

REPORT TO: PLACE SCRUTINY COMMITTEE
Date of Meeting: 14 September 2017
Report of: Maureen Gori de Murden, Inward Investment Manager
Title: Exeter & Heart of Devon Commercial Property Register

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

- 1.1 To report on Exeter City Council's handling of investment and relocation enquiries during the previous 12 months and enhancements that have been made to the Exeter Commercial Property Register.
- 1.2 To update members on progress made in improving the toolkit available to attract and respond to business relocation and inward investment enquiries.
- 1.3 To report on progress made in expanding the service to cover East Devon, Mid Devon and Teignbridge (Exeter & the Heart of Devon) local authority areas with financial and staffing contributions being made by each local authority.

2. Recommendations:

- 2.1 That Scrutiny notes and comments on progress made with the Exeter & Heart of Devon Commercial Property Register and the City Council's role in dealing with investment and relocation enquiries
- 2.2 That Scrutiny notes and comments on the area covered by the Commercial Property Register and business relocation service.

3. Reasons for the recommendation:

- 3.1 To inform members of the progress and success made with the Commercial Property Register, in dealing with investment and business relocation enquires.

4. What are the resource implications including non financial resources:

- 4.1 The Inward Investment Manager manages and coordinates the Commercial Property Register and business relocation service for Exeter & the Heart of Devon.
- 4.2 The Growth & Enterprise unit recruited a new Inward Investment Officer late October 2016 to assist, and or lead on some aspects of work within this committee report.
- 4.3 The Commercial Property Register has been developed, upgraded and expanded to cover a larger area, with staffing and in kind contributions from partners.

5. Section 151 Officer comments:

- 5.1 There are no financial implications contained within this report.

6. What are the legal aspects?

- 6.1 None identified

7. Monitoring officer Comments:

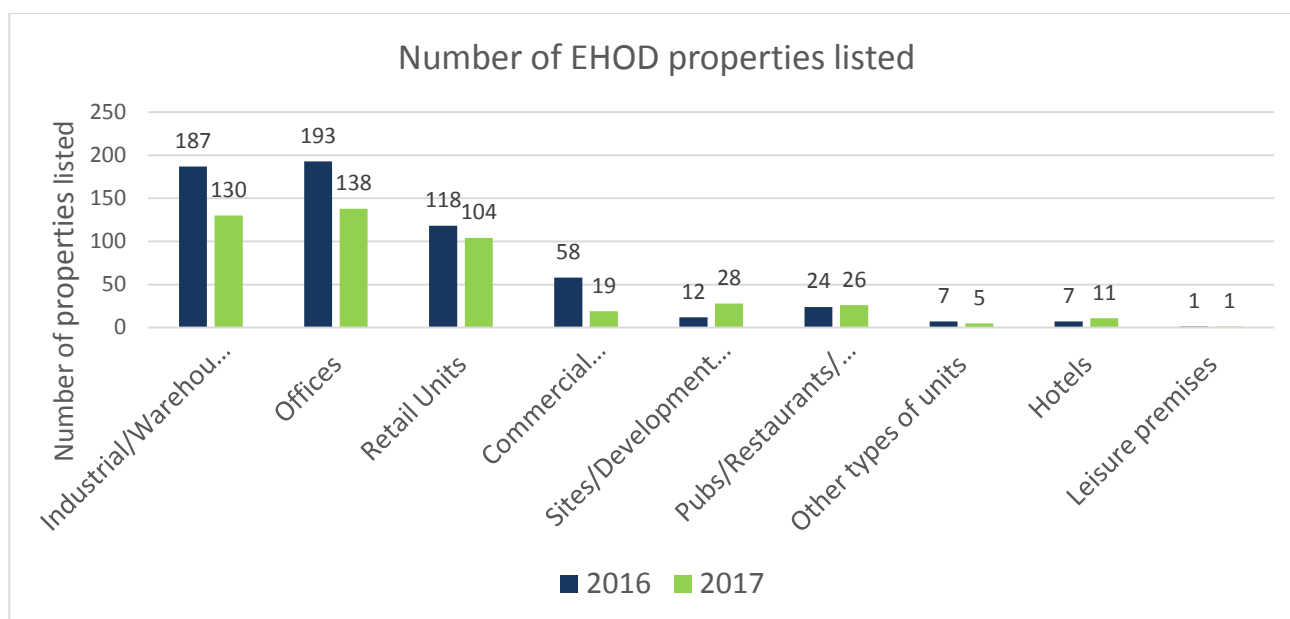
- 7.1 This report raises no issues for the Monitoring Officer

