North West

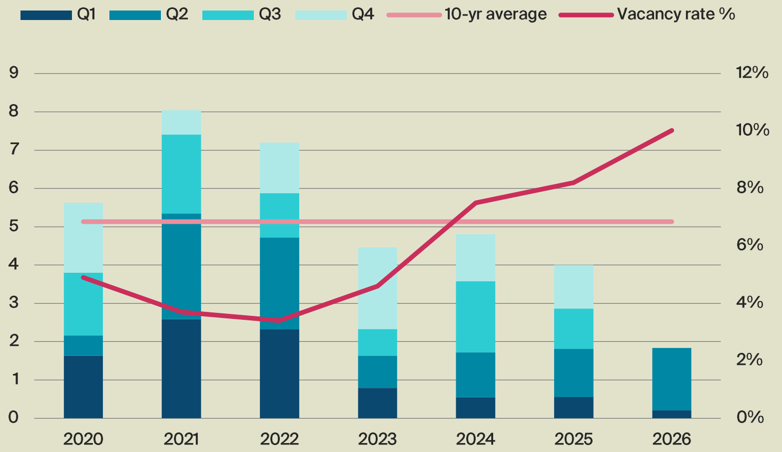
1.6m sq ft
Occupier take up Q2 2026

10.2%
Vacancy rate Q2 2026

£12.50 psf
Prime rents Q2 2026

4.2%
Prime annual rental growth

Take up and vacancy (Units 50,000 sq ft+)
Million sq ft



Source: Knight Frank Insight

RETAILERS POWER A DRAMATIC REBOUND IN OCCUPIER DEMAND

Take-up rebounded sharply in Q2 2026, reaching 1.6 million sq ft for units over 50,000 sq ft, almost eight times higher than Q1 and 19% above the same period last year.

Retailers drove the recovery, accounting for nearly 70% of take-up, while manufacturers contributed 25%. Second-hand space dominated activity at 74% of total take-up. Around 80,000 sq ft was pre-let or delivered through design-and-build agreements, marking the first pre-letting activity since Q3 2025.

The quarter's largest transactions reflected the strength of retailer demand. Online Home Shop leased OXW333, Trafford Park, a 334,000 sq ft second-hand Grade B facility, at £9.50 psf. In Stoke-on-Trent, AO World leased the 325,000 sq ft Alsager 325 scheme at £5.50 psf on a five-year lease. Highlighting the return of pre-letting activity, Virgin Wines committed to approximately 80,000 sq ft at APTUS's Phase 2 development on Roman Way, Preston, at £11.00 psf on a 10-year lease. The scheme is targeting a BREEAM Excellent rating and is scheduled for completion later this year.

RISING SECOND-HAND SUPPLY PUSHES VACANCY HIGHER

Total available floorspace, excluding developments under construction, increased to 16.4m sq ft, up 3.4% q/q and 24.4% y/y.

The increase was driven almost entirely by second-hand accommodation, which now totals nearly 12m sq ft, rising 7.9% during the quarter and 47.3% over the past year. By contrast, availability of new space increased by just 1.4% q/q to 4.5m sq ft and remains 3.7% below its level a year ago. Around 7.5m sq ft of available space is classified as Grade A.

Completions totalled 393,640 sq ft during the quarter, pushing the overall vacancy rate to 10.2%, up 30 basis points q/q and 220bps y/y. The Grade A vacancy rate also widened, increasing by 90bps to 4.7%.

PRIME RENTS CONTINUE TO ADVANCE IN KEY NORTH WEST MARKETS

Prime rents in Manchester increased by 3.9% during the quarter to £11.95 psf. However, the city continues to trail Warrington, where prime rents for units over 50,000 sq ft stand at £12.50 psf following annual growth of 4.2%.

Looking ahead, Knight Frank Insight expects rental growth across the North West to moderate but remain positive, with 3.2% growth in 2026. Manchester and Warrington are forecast to outperform, with rental growth of 3.7% and 4.0% respectively.