

EXETER CITY COUNCIL
SCRUTINY COMMITTEE – ECONOMY

5 SEPTEMBER 2013

EXETER COMMERCIAL PROPERTY REGISTER

1. PURPOSE OF REPORT

- 1.1 To update members on Exeter City Council's handling of investment and relocation enquiries, and to note the progress made in improving the toolkit available to attract and respond to enquiries.

2. BACKGROUND

- 2.1 In 1999 Exeter City Council created a basic database of vacant properties and sites for organisations registering an interest to relocate in Exeter, securing new accommodation or investing in the city, replacing a very 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. In 2004 the service was expanded to cover the East Devon, Mid Devon and Teignbridge local authority areas under the banner of the Exeter and Heart of Devon Economic Partnership.
- 2.2 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 or expand their existing business in Exeter and the Heart of Devon. Research into the users of the service confirms that it is seen as a confidential and trusted source of information. Within the Commercial Property Register is a one stop shop with up to date information on not only available vacant properties and sites, saving them time in searching, but also an extensive range of essential data about premises costs, the workforce, education, housing, leisure and transportation access.
- 2.3 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 the Heart of Devon. The key aim is to provide a coordinated and proactive approach for businesses to support and encourage business investment and location in the local economy – a one stop shop approach.

The Economy Unit work very closely with the 'Exeter Commercial Agents Association' and is an active partner in their meetings to discuss the state of the market, future plans and joint working to promote the area for business relocation and investment.

3. COMMERCIAL PROPERTY REGISTER

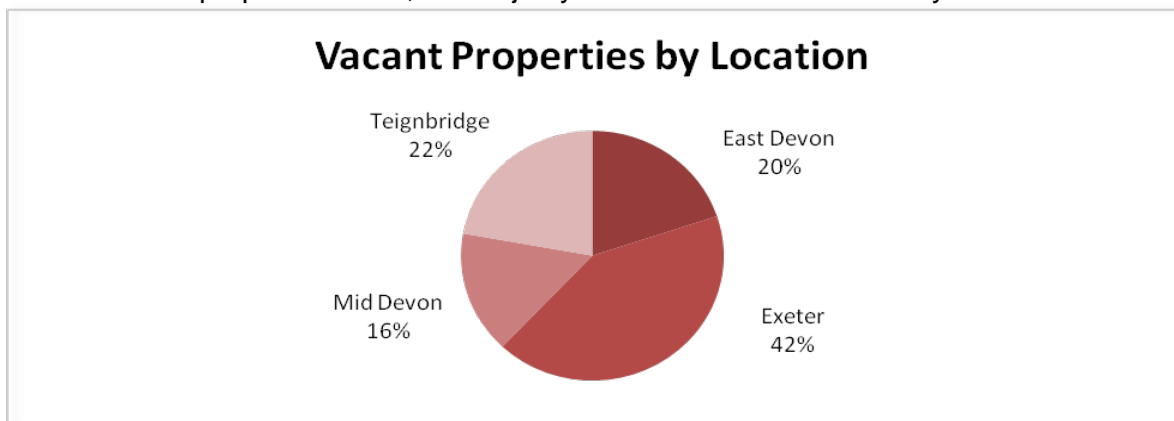
- 3.1 Over the past ten years the Commercial Property Register has grown from strength to strength with a wide range of commercial agents working with the Council and using the system to provide an additional vehicle to promote vacant properties and with local, regional and national businesses using the system to browse for vacant properties in Exeter and the Heart of Devon.

3.2 Today, 196 commercial agents update the Commercial Property Register, an increase of 11% on the same period last year, with new properties being uploaded on a daily basis. The number of commercial agents using the Commercial Property Register continues to grow as new commercial agents are regularly set up and smaller agents in outlying areas hear about the Commercial Property Register and the service provided by Exeter City Council. A large number of commercial agents are based within Exeter and Devon, 45 and 87 respectively. The remaining commercial property agents (64) are based elsewhere in the country.

3.3 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 two months to check properties listed and update as necessary. An information sharing network has been established between the Economy Unit and the commercial property agents based in and around Exeter. This has worked really 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 Economy Unit continues to grow as the relationship with them has been built on trust and confidentiality.

