

# Greater Bristol – Industrial Market Review H1 2019

## New “Horizons” for Industrial Market

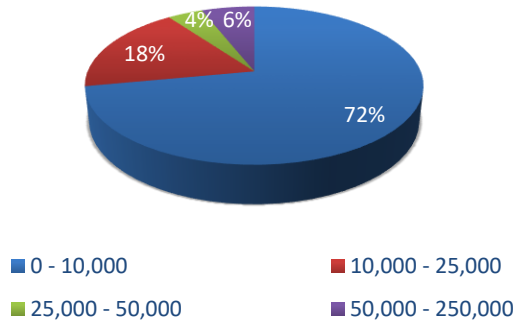
Welcome to the **2019 Greater Bristol Industrial Market Review** for the first half of 2019.

H1 2019 Take Up was **660,553 sq ft** from **61** deals, showing a decline compared to H2 of 2018, where Take Up totaled 988,547 sq ft from 78 deals. Whilst Brexit remains a factor in the Big Box market slowing down decision making, big deals continue to happen, with Horizon 38 at Filton announcing GKN Aerospace agreed a deal worth £32 Million to launch their new 115,000sqft Global Technology Centre.

Vacancy remains c5-6%, with several speculative development schemes taking Bristol’s existing standing stock to **c55m sq ft**.

The chart below shows the sustained dominance of deals sub-10,000 sq ft, however this percentage has fallen again slightly compared to 76% in 2018. This is due in part to an increase in mid-box size ranges, but also the decrease in total deals over the first half of 2019, due to a continued lack of availability

**% of Size Range SQFT**



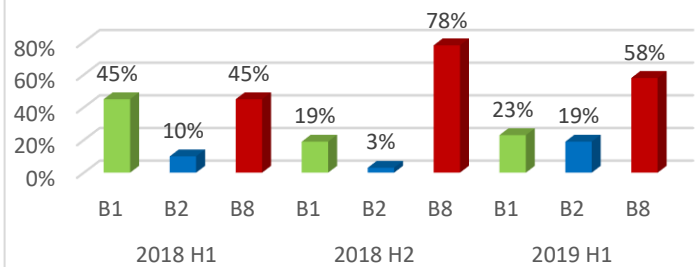
### The highlights of 2018 v 2019

Item	2018 H2	2019 H1
Leasehold Demand	85%	81%
Average Deal Size	12,673 sq ft	10,828 sq ft
Number of Deals	78	69
Use Class B8	78%	58%
Use Class B1	19%	23%
Use Class B2	3%	19%

(Source: IAS Western Branch)

Below highlights the recent shift in use class within the last 18 months. A significant shift towards B1 & B2 from B8 has continued in dramatic fashion in the first half of 2019, with Hi-Tech engineering and aerospace R&D taking more space.

**% of Take Up**



## Speculative Development Update

Numerous speculative schemes are under construction. A snapshot of these schemes is below;

- **Barberry/Richardson More+** at **Central Park**. Phase 1 PC of 5 buildings totaling c176,000sqft recently completed. One unit let to Pilkington Automotive prior to completion. FH or LH.
- **Western 105** at Western Approach developed by **Curtis Hall/Richardson**. 106,890 sq ft with B2/B8 consent and up to 2.5MVA of power. FH or LH
- Horizon 38 in Filton developed by St Francis Group and iSec. Phase A & B completed totaling c324,000sqft, with recent deals to Sytner and GKN is to build a new Global Technology Centre on the remaining land.
- Vertex Park at Emersons Green developed by Chancerygate providing 11 units from 5,382 sq ft - 34,008 sq ft, have completed six lettings to the likes of Screwfix, Toolstation, Halo etc.
- Warmley Business Park developed by Chancerygate have PC 15 units 3,738-31,883 sq ft and let/sold seven units.
- Access 18 Avonmouth developed by St Modwen comprising 15 units totaling 266,745 sq ft – a unit of 150,000sqft PC Q2 2019.



### Skills

- Disposals - Letting / Selling • Acquisitions • Relocations / Mergers • Lease Renewals • Development • Consultancy
- Maximising property returns • Investment • Residential Land • Trade counter • Roadside

**“To become unavoidable within the industrial sector in Bristol and the South West”**

- Barwood Capital and Trebor Developments started on site at Portside Park in Avonmouth in June 2019, providing units from 12,500 - 87,247 sq ft.
- Barwood Capital acquired 11.5 acres on the new M49 junction. They have commenced the build of a warehouse of 130,000 sq ft, known as "The Junction" ready for PC November 2019. Adjacent, Euro Garages will deliver a hotel, petrol filling station and several drive-thru offers.
- Trebor and Hillwood Capital have acquired 14.50 acres located at Central Approach, and will develop a range of units c32,000 – 128,000 sq ft once planning is granted.

## Multi-Let in Multi-Demand

### Case Study –

### Severnlink Distribution Centre in Chepstow



Chepstow has always been regarded as a strategic location with the ability to serve South Wales and South West. Since the abolition of the bridge tolls, we have witnessed a surge in demand and rental growth. The location still has some way to catch up with the Bristol market, which is £2-3.00psf more expensive, but being only 5 minutes away, we have seen some Bristol based occupiers relocating over the bridge.

On behalf of **iO Asset Management**, RPC advised on the leasehold marketing of Severnlink Distribution Centre in Chepstow

- 11 units totaling approximately 79,230sqft
- Strategic location alongside M48
- Comprehensive refurbishment
- Current rental growth from £4.25psf to £5.25psf
- Reduced the vacancy rate from **29% to fully let**

## The Investment Market

The industrial sector continued to outperform the others with investor demand still outstripping supply due to the occupational market dynamics. Investors are still seeing Bristol as an attractive option compared to the London/South East

2019 has seen the following transactions;

- SIG - Unit 300 North Bristol Park, modern detached 66,268sqft sold for £8.34m reflecting a yield of 5.05%. **RPC provided occupational advice.**
- Fedex - 15a Lysander Road Cribbs Causeway modern detached 49,120sqft for £6.212m reflecting a yield of 4.38%
- Sainsburys - Coden Centre Emersons Green modern detached 60,615sqft for £8.715m reflecting 5.00%

## RPC News

H1 2019 has seen our market share in Bristol maintained at **23%**. Thank you to all our clients for their ongoing support.

We launched a new website earlier this year, so please do take a look and keep an eye out for new instructions and Case Studies. If you wish to contribute anything such a testimonial, then please do not hesitate to contact us



## Why Russell Property Consultants?

- Rob and Chris have over 45 years' combined experience
- We are the only niche industrial agency practice in Bristol
- We have excellent market knowledge
- You do not get a junior surveyor doing the legwork
- Chris or Rob handle all the marketing
- Increased market share in 2018
- The Insider Industrial Agency Team of the Year 2017 & 2018
- Shortlisted for The Insider Agency Team of the Year 2019

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