

LOGIC: South West

2025 Review

Occupier and investment market trends in the South West logistics and industrial sector.

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Occupier Market

Phenomenal levels of big box take up shatter all previous records, manufacturers dominate 2025 and vacancy rates dramatically sharpen through the year

2025 BREAKS ALL PREVIOUS RECORDS FOR BIG BOX TAKE UP

Take up in the South West industrial occupier market surged in 2025, shattering all previous records for big-box activity. Take up in Q4 reached 678,000 sq ft, bringing the annual total to 6.9 million sq ft. This is up 491% y/y and sits 199% above the long-term average. Although momentum eased marginally in Q4 compared to the previous three quarters, it still represents the highest level of take up recorded since Q4 2022.

The final quarter saw four transactions lift 2025 activity, led by the letting of Matrix 235, where bathroom furniture supplier Roper Rhodes took 237,000 sq ft at the Matrix 49 scheme in Avonmouth, Bristol. The company signed a 15-year lease on the BREEAM Excellent unit—speculatively developed by BGO/Equation—at £8.50 psf, which includes 13,865 sq ft of office space.

The quarter also featured Amazon's acquisition of Plot 4 at Axis Works in Avonmouth (209,000 sq ft) as part of a new speculative build-to-suit scheme, and Callaway Golf's leasing of 177,000 sq ft at Keypoint 177 in Swindon, also at £8.50 psf.

Take up (sq ft)

million square feet



Source: Knight Frank Insight

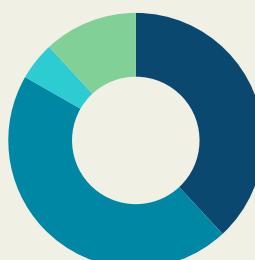
MANUFACTURERS LEAD THE WAY THROUGH 2025

Manufacturing remained the dominant source of demand in 2025, accounting for 45% of total take-up, compared with 43% in 2024. A key driver of this activity was the Agratas/Tata transaction in Bridgwater, Somerset. Jaguar Land Rover parent company Tata acquired the site in July and confirmed plans to develop its flagship UK electric-vehicle battery facility. The project is expected to generate more than 4,000 direct jobs, with further employment growth anticipated across the wider supply chain.

The distribution sector also continued to perform well, representing 38% of total take-up in 2025. Though the proportion is down from 52% recorded in 2024, the volume of take up has increased y/y. Both the retail sector and non-traditional occupiers saw increased activity, accounting for 12% and 5% of take-up respectively, up from 6% and 0% in the previous year.

Take up by sector

2025



Distribution:
38% of take up

Manufacturing:
45% of take up

Other:
5% of take up

Retail:
12% of take up

MARKET VIEW

2025 has been phenomenal for the South West



BY RUSSELL CROFTS, PARTNER,
BRISTOL LOGISTICS & INDUSTRIAL AGENCY

"2025 has been a phenomenal year for the South West. All previous records for Big Box take up have been broken - and by some margin.

In a year where several transactions would qualify for Deal of The Year, two really stood out. EPTA & Stoford led the way in March, showing that their pre-letting of 400,000 sq ft at Axis South West wasn't just a deal, it was an M&S deal - a requirement that had been on every agent's schedule for nearly 10 years! Panattoni then reminded us all that they still have the midas touch by letting their Panattoni Park Avonmouth 882,000 sq ft speculative unit to GXO in late Q2.

Further activity included lettings by BGO/Equation to Roper Rhodes (237,000 sq ft); Mountpark to Waitrose (360,000 sq ft); and AEW to Tekever (256,000 sq ft). The biggest deal of the year was Agratas signing for a new battery factory in Bridgwater at c.2.6m sq ft.

With Panattoni on site in Swindon with a number of speculative units (including a 915,000 sq ft unit); and BGO/Equation building a single 568,000 sq ft unit - there is scope for more record-breaking data. However, in a note of caution - don't forget the smaller ones... There is a supply crunch on the horizon for 100,000 - 200,000 sq ft units across the region."

Source: Knight Frank Insight

Occupier Market

6.9m sq ft

Occupier take up
2025

5.9%

Vacancy rate
Q4 2025

£10.50 psf

Prime rents
Q4 2025

5.0%

Prime annual rental growth

"Take up in the South West industrial occupier market surged in 2025, shattering all previous records for big-box activity."

