

THE FULL SP

Sibley Pares Property Market Overview



2021 Property Market Review

Sibley Pares is pleased to present the second quarterly market review.

Since the release of our first edition, the lockdown has eased but the Pandemic and restrictions are still with us and its impact still felt on certain sectors of the economy.

The property market has, in most sectors, exceeded expectations, estate agents nationally reporting some of their busiest months for many years. In this second edition we provide an overview of the four primary sectors with our insight into our local market from our experienced teams.



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Retail Review

As we have moved through the first quarter of 2021 there has been a clear improvement in the retail market. The opening of non-essential retail has led to an increase in activity within the local market, however, this has predominantly been with independent retailers, with many national retailers continuing to consolidate their portfolios with a number of high profile closures including Argos and Debenhams. The traditional High Street has been greatly affected by the Covid-19 Pandemic, with a large number of vacant properties in the prime pitches. It will be interesting to observe how the retail market adjusts.

There has been an increased drive for leisure & bar operators to look for locations with outside space to try to counter-act issues presented by potential future lockdowns. There has been a significant increase in planning applications for leisure uses nationally over the last 6 months, with an 8.2% rise. Locally, a number of lettings have occurred, but it is clear that operators are being more cautious in their negotiating, looking to implement Covid-19 clauses, and attempt to agree more favourable terms.

Overall, it is clear the influence of the Covid-19 Pandemic is still heavy, however, it does appear we are through the worst of it, as we move towards the incredibly overused cliché – “a new normal”.



"Locally demand is still strong, but tenants are being more cautious with their negotiations"



Residential Review

Contrary to expectations in our February edition, the Kent residential market, after a slow start in January has had one of the strongest performing quarters in Kent for many years and the second quarter is continuing at a similar pace. This is not unique to Kent as national indices show average UK house prices soared by 10.2% in the year to March. The figures also suggest a switch in demand for different types of property with average prices of detached houses increasing more than flats .

In our Maidstone office, Head of residential sales Chris Wallington, now has multiple customers registering interest in property with highly competitive bidding. He comments that, “We have seen a phenomenal shift to how people are viewing the housing market, with a common question of ‘how much do I need to offer to secure this home?’ coming from viewers”.

He acknowledges there are multiple well documented reasons for this buoyant market, including the commentators favourites being the stamp duty holiday, moving to larger properties with gardens, and out of cities. Hot markets such as this can leave purchasers burnt when they become vendors further down the line, therefore the question now, is the bubble about to burst? The supply is dwindling but demand remains. As suggested by Chris “where we are getting multiple offers, that means there are many disappointed buyers still desperate to find their dream home.” The demand is outstripping supply. Many in Kent have benefitted from financial savings made during lockdown which looks set to continue; savings can be put towards housing. So at least for the moment it would seem that the current bubble has some substance and is not set to burst this quarter!



"Kent has experienced one of the strongest performing quarters in many years"

Office Review

The Pandemic has continued to impact the office sector with many businesses embracing flexible working from home. There is much debate as to how many businesses will resume traditional working as the country opens up, or will use this as an opportunity to reduce overheads! Equally, many recognise the need for collaborative working in a communal space and see, for example, the inadequacies of training remotely.

In Kent, we have noticed an increase in enquiries and indeed have recently let 14,400 sq ft in the centre of Maidstone to a Government body. In Whitstable the highest bidder and successful tenant for the former Pizza Express was a serviced office provider, tapping in to the fact that for many, not all homes are suitable for homeworking but also not wanting the slog of the daily commute. So there is cautious optimism for increasing activity, but currently the market is still slow.



The supply is also contracting and whilst EGI Data shows around 1,500,000 sq ft of space available across the County this includes a variety of properties many just not meeting occupational requirements as the quality of space needs to be high to attract tenants. This has been recognised in London where there has been a trend to refurbish space to lure occupiers back to offices. We know with both of our aforementioned lettings, the tenants will be investing significant capital to ensure a desirable, high quality environment for their occupiers.

In terms of rental levels interestingly, research reported by Knight Frank shows prime office rents in Kent at £25 psf in Kingshill and £23 psf in Dartford but significantly below other areas within the south east. For example, St Albans and Reading both at £38.50 psf. In addition, their research shows rents are declining from 4-8% in Kent but increasing in many other areas with, for example, in St Albans up by 12%. Such figures are very broad and reflect many factors including quality of stock and connectivity with London and the UK generally, but do show trends which perhaps are not happy reading for Kent. Equally with faith in our County, optimistically they show the potential for rental increases locally in the medium term. A case of watch this (office) space.



*"Not all homes
are suitable
for home
working."*



Industrial Review

The industrial sector did not take the hit that other sectors have seen throughout 2020 and we see that demand remains strong with sites such as Rightmove and Realla reporting more than double the enquiries on industrial space in January vs the same time last year, which was pre-pandemic. The national demand is borne from the continuing shift to online retail, for which, Covid-19 has been a catalyst.

The historic lack of supply has brought a number of schemes to fruition over the last 18 months in Kent however, these have largely focused on small business units with sizes in the region of 1,000-2,000 sq ft with limited options for larger distribution warehouses. This undersupply has prompted larger schemes to come forward with Panattoni Park in Aylesford aiming to provide 1.9 million sq. ft of space with up to 1.2 million

sq. ft in a single unit and will be situated on the former Aylesford Newsprint Site.

The general outlook is strong for industrial and whilst the impact on retail and leisure sectors over the last year has resulted in job losses, there are signs that jobs are being created elsewhere.

Waterbrook Park in Ashford is also offering larger space alongside smaller units, with planning granted at the beginning of the year for a large distribution unit. Dartford granted consent for a 2.3 million sq. ft warehouse last year and Amazon confirmed in February that they are behind the project, which is due for imminent completion. Trilogy in Sittingbourne is now completed and being marketed and is set to provide up to 84,000 sq. ft across 3 units.



"The general outlook is strong for industrial"



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CHARTERED SURVEYORS & ESTATE AGENTS



Thank you for reading, we hope you found this informative.

Sibley Pares prides itself on its local knowledge and professional team. Indeed, we are pleased to congratulate Mitchell Bourner in our residential team in passing his exams and gaining membership of the NAEA, joining our team of qualified property professionals.

Should you have any questions or require advice on property related matters, please do contact the team or visit our [website](#) or our regular property news and articles.

Thank you for reading and your continued support and custom.

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