



**SOLOMON**  
INVESTMENT PARTNERS

# DONCASTER



**INVESTMENT  
GUIDE**

# DONCASTER INTRODUCTION

Doncaster is a historic town in South Yorkshire in the north of England. It is part of the wider Metropolitan Borough of Doncaster, which is itself part of the Sheffield City Region - a public-private sector economic partnership covering nine local authority areas.

This relationship is important because the City Region is now implementing a £28 billion Integrated Infrastructure Plan, which seeks to create 70,000 new private sector jobs and 6,000 new businesses across the region. It is expected to boost the economy by £7.6 billion per annum.

Doncaster's property market is particularly well placed to benefit. In its own right, the town is witnessing a huge amount of inward investment but, as the Yorkshire Post reported in November 2017: "Over half of Sheffield City Region's infrastructure funding is lined up to be spent in Doncaster."

**the prospects for capital appreciation are quite unparalleled**

This represents a colossal amount of new money entering the local economy, particularly when one considers the borough's population of barely 300,000. Large-scale investment in such a small geographical area is bound to have a tremendous positive impact on job creation, standards of living, demand for accommodation and ultimately, capital values.

Doncaster therefore affords a rare opportunity. Cities such as Liverpool and Manchester are attracting substantial investment too, but nowhere are such large sums being concentrated in such a relatively small area. Moreover, local prices are still very affordable, rental demand is buoyant and, with the advent of massive infrastructure spending, the prospects for capital appreciation are quite unparalleled.



**£28 billion**  
**Integrated Infrastructure Plan**  
**£70,000 + 6,000**  
**new private sector jobs**  
**new businesses**

# PROPERTY PRICES

## Yorkshire and Humber

**4.5%**

**rise over the course of  
the previous 12 months**

According to Rightmove's House Price Index (January 2018), average prices in Yorkshire & Humber rose by 4.5% over the course of the previous 12 months.

That wasn't quite the top of the table. Values in the West Midlands rose by an impressive 5.8% over the same period, but average capital gains were comfortably ahead of those achieved in the over-heated South. The South West managed 4% growth and the East of England achieved 2.3%. The worst-performing areas were the South East (1.2%) and Central London, which actually saw prices fall by 3.5%.

Looking ahead, this inversion of the traditional North-South divide looks set to continue. In December 2017, Savills forecasted that values in London would fall by a further 2%, while the South East as a whole would grow by only 0.5%. By contrast, Yorkshire, the North West, the North East and Scotland are all tipped to grow by 1.5%. By 2022, Yorkshire is expected to deliver growth of around 17.6%, which is over twice the projected rate in London. It's also more growth than was seen in Yorkshire over the last five years; according to figures published by Zoopla in December 2017, average price gains since 2012 have been just under 16%.

"House prices have reached an all-time high in Sheffield as the property boom spreads across South Yorkshire. New monthly figures have shown that house prices in Sheffield, as well as Barnsley, Doncaster and Rotherham are experiencing their own booms."

THE STAR | SEPTEMBER 2017

Generally, there seems to be considerable optimism regarding local prospects for capital appreciation. Partly this is because prices in Doncaster are starting from a very low base, which means there is ample room for growth. Rightmove puts average values for Yorkshire & Humber at £179,977 (January 2018) while recent Land Registry figures estimate average values in Doncaster at just £124,630.

The other key reason for optimism is, of course, the investment now driving economic growth. This has not gone unnoticed by industry commentators. On 30th December 2017, Estate Agent Today wrote that "...promising and enterprising regional towns, such as Halifax, Wakefield, Bradford, and Doncaster, will lead the way in 2018, not just in terms of house price growth but also rental price inflation, making them next year's buy-to-let hotspots."

**17.6%**

**expected growth by 2022**

**Doncaster and other local towns**  
**"...benefit from low entry points, an availability of strategically located development sites, weak competition from existing rented stock, and the promise of catch-up growth."**

ESTATE AGENT TODAY | 30 DECEMBER 2017

# RENTAL PROSPECTS

## Doncaster

2017 was not a remarkable year for rental growth in Britain. Indeed, Rightmove's Rental Price Tracker (December 2017) noted that across the UK, rental prices had grown more slowly than at any time since 2014. Nevertheless, over the course of the year, rentals in Doncaster rose by a respectable 1.5%. By January 2018, this brought the average monthly payment to £623.

