

# LOGIC: South Yorkshire & North East Derbyshire



2025 Review

Occupier and investment market trends in the South Yorkshire & North East Derbyshire logistics and industrial sector.

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# Occupier Market

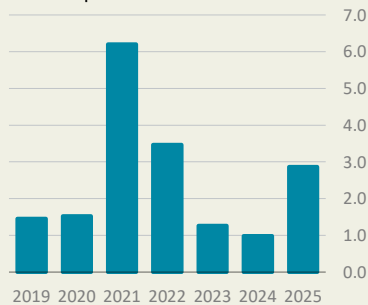
Take up in 2025 rebounds after a subdued 2024, dominated by distribution and manufacturing sectors, while an increase in available space drives up vacancy

### TAKE UP FOR 2025 SIGNIFICANTLY UP ON 2024 VOLUMES

The South Yorkshire and North East Derbyshire industrial occupier market experienced a relatively quiet end to 2025, with only three transactions completing in the final quarter totalling 216,942 sq ft, brining volumes for the year to just over 2.9 million sq ft. While activity in the second half of 2025 was relatively subdued compared to the strong first half, annual take up volumes are up 196% y/y from the 986,039 sq ft recorded in 2024 and are 27% ahead of the ten-year average.

All three transactions were second-hand units within Sheffield and all sub-100,000 sq ft. Q4 saw Barnsley timber engineering business, Constructional Timber UK Ltd, acquire the 69,360 sq ft site at Fall Bank Industrial Estate in Dodworth for just over £4 million to support expansion plans. The warehouse, maintenance bay and office accommodation will become the company’s new South Yorkshire base following a £200,000 refurbishment programme, with its size, location and proximity to the M1 positioning it well for distribution and connectivity.

Take up (sq ft)  
million square feet



Source: Knight Frank Insight

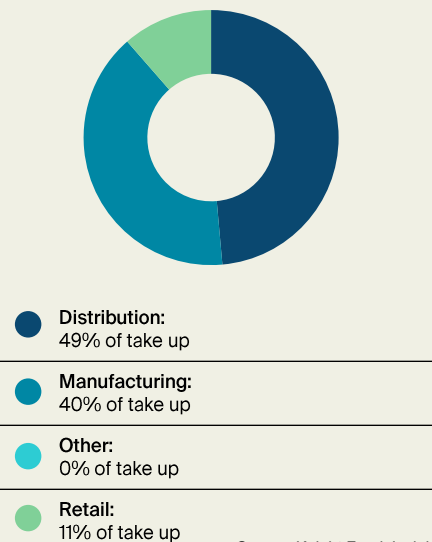
### DISTRIBUTION AND MANUFACTURERS DOMINATE THROUGHOUT 2025

Distribution firms have substantially increased their presence throughout the course of 2025, accounting for 49% of total activity and establishing themselves as a dominant driver of regional demand.

Manufacturers have also been an important source of demand in the region this year, accounting for 40% of take up, an increase from 24% in 2024. A notable transaction that helped boost volumes this year was the 292,455 sq ft Unit 3a at Bessemer Park in Sheffield which was let to UK-based doorset manufacturer Jeld-Wen in Q2 this year.

The retail sector has seen take up levels slow throughout the year, accounting for only 11% of total volumes, down from 18% of take up in 2024.

Take up by sector  
2025



Source: Knight Frank Insight

### MARKET VIEW

Continued demand from both B8 and B2 occupiers



BY REBECCA SCHOFIELD, PARTNER,  
SHEFFIELD OFFICE HEAD

“The region has seen 2.9 million sq ft of take-up, which is ahead of the long-term average and a positive sign. Activity has come from a diverse range of occupiers, with strong demand from both B2 and B8 sectors. Much of this take-up has been in units under 200,000 sq ft, and there is now limited supply of Grade A space in the 100,000-200,000 sq ft bracket.

Enquiries remain robust, and following the November budget, we’ve seen several requirements progress to viewings, which we expect will translate into positive take up in the new year. The region still offers a healthy supply of larger modern units (250,000-400,000 sq ft), providing excellent choice for occupiers seeking immediately available space, alongside a number of second-hand units returning to the market.”

# Occupier Market

2.9m sq ft

Occupier take up  
2025

13.6%

Vacancy rate  
Q4 2025

£9.00 psf

Prime rents  
Q4 2025

Stable

Prime annual rental growth

“Annual take up volumes are up 196% y/y”

## DEVELOPMENT COMPLETIONS PUSH SUPPLY UP AND SOFTEN VACANCY

Supply of units over 50,000 sq ft continued its upward trend, reaching 9.2m sq ft by year-end, up 10% y/y and 85% since 2023. Vacancy softened 10 bps in the final quarter, to 13.6%, up 90 bps from Q4 2024.

