

Publisher of the Year 2008

Property
Week.com



news.events.people.data for the property industry

Empty premises

27.02.09

By **Stuart Watson**

Vacant space is increasing because of the general market malaise

Yorkshire and North-East

Big lettings have made themselves scarce

The troubles affecting retailers have brought further gloom in a market already afflicted by an oversupply of big warehouses.

‘In such trying economic times, who is going to be willing to commit to a 750,000 sq ft distribution unit in Doncaster, formerly occupied by MFI? If it had not been underwritten by DHL for the first five years, it would be vacant now, further adding to the 30-plus prime distribution units of 100,000 sq ft-plus across Yorkshire,’ says Rob Whatmuff, head of industrial agency at [Lambert Smith Hampton](#) in [Leeds](#).

Steve Moriarty, a director at M3, adds that demand is coming from companies wanting much smaller buildings.

‘In South Yorkshire, the terms that are being offered have gone through the floor,’ he says.



Golden gate: Gateway West is one of the few schemes under construction

Big lettings have been scarce, although [Threadneedle](#) is close to securing Autoquake as a tenant for 250,000 sq ft at Radial Park, the former Vickers tank factory in Leeds. The online car retailer is set to take a five-year lease.

‘Nobody will be setting records in terms of headline rents, but where landlords and tenants are pragmatic, there are deals happening,’ claims Rupert Visick, a partner at Gent Visick. ‘Where landlords are doing slit-your-wrists deals to get a building let, tenants are just looking for a better offer from the landlord next door.’

In the north-east, buildings are beginning to come back on the market, as companies go into administration or receivership. Reed Print has vacated 130,000 sq ft in Washington, while PPD Group’s 160,000 sq ft building is also on the market.

Development activity has slowed. One of the few schemes under construction is Gateway West at Newburn Riverside, where Caddick Developments and [CB Richard Ellis](#) Investors are developing five buildings totalling 117,000 sq ft.