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# Wales Industrial Market

## Research, 2020 Review

### DEMAND



Take-up (sq ft)  
**2.7m sq ft**  
122% above 2019



Number of deals  
**18**



Prime rent (£ per sq ft)  
**£6.50**



5yr Rental Growth  
Forecast  
**1.7%pa**

Note: Units over 50,000 sq ft.

### SUPPLY



Availability (sq ft)  
**6.3m**



Under Construction (sq ft)  
**160,000**



Vacancy Rate (%)  
**15.8%**



Vacancy Rate  
Forecast  
**▲**

### INVESTMENT



Investment Volumes  
**£38m**  
60% below 2019



Number of deals  
**18**



Prime Yield  
**5.25%**



5yr Total Return  
Forecast  
**6.9%pa**

Source: Knight Frank, Property Data, RealFor.

### 2021 OUTLOOK

The closure of Ford in Bridgend released approximately 1.6 million sq ft of industrial space to the market, which together with the 1 million sq ft available at the former Quinn site in Newport distorts the overall availability figure of 6.3 million sq ft.

Despite this availability there is still a lack of Grade A space throughout. The dearth of good quality stock has encouraged logistics operators and more traditional industrial owners to consider new build. It is interesting to note that national operators are not baulking at the higher headline rents required, as acquiring the right building in an optimum location is essential to their business. As a result we expect more new build in 2021 which will lead to further rental growth.



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