



Little or large

Whether it's gargantuan supersheds or dinky light industrial units, Yorkshire's industrial and distribution market had a bumper 2007.

Neil Tague speaks to the shed shifters

There's an earthy reality about Yorkshire's industrial property agents. Although in 2007 the region netted more than its fair share of big deals and – certainly in terms of the supershed market – left the North West in the shade, there's a sense of caution as to the region's achievements and prospects.

Andrew Halstead, head of the Sheffield office of consultancy Atisreal, says: "In general terms, the industrial and logistics property market has remained buoyant over the last 12 months, but the uncertain financial and economic environment and government legislation has created a more cautious approach in the market."

Paul Mack, senior surveyor in DTZ's national industrial and logistics team, says: "Our market's always steady – there are patchy bits, but it's not exactly peaks and troughs. There are usually deals to be done and in 2007 there were quite a few big ones here in Yorkshire."

That's understating the case. In the highly competitive big shed market Yorkshire has continued its momentum and landed some eye-catching deals, while in rival markets like the North West several of these giant facilities stand empty long after completion. What's more, not all of the buildings transacted are to be used for warehousing.

The lease of Opus Land's Opus Maximus at Scunthorpe to Polish tin

can maker CanPack was completed on 21 December 2007, just as workplaces across the region were shutting up shop for Christmas. Advised by Gent Visick and Knight Frank, Opus saw its investment in creating a 380,000 sq ft manufacturing facility on a former MFI site repaid handsomely.

"It was a great deal to get completed before the end of the year," partner Andrew Gent says. "And it's a real good news story for Yorkshire as well. This is a Polish company setting up a manufacturing facility in the UK. With rising oil prices and other transport issues, as well as rising labour costs in Europe, it's expensive to transport empty tin cans here, so this is the cheapest way of doing it."

CanPack had been choosing from a shortlist of three locations, with Rotherham and Sherburn-in-Elmet also in contention. Competitive pricing, immediate availability of power and access to the east coast ports were the decisive factors.

Of course, the majority of transactions are carried out in the sub-100,000 sq ft bracket, an area in which recent years have seen the freehold market carry the day. Mack confirms that the freehold market remains strong, and Gent agrees that the level of activity is still healthy throughout.

He says: "It's been quite a buoyant part of the market. We had a scheme in

Featherstone of small units of between 2,000 and 10,000 sq ft, 80 per cent of which had gone prior to practical completion. We let 86,000 sq ft to Geopost in Leeds and acquired another Leeds site for Winder Power's 82,000 sq ft manufacturing site. There's a good number of transactions."

Stephen Tonkin, industrial agency director at CB Richard Ellis, says: "We had a very busy year on the big portfolio stuff, like the Rockpoint buy of the Gladman portfolio, which includes 1.5 million sq ft in Sherburn-in-Elmet, although the single occupier deals have been a bit thin on the ground. That said, there's a lot on at the moment and we could well shift 1 million sq ft in the first three months of 2008. Last year was a big one for 'she stacking'. We've got to get it let now."

For the occupier there's certainly choice out there. Mack says that with the occupier in the box seat, prices are ever keener. "There are enquiries out there, we're aware of who's looking and what for – it's just a matter of where and when they land," he says.

One that has landed – subject to planning permission – is Marks & Spencer, which has agreed to build its 1 million sq ft environmentally-friendly distribution centre in Bradford. In November 2007 the retailer paid ProLogis £13.7m for a 50 per cent stake in the site. Each party will pay £20m