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Investment performance within urban regeneration locations

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Abstract

Purpose – Property performance indices have invariably focused upon prime markets with a variety of approaches used to measure investment returns. However, there is relatively little knowledge regarding the investment performance of property in regeneration areas. Indeed, there is a perception that such locations carry increased risk and that the returns achieved may not be sufficient to offset the added risk. The main objective of this paper, therefore, is to construct regeneration property performance indicators consistent with the CBRE rent index and average yield monitor.

Design/methodology/approach – Local market experts were asked to estimate rents and yields for hypothetical standardised offerings for a range of regeneration locations throughout the UK, covering the period 1995 to 2002.

Findings – The results show that rental growth was similar in regeneration locations compared to the prime market. However, the analysis highlights a major yield shift for property in regeneration areas in the short to medium term. The downward pressure in yields would suggest that once a regeneration area becomes established and rental growth emerges, investor interest is stimulated resulting in increased competition and a shortening of yields.

Originality/value – The significance of this research is the quantification of property investment performance from regeneration areas that previously has not been available to investment institutions and decision makers. From a policy perspective this analysis is of relevance in confirming the maturing of locations that have received high levels of public sector support and indicating the effectiveness of regeneration policy mechanisms in creating sustainable urban environments capable of meeting private sector investment goals.

Keyword(s):

Return on investment; Property; Rental value; Yield management.
1. Introduction

Property investment in the UK and in particular the property holdings of institutional funds is heavily focused upon the prime commercial markets (retail, office and industrial). It is within these sectors that transaction evidence, although partial, is best developed. In contrast, evidence is more disjointed for secondary, tertiary and regeneration markets. Consequently it appears that institutional investors are more reluctant to invest in urban regeneration areas in spite of the desire by government and regeneration agencies to increase institutional involvement and attract private finance. Instead, private sector involvement has been driven by locally based property development and investment companies that seem to adopt less risk-averse strategies than institutional investors (Adair et al., 2002).

The lack of rigorous and consistent measures of market performance in regeneration locations has acted as a major deterrent to the redevelopment of brownfield sites with wider impact on the regeneration agenda caused by the information or transparency deficit and inadequate market signals. Indeed, authors such as Syms (1997) emphasise the confidential nature of most property transactions in the UK with limited access to information, a situation exacerbated in regeneration areas due to fewer transactions and less market evidence. Such conditions of uncertainty are not conducive to investment. The lack of transparency and resulting uncertainty in regeneration investment is demonstrated by the perception gap between those investors who have achieved anticipated returns and those who perceive that this is not possible (Adair et al., 1998). However, for both investors and non-investors there is broad consensus concerning the range of factors that would facilitate the mitigation of risk and the enhancement of return (Adair et al., 1998). The challenge for regeneration policy makers and those agencies seeking to stimulate greater private sector investment is how to bridge the perception gap. One solution is through the provision of enhanced information on regeneration investment thereby illuminating return and risk and facilitating a more accurate and comprehensive understanding for decision making.

In a recent study, Adair et al. (2003a) set out to fill this gap by developing a range of market indicators comparable with those for conventional markets. Specifically they produce a total returns indicator comparable with the IPD total returns index, and rent indices and yield monitors comparable with those produced by CB Hillier Parker. While a companion paper analyses the total returns results (Adair et al., 2003b), the present paper focuses in detail on the rental and yield indicators. The paper seeks to explore trends in these indicators since the mid-1990s and provide comparisons with prime markets. The analysis is sector based with results presented for retail, office and industrial property, and also for a combined all-property sector.

The paper is organised into five parts. Section 2 examines the policy and property market context. Section 3 considers valuation approaches to investment with particular reference to the use of beacon methodologies. In this context section 4 sets out the data collection strategy and discusses methodological issues appropriate to this analysis. Section 5 examines the rent index and yield monitor developed for urban regeneration property. Trends in these indicators are compared with those published by CB Hillier Parker. The final section draws some conclusions for property market analysts and policy-makers.