8. Background

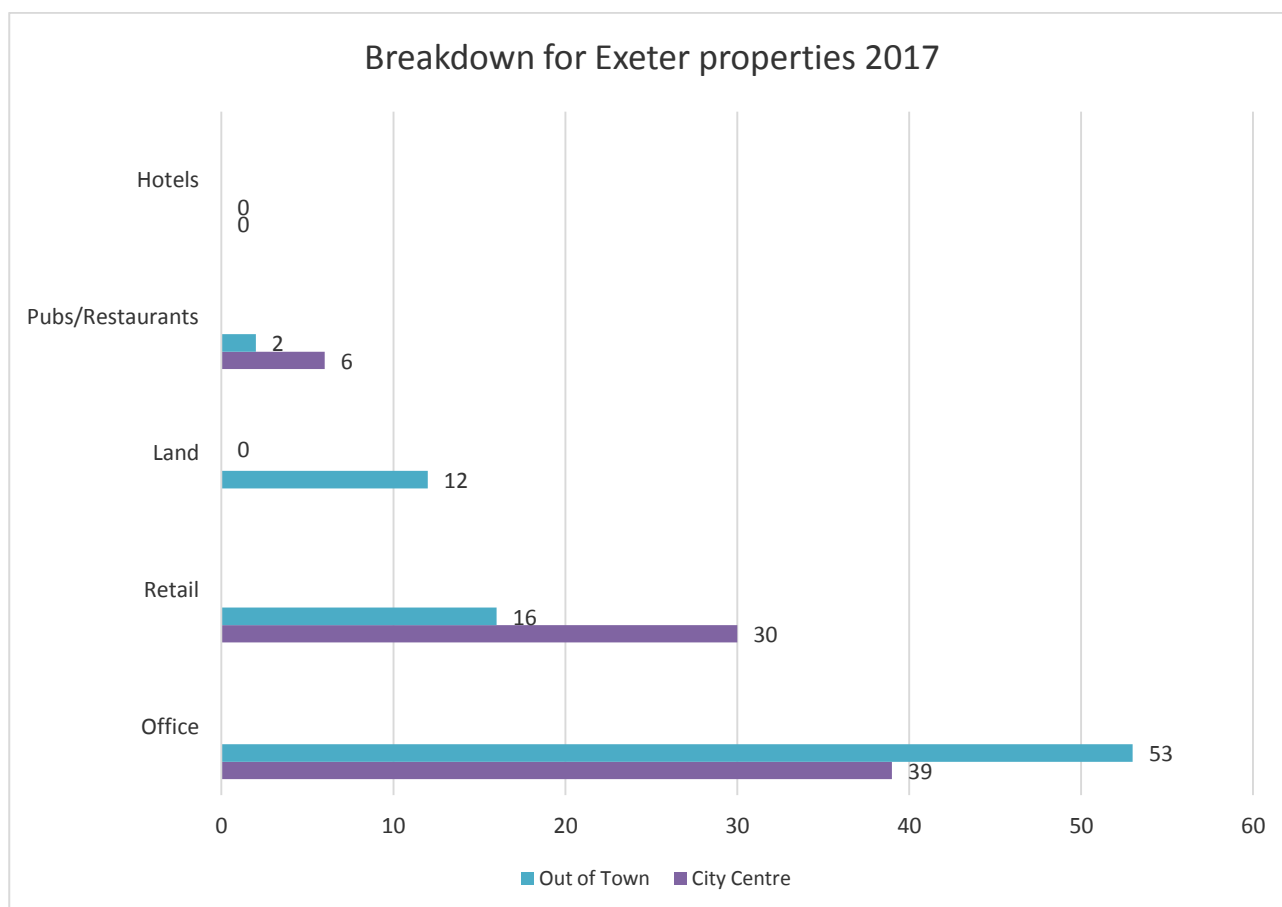
- 8.1 Exeter City Council provides a Commercial Property Register accessible through www.exeter.gov.uk/property which is an unbiased advice service to businesses looking to relocate to the Exeter area or expand their existing business in the city. Research into the users of the service confirms that it is seen as a confidential and trusted source of information. The Commercial Property Register is a one stop shop with up to date information on available vacant properties and sites, which saves businesses and individuals time when searching, but also an extensive range of essential data about premises costs, the workforce, education, housing, leisure and transportation access.
- 8.2 In 1999 Exeter City Council created a basic database of vacant properties and sites, replacing a basic paper based system. In 2002 the Commercial Property Register and enquiries database were converted to enable it to be viewed and browsed online through www.exeter.gov.uk/property. Exeter City Council was the first Council in the country to have an online Commercial Property Register on its website.
- 8.3 In 2004 the service was expanded to cover the East Devon, Mid Devon and Teignbridge local authority areas under the banner of the Exeter & Heart of Devon Economic Partnership. In 2011 the Commercial Property Register was contracted to an outside company. Following numerous problems and poor results over a two year period, the contract was terminated and the Commercial Property Register brought back in-house March 2014. During this period of time, neighbouring local authorities ceased funding the Commercial Property Register, going forward it only focused on the Exeter area.
- 8.4 Working with Strata a new and much improved Commercial Property Register covering Exeter was launched mid-May 2014. Map-based searches were re-introduced and improved, and are proving very popular with users. A mobile version has also been launched enabling smartphone and tablet users to search for property around them while they are out and about.
- 8.5 Our neighbouring local authorities saw their relocation enquiries and business relocations reduce. Working with the Economic Development Officers of East Devon, Mid Devon and Teignbridge, agreement was reached with their respective management and Portfolio Holders and the Exeter & Heart of Devon Commercial (EHOD) Property Register and business relocation service was resurrected, on the condition that each local authority contribute resource.
- 8.6 Working with Strata a new EHOD Commercial Property Register was developed during the summer of 2016 to cover Exeter, East Devon, Mid Devon and Teignbridge. Further improvements in functionality for users were included in the upgrade that went live October 2016. A further upgrade to improve recording and data reporting for admin staff went live May 2017.
- 8.7 The Commercial Property Register is part of a broader “tool kit” to provide businesses with a bespoke service for those wishing to relocate to, or expand in, Exeter and its travel to work area. The key aim is to provide a coordinated and proactive approach to support and encourage business investment and location in the local economy – a one stop shop approach.

