Property Market Overview

A detailed property market overview can be found at appendix 5.

7.1 An analysis of business enquiry data, a review of vacant business premises and discussions with local property agents, all indicate that the industrial market in Chesterfield is still strong, despite the recent economic downturn. Schemes for small to medium size industrial businesses are well occupied, including those near to the study area in Staveley. Enquiries for industrial premises are stable and agents and landowners believe that there are still opportunities to provide industrial schemes for the mid-range market (up to 10,000 sqft).

7.2 Staveley is still perceived to be a traditional industrial location despite recent public sector investment to try and change this. However, it does have an emerging office market, evident at Prospect House. Staveley caters mostly for indigenous businesses, although emerging development at Markham Vale is opening up the area to the warehouse and distribution market due to its nationally central location. There are likely to be opportunities for this market in coming years, particularly in light of the area’s improved accessibility to Junction 29 of the M1.

7.3 The office market is more cautious. Multi-let office schemes for small occupiers are still performing well across the Borough. However, the office market is not as strong and enquiry levels have dropped. The offer is plentiful, following recent market investment and is likely to be sufficiently provided for, for now. However, in the long term, there is opportunity for Staveley to provide for this market, although this is likely to be supply rather than demand led.

7.4 There are six land ownerships in the study area (Chatsworth Estate being the main landowner, see plan 7.1). But this is complicated by there also being five leaseholds and one sub-leasehold arrangements. Landowner and tenant aspirations vary and the length of leasehold terms also vary. This is likely to hamper delivery. Commitment and ownership of the study by all stakeholders is key to success.

7.5 The study area is part of the North Derbyshire Growth Zone and is forecast continued growth (once the economy starts to improve). Recent studies identify that the study area has significant potential to be opened up for employment uses – primarily light industrial (up to 10,000 sqft). The East Midlands Northern Sub-Region Employment Land Review (2008) advises that land to the west of Works Road should be released for non-employment uses due to its poor quality and poor sustainability. However, land to the east of Works Road in the study area is viable for employment uses (approximately 33 ha), preferably as part of a mixed use scheme (to fund potentially costly remediation works).
7.6 Residential values have dropped in areas adjacent to the study area, but not as quickly as in Chesterfield and Derbyshire. Values are traditionally lower due to the peripheral location and quality of stock. There is a need to provide more ‘affordable’ housing in Chesterfield in the future, as well as widening of housing choice and boosting of the tenure mix. The study area could contribute to this.

7.7 The property market demand picture offers little justification for any employment uses other than light industrial/distribution scheme. This should not be too ambitious as most demand is likely to be absorbed by Markham Vale and land adjacent for the next 15 years or so. This is catering for small industrial units, as well as big sheds. However, this is the picture now. Within five years, market dynamics are likely to have changed and new supply could start to be brought forward in the 6 to 10 year period. A supply-led scheme in the study area could offer a greater potential for mixed uses, including housing and retail but also some high specification office supply. For example, a five to ten year programme could introduce some office development, but this of course depends on what is taking place elsewhere in the borough. This report does not rule out office based employment uses, but favours light industrial/specialist industrial uses. Hybrid accommodation (with office space above, and workshops below) as at Dunston Place and the Bridge Centre could be a possibility. It advises caution in current property market and deters ambitious schemes.