2. Policy and property market context

Urban regeneration seeks ways to physically improve disadvantaged places and the lives of people who live and work there. Regeneration activities are varied and may reflect either joined-up holistic or relatively less integrated programmes of physical, social and economic change. For instance, government prioritises social inclusion and the reduction of exclusion, be it economic, physical isolation or the general inability to participate
in normal urban life opportunities. At the same time, regeneration and local enterprise agencies seek to develop real estate and infrastructure in a bid to attract new investment in the belief that there are positive and wider regeneration spill overs attached to economic development. Indeed, effective strategies to encourage private investment in run-down areas, if suitably co-located in complementary social policies, are essential to the long-term redevelopment of depressed, derelict or otherwise disadvantaged urban places. Property investment is therefore reasonably viewed as a necessary condition for economic regeneration and in turn as a first order condition for wider integrated area renewal.

Policy makers implicitly seek to address weaknesses in property markets through initiatives aimed at developing the conditions that might attract private sector involvement and ultimately sustain normal private market processes. Better information on property market performance in the urban regeneration sector will assist in the development of an evidence base that can improve the targeting and design of policy interventions. Moreover, the targets and outcomes of regeneration programmes must be aligned to the specific needs of the area/projects concerned. This requires the development of asset-based regeneration with the capacity to provide revenue streams to sustain private sector development and investment. In this respect, regeneration initiatives over the past 20 years have attracted significant volumes of private sector finance in the context of development opportunities with specific mechanisms generating property outputs. However, there is a general lack of appreciation regarding the scale of the investment market in regeneration areas and in particular how property performs compared to prime markets.

Several of the principal dimensions of UK urban regeneration, though not ex post property investment returns, have been analysed in detail (Lawless, 1989; Healey et al., 1992; Imrie and Thomas, 1993; Atkinson and Moon, 1994; Robson et al., 1994). For example, work by Tyler (2001) has brought together evaluation studies of the principal area-based urban regeneration initiatives (Table I). The core of Tyler's work focuses on area-based initiatives and in particular those that have generated quantifiable physical outputs. Such VFM studies indicate the importance of the property dimension within area-based initiatives. Although it is not the role of this paper to re-visit the evaluation of urban regeneration initiatives the studies do, however, provide the overall regeneration context for the research (Robsonet et al., 1994; PA Cambridge Economic Consultants, 1995; Hall et al., 1998; Imrie and Thomas, 1993; DETR, 2000). Case study based literature has also evolved providing analyses of urban regeneration including the role of fiscal incentives, the nature of partnership arrangements, and the evaluation of local impacts of particular policy initiatives. Regeneration literature also has started to place emphasis upon behavioural aspects including the nature of private sector property investment, the type of investor, the strategy employed, attitudes towards delivery mechanisms, and the perception and handling of risk (Adair et al., 1998, 1999, 2002; McGreal et al., 2000). This literature identifies the key role of the private sector in stimulating property development and investment with the public sector operating in either a partnership or facilitating capacity.

Property value uplift is an essential outcome of regeneration if projects are to be viable and self-sustaining. Hence, a more complete or comprehensive understanding of the property market, including how it performs relative to industry benchmarks, is essential in explaining why the private sector invests in some areas and not in others. Gibb et al. (2001) stress the importance of receptive markets for land and property facilitating and levering investment into regeneration schemes. The complexities of the user market, the investor market and the developer market are particularly pertinent in regeneration areas in which movement in occupier rents often reflects the exogenous local economy and demand effects, while yields are determined in the wider investment market and the macro-economy (Keogh, 1994).

Those private sector companies that invest in regeneration areas primarily do so in expectation of achieving above average returns (Adair et al., 1998). A further factor is the potential for diversification, though analysis indicates that investors attach greatest significance to return as the primary motive for holding a regeneration portfolio (McGreal et al., 2000). Indeed, rental growth arising from occupier demand, and capital appreciation reflecting investor demand are the primary factors by which new regeneration projects are evaluated. At the urban level, the potential performance of a city's property market is an important element of an investment decision. If rental and capital growth are strong, investors will be attracted. Empirical evidence, however, suggests that there are institutional factors to be considered other than performance indicators (Guy et al., 2002). Indeed, geographic location and in particular distance from London appears to have a stronger influence on investment flows than economic performance (Callender and Key, 1996).

