



Half Yearly Business & Investment Trends 07/08



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Context



This report highlights the key trends in enquiries received by the Business Investment Team and partners from companies looking for commercial premises within Solihull and inward investment successes.

The first half of 07/08 has seen a great deal of business activity and deals completed, matching that of Quarters One and Two of 06/07.

In the six months to June 2007, take-up was 12% higher than at the end of 2006.¹ Take up for office space has also been high, particularly within the Professional Services, especially the financial sector. The ICT sector has also seen activity in the first two quarters.

Enquiries received were up in Q1 compared to Q1 in 2006/07, however enquiries by traditional methods have slightly declined in Q2 compared to the same period in 2006/07. The spread of sectors from which enquiries originate has been wide ranging, however the majority of successes in Q1 and Q2 have come from Business & Professional Services.

The Birmingham and M42 market suggest there is a reason to be more cheerful, with positive forecasts following the summer period, which has been even quieter than usual. It is acknowledged across the country and in all sectors that the market has struggled in the summer and it is only now, as people return from holidays that we shall see the true effect on the market.²

¹ GVA Grimley Business Parks Review – Autumn 2007
² Business & property review - September 2007

Property Enquiry Analysis

Month	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
07/08	26	13	26	15	20	23						
Total Q	65			58								
06/07	12	26	24	21	28	50	31	30	19	26	16	23
Total Q	62			99			80			65		

- During the first two Quarters of 07/08, 123 enquiries have been received – down 30% from the number of enquiries received during the same period in 05/06
- Q1 (07/08) was up on the number of enquiries compared to that in 06/07

Successes

- 40 successes have been identified from our records so far this year involving 630 jobs
- 9 through assistance from Solihull's Inward Investment Team.

Note: These figures above include Business Investment, Blythe Valley Innovation Centre, Corporate Land & Property & AWM.

Activity	Jobs	Sector	Sq Ft (sq ft)	Comments
Office				
Breslin Ltd	8-10	Chartered accountants & business advisors	2,000	Expansion of business taken up the 1 st floor at the Courtyard, Warwick Road. - previously located in serviced office at Blythe Valley.
Minerva PLC	10	Property Investment & Development Company	1,815	New Start up Virginia House, Warwick Road
Nyans Communications	15	Public Relations and Marketing	1,700	Expansion to Solihull town centre - previously located in Knowle.
OmniBridge	20-30 staff	Fleet management information	3,574	Relocated to 6180 Knights Court, Solihull Parkway from Birmingham - they provide the broadest range of fleet management delivering compelling products and services aimed at commercially utilized vehicles.
Big Pond Solutions	18	Recruitment	2,400	Relocated and expanded to Radcliffe House, Blenheim Court - previously located in Knowle.
Alexander Forbes	40	Professional & financial services	5,000	Expansion of business - located on the 2nd floor Radcliffe House, Warwick Road
Grontmij	35	Engineering Consultancy	5,314	Expansion of business - Carl Bro is part of Grontmij, one of the largest players in the European Engineering consultancy market.
Eden Currie	21	Accountancy Firm	4,000	Relocating to Pegasus House Solihull Business Park originally from Birmingham
National Business Register	25	Business information/data organisation	4,057	Relocation to Birmingham Business Park, originally from Birmingham City Centre
Phoebus Software Limited	37	Financial systems to mortgage providers and retail banks.	4,740	Expansion to Radcliffe House Blenheim Court, originally based in Warwick House Solihull

