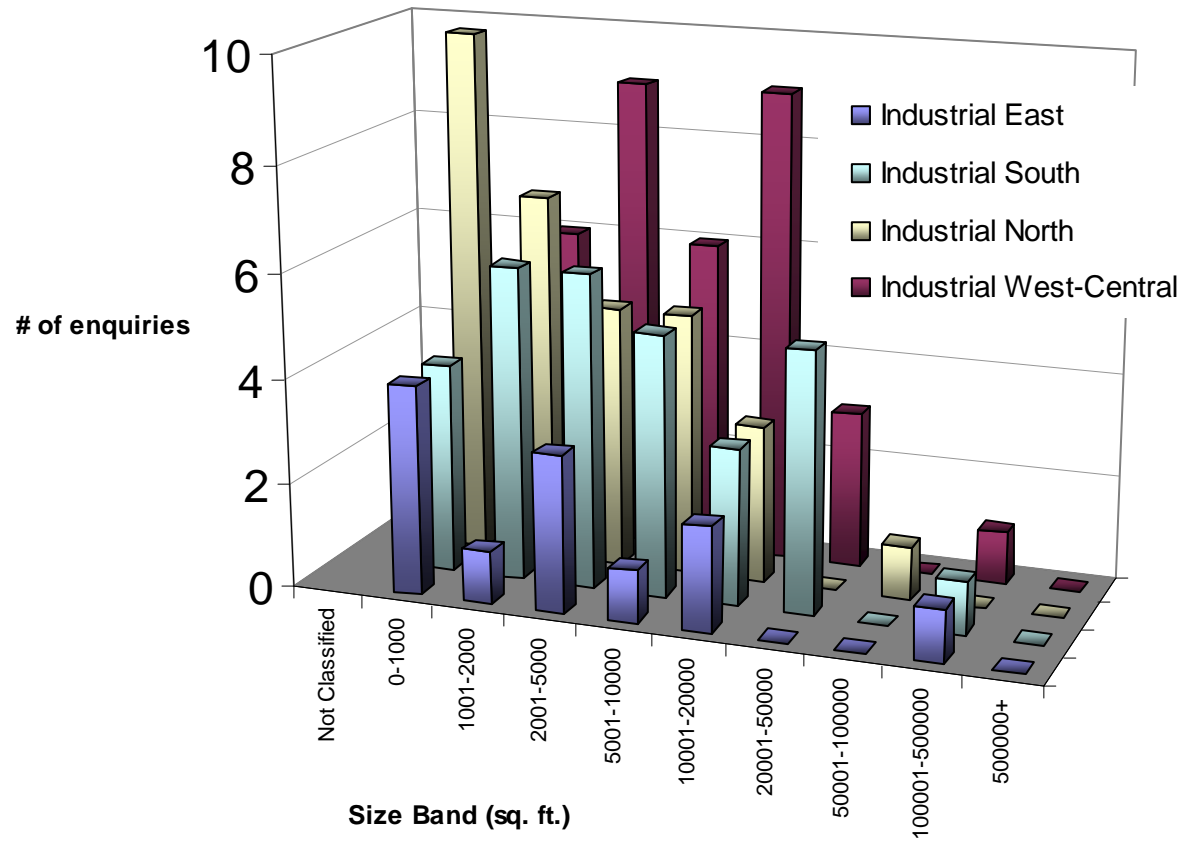
## **Analysis**

As can clearly be seen, office is most in demand around the town centre and western parts of the borough, with the North being the second most popular location. Demand is very healthy in the 0 – 5,000 sq ft ranges.



## Industrial Demand by Quadrant

43% of total industrial property requests were made for a preferred location. The graph below demonstrates this.





### *West-Central*

Once again the west-central area has seen the most demand, with the 2001-20000 ft.<sup>2</sup> size brackets being most popular.

### *North*

The northern area of the borough received significant levels of interest, with consistent demand from the 0 – 10,000 ft.<sup>2</sup> size bands, but most demand falling under 2000 ft.<sup>2</sup>

### *South*

The south of the borough also received high levels of demand, with enquiries spread from 0-50,000 ft.<sup>2</sup>.

