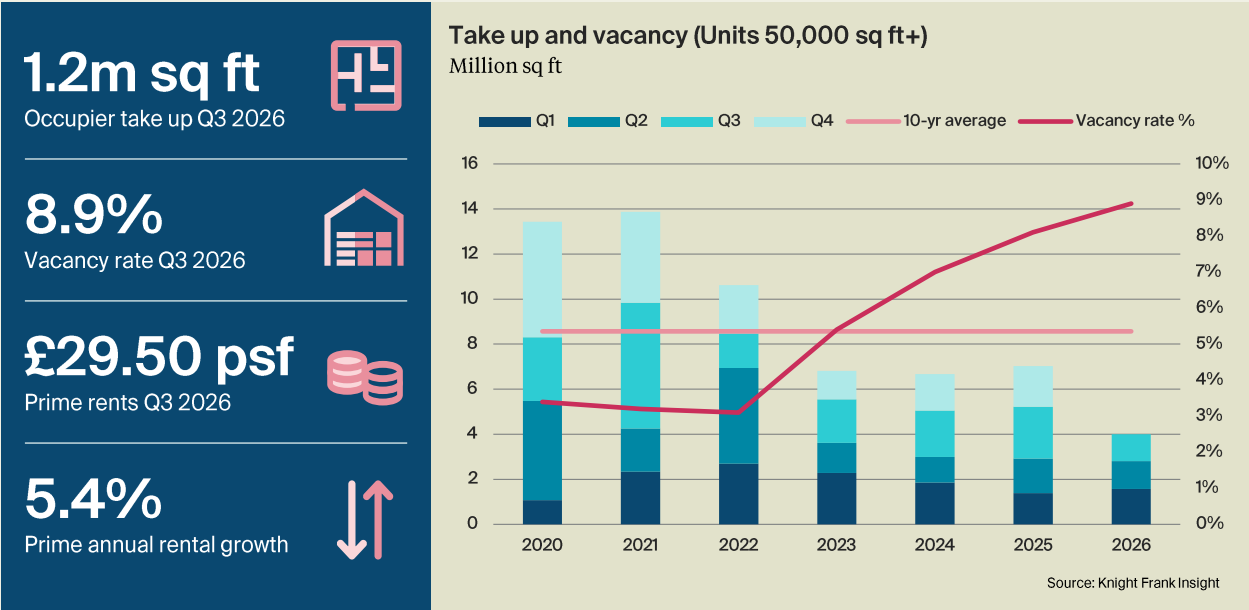


London and the South East



MODERN SPACE UNDERPINS ACTIVITY

During Q3 2026, take up across London and the South East totalled 1.2 million sq ft for units over 50,000 sq ft, down by 2.5% q/q.

New and Grade-A second-hand accommodation accounted for 90% of take up during the quarter, reflecting occupiers' continued focus on best-in-class facilities in well-connected locations that support improved operational efficiency.

The largest deal of the quarter was Sim Group Ltd's lease of Unit 2 at Dunsbury Park, a modern 152,801 sq ft Grade-A facility in Havant. Located just off Junction 3 of the A3, the property provides strong links to the wider motorway network and the ports of Southampton and Portsmouth. Elsewhere, load bank manufacturer, Avtron Power Solutions leased the 130,850 sq ft PE2 facility in Peterborough to support its expanding

manufacturing and testing operations.

SPECULATIVE DEVELOPMENT BOOSTS AVAILABILITY

Availability continued to increase in Q3 2026, reaching approximately 23.4m sq ft, up 4% q/q and 15% y/y. Second-hand stock continues to dominate supply, accounting for 58% of total availability, or roughly 13.5 million sq ft, reflecting a steady 17% increase from Q3 2025. As availability has risen, the vacancy rate has moved out slightly to 8.9%, compared with 8.8% last quarter, and 8.1% a year ago.

Developer confidence strengthened further during the quarter, with 28 speculative schemes now under construction, providing 2.5m sq ft. This compares with 17 schemes totalling 1.9m sq ft a year ago.

Availability remains heavily skewed towards larger mid-box units, with the 100,000–250,000 sq ft size bracket alone accounting

for 10.7m sq ft of total available stock.

PRIME RENTS STABLE IN MOST MARKETS

Prime headline rents increased in Milton Keynes, Stevenage, Bedford and Basildon over the quarter, with Basildon recording the largest uplift, rising from £13.50 per sq ft in Q2 2026 to £14.50 per sq ft in Q3 2026. However, most sub-markets across the region saw prime rents hold steady q/q.

Out of the 38 markets across the region where we track prime rents, 12 have recorded an annual uplift, 24 have held steady, with two markets recording a y/y decline in prime rents.

Knight Frank Insight expects rental growth to moderate through 2026, with projections of 3.1%, 3.8% and 3.2% growth expected across London, the South East and Eastern regions, respectively.