Less Stress 4 U	2	Life Style Management	170	Business Start up - New office based in Hampton-in-Arden
Industrious	12	Manages flexible workspace for businesses	3,000	Relocation and expansion to Radcliffe House, Blenheim Court originally based in Redditch
Creation Financial Services	120	Financial	50,000	Expansion within Chadwick House, Blenheim Court. Increased from 20,000 Sq Ft to 50,000 Sq Ft
Outlook Unlimited	5	Recruitment	1,500	Expansion of business, previously worked from home.
Hidden Disability	1	Dyslexia Consultant	200	Business Start Up - located on Warwick Road
Ruxton	1	Independent Estate Agents & Valuers	809	Expansion of premises - located The Square, Church Hill
TSG	22	Outsource IT software provider	3,000	Relocation from Warwick to Oracle Building, Blythe Valley
Confidential Company Name	8	Engineering Sector	400	Expansion of business located in Regus, Blythe Valley Park
Confidential Company Name	15	Software/IT Sector	1,700	New Start-up located in Regus, Blythe Valley Park
JDS Consulting Associates	6	Sustainable energy - public policy & regulatory	427	Already located in Knowle expanded premises and now located on the High Street.
Industrial				
Express Kitchens, Bedrooms & Bathrooms	Unknown	Manufacturing kitchens, bedrooms & bathrooms	5,543	Located on Chelmsley Wood Industrial Estate
Sole Trader	Unknown	Storage of jet skis & associated	2,247	Located on Chelmsley Wood Industrial Estate
TMC Pet Centre	2	Business Start up - Pet Centre	932	New Start up - located on Saxon Way, Chelmsley Wood
Lark and Larks Ltd	5	Specialise in kitchens	970	Relocation from Birmingham to Saxon Way, Chelmsley Wood
Retail				
Fabulous	6	Jewellery retailer	397	Expansion of business - located in Touchwood
Foot Asylum	10	Footwear retailer	3,098	Expansion of business - located in Touchwood
Elixir Chocolate	2	Chocolate Company	400	Relocated to Earlswood Lakes Craft Centre from Merry Hill Shopping centre
Apple	46	Software Provider	3,628	Expansion of business - located in Touchwood
Nando's	27	Restaurant	3,352	Expansion of business - located on Stratford Road, Shirley
Florists	1	Florists	660	Located on Station Approach, Dorridge
Travelmood	7	Travel agents	876	Expansion of business, locating Mill Lane, Solihull - Opening October 07
French Connection	6	Baguette Shop	400	Business Start up located Solihull High Street

Watch Work Shop	3	Watch repair	318	Business Start up located Solihull High Street
Castle Galleries	5	Art gallery	1,358	Business relocation from House of Frasier - located Mill Lane Solihull
Handmade Burger Company	35	Handmade burgers	3,412	Expansion of business - located in Touchwood
Ghost	4	Fashion	1,763	Expansion of business - located in Touchwood
Grand Total	592		124,351	

Sector - Breakdown	Total
Information & Communication Technology	7
Financial Services	2
Legal & Accountancy	2
Automotive/engineering	3
Management & consultancy	4
Recruitment	2
Advertising	1
Real Estate	3
Wholesale, retail & repair of motor vehicles	1
Wholesale & retail	12
Manufacturing	2

Note: These figures include Business Investment, Blythe Valley Innovation Centre, Corporate Land & Property & AWM.

Ongoing Potential Investment

Client Ref.	Activity	Reason	Potential Size Sq Ft
2020	Chemical based company	Office - Expansion	5,000
1929	Provider of information and services	Industrial - Expansion	10,000
1859	Provider in knowledge-driven services	Office - Expansion	7,500
2018	Technology - US based	New UK Operations	1,500
2012	Legal and accountancy	Office - Expansion	4,000 - 7,000
1809	Manufacturer	Office - Expansion	5,000
1698	Property & Construction consultants	Office - Relocation	8,000
2061	Retail - distributor	Office - Relocation	2,000
1847	Chemical based company	Office - Relocation	2,000
2065	Importers of flexible packaging	Office - Relocation	1,600
2073	Financial Services	Office - Relocation	25,000
2074	Financial Services	Office - Expansion	15,000 - 20,000
2068	Air and sea freight and distribution services	Office - Relocation	1,400

Blythe Valley Innovation Centre



Blythe Valley Innovation Centre (BVIC) provides a flexible office environment for small and start up innovation and knowledge based companies.

In 2006/07 the occupancy rate rose from 89% to 98% and remains the case during this half year 2007/08. The occupancy rate has risen year on year from it's opening in 2001.

1 new occupier, creating 4 new jobs include:

Company	Country	Sq Ft	Sector	Jobs	Comments
Blue Systems Ltd	UK	291	ICT	4	Start up - Produce and develop software to manage sales systems.
Enzen Global	India	990	ICT	26	Expansion - Offshore systems development for the energy sector. Extra staff working at BVIC on an ad hoc basis depending on the projects.

In addition, 1 company has expanded their space by 667 sq ft, within the centre, creating 3 new jobs.

This has been offset by 1 company leaving the centre, losing 4 jobs. Reasons included:

- Movement to lower cost premises, now working from home.

