

LOGIC: West Yorkshire & The Humber



Q1 2025

Occupier and investment market trends in the West Yorkshire & the Humber logistics and industrial sector.

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Occupier Market

Continued recovery in take up, but vacancy rate tightens

RECOVERY IN TAKE UP CONTINUES AT PACE

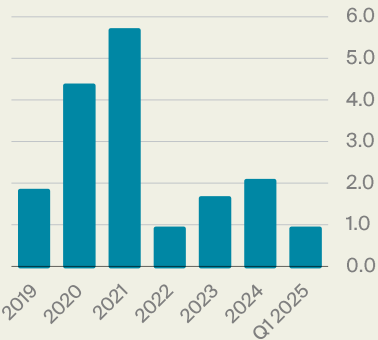
The recovery in take up activity in the West Yorkshire & the Humber industrial and logistics occupier market has continued at pace in the opening quarter of 2025.

Reaching 912,800 sq ft in Q1 2025, take up was double the level seen in Q1 of last year and the strongest quarterly total recorded since Q3 2021 (units over 50,000 sq ft). At this level, take up in January to March surpassed the region’s record-low yearly total of 908,000 sq ft witnessed in 2022.

Based on an additional 976,000 sq ft of space that was under offer at the end of March (representing 24% of total supply), a very strong H1 2025 is now anticipated.

Two of the six units leased in Q1 were over 250,000 sq ft in size. Supply chain specialist Torque Logistics signed the 398,000 sq ft California 400 in Normanton for 15 years, while manufacturer Sika Everbuild committed to the new 280,000 sq ft SH280, Sherburn 42, Selby, which was built by Firethorn Trust in 2023.

Take up (sq ft)
million square feet



Source: Knight Frank Insight

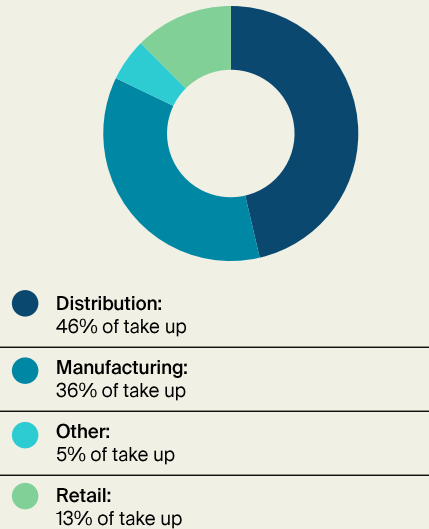
NEW HEADLINE RENTS

The region continues to set new headline rents, both for new and second-hand units. Wayfair signed the new 55,000 sq ft Unit A at GMPF’s Leeds Valley Park development, which brought prime 50,000 sq ft+ rents in Leeds to double-digits at £10.00 psf. Prime rents across the region for 50,000 sq ft+ units have risen by 15% annually. Similarly, Towngate’s 65,400 sq ft TL2 unit in Leeds was let to Lawcris Panel Products in the first week of 2025 at a new headline for the second-hand mid-box market, of £8.80 psf.

DISTRIBUTION AND MANUFACTURING DOMINATE

Take up annually to Q1 2025 was 2.5 million sq ft, 57% higher than the same four-quarter period last year. Distribution firms and manufacturers continue the dominate demand, respectively accounting for 46% and 36% of the annual total, with space leased to these sub-sectors rising by 88% and 26% over the past year, respectively.

Take up by sector
Q2 2024 – Q1 2025



Source: Knight Frank Insight

MARKET VIEW

Most activity is in the grade A new build market



BY IAIN MCPHAIL, PARTNER,
LEEDS LOGISTICS & INDUSTRIAL
AGENCY

“Despite a relatively quiet second half of 2024 (due to the usual summer holiday lull as well as the general election and Labour’s controversial first budget), the West Yorkshire industrial and logistics market still posted take up figures for 2024 of over 2 million sq ft, surpassing 2023’s total (1.6 million sq ft) and broadly in-line with the 5-year pre-pandemic average.

Importantly, over 800,000 sq ft was under offer at the turn of the year, and consequently, we have already seen a number of buildings transact in 2025. In the process, we have achieved a new headline rent for the region at £10.00 psf for the mid-box market, and Baytree is looking to drive rents further for the larger end, with their two available units now guided at £9.75 psf and £10.00 psf, respectively.

Over the past year, we have seen the most activity in the grade A new build market, with two out of the three speculative warehouses at Konect 62 in Selby now let, with space amounting to around 220,000 sq ft. Furthermore, only two units remain at Leeds Valley Park in Stourton, Leeds, and only one 23,000 sq ft unit remains at UBS’ Velocity Point development in Armley, Leeds.”

