

Industrial Outdoor Storage

2025

This report explores the expansion of the Industrial Outdoor Storage sector across the UK, offering a detailed analysis of key metrics and emerging trends.

knightfrank.co.uk/research



Momentum on the ground

Industrial Outdoor Storage (IOS) is moving from the margins to the mainstream and emerging as a vital component of the UK’s industrial landscape. As occupier requirements diversify and business needs change, IOS is proving an adaptable and cost-effective solution for a wide range of users. Demand is not only sustained but is shifting in profile, with enquiries spanning a broader mix of uses, specifications, and site sizes than ever before.

36%

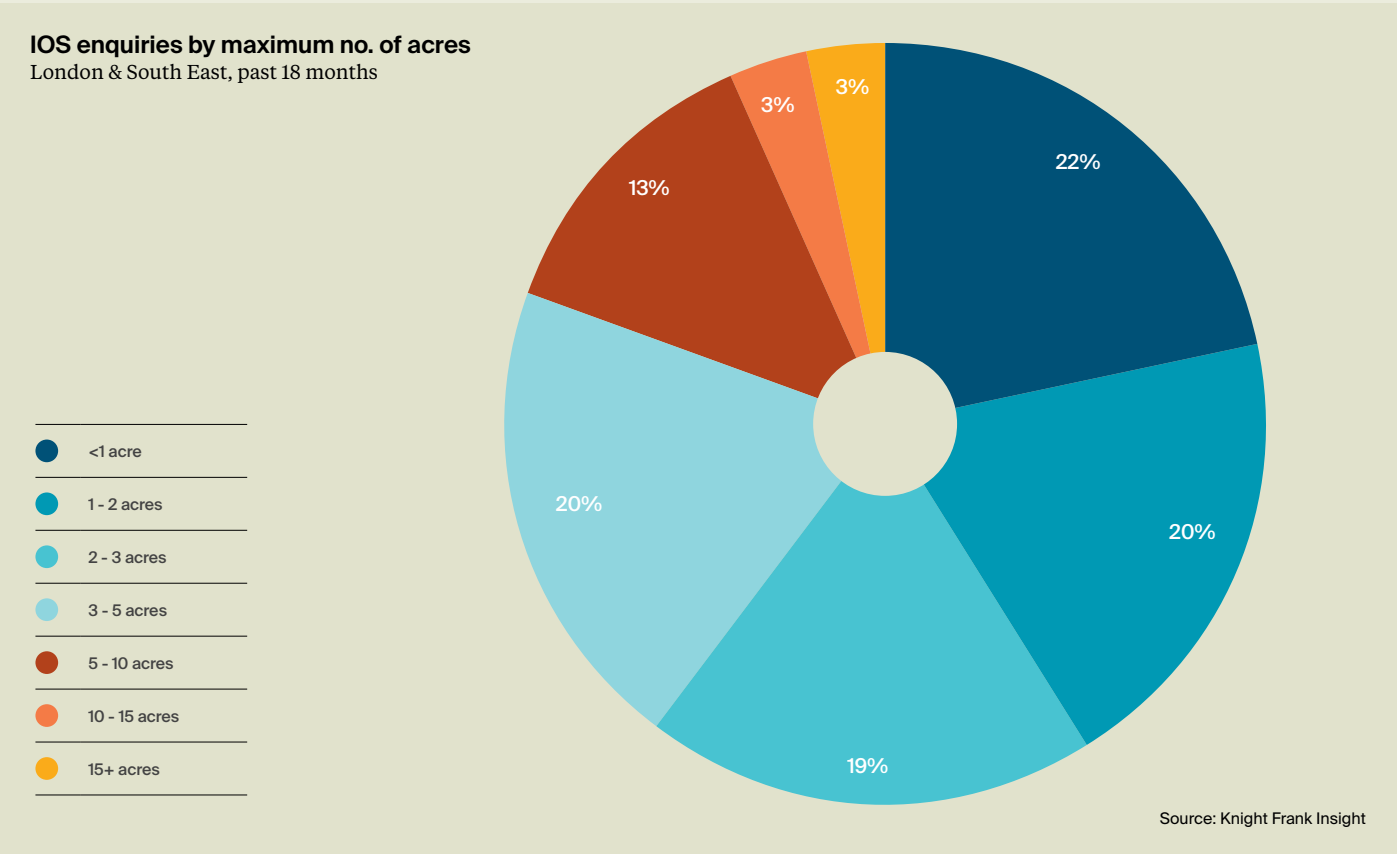
The typical midpoint between minimum and maximum site requirements has grown by 36% in 2025 – from 2.3 to 3.1 acres

To better understand these changes, Knight Frank has analysed its London & South East IOS enquiry database, which tracks both the volume of enquiries, and the scale and specifications of land requirements over time. The findings point to a resilient market, with enquiry volumes showing clear momentum. The number of enquiries recorded in the first seven months of 2025 are 31% higher than Jan-July 2024, and come close to matching the total for the whole of 2024, with five months still to go.

The typical midpoint between minimum and maximum site requirements has grown by 36% over the same period – from 2.3 to 3.1 acres – while average maximum requirements have climbed 39% – 3.3 to 4.6 acres – reflecting expanding operational needs and the arrival of larger operators to the market.

“Industrial Outdoor Storage (IOS) is moving from the margins to the mainstream and emerging as a vital component of the UK’s industrial landscape.”

The range of requirements can vary, both in quality and scale, spanning from as little as half an acre up to 25 acres of space. Over the past 18 months, 22% of enquiries were for less than 1 acre of IOS space, rising to 42% for <2 acres, while 39% fell between 2 and 5 acres, and 19% exceeded 5 acres. With typical lease length – both required and obtained – also varying from 1 to 25 years, this breadth underlines the sector’s versatility in meeting occupier needs, from small-scale, short-term storage to substantial, long-term operational footprints.