Overall, 31 companies occupy BVIC, an increase of 9.7% from 2005/06 and of 16% from 2004/05 and currently supports approximately 290 jobs.

Corporate Land & Property: Small Business Scheme



Solihull Council has a policy of encouraging the development of industry and employment in the Borough, through aiding start up businesses and making commercial premises available on favourable terms.

There are both industrial and office unit accommodation available in the North and the South of the Borough. In partnership with Business Link, free business advice and support for development are provided to all tenants.

Occupancy rates for the scheme in 2006/07 average 94%, compared to 96% in 2005/06.

One new occupier for April - September 07 include:

Company	Jobs	Sector	Sq Ft	Comments
Alloy Wheel Doctor	1-2 Staff	Alloy Wheel Repairs	419	New Start - Up - Located on Waterloo Avenue Chelmsley Wood

In addition, 1 company has reduced its space and 1 company has vacated their unit.

Overall, the number of occupiers has decreased from 2006/07 figures from 40 to 39.

Advantage West Midlands: Foreign Direct Investment



Regional Development Agency, Advantage West Midlands have identified 1 FDI investments within the Borough so far this year, 1 in partnership with the Business & Investment team and the remainder through the RDA or UK Trade and Investment.

Inward investors include:

Sector	Country	Type of Investment	Jobs
Engineering/sales office for producers of patented compressed air nozzles, safety air guns and safety silencers.	Sweden	First Time Investment	6

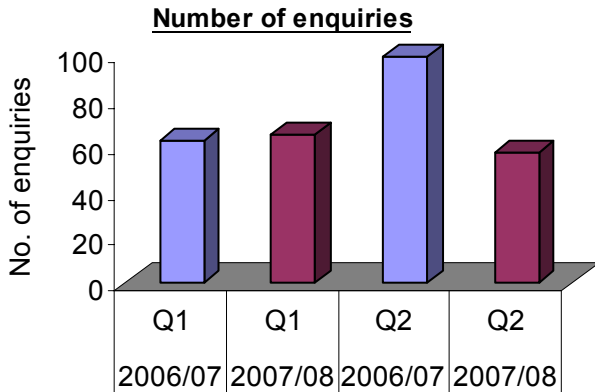
The Swedish based company Silvent, based on Birmingham Business Park, received support for their investment in the area in 07/08. Their headquarters are located in Sweden, at present Silvent have offices in more than 40 Countries.

The Region has seen a high number of jobs created from expansion within the UK or within Solihull itself over the last few years, highlighting the need to build positive relationships with current occupiers in addition to first time investors.

Enquiries Received by Business Investment

Number of enquiries

Fig 1: Number of enquires during Q1 & Q2 in 2006/07 & 2007/08



Between April and June 2007 the Business Investment Team received 65 new enquiries. This is an increase in numbers compared to Q1 in 2006/07. However during July and September 2007 the team received 58 enquires compared to the 99 received in 2006/07.

Overall, during the half year of 2007/08 enquires were 123 compared to the 161 in 2006/07.

Unit Type

Fig 2: Enquiries for unit type by size Q1-Q2 07/08

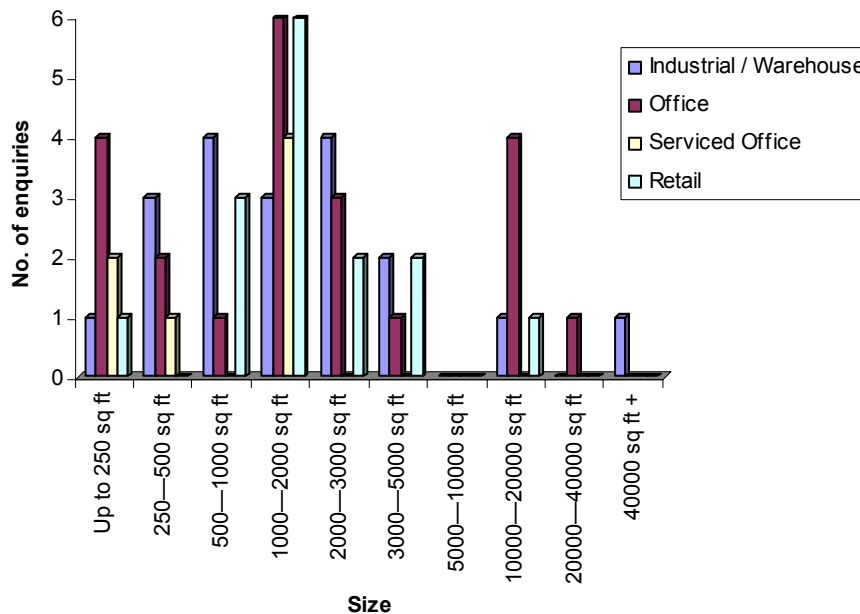


Fig 2 illustrates the range of searches that have been carried out for the various unit types.