From an economic perspective urban regeneration locations represent market failure because of the negative externalities associated with distressed and derelict sites. From the private sector perspective, inner cities and
urban regeneration projects are commonly perceived to carry considerably greater risk compared to prime property locations. Given the need to secure adequate return on the value of assets, Adair et al. (1998) argue that decision making may by-pass the potential opportunities in urban regeneration locations. Government can help tackle some of these problems through subsidy and risk sharing, but part of the problem stems from information shortages about how such markets can perform *ex post*. Understanding the operation and functioning of regeneration property markets is essential as are reliable indicators and their performance.

3. Beacon approach valuation issues

Performance measurement focuses on key diagnostic indicators characterising the operation of property markets in particular rental and yield levels for the prime and secondary properties comprised in the index. Hoesli and MacGregor (2000) discuss the characteristics of rental value indicators utilised in forecasting and performance measurement. They emphasise that the rental data should reflect effective rents exclusive of incentives such as fitting out costs and rent-free periods. They also consider the characteristics of different UK property indices in terms of regional and national forecasting. However, differences in the construction of the series mean that they produce different values. While they all follow the same broad pattern, particularly in recent years, there are differences that would result in different rent models from the same explanatory variables.

CB Hillier Parker (2000) outline the methodology underpinning their rent and yield index based on the market method of construction or Beacon approach. They take into account rental values and yields as they apply to a representative sample of locations. The method effectively appraises new lettings and is not constrained by the need for specific comparative transactions required to value an individual property. The advantage of the Beacon approach is that it provides a current view of the market and is best used for indicating market pressures. Rental values represent the headline rent of a rack rented property of a standard specification at the relevant date. Average yields are calculated on a true equivalent basis (quarterly in advance) also assuming a rack rented property of a standard specification at the relevant date.

Crosby and Murdoch (2001) examine differences in rental values for the construction of property-based performance indices. They distinguish between effective rents, headline rents and rent provable at review. Review rents are almost universally effective rather than headline rents unless the wording of the review clause states otherwise. The authors highlight the fundamental problem of achieving a single all embracing definition of rental value. A survey of owners, managers and valuers was undertaken into the basis of rental data for performance measurement. The authors conclude that in practice rental valuations are carried out on a variety of bases, depending on the circumstances. For the purposes of rental value indices and performance measurement consistency is essential. Where rental value indices are constructed using hypothetical properties, for example, the CB Hillier Parker rent index, there is a degree of control over the assumptions underpinning the rental value assessments and changes to these assumptions over time. The results of the survey show such control is much more difficult to exercise when the index is made from rental value assessments of actual properties, normally the case with total return indices. Problems stem from the fact that the rental valuations used to construct indices are not undertaken solely for that purpose.

Crosby and Murdoch (2001) proffer two solutions. The first is that the RICS *Red Book* definition of rent is used for all rental value assessments where that information is required or likely to be used for the construction of rental value indices. In particular, insistence on effective rents could give a good indication of the real movement of rental values in the market. However, this would mean the end of the widespread provision of rental value utilised in capital valuations and in many cases the need to produce a second valuation purely for the purpose of performance measurement. The alternative solution is for data providers to identify the basis of the rental value assessment. This could easily be done with the addition of a tick box for the three different rental value interpretations, thereby enabling total return index providers such as IPD to perform a rental value index across the whole data set. However, it would also facilitate the formation of three other rental value indices; a headline rent index (compatible with other hypothetical indices such as the CB Hillier Parker rent index), an effective rent index and a provable rent index.

Politzer (2001) addresses the perception that the IPD index is comprised primarily of institutional/prime property that masks the influence of secondary or non-prime properties. The research sought to answer the question: does the secondary market show any significant differences from the prime market in the rates of change in capital and rental values, and returns over the property cycle? In addition the analysis focused on sectoral and regional differences between prime and secondary properties. A descriptive analysis was
undertaken graphing various measures of performance vary over the past 20 years. Standard deviations and beta values were also calculated in order to address the issue of market volatility.

