

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



London & SE Industrial Market

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Research, Q3 2020

DEMAND	SUPPLY	INVESTMENT
Take-up (sq ft) 2.6m sq ft 45% above LTA	Availability (sq ft) 7.8m sq ft	Investment Volumes £349m 38% below LTA
Number of deals 24	Under Construction (sq ft) 3.1m	Number of deals 29
Prime rent (£ per sq ft) £16.00	Vacancy Rate (%) 4.2%	Prime Yield 4.25%
Rental Growth Nominal 5yr CAGR 2.0%pa	Vacancy Rate Forecast 	Total Return Forecast 5yr CAGR 6.1%pa

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

Source: Knight Frank, RealFor.

Q3 SUMMARY

The occupier market has been very active so far this year, with take up already exceeding the total level of take up for FY 2019 in the first three quarters of the year.

The Covid-19 pandemic has accelerated the shift to online retail and retailers and distribution companies are seeking to rapidly expand their capacity to meet demand. We have seen a significant number of speculatively built units taken up rather than occupiers waiting for design and build opportunities to satisfy their requirements.

E-commerce related demand has been largely focused on the big box market (units over 100,000 sq ft). Leasing activity in the mid-box and multi-let market has been more subdued, with buildings taking longer to let compared to the larger units.



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