
Buying A Warehouse

Warehouses are latest inclinations as the demand is growing due to growth in online shopping. The world's largest brands are selling on internet and companies want small local warehouses, instead, of expensive central office space in cities e.g. London, Manchester, Liverpool etc. In the EU, the property submarkets are growing for the same reasons. These smaller cities have some of the lowest priced properties and these provide great alternative office spaces. The cities such as Stockholm, Prague, Munich, and Amsterdam have submarkets in central locations or outside, while, such office spaces are bought by companies in the Europe seeking better locations.

The largest online suppliers and companies such as Amazon are seeking local hubs or warehouses to store products. Places such as Munich East offers such submarkets, similarly, Sloterdijk Telepoort (Amsterdam) offers lucrative submarkets for office space etc. Companies and employers living in some of the leading cities in the EU are ready to move to such locations as the business operation cost reduces and companies can save on rent. The submarkets can be centrally located regions close to the main city having proper connectivity to the main city and reliable transportation facilities.

The decision to quit EU has led insurance and asset management funds to seek places for shifting branches to cities such as Luxemburg, Paris, Frankfurt and Ireland. In 2015, the UK bank held approximately 90 billion pounds out of the 183 billion pound – invested in commercial properties (in the EU and the UK). Real estate market experts claim banks are more equipped as compared to 2008 to handle falling rates. In 2016 -2017, banks increased capital reserves and reduced exposures significantly. But in 2018, the problem of real estate market is unaffordability due to very high price, where even employed people are enable to buy properties and cannot make rental deposits. Increase in population and shortage led to rise in price of residential properties and office space in London in the last 15 years.

Growth in property attracts foreign buyers as the value of pound reduced partially and overseas investment continues to pour into the market leading to further growth and rise in price. Recently, the Charleston real estate expanded by teaming with Mayfair International Realty of the UK, mainly, targeting the investors overseas. The demand continues to grow but office supply has tightened in the EU, and price of office space is increasing.

Due to similar reasons, investment in hotels in London increased in 2017 and even the revenue per room grew 5 per cent as per the PWC reports. The overall growth in UK hotel sector was forty-four per cent, in the current year. Rentals of office space are very high in the leading cities of EU and the UK, as compared to, submarkets or small warehouses or industrial space in the submarkets. Now, even the brokers are getting more enquiries from foreign investors in UK warehouses, which are expected to grow significantly in the coming years.