3.4 As of July 2013, there are 790 vacant properties listed on the Commercial Property Register of which, 743 are properties and 47 are sites. This is a 12% increase in vacant properties listed on the Commercial Property Register, compared to the same period last year.

3.5 Of 790 vacant properties listed, the majority are within the local authority district of Exeter:



3.6 Of the 790 vacant properties listed on the Commercial Property Register :

- industrial / warehouse units – 235 (30%)
- offices – 255 (32%)
- retail units – 129 (16%)
- commercial investments – 49 (6%)
- sites / development land – 47 (6%)
- pubs / restaurants / cafés – 39 (5%)
- other types of units (laboratories, etc) – 17 (2%)
- hotels – 10 (1%)
- leisure premises – 9 (1%)

4. RELOCATION ENQUIRIES

4.1 The table in appendix 1 show the number of enquiries received through the Commercial Property Register since 1999. In the 12 months leading up to 31 July 2013, 1118 new relocation enquiries were received by the service, compared to the same period in the previous year when 1,067 enquiries were received, an increase of 4.78%. Exeter is one of the few councils in the South West seeing such a healthy number of relocation and investment enquiries.

4.2 In the previous 12 months the types of businesses searching for vacant properties are:

- Retail – 247 (22%)
- Accommodation & Food Services – 157 (14%)
- Arts, Entertainment, Recreation & Tourism - 123 (11%)
- Property – 89 (8%)
- Business Services – 67 (6%)
- Health – 58 (5%)
- Manufacturing – 55 (5%)
- Construction – 53 (5%)
- Education – 45 (4%)
- Motor Trades – 43 (4%)
- Transport and Storage – 36 (3%)
- Wholesale – 34 (3%)
- Professional Scientific and Technical – 34 (3%)
- Financial and Insurance – 28 (3%)
- Information and Communication – 28 (3%)
- Public Administration and Defence – 11 (1%)
- Utilities Agriculture Forestry Fishing – 10 (<1%)

4.3 The majority of online traffic to the Commercial Property Register is coming from www.exeter.gov.uk/property which shows how popular and important the City Council website is for driving traffic to the Commercial Property Register.

When analysing the Commercial Property Register, we can monitor what type of vacant property someone is searching for, as shown below. Historically, retail has always been the most popular searched for vacant property:

- Retail – 224 (20%)
- Industrial – 212 (19%)
- Office – 157 (14%)
- Pubs / Restaurants / Cafés – 134 (12%)
- Leisure – 112 (10%)
- Other – 101 (9%)
- Land – 67 (6%)
- Investment – 66 (6%)
- Hotels – 45 (4%)

4.4 When we drill down into where a business is located that is looking for a vacant property, the majority are located within Exeter but a significant number are from outside Devon:

- Exeter – 550 (52%)
- Rest of Devon – 68 (6%)
- Rest of the UK – 435 (41%)
- International – 11 (1%)

In the previous 12 months (June 2012 – June 2013) 17 companies were successfully assisted to relocate or remain in Exeter, creating and safeguarding 542 jobs.

- 4.5 The time taken for enquiries, particularly larger one to come to a conclusion, often takes a long time. The recent most notable example is John Lewis which opened the new store in Exeter December 2011. The Economy Unit along with Planning and other parts of the Council have been working with John Lewis since 1999. An another example, LSL (Your Move) were considering centralising operations to their Southampton office and closing their Exeter office. The Economy Unit worked very closely with the Exeter Manager to find cheaper alternative offices to improve the profitability of his operations in Exeter. This convinced the Board to keep a presence in Exeter, LSL moved to the Forum in August 2012 with 120 staff and a plan to recruit an additional 30 staff.
- 4.6 The Economy Unit are currently dealing with a number of business relocation enquiries, below is just a sample:
- An aircraft components company looking to build new 7,000 – 10,000sq ft premises in Exeter.
 - A London based cloud computing development company are looking to open a UK research and development centre at Exeter Science Park, initially employing 5 and expanding to 20 – 30 staff.
 - A product development company are looking for 10,000sq ft of offices in Exeter, employing approximately 50 staff. This enquiry came through a personal recommendation from a well established international business, KPMG.
- 4.7 As mentioned within this report, the Commercial Property Register is part of a tool kit to promote Exeter and the Heart of Devon as a desirable place for inward investment and business relocation. 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:-

Exeter Promotional video

Executive on 19 March 2013 agreed to fund the development of a promotional video for inward investment purposes. Three S Films, a specialist and well regarding film company were appointed to produce a 2-3 minute video on Exeter and the surrounding area. Over the spring and summer Three S Films have been filming at various locations in and around Exeter and undertaking with key institutions and businesses within Exeter, to include businesses that have recently relocated/opened in Exeter.