The results do not support the view that secondary property behaves in a manner that is significantly different to that of prime property across all three sectors and for the broad sector-regions used in the analysis. It does not appear to have any unique countercyclical characteristics and it does not consistently under-perform the market as a whole. In addition it is not significantly more volatile, with the exception of Central London. There is no evidence that prime properties depreciate at a slower rate than secondary properties. While the analysis shows that the IPD portfolio does contain properties that are quite clearly non prime it is also recognised that there is a further seam of properties beneath the ones analysed. The author concludes that at some point markets become very local and the transmission of price signals breaks down. However, the secondary properties do not appear to bias the overall property performance measures.

4. Data and research methods

The main objective of this paper is to construct regeneration property market performance indicators comparable with the CB Hillier Parker rent index and average yield monitor. This section outlines the data collection procedure and research methods used in constructing these indicators.

The first stage of the methodology required the selection of a limited number of representative metropolitan/urban areas. The areas were chosen on the basis of their differential social, economic and macro-level property market performance and the nature of regeneration policy intervention over the last two decades. A number of indicators including GDP, employment change and structure, population change, Index of Multiple Deprivation scores and prime property rents and returns were consulted. This was complemented by a review of local policy context and, in particular, an examination of the history of urban regeneration intervention in the metropolitan/urban areas. The intention was to select a range of city-regions that ensure the index will accommodate regeneration properties located within both prospering and declining economies as well as those located within different property market contexts. The case study areas selected also encompass regeneration initiatives of different type, scales and models of intervention and are drawn from the following urban areas: Greater Manchester (Salford, Trafford and Manchester), Tyne and Wear (Newcastle, Gateshead and Sunderland), Sheffield, Birmingham, Nottingham, Bristol, Cardiff, Glasgow, Edinburgh, Belfast, and London Docklands.

The empirical research also requires an operational definition of the urban regeneration property market. Although in applied property market studies, market areas are often assumed to be coterminous with local or regional administrative boundaries, for any comparison of index performance to be meaningful, this study requires clear demarcation between regeneration areas and prime property markets. While the area-based regeneration programmes, discussed above, provide a useful starting point for the definition of “policy-on” locations, this misses some important strands of policy intervention. In particular, this definition fails to capture project-led or property-led regeneration schemes. Consequently, in this study, the regeneration property markets comprise all properties located within identifiable area-based regeneration locations and properties that have been the subject of some form of intervention, including those receiving grants or subsidies. In practice the definition was applied to each city in consultation with key actors in public sector and regeneration agencies. These actors provided information on incidence of grants and subsidies locally and on the geographic boundaries of area-based initiatives. This provided the framework for the data collection strategy.

The index approach requires local market experts to estimate rents and yields for hypothetical, standardised offerings for a range of regeneration locations within each city. The standardised offerings were defined to be comparable with those used by CB Hillier Parker, although there were some modifications to reflect the distinctiveness of the regeneration property market and, in particular, the prominence of mixed-use offerings. The identification of regeneration locations was informed by a programme of extensive site visits to each urban area.

A standard data proforma was produced for each city and respondents submitted anonymised returns. The proforma asked the valuer to provide information on new lettings in the market. The valuation points were pre-defined and included each of the standard offerings present in the main regeneration locations within each market (see the Appendix for details of the standardised offering). For each valuation point the valuer was asked to provide the open market rental value (rate per square metre) and initial yield of a rack-rented property at 31 December of each year over the time period from 1995 to 2002. The valuers were asked, quite explicitly, for the
effective rent in order to record the true movement of rent values in the market place. This approach successfully secured data for each city, with a total of 20 proformas returned.

The research relied heavily on the cooperation of the valuation community. While this was freely given, problems did emerge in gathering complete sets of information on all the locations in the earlier years of the study. Time and cost factors were the main inhibiting factors as well as what appeared to be a lack of database management in real estate firms. This should present much less of a problem in the updating of the index, as valuers will only required to supply current market values.

