

# Retail Warehouse Dashboard



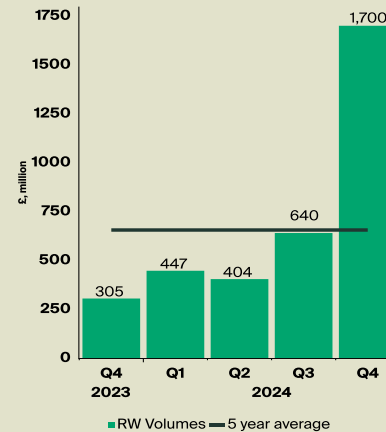
Q4 2024 | A concise quarterly synopsis of activity in the UK retail warehousing market.

## Key Takeaways

- Globally, the RICS Commercial Property Sentiment Index remained in negative territory but was broadly stable, registering -8 points in Q4 (up from -11 points in Q2).
- Retail warehousing investment volumes reached £1.7bn in Q4, delivering the strongest quarterly performance in recent years—though this was significantly driven by portfolio deals. This brought total annual transactions to £3.2bn—significantly higher than £1.9bn in 2023 and £2.7bn in 2022.
- Reflecting a very broad investment base, Listed and Private Property Companies accounted for 66.8% of purchases.
- Yields compressed across the board. Prime Open A1 Parks saw a -50bps compression to 5.25%, while Prime Bulky Goods compressed by -25bps to 5.50%.
- Capital values increased +2.3% quarter-on-quarter, marking a fourth consecutive quarter of growth. Rental values also strengthened +0.8% on Q3 levels.
- Unit vacancy rates also improved for a 16<sup>th</sup> consecutive quarter, compressing -30bps to 6.5%. Vacancy rates are approximately -180bps lower than pre-pandemic.
- Footfall was strong in October (+4.8%) but fluctuated in November / December (-1.1% / -1.1%, vs All Retail -4.5% / -2.2%).
- Q4 retail sales grew by a modest +1.5% overall, with Non-Food (+3.8%) stronger than Food (-0.8%). Demand for certain out-of-town categories was soft: Furniture -6.5% / Household Electricals -0.4%.

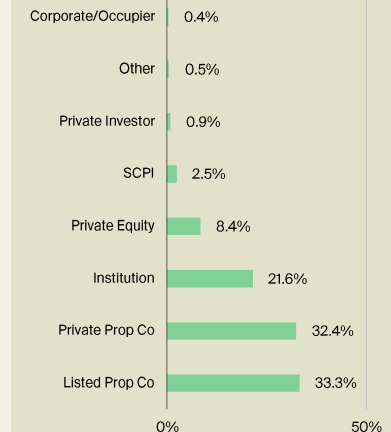
## Investment Volumes

(Knight Frank) Last 5 quarters



## Q4 Buyer breakdown

(Knight Frank) By deal volume



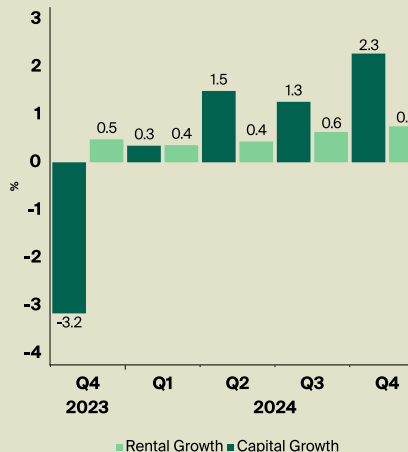
## Key Deals YTD (Year to Date)

\*KF DEAL

ASSET	PRICE £M	YIELD (%)	VENDOR	PURCHASER
M7 Portfolio (Various)	£518m	6.75%	M7 Oxford Properties	Redevco
Anchor Retail Park (Mile End, London)	£37m	4.45%	Lothbury Investment Management	DTZ Investors
Ivybridge Retail Park (Twickenham)	£33.7m	4.85%	Delancey	Patrizia
Aldi & Home Bargains (Bradford) *	£7.9m	6.35%	KFIM	AFH Group
Airport Retail Park (Coventry) *	£37.2	6.00%	LondonMetric	NFU