The promotional video can be edited for councillors and key staff to use for presentations and when attending conferences and exhibitions to promote Exeter. The video will also be edited for tourism promotion purposes.

The final cut of the promotional video will be available early September 2013 and will also be uploaded onto the following websites www.exeter.gov.uk/property / www.investinexeter.co.uk / www.ExploreExeter.co.uk / www.heartofdevon.com and YouTube.

Exeter Inward Investment Prospectus

To tie in with the launch of the video the Economy Unit is producing a new promotional prospectus. The prospectus will be designed in a folder format to ensure it is in flexible in its content showcasing Exeter for inward investment and will be used for relocation enquiries, distribution where appropriate at conferences and exhibitions and to key industry leaders and journalists.

Website

Within these promotional tools, the new promotional website: www.investinexeter.co.uk will be the main call to action, where there will be prominent links to the Exeter and the Heart of Devon Commercial Property Register. This new website sits within the Council's website, but having its own URL address. The site is now up and running and having new content added daily.

5. THE FUTURE OF THE COMMERCIAL PROPERTY REGISTER

- 5.1 The current system does not provide a satisfactory analytical capability of producing reports on searches undertaken. At the beginning of 2013 the Economy Unit evaluated the software and compared it to other software packages available. It was decided to redesign the system in-house before the end of the contract with the current supplier in March 2014.
- 5.2 The Senior Economy & Tourism Officer is working closely with the City Council's IT Services team to rebuild the previous system and adding essential new features to it. During the build process of the new in-house system, IT Services are evaluating how to ensure that the Commercial Property Register can be marketed to other councils to purchase. A number of councils within the South West have already expressed an interest in purchasing the Commercial Property Register software from the City Council.

6. RESOURCE IMPLICATIONS

- 6.1 The Senior Economy & Tourism Officer will manage the transition from the existing software system to the new and updated in-house system. As mentioned previously, there is the potential for the City Council to commercially sell the new and updated in-house Commercial Property Register and the new system is being developed with this in mind.

7. RECOMMENDATION

- 7.1 Members note the report and progress made with the Commercial Property Register and the City Council's role in dealing with investment and relocation enquiries.
- 7.2 Members note the progress made in improving the toolkit available to staff for dealing with inward investment / relocation enquiries; in the form of the promotional video, the www.investinexeter.co.uk website and the prospectus.

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Local Government (Access to Information) Act 1985 (as amended)
Background papers in compiling this report:-

None

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
Jan	2	12	9	34	54	52	88	118	148	146	76	86	44	120	79
Feb	6	14	27	38	38	54	84	112	137	116	72	74	75	191	121
Mar	6	18	32	27	39	64	97	111	147	120	72	88	97	159	80
Apr	9	10	29	36	40	53	84	91	121	125	74	73	49	87	116
May	8	16	16	33	53	38	66	139	125	69	71	59	47	98	120
Jun	12	15	29	22	50	42	75	78	121	81	61	62	74	43	85
Jul	12	17	23	18	44	67	83	90	129	73	59	73	44	59	113
Aug	17	17	20	23	39	46	96	131	108	74	53	71	39	83	
Sep	12	16	25	33	34	99	114	119	112	75	59	75	55	59	
Oct	9	24	38	36	50	82	97	100	116	75	69	72	66	117	
Nov	20	20	34	23	38	99	95	126	112	75	69	75	*61	99	
Dec	9	9	11	19	32	64	83	74	80	39	41	39	89	46	
Total	122	188	293	342	511	760	1062	1289	1456	1068	776	847	740	1161	714
<i>Average number of enquiries per month</i>	10	16	24	29	43	63	89	107	121	89	65	71	62	97	102

* Indicates Exeter Commercial Property Register was offline, 14 – 30 November 2011