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COMMERCIAL PROPERTY

Spacious: Gazeley's 1.1 million sq ft G Park at Shepcote Lane, Sheffield

High-bay: The Oneforty development at Hellaby, near Rotherham

It will not be viable to leave premises vacant

Government plans to scrap rate relief could prove to be very costly for companies

SOUTH Yorkshire is witnessing more speculative development activity in the region than at any time in the last five years, which is a clear demonstration of the confidence levels in the market.

In particular, private sector investment is contributing largely to the regeneration of many of the region's deprived areas, bringing with it business and employment opportunities.

However this situation could be under threat from government proposals to scrap rate relief for vacant industrial units.

The proposals could impact heavily on the pace of growth as profits will quickly be eroded. This in turn could constrain development activity, particularly in the more marginal areas where the investment is needed the most.

Tim Bottrill of Knight Frank said: "There can be any amount of predictions about the full

impact of the government's plans to reduce rate exemption, but there is a strong possibility that this will slow down the rate of growth in the warehousing and distribution sector - both of which have seen substantial growth around the M1/M18 Sheffield, Rotherham, Barnsley and Doncaster areas.

"As it stands, developers can speculatively build large warehousing or industrial units and have the necessary time available to stand the property until a suitable buyer or tenant comes forward. Furthermore, businesses can currently benefit from rates relief on the vacant elements of owned space.

"New government plans propose to introduce full occupied rate charges for vacant industrial units after a six-month grace period."

Currently, new industrial and commercial developments in one of the country's best trans-


Tim Bottrill: Predictions

port hubs are placing Sheffield and Rotherham as prime locations in the north for high quality small to medium commercial units, large scale distribu-

tion units and office space.

In the last six months, the big shed market has continued to advance across the South Yorkshire region with large warehousing and distribution units, between 200 - 500,000 sq ft, still heavily in demand. Next's move to Brookfields and Polestar's relocation to G Park in Sheffield were two of the largest ever industrial deals in the UK.

Developments both in Sheffield and Rotherham including the new £35m Magna 34 Business Park and Vector 31 Business Park have sustained business interest in the area while Ignite and Vantage Park pushes the Sheffield Technology Corridor to further reaches.

Confidence in the market for small to medium sized units is also booming along the M1/M18 corridor, with demand far outstripping supply for high-quality accommodation.

Locations around Rotherham, prompted by the lack of available space and development in Sheffield's Lower Don Valley corridor, also make sharp business sense for companies demanding excellent transport links and economical availability.

Two of the latest speculative developments underway in the area include the £8m Oneforty high-bay warehouse development in Hellaby, and the £4.5m Redwood Court, small unit industrial estate, situated on the former Dinnington Colliery site and targeted to local and regional occupiers.

Massive regional investment at the former Dinnington colliery location has liberated prime-sites which have drawn in companies such as Johnston Press, Macalloy, and Mac'Ants - all choosing the ease of access and superb motorway links which will serve the Redwood Court project.

Developers including Gazeley are also pressing ahead with speculatively built programmes while on the Sheffield Rotherham border, fresh activity includes the next phase of the Advanced Manufacturing Park.

Andrew Nettleton, business investment manager at Rotherham Investment and Development Office, which is offering financial assistance for companies wishing to relocate to Dinnington, said: "Rotherham has become an epicentre for developments of this calibre and sites along the M1 - M18 corridor are now in high demand.

"We are witnessing a major shift of key players in the food, retail and distribution sectors to locations in South Yorkshire as a result of the strong distribution market in the north combined with a significant amount of available land."


Old pit site: The Redwood Court development at Dinnington, near Rotherham

Futuristic: Part of the Advanced Manufacturing Park being built in Sheffield