

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



Midlands Industrial Market

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Research, Q2 2020

DEMAND

Take-up (sq ft)
4.2m sq ft
51% above LTA

Number of deals
16

Prime rent (£ per sq ft)
£8.00

Rental Growth
Nominal 5yr CAGR
1.6%pa

Note: Units over 50,000 sq ft.
LTA = Long Term Average

SUPPLY

Availability (sq ft)
14.4m sq ft

Under Construction (sq ft)
1.6m sq ft

Vacancy Rate (%)
4.8%

Vacancy Rate
Forecast

INVESTMENT

Investment Volumes
£206m
4% above LTA

Number of deals
17

Prime Yield
4.50%

Total Return
Forecast 5yr CAGR
6.0%pa

Source: Knight Frank, RealFor.

Q2 SUMMARY

The Midlands market has been particularly active during Q2 2020, with several large transactions completing. This coupled with short-term Covid-19 related requirements has increased take-up to 51% above the long-term quarterly average. The volume of new requirements since the relaxation of lockdown has kept headline rents largely intact. Market level incentives have pushed out slightly, but we expect this to be temporary in the size brackets with limited supply.

Business failures are beginning to factor, especially in the retail sector, which will increase the supply of second hand space. This could present an opportunity for businesses with an immediate need, with returning space inclusive of fit out meaning lower upfront cap-ex costs.



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