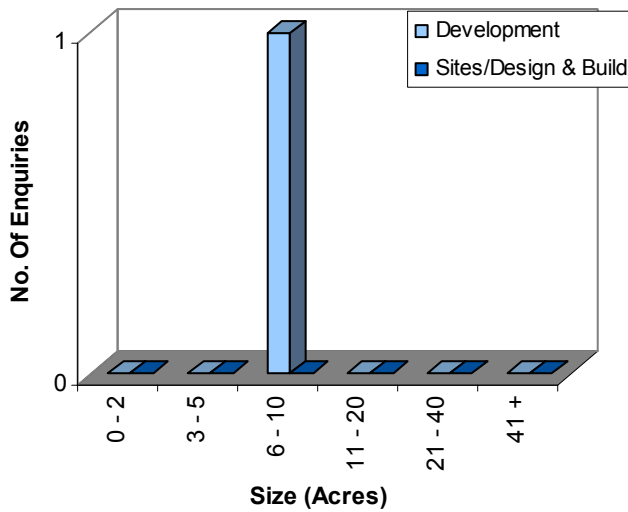
The Team have seen a large demand for office and retail space around 1,000 to 2,000 sq ft, a reflection of the high number of start up enquiries we receive.

Notably, we have also received enquiries for larger office premises (between 10,000 - 20,000 sq ft), a sign of the growing recognition of Solihull as an excellent business location for large corporate firms and headquarters. These enquires have mainly been generated from the Professional Services industry such as finance.

Size requirements for industrial premises have been spread across the ranges from 500 to over 40,000 sq ft. This represents the varied enquiries received for storage, showroom and recreation usage that lend themselves more to industrial offers.

Development Sites

Fig 3: Enquiries for developments and sites by size



The first half of 07/08 has seen a low number of enquiries for development and design and build sites (Fig 3).

This is potentially due to a plentiful supply of accommodation to meet demand in the marketplace, (as shown in Fig 1) without the need for further development.

Unit Type

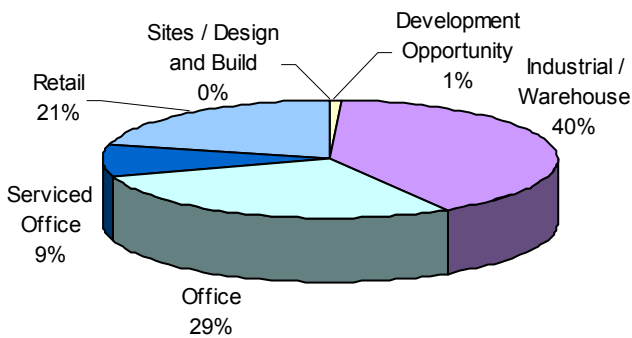


Fig 4: Enquiries by unit type Q1-Q2 07/08

During Q1 and Q2 07/08, there has been an increase in requests for both office and serviced office premises from 05/06. This correlates with the office successes during the first two quarters.

Reason for Enquiry

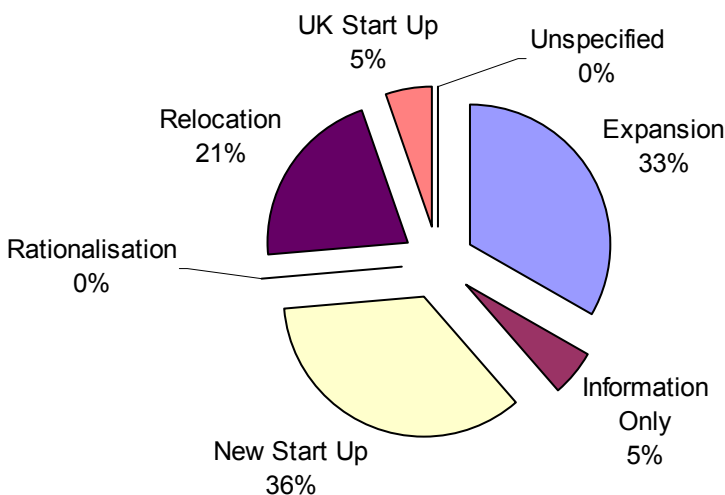


Fig 5: Reason for enquiry Q1-Q2 07/08

Expansion needs have grown by 5% from 05/06, either within the Borough or the UK, reinforcing the need to develop close relationships with current occupiers to ensure they remain within Solihull.

