

Updated quarterly, our dashboards provide a concise synopsis of activity in UK's industrial markets.



Midlands Industrial Market

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Research, Q1 2021

DEMAND



Take-up (sq ft)
4.7m sq ft

142% above Q1 2020



Number of deals
22



Prime rent (£ per sq ft)
£8.00



5yr Rental Growth
Forecast
1.8%pa

Note: Units over 50,000 sq ft.

SUPPLY



Availability (sq ft)
8.2m sq ft



Under Construction (sq ft)
2.7m sq ft



Vacancy Rate (%)
4.5%



Vacancy Rate
Forecast
▲

INVESTMENT



Investment Volumes
£531m
300% above Q1 2020



Number of deals
33



Prime Yield
4.00%



5yr Total Return
Forecast
6.2%pa

Source: Knight Frank, Property Data, RealFor.

Q1 2021 SUMMARY

The existing availability currently relates to just eight months supply remaining – and that reduces to under six months assuming that the stock currently under offer completes. We can expect a critical shortage of supply later in the year as second hand premises are leased, and there is a gap whilst the next wave of speculative development comes through. This will inevitably lead to rental growth and the hardening of incentives.

With land remaining scarce, the lack of supply, pent-up demand and expected rental growth the forecast for industrial property in the Midlands is attractive for developers and investors. With existing supply tight, there are limited opportunities for occupiers requiring facilities and this is likely to persist over the next 12-months. Occupiers face waiting for completion of speculative buildings or to acquire new build.



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