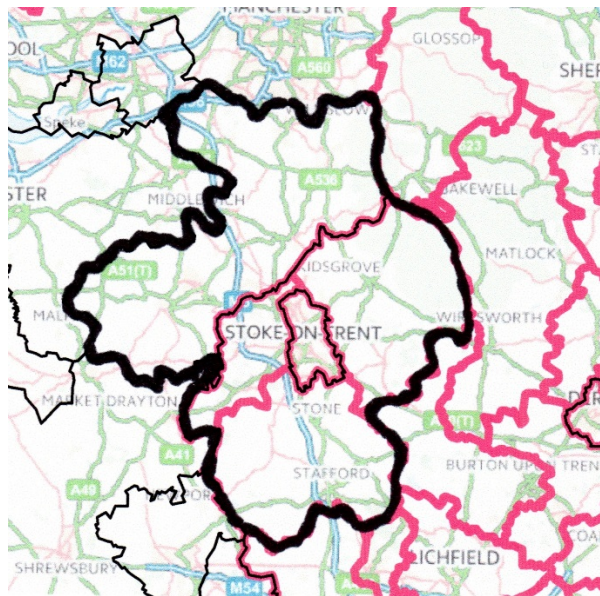


Sub-regional Trends in Commercial Property 2014-19

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, give me a ring on 01782 499384 or send me an email on knudvmoller@gmail.com © 2019

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.



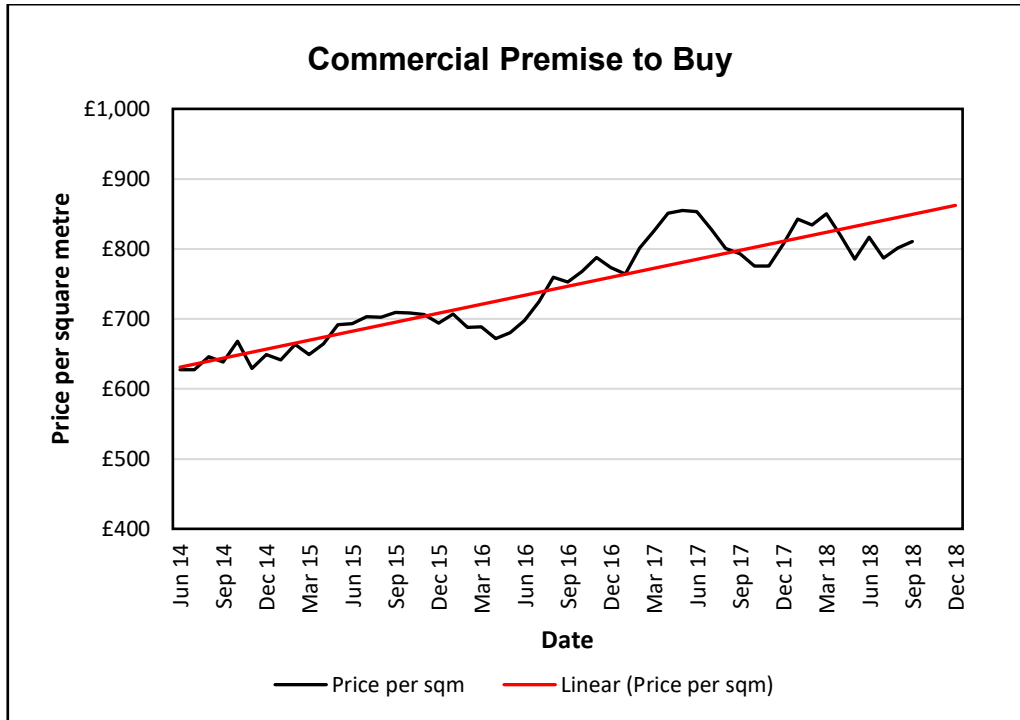
Copied from www.ordnancesurvey.co.uk/election-maps

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 2011-18 and the first three months of 2019. 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 has continued to rise through the five year period from just over £600 per square metre in early 2014 to over £800 in 2018. It is a continuation of an increase which started back in early 2013.

