

Greater Bristol – Industrial Market Review 2017

On-Line “Delivers” Demand

The Greater Bristol industrial market during 2017 continued to witness strong demand pushing supply to the lowest for 25 years at sub 3%. As a consequence we have seen further rental growth across the market with prime rents now at their highest for 25 years at +£8.50psf which is 7% up on 2016. However, we again recorded strong growth within the secondary market at +10%. In the past 12 months incentives have stabilised at around 3 months for a 5 year term certain.

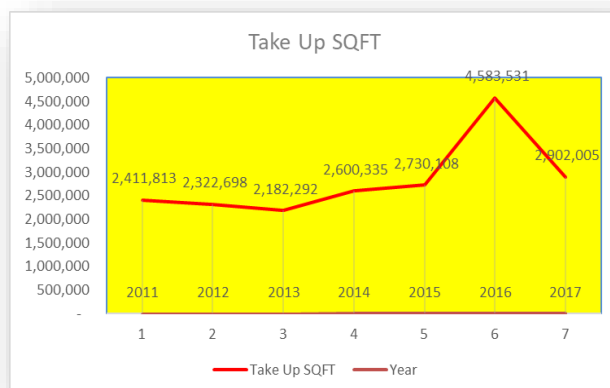
Looking ahead to 2018 we believe there is still some further room for rental growth within the market whilst there is a continued shortage of supply.

Key headline market transactions included **Amazon’s** new RDC at 1,250,000 sq ft and **DHL’s** new 160,000 sq ft both at Central Park, Avonmouth.

Take-up in Greater Bristol over the 10 year average is c2,500,000 sq ft. 2017 take-up recorded 2,902,500 sq ft with 112 acres from 167 deals. 2017 take-up is down on 2016 due to a lack of available supply. But with 112 acres acquired, and with the majority for speculative development, we envisage take-up will increase in 2018.

2017 Highlights

- Average deal size 19,218 sq ft
 - 46% of transaction were sub 5,000 sq ft
 - 76% of these transactions were B8 (Storage & Distribution)
 - 78% of transactions were leasehold
- (Source: IAS Western Branch)



Western 105 at Western Approach, Avonmouth, marketed by RPC

Speculative Development Soars

Numerous speculative schemes are under construction to provide much needed new units into the market. As a snap shot of these schemes is below;

- RPC are delighted to be marketing **Barberry/Richardson** c40 acre scheme at **Central Park** in Avonmouth which will comprise 11 units totaling c550,000 sq ft. We are on site with Phase 1 PC Q4 2018. In addition the new M49 junction will PC Q4 2018.
- **Western 105 at Western Approach, Avonmouth** (image above) is being developed by **Curtis Hall/Richardson** a detached unit of 105,500 sq ft due to PC August 2018 and benefits from both B8 & B2 Use Class
- **Horizon 38** in Filton developed by St Francis Group and iSec which is expected to provide around 580,000 sq ft across three phases of development.
- **Vertex Park** at Emersons Green is being developed by Chancerygate providing 13 units totaling 107,790 sq ft.
- **Rockhaven Cabot Park Avonmouth** – a detached 37,000 sq ft
- **Access 18 Avonmouth** by St Modwen comprising 15 units totaling 266,745 sq ft

This provides approximately **1,647,035 sq ft** of new floor space into the market across six high profile schemes. But no doubt there are other schemes to come!



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”

RPC had a strong year disposing of **Portbury 19** (for a private owner) 18,778 sq ft; **Unit 200 Quadrant** (for USS) 19,688 sq ft; **DHL Depot Avonmouth** (DHL) 39,058 sq ft; **Park Furnishings Depot Avonmouth** 52,496 sq ft all within 6 months of instruction.

RPC also completed the two largest deals for H2 2017 at **Locking Moor** 54,100 sq ft and the acquisition of c40 acres for **Barberry/Richardson at Central Park in Avonmouth** to commence speculative development. The RPC market share for 2017 equates to **14% within a market of 20 agencies**.



Barberry/Richardson Central Park Acquired by RPC - Winners of the Insider 2017 Industrial Team of the Year; Chris Miles (Left) and Rob Russell (Right) presented by Chris Hollis



Key Bristol Multi-Tenanted Investment Transactions

Date 2017	Address	Area (sq ft)	Initial Yield	Price	Vendor	Purchaser	Comments
October	Orpen Park	79,858	6.10%	£7,475,000	Aviva	Longmead Capital	The estate comprises 7 units.
April	Abbeywood Park	42,803	5.09%	£5,800,000	LIM	Schroders	Fully let to five tenants
March	Kings Business Park, St Philips	59,673	6.30%	£5,270,000	Aviva	Standard Life	Multi Let Estate x units
January	IO Centre, Cabot Park Avonmouth	104,340	6.50%	£9,055,000	Threadneedle	LIM	Modern multi let industrial

Why Russell Property Consultants?

- Rob and Chris have over 40 years' combined experience specialising within the industrial market in Bristol.
- We are the only niche industrial agency practice in Bristol
- We have excellent market knowledge
- You do not get a junior surveyor doing leg-work
- Chris or Rob handle the marketing and it is during viewings that generally the deals are undertaken
- Strong 2017 performance with increasing market share

FOR ALL ENQUIRIES PLEASE CALL: **0117 9732 007**
 EMAIL: rob@russellpc.co.uk OR chris@russellpc.co.uk



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- Maximising property returns • Investment • Residential Land • Trade counter • Roadside

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