Five forces reshaping IOS

What sub-sectors are shaping demand for IOS in the UK? We have identified five key trends behind these shifts, driven by structural changes in occupier requirements and mounting operational pressures across multiple sub-sectors. The following section explores how these forces are shaping the market and influencing the future demand for IOS.



CONSTRUCTION INDUSTRY: THE YARD BEHIND THE SKYLINE

Businesses in the construction industry are among the most traditional users of IOS space. Contractors and suppliers typically use IOS sites for storing bulk and

specialised materials (such as steel, timber, aggregates, and cladding systems), housing heavy machinery and tools, and staging preassembly works. These spaces also serve as hubs for organising “just-in-time” deliveries to active development sites, especially in urban areas where on-site storage is limited.

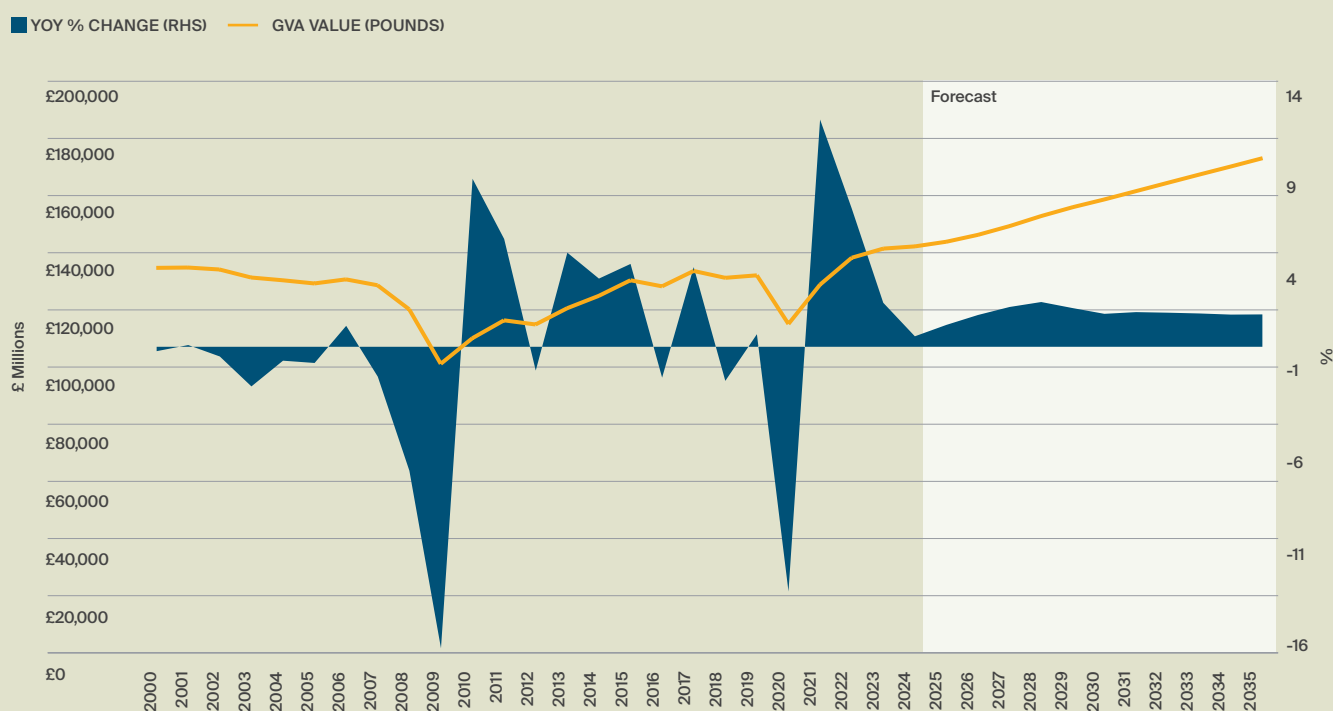
As an industry, construction is highly cyclical and sensitive to economic conditions. Construction demand is heavily influenced by interest rates, inflation, and investor and occupier confidence – all of which have endured a turbulent ride over the past five years. In 2020, construction gross value added (GVA) plummeted by -12.9% due to COVID-19 related shutdowns, only to rebound strongly with +11.9% and +7.3% in 2021 and 2022, respectively. Growth slowed again to +2.3% in 2023 and +0.6% in 2024, as

interest rates soared, and many new developments stalled.

The outlook is improving; with interest rates now falling, the construction sector is set for a period of renewed, if moderate, growth. Oxford Economics forecasts total construction output to increase by 20% over the next 10 years, to £173 billion by 2035. This equates to an average annual growth rate of 1.9%. Regionally, the strongest growth (in percentage terms) is expected for the Eastern region (+23.5%), followed closely by London (+23.2%) and the South East (+23.0%). The South East region remains the leading region for the sector, with a total construction output of £22.0 billion in 2024 and projections to reach £27.5 billion by 2035.

Outside of Greater London, the South East and East regions, the South West and Yorkshire & the

Gross Value Added: UK Construction Sector



Source: Knight Frank Insight, Oxford Economics

Humber have the strongest 10-year growth forecasts in percentage terms of +22.9 % and +22.2%, respectively. The North West is expected to see the largest absolute increase in output value over the next decade, of £3.2 billion, to reach £18.0 billion by 2035, followed by the South West (+£2.7 billion to £14.6 billion).