The number of new start up enquiries, mainly received from within the Solihull and Birmingham area, has slightly fallen by 5% from 05/06.

Definition of Terms

Expansion - business looking to grow within the Borough

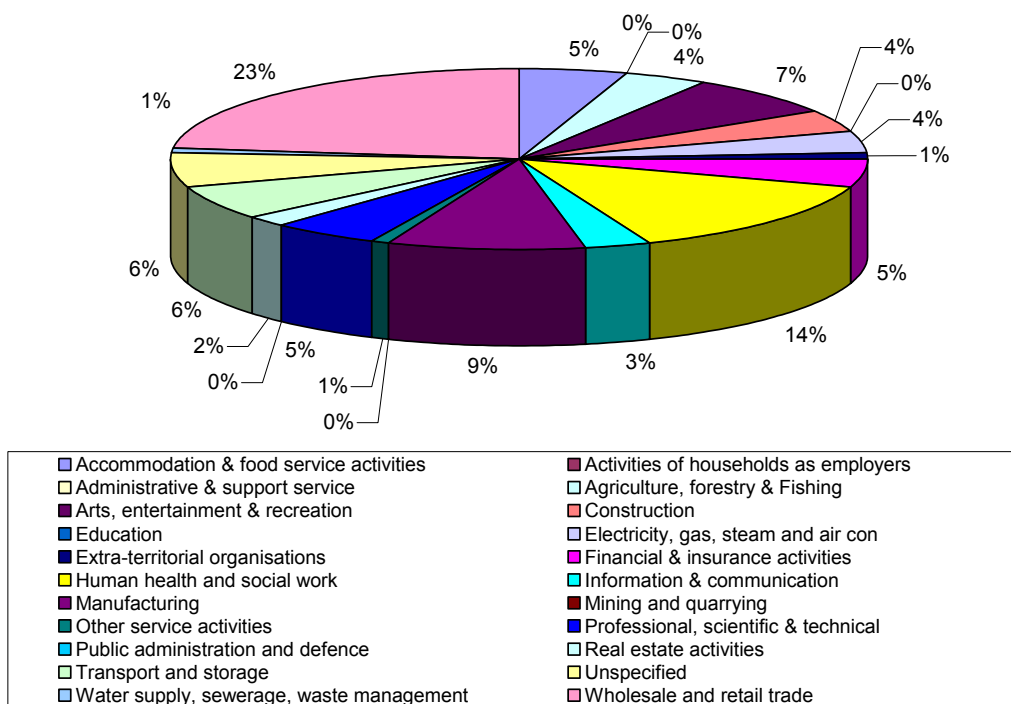
New Start Up - Either local or other UK residents looking to start up their business in Solihull

Relocation - Businesses looking to move their main operation from another part of the UK or elsewhere

UK Start Up - Foreign businesses wanting to set up their UK operation

Sector Analysis

Fig 6: Enquiries by sector Q1-Q2 07/08



Market Summary

Wholesale & retail trade has seen the largest percentage of enquiries (23%) during April - September 07. The majority of retail enquiries are also for new start ups (Fig 5), particularly from residents of the Borough and the surrounding areas. Business plans range from cafés and beauty salons amongst many others, highlighting innovation and entrepreneurial spirit in the area.

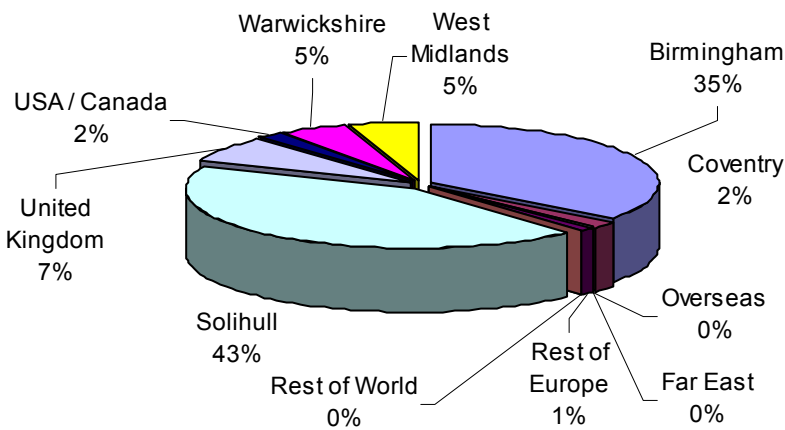
Human Health & social work is the second largest of the enquiries for the half year. These activities are mainly for children’s soft play centres.

