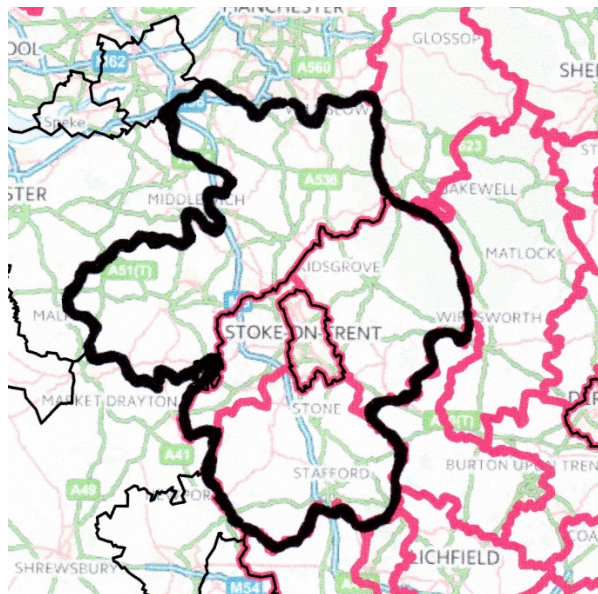


Sub-regional Trends in Commercial Property 2014-20

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 © 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

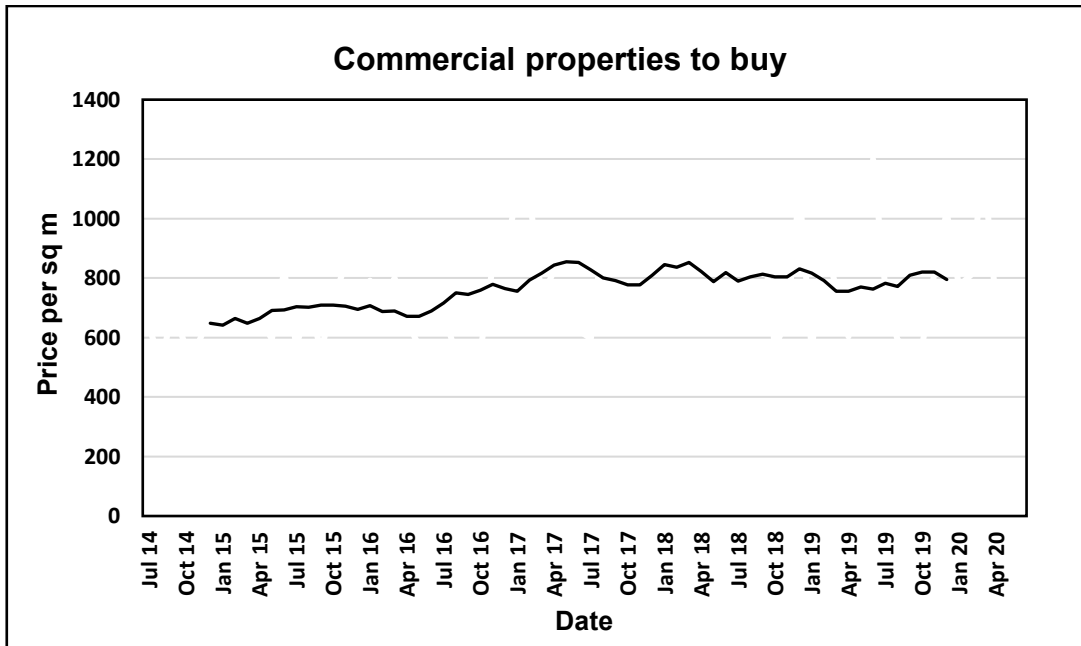
For the purpose of the note commercial properties are defined as manufacturing including workshops, warehousing and storage, retail and catering, offices and other non-residential properties. Properties for the purpose of residential letting are not included. The note is based on average, advertised prices collected over the period 2014-20. 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 about three years from just over £600 per square metre in 2014 to approximately £850 in the middle of 2017. It has since fallen slowly to an average of just under £800. It may be relevant to mention that the political tug of war 'known as 'Brexit' – with all its uncertainties around the final outcome - has been under way since the referendum in June 2016. And

added to that we now have to contend with covid-19 which may be having a major impact on the economy.