Construction output projections are likely to have direct implications for IOS demand. This is a UK-wide expectancy, but regions with stronger construction growth forecasts – particularly areas that are in proximity to urban growth areas and major infrastructure projects – should see greater knock-on demand for flexible, accessible open yard space for both short- and long-term use. This outlook is further reinforced by Government housing targets, including the aim to deliver 1.5 million new homes by 2029, and the fast-tracking of 150 major infrastructure decisions under

the Planning and Infrastructure Bill. Added to this is the £725 billion 10-year National Infrastructure Strategy, which aims to accelerate development, supported by the National Wealth Fund, an initiative specifically designed to attract private sector investment.



CHASING LAND FOR EV CHARGING

Emerging sustainability trends are driving rapid innovation across the IOS sector. Since 2020, the rise of e-commerce has flooded UK roads with heavy goods vehicles (HGVs) and last-mile delivery vans. These vehicles form the backbone of UK logistics, but they also contribute a significant 20% of domestic transport-related

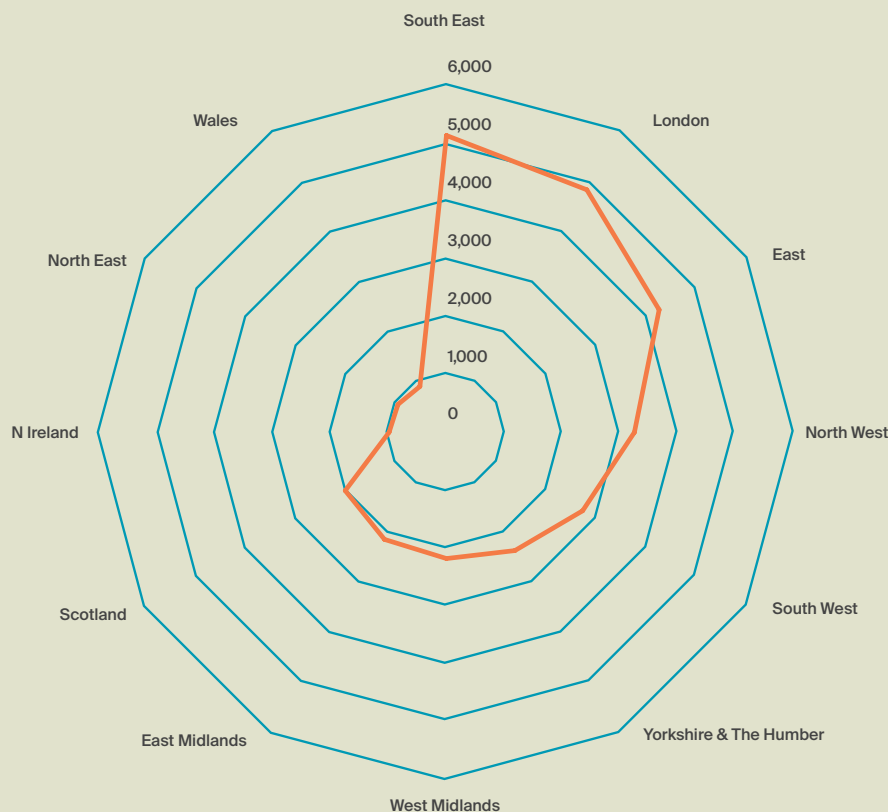
CO₂ emissions. Transport as a whole remains the UK's single largest source of greenhouse gases, accounting for 30% of total emissions in 2024, according to the Department for Energy Security and Net Zero. Although emissions fell by 2% year-on-year due to reduced diesel use, decarbonisation remains a pressing challenge – and one that is reshaping land requirements across the sector.

In response, logistics operators are increasingly adopting zero-emission strategies to meet corporate net-zero targets. This includes the electrification of delivery fleets and plans to roll-out battery-electric HGVs (eHGVs) and hydrogen-powered HGVs. To support this transition, the UK Government's £200 million Zero Emission HGV and Infrastructure Demonstrator (ZEHID) programme – funded by the Department for Transport and delivered through Innovate UK – aims to deploy approximately 350 zero-emission HGVs and more than 70 public and depot-based charging and refuelling hubs by 2030, with trials already underway. For UK logistics, this is a major leap toward achieving net-zero freight by 2050. Operators involved in the rollout include major players such as Amazon, Royal Mail, Eddie Stobart, Wincanton, and Kuehne+Nagel, with manufacturers supporting the transition including Volvo, Renault, Scania, and Mercedes.

Here, IOS offers a unique advantage. Urban logistics hubs often face constraints on both yard space and grid capacity, pushing occupiers to seek nearby IOS land as spillover charging zones without disrupting core warehouse operations. This

Construction output: 10-year growth forecast by region

GVA, £ million



Source: Knight Frank Insight, Oxford Economics

“Urban logistics hubs often face constraints on both yard space and grid capacity, pushing occupiers to seek nearby IOS land as spillover charging zones without disrupting core warehouse operations.”

dynamic is likely to intensify as vehicle adoption accelerates.

But both land and power are limited. According to the Society of Motor Manufacturers and Traders Ltd. (SMMT), electric vans represent just 8.8% of new van sales (YTD July 2025) – a significant distance from the Government’s near-term ZEV mandate of 16% for 2025. While several manufacturers are investing heavily to bring more choice and cutting-edge vehicles to the electric van market, the SMMT emphasises the need for more van-suitable charge-points, stronger fiscal incentives, and streamlined local planning processes to accelerate uptake.

Looking further ahead, the UK Government’s longer term statutory targets remain ambitious: a 70% van ZEV share by 2030, 100% of new vans by 2035, and full HGV electrification by 2040. This mandate

is expected to drive substantial electric van deployment over the next five years, and momentum is already evident. Global consultancy Inverto reported that the number of all electric commercial vehicles in the UK increased by 31% in 2024, to 90,058 vehicles. eHGVs recorded 28% annual growth, but off a much lower base, with eHGVs accounting for just 1.4% of all electric commercial vehicles in 2024.