### *East*

Demand was up on last year for the East, it was spread from 0 – 20,000 ft.<sup>2</sup>. The increase in demand could be due to the high level of national expansions, with a number of Doncaster based businesses considering options here.

## **Analysis**

Again, the west-central part of the borough has seen the most specific demand, although the south and the north have attracted high levels of interest as well.

The north has seen good levels of interest, and there is plenty of supply to meet this demand, with further developments due to come online, such as the Waterfront development.

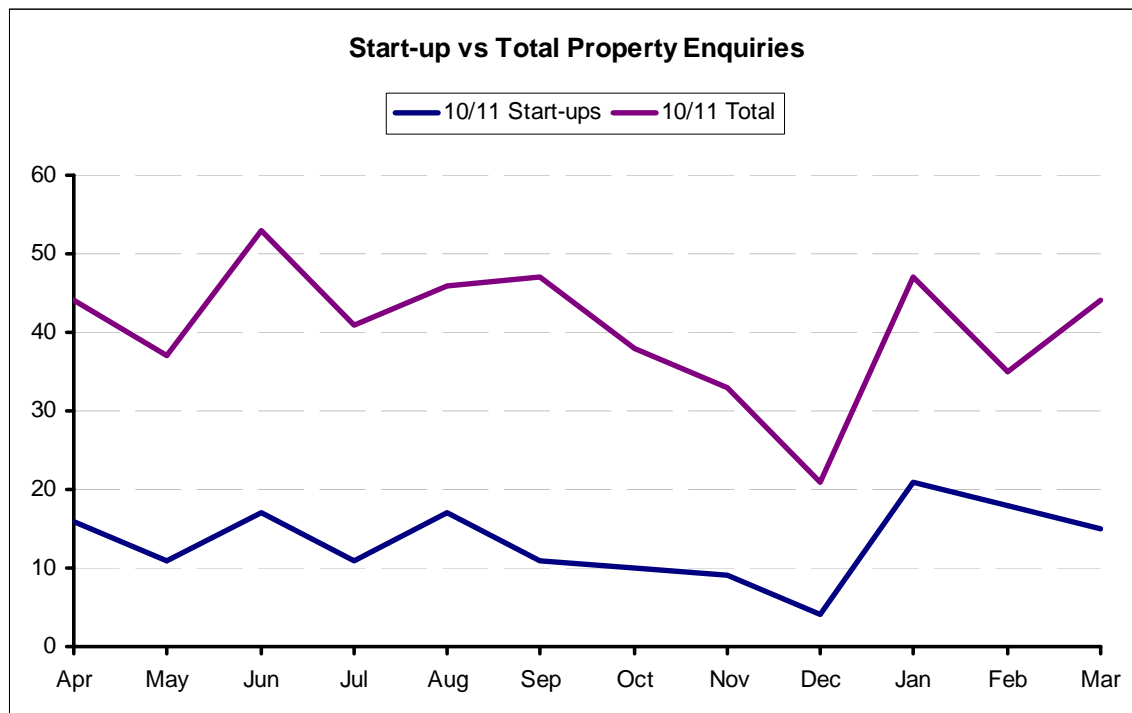
Demand in the south has been good up to 50,000 ft.<sup>2</sup>. There are still a number of developments underway in this area and there is good potential for design & build on Dinnington Phase 2.

Demand for the East picked up this year, with enquiries from 0 – 20,000 ft.<sup>2</sup>. Many of these enquiries probably came from Doncaster based businesses looking to relocate / expand.



## Start-up Property Enquiries<sup>1</sup>

This year we had 160 start-up property enquiries from a total of 486 enquiries, making the start-up enquiry rate 33% of overall enquiries, which is up from 27% last year. However, it should be noted that although general enquiries fell by 11% from last year, start-up enquiries rose by 6%, meaning that demand for start-up properties is especially buoyant.



