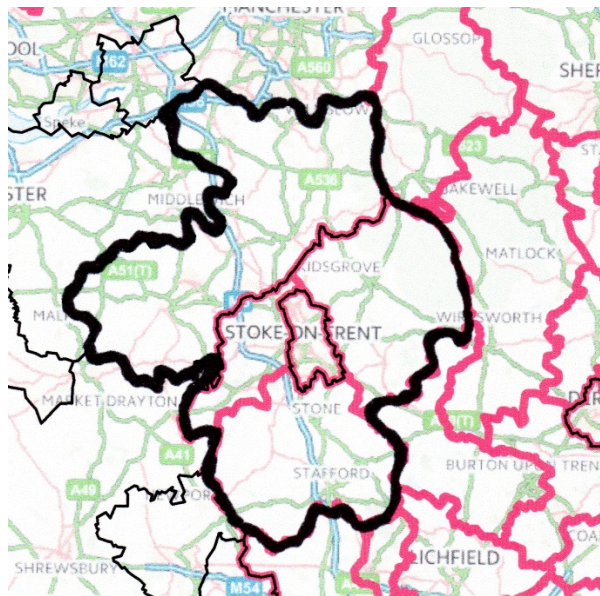


## **Sub-regional Trends in Commercial Property 2014-19**

The information contained in this report has been researched and compiled by Knud Møller at **KVM Research**. If you want to know more please look at my website [www.kvmresearch.co.uk](http://www.kvmresearch.co.uk), give me a ring on 01782 499384 or send me an email on [knudvmoller@gmail.com](mailto:knudvmoller@gmail.com) © 2020

### **Introduction**

The following note concerns the market in commercial properties within the sub-region of North Staffordshire (the local authorities of Newcastle-under-Lyme BC, Stoke-on-Trent City Council, Staffs Moorlands DC, and Stafford BC) and Cheshire East Council as shown below.



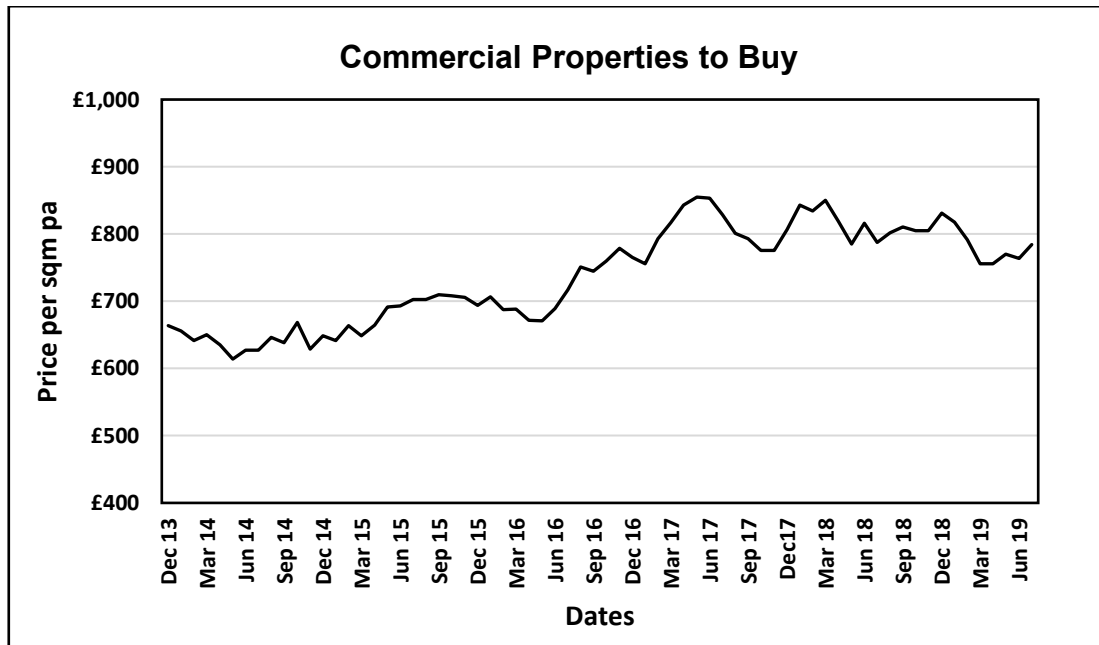
Copied from [www.ordnancesurvey.co.uk/election-maps](http://www.ordnancesurvey.co.uk/election-maps)

For the purpose of the note commercial properties are defined as manufacturing including workshops, warehousing and storage, retail and catering, offices and other non-residential properties. Properties for the purpose of residential letting are not included. The note is based on average, advertised prices collected over the period 2011-19. Based on information in the adverts, the total price of the property shown in any one advert is converted to price per square metre.

### **Properties to buy**

As shown in diagram 1, below, the price of commercial properties rose continually for nearly four years from just over £600 per square metre in early 2014 to approximately £850 in the middle of 2017. It has since fallen slowly to an average of just under £800 and it may be relevant to mention that it is during this latter part of the period under review that the political tug of war known as 'Brexit' has happened.