As the UK logistics sector accelerates toward net-zero, demand for flexible IOS land to host EV infrastructure and zero-emission fleet operations will intensify, positioning IOS as a critical enabler in the nation’s transition to sustainable transport. Meeting this demand will require the right industrial land in the right places, targeted subsidies, upgraded power infrastructure – and streamlined planning to support it.



SELF-STORAGE & CONTAINER YARDS: CAPITALISING ON FLEXIBILITY

Self-storage is one of the most established and adaptable uses of IOS land, particularly in locations where traditional warehouse space has become unaffordable or unavailable. Growth in the self-storage sector is being driven by structural shifts across both the residential and commercial landscape, including changes in demographics, lifestyle, and technology.

Challenges in the residential setting such as reduced living space, increased renting, and co-living are fuelling demand for accessible



and affordable storage solutions. On the commercial side, the expansion of e-commerce and the rise of home-based start-ups – particularly online sellers scaling through social media – have made self-storage an attractive, flexible operational base. These occupiers value the ability to obtain space and scale quickly while avoiding the constraints of long-term lease commitments.

From a real estate investment perspective, self-storage offers stable, diversified income and long-term growth potential. Much like the serviced office sector, end users typically deal directly with the self-storage operator rather than the landlord, and benefit from secure and flexible storage solutions for personal belongings, business inventory, or equipment, making it more cost-effective to traditional indoor storage facilities. Investors are channelling raised capital to not only convert obsolete industrial sheds into self-storage facilities but also developing on vacant sites from the ground up.

This strategy is proving particularly effective in non-urban or regional markets, where land is more affordable but where there is an undersupply of self-storage options, and IOS yard space offers an attractive entry point.

Investors have sought exposure to the self-storage market given its robust structural drivers, and recent investment data highlights this: although volumes dipped in 2023 reflecting the wider slowdown in UK commercial property, the sector rebounded strongly through 2024 and into early 2025, with deal count more than doubling year-on-year in 2024.

Of course, the majority of this capital has targeted built self-storage stock – often linked to major operators like Big Yellow and Safestore – rather than IOS sites. Whilst the largest self-storage operators do not typically offer open (or containerised) storage solutions, their rapid expansion and the depth of demand illustrates the broader structural trends underpinning the sector – drivers that the IOS sector also shares.

Container-focused firms are increasingly activating IOS land for self-storage. Willbox, a national provider of container conversions, supports site build-outs and flexible storage layouts, while London Container Company in Wandsworth offers drive-up container units with secure, short- and long-term options. Container-based storage operators favour sites with hard-standing surfaces, good vehicle circulation, and 24/7 access and security. These

“Container-based storage operators favour sites with hard-standing surfaces, good vehicle circulation, and 24/7 access and security.”

facilities also serve both residential and commercial users, offering flexible, low-commitment space that aligns well with the needs of SMEs, tradespeople and micro-retailers.

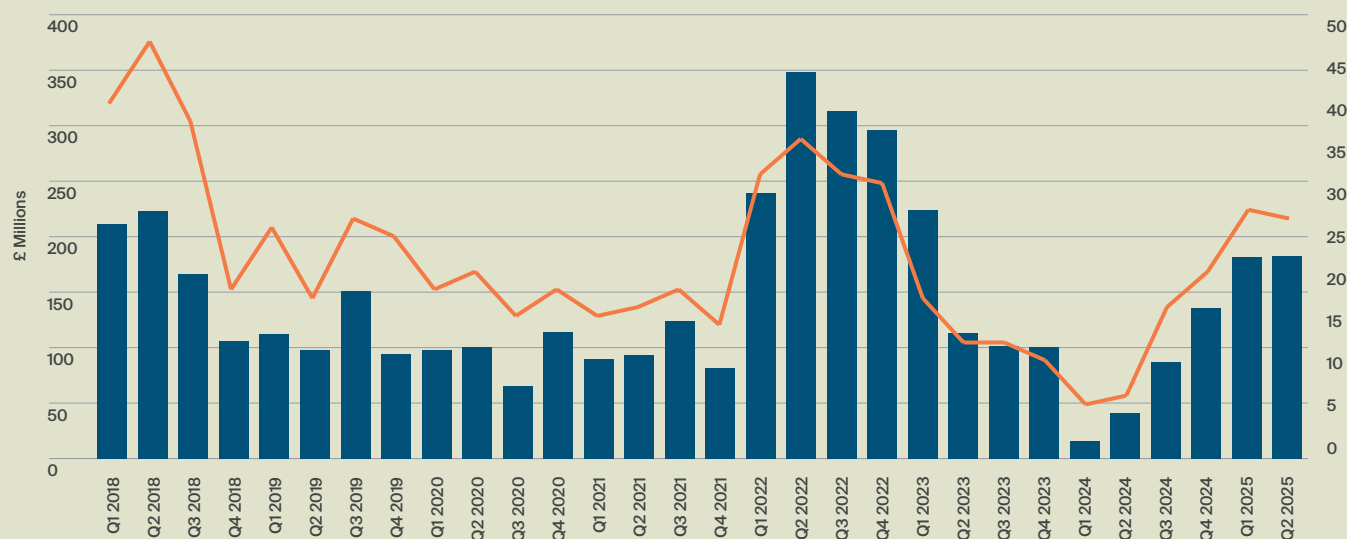
Illustrating this trend, in August 2025 Universal Container Services acquired 3.8 acres on the Manchester Ship Canal for approximately £4.5 million, expanding its Irlam site into a 7.28-acre hub with plans for a container showroom, workshop, and up to 600 self-storage units, enhancing the site’s operational capacity at a time of rising demand for container-based solutions.