9 Exeter & Heart of Devon Commercial Property Register – Supply

- 9.1 Over the past fifteen years the Commercial Property Register has grown from strength to strength with a wide range of commercial agents working with the City Council. Commercial agents use the system to provide an additional vehicle to promote vacant properties, the Growth & Enterprise unit works closely and when required, confidentially with commercial agents and properties within and surrounding the city. Local, regional, national and international businesses use the system to browse for vacant properties in and around Exeter on one website.
- 9.2 Today, 73 commercial agents update the Commercial Property Register, with new properties being uploaded on a daily basis. Our neighbouring local authorities have started to engage with commercial agents in their respective areas to upload properties into the Commercial Property Register. When fully expanded, approximately 200 agents will update the Commercial Property Register.
- 9.3 Commercial agents have access to the back office of the Commercial Property Register to upload vacant properties. An email reminder is sent to commercial agents every month to check properties listed and update as necessary. Statistics on the number of page views and downloads are included within these emails, which the agents find particularly useful. An information sharing network has been established between the Growth & Enterprise unit and the commercial property agents based in and around Exeter. This has worked well in dealing with and providing a rapid response for property related investment enquiries. The number of enquiries passed on by commercial agents to the Growth & Enterprise unit continues to grow as the relationship with them has been built on trust and confidentiality.
- 9.4 In June 2017, 71.2% of users of the Commercial Property Register viewed it through a desktop, while 28.8% used the mobile version. Regarding recent changes, feedback from users and commercial agents has been very positive. The Commercial Property Register captures data on all registered users and all searches carried out by these users, with a comprehensive reporting system having been developed to analyse this data. This valuable data will be shared with relevant officers within the City Council to show demand for certain types and sizes of premises.
- 9.5 As of July 2017, there are 462 vacant properties listed on the Commercial Property Register for EHOD, of which 434 are properties and 28 are sites. This compares to 606 vacant properties, for the same period last year. The fall in number of premises available is a reflection of the market, where companies are once again prospering and expanding, but there is very little in the way of new speculative offices / industrial units being built, depleting the existing stock and making it harder for companies to find suitable premises. The worst hit sector is Grade A offices in the city centre, where there is no large stock left.
- 9.6 Each vacant property listed on the Commercial Property Register is categorised for ease of use, as shown in the table below. With the exception of hotels and development sites, all sectors have seen a fall in availability of properties listed over the previous 12 months.

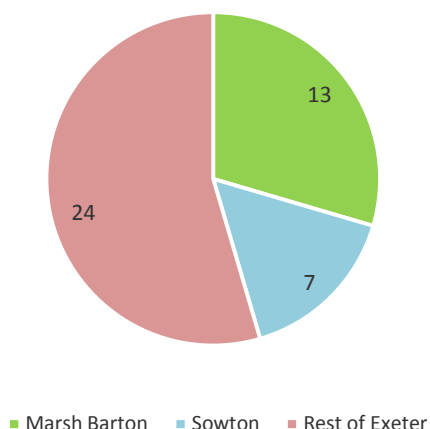


9.7 The table below show the breakdown of type of properties available just for Exeter, for both the city centre and out of town. Numbers are critically low in key areas such as the city centre for offices and retail units, and industrial units in our two major industrial estates of Sowton and Marsh Barton. Demand outstrips supply in all areas.



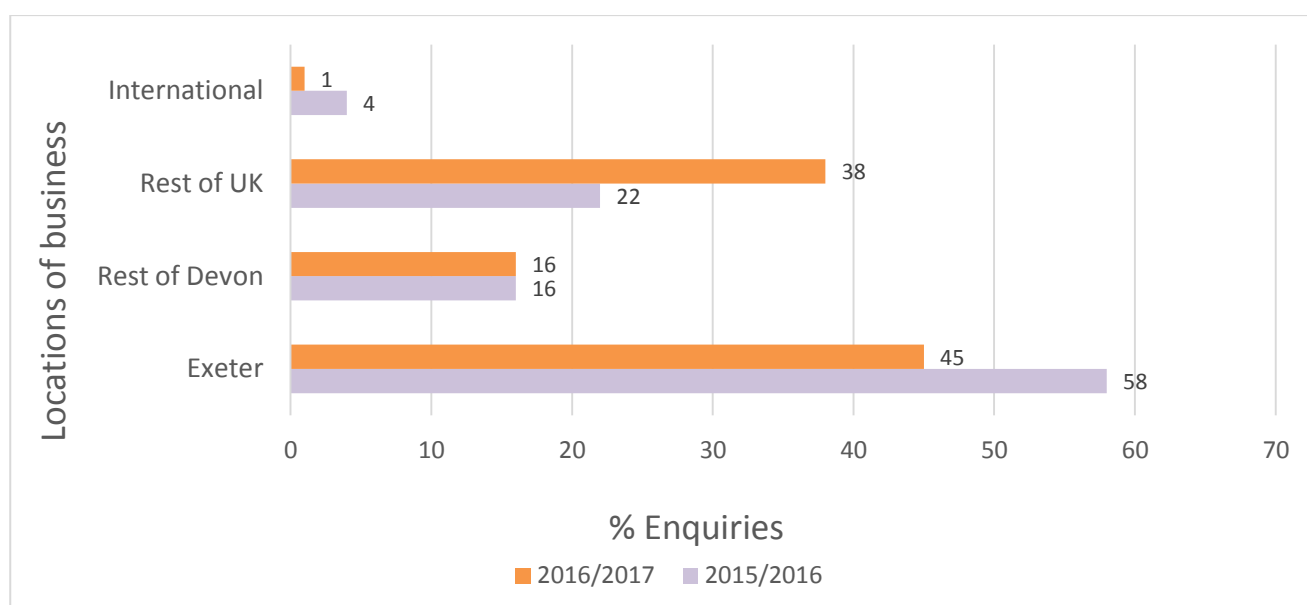
9.8 The chart below highlights where vacant industrial units are located across the city.