To put this figure in context, the UK average is £909, so there is plenty of room for prices to grow if the local economy is given sufficient stimulus. And fortunately, that stimulus is already taking effect. A £300 million urban regeneration programme has now begun in the centre of Doncaster. In addition to boosting the economy, this will inevitably create jobs and attract a raft of new, highly skilled professional and technical workers. The implications for rental demand are obvious.

**"Part of our work around the town centre is to encourage town centre living and the creation of high quality accommodation."**

CHRIS DUNGWORTH,  
INVESTMENT MANAGER  
BUSINESS DONCASTER

But Doncaster's comparatively low prices have another, crucially important consequence. Current market values are so markedly below those in the South and other regions that investors can buy up some exceptional properties for a surprisingly modest outlay. That, in turn, translates into very healthy yields.

Absolute rental values might not be breaking any records but yields in central Doncaster are certainly attractive. According to the Buy-to-Let Rental Yield Map 2017/2018 published by TotallyMoney (based on data provided by Zoopla), yields in Doncaster's DN1 postcode averaged at 5.73%.

What Doncaster lacks, however, is a supply of good quality rental accommodation. The market is dominated by smaller, older units with very limited appeal to discerning modern tenants. Zoopla's figures show that in the highest-yielding DN1 postcode, average rentals stand at only £463. To maximise profits, investors might therefore wish to find more modern, higher quality developments - ideally close to the town centre. Here, one can expect more immediate economic growth, stronger rental demand, faster-rising capital values and tenants who can more likely afford higher rents.



**average rental  
yields in Doncaster's  
DN1 postcode**

For those that choose their properties carefully, Doncaster is shaping up to become an ideal location for investment. Costs are low, yields are excellent and there are some very compelling reasons to believe that the property market will become steadily more rewarding.

**In the next section, we'll look at the key market forces that should see rental demand and property values rising sharply.**

Doncaster is an important part of the Sheffield City Region (SCR) - a public-private sector economic partnership. As such, the town is benefiting from a highly ambitious growth plan. Launched in March 2014, this plan seeks to create 70,000 new jobs and 6,000 new businesses, and to boost the regional economy by £7.6 billion per annum.

The IIP is the first of its kind outside London and is designed to accelerate the pace of regeneration by supporting critical improvements to infrastructure. It is supported by a wealth of major regeneration projects and will seek to magnify the impacts of the £42.6 billion HS2 high speed rail link, which will be of particular benefit to Doncaster.

