

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



Midlands Industrial Market

Research, Q3 2020

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DEMAND

Take-up (sq ft)
4.5m sq ft
51% above LTA

Number of deals
20

Prime rent (£ per sq ft)
£8.00

Rental Growth
Nominal 5yr CAGR
1.1%pa

Note: Units over 50,000 sq ft.
LTA = Long Term Average

SUPPLY

Availability (sq ft)
11.1m sq ft

Under Construction (sq ft)
3.2m sq ft

Vacancy Rate (%)
4.3%

Vacancy Rate
Forecast
▼

INVESTMENT

Investment Volumes
£223m
29% above LTA

Number of deals
24

Prime Yield
4.50%

Total Return
Forecast 5yr CAGR
4.9%pa

Source: Knight Frank, RealFor.

Q3 SUMMARY

The Midlands market has been particularly active during Q3 2020, with demand coming from a range of occupiers. Online retailers and 3PLs have been particularly active, with several large transactions completed this quarter. This has increased take-up to 51% above the long-term average.

Headline rents have remained steady this year, with the sharpest growth in the smaller multi-let end of the market where there is a lack of new build product. There are several larger requirements in the market, many linked to buildings immediately available. We expect the vacancy rate to drop in the big box size range as these requirements transact and the next phase of speculative development comes through. Second hand space coming to market through business failures remains likely as the bricks & mortar retail sector suffers the impacts of Covid-19.



James Clements
Partner, Birmingham, Commercial
+44 121 233 6460
james.clements@knightfrank.com



Darren Mansfield
Partner, Commercial Research
+44 20 7861 1246
darren.mansfield@knightfrank.com

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