This growth sector offers income-generating and scalability potential combined with a broadening occupier base, all of which are qualities that align with the evolving IOS strategies among investors across the UK.

Self storage investment volumes

Past 5 years – rolling totals

■ TRANSACTION VOLUMES — NO. OF TRANSACTIONS (RHS)



Source: Knight Frank Insight. RCA



VEHICLE STORAGE: PARKING, PREPPING, PROTECTING

Vehicle storage has been one of the most consistent drivers of demand for IOS in recent years, particularly in the South East region. These sites serve as crucial hubs for managing fleets of trucks, vans, coaches, and specialised vehicles. This demand mirrors the UK's reliance on road transport for freight and passenger movement, with IOS offering accessible, secure space for parking, vehicle display, and preparation. Key users include:

- Haulage fleets requiring secure overnight parking
- Commercial operators needing long-term storage
- Logistics providers using overflow depots
- Operators managing vehicles arriving at or departing from ports
- Businesses in automotive sales, leasing, and rentals

IOS facilities are valued for their accessibility, security, and operational flexibility. Operators typically demand features such as strong perimeter fencing, 24/7 gated access, CCTV surveillance, hard-standing surfaces, and ample turning space for HGVs. These sites help alleviate pressure on constrained core depots, enabling fleet growth and seasonal capacity surges.

The sector's growth is closely linked to freight and logistics trends, with urban congestion, limited land availability, and port-related import and export flows driving competition for well-located yards. IOS options are becoming essential to supporting last-mile delivery, intermodal transfers, port operations, and fast-turnover vehicle sales within commuter belts.



JUST-IN-CASE STOCKPILING: PREPARING FOR DISRUPTION?

The evolution from “just-in-time” to “just-in-case” logistics – a shift accelerated by Brexit-related trade friction, COVID-19 supply chain shocks, and geopolitical uncertainty – has created a distinct and expanding IOS demand profile. Occupiers in this segment typically seek large, accessible open plots that are capable of handling heavy goods, offer secure storage for extended periods, and allow for rapid scaling up or down of capacity.

Construction-related stockpiling is the most visible growth area, with materials increasingly held in IOS yard space as a buffer against delays. This is particularly critical for projects dependent on imported components or subject to long lead times, where on-site storage is impractical.

Manufacturers and distributors are also adopting this strategy, using IOS yards to pre-position goods closer to end-markets and reduce exposure

to disruption in international shipping lanes. Global uncertainties – including ongoing trade tensions and recent tariffs introduced by the Trump administration – are adding further complexity to supply chains, reinforcing the need for secure, flexible storage solutions that can absorb shocks from uncertain import costs and delays. In addition, the UK government is currently reviewing the £135 de minimis customs threshold for imports, with potential reductions or removal likely to shift retailer logistics strategies toward bulk shipping, increased local stockholding, and greater reliance on UK-based third-party logistics services.

In these instances, IOS sites offer low capital and operational overheads with the flexibility to adapt layouts for diverse stockpiling needs. As occupiers continue to prioritise supply chain resilience, this form of IOS use may see steady, long-term growth across both regional and urban locations.

“Vehicle storage has been one of the most consistent drivers of demand for IOS in recent years, particularly in the South East region. These sites serve as crucial hubs for managing fleets of trucks, vans, coaches, and specialised vehicles.”

Recent Occupier Transactions, H1 2025

| PROPERTY | DATE | ACRES | RENT (PSF) | OCCUPIER | LENGTH OF LEASE |
|--|--------|-------|------------|---------------------|------------------|
| Frog Island, Rainham | Apr-25 | 1.5 | £5.36 | H&P Freightways | 15-year |
| Carey Way, Great Central Way, Wembley | Jan-25 | 1.43 | £11.00 | Amazon | 3-year |
| Beacon Service, St Albans Road, South Mimms, Hertsmere | Feb-25 | 0.8 | £5.50 | Johnsons | 10-year |
| Neasden Goods Yard, Neasden Lane, London | Jun-25 | 0.25 | £4.00 | X-Bert Haulage Ltd. | 1-year renewable |

Source: Knight Frank Insight

Rental growth update: a two-speed market

Prime IOS rents across the UK continue to climb, but growth is settling into a slower and more regionally varied pattern. After two years of double-digit surges, the pace of growth has stabilised in some regions, while strong performances in other markets are keeping national values on an upward trajectory.

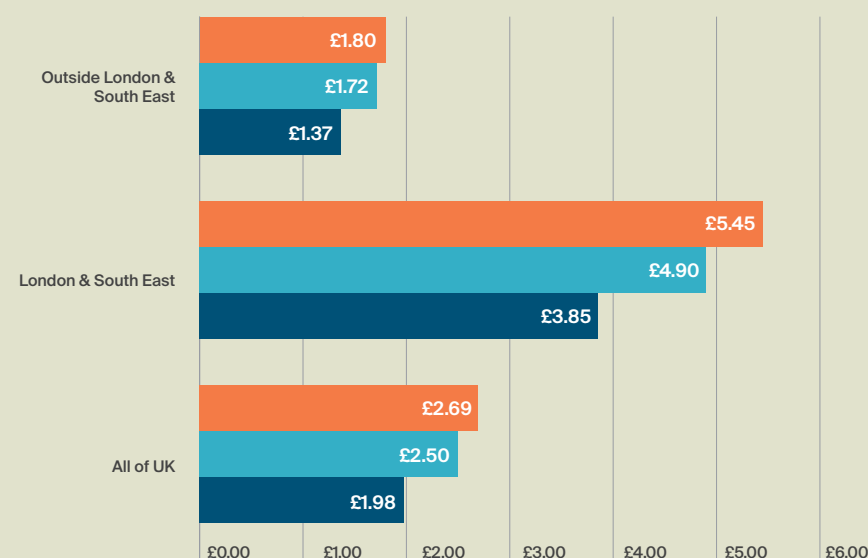
Prime rents across the 41 tracked markets in the UK rose by 4.6% in Q2 2025, to reach £2.69 psf, bringing annual growth to 7.8%. This marks a clear slowdown from 17% growth recorded in the full year 2024 and 26% in the year to Q2 2024. The moderation in growth somewhat resonates with the UK's traditional prime warehouse market, where annually to Q2 2025, UK prime rents for units over 50,000 sq ft grew by 5.1%, slowing from 7.2% in 2024 and 7.8% (year to Q2 2024). However, since warehouse rents already start from a higher base, the moderation in growth appears less pronounced.