# REGIONAL INVESTMENT

## Doncaster and the Sheffield City Region

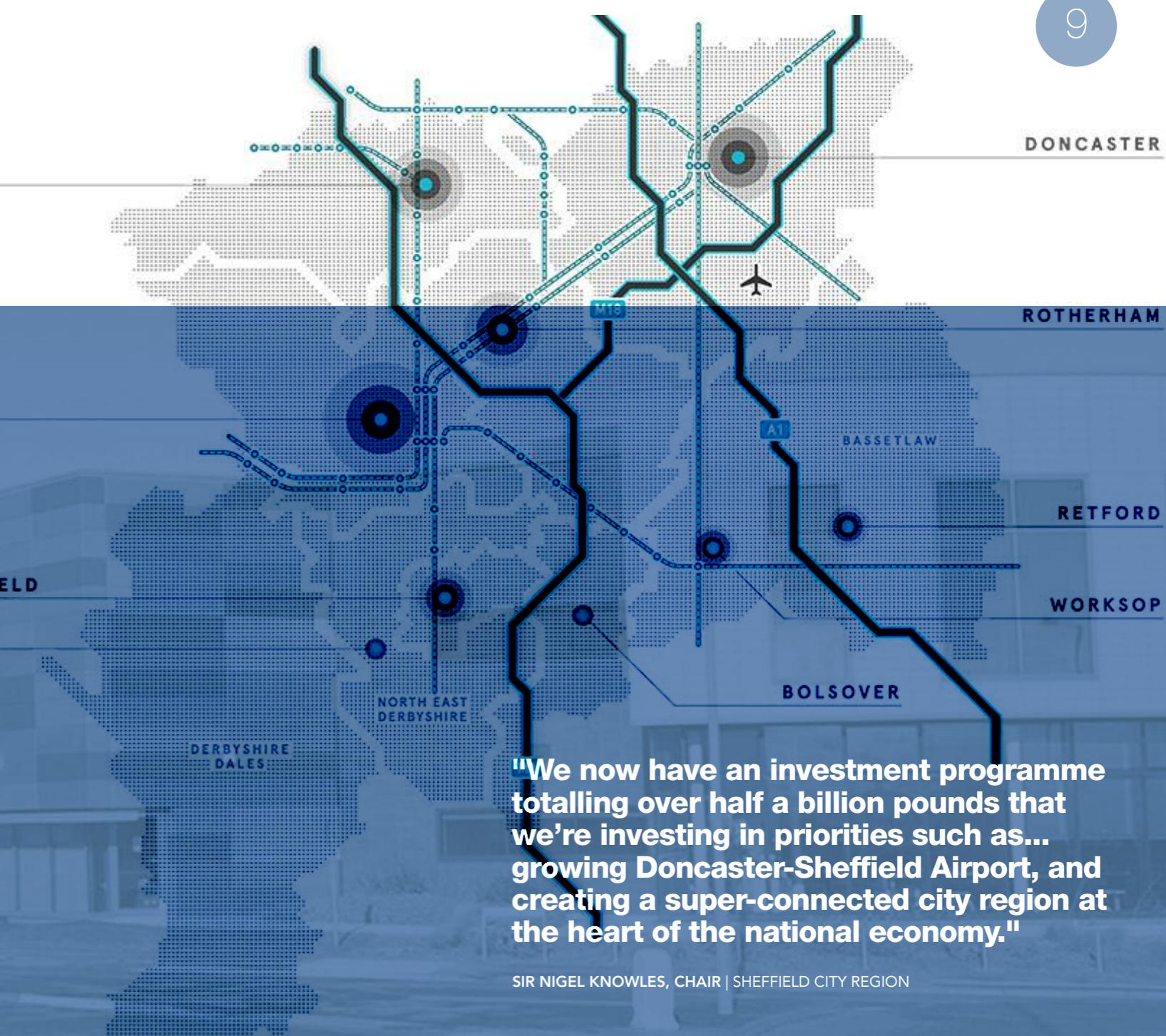
**£7.6 billion**

proposed boost to the regional economy



The £28 billion 'Integrated Infrastructure Plan' (IIP) has been supported in part by private sector investment, and partly by a government 'Growth Deal', which delivered £350 million in 2014-2015. This represents only 22% of total investment in the City Region.

In 2017, the SCR received a further boost when the Government announced that it would receive £38 million in the latest round of Northern Powerhouse funding.



# THE NORTHERN POWERHOUSE

The Northern Powerhouse is a Government-backed economic development plan that seeks to rebalance the present pattern of investment in favour of northern towns and cities. The Sheffield City Region is one of the key areas targeted for support.

**The Powerhouse scheme will facilitate improvements to transport and infrastructure, investment in science and technology, and the devolution of economic development powers through 'City Deals'.**

**13 billion**

earmarked for transport improvements in the North

**OVER 3.3 billion**

allocated to Local Enterprise Partnerships

**556 million**

committed in January 2017

**60 million**

funding for Northern Powerhouse Rail

**400 million**

Northern Powerhouse fund for SME investment

The Northern Powerhouse is our ambition to bring together the great cities, towns and rural communities of the North of England and Wales to become a powerhouse for our economy. We will achieve this with modern transport links, a revolutionary new style of governance and increased investment.

**NORTHERN POWERHOUSE**



# KEY FACTS

## Sheffield City Region



LOCATION  
South Yorkshire,  
England



POPULATION  
1.8 Million



ECONOMY  
£30+ Billion



EMPLOYMENT  
700,000



BUSINESSES  
52,000

### MAJOR INVESTMENT SOURCES



GOVERNMENT  
GROWTH DEAL



NORTHERN  
POWERHOUSE FUNDING



HS2 HIGH SPEED  
RAIL LINKS



HS3 (PROPOSED)  
EAST-WEST RAIL LINKS

**"The IIP has been constructed to be... aligned with the objectives set out in the region's Strategic Economic Plan. Delivering this Plan will help make SCR ready for investors, and play a key part in the Northern Powerhouse... It's an exciting time for the Sheffield City Region and we can look ahead confident that we have a robust and pragmatic plan for achieving economic growth and jobs."**

