

OUR VIEW ON CAMBRIDGESHIRE INDUSTRIAL

Widening of the A10 proposed in new report

A new report commissioned by Cambridgeshire County Council and published in early 2018 has highlighted the need for improvements to the main Cambridge to Ely road. The road improvements to the A10 have received the full backing of James Palmer, the mayor of Cambridge and Peterborough.

The key recommendations of the report are for the dualling of the road, with a new Park & Ride facility to the north of Waterbeach. Improvements to the road would support the growth of the proposed new town at Waterbeach as well as increased accessibility to the business parks in the Cambridge Compass Enterprise Zone at Lancaster Way Business Park and Cambridge Research Park.

Supply continues to restrict activity in Cambridge

The supply of industrial floor space continues to tighten in the Cambridge market, with 387,100 sq ft of space on the market at the end of 2017, 100,000 sq ft of which is under offer.

Last year saw take up hit 532,700 sq ft in Cambridge and the surrounding area, with more than 50% of activity accounted for by the 275,000 sq ft letting to Commodity Centre at the former Spicers site in Sawston.

Whilst 230,000 sq ft of spec build units are due to complete in Q1 2018, current availability represents just over 14 months supply based on 10 year average levels of take up.

Gateway Peterborough sees further successes

The 240 acre distribution park at Gateway, Peterborough has seen further successes in h2 2017, with E-Leather taking a 215,000 sq ft pre let, logistics operator DSV exchanging on a 300,000 sq ft turnkey unit, whilst Lidl have bought 35 acres to build a bespoke distribution centre.

Lack of industrial allocation in emerging Local Plan

With the pressure on housing provision, Cambridge City Council and South Cambridgeshire District Council have allocated a number of industrial estates, including Clifton Road Industrial Estate CB1, The Paddocks Business Centre CB1 and Dales Manor Business Park, Sawston, for residential development.

There is currently no new allocation for the 400,000 sq ft of industrial space that will be lost when these sites are redeveloped.

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THE FACTS

Take up for the year hits 532,700 sq ft, the second highest level on record

Supply down to its lowest level since 2005 - 387,100 sq ft, reflecting just 4.6% of total stock

£12.50

Prime industrial rent per sq ft reaches new high

Prime rents continue to climb and have now risen by 38.9% since 2013

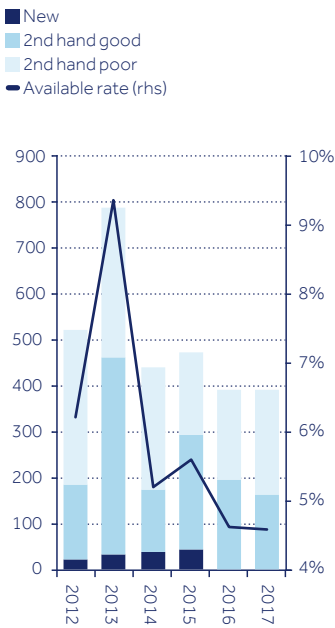
Good interest for new units being delivered in Q1 2018 at Buckingham Business Park and Cambridge Research Park

50.4%

Reduction in supply since peak in 2013

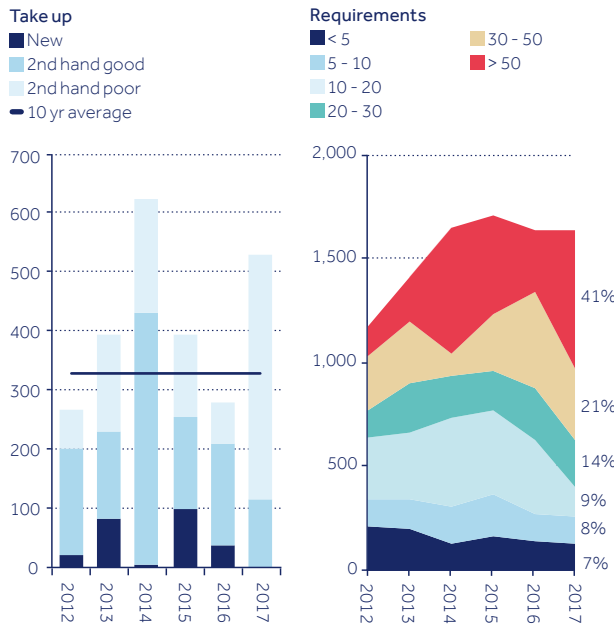
Demand falls back from mid year high but still at 1.6m sq ft

Industrial supply (December 2017)



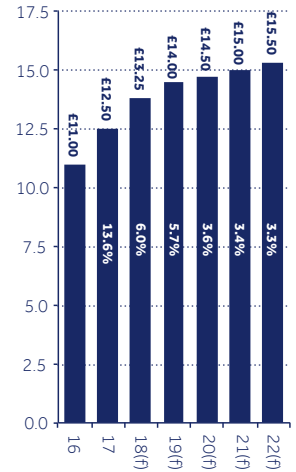
Availability 000s sq ft **387.1** ▶▶
 Availability rate **5%** ▶▶

Industrial demand (December 2017)



2017 Take up 000s sq ft **532.7** ▲
 Requirements 000s sq ft **1,639.5** ▶▶

Industrial rents (December 2017)



Prime Epsf **£12.50** ▲
 Secondary good Epsf **£9.75** ▲
 Secondary poor Epsf **£7.75** ▲
 Annualised growth rate **4.4% p.a**

Thor Labs, Lancaster Way Business Park, Ely