The construction of the index involved several stages. First, for each rent point, the estimates from the various respondents were averaged and the annual percentage change in rent was calculated from 1 January 1996 to 31 December 2002. Second, the average annual percentage change in rent across the various rent points was then calculated on a sector by sector basis. Third, using 31 December 1995 as the base year (1995 = 100), the rent points were combined to compute an all property index and sector-specific indices. Fourth, the average yield monitor was prepared using a similar methodology and covers the period 1995 to 2002. In all, data were obtained on 89 valuation points across four property types in 11 cities (44 office, 12 retail, eight retail warehouse, 25 industrial).

Due to the differing size and importance of the commercial property markets contained within our sample, the index and yield monitor are based on weighted results (see Adair et al., 2003a) for unweighted results). After experimentation with several alternative weighting schemes, the level of employment in each city proved to be the most reliable and consistent proxy for market size. (This is based on “all persons in employment” from the Office of National Statistics’ Labour Force Survey.) The use of the IPD universe, as deployed by CB Hillier Parker, was rejected on the basis that it under-represents non-traditional, market niches, including parts of the urban regeneration market. Similarly sector-specific floorspace data were unsatisfactory because of missing data for some classes and some areas outside of England and Wales as well as the divergence between official definitions used to delineate between use classes and the definitions of sectors employed in our survey.

5. Rent index and average yield monitor

In this analysis the beacon findings are benchmarked to the CB Hillier Parker index. Results are presented based upon two parameters, namely the rent index and average yield monitor. It should be appreciated that while the two rent indices have been compiled using very similar approaches, based on new lettings of hypothetical, standardised offerings, the CB Hillier Parker index identifies headline rents while the beacon index records effective rents. Moreover, as explained in the paragraph above, the two indices adopt differing approaches to the weighting of the data.

Analysis of the Beacon rental index demonstrates an initial divergence from the CB Hillier Parker benchmark but convergence between the two indices is apparent over the last two years (Figure 1). On a sector basis retail warehousing emerges as the strongest performer with the rental index increasing to 167.05 by 2002. This is significantly higher than any of the other sectors within the beacon analysis and outperforms the CB Hillier Parker all property benchmark. The performance of the office and retail sectors (excluding retail warehouse) reflects the all property analysis but performance of the industrial sector, on the basis of this analysis, is considerably weaker (Figure 2).

The Beacon all property rental index produced annualised nominal rental value growth of 5.45 per cent over the seven year period to 31 December 2002 (Table II). The retail warehouse sector enjoyed the highest level of growth at 7.61 per cent, followed by the office sector at 5.76 per cent, the retail sector at 5.45 per cent, with industrials returning a more modest 2.8 per cent. In comparison, the CB Hillier Parker all property rent index recorded annualised nominal rental growth of 6.56 per cent over the same period with the retail warehouse, office and industrial sectors returning higher rental growth rates than the Beacon data. The reverse was true in the retail sector where the Beacon rental growth rate was marginally higher than the CB Hillier Parker return (5.45 per cent compared with 5.35 per cent).

Over the period 1995 to 2002, the Beacon all property average yield improved by 144 basis points from 8.49 per cent to 7.05 per cent (Table III and Figure 3). Average yields in all three sectors experienced downward pressure: office yields hardened from 9.27 per cent to 7.71 per cent (156 basis points), retail yields from 7.07 per cent to 5.2 per cent (205 basis points), retail warehouse yields from 8.01 per cent to 7.14 per cent (87 basis
points) and industrial yields from 9.62 per cent to 8.15 per cent (147 basis points). In contrast, the CB Hillier Parker all property average yield (Figure 4) rose from 6.80 per cent to 7.2 per cent (40 basis points), with two of the sectors, offices and retail, recording upward movement in yields and the retail warehouse and industrial sectors experiencing downward movement.

