

LOGIC: Wales

2025 Review

Occupier and investment market trends in the Wales logistics and industrial sector.

knightfrank.com/research



Occupier Market

A lack of Grade A space slows take up, manufacturers continue to dominate and vacancy rates fall to lowest level since 2019

TAKE UP SLOWS DUE TO A LACK OF GRADE A SPACE

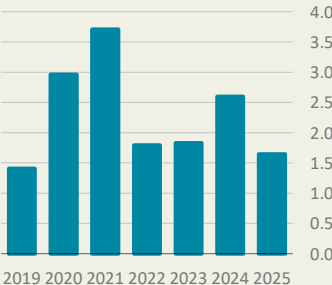
Occupier take up of industrial units over 50,000 sq ft in Wales reached just under 1.7 million sq ft in 2025, down 37% annually on the 2.6 million sq ft recorded in 2024. This annual decline in take up is partly due to the absence of any larger Grade A units available in South Wales in 2025.

While the 2025 annual total is down, the final quarter saw a notable uplift in activity, with 674,816 sq ft of take up recorded. Take up in Q4 comprised 6 deals, 3 of which exceeded 100,000 sq ft, including the 163,970 sq ft enterprise park at Queensway Meadows in Newport and the 200,000 sq ft regional distribution centre at Swansea Enterprise Park.

MANUFACTURING CONTINUES TO DOMINATE THE MARKET

Take up by sector showed the Welsh market is still heavily dominated by manufacturing. Manufacturing firms accounted for 53% of all space transacted through the year. Distribution firms represented 14% of take up in 2025, a low proportion relative to previous years.

Take up (sq ft)
million square feet



Source: Knight Frank Insight

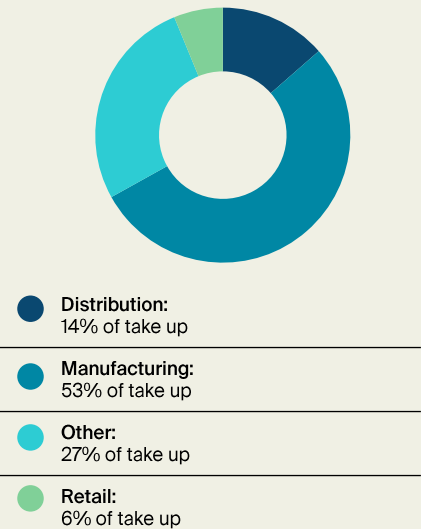
The retail sector accounted for just 6% of annual activity, while non-traditional occupiers (classified as ‘Other’) represented 27% of total take-up. This category remains primarily driven by waste processing and recycling operators, which continue to anchor much of the region’s non-traditional industrial demand.

However, this segment is becoming increasingly diverse. In Q4, Padel World Academy—a growing leisure and sports operator—secured a 50,000 sq ft letting in Cardiff, underscoring the widening mix of occupiers now seeking larger industrial space in Wales.

WALES MARKET CONTINUES TO BE STARVED OF NEW STOCK

The Welsh market continues to depend on existing buildings amid a severe lack of new, high-quality space. South Wales has no new facilities over 50,000 sq ft available or under construction speculatively.

Take up by sector
2025



Source: Knight Frank Insight

MARKET VIEW

Double-digit rents are being quoted and will be achieved



BY NEIL FRANCIS, PARTNER,
CARDIFF LOGISTICS & INDUSTRIAL AGENCY

“This drop in take up from last year is at least partly accounted for by there being no available Grade A space in South Wales of this size throughout 2025. A number of enquiries have stalled due to the lack of new builds, and discussions about pre-lets are becoming more commonplace.

Availability has also increased on last year, but much of it is poor-quality accommodation in secondary locations where redevelopment or higher-value uses are not viable.

This has given confidence to Indurent to progress, next year, with a new Phase 5 at Indurent Park, Newport, which will deliver 338,000 sq ft of modern industrial and logistics space. Double-digit rents are being quoted and will be achieved.”

Occupier Market

1.65m sq ft

Occupier take up
2025

9.2%

Vacancy rate
Q4 2025

£10.00 psf

Prime rents
Q4 2025

2.6%

Prime annual rental growth

“The year ended with vacancy edging down 10 basis points to 9.2%”

VACANCY RATES FALL TO LOWEST LEVEL SINCE 2019

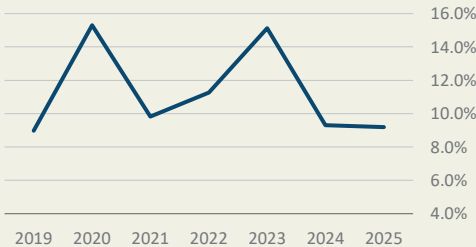
Availability of 50,000 sq ft+ units across Wales fell 5.1% q/q, from 3.9 million sq ft to 3.7 m sq ft; and down marginally (0.5%) y/y. The year ended with vacancy rates edging down 10 basis points to 9.2% from 9.3% recorded at the end of 2024, which although higher than most other regions, is the lowest it's been in Wales since 2019. Availability is dominated by poorer quality space, and out of 30 available units, just one is new and two are grade A secondhand, demonstrating that for new or high-quality units, the market remains highly supply constrained.