Manufacturing makes up around 9% of the enquiries for Q1 & Q2. These comprise of electronics, machinery, basic metals and shop fitters. Arts, entertainment & recreation total 7% for the half year indicating a possible increase in enquiries for creative industries.

Enquiries for professional, scientific & technical activities was 5% in Q1, along with transport/storage & construction.

Source of Enquiry

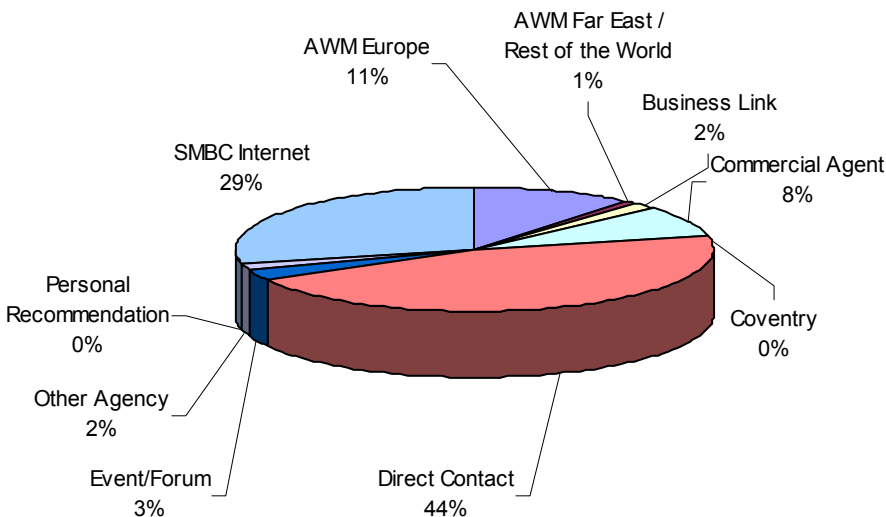
Fig 7: Enquiries by region Q1-Q2 06/07



Enquiries originating from Solihull and Birmingham are again the highest percentage received, especially for new start up enquiries.

Requests from the 'Rest of the UK', Europe and USA/Canada have all remained the same compared to 05/06. This is a reflection of wider recognition of Solihull as a business location and a close working relationship with Advantage West Midlands as the source of the majority of international enquiries.

Fig 8: Source of enquiry Q1-Q2 06/07



There has been a growth in enquiries so far this year through the SMBC Internet with an increase of 9% compared to Q1 & Q2 in 2006/07. Direct Contact with the team has also increased by 4%.

This illustrates both the need for online communications as a preferred method of contact for business, as well as the need to raise

the profile of the work of the Team with internal departments as an important source of referral.

We have also seen an increase of enquiries generated from events and forums, indicating that with continuous marketing and attendance these figures will continue to improve and grow.

European enquiries have originated from a variety of sectors for Q1 and Q2 such as IT, financial, hotel and manufacturing. This may be a result of the companies that have recently located in to the borough such as Silvent a Swedish technology company, as well as the recognition of Solihull as a prime location for their business.

Progress & Future Aims

Business Forums

Cranmore Business Network - May 2007

Following the Public Transport Working Group meeting, Travel West Midlands have evaluated two proposals to redirect the current 166 service to Blythe Valley Park, via the Highlands Road/Cranmore Boulevard area. 250 questionnaires were distributed regarding the double yellow lines consultation along Highlands Road. 24% of questionnaires were returned and the majority received were in favour of the double yellow lines but a low response proved inconclusive. A new approach of civil parking enforcement will be introduced in October, with fines for illegal parking. The situation will be reviewed after a few months of operation.