Occupier Market

913,000 sq ft

Occupier take up
Q1 2025

6.0%

Vacancy rate
Q1 2025

£10.00 psf

Prime rents
Q1 2025

14%

Prime annual rental growth

“Take up in Q1 2025 was the strongest quarterly total since Q3 2021”

VACANCY RATE TIGHTENS AGAIN

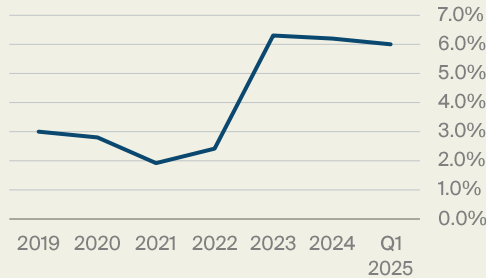
While a number of second-hand units were returned to the market during Q1, a strong quarter for take up caused the overall supply of existing units to decline by 3.3% (units 50,000 sq ft+). Supply totalled 4.1 million sq ft at the end of March, a significant reduction from the 5.1 million sq ft recorded 12 months ago. The region’s vacancy rate stands among the lowest of the regional UK markets, tightening to 6.0% in Q1, from 6.2% in Q4 2024 and 7.6% recorded in Q1 2024.

While new, speculatively built space accounts for 23% of existing supply, there are only two units over 200,000 sq ft available, both of which are second-hand, older buildings. No new speculative development is underway across the region, and little development is planned. Last quarter, Baytree Leeds reached completion on its two-unit scheme in Stourton (76,000 and 145,000 sq ft). Supply is mostly concentrated in the 50,000-100,000 sq ft size band, comprising 58% of available stock.

RENTAL LEVELS & OUTLOOK

The latest RealFor rental growth forecasts predict 4.4% average rental growth for Leeds in 2025, with 3.8% projected across the Yorkshire & the Humber region. Prime industrial headline rents in Leeds rose by 8.7% in Q1 2025 to £10.00 psf, representing 14.3% growth annually (units over 50,000 sq ft).

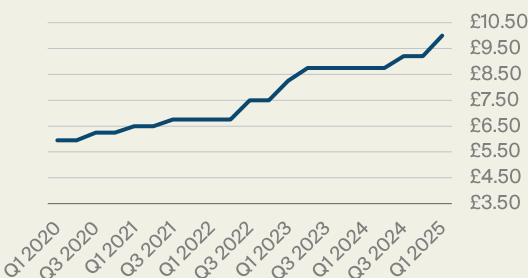
Vacancy rate
% of stock



Source: Knight Frank Insight

“No speculative development is underway, and little development is planned”

Leeds - Prime Rents
£ per sq ft (units over 50,000 sq ft)



Source: Knight Frank Insight

Key Occupier Deals Q1 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
California 400, Normanton, Wakefield	398,000	Torque Logistics	£6.25 psf	Second-hand
SH280, Sherburn 42, Selby	280,000	Sika Everbuild	£7.50 psf	Speculative build
TL2, Towngate Link, Cross Green Industrial Estate, Leeds	65,400	Lawcris Panel Products	£8.80 psf	Second-hand
Unit A, Leeds Valley Park, Leeds	55,000	Wayfair	£10.00 psf	Speculative build

Source: Knight Frank Insight

Investment Market

5.25%

Prime NIY - Leeds
Q1 2025

-25 bps

YoY movement in prime yields

QUIET FIRST QUARTER FOR INVESTMENT

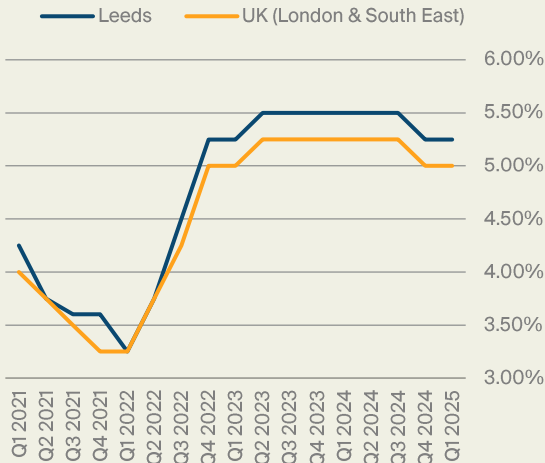
Following a relatively robust year in 2024 for industrial investment in West Yorkshire and the Humber, transaction activity in the opening quarter of 2025 was muted. Sentiment remains positive, but a lack of large-scale opportunities is holding back volumes. Activity in Q1 was largely centred around units transacting as part of wider UK cross-regional portfolios.

Prime industrial yields in Leeds remained stable at 5.25% in Q1 2025, having sharpened by 25 bps in the previous quarter. At this level, prime yields remain 200 bps softer than their previous peak of 3.25% in Q1 2022.

Yields for prime units 50,000 sq ft+ in Leeds are also trending 25 bps sharper than neighbouring Sheffield.

Prime Yield

Net initial yield %



Source: Knight Frank Insight

We like questions, if you've got one about our research,
or would like some property advice, we would love to hear from you

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Methodology

This report has been prepared by Knight Frank Commercial Insight.

Data and information within this report have been provided by Knight Frank occupier and investment teams across the Knight Frank UK network. Third party data sources are also utilised.

For the purposes of this report, take up figures refer to spaces of 50,000 sq ft or more, that are let, pre-let or acquired for occupation.

Availability refers to all space available for immediate occupation as well as space under construction (built speculatively) that will be available for occupation within the next 12 months.

Investment figures refer to industrial property purchases where the primary motivation is the generation of income. Acquisitions for occupation are excluded. Land sales are included, where the end use of the land is known.



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