The effect of this convergence between yields is to remove and then reverse the yield gap between the Beacon yields and CB Hillier Parker yields. In quantifying the yield shift, the Beacon analysis indicates a significant hardening of regeneration property yields by 1.44 per cent whereas in contrast the CB Hillier Parker national benchmark has moved out by 0.4 per cent (Table IV). Based on the all property returns, the gap was 169 basis points in 1995 but this turned into a “reverse yield gap” of 15 basis points by 2002 (Table V). Most notably, by the end of the analysis period the Beacon average retail yield was significantly lower (160 basis points) than the CB Hillier Parker equivalent, reflecting the superior level of annual growth in this regeneration sector. This is particularly apparent for retail property where regeneration yields have hardened by 1.87 per cent compared to the benchmark figure that has softened by 0.8 per cent.

Likewise the gap in the office yields has narrowed from 257 to just 31 basis points and the gap in the industrial yields from 112 to 25 basis points. Interestingly a marginal increase in the gap (11 to 34 basis points), was recorded in the retail warehouse sector, despite this being the top performing sector in the beacon rent index. This can perhaps be explained by the superior performance of this sector in the prime market, with the CB Hillier Parker index reporting an annualised change of 10.49 per cent compared with 7.61 per cent (Table II).

6. Conclusions

The significance of this research is the quantification of property investment performance from regeneration areas that previously has not been available to investment institutions and decision makers. The Beacon analysis highlights a major yield shift for property in regeneration areas in the short to medium term. The downward pressure in yields would suggest that once a regeneration area becomes established and rental growth emerges, investor interest is stimulated resulting in increased competition and a hardening of yields. For those entering the market at an early stage there is the prospect of superior returns on the back of the downward shift in yields.

Furthermore, in terms of the rental index certain sectors in particular retail warehousing significantly outperform the comparable national benchmark namely that produced by CB Hillier Parker. The results from this paper start to address the transparency gap concerning regeneration property markets and support qualitative work undertaken for the Joseph Rowntree Foundation (Adair et al., 1998), which indicated the potential to achieve above average rates of return. The analysis demonstrates that regeneration areas offer significant investment opportunities. This finding challenges perceptions regarding investment returns and suggest that judgements concerning low investment returns in regeneration areas are misplaced. Hence, the message to major institutional investors from this research is the need to reconsider strategies regarding the potential of property within regeneration areas. In order to facilitate this, there is a clear need to ensure the ongoing management of the index.

From a policy perspective this analysis is of relevance in confirming the maturing of locations that have received high levels of public sector support and indicating the effectiveness of regeneration policy mechanisms in creating sustainable urban environments capable of meeting private sector investment goals. As government agencies are increasingly looking for greater private sector participation in regeneration the success of previous and current policy mechanisms is fundamental. The finding that regeneration areas can offer vibrant property markets and new development/investment opportunities has wider relevance to the economic competitiveness of UK cities and investability objectives. The ODPM work on Core Cities, several of which overlap with the urban areas included in this study, has raised concerns over UK urban competitiveness (Core Cities, 2002). As regeneration areas frequently offer the most significant opportunities within these cities the potential clearly is there to attract investment, raise value and increase competitiveness. The policy agenda therefore needs to be consistent and focussed to facilitate delivery of these goals.
**Figure 1**: Rent index: Beacon vs CB Hillier Parker

**Figure 2**: Beacon rent index 1996 to 2002

**Note**: Index Base: 31 December 1995 = 100
Figure 3: Beacon average yields by sector

Figure 4: All property average yields: Beacon vs CB Hillier Parker
### Table I
The type of evidence generated by VFM studies