North Solihull Business Forum - September 2007

The forum responded to the performance plan devised by SMBC, through consultation with members. The outline for recruiting a Project manager for the forum has been established and the role agreed. Recruiting will commence shortly.

Blythe Valley Forum - May 07

Discussions were raised around the revised 166 service and there has been no negative feedback. Positive feedback has been received from local residents who are using the service now to reach Solihull Town Centre. British Land confirmed the sale of Blythe Valley Park, for a total consideration of up to £161 million to Doughty Hanson & Co Real Estate and US based REIT Liberty Property Trust. The land at Plot B3 (opposite British Gas), has been sold to Rosemound Developments who will be constructing their own building.

Elmdon & Bickenhill - September 07

A new network/forum was established for businesses in the Elmdon and Bickenhill area. It will be used as a means to communicate key Council information and agendas and respond to business requirements and concerns. The first forum was kindly hosted by 3i and was supported by various commercial agents and the Chamber of Commerce as well as SMBC. Future items/topics were discussed and the next forum will take place in six months time.

Solihull Footprint

In response to the growing number of local businesses delivering CSR the Business Investment team has established a local Steering group, to co-ordinate and drive CSR forward in Solihull. The steering group comprises of local VCS groups and businesses that all have a vested interest in CSR. The Steering group benefits from the mix of skills and experience within the CSR field.

The Steering group has developed the Solihull Footprint brand and a publication detailing the benefits of CSR. The concept of Solihull Footprint is about linking business to the community and encouraging responsible organisational behaviour. Footprint derives from the fact that we all leave a footprint on society whether it is positive or negative.

A future aspiration of the programme will be to increase the number of businesses represented on the Solihull Steering group. Increasing membership will be achieved through marketing activity. The Steering group will look at ways of capturing existing and future CSR programmes in Solihull, which will link with the Footprint programme.

Lyons Review

Public sector relocation is a key target market within Solihull's new place marketing campaign, highlighting the supply of high quality of office accommodation, transport links to London, a pleasant living and working environment, cost effective skilled labour pool and a comprehensive business support and relocation package as delivered by the Business Investment Team. It has been recognised that there are a number of formal and informal routes to targeting key decision makers within the public relocation arena. The marketing material will include a sector sheet targeted at the public sector departments for use in presentations to potential relocations, mail shots to relevant commercial agents tasked with handling public sector relocation and for current occupiers to endorse and distribute. The team intend to continue working with sub-regional partners to maximise the potential of department relocations and also to spread the marketing material to the widest possible audience using their event and conference presence.

Meet the Buyer

Partnership working with the main contractors is now developing a local supply chain database, which identifies where contracts have been let to local businesses and what the local skills gaps are. A key aim will be to position the supply chain database as a recognised source for suppliers and contractors in the region. The model focuses on raising local business awareness and help support SME's to become 'fit to compete'. The contractors have shared their procurement schedules detailing contracts to be let to inform local businesses about forthcoming contracts.

Inward Investment - Marketing & Branding

A parent brand has been developed along with complementary strap lines to incorporate the key selling points of the Borough, including communication links, quality of life, the built environment, skills and business support networks.

A range of marketing materials have been designed, helping to raise awareness and stimulate inward investment to the Borough, primarily within the clusters identified. Current occupiers and partners have been engaged in the brand consultation process.

The PR activity will consist of regular local and regional press releases, newsletters and e-alerts to key business contacts. These messages will emphasise the key selling points of the area through demonstrating successful business locations, expansion and activity within the Borough, to reinforce positive messages to the business community.

Business Tourism

Tourism has been identified as a key priority for the Business Investment Team within the 2006/07 Performance Plan, with Solihull being a natural location for Business Tourism and the wider economic benefits it can bring. The findings of the Business Tourism Survey 2006, together with initial discussions with Advantage West Midlands, have provided the baseline for developing a new Action Plan for Solihull Tourism. The key themes of the plan include a commission of research to develop a commercial forward plan for the sector within Solihull, to identify key opportunities, the most appropriate linkages to Destination Management Partnerships and the relevant representatives that a Solihull working group for tourism should comprise.

Our Services

Community & Economic Regeneration

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West Midlands
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Our Business & Investment Team offer:

- Free search facility for commercial premises within Solihull
- Tours of the Borough
- Recruitment assistance
- Business signposting

Isobel Woods - Business Investment Manager

- Overseeing the delivery of the Business Investment activities
- Creative Industries
- Environmental Technologies

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