WEST YORKSHIRE
LOGISTICS AND INDUSTRIAL COMMENTARY

H2 2018 REVIEW

- Around 1.76m sq ft of industrial warehouses over 50,000 sq ft was transacted across West Yorkshire in H2 2018. Notably this is 400,000 sq ft more than the annual total in 2017. The upturn in the second half of the year meant that for 2018, just under 2.7m sq ft of industrial space was transacted, an increase of 93% year-on-year.
- Occupier demand has primarily derived from the traditional distribution sector with companies such as Expect Distribution, Panther Logistics and Leman taking space in the region.
- Availability decreased across the region to around 2m sq ft. Furthermore, there are a number of buildings already under offer and due to complete within the first quarter of 2019. Consequently, the continued lack of supply will put upward pressure on rents.
- There are multiple speculative developments underway, which may help to rebalance the lack of supply. At the end of 2018 over 500,000 sq ft of new space was under construction, including Super G in Glasshoughton (259,000 sq ft), Towngate Link, Leeds (118,000 sq ft) and Phoenix Park (67,000 sq ft) in Featherstone.
- Similar to a few of the regions, high quality existing and new build industrial stock in the mid-size range (30-75,000 sq ft) remains in short supply with the exception of the three unit 'Trilogy' @ Logic scheme in east Leeds. The development totals over 100,000 sq ft and was delivered by Muse Developments in June on behalf of Leeds City Council and forms part of the wider Logic Leeds development. Gregory Group are also underway with a speculative four unit scheme (Park 32) at Pontefract located off junction 32 of the M62 totalling around 150,000 sq ft and due to complete in April 19.

REGIONAL OUTLOOK

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Despite Brexit dominating the news and the continued struggles of the high street, the logistics, online retail and e-commerce sectors are continuing to perform strongly and with several large warehouses under offer. We expect that the first half of 2019 to reflect healthy take-up figures.

Prime rents for mid-sized distribution warehouse units are now established at £6.25 per sq ft which has set a benchmark for new development entering the market this year. The lack of available stock should sustain rents throughout 2019.

Axis 62, Foxbridge Way, Normanton Industrial Estate, Wakefield

Knight Frank's Yorkshire and London teams combined efforts to acquire the former Poundworld distribution facility in a prime logistics location within the Normanton Industrial Estate in Wakefield on behalf of retained client Panther Logistics.

SELECTED OCCUPIER TRANSACTIONS, H2 2018

Address	Occupier	Size sq ft	Rent / price (per sq ft)	Date
S2 Sherburn In Elmet	Cromwell Polythene	50,000	£4.00	Jul-18
Euroway 26	Expect Distribution	193,000	Confidential	Dec-18
Axis 62, Normanton	Panther Logistics	215,000	Confidential	Jul-18
Copperworks, Leeds	Allied Glass	300,000	£3.22	Oct-18
Parkside Lane	Warrens	190,000	£4.95	Oct-18

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
Leeds	£6.75 ▲	£6.25 ◀▶	£5.75 ◀▶
Bradford	£6.25 ▲	£6.00 ▲	£5.50 ◀▶
Wakefield	£6.75 ▲	£6.25 ◀▶	£5.75 ◀▶

> Despite Brexit uncertainty, demand for industrial space in West Yorkshire remains strong.