Breakdown for Exeter Industrial properties 2017

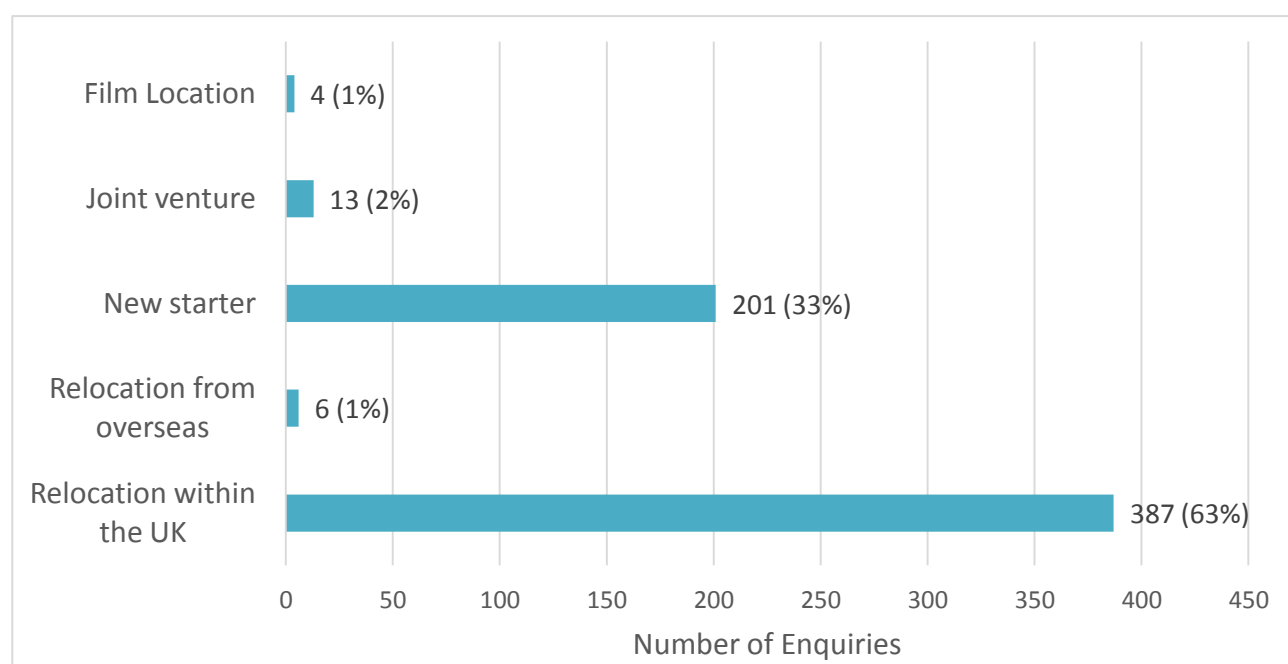


10 Relocation Enquiries - Demand

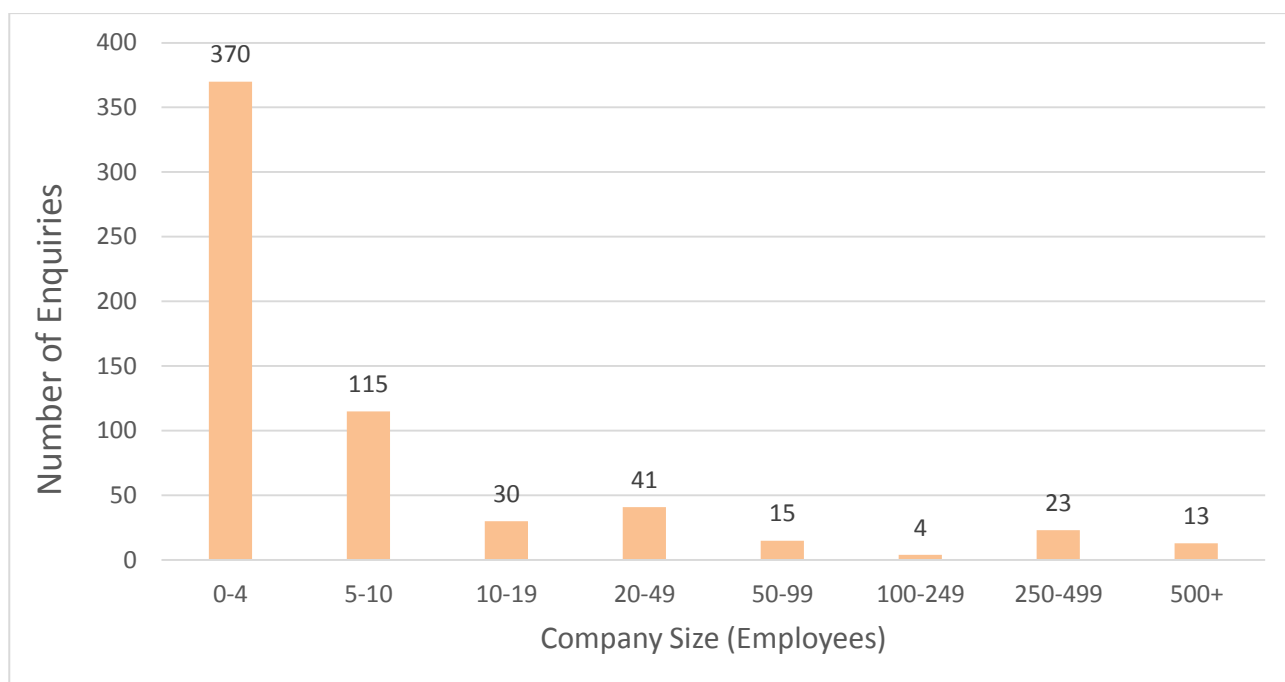
- 10.1 The table in Appendix 1 shows a monthly breakdown of the number of enquiries received through the Commercial Property Register since the service was established in 1999, with more than 14,000 businesses having been assisted. In 2015, the server in which the Commercial Property Register sits received a number of cyber attacks, resulting in no enquiries being received and logged. No data was compromised, but it was necessary to take the Commercial Property Register website offline on a number of occasions, which has impacted on the number enquiries received. In January 2016 the City Council cut back its website from approx. 6000 pages to around 1000. This has significantly reduced the amount of web traffic coming to the City Council website. As the vast majority of enquiries come through the City Council website, this has impacted on the number of enquiries being received. Previous staff shortages resulted in a significant number of enquiries not logged. Exeter's relocation enquiry numbers are still very healthy when compared to other areas in the South West.
- 10.2 When we drill down into where a business is located that is looking for a vacant property in the city, historically the majority of businesses were located within Exeter but over the last year there has been a significant increase in the number of enquiries from outside Devon. The number of enquiries from foreign owned companies has significantly decreased on the back of uncertainty over Brexit.



