

LOGIC: North West



Q2 2025

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

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Image: Crewe 335, Weston Road, by Hillwood

Occupier Market

Development completions boost vacancy, as speculative pipeline thins out

STEADY Q2 FOR TAKE UP

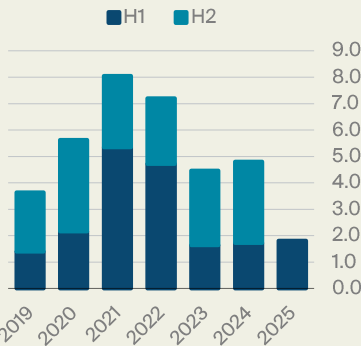
The second quarter of 2025 recorded 1.3 million sq ft of occupier take up across the North West industrial and logistics market (units 50,000 sq ft+), 7.4% ahead of Q2 2024 and notably higher than Q1 2025 volumes. This brings the H1 2025 total to 1.8 million sq ft, 5.6% ahead of the level recorded in H1 2024.

A further 1.6 million sq ft of space was under offer at end-June, representing 12% of total supply. This includes two units over 300,000 sq ft and, if progressed, this would significantly boost take up for H2. Despite the uptick in demand, occupiers continue to adopt a cautious approach that reflects broader economic uncertainty. As a result, leasing timelines have lengthened, with more scrutiny around lease terms and costs before deals are concluded.

HEADLINE RENTS CONTINUE TO GROW

Notwithstanding the headwinds, headline rents continue to grow. In Q2, glazing manufacturer Regency Glass secured a 15-year lease on two units totalling 124,980 sq ft at Indurent Park Trident in Birchwood, Warrington. The units completed construction earlier this year, achieving BREEAM 'Excellent' and

Take up (sq ft)
million square feet



Source: Knight Frank Insight

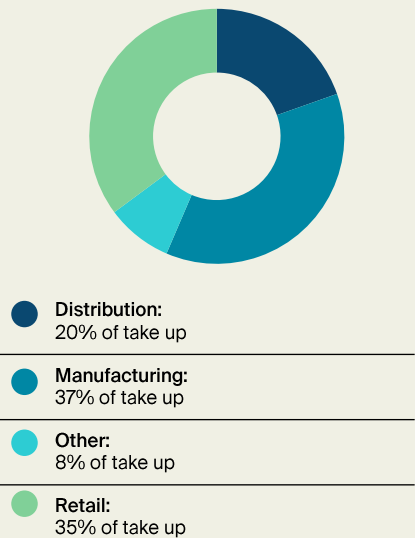
EPC 'A' certifications. This deal has set new headline rental tones for the Warrington submarket.

Also of note - and the largest letting of Q2 - was Eurosonic Group signing the former Sambro International building in Bury. The homeware and electrical appliance distributor secured the 184,422 sq ft unit as part of its expansion plans.

RISE IN RETAILER FOOTPRINT

Retailers are increasing their footprint in the North West, taking 3.5 times more space over the past year. Retail occupiers accounted for 27% of take up in H1 2025 alone and 35% annually to Q2 2025. This is up from 11% in the same period last year. Manufacturing remains the leading sector, comprising 37% of the annual total, up from 29% last year. The growth in both sectors has come as distribution activity moderates, with its share falling to 20% from 33% the year prior, albeit still a strong segment of the market.

Take up by sector
Q3 2024 – Q2 2025



Source: Knight Frank Insight

MARKET VIEW

Landlords are more receptive to negotiating terms



BY ROB TILLEY, PARTNER,
MANCHESTER LOGISTICS & INDUSTRIAL
AGENCY

“The occupier decision-making process remains protracted. However, where there is a pressing commercial need for space, occupiers are still committing to new headline rents.

Landlords are holding firm on headline rents but are more receptive to negotiating terms.”

Occupier Market

1.8m sq ft

Occupier take up
H1 2025

8.1%

Vacancy rate
Q2 2025

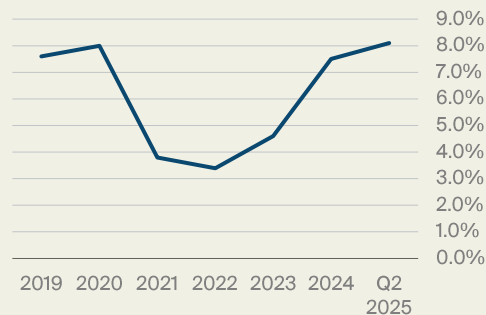
£11.50 psf

Prime rents (Manchester)
Q2 2025

15%

Prime annual rental growth

Vacancy rate
% of stock



Source: Knight Frank Insight

“Retail occupiers accounted for 27% of take up in H1 2025 alone and 35% annually to Q2 2025”