### Analysis

Demand from start-up companies continues in line with total enquiry figures. As with total enquiries, demand has evened out month on month, compared to previous years. We have seen a significant increase in start-up enquiries after the Christmas period, this could be due to lack of job security in the current climate.

<sup>1</sup> Start-up enquiries relate solely to enquiries taken by the RiDO Business Development Team at Phoenix Business Centre, and do not include the council's start-up business centres.



## Enquiry Source

### Enquiries by Source



Agent/Developer	BDA	Business Link	Directories/Listings
Doncaster Dev Agency	Exhibitions/Events	Hoardings	International Advertising
Local Press	Not Known	Other Company	Previous Contact
RMBC	Renaissance SY	Rotherham Chamber	Creative Sheffield
Website	Yorkshire Forward		



## Analysis

Yorkshire Forward enquiries continued to fall as the organisation has been wound-down. Once the Sheffield City Region LEP has been established we will expect to see referrals from their partners, such as the Chambers of Commerce and UKTI.

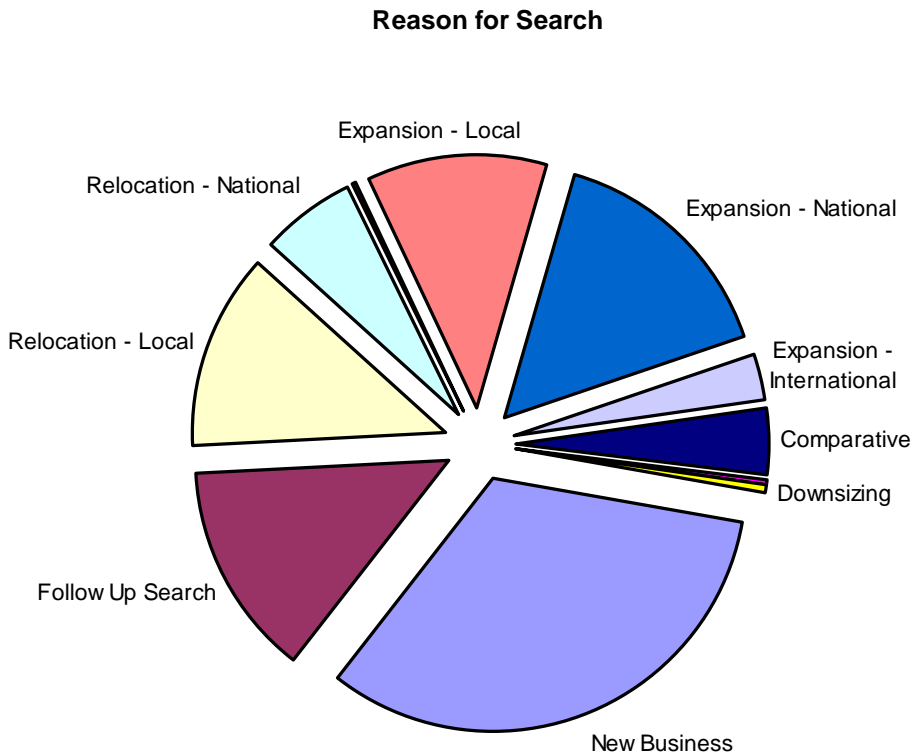
The majority of our enquiries arise through our website, which we have optimised for search engines. Other major sources of enquiries are RMBC (such as our business advisors and centres, plus local planners) and companies who have had previous contact with us.

Property Agents, Barnsley & Rotherham Chamber and our partner organisations in Sheffield, Barnsley and Doncaster provide a large amount of enquiries and we will continue to work closely with these partners to strengthen these links.



## Reason for Enquiries

The graph below shows the reason for property enquiries taken by the Business Development Team.



