

Greater Bristol – Industrial Market Review H2 2019

Ocado Delivers in Time for H2 2019

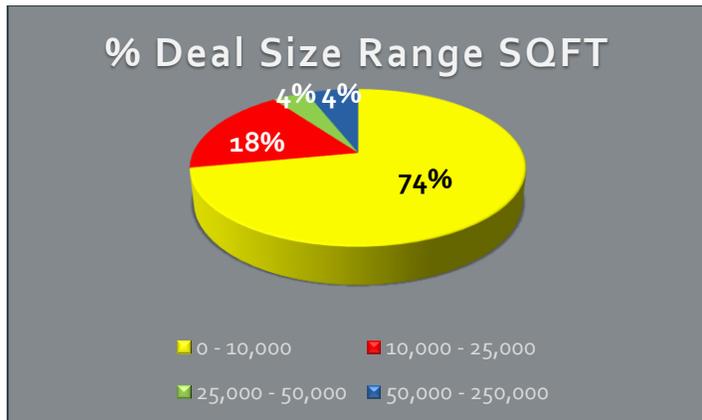
Welcome to the RPC H2 2019 Greater Bristol Industrial Market Review.

H2 2019 Take Up was **813,339sqft** from **85** deals, showing an increase on H1 by 23%. **Total 2019 Take Up was 1,473,892sqft from 154 deals.** This level of take is significantly down on the 15-year average of **2,572,526sqft.** This was a consequence of only two Big Box transactions +100,000sqft. In May, GKN Aerospace acquired 115,000sqft for a Global Technology Centre at Horizon 38. In December, Ocado acquired Unit 15 Access 18 for a new 151,330sqft RDC.

2019 was dominated by land transactions with a total of **169 acres** disposed. The key deal was the sale of the Scottish Power land in Avonmouth, whereby 113 acres was sold to The Walters Group.

Brexit was a factor and more recently the general election caused an expected dip in demand. However, since the election result there has been a large spike in demand from national and SME's businesses, which we expect to carry through into 2020.

The chart below shows the sustained dominance of deals sub-10,000 sq ft in 2019.



Vacancy across the Greater Bristol market remains at c. 6% against a total of existing standing stock of approximately 55,000,000 sq ft.

The table opposite highlights statistics for 2018 v 2019. A significant shift in Use Class from B1 to B2 showing strong growth, whilst B8 continues to dominate demand. Average deal size marginally increased but with fewer transactions compared to 2018.

The highlights of 2018 v 2019

Item	2018	2019
Leasehold Demand	83%	81%
Average Deal Size	9,284 sq ft	10,918 sq ft
Number of Deals	173	154
Use Class B8	60%	64%
Use Class B1	34%	20%
Use Class B2	6%	16%

(Source: IAS Western Branch)

Speculative Development Update

Numerous speculative schemes have progressed over the past 12 months. A snapshot of these schemes is below;

- **Barberry/Richardson More+** at **Central Park**. Phase 1 PC of 5 buildings totaling c176,000sqft. One unit let to Pilkington Automotive prior to completion. Phase 2 offering D&B options.
- **Western 105** at Western Approach developed by **Curtis Hall/Richardson**. 106,890sqft with use class B2/B8 and up to 2.5MVA of power. Immediately available either 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 5,382sqft - 34,008sqft. A number of lettings have completed to the likes of Screwfix, Toolstation, Halo etc.
- **Warmley Business Park** developed by **Chancerygate** have PC 15 units 3,738-31,883sqft and let/sold 9 units.
- **Access 18** Avonmouth developed by **St Modwen** comprising 15 units totaling 266,745sqft – unit 15 (151,330sqft) leased Q4 2019.
- **Barwood Capital and Trebor Developments** started on site at Portside Park in Avonmouth in June 2019, providing units from 12,500 - 87,247sqft.
- **Barwood Capital** acquired 11.5 acres on the new M49 junction, Euro Garages, a hotel, petrol filling station and several drive-thru offers. PC 136,000sqft known as “The Junction”.



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”

- **Trebor and Hillwood Capital** have secured planning on their 14.50 acres located at Central Approach, and will develop a range of units c32,000 – 128,000 sq ft.

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

Address	Area SQFT	Price	Yield
SIG - Unit 300 North Bristol Park	66,268	£8.340m	5.05%
Fedex - 15a Lysander Road Cribbs Causeway	49,120	£6.212m	4.38%
Sainsburys - Coden Centre Emersons Green	60,615	£8.715m	5.00%
DSG – Goodrich Close Yate	63,203	£8.900m	6.48%
DSG – Holloway Road Western Approach	270,248	£36.550m	5.00%
Coffetek Unit 1 Interplex Bradley Stoke	34,476	£3.895m	5.66%

Acquisition Services

We believe there is considerable merit in occupiers appointing an agent to act when acquiring commercial property. Frequently, occupiers with limited experience in commercial property are required to undertake a ‘crash-course’ in the financial, technical and legal aspects of any given market and then negotiate against a landlord and his agent, both of which specialise in this field on a daily basis. Our property advice will make relocation as cost effective and painless as possible.

Below are a few examples of companies we’ve acted for in 2019;

- **Trade Centre Group Plc (TCG)** – acquired the freehold of a former Homebase in Rotherham 52,112sqft with 8 acres of additional land for a new car supermarket. For TCG we also have requirements in Birmingham, Nottingham, Derby, Leeds and Liverpool for 80,000-100,000sqft on 8-12 acres. If you have any opportunities, please let us know.
- **LettUs Grow** – Unit 4 Avon Valley Business Park in Bristol leased 5,470sqft for more information about them click here <https://www.telegraph.co.uk/news/2020/01/12/vegetables-grown-without-soil-first-time-using-nutrient-root/>
- **Unit DX** - is Central Bristol’s deep tech incubator, home to the city’s most innovative science and engineering companies. RPC are retained to acquire 20,000 – 50,000sqft

within central Bristol for Phase 2 expansion known as Unit DY.

- **L H Coaching** – acquiring 2,500sqft for a new fitness coaching business. In a market which is increasingly short on supply especially for D2 use, RPC have identified a property meeting their requirements.

If you have any occupier related needs, please do not hesitate to get on touch.

Why Russell Property Consultants?

H2 2019 has seen our market share in Bristol increase from **23% to 26%**. Thank you to all our clients for their ongoing support.



- 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 2017, 2018 & 2019
- The Insider Industrial Agency Team of the Year 2017 & 2018
- Shortlisted for The Insider Agency Team of the Year 2019

FOR ALL ENQUIRIES PLEASE CALL: 0117 9732 007
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