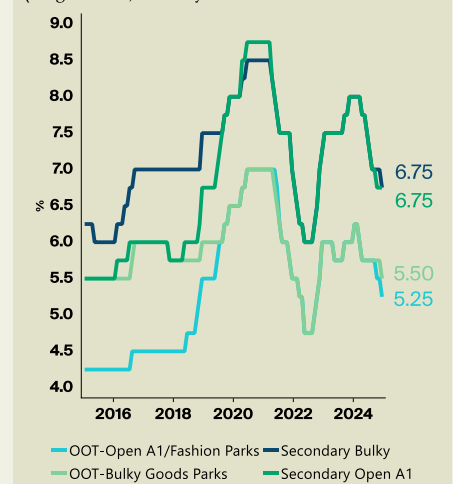
## Rental & Capital value growth

(MSCI) QoQ change



## Yields (guide available online [here](#))

(Knight Frank) Last 10 years



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## Research Commentary

**Another standout quarter for investment caps another exceptional year for retail warehousing.** RWH investment markets had a bumper Q4, with transaction volumes surging to £1.7bn—the highest quarterly level in years—driven by major portfolio deals and accelerating yield compression. Key transactions included Redevco's £518m acquisition of 16 retail parks, and British Land's c. £441m purchase of seven retail parks from Brookfield. Yield compression gained momentum, though the gap between segments widened. Open A1 Parks saw yields tighten -50bps to 5.25%, while Bulky Goods Parks compressed by -25bps to 5.50%. Capital values rose +2.1% quarter-on-quarter, marking the fourth consecutive quarter of growth.

**Occupational demand for out-of-town space remained intense, pushing vacancies to a new record low.** The sustained preference for out-of-town retail has now driven 15 consecutive quarters of improvement in vacancy rates. In Q4, vacancies fell a further -30bps to 6.5%—now -180bps below pre-pandemic levels (8.3%).

**Retail sales in Q4 were somewhat disappointing, with discounting playing a key role in driving consumer spending.** Overall, sales grew by a modest +1.5%, with Non-Food (+3.8%) outperforming Food (-0.8%). However, demand for key out-of-town categories was muted, with Furniture sales down -6.5% and Household Electricals slipping -0.4%. In many cases, growth was discount-led, as volume increases outpaced value gains—indicating consumers bought more but spent less. Garden Centres & Pets saw volumes rise +9.5% against a +5.0% increase in values, DIY grew +5.9%/+5.2% and Sports Equipment & Games surged +25.3%/+25.6%.

## Get in touch with us

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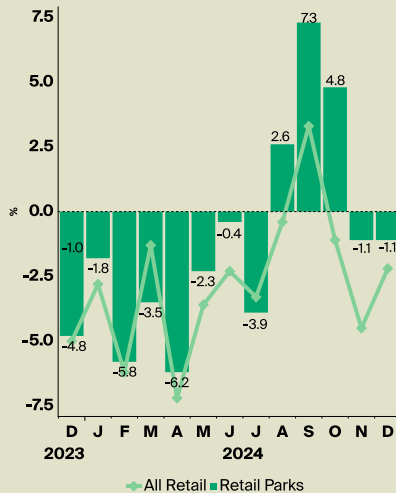
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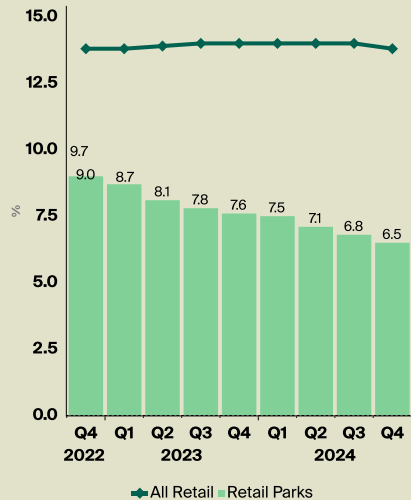
## Footfall

(BRC) Monthly YoY change\*



## Vacancy Rate

(BRC-LDC) Units



“

Retail warehousing - riding high at the top of the real estate performance charts (with total returns of 12.1% in 2024) and sitting pretty towards the top of most investors' shopping lists.”

RESEARCH VIEW

STEPHEN SPRINGHAM  
Partner, UK Markets Research

## Retail Sales Categories

(ONS) Quarterly Sales YoY Change

