

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





# North East Industrial Market


knightfrank.com/research


Research, Q3 2021

### DEMAND

 Take-up (sq ft)  
**3.8m sq ft**  
431% above Q3 2020


 Number of deals  
**5**


 Prime rent (£ per sq ft)  
**£6.50**


 5yr Rental Growth Forecast  
**3.1%pa**


Note: Units over 50,000 sq ft.

### SUPPLY

 Availability (sq ft)  
**2.6m sq ft**

 Under Construction (sq ft)  
**0**

 Vacancy Rate (%)  
**7.2%**

 Vacancy Rate Forecast  
**▼**

### INVESTMENT

 Investment Volumes  
**£93.6m**  
48% above Q3 2020

 Number of deals  
**8**

 Prime Yield  
**5.25%**

 5yr Total Return Forecast  
**9.1%pa**

Source: Knight Frank, Property Data, RealFor.

## Q3 2021 SUMMARY

The third quarter saw a major spike in take up on the back of two large new build projects. Firstly, Amazon has commenced a 2m sq ft multi-storey warehouse at Wynyard Business Park, Stockton, to add to the near 6m sq ft they already have in the region. Secondly, British Volt commenced preparatory site works for the construction of its giga-factory at Blyth in Northumberland, which is ultimately planned to be over 4m sq ft, although the initial phase will be approx. 1.56m sq ft. This huge electric vehicle battery factory is expected to create as many as 8,000 jobs by the time it is fully operational and the estimated cost of the project is £2.6bn.

While overall availability levels have increased, the reality is that much of this space is under offer and the underlining trend is of continued strong demand and declining stock of quality buildings. Speculative construction has just recently started on Team Valley at a modest scale (45,100 sq ft), however this has immediately gone under offer before the steelwork is out of the ground.



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