

## Commercial Estate Occupancy Levels Update

---

Meeting: CCO Scrutiny Committee

Date: 3<sup>rd</sup> February 2022

Report by: Head of Corporate Property and Technical Services

---

---

### 1.0 Purpose of report

- 1.1 To update CCO on the occupancy levels of the Council's commercial estate.

### 2.0 Recommendations

- 2.1 CCO note the contents of the report.

### 3.0 Report details

- 3.1 As at 14<sup>th</sup> January 2022 the Council's commercial estate is 92.20% let.
- 3.2 The following is the occupancy levels of the estate for the past two years

2019/2020 Qtr 4	92.68%
2020/2021 Qtr 1	92.27%
2020/2021 Qtr 2	92.17%
2020/2021 Qtr 3	93.05%
2020/2021 Qtr 4	92.79%
2021/2022 Qtr 1	92.527%
2021/2022 Qtr 2	92.86%
2021/2022 Qtr 3	92.97%
2021/2022 Qtr 4	92.20%

- 3.3 The occupancy levels have held up incredibly well despite the COVID19 pandemic. In fact they remain largely unchanged albeit slipping from hi 92% to low 92%.
- 3.4 The Council's Economic Development Unit, Asset Management and Legal Teams work very closely and efficiently in turning leases round quickly, notably quicker than in the private sector where there can be several companies involved in a new letting.
- 3.5 The industrial portfolio is extremely well let. Rental levels and demand remain strong with waiting lists existing on some estates. There has been on average two premises a month becoming vacant but are immediately let – in most cases with no void period.
- 3.6 The office portfolio also remains well let in spite of relatively low actual office occupancy levels by tenants during the pandemic. We have seen most tenant's return staff to the offices. New premises at Waterside and the Enterprise Centre have interest already and this has picked up recently. We suspect as the buildings complete there will be strong interest.
- 3.7 The retail portfolio continues to form the most part of vacancies long term. In particular The Pavements Shopping Centre. Retail

units continue to be the main vacancies. If it wasn't for vacancies at the Pavements the occupancy level of the estate would be 97%. Small shops in the town centre are well let.

### 3.8 The void properties are shown below with a number under offer

Property Address	Unit Address	Vacant wef	
Market Hall	Stall 5	15/06/20	
Market Hall	Stall 6	26/12/21	
Market Hall	Shop 4	04/01/21	
Market Hall	Shop 5	04/01/21	
Market Hall	Incubator Office F	03/07/21	
Market Hall	Incubator Office G	03/07/21	
Market Hall	Incubator Office M	03/07/21	Under Offer
Market Hall	Incubator Office N	03/07/21	Under Offer
Pavements Off ABC	<i>ex Mathers</i>	13/05/17	
Pavements Off D, 63 LP	<i>ex Connections</i>	30/11/06	
Pavements Off F, 77A LP	<i>ex Tam</i>	05/07/18	
Pavements U 10	<i>ex Fashion Island</i>	01/02/14	
Pavements u14	<i>ex Natures Choice</i>	30/11/06	
Pavements u 15	<i>ex Greggs</i>	07/12/21	
Pavements u 16	<i>ex Herbert Brown</i>	20/12/19	
Pavements u 19	<i>ex Watson &amp; Jenkins</i>	26/06/18	
Pavements U 23	<i>ex Ecovape</i>	08/01/22	
Pavements u 31	<i>ex Crawshaws</i>	13/08/20	
Pavements u 37	<i>ex On The Move</i>	01/04/21	
Low Pavement 65	<i>ex CW Sellors</i>	11/02/21	Under offer
Low Pavement 77	<i>ex Martin &amp; Co</i>	11/02/21	
Corporation Street 6-8	Office 1 C	06/07/21	
Falcon Yard	Unit 6 Thorn Baker	17/07/21	Under Offer
Saltergate 10	1st & 2nd Flr Offices	26/07/19	
Saltergate 10a		19/02/20	
Saltergate 12a		04/12/20	Under Offer
Tapton House		30/09/18	
Millennium Way	Unit 3	01/12/21	
Calow Lane	Unit 2	25/03/19	Refurbished
Calow Lane	Unit 3	25/12/18	Refurbished
Turnoaks Lane	Unit 3	01/10/21	
Venture House	Unit 4	09/11/21	Under offer
Prospect House	Unit 12	24/10/20	
Prospect House	Unit 13	24/10/20	
Prospect House	Unit 22	24/06/21	
Prospect House	Unit 23	28/01/20	
Prospect House	Unit 24	16/06/21	

#### Covid

- 3.9 A number of tenants are in substantial arrears. Some from pre-COVID and some during the pandemic. Legal action was frozen by the government but action will re-commence from 1<sup>st</sup> April 2022. Hospitality has been significantly affected and we are currently working with these tenants affected. Notably Peacock Coffee Lounge, Holmebrook Café and Poolsbrook Café whereby we are securing longer term leases, one off arrears payments and some write offs. We will work with other tenants in arrears to look at options.

#### 4.0 **Recommendation / Conclusion**

- 4.1 CCO Committee note the comments in the report.