MARTIN MCKERVEY, CHAIR  
INFRASTRUCTURE DEVELOPMENT GROUP



# KEY FACTS

## Doncaster



**LOCATION**  
South Yorkshire,  
England

**POPULATION**  
Town  
109,805  
Borough population  
306,400

**ECONOMY**  
£4.94 Billion

**EMPLOYMENT**  
140,000

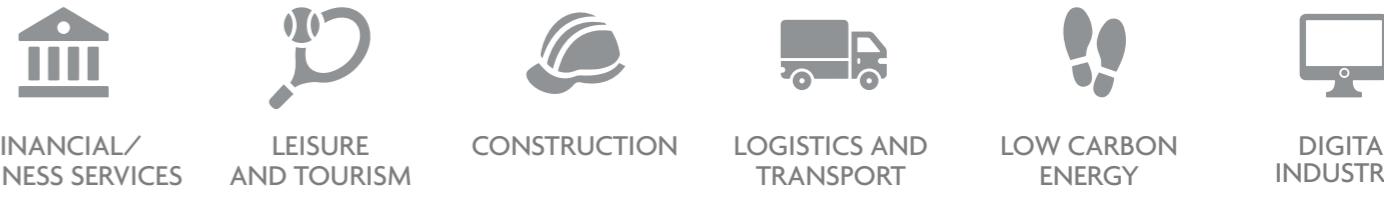
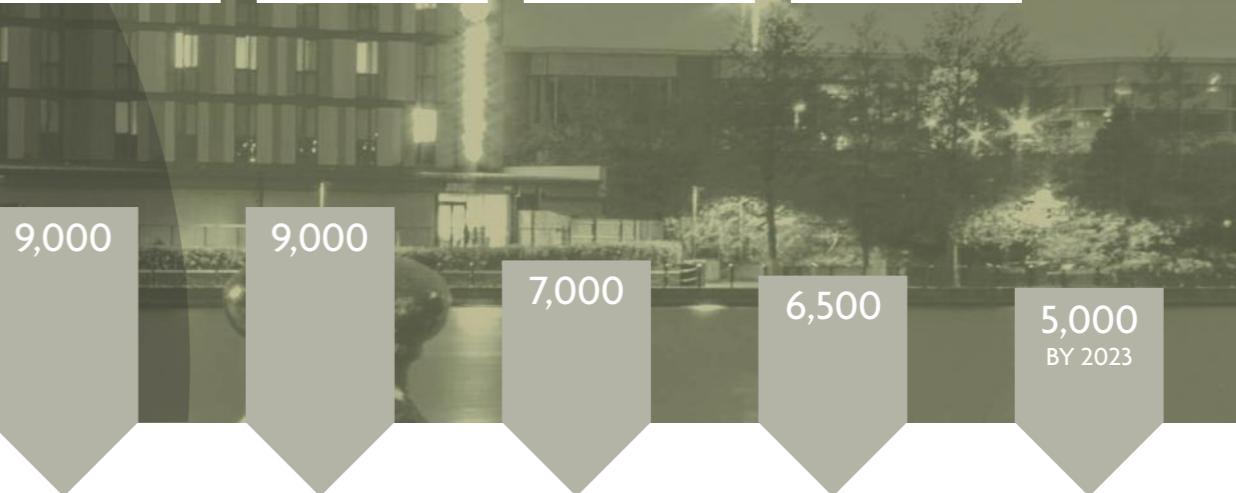
**AIRPORT**  
Doncaster Sheffield  
International Airport  
(5km from Doncaster)

**"We have got so many regeneration projects going on at the moment which are changing the face of Doncaster. Our time is very much now and we are trying to take advantage of it."**

SCOTT CARDWELL, ASSISTANT DIRECTOR OF DEVELOPMENT  
DONCASTER COUNCIL

- The largest historic market town in the North of England
- A key element of the Sheffield City Region economy
- A major UK logistics hub with excellent transport links
- Benefiting from a £28 billion growth plan
- 70,000 new jobs projected, and 6,000 new businesses
- A £300 million town centre redevelopment scheme now underway
- Now receiving 'Northern Powerhouse' funding

