

# Property Market Impacts of Credit Crunch

Ribble Valley Borough Council / Lancashire County Developments Ltd

## Brief

Following BE Group's commission to carry out an Employment Land Review and Retail Capacity Study for the Ribble Valley in Lancashire, the company was re-appointed to assess the impacts of the Credit Crunch. The objective was to consider how the global slowdown and wider macro-economic factors in 2008/2009 would affect the property market locally.

The report was needed to predict the implications not only for the outcome of the Employment Land Review and Retail Capacity Study, but also to help determine public sector policy. The client group wanted to understand if there were any counter-cyclical measures that they could put in place.

## Activities

- Review of literature explaining credit crunch
- Summary paper on globalisation and macroeconomic conditions
- Investigation of sub-prime mortgage market and trends
- Assessment against Employment Land Review and Retail Capacity Study
- Analysis of site and premises specific information
- Consideration of other factors, e.g. business rates legislation changes

## Outcome

The study highlighted what the implications of the Credit Crunch are likely to be on Ribble Valley and its property market across the industrial, office, retail and land sectors. It identified key developments at risk, sites where delivery may be delayed, and types of property development where market failure will increase.

Ribble Valley is likely to experience falling demand for employment land, a reduced business start-up rate, greater demand for cheaper business accommodation and falling commercial rents. Consumer spending will decrease, and shops will suffer from greater competition from larger retail centres.