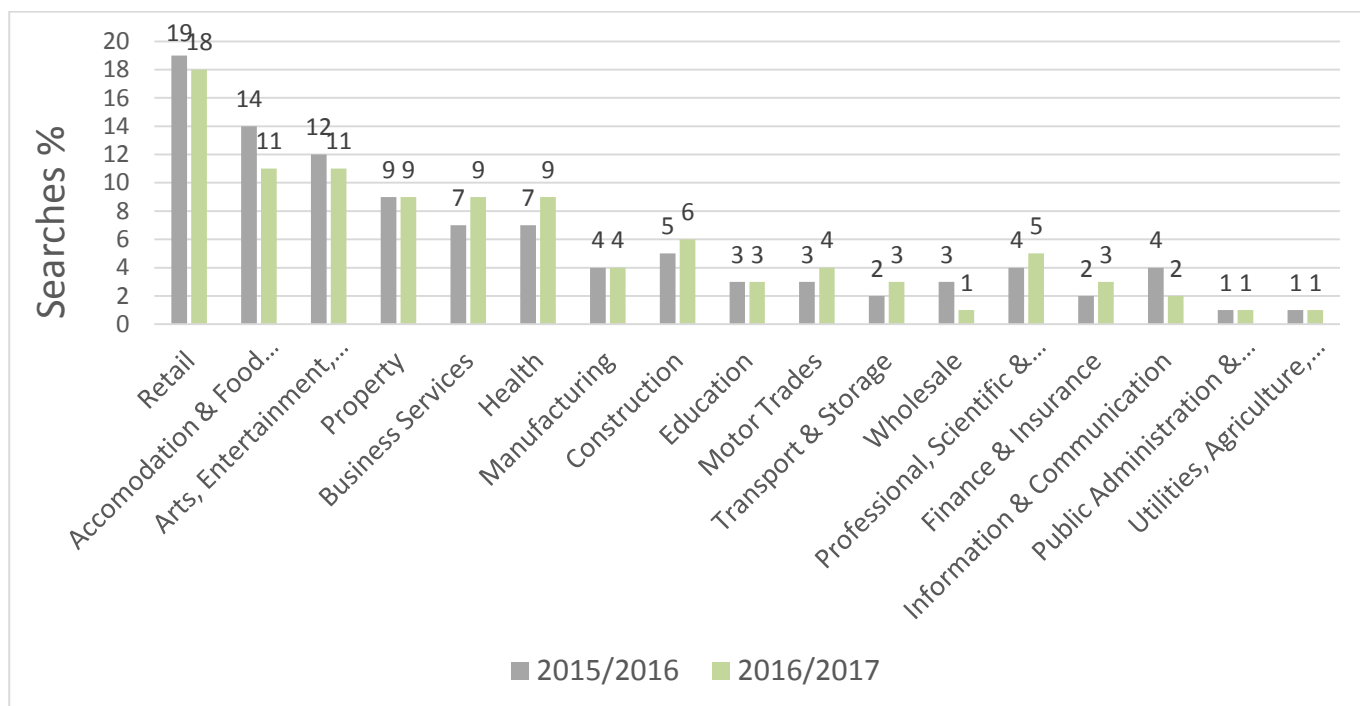
- 10.3 The vast majority of users of the Commercial Property Register (63%) are relocating companies, either based in Exeter or further afield. Of the 387 that were looking to relocate within the UK, only 27 stated that it was for consolidation reasons, a fall from 35 last year.