The London & the South East region continues to lead in both pricing and growth and is driving that upward trend in national values. Now commanding an average of £5.45 psf, up from £4.90 psf a year ago and £3.85 psf in Q2 2023, prime rents in London & the South East have risen by an average of 42% in just two years, 11.2% since Q2 2024 and 9.0% in Q2 alone. By contrast, regions outside London & the South East rose by 31% between Q2 2023 and

Prime IOS rental values

£ psf

■ Q2 2023 ■ Q2 2024 ■ Q2 2025



Source: Knight Frank Insight

Regional prime IOS rents

£ psf

■ Q2 2025 ■ Q2 2024 ▲ YOY CHANGE (RHS)



Source: Knight Frank Insight

7.8%

Prime rents across the 41 tracked markets in the UK rose by 4.6% in Q2 2025, to reach £2.69 psf, bringing annual growth to 7.8%.

“London & the South East - where IOS offers the greatest cost benefit over traditional warehousing stock – sits in the driving seat and is outperforming the rest of the country.”

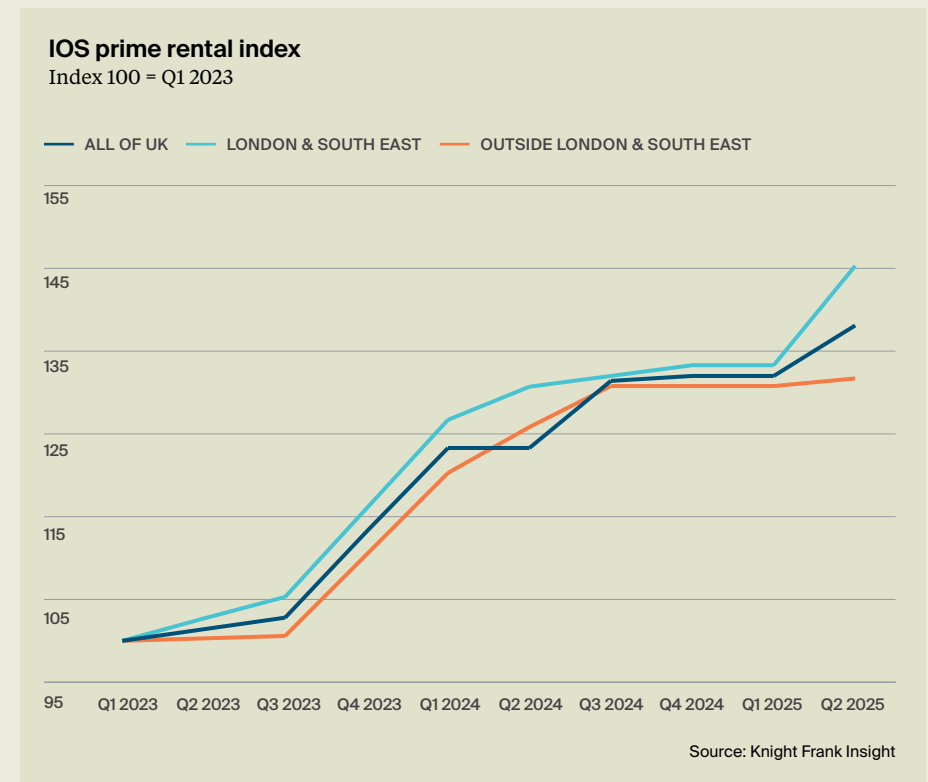
Q2 2025 – from £1.37 to £1.80 psf, with 4.7% growth over the past year and a marginal 0.7% gain in Q2.

Prime rents in West and South London are stable year-on-year, standing at £8.50 psf and £7.50 psf respectively in Q2 2025. Prime rents in North London recorded 15% annual growth to £7.50 psf, with values in East London rising by 17% to £7.00 psf. London’s IOS rents remain highest due to a combination of sustained demand, the limited supply of industrial land around London’s core logistics corridors, and intense competition for other real estate asset use.

Outside of London & the South East, other top-performing regions include the Midlands region (+9.7% YoY), Scotland (+6.3% YoY), and Wales, which registered 15.9% annual growth but off a much lower base. Regional submarkets that have observed the strongest annual growth include Swansea (+23%), Newport (+20%), Cardiff (+17%), Glasgow (+17%), Nottingham and Black Country (both +13%).

Our Knight Frank IOS Prime Rental Index illustrates the sustained upward trend in prime rental prices across the UK over the past two years. London & the South East – where IOS offers the greatest cost benefit over traditional warehousing stock – sits in the driving seat and is outperforming the rest of the country. This contrasts with the traditional warehouse market in Greater London, where elevated supply levels have led to softer headline rents recorded in some submarkets.

