

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



North East Industrial Market

knightfrank.com/research

Research, Q3 2020

DEMAND

Take-up (sq ft)
719,129 sq ft
55% above LTA

Number of deals
6

Prime rent (£ per sq ft)
£6.50

Rental Growth
Nominal 5yr CAGR
0.7%pa

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

SUPPLY

Availability (sq ft)
2.1m

Under Construction (sq ft)
0

Vacancy Rate (%)
5.8%

Vacancy Rate
Forecast
▲

INVESTMENT

Investment Volumes
£63m

Number of deals
2

Prime Yield
5.25%

Total Return
Forecast 5yr CAGR
4.2%pa

Source: Knight Frank, RealFor.

Q3 SUMMARY

Q3 saw transactions of units over 50,000 sq. ft. more than double on the previous quarter. The largest lease deal this quarter was the NHS taking 236,710 sq. ft. at the former Coty site in Seaton Delaval (now known as Plant Based Valley). Other significant deals include the letting of a modern 101,711 sq.ft unit in Jarrow to an online retailer and 147,393 sq. ft. on 9 acres in Blaydon to Costain.

Appetite for units below 5,000 sq. ft. has been relentless and in large parts of the region the stock at these sizes is now exhausted. Whilst there are some properties coming to the market as a result of closures and insolvency, this remains at a fairly low rate and certainly isn't keeping pace with take up.

Freeholds remain much sought after and both prices and rents are holding up well given the continued high demand. As a result the availability of buildings over 50,000 sq. ft. has dropped from 2.4m sq. ft. to 2.1m sq. ft. this quarter.



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