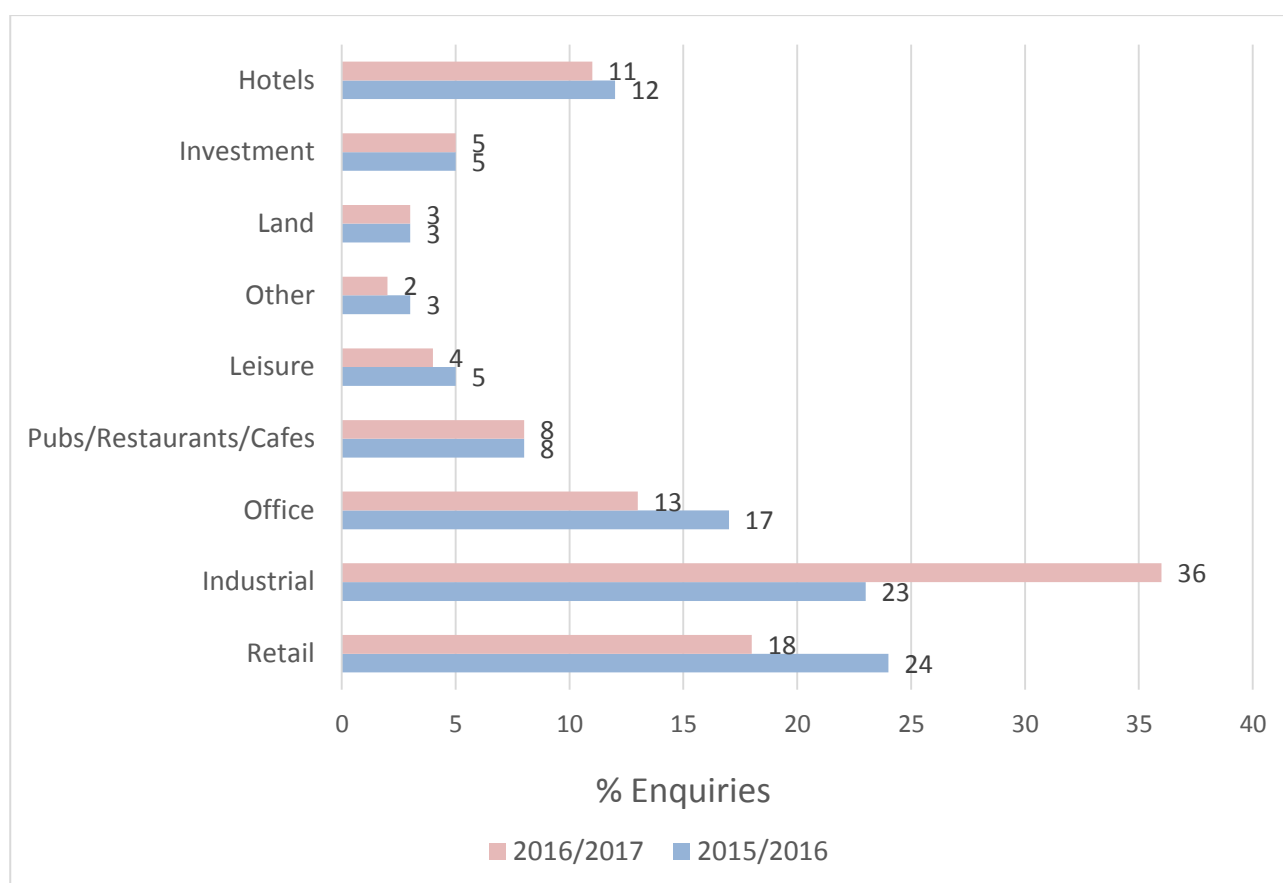
- 10.4 Analysis can be carried out on the size of the companies that have registered to use the Commercial Property Register. The table below shows the employee size of the companies that have registered over the previous 12 months. This links very closely with the type of businesses that relocate to Exeter, in terms of employee size. The only exception is the marked increase in larger 250-499 staff companies, up from just 10 last year.



- 10.5 The table below show the types of businesses searching for vacant properties on the Commercial Property Register in the previous 12 months, comparing to the same period the previous year. We have seen increases in business services, health, construction, professional and scientific, finance and insurance, reflecting an increase in the quality of enquiries being received.



- 10.6 When analysing the Commercial Property Register, we can monitor what type of vacant property someone is searching for, as shown below. In the last year, users have carried out nearly 39,000 searches. Historically, retail has always been the most popular searched for vacant property, the chart shows a shift over the previous 12 months to more industrial enquiries. This has been confirmed by local agents who have seen similar shifts in these sectors.



- 10.7 The majority of online traffic to the Commercial Property Register is coming from www.exeter.gov.uk/business which shows how important the City Council website is for driving traffic to the Commercial Property Register. Traffic to the main website has been dropping over the last two and a half years from over 21,000 page views a month in April 2015 to just 3,745 a month in July 2016 and a further drop to only 2,387 a month in June 2017. As part of the October 2016 upgrade to the Commercial Property Register, it was further optimised for Google, increasing direct traffic from 7,761 a month in June 2016 to 9,062 a month in June 2017.
- 10.8 Appendix 2 shows the annual number of enquiries received, the number of companies assisted to relocate / expand / set up a base in Exeter ('successes') together with the number of jobs created and safeguarded. The table also highlights the correlation between a drop in website traffic to the business pages of the City Council website, a drop in traffic to the Commercial Property Register and a drop in relocation enquiries. Discussions are ongoing with Policy as to how this can be addressed.
- 10.9 The back office reporting system generates weekly reports which can be accessed by the Business Rates team to assist in the timely collection of Business Rates. Reports are also generated for City Development to assist with responses to proposed planning applications and to ensure there is sufficient supply of vacant properties to meet demand. Reports will now be shared with the Corporate Property Unit and the proposed development company. Data from the Commercial Property Register has also been used to inform the GESP and HELAA. The May 2017 upgrade to the Commercial Property Register has included further automation of these reports and an area where internal users can access them, further saving the Inward Investment Manager's time.
- 10.10 As a result of businesses using the Commercial Property register, in the previous 12 months (June 2016 – June 2017) 36 companies were successfully assisted to relocate or remain in Exeter, creating 302 jobs and safeguarding 102 jobs. This compares to just 7 companies assisted and only 8 jobs for the previous year where due to staff shortages no