While the index highlights a widening regional variance, there are nuances around ERVs and rental growth in the IOS market, including a limited supply of truly prime stock and subsequent lack of transactional evidence in several markets to support upward movements in values. A prime IOS site typically spans a minimum of



one acre, includes concrete and levelled surfaces capable of supporting high movement of HGVs, lighting to the site, full servicing including power, water, and drainage, full security fencing, unrestricted planning, access, and use, and good accessibility, i.e. close to the major road network. Many available sites fall short of these criteria and are therefore categorised as secondary assets, which is reflected in their ERVs. However, we are also seeing rental growth in secondary stock, driven by

occupiers seeking cost efficiencies and the ability to upgrade or adapt these locations to meet operational needs after leases commence.

Although rental growth has eased, the market’s underlying strength remains positive. A broad tenant base, growth projections in associated sectors of the UK economy, and the limited availability of high-quality sites in many locations, are all expected to drive demand and support upward movement in rental values.

Lay of the land

To assess the scale and geographical spread of IOS land, we examined data from the Valuation Office Agency (VOA), which shows the number of sites across England and Wales has risen by 45% over the past decade – from 19,320 to 28,040 sites.

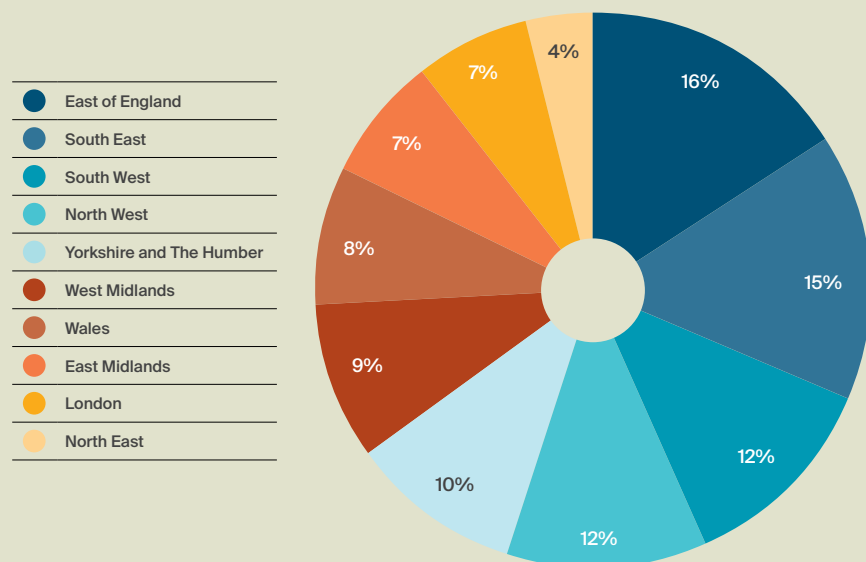
Regionally, IOS is most heavily concentrated in the south. London, the East, and the South East together account for 38% of all sites, with the latter two dominating at 16% and 15% respectively. The Midlands (West and East combined) make up a further 16%, while the South West and North West each account for 12%, highlighting the balanced spread between southern commuter belts and regional logistics hubs.

It is worth noting that not all IOS sites will be captured under the VOA's category of "land used for storage". In addition, much of that space will not have been available for lease or investment purposes. Nonetheless, the figures provide a useful barometer of the sector's expansion in terms of stock and the increasing role of IOS within the industrial landscape.

Perhaps most compelling from VOA statistics is the change in rateable value (RV). Over the past 10 years, the total RV of the category has more than doubled (+102%), far outpacing the 24% rise recorded across the market as a whole (RV for all non-domestic properties). Meanwhile, average RVs for the sector have increased by 39%, from £13,200 to £18,300 in the 10-year period. This highlights not only the sector's increasing fiscal importance as a source of tax revenue, but also its growing institutionalisation – which is explored in the next section.

Geographical spread of IOS sites

No. of sites



Source: VOA, Knight Frank Insight



Investment activity: primitive but promising

Over the past decade, industrial and logistics assets have firmly established themselves as a lower-yielding, high-growth investment class. Within this space, IOS has also emerged as a particularly attractive sub-sector. These sites are being repositioned as low-operational expenditure (OPEX), yield-generating land investments that offer returns comparable to the broader industrial and logistics market, and benefit from similar occupational growth drivers.

The first half of 2025 has been hard-hitting for all commercial real estate investors and occupiers due to broader market volatilities including tighter credit conditions, pricing uncertainty and persistent inflationary pressures,

and investors targeting IOS have been equally exposed. But, despite the headwinds, the dynamics of the occupier market and evidence of robust rental growth have attracted a weight of private equity and institutional capital into the sector, though building portfolios remains difficult due to the ownership fragmentation.

The sector is still relatively nascent, with market transparency and data availability in a primitive stage. This poses challenges for investors to benchmark rents and asset performance. While there is no standalone performance index for the IOS sector, the wider industrial market – its closest comparable – has consistently outperformed other major

property sectors in total returns, averaging 8.6% over the past five years and 11.0% over ten years.

Compared to both traditional warehousing and non-industrial asset classes, IOS investments can provide a more attractive yield on cost. This is due to lower CAPEX and OPEX costs required, the long-term development opportunities that some sites may offer, minimal compliance burdens related to energy efficiency standards (MEES), and the benefit of empty rates relief during periods of vacancy.

YIELD COMPARISON: IOS VS. TRADITIONAL INDUSTRIAL STOCK

Yields for prime 50,000 sq ft+ logistics assets with 15-year income on open





market rent reviews have stood at 5.25% over the first half of 2025, representing a 175bps reprice from 3.50% last seen in mid-2022 (Knight Frank yield guide). Similarly, MSCI's UK industrial equivalent yield has repriced by over 200bps from its previous low of 4.13%, standing at 6.21% in June 2025. While hard data on IOS yield performance is limited due to the sector's infantile nature, there is emerging evidence that IOS yields are aligning with, and in many cases outperforming, traditional industrial built stock.

