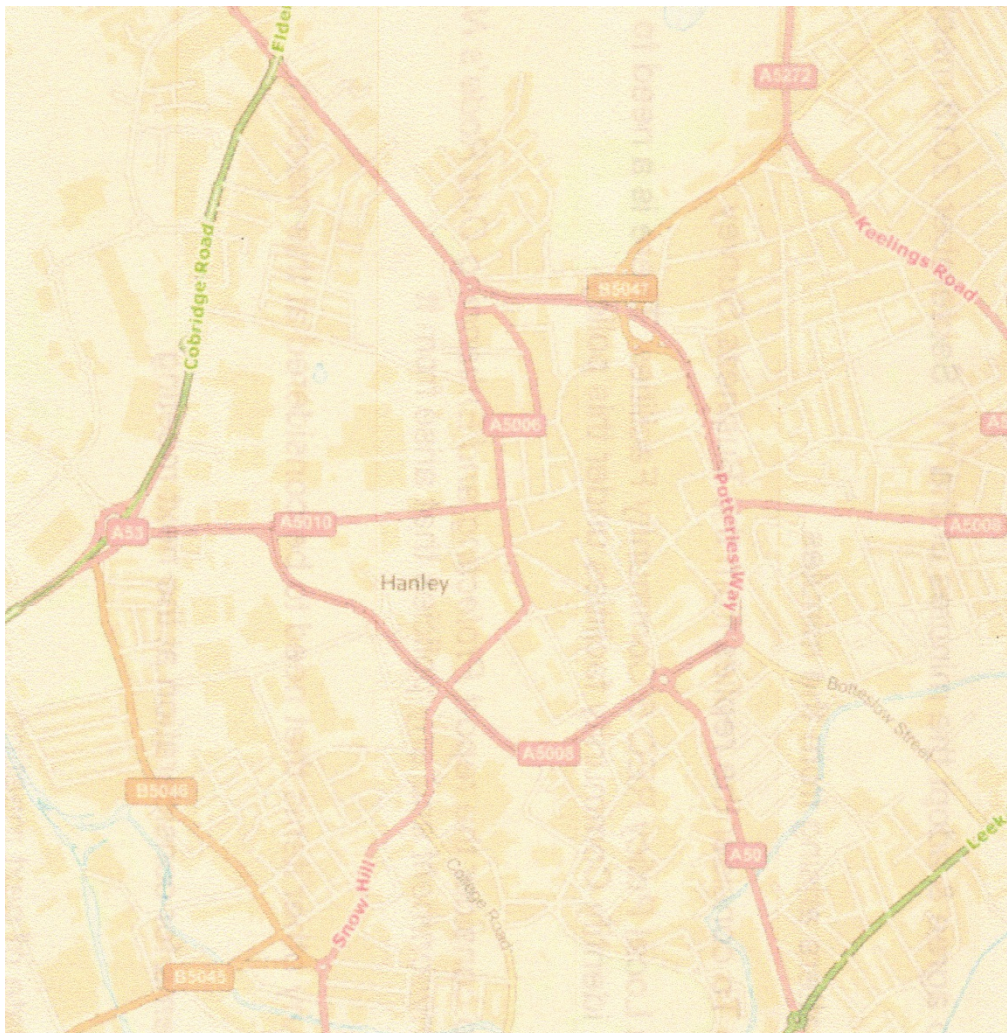


## **City Centre (SoT) Trends in Commercial Property 2014-19**

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) © 2019

### **Introduction**

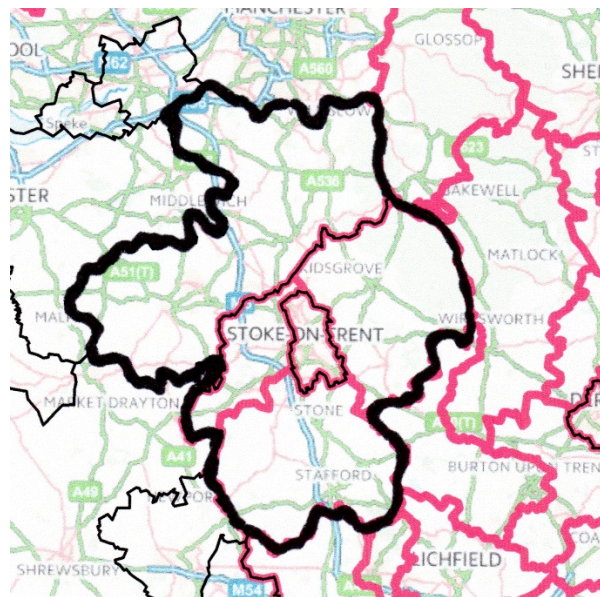
The following note concerns the market in commercial properties within the area of Stoke-on-Trent City Council known as the 'City Centre', sometimes 'Hanley' or 'Hanley Town Centre'. For the purpose of this note it is defined as the area inside the ring road known as 'Potteries Way'.