## LOGISTICS MAJOR EMPLOYERS



RETAIL  
MANUFACTURING  
FINANCIAL/  
BUSINESS SERVICES  
LEISURE  
AND TOURISM  
CONSTRUCTION  
LOGISTICS AND  
TRANSPORT  
LOW CARBON  
ENERGY  
DIGITAL  
INDUSTRIES

# MAJOR INVESTMENT PROJECTS

## Doncaster

**"With many regeneration schemes currently taking place, improved infrastructure and the growth of local businesses, Doncaster is increasingly becoming an attractive place to do business."**

DAN FELL, CHIEF EXECUTIVE OFFICER  
DONCASTER CHAMBER

- Civic and Cultural Quarter: £300 million
- Doncaster Urban Centre masterplan: £20 million  
(The plan allows for an £8.3 million Waterfront regeneration scheme.)
- Aero Centre Yorkshire: a £6.6 billion growth plan
- Virgin Trains investment: £30 million
- Modernisation of Doncaster Market: £1 million
- Combined investment in vehicle stock by Stagecoach and Doncaster Bus Partnership: £10 million
- National College of High Speed Rail: £20 million
- Yorkshire Wildlife Park: £50m expansion scheme.

**Doncaster is seeing a wealth of new investment projects that will bring new jobs in the town. Employment estimates have not yet been produced for schemes such as the new National College of High Speed Rail and the Rossington Hall golf destination, but figures have been attached to many other schemes.**

<b>4000</b> iPORT (UPON COMPLETION OF ALL PHASES)	<b>500</b> LIDL'S NEW DISTRIBUTION CENTRE, iPORT	<b>500</b> AMAZON'S NEW DISTRIBUTION CENTRE	<b>300</b> YORKSHIRE WILDLIFE PARK EXPANSION	<b>200</b> CEVA LOGISTICS DISTRIBUTION CENTRE	<b>150</b> PARKSIDE DEVELOPMENT	<b>115</b> ROBIN HOOD AIRPORT BUSINESS PARK (NEW)
<b>100</b> CIVIC AND CULTURAL QUARTER REDEVELOPMENT	<b>80</b> LIDL SUPERMARKETS (NEW AND EXPANDING)	<b>75</b> ALDI SUPERMARKETS (NEW)	<b>50</b> NEXT SOFA FACTORY	<b>50</b> MARRTREE BUSINESS PARK	<b>40</b> NEW COLLEGE DONCASTER	

**"...major development schemes (are) transforming Doncaster. In the first six months of the current financial year, £125m worth of projects have been delivered in the town, creating some 700 jobs."**

YORKSHIRE POST | NOVEMBER 2017

# MAJOR DEVELOPMENTS

## Town Centre Redevelopment

**£20 million**  
development framework

One of the most visible new developments in Doncaster will be the regeneration of its town centre. The Urban Centre Masterplan sets out a £20 million development framework that will see new investment across a number of key sites.

### URBAN CENTRE MASTERPLAN KEY SITES

- CENTRAL LIBRARY, MUSEUM AND ARCHIVES (£14M)
- CITY GATEWAY
- CIVIC/BUSINESS DISTRICT
- CORN EXCHANGE / DONCASTER MARKETS
- ENTERPRISE MARKET PLACE
- HERREN TRIANGLE DEVELOPMENT AT LAKESIDE
- INNOVATION QUARTER
- MINSTER CANALSIDE
- PARKLANDS
- RAILWAY STATION
- RETAIL CORE
- WATERFRONT PHASE 2
- WOOL MARKET

(Source: Business Doncaster)



"There are exciting times ahead for the town centre thanks to the Urban Town Centre Masterplan... The train station transformation is well underway and is set to create a tremendous first impression as people arrive in Doncaster."

ROS JONES | MAYOR OF DONCASTER



This plan sits alongside a broader strategy for the regeneration of the Civic and Cultural Quarter. This £300 million scheme will be delivered in four stages over a period of six to eight years, and is expected to attract £200 million of additional private investment.

Over the coming months, the centre of Doncaster is also set to benefit from support recently awarded through the £15 million Northern Cultural Regeneration Fund. This will encourage the growth of the creative, technical and digital industries and should have a positive effect on Doncaster's buoyant £400 million tourist sector.