follow-ups were carried out to see if companies have been successful in relocating. This was remedied as soon as the new Inward Investment Officer was in post, late October 2016.

- 10.11 Since 2010 companies are no longer required to register to use the service. It is estimated that approximately 50% of companies use the service, but no longer register, so enquiry number could be higher than those recorded.
- 10.12 The time taken for enquiries, particularly larger ones to come to a conclusion, often takes a long period of time. The recent and most notable example is IKEA, who are now on site and planning to open their new Exeter store late spring / early summer 2018. The Growth & Enterprise unit, along with City Development and other parts of the City Council have been working with IKEA since 1999.



- 10.13 The Growth & Enterprise unit are currently dealing with a number of business relocation enquiries, below is just a sample:

- An Irish Agri-tech company is looking to set up a 300,000sq ft research and development facility in Exeter, creating 350+ jobs.
- A company looking to relocate their global HQ to Exeter and build offices for 100 staff and training facilities.
- An American multi-national looking for 100,000sq ft+ of warehousing.

- 10.14 In terms of an update on the companies mentioned in last year's report:

- The South African Fin-Tech company PinAfrica successfully relocated to Exeter in early 2017, rebranding itself to become BAAC and were successful in securing a number of European contracts.
- The large office occupier is still looking for Grade A office space in the city centre. The Growth & Enterprise Unit are looking at alternatives to ensure this opportunity is not lost.

11. Inward Investment Marketing Activity

- 11.1 The Commercial Property Register is only part of a tool kit to promote Exeter as a desirable place for inward investment and business relocations. It is an integral part of an interlinked

programme of activities to promote the city and provide effective response mechanisms to interested parties. The main elements are:-

11.1.1 **Invest in Exeter Promotional video**

The promotional video was launched November 2014 and has since received over 14,700 views on YouTube. The promotional video has also been translated into Spanish, Chinese and Portuguese. A shorter 30 second version of the video is also available. Work has begun to create copy right free promotional footage of Exeter for third parties to use in their websites / videos. Three short promotional videos of Exeter have recently been commissioned and should be available autumn 2017/18. All video content is available for councillors and staff to use for presentations and when attending conferences and exhibitions to promote Exeter.

11.1.2 **Exeter Image Library**

In 2014 the Growth & Enterprise unit appointed Tony Cobley to develop an extensive image library on Exeter, specifically related on inward investment and business relocations. These images have been used extensively within marketing material produced by Exeter City Council. Images have been shared with local commercial agents, local and national press, Invest in Devon and Heart of the South West Enterprise Agency to assist in the promotion of Exeter. New images will be commissioned over the following 12 months.

11.1.3 **Exeter Inward Investment Prospectus**

The Exeter prospectus was designed in a folder format to ensure it is flexible in its content showcasing Exeter for inward investment and business relocation enquiries. The prospectus has proved to be very useful and has being distributed at relevant conferences, events and exhibitions, and to key industry leaders and journalists. The prospectus will be refreshed over the next 12 months.

11.1.4 **Website**

The promotional website www.investinexeter.co.uk was incorporated into the new City Council website when it was reviewed and redesigned in autumn 2015 with the new look and feel website, incorporating a new responsive design launched in January 2016. Traffic has been decreasing since January 2016. The Growth & Enterprise team will be working with the new Communications Team to increase web-traffic to the site.

11.1.5 **PR**

February 2015, the Growth & Enterprise unit commissioned KOR Communications, an company based on the outskirts of Exeter, to manage PR activity to raise the awareness and change the perception of Exeter to local, regional and national journalists and media. Campaign activities continue to improve and increase the profile of Exeter and the businesses located here.

11.1.6 **Twitter**

The @InvestInExeter Twitter account now has 2,445 followers (up from 1,756 a year ago). This social media channel is used to celebrate good news stories such as new businesses relocating to or within the city, research and city developments. This is to ensure that there is a consistent positive message about Exeter's growing economy.

11.1.7 **Bureau Van Dijk – Mint Database**

Working with our neighbouring local authorities has enabled us to purchase the Bureau Van Dijk Mint database at a greatly reduced cost. The database contains detailed company information on the 26,000 businesses trading in the Exeter travel to work area. The database has enabled us to gain a better knowledge of our

businesses, which areas are growing / declining and has helped in responding to Department for International Trade enquiries.

11.1.8 Business News Bulletin

New Stay Connected software on our website has enabled us to create monthly news bulletins. Business subscriber numbers have increased from 790 in June 2016 to over 1,331 in June 2017. Feedback on the business news stories has been very positive from businesses subscribed.

11.1.9 Brand Development

The development of a new brand for Invest in Exeter has been put on hold while the City Council reviews its own branding. Once the new brand has been developed, this will be used to revamp all existing marketing material (as mentioned above) to develop a new national and international proactive marketing campaign promoting Exeter for inward investment.

