

# North East Industrial Market

## Research, 2019 Review

### DEMAND



Take-up 2019 (sq ft)

**3.7m**

-8% BELOW 2018



Number of deals

**18**



Prime rent (£ per sq ft)

**£7.50**



Forecast - Nominal  
rental growth

**1.80%**

### SUPPLY



Availability (sq ft)

**2.3m**



Under construction (sq ft)

**0**



Vacancy rate (%)

**6.5%**



Forecast - Vacancy  
year end 2020

**5%**

### INVESTMENT



Investment volumes 2019

**£82m**

-78% BELOW 2018



Number of deals

**24**



Prime yield (%)

**5.25%**



Forecast - Total  
return 2020

**5.50%**

Note: Units over 50,000 sq ft

Source: Knight Frank, RealFor

## 2020 OUTLOOK

The UK election result seems to have sparked some fresh activity, probably reflecting the fact that businesses have paused for the last 3 months. It is for smaller scale stock in the main and could be short lived given the potential disruption departure from Europe may create for a region which depends heavily on export.

The automotive world is struggling to decide what cars to build and the public which to buy, so car sales are unlikely to improve greatly in 2020, which isn't good news for our major employer Nissan. Production by Nissan during the past 12 - 18 months had slowed, so new investment will be limited in the short term. That all said the North East is experiencing good levels of business growth which should generate new demand.



### Simon Haggie

Partner Newcastle Commercial

+44 191 594 5009

simon.haggie@knightfrank.com



### Darren Mansfield

Partner Commercial Research

+44 20 7861 1246

darren.mansfield@knightfrank.com

**Knight Frank Research**  
Reports are available at  
[knightfrank.com/research](https://knightfrank.com/research)



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2020 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.