

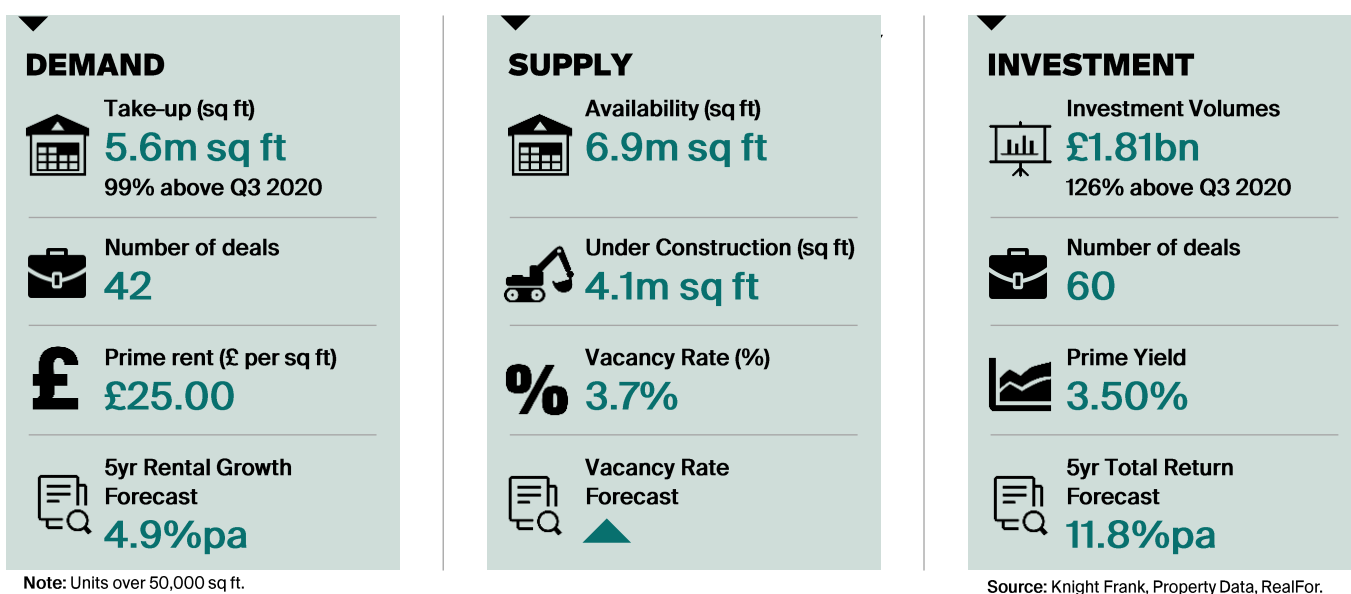
Updated quarterly, our dashboards provide a concise synopsis of activity in UK's industrial markets.



London & SE Industrial Market

Research, Q3 2021

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Q3 2021 SUMMARY

Continued growth in demand for industrial and logistics space in London and the South East is reflected in take-up so far this year standing 16% ahead of the equivalent period in the record year 2020. E-commerce continues to drive activity, accounting for almost half of transactions in Q3 with occupiers particularly focused on the big box market (100,000 sq ft+). Notable transactions in quarter three included the letting of 617,393 sq ft at Tectonic 620 at Milton Keynes to John Lewis, while IKEA pre-signed 450,000 sq ft at The Power House, Dartford. Strong occupier demand and the shortage of good quality/new stock is driving appetite for development, with 4.1 million sq ft of speculative space under construction. However, rising build costs are impacting delivery schedules as developers face delays and price inflation on supplies.

Rental growth projections have been revised up sharply for 2021, with 7.8% projected for Greater London and 7.1% for the Eastern region. Investor interest continues at pace evidenced by a 126% annual increase in transaction volumes in the third quarter.



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