# MAJOR DEVELOPMENTS

## iPort Doncaster

### MAJOR INVESTORS



A 93,000m<sup>2</sup> logistics hub, creating 500 jobs



20,000m<sup>2</sup> of offices and warehousing for the distribution of Nike sports equipment, creating 200 jobs



A new UK headquarters set in the 13,470m<sup>2</sup> IP2b logistics centre



A £70 million, 58,400m<sup>2</sup> warehouse and distribution facility, creating 500 jobs

Located in Rossington by junction 3 of the M18 motorway, iPort Doncaster is one of the largest commercial developments in the UK. It will combine high quality warehousing and a 14 hectare rail freight terminal. It connects to the rail network via the original line of the South Yorkshire Joint Railway, and via a purpose-built extension from the East Coast Main Line.

The iPort is already linked to the M18 via another major local investment - the £56m Great Yorkshire Way, which opened in February 2016.

Based less than 5km from the centre of Doncaster, the iPort will ultimately be one of the UK's largest logistics centres. It will comprise 557,000m<sup>2</sup> of Grade A logistics warehouses, which will handle rail containers from all major UK ports.

Led by Verdion, the £500 million development is currently under construction but it is already attracting high profile commercial tenants and investors. The site is expected to support around 4,000 jobs when fully operational.

**"We are delighted to announce that we will be creating 500 new permanent full-time jobs... by opening our third fulfilment centre in Doncaster in summer 2017."**

JOHN TAGAWA  
VICE PRESIDENT OF UK OPERATIONS, AMAZON.COM

**"We are delighted to announce this significant signing to another well-known name at iPort. Lidl is a strong operator with great confidence in the region, bringing with it many new job opportunities for Doncaster and the surrounding areas."**

MICHAEL HUGHES | CEO OF VERDION



iPort Rail will open in 2018, making it the UK's newest rail freight hub. This secure container site will offer rapid connections to national and international freight networks.

500 million

**development is already attracting high profile commercial tenants and investors**

# MAJOR DEVELOPMENTS

## Aero Centre

**"Great Yorkshire Way is quite simply one of the biggest regeneration schemes of its kind in the UK... (it) has helped Doncaster Sheffield Airport to achieve incredible growth."**

ROS JONES | MAYOR OF DONCASTER

Aero Centre Yorkshire encompasses a 10 hectare Enterprise Zone and Doncaster Sheffield Airport, one of the country's fastest growing airports.

All told, the 650 hectare site is home to well over a hundred businesses, which take full advantage of the town's outstanding transport links. The site affords ready access to the M1 and M18 motorways, the A1(M) and to Doncaster's rail freight terminal. It is also set close to Britain's largest sea port.

The site's ambitious development plan includes the construction of new hangars, industrial and commercial units, as well as a logistics hub and new facilities for training and education.

**Aero Centre Yorkshire has planning consent for over two million square feet of office, industrial and warehouse accommodation**

8 million passengers per annum

176,000 tonnes of cargo

325,000 sq metres of commercial development

£1.7 billion of construction-related investment

6.7 billion of GVA to the Sheffield City Region economy

14,346 new jobs

# 650 hectare site

**home to well over a hundred businesses**

**According to Business Doncaster, targets for the 20-year plan for Aero Centre Yorkshire include:**

# MAJOR DEVELOPMENTS

## Rail Sector

**Doncaster has a long association with the rail industry and it is now benefitting from two of the sector's biggest and most important investment projects.**

"Doncaster has a rich railway history and is today at the forefront of keeping the UK's rail network moving. The town is already home to more than 20 major rail companies specialising in traction, rolling stock, advanced manufacturing, infrastructure, and power supply and distribution."

PROSPECTUS | NATIONAL COLLEGE FOR HIGH SPEED RAIL

### NATIONAL COLLEGE FOR HIGH SPEED RAIL

The National College for High Speed Rail is a brand new educational centre dedicated to training the UK's next generation of railway engineers. Formally opened by Secretary of State for Education Justine Greening MP, it admitted its first thousand-strong student cohort in September 2017.

The result of a £25 million investment, the College offers specialist training facilities including its own 150m section of track. In January 2018, to underscore its credentials, the College appointed its first chair: Alison Munro, the former Chief Executive of HS2.