RENTAL LEVELS & OUTLOOK

Prime industrial rents in Cardiff for units over 50,000 sq ft remained stable in Q4, at £10.00 psf. Prime rental growth of 2.6% has been recorded annually.

Looking ahead, average rental growth in Wales is forecast at 2.6% in 2026, with Cardiff forecast at 2.7% (Knight Frank Insight). Limited new development and a severe shortage of Grade A units in Wales are expected to continue constraining take up as we move into 2026.

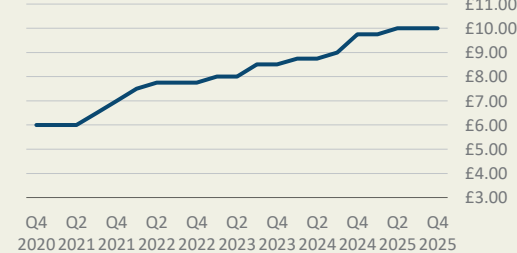
Vacancy Rate
% of stock



Source: Knight Frank Insight

“Prime rents in Cardiff for units over 50,000 sq ft remained stable in Q4”

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



Source: Knight Frank Insight

Key Occupier Deals 2025

| PROPERTY | SIZE (SQ FT) | OCCUPIER | COMMENTS |
|---|--------------|-----------------------------------|----------------------------------|
| Regional Distribution Centre, Swansea Enterprise Park | 200,000 | Confidential | Second-hand |
| Queensway Meadows | 163,970 | Concept Property Group | Leasehold purchase - second-hand |
| A,B,C Wentloog Corporate Park, Cardiff | 163,957 | Euro Clad Ltd. | Freehold purchase - second-hand |
| Dyffryn Business Park, Ystrad Mynch, Caerphilly | 148,878 | Caerphilly County Borough Council | Freehold purchase - second-hand |
| Five Crosses Industrial Estate | 137,824 | Minera Roof Trusses | Freehold purchase – Second-hand |

Source: Knight Frank Insight

Investment Market

5.75%

Prime NIY - Cardiff
Q4 2025

Stable

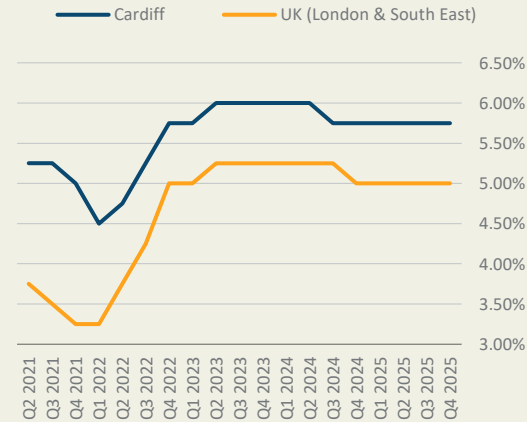
YoY movement in prime yields

INVESTMENT LEVELS REMAIN POSITIVE WITH
VALUE IN ENTRY YIELD DISCOUNTS

Prime industrial yields in Cardiff have remained steady at 5.75% through 2025, having compressed by 25bps in Q3 2024. Yields in Cardiff are trending 75 bps softer than prime South East industrial.

Investment volumes remained reasonably positive through 2025, with relatively strong rental growth continuing to attract investors to Wales through the entry yield discounts that are achievable. Two transactions took place in Q4, with a notable sale being the 83,693 sq ft Phase 1 Central Park scheme in Bridgend by Robert Hitchens. The development comprises 12 high-quality units and was sold for £7 million (NIY 7.2%), extending across 6.2 acres and sitting close to Junction 35 of the M4.

Prime Yields
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

**Logistics & Industrial
Insight**

Claire Williams
claire.williams@knightfrank.com
+44 20 3897 0036

Gajan Pakkiyarajah
Gajan.Pakkiyarajah@knightfrank.com
+44 20 7861 1694

Josh Atkinson
Josh.Atkinson@knightfrank.com
+44 20 3909 6805

**Cardiff Commercial
Logistics & Industrial Agency**

Neil Francis
neil.francis@knightfrank.com
+44 29 2044 0147

Rhys Price
rhys.price@knightfrank.com
+44 29 2044 0951

**Cardiff Commercial
Capital Markets**

Gareth Lloyd
gareth.lloyd@knightfrank.com
+44 29 2044 0141

Tom Griffiths
tom.griffiths@knightfrank.com
+44 29 2044 0140

Cardiff Valuation & Advisory

Owen Griffiths
owen.griffiths@knightfrank.com
+44 29 2044 0134

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.



© Knight Frank LLP 2025 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this presentation. As a general presentation, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this presentation in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.