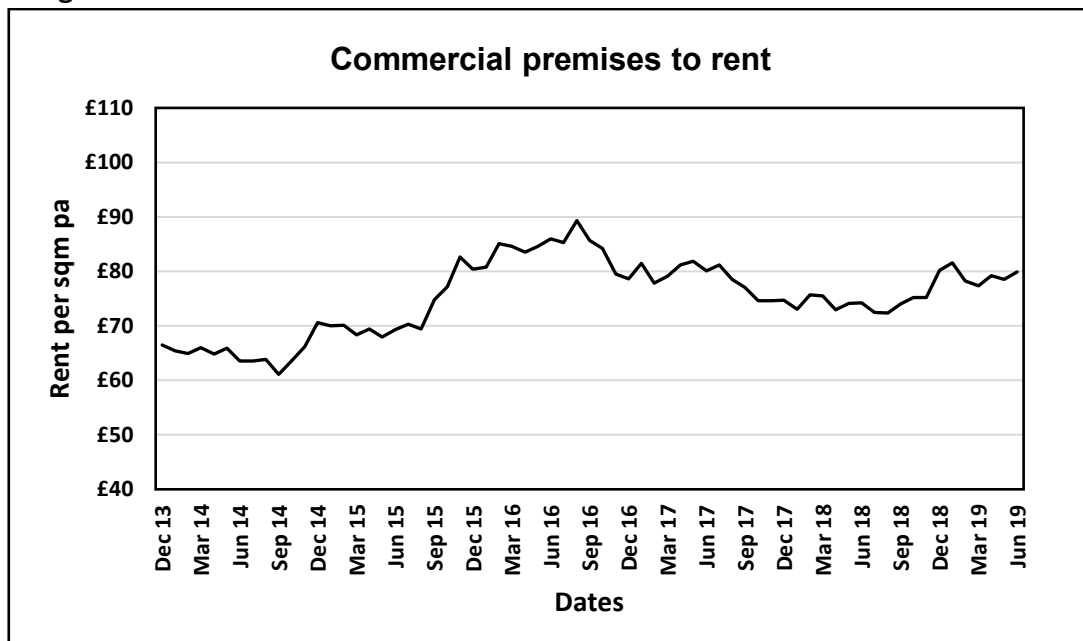
**Diagram 1**



**Properties to rent**

The rent in the following is the rent for the whole property shown in the advert converted to rent per square metre per annum (rent per sq m pa).

**Diagram 2**



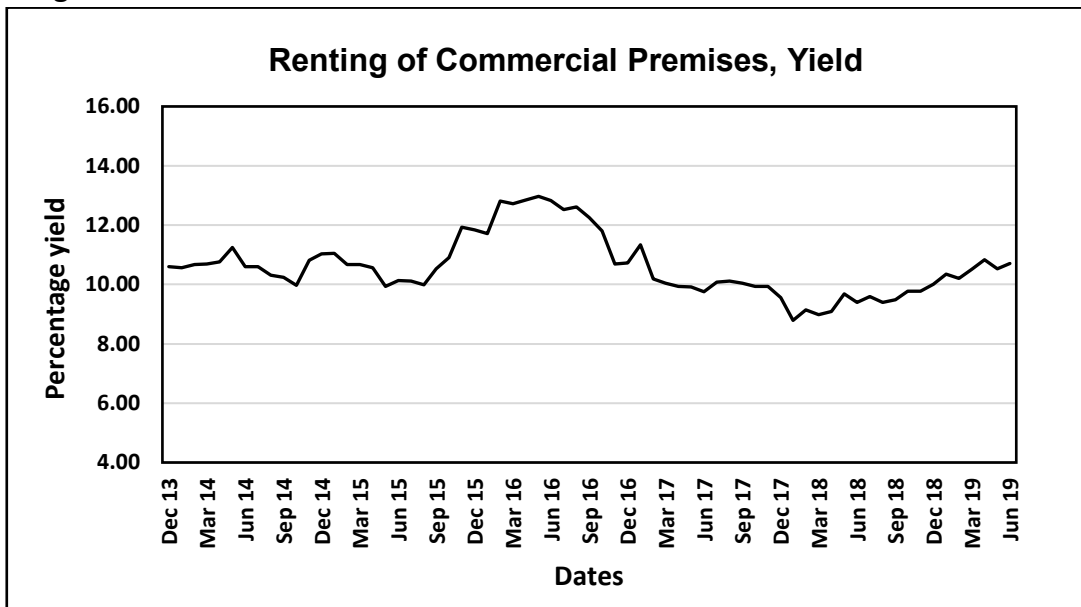
Within the area under consideration the average advertised rent of commercial properties increased from £64 per square metre per annum in 2014 to £86 in 2016 as shown in diagram 2 above and the table, page 3.

Subsequently average advertised rent fell to just over £70 per square metre per annum in 2018, but now appears again to be on the increase.

### Yield

As a result of the fluctuating purchase price of commercial properties and fluctuations in the rent of such properties the actual yield that might be expected has also fluctuated as shown in diagram 3, below, and further in the following table.

**Diagram 3**



Overall yield fell from over 10% in the beginning of 2014 to near 9% in 2018, but would now again appear to be on the increase.

**Table**

	2014	2015	2016	2017	2018	2019
<b>Price to buy</b>	£627	£693	£689	£853	£816	£653
<b>Rent per sqm pa</b>	£64	£69	£86	£80	£74	£80
<b>Yield</b>	10.21%	9.96%	12.48%	9.38%	9.07%	12.25%