The purpose of the new College is to equip thousands of graduates with the skills to work on HS2 and other high speed infrastructure projects throughout the world. In short, it will establish Doncaster as an international centre of excellence for railway engineering.

GEOFF ELLIOTT  
GENERAL MANAGER FOR EAST COAST MAINTENANCE SAID:

"We are offering people the opportunity to work on 21st century trains using industry leading technology and tailored training. Doncaster is the perfect location for bringing new talent and skills into the rail industry. The local area has a strong legacy of technical and engineering jobs and our depot investment looks set to cement this reputation."

### HITACHI RAIL

In 2017, Hitachi Rail Europe opened its £80 million train depot in Doncaster. Initially, it created 60 new jobs but it will ultimately employ around 250.

The purpose of the new centre is to maintain new fleets of intercity trains inspired by Japanese bullet train. These will start running in 2018, connecting northern cities to London and Scotland.

As the site develops, increasing numbers of engineers, managers and apprentices will be recruited.

In a press announcement, the company noted that it had "...invested £80m in the Doncaster site to create a facility that is clean, light and packed with the most advanced industry technology... The recruitment drive at Doncaster has seen new employees join from a variety of sectors such as aviation, automotive and the military... The new trains will deliver a step change in passenger experience, offering people more seats and modern technology."

**"Hitachi Rail Europe (HRE), the company building and maintaining new intercity trains, is on schedule to employ 250 people at their newly built Doncaster depot."**

HITACHI PRESS RELEASE | APRIL 2017

### Other Schemes

### PROJECT UNITY

Unity is a plan to transform a 28 hectare brownfield site into a new community comprising shops, homes, schools and parkland. Located close to junction 5 of the M18, the site will see ongoing development until at least 2035, so it should act as a continuing driver of local economic growth.

Between now and 2030, local leaders expect the scheme to support the creation of around 9,000 jobs and to attract more than £400 million of new inward investment.

### YORKSHIRE WILDLIFE PARK

On 9th January, Doncaster Council approved plans for a £50 million expansion project at Yorkshire Wildlife Park. This will add 61 hectares to the current site in Branton and will create a further 300 jobs.

The expansion plan includes the construction of new restaurants, shopping facilities and a visitor hub set beside a new entrance on Hurst Lane.

The award-winning Park attracts more than three quarters of a million visitors annually and the new investment should see those numbers swell considerably. It already supports 300 local jobs and, since opening in 2009, it has contributed more than £12 to the local economy.

**"Leisure has become a key part of the Doncaster story. Our development is located close to Doncaster Sheffield Airport, Doncaster Racecourse and the new proposed PGA Golf course at Rossington. This will provide a critical mass of world class tourist attractions and bring an international audience to Doncaster."**

CHERYL WILLIAMS, DIRECTOR | YORKSHIRE WILDLIFE PARK

# SUMMARY

**Doncaster offers property investors  
an attractive combination of strengths**

**LOW  
INVESTMENT  
COSTS**

**HIGH YIELDS**

**THE  
PROSPECT OF  
FAST-RISING  
RENTAL  
DEMAND**

**EXCELLENT  
PROSPECTS  
FOR CAPITAL  
APPRECIATION**

Much of this appeal stems from the vast amount of inward investment now taking place in the town. However, it's also important to remember that Sheffield City Region is enjoying a pronounced economic resurgence of its own. At a wider, regional level, this should also have a significant positive effect on prices, populations and rental demand.

Doncaster in particular should appeal to investors with an eye for higher quality properties. There is a distinct under-supply of quality accommodation in the town, and most of the existing stock is unlikely to attract discerning professional workers. Faced with very little competition and a rising population of higher-earning tenants, investors with more attractive, better equipped properties will find themselves in an enviable market position.

For all these reasons, Doncaster stands as an undoubted hot-spot for property investors. However, the town's successes are becoming increasingly well known and prices are likely to rise as buyers take note. For the time being, Doncaster's prices remain extremely low but the opportunity will not last indefinitely. Profits are likely to be best for those who invest early.

**For more information about investment opportunities in  
Doncaster and the surrounding area, please contact one  
of our professional investment advisors on +44 (0) 203 961 0090**

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