While occupiers benefit from a broad choice, availability remains uneven: Sheffield has just one new unit over 350,000 sq ft, while Doncaster on the other hand offers eight new units, half of which are over 300,000 sq ft. Speculative development fell sharply in Q4 following 1.8m sq ft of completions in Q3, leaving only two units under construction (Barnsley and Doncaster) totalling 186,000 sq ft.

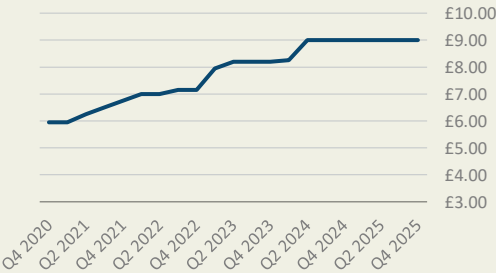
## RENTAL LEVELS & OUTLOOK

Prime rents in Sheffield for units over 50,000 sq ft have remained stable over the past 21 months, at £9.00 psf.

Average rental growth in 2025 is expected to be 4.5% for Sheffield, and 3.9% for the wider Yorkshire & the Humber region. The rate of growth is forecast to slow in 2026, with 2.6% forecast for both Sheffield and the wider Yorkshire & the Humber region (Knight Frank Insight).

### Sheffield - Prime Rents

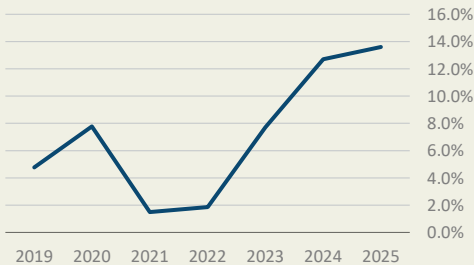
£ per sq ft (units over 50,000 sq ft)



Source: Knight Frank Insight

### Vacancy rate

% of stock



Source: Knight Frank Insight

“Doncaster on the other hand offers eight new units, half of which are over 300,000 sq ft”.

## Key Occupier Deals 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
Unit 3a Bessemer Park, Sheffield	292,445	Jeld-Wen	Confidential	Speculative build
V277 Watervole Way, Doncaster	277,232	Dusk Ltd.	Confidential	Second-hand
iP10 iPort, Doncaster	259,286	Batt Cables	£7.50 psf	Speculative build
2 Tinsley Depot	195,564	CTI	£6.50 psf	Second-hand
iP7 iPort, Doncaster	166,872	Moran Logistics	£7.75 psf	Speculative build

Source: Knight Frank Insight

# Investment Market

5.50%

Prime NIY - Sheffield  
Q4 2025

Stable

YoY movement in prime yields

## INVESTMENT ACTIVITY PICKS UP IN THE LAST QUARTER AFTER A QUIET Q2 AND Q3

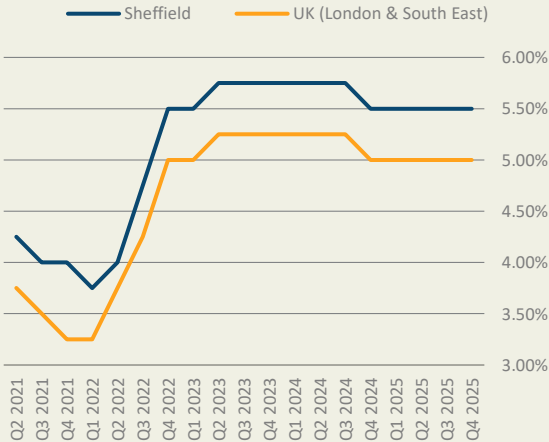
Prime industrial yields in Sheffield remained stable throughout the course of 2025 at 5.50% after compressing 25 bps at the end of Q3 in 2024.

Q4 saw an uptick in investment compared to Q3, with seven transactions totaling £69 million for the quarter, brining investment volumes for 2025 to £262 million.

A notable transaction in Q4 saw EQT Exeter acquire the Wincanton Distribution warehouse for £29.25 million, representing a NIY of 5.00%, in an off-market transaction from Swiss Life Asset Managers UK on behalf of its flagship fund, the Property Income Trust for Charities (PITCH). The 308,566 sq ft property, built in 2002, comprises two warehouse units at Trax Park, Doncaster.

### Prime Yield

Net initial yield %



Source: Knight Frank Insight

### MARKET VIEW

Resilience shown through 2025 despite challenging geopolitical conditions



BY NICK WALES, PARTNER,  
SHEFFIELD COMMERCIAL

“Against a challenging economic backdrop and continued geo-political uncertainty, the industrial sector showed its resilience throughout 2025, with sentiment improving as we head into 2026, supported by an increasingly liquid and competitive CRE debt market.”



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.

The South Yorkshire & North East Derbyshire market as reported by Knight Frank does not align to standard regional UK geographies and includes South Yorkshire along with Lincolnshire, North East Derbyshire and parts of the North East Midlands.



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