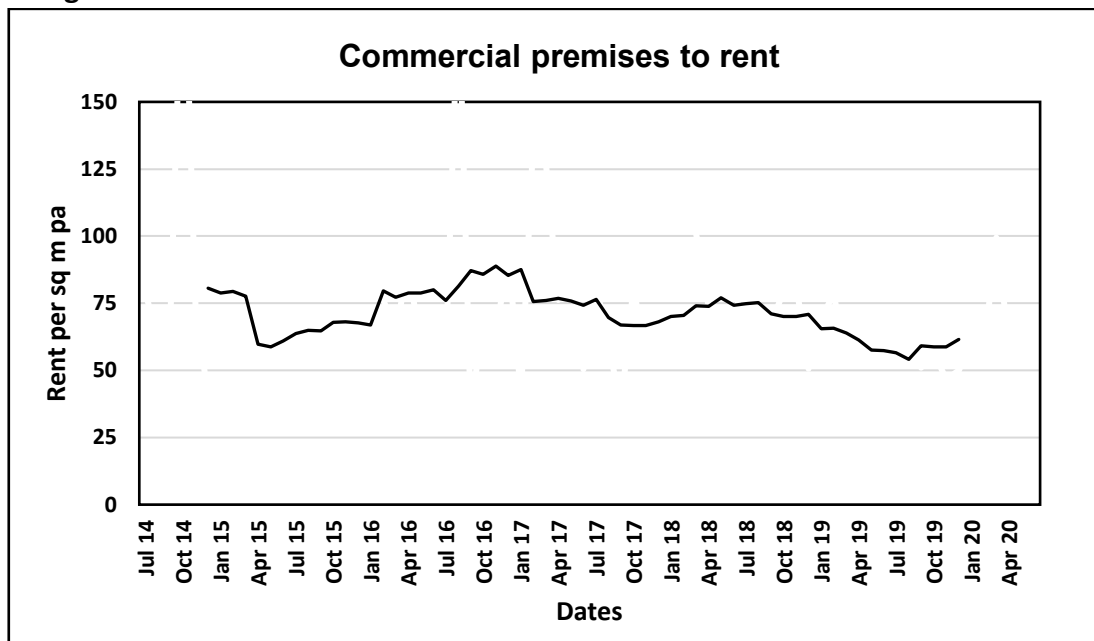
Diagram 1



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



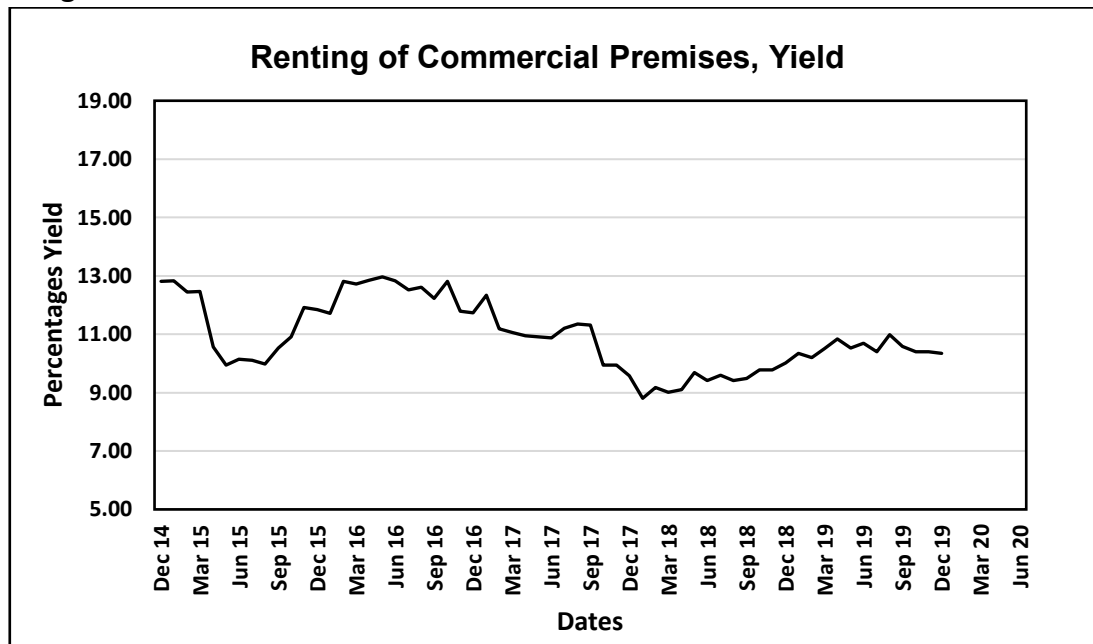
Within the area under consideration the average advertised rent of commercial properties increased from £64 per square metre per annum in early 2015 to £86 in 2016, the year of referendum.

Subsequently average advertised rent fell to just less than £60 per square metre per annum by the end of 2019, but may have increased a little during the first months of 2020.

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



Yield increased during 2015 and continued to increase until the time of the referendum in June 2016. From then on it fell from nearly 13% to near 9% in early 2018, but has since recovered.

Table

	2014	2015	2016	2017	2018	2019	2020
Price to buy	£627	£693	£689	£853	£816	£719	£826
Rent per sqm pa	£64	£69	£86	£80	£74	£77	£76
Yield	10.21%	9.96%	12.48%	9.38%	9.07%	10.71%	9.20%