

## Appendix 5 – Property Agents’ Comments

A6.1 In order to protect confidentiality, names of the agents/agency have been separated from the information which they have provided. The opinions recorded in the table below are the opinions of the respondents. The consultations with agents were undertaken in May and June 2021.

Contact	Comment
Local Agent	<p>The greatest amount of demand for industrial units is seen for warehouses 460-1,840 sqm (5,000 to 20,000 sqft) in size. The 92-460 sqm (1,000-5,000 sqft) has been very popular more recently. Units between 1,840 and 4,600 sqm often go for £6.75 /sqft. There is a large amount of legacy stock but demand for this is the same as for new buildings due to supply being so limited. Wychavon and Worcester are the areas that see the most industrial activity but supply of warehouses is very limited in both areas. On the whole there needs to be more provision for industrial and warehousing land but not just any land, it has to be strategically located with strong access to labour, power, public transport and road connections.</p> <p>The majority of offices are seen in the 46-186 sqm (500-2,000 sqft) size range. Prime offices are often seen at the £15-17/sqft price point in Worcester. Generally, office availability is okay but at the minute there is not a supply of larger, 50+ person offices. There have not been many developments of new offices in South Worcestershire in recent years as given the costs of construction, the levels of rent achieved in the market are too low to make construction viable. This has meant that the current office stock in Worcester is now old and not fit for purpose with the best stock being built in the 1990s or early 2000s.</p> <p>Demand, on the whole, is largely for freehold properties; however landlords are would prefer to rent as buildings are often held by investors and funds.</p> <p>Malvern Hills is a challenging district from a commercial perspective as it could potentially take more development but there is little land supply. Malvern Hills is rural, lacking in road connections, sparsely populated with poor communications so it is not greatly attractive for businesses.</p>
Local Agent	<p>There is good demand for industrial units across all sizes, however there is a severe lack of supply. M1 Agency has no availabilities in Wychavon, however the story of a lack of supply of industrial units is equally prevalent across all three areas. Existing stock and new stock are gaining equal attention as a second hand 3,345 sqm (36,000 sqft) unit was recently leased on a ten-year term for £6.5 /sqft while new build units only go for slightly more with prices between £6.75/sqft and £7.25/sqft. The new development at Worcester Six has attracted healthcare companies as they require state of the art facilities for their functioning, however for the most part warehousing and logistics companies do not require new</p>

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	<p>buildings. More involved in demand is the location of facilities as logistics companies would prefer to be close to a motorway whereas manufacturing companies prefer to be close to a supply of workers. The Worcester Six development has seen great demand and recently a 15,143 sqm (163,000 sqft) unit was subject to an offer, prompting the development to move into the next phase in which additional units will be built.</p>
Local Agent	<p>Demand for industrial units is quite strong. Recently leased an industrial unit for £6.30/sqft. There is a sufficient supply of industrial premises.</p> <p>The company deals with more office units than industrial units. Usually the lease price is around £10/sqft. There is definitely some demand for offices but the company is not overrun with tenants, they often take time to change hands. The demand for offices often depends on the location, the parking and the local facilities. There is a shortage of new offices.</p> <p>The company does most business in Wychavon and Malvern. There is more chance of letting offices in Wychavon as there are better road connections and facilities whereas Malvern Hills is rather impractical as although there is a bridge to get over the river you have to go out of your way to go over it.</p>
Local Agent	<p>Demand for workshop units is mainly seen for premises around the 139 sqm (1,500 sqft) mark. There is also strong demand for units 9,290 sqm (100,000 sqft) and above. Smaller units usually go for a price of £9.50/sqft. Demand is mainly seen for freehold but developers look to both build the units and rent them themselves. The market is characterised by a severe lack of supply.</p> <p>In terms of offices, there is less demand, instead demand is concentrated in small hotspots. Evesham in particular has a low demand for office space and primarily the focus of office demand has been out of town centres. Most commonly mid premises 185-929 sqm (2,000 to 10,000 sqft) in size are demanded, with few larger than that. £15-19/sqft is the prevailing price range which affects the development of new offices as the price would need to be around £25/sqft for new developments to become viable. The majority of office demand is for unserviced offices, however there is still a place for serviced offices in the market.</p> <p>Wychavon has large tranches of land that could accommodate a new supply of industrial units and taking into account the activity of the past 10-15 years the area might look very different in a short space of time. However, as things stand there is a lack of supply across all areas which limits how attractive the area is to businesses. This is because for businesses to be attracted to the area they need supply to be sufficient and available immediately as if for example they require a 50,000 sqft unit, they require that today and not tomorrow.</p>
Local Agent Harris	<p>Demand is very high for warehousing and logistics units due to the pandemic and the rise of online retailing. This demand has been seen across all sizes of units. The rents are commonly seen at</p>

<b>Contact</b>	<b>Comment</b>
	<p>£6.5-7/sqft. There are not any standing buildings as there is a real shortage of supply.</p> <p>Demand for offices has not been the same but things are starting to pick up again now. Mainly demand has been seen for more regional offices as firms seem to be relocating out of town centres. Rents are commonly seen at £20-25/sqft. Most of the demand is for unserviced offices rather than serviced.</p>
Local Agent	<p>Demand is high for industrial units of all sizes but most of the demand sits in the 2,787-7,432 sqm (30,000 to 80,000 sqft) size band. Demand is also subject to location and the quality of the units on offer. The quality of the stock varies widely across the region as older stock can be found at the Blackpole Industrial Estate in Worcester while there are newer developments such as Worcester Six on the border of Wychavon and Worcester. Typically, rents are seen between £6.50 and £6.75/sqft. Supply is probably sufficient but it is difficult to assess this at the minute due to Covid. It is likely we have not seen the full effects of Covid as we have not seen many business failures due to Government interventions with grants and the furlough scheme while landlords have also been subsidised for unpaid rent. This mean that although demand for industrial units could be artificially high at the minute.</p> <p>Brexit has had mixed effects on the demand for industrial units as it did see business see the need to stockpile more goods but at the same time it caused a great deal of uncertainty, dampening demand. Now that we know the contents of the Brexit deal there is more certainty, which should have a positive effect on demand.</p>