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South Yorkshire and North East Derbyshire Industrial Market

Research, Q1 2021

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DEMAND

 Take-up (sq ft)
1.7m sq ft
956% above Q1 2020

 Number of deals
13

 Prime rent (£ per sq ft)
£5.95 - £6.25

 5yr Rental Growth Forecast
1.9%pa

Note: Units over 50,000 sq ft.

SUPPLY

 Availability (sq ft)
2.9m


 Under Construction (sq ft)
297,018

 Vacancy Rate (%)
5.4%

 Vacancy Rate Forecast


INVESTMENT

 Investment Volumes
£25.7m
543% above Q1 2020

 Number of deals
3

 Prime Yield
4.50%

 5yr Total Return Forecast
6.6%pa

Source: Knight Frank, Property Data, RealFor.

Q1 2021 SUMMARY

Q1 take-up across South Yorkshire has been particularly strong which is indicative of the market in general. There is becoming an acute shortage of supply and this is anticipated to be further compounded over the coming months with the continued demand and lag in respect of a developer response.

By the end of H1 we anticipate very little grade A supply to remain (over 50,000 sq ft) available across the region. We are expecting a developer response to the lack of stock along the M1 / M18 corridors although it is unlikely to enter the market until early 2022 at the earliest.

As a result of the lack of stock we have seen rental growth and we expect that this will continue with the new development set to come forward and continued demand.



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