

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



North West Industrial Market

knightfrank.com/research

Research, Q2 2020

DEMAND

Take-up (sq ft)
526,725 sq ft
62% below LTA

Number of deals
4

Prime rent (£ per sq ft)
£6.75

Rental Growth
Nominal 5yr CAGR
0.9%pa

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

SUPPLY

Availability (sq ft)
10.6m

Under Construction (sq ft)
1.3m

Vacancy Rate (%)
8.9%

Vacancy Rate
Forecast

INVESTMENT

Investment Volumes
£35m

Number of deals
6

Prime Yield
5.00%

Total Return
Forecast 5yr CAGR
3.9%pa

Source: Knight Frank, RealFor.

Q2 SUMMARY

The North West market has been extremely active since the beginning of the year with 2.3m sq ft of take-up in H1, 25% above the 5 year average for the period. Momentum has continued to build throughout Q2 with little evidence of subdued activity despite the C-19 Pandemic. Whilst it is too early to gauge what the implications will be for the Industrial Market, e-commerce trends have accelerated with unprecedented demand from e-tailers and logistics operators who continue to dominate the market. Occupier demand remains high across all size bands with deals concluded ranging from 52,500 – 525,000 sqft. Occupiers preference has been for new build / Grade A space which accounts for 70% of take up. This should give further confidence to developers with c.1.3m sq ft currently under construction across the region. We predict demand will remain high with a further 2m sqft under offer as we enter the second half of the year.



Sam Royle
Partner, Manchester, Commercial
+44 16 1833 7714
sam.royle@knightfrank.com



Rob Tilley
Partner, Manchester, Commercial
+44 161 833 7719
Rob.tilley@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



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..