The wide variety in IOS sites in terms of specification, condition/quality, occupancy levels, and redevelopment potential makes comparison of pricing and yields difficult. Investors often price in both immediate income and future asset management opportunities.

Some institutional investors are focusing their strategies on securing well-let, income-producing assets

“Some institutional investors are focusing their strategies on securing well-let, income-producing assets with strong covenants, long lease lengths and embedded income growth potential.”

with strong covenants, long lease lengths and embedded income growth potential. Earlier this year, Marchmont purchased the Northfleet Industrial Estate in Kent for £5.11 million, reflecting a net initial yield (NIY) of 6.00%. This 2.7-acre, self-contained site is fully let to Enva England Specialist Waste on a 15-year full repairing and insuring (FRI) lease, expiring in 2038.

In July, Marchmont and NW1 jointly acquired a prime 1.5-acre site in Croydon to add to their Surface IOS platform. The site is single-let to rental equipment provider Sunbelt Rentals since 2018.

Furthermore, in August, a 13.72-acre best-in-class site on Kitsmead Lane, Longcross, Surrey, was acquired by a private family office. The estate, fully let to CAD Services Ltd until 2038 offers significant potential for reversion. It was recently redeveloped and benefits from concrete surfacing, full services (power, water, and drainage), 15,000 sq ft of amenity accommodation and planning for unrestricted B8 use.

Larger-scale IOS sites highlight the complexity of yield comparisons across very different asset types. In the North West, a 45-acre IOS site on Percival Lane Estate, Runcorn, was recently sold by Peel Waters to an overseas institutional investor. The site comprises 21 secure compounds

“While hard data on IOS yield performance is limited due to the sector's infantile nature, there is emerging evidence that IOS yields are aligning with, and in many cases outperforming, traditional industrial built stock.”

fully let to 16 tenants, with gated access, fencing, and utilities such as power and drainage. The purchase price of £11.9 million was considerably above the guide, reflecting a sub 5.00% NIY and offers significant scope for rental reversion and future income growth.

Smaller multi-let sites demonstrate how site condition and income flexibility can influence value and yield. In January 2025, Compagnie du Parc acquired Hackbridge Industrial Estate in Sutton for circa £5 million. The freehold site extends to approximately 1.74 acres and comprises a mix of industrial units, workshops, and hard-standing storage/yard space, with an annual income of £212,400. The estate offers strong reversionary potential; it is fully let to a variety of tenants on holdover arrangements – a common structure that proves attractive from an investor standpoint as it provides continuity of cashflow while preserving flexibility to re-gear leases, adjust rents, or secure vacant possession quickly to unlock redevelopment or asset management opportunities.

Certain features of the site can be controlled easily, but other factors, like site accessibility or planning permission, can be more challenging. In these cases, occupier investment can also be a key driver of asset performance. At Northfleet, Enva has committed significant capital to operational upgrades, including new yard surfacing, drainage systems, weighbridge, security fencing, CCTV, and expanded parking. The site benefits from rare waste management planning consents, which are difficult and costly to obtain, but this further weds the occupier to the location long-term and underpins income security.

The Outlook for IOS

Taken together, a diversifying occupier base, sustained rental growth, and a clear cost advantage over traditional industrial stock position IOS as a resilient, increasingly attractive asset class.

From an investor's perspective, we expect to see continued inflows of capital and new entrants seeking resilient income streams, redevelopment or asset management opportunities, and exposure to both short- and long-term trends shaping the occupier market. As the sector matures, greater market transparency and transactional evidence will further underpin pricing confidence.

In the meantime, assets with strong covenants, specialist planning consents, and demonstrable occupier investment are likely to attract the most competition.

From an occupier standpoint, the sector benefits from the same structural shifts in demand that are reshaping the traditional industrial market, but with the added advantage of a flexible, adaptable, and lower-cost alternative to conventional warehousing. This dynamic, coupled with limited supply of prime sites, ensures that high-quality, well-located IOS assets are set to remain highly sought after.

“From an investor perspective, we expect to see continued inflows of capital and new entrants seeking resilient income streams, redevelopment or asset management opportunities, and exposure to both short- and long-term trends shaping the occupier market.”



Get in touch with one of our Industrial Outdoor Storage specialists for more information:

Keep up to speed with global property markets with our range of dedicated sector newsletters

SIGN UP ONLINE

Recent Research



Active Capital



ESG Property Investor Survey



New London Plan 2025



Future Gazing 2025

Key contacts

INDUSTRIAL OUTDOOR STORAGE



CAPITAL MARKETS

James Clark

Partner

+44 20 3869 4715

james.clark@knightfrank.com



INDUSTRIAL AGENCY

Gus Haslam

Partner

+44 20 7862 5299

gus.haslam@knightfrank.com



Charlie Perkins

Senior Surveyor

+44 20 7268 2595

charlie.perkins@knightfrank.com



VALUATION & ADVISORY

Ben Whittington

Associate

+44 20 3697 8239

ben.whittington@knightfrank.com



RESEARCH

Deirdre O'Reilly

Associate

+44 20 3995 0785

deirdre.oreilly@knightfrank.com

INDUSTRIAL & LOGISTICS



Johnny Hawkins

Head of UK Logistics & Industrial

+44 20 7861 1519

johnny.hawkins@knightfrank.com



Charles Binks

Department Head Logistics & Industrial Agency

+44 20 7861 1146

charles.binks@knightfrank.com



Will Gubb

Head of Industrial Capital Markets

+44 20 7861 1595

will.gubb@knightfrank.com



Claire Williams

Head of UK and European Industrial Research

+44 203 897 0036

claire.williams@knightfrank.com