

### H2 2018 REVIEW

- Take-up of industrial units over 50,000 sq ft reached 574,339 sq ft in H2 2018. Although this is double the total registered in H1 2018, the H2 total is 46% below the long-term average.
- The South West industrial market is about to enter a period of unprecedented development, which will result in the delivery of over 1.48m sq ft in Bristol alone. An additional, 850,000 sq ft is planned in Swindon, and the pre-let market will deliver over 200,000 sq ft in Exeter. Industrial warehouses from 6,000 sq ft – 600,000 sq ft will be completed, providing the occupier with a level of choice in all size ranges that has never been available in the South West.
- Early market movers such as St Modwen in Avonmouth, St Francis in Bristol and Canmoor in Swindon have already benefitted from the growth in rents throughout the small and mid-box markets with new rents at £8.50 per sq ft. Prime developments in North Bristol by Chancerygate are likely to see smaller units achieving £9.50 per sq ft during H1 2019.
- The long awaited new motorway junction on the M49 at Severnside is on course for completion in Q4 2019, and Barwood have taken the lead on providing amenities to this area of the city. With over 5,000 new

jobs in the area it is essential that the Local Authorities support employers to be able to attract the best talent by improving the surrounding areas.

- The second-hand multi-let market continues to see rental growth for those units that are very well refurbished. Occupiers remain very “choosy” despite the very low levels of supply. The margin between strong second-hand rents and new rents is down to £1 per sq ft in many locations, and it seems as though this needs to be wider. The provision of new units should help prove the “value” between the two options for occupiers.

## REGIONAL OUTLOOK



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There is a further 1m sq ft in the planning system or consented for 2020. This will continue to grow supply, an uptick which should generate an increase in market activity. The majority of scheme completions are set for H1 2019.

Demand for low density units of all sizes across the region remains high. However increasingly the viability of these units is challenging. Landlords who embrace this demand along with the challenges will be rewarded.



Central Park, Bristol; Barberry & Richardsons plan 550,000 sq ft of mid-box units

### H2 2018 PRIME HEADLINE RENTS

(£ per sq ft) ▲/▼ – movement expected to H2 2019



Market	Under 20,000 sq ft	20,000-50,000 sq ft	50,000 sq ft
Bristol	£9.50 ◀	£8.50 ▶	£7.25 ◀
Swindon	£8.50 ▲	£7.25 ▲	£7.25 ▲
Exeter	£7.25 ▶	£6.75 ▶	£6.50 ◀
Plymouth	£5.75 ◀	£5.50 ◀	£5.00 ◀

### SELECTED OCCUPIER TRANSACTIONS, H2 2018

Address	Occupier	Size sq ft	Rent / price (per sq ft)	Date
Unit G2 Horizon38, Bristol	Apec Brakes	115,000	£7.25	Oct-18
34 Pennywell Rd, Bristol	Investin	89,000	Freehold Sale	Aug-18
Hawkfield BP, Bristol	Kelston Gears	101,339	Freehold Sale	Dec-18
Unit 2 Interplex, Bristol	Post Office	52,000	£6.00	Oct-18



Pre-let opportunities exist in the ‘Big Box’ market, although the examples of land for purchase are limited in number.