SHARP FALL IN DEVELOPMENT ACTIVITY

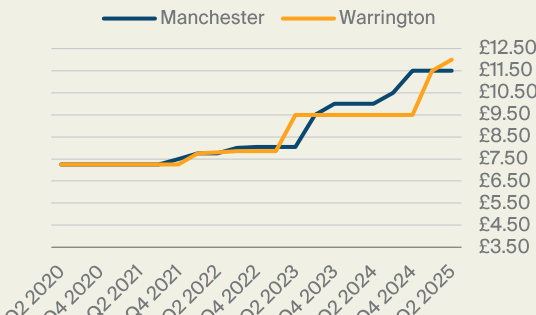
Speculative development activity fell sharply in Q2 and is now at its lowest level for several years. At the end of June, just over 1 million sq ft was underway across five units, down from 3.8 million sq ft in 23 units a year ago (units 50,000 sq ft+). Q2 saw the completion of several developments totalling 1.5 million sq ft, including two units over 400,000 sq ft, providing greater choice for occupiers seeking modern space. As a result, availability rose by 10% during Q2 to 12.8 million sq ft and is 24% higher annually. The vacancy rate softened to 8.1%, from 7.4% in Q1 and 6.6% in Q2 2024. While second-hand supply fell by 2.8% in the quarter, second-hand stock accounts for nearly two-thirds of the existing supply, with 90% of this comprising lower quality space, graded B or below.

RENTAL LEVELS & OUTLOOK

Prime rents in Manchester for units over 50,000 sq ft remained stable in Q2 at £11.50 psf, but are 15% higher annually. Warrington’s prime rents at £12.00 psf are 26% higher annually and are now tracking 50p psf ahead of Manchester. Rental growth is set to remain positive, with an average of 4.3% expected for Manchester for 2025 and 3.8% forecast for the wider North West region (Knight Frank Insight).

North West - Prime Rents

£ per sq ft (units over 50,000 sq ft)



Source: Knight Frank Insight

“Warrington’s prime rents at £12.00 psf are 26% higher annually”

Key Occupier Deals H1 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
Former Sambro International, Bury	184,422	Eurosonic	£4.25 psf	Second-hand
Finsa HQ, Birkenhead	158,904	Finsa UK	Undisclosed	Pre-let – Build-to-Suit
Indurent Park Trident, Birchwood Warrington	124,980	Regency Glass	Confidential	Speculative builds
Icon 4, Manchester Airport	103,000	Sterling Event Group	£10.50 psf	Second-hand
Vortex 107, Ellesmere Port	107,431	Trade Outlet	£8.00 psf	Speculative build

Source: Knight Frank Insight

Investment Market

5.25%

Prime NIY - Manchester
Q2 2025

-25 bps

YoY movement in prime yields

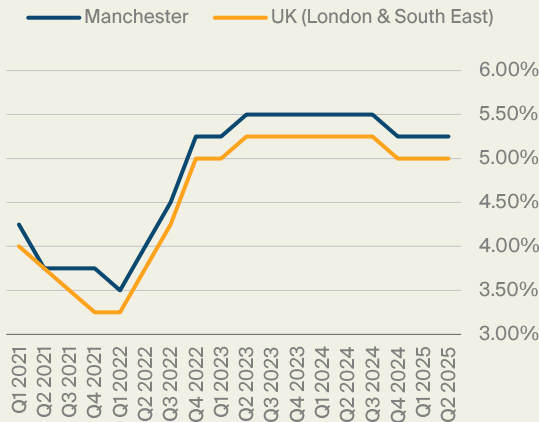
INVESTMENT ACTIVITY GATHERS PACE

The second quarter was another active one for the North West investment market, with some large transactions, including Frontier Business Park and Triumph Business Park, boosting the quarterly volumes. In addition to these, Crossbay purchased Units 1 & 2, Tenax Cross, Trafford Park, for £16.2 million (NIY 3.34%). The two units comprise 94,200 sq ft and are let to Oak Tyres until 2027. Also in Trafford Park, ARGO Real Estate acquired Harp Trading Estate, a 78,100 sq ft multi-let estate across 20 fully let units. The price of £15.85 million reflected a NIY of 4.59%.

Meanwhile, Indurent has forward-funded £25 million for the next phase of the Hollinwood Junction scheme in Oldham, which will provide 13 new units totalling 192,000 sq ft of distribution and manufacturing space.

Prime industrial yields in Manchester remained stable in Q2 2025, at 5.25%, having softened by 25 bps at the turn of the year.

Prime Yield
Net initial yield %



Source: Knight Frank Insight

MARKET VIEW

Another positive quarter
for investment



BY CRAIG BARTON, PARTNER,
MANCHESTER LOGISTICS & INDUSTRIAL
CAPITAL MARKETS

“Continuing the positive start to the year, preliminary figures show investment volumes of £317 million for Q2, which represents a 36% uptick on levels in the same quarter last year.

There were two standout deals, with Clarion’s acquisition of Frontier Business Park in Blackburn, for £115 million and ICG’s £63.5 million acquisition of Triumph Business Park, Speke in Liverpool, where Knight Frank advised the purchaser. Indeed, Knight Frank was fortunate to be involved with four of the North West’s key deals in Q2, having also assisted clients with the acquisition of an Encon distribution unit in Chorley, Tenax Road, Trafford Park for Crossbay, and the sale of Harp Trading Estate for a fund.”

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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