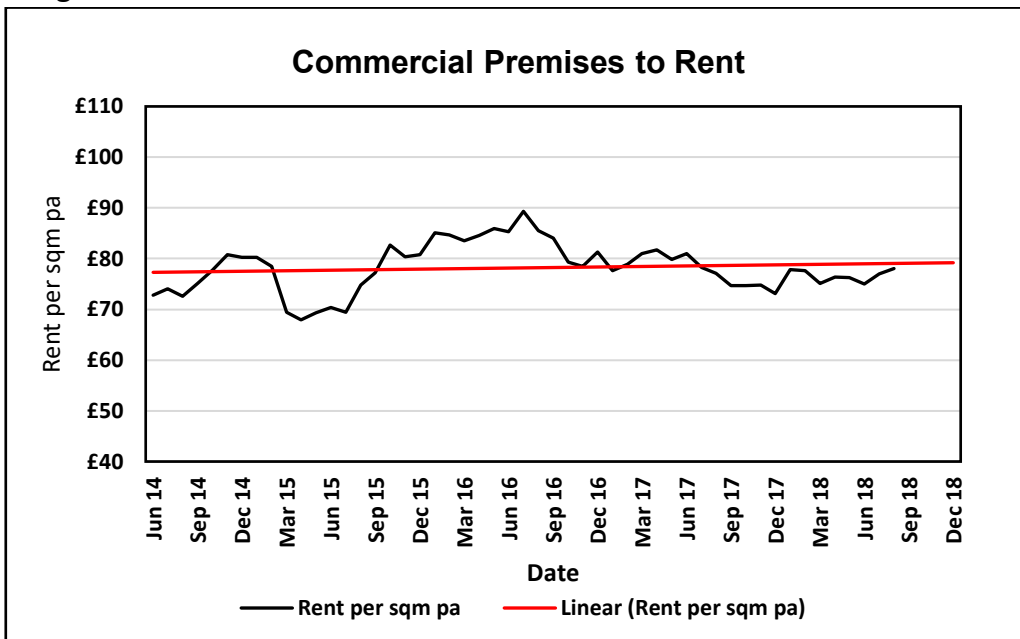
Diagram 1



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

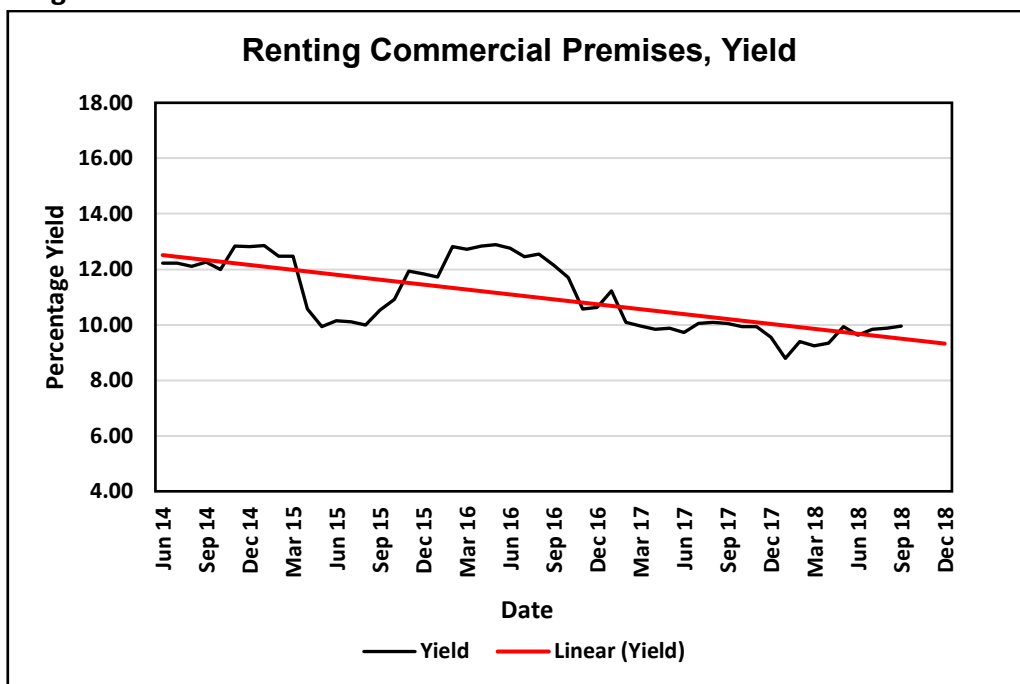


Within the area under consideration the average advertised rent of commercial properties increased a little from £73 per square metre per annum in 2014 to £76 in 2018 with some fluctuations during the whole of the five year period as shown in diagram 2 above, page 2 and the table, page 3. Recently it appears to have jumped to £86 per square metre per annum during the first months of 2019.

Yield

As a result of the strong increase in the price of purchase of commercial properties and the rather minimal increase in the rent of such properties the actual yield that might be expected has fallen as shown in diagram 3, below, and further in the following table.

Diagram 3



It has been a fall of more than 2% from just over 12% in the beginning of 2014 to less than 10% in 2018, but then followed by a jump 11.41% during the first months of 2019..

Table

	2014	2015	2016	2017	2018	2019*)
Price to buy	£627	£693	£698	£853	£816	£754
Rent per sqm pa	£73	£70	£85	£81	£76	£86
Yield	11.64%	10.10%	12.18%	9.50%	9.31%	11.41%

*) First three months of 2019.