<table>
<thead>
<tr>
<th>Policy measures</th>
<th>Estimated public sector spend on policy (£bn)</th>
<th>Estimated spend: other public and private sector (£bn)</th>
<th>Estimated impacts and reclaimed (hectares)</th>
<th>Floor-space created (million sq. m.)</th>
<th>Net additional jobs</th>
<th>Housing/dwelling impact</th>
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<tr>
<td>London Docklands Development Corporation</td>
<td>290</td>
<td>9.69</td>
<td>1,756</td>
<td>2.43</td>
<td>44,000</td>
<td>24,000</td>
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<tr>
<td>Other urban development corporations</td>
<td>2</td>
<td>17.9</td>
<td>2,565</td>
<td>5.66</td>
<td>83,387</td>
<td>18,500</td>
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<tr>
<td>Enterprise zones</td>
<td>100</td>
<td>2.09</td>
<td>2,700</td>
<td>6.00</td>
<td>50,000</td>
<td>110,000</td>
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<tr>
<td>City Challenge</td>
<td>1.14</td>
<td>0.25</td>
<td>4,000</td>
<td>3.00</td>
<td>32,000</td>
<td>10,000</td>
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<tr>
<td>English Partnerships</td>
<td>1.00</td>
<td>2.30</td>
<td>5,650</td>
<td>3.30</td>
<td>90,000</td>
<td>20,000</td>
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<td>Single regeneration budget</td>
<td>2.30</td>
<td>0.81</td>
<td>1,118</td>
<td>1.6</td>
<td>44,788</td>
<td>23,364</td>
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<tr>
<td>Total</td>
<td>594</td>
<td>36.31</td>
<td>17,789</td>
<td>21.9</td>
<td>350,115</td>
<td>194,864</td>
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**Source:** Tyler (2003)

### Table II
Beacon rent index vs CB Hillier Parker rent index, 1996 to 2002

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<tr>
<td>Office</td>
<td>9.27</td>
<td>9.32</td>
<td>9.19</td>
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<td>8.44</td>
<td>8.22</td>
<td>7.99</td>
<td>7.71</td>
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<tr>
<td>Retail</td>
<td>7.07</td>
<td>6.84</td>
<td>6.71</td>
<td>6.56</td>
<td>6.56</td>
<td>6.47</td>
<td>6.81</td>
<td>5.2</td>
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<tr>
<td>Retail warehouse</td>
<td>8.01</td>
<td>7.99</td>
<td>7.67</td>
<td>7.50</td>
<td>7.40</td>
<td>7.19</td>
<td>7.14</td>
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<tr>
<td>All property</td>
<td>8.49</td>
<td>8.46</td>
<td>8.24</td>
<td>8.22</td>
<td>7.96</td>
<td>7.68</td>
<td>7.56</td>
<td>7.05</td>
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### Table III
Beacon average yields per cent, 1995 to 2002

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<tr>
<td>Office</td>
<td>−1.56</td>
<td>+0.7</td>
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<td>Retail</td>
<td>−1.87</td>
<td>+0.8</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Retail warehouse</td>
<td>−0.87</td>
<td>−1.10</td>
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<tr>
<td>Industrial</td>
<td>−1.47</td>
<td>−0.6</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>All property</td>
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<td>+0.4</td>
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**Table IV.** Yield shift: Beacon average yields vs CB Hillier Parker average yields

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</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>9.27</td>
<td>9.60</td>
<td>6.70</td>
<td>2.57</td>
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References


Hall, S. et al. (1998), Competition, Partnership and Regeneration: Lessons from Three Rounds of Single Regeneration Budget Challenge Fund, School of Public Policy, University of Birmingham, Birmingham, .


Further Reading


Appendix. Standard property descriptions

Retail units

Zone A for a unit of 7.6 m (25ft) frontage by 24 m (80ft) depth, 46 sq.m (500 sq. ft) storage to 93 sq.m (1000 sq.ft) storage, located in the best trading pitch of the regeneration location.

Retail warehouses

A building of modern specification from which a wide variety of bulk goods are sold; gross floor space of 2,790 sq.m (30,000 sq. ft) or more with at least 150 car parking spaces.

Office units

New or recently refurbished building of the highest specification and size appropriate for the urban regeneration location.

Industrials

Area of 930 sq. m (10,000 sq. ft) to 1,860 sq. m (20,000 sq. ft), eaves height minimum of 5.5 m (18 ft) to 6 m (20ft); good access, loading and manoeuvring space, adequate vehicle parking and usual services; standard construction, single storey portal steel/concrete frame, concrete floor, insulating and top lighted corrugated asbestos roof, cavity brick/block walls to 2.4 m (8 ft).