12 Future Position

12.1 As previously mentioned, the EHOD Commercial Property Register and business relocation service, covering Exeter, East Devon, Teignbridge and Mid Devon was resurrected in October 2016, with a joint EHOD Economic Development Strategy backing this work up in December 2016. Additional funding and staff resources have been put into place by our partners in order to make this an effective partnership.

12.2 The Growth & Enterprise unit will continue to work closely with, but not limited to, Exeter Science Park, Exeter City Futures, Innovation Exeter, Invest in Devon, the Heart of the South West Local Enterprise Agency and the Department for International Trade to promote Exeter for inward investment and business relocations.

13 How does the decision contribute to the Council's Corporate Plan?

13.1 The Exeter Commercial Property Register contributes to three purposes 'Help me run a successful business', 'Make Exeter a Stronger City' and 'Deliver Good Development'.

14 What risks are there and how can they be reduced?

14.1 Legal advice and a SLA was been drawn up to reduce the risk to City Council from expanding the Commercial Property Register to cover East Devon, Mid Devon and Teignbridge.

15 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults; economy; safety and the environment?

15.1 The Commercial Property Register and promoting the city for inward investment encourages businesses to relocate to, or expand in, Exeter. This creates new and safe guards existing jobs within Exeter, providing employment opportunities for residents from all communities in the city.

16 Are there any other options?

16.1 The option to outsource the Commercial Property Register was taken in 2011, but was brought back in-house as the service provided was costly, inferior and did not provide the full range of what could be provided from an in-house system. This option of outsourcing will not be looked into.

- 16.2 There is the option to just cover the Exeter area. On previous occasions when we just covered Exeter we found that the number of people using the service and relocating to the area has reduced. Covering what is Exeter's travel to work area will enhance the user experience and will greatly assist in the promotion of the area for inward investment and business relocations.
- 16.3 The option to close down the Commercial Property Register will be seen as a huge step back in the assistance and promotion of Exeter for inward investment and business relocations. It could result in a reduction in the level of investment in Exeter and potentially some businesses relocating elsewhere, resulting in redundancies.

Maureen Gori de Murden, Inward Investment Manager

Victoria Hatfield, Economy & Enterprise Manager

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees), Room 2.3, (01392) 26115

APPENDIX 1

Table: Number of enquiries through the Commercial Property Register

Month	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
January	2	12	9	34	54	52	88	118	148	146	76	86	44	120	79	99	70	68	89	
February	6	14	27	38	38	54	84	112	137	116	72	74	75	191	121	122	68	51	50	
March	6	18	32	27	39	64	97	111	147	120	72	88	97	159	80	90	67	40	67	
April	9	10	29	36	40	53	84	91	121	125	74	73	49	87	116	*	49	39	35	
May	8	16	16	33	53	38	66	139	125	69	71	59	47	98	120	94*	46	55	62	
June	12	15	29	22	50	42	75	78	121	81	61	62	74	43	85	93	62#	53	45	
July	12	17	23	18	44	67	83	90	129	73	59	73	44	59	113	72	52#	55		
August	17	17	20	23	39	46	96	131	108	74	53	71	39	83	89	62	78	57		
September	12	16	25	33	34	99	114	119	112	75	59	75	55	59	96	83	54	42		
October	9	24	38	36	50	82	97	100	116	75	69	72	66	117	115	70	70	63		
November	20	20	34	23	38	99	95	126	112	75	69	75	61	99	99	81	68	74		
December	9	9	11	19	32	64	83	74	80	39	41	39	89	46	64	29	44	26		
Total	122	188	293	342	511	760	1062	1289	1456	1068	776	847	740	1161	1177	895	728	623	348	14,386
<i>Average</i>	<i>10</i>	<i>16</i>	<i>24</i>	<i>29</i>	<i>43</i>	<i>63</i>	<i>89</i>	<i>107</i>	<i>121</i>	<i>89</i>	<i>65</i>	<i>71</i>	<i>62</i>	<i>97</i>	<i>98</i>	<i>75</i>	<i>61</i>	<i>52</i>	<i>58</i>	

* Indicates Exeter Commercial Property Register was offline, 14 – 30 November 2011 and 1 April – 13 May 2014.

Indicates Exeter Commercial Property Register server attacked and was taken offline as a precaution.

APPENDIX 2

Number of businesses assisted, and number jobs safeguarded and created

Year	Average Monthly No of hits on business pages of website	Average Monthly No of hits on Commercial Property Register website	No. of Enquiries	No of Successes	No of Jobs Created / Safeguarded	No of jobs created*	No of jobs safeguarded*
1999			122	Service Created April 1999			
2000			188	31	274	-	-
2001			293	42	547	-	-
2002			342	48	428	-	-
2003			511	48	609	-	-
2004			760	73	502	-	-
2005			1062	104	547	-	-
2006			1289	55	430	-	-
2007			1456	69	751	-	-
2008			1068	79	1038	-	-
2009			776	54	727	-	-
2010			847	31	335	-	-
2011			740	26	581	-	-
2012	20,571		1161	17	641	-	-
2013	22,355		1177	30	370	-	-
2014	26,568	5,798	895	30	429	-	-
2015	19,911	5,923	728	12	148	-	-
2016	4,706	9,772	731	7	8	-	-
Till Jun 2017	2,460	10,077	348	36	404	302	102

*Prior to 2017 jobs created and safeguarded weren't broken down.