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

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



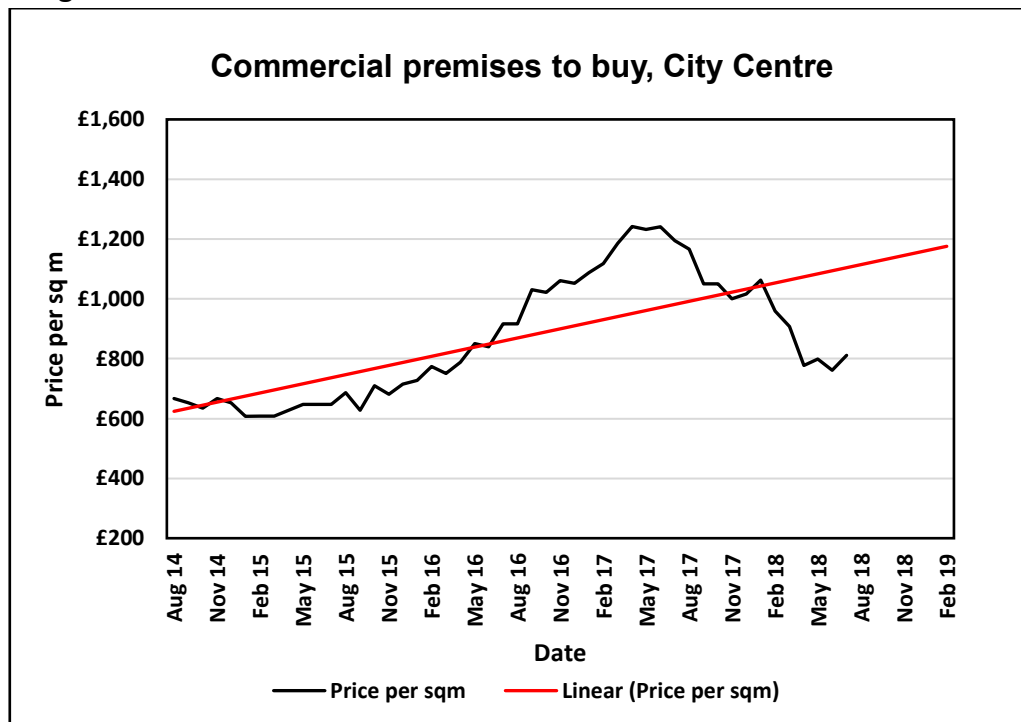
Copied from [www.ordnancesurvey.co.uk/election-maps](http://www.ordnancesurvey.co.uk/election-maps)

information in the adverts, the total price of the property shown in any one advert is converted to price per square metre.

The City Centre is the largest commercial area within a Sub-region comprising 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 above.

## Properties to buy

Diagram 1



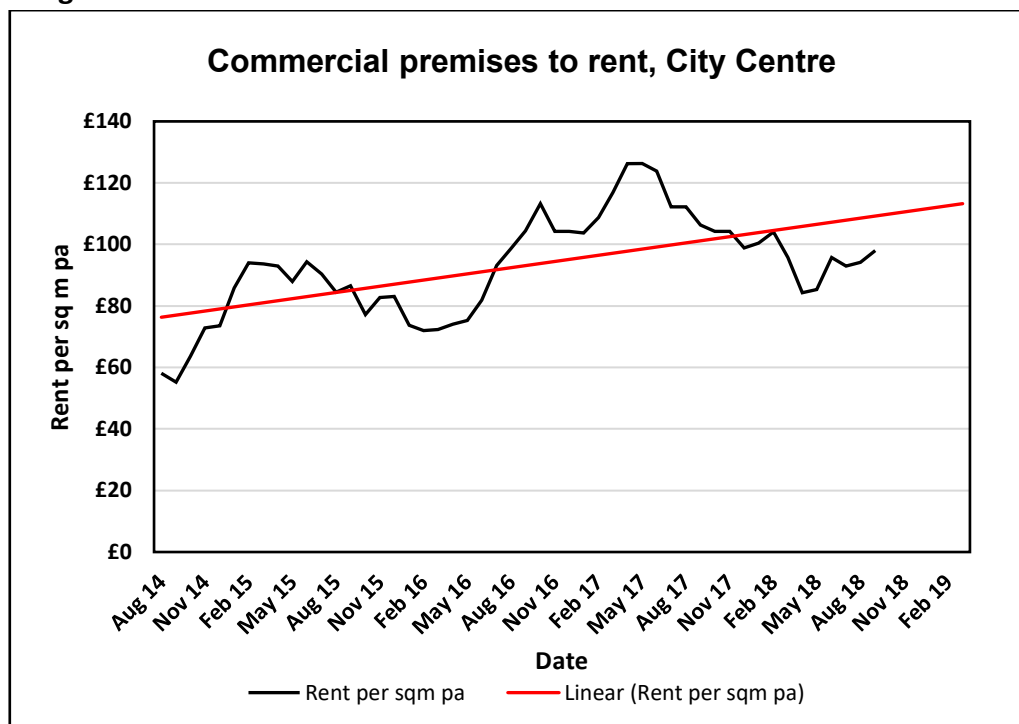
As shown in diagram 1, above, the average advertised price of commercial properties rose from about £600 per square metre in 2014 and nearly doubled to over £1200 by 2017. It has subsequently fallen back to around £800 as also shown in the tables, page 5.