SHARP DECLINE IN VACANCY RATES IN 2025

Availability of existing units over 50,000 sq ft was just under 5 million sq ft at year end. Availability has declined 21% y/y and as a result, vacancy rates have tightened 200 bps from 7.9% in 2024 to 5.9%. New speculative space fell 36% y/y, while second-hand supply declined 6%. Only four buildings over 250,000 sq ft remain available, compared with 20 units under 100,000 sq ft.

Three units are currently under construction speculatively, all above 400,000 sq ft, including two at Panattoni Park Swindon (S916 and S545) and Matrix 586 in Avonmouth. This brings speculative development in the region to just over 2 million sq ft. With nine transactions above 250,000 sq ft in 2025, strong big-box demand is prompting developers to restart previously paused speculative schemes.

RENTAL LEVELS & OUTLOOK

Prime headline rents in Bristol have stood at £10.50 psf throughout 2025, though they are 5.0% higher y/y (units 50,000 sq ft+). Knight Frank Insight forecasts average annual rental growth of 4.1% in the South West and in Bristol in 2026. We anticipate the robust levels of demand seen in 2025 to continue into 2026.

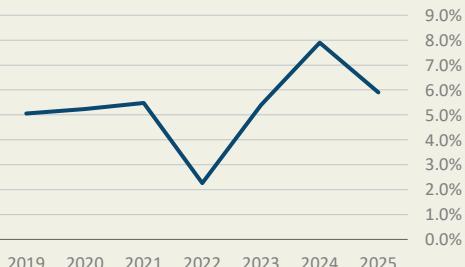
Bristol - Prime Rents

£ per sq ft (units over 50,000 sq ft)



Source: Knight Frank Insight

Vacancy rate % of stock



Source: Knight Frank Insight

"Vacancy rates have tightened 200 bps from 7.9% in 2024 to 5.9%."

Key Occupier Deals 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
Agratas / Tata Facility	2,600,00	Agratas / Jaguar Land Rover	Confidential	Pre-let - Build-to-Suit
1 Panattoni Park, Avonmouth, Bristol	882,000	GXO	£9.75 psf	Speculative build
Plot 5 Axis Works SW, Bristol	394,669	M&S	Confidential	Pre-let – Build-to-Suit
Mountpark 360, Avonmouth, Bristol	360,926	Waitrose	£8.65 psf	Speculative build
Matrix 235	236,712	Roper Rhodes	£8.50	Speculative build

Source: Knight Frank Insight

Investment Market

5.25%

Prime NIY - Bristol
Q4 2025

-25 bps

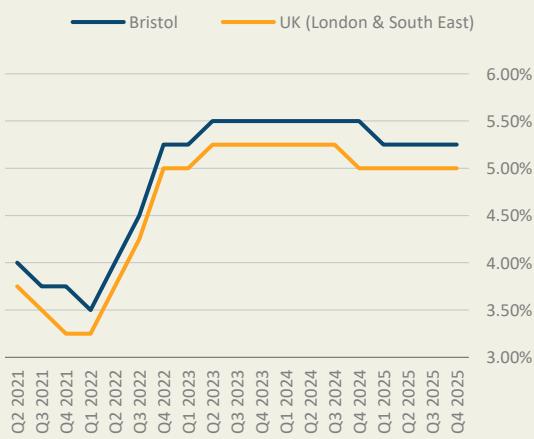
YoY movement in prime yields

INVESTMENT MARKET SHOWS SIGNS OF STRENGTH MOVING INTO 2026

Prime industrial yields in Bristol for units over 50,000 sq ft remained at 5.25% for the third consecutive quarter, following a 25 bps compression in Q1 2025. Although quarterly investment volumes were volatile and the year lacked consistent momentum, the 2025 annual total still exceeded that of 2024. Activity strengthened in the final quarter, and with investor sentiment supported by the region's robust occupier market, further progress is anticipated in 2026.

A key Q4 transaction was Leftfield's acquisition of Waitrose's new 360,926 sq ft regional distribution facility in Severnside from Mountpark for £56 million, reflecting a net initial yield of 5.50%. The asset is let on a 15-year lease and will underpin the retailer's expansion in the South West, benefitting from excellent access to the M49, M4 and M5.

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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