## Analysis

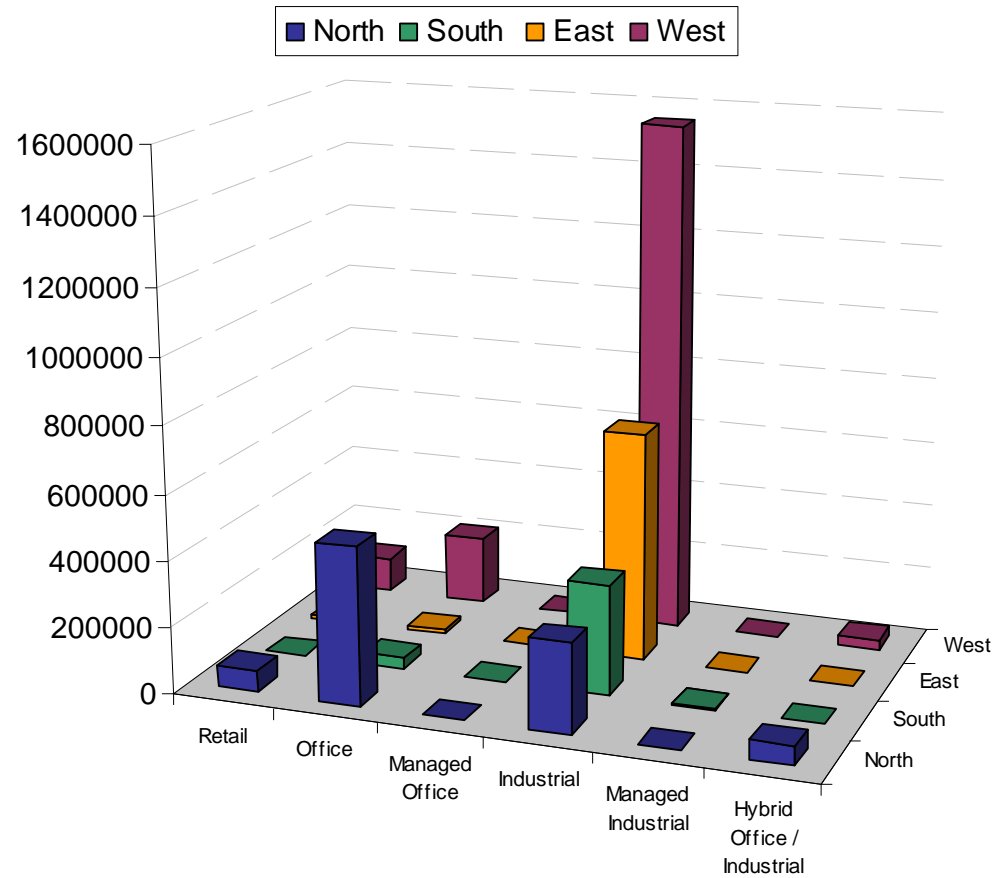
Once again, *new businesses* accounted for the largest amount of enquiries, which was helped by our three Community Businesses Coaches.

The next highest level of enquiries originated surprisingly from national expansions, with businesses in neighbouring boroughs looking to take advantage of cheap property prices.

We continue to receive a significant amount of enquiries from local companies looking to both expand and relocate; we imagine this is due to businesses looking to take advantage of breaks in their leases to find better deals in the downturn.



### Property Availability by Quadrant by Size<sup>2</sup>



<sup>2</sup> The level in parts of the borough for both Industrial and Office is artificially inflated due to various developments, please see next page for explanation.



## Analysis

The level of property in the four quadrants of the borough can be determined by two methods, number of units and unit floorspace, however, we now track just the size range available at specific developments rather than individual unit sizes, so we have only graphed the units by floor space and not number of units.

In terms of floorspace for industrial property, the highest level is in the west-central area (much of this around Templeborough), although the northern area has a lot of availability in the way of design and build options and the east has a few very large vacant units accounting for much of the space.

The north is where the most office space availability is, this is due to a number of large call centre developments in the area and potential for design and build on the Waterfront site.

The south has significant industrial availability; much of this is on the Dinnington Business Park development, with a number of smaller units making up the floorspace.

The east of the borough generally lags behind the rest of the borough in terms of available floorspace and unit numbers although the area is largely rural/residential. The availability is from new developments on 'Aven Industrial Estate' in Maltby and vacancies on Hellaby Industrial Estate.



## Appendix A - Approximate Geographic Boundaries by Quadrant

