

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





South West Industrial Market


knightfrank.com/research


Research, Q3 2021

DEMAND

 Take-up (sq ft)
391,600 sq ft
86% below Q3 2020


 Number of deals
4


 Prime rent (£ per sq ft)
£8.00


 5yr Rental Growth Forecast
3.1%pa



Note: Units over 50,000 sq. ft.

SUPPLY

 Availability (sq ft)
4.1m sq ft

 Under Construction (sq ft)
298,000

 Vacancy Rate (%)
7.6%

 Vacancy Rate Forecast


INVESTMENT

 Investment Volumes
£35m
88% below Q3 2020

 Number of deals
9

 Prime Yield
3.75%

 5yr Total Return Forecast
9.0%pa

Source: Knight Frank, Property Data, RealFor.

Q3 2021 SUMMARY

Q3 marked a quieter quarter for the South West region, but this would only appear to be due to delays in completing deals. At the time of writing, a further 1.3m sq ft is under offer across the South West, which will boost take up volumes for year end. Demand remains very strong, but the emphasis is all about existing buildings in the sub 300,000 sq ft size range. For larger units, occupiers remain willing and able to wait for Build to Suit options.

On the supply side, the core markets have some new large and mid-box due for completion in 2022, although new starts are now expecting completions dates for 2023, bringing the potential for a supply shortage in the latter half of 2022. The land markets remain very strong, although we are starting to see the pressures of rising build costs starting to take effect on values.



Russell Crofts

Partner, Industrial Agency, Bristol
+44 117 917 4535
russell.crofts@knightfrank.com



Nick Thurston

Partner, Capital Markets, Bristol
+44 117 917 4536
nick.thurston@knightfrank.com



Claire Williams

Associate, Commercial Research
+44 203 897 0036
claire.williams@knightfrank.com

Knight Frank Research
Reports are available at
knightfrank.com/research



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2021 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names..