

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



# North West Industrial Market

Research, Q3 2020

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| DEMAND   | SUPPLY   | INVESTMENT  |
|--|--|---|
| <b>Take-up (sq ft)</b><br><b>1.6m sq ft</b><br>18% above LTA | <b>Availability (sq ft)</b><br><b>9.9m</b>       | <b>Investment Volumes</b><br><b>£367m</b><br>154% above LTA |
| <b>Number of deals</b><br><b>10</b>                          | <b>Under Construction (sq ft)</b><br><b>1.2m</b> | <b>Number of deals</b><br><b>14</b>                         |
| <b>Prime rent (£ per sq ft)</b><br><b>£6.95</b>              | <b>Vacancy Rate (%)</b><br><b>8.3%</b>           | <b>Prime Yield</b><br><b>4.50%</b>                          |
| <b>Rental Growth</b><br>Nominal 5yr CAGR<br><b>1.3%pa</b>    | <b>Vacancy Rate</b><br>Forecast<br>▼             | <b>Total Return</b><br>Forecast 5yr CAGR<br><b>4.5%pa</b>   |

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

Source: Knight Frank, RealFor.

## Q3 SUMMARY

The Covid-19 pandemic has had a profound impact on all businesses, but the North West industrial market has weathered the storm comparatively well. The logistics sector has continued to operate throughout lockdown and the pandemic has served to accelerate the pace of consumer shift to online food and retail. The largest occupier deal in Q3 was Dixons Carphone Warehouse taking 375,000sq.ft at Logistics North in Bolton. With a limited development pipeline and a continued 'flight to quality' from the occupier market we anticipate further rental growth on grade A stock. Despite expectations of a rise in vacant rates, availability of second hand units has also reduced this quarter.

Pricing has compressed for prime logistics assets, demonstrated by Uttlesford Council's £55m acquisition of the Waitrose distribution centre in Chorley, reflecting a net initial yield of 3.87%.



### Sam Royle

Partner, Industrial Agency  
+44 16 1833 7714  
sam.royle@knightfrank.com



### Rob Tilley

Partner, Industrial Agency  
+44 161 833 7719  
rob.tilley@knightfrank.com



### Matt Stretton

Partner, Capital Markets  
+44 161 470 0610  
matt.stretton@knightfrank.com



### Darren Mansfield

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

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