WIDER APPEAL

Never mind a business park, these days occupiers want developers to build them a whole village. **Kurt Jacobs** reports

Making business parks more user-friendly has become the biggest issue for developers adopting the model. As Roddy Morrison, director of offices at property agency Colliers CRE in Leeds, says: "The days when you could fill a business park by putting it close to a motorway junction and sticking in a coffee shop are gone. They have to look more like mixed-use developments."

The selling points were cheap buildings, plenty of parking and easy access. However, the deals being offered on good city centre offices across Yorkshire have eroded the price advantage of business parks. And being stuck by a motorway with only the sound of passing traffic to distract you from your job does not attract staff.

Occupiers now demand shops, pubs, cafes, hotels, crèches, gyms and good public transport. "Decent facilities are crucial to the viability of a business park. Occupiers are looking at the complete package, including what's on offer for staff," says Robin Beagley, partner at property consultancy WSB.

As such, developers are putting money into turning business parks into communities that take into account human desires to eat, play, shop and sleep. Many are no longer based on the original US college campus model, and are promoted as business villages.

Yorkcourt Properties' Paragon, the 130-acre development near Wakefield, styles itself as a business village with a pub, restaurant, crèche, fitness club and mid-market hotel. Thorpe Park near Leeds is planning to add a second hotel, spa, supermarket, crèche and coffee shop with – according to developer Scarborough Group – "the emphasis on a more enjoyable experience of being at work". And Peel Holdings has submitted a planning application to create an amenities village for the Waters Edge part of its Calder Park development, near Wakefield, which will include a crèche, cafe and dry cleaners.

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But the most comprehensive attempt must be at Glasshoughton, Wakefield, where workers at the parks Summit and Blue Ridge can try the nearby ski centre, ice wall, cinema, bowling and shops. Why go home?

Developers are taking action because occupiers are voting with their wallets: one wag in the industry noted "it's going to get better simply because it can't get worse".

The consensus is that, with cuts in government spending, public sector developments such as West Yorkshire Police's 80,000 sq ft centre for fingerprinting and forensics being built at Calder Park, will be pruned sharply.

While typical grade A prices on Yorkshire business parks have stayed static at £16.50 to £18.50 per sq ft, beneath that are hidden a range of incentives such as free fit-outs, rates paid and a year's free rent. And while the price of new stock is holding up well, pundits say prices have fallen and incentives have risen further on older, less desirable parks.

"Anything above 5,000 sq ft is a big enquiry," says Beagley. "Lots of smaller companies, particularly in IT and media, are using the opportunity to take advantage of deals to upgrade."

Guy Cooke, partner at Knight Frank, adds: "The secondary market at business parks has had to slash prices because there is a huge oversupply, and occupiers think they may as well pay a few quid extra for decent space rather than going for price alone."

The volume of empty space has put most hopes of speculative development on hold. An application for the 300,000 sq ft Osprey House at Calder Park has been put forward, but nearly all developers are waiting for major pre-lets. Most pundits reckon it may be early 2012, at best, before speculative building of business parks in Yorkshire picks up.

Occupiers are demanding better quality premises with strong design. Paul Mitchell, managing director at The Harris Partnership in Wakefield, cites the Nationwide Building Society and City & Guilds' regional office at Paragon as examples. He adds: "We've seen a move from plain brick walls and pitch roofs to lots of glass. Occupiers are more aware that a building is part of their brand image. They want something stylish and are in a position to ask for it."

Sustainability is still an issue, though. Many out-of-town developments are hampered by poor public transport links. And although more sustainable buildings are now taken as a given by occupiers and developers, few are prepared to spend a lot more to obtain higher BREEAM ratings or energy performance certificates. Mitchell says: "A lot of companies like the idea of sustainable buildings but often change their minds when they see the price. We don't tend to design a BREEAM excellent building unless requested – if they don't ask, they don't get."