Over the whole period it has remained approximately £110 above the average advertised price for the whole sub-region.

## 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



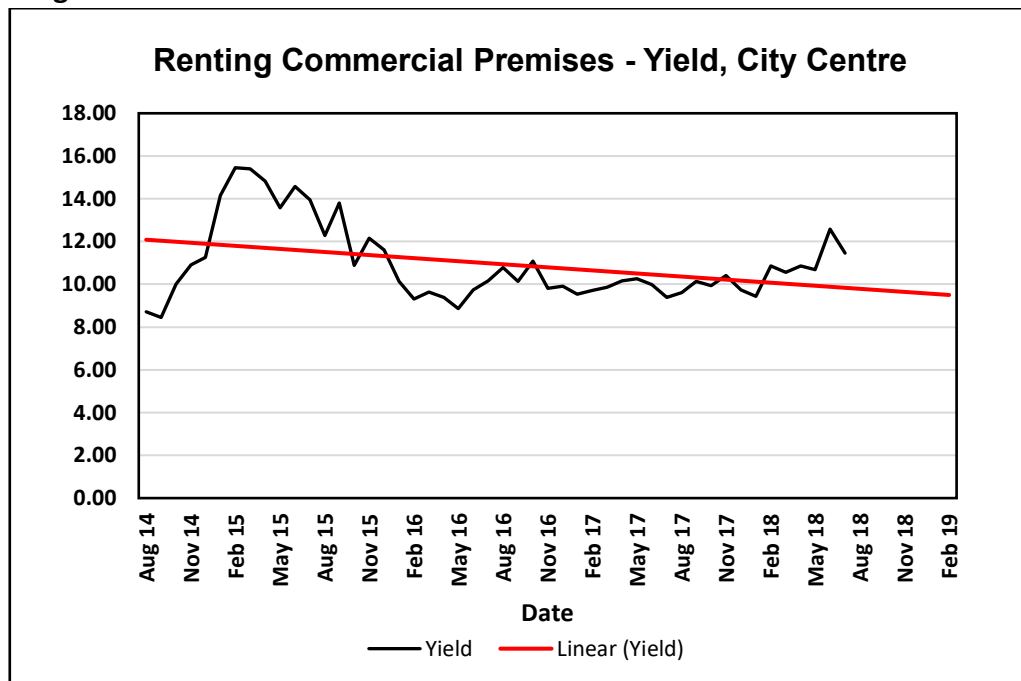
Within the area under consideration the average advertised rent of commercial properties more than doubled from £60 per square metre per annum in 2014 to £124 in 2017 with some fluctuations during the whole of the five year period as shown in diagram 2 above and the tables, page 5. However, it has since fallen back to about £100 per square metre per annum.

On average advertised rent for properties within the City Centre was £14 above that of the sub-region.

## Yield

It is noted above that the City Centre has experienced a strong increase in the average advertised purchase price of commercial properties and a fluctuating change in the rent of such properties. There has therefore not been a clear trend in the yield that might be expected from renting such premises. There has been a steady increase from 9.65% in 2016 to around 12% by the end of 2018.

**Diagram 3**



Overall yield in this regard has been 0.35% higher for properties within the City Centre at 10.96% compared to 10.61% for the surrounding sub-region.

## Tables

<u>City Centre</u>	2014	2015	2016	2017	2018	2019*)
Price to buy	£697	£648	£850	£1,232	£799	£882
Rent per sqm pa	£60	£94	£82	£124	£96	£104
Yield	8.61%	14.51%	9.65%	10.06%	12.02%	11.41%

<u>Sub region</u>	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.