

City rents still good value

Next phase under way at the Crofts

SHEFFIELD is able to provide considerably lower rents than other major cities and in comparison to other business overheads, rent is considerably overshadowed by wage costs in most cases.

For example, in simple terms a company occupying an older style building of around 10,000 sq ft would be paying in the region of £30,000 per annum in rent. Assuming that the company employs 10 staff at an average wage of £18,000 per annum, the total wage bill of £180,000 per annum far exceeds the rent.

Relocating to a new building of a similar size, the rent would be in the region of £50,000 per annum, representing an increase equivalent to the wages for an additional member of staff. However, when this is considered in context of the savings to be made by occupying a new building with minimal maintenance costs and increased operational efficiency, this increase becomes less significant.

Developers will usually be able to provide



Many industrial occupiers in Sheffield view rents for new buildings as being too expensive and choose to occupy cheaper, inferior quality space instead as they perceive this to be a more affordable option. **Ashley Kerner**, of Atisreal Sheffield, asks whether this is false economy

a 10-year guarantee on the construction of a new building which will basically mean that an occupier will have very low maintenance bills for that period. In addition to this, new construction methods incorporate higher specification insulation resulting in a greener, more efficient environment with significant savings in energy costs.

New buildings also give the occupying company a better image and profile and this will attract more customers and staff, leading to increased profits.

Many older industrial properties, particularly in edge of city centre locations, have poor access and loading facilities together with low eaves heights and thus are not as

efficient as a new building, which often can be built to an occupier's own specification. New buildings will usually benefit from higher eaves and modern racking systems could mean a smaller floor area would be needed, again resulting in savings on rent.

Developers will often give rent-free periods to incoming tenants which will obviously assist in the cost of moving and setting up in new premises. Also, of particular interest to owner occupiers, older industrial sites and properties can often have a higher value for a different use, subject to gaining the necessary planning consent, and developers will usually be interested in agreeing swap or part exchange deals making the moving experience more straightforward and cost effective.

Forecasters predict that rents in the area will increase over the coming years and therefore any occupiers looking to relocate in the near future would be advised to start the process soon to take advantage of the good value rents still available.

ROTHERHAM Council leader Roger Stone got work under way on the next phase of Horbury Group's £17m Moorgate Crofts development.

The latest phase, valued at £5.5m, will create 32,000 sq ft of high quality 'grow-on' office space for new and developing businesses in South Yorkshire.

The Horbury Group has already built three office blocks – including one which houses its own headquarters – and 16 luxury apartments on the Moorgate Crofts site.

Group managing director Trevor Wragg says the group has had great support from Rotherham Council for the Moorgate project, so it was fitting that Coun Stone came to cut the turf for the latest development.

"The Moorgate Crofts development will provide state-of-the-art business facilities, including a full time receptionist, meeting rooms and wireless internet access.

"Standard specification also includes comfort cooling, raised access computer flooring and suspended ceilings," said Mr Wragg.

Coun Stone added: "Cutting the turf for the Moorgate Crofts project marks a milestone in the development of this brownfield site.

"These offices, in conjunction with other developments in this part of Rotherham, will provide a valuable influx of business and showcase Rotherham as a fantastic location for companies wishing to site offices in the north of England.

"The first commercial space on this site was built place by the council in 2005, to help fledgling companies to become established and the new offices will help to further economic development."

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OFFICE BUILDING RELEASED FOR SALE OR TO LET

A COMPREHENSIVELY refurbished commercial office building in one of Sheffield's up and coming business locations has just been released for sale or to let.

12 O'Clock Court, a traditional red brick, three-storey development, is situated north east of the city centre, off Savile St/Attercliffe Road and close to J34 of the M1. This prime location makes it ideal for a single tenant occupier or small business enterprise wishing to be part of the commercial boom well under way in this part of the city. With excellent road links the development is easily accessible for commuters as well as city residents and is in an ideal position for access to the M1 and motorway network.

Unit 5 is either for sale or to let by Sheffield property specialist Jaguar Estates. The accommodation on offer ranges from suites of 480 sq ft up to a total of 2,500 sq ft of quality office space and has recently been completely refurbished and upgraded. The open plan work space spread over three floors features an impressive new reception, comfort cooling and heating and CAT2 lighting diffusers. Each floor can be accessed by a lift and stairs and has its own toilet and kitchen facilities. The property also comes with 13



12 O'Clock Court, off Saville Street/Attercliffe Road

private on-site parking spaces. Roger Haworth, director for Atisreal which is marketing the development, said: "Demand for office space in Sheffield continues to improve and we identified this part of Sheffield as a growth area that should cater for this demand, especially due to the new ring road opening close by combined with the significant investment and development set to occur nearby. The design of the refurbishment will really appeal to small businesses as it offers top quality space and impressive reception that smaller occupiers will

struggle to find elsewhere." As a result of the proposed refurbishment the first new tenant has already been signed up. Shepherd Engineering Services has agreed to take the second floor on a five-year lease at £140 per sq ft. Following this letting there is now only the ground and first floors available, providing impressive suites from 480 sq ft to 2,500 sq ft. ●For more information contact the agents Atisreal on 0114 241 2222 or Jaguar Estates on 0114 257 1717 or visit www.jaguarestates.com

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