

LOGIC: South Yorkshire & North East Derbyshire



Q3 2025

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

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Occupier Market

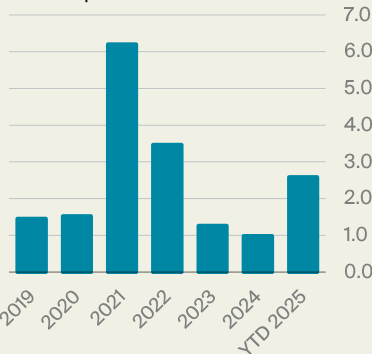
Year-to-date activity highlights broad-based strengthening of the market despite a quieter Q3

TAKE UP MODERATES, BUT STILL MUCH IMPROVED ON 2024

Following an active first half of 2025 in the South Yorkshire and North East Derbyshire industrial and logistics occupier market, when 2.4 million sq ft transacted, activity moderated in Q3 to 219,000 sq ft across four units. This does, however, represent an improvement on the single deal recorded in the same quarter last year. Year-to-date (YTD) take up now stands at 2.6 million sq ft, a substantial improvement on the sub-1 million sq ft achieved in all of 2024, with three months still to go.

All four transactions were leasehold, with units ranging from 50,000 to 100,000 sq ft. The largest was Unit 7 at Parkway One Business Park in Sheffield, let to Yorkshire-based third-party logistics provider 4S Distribution for five years at a headline rent of £7.75 psf. The 60,791 sq ft building was recently refurbished by Mileway, and 4S Distribution will use the space to support business expansion following new contract wins. Also of note was home energy solutions provider Boxt agreeing to lease the newly developed Unit 2 Gateway 36 in Barnsley (50,225 sq ft) for 10 years at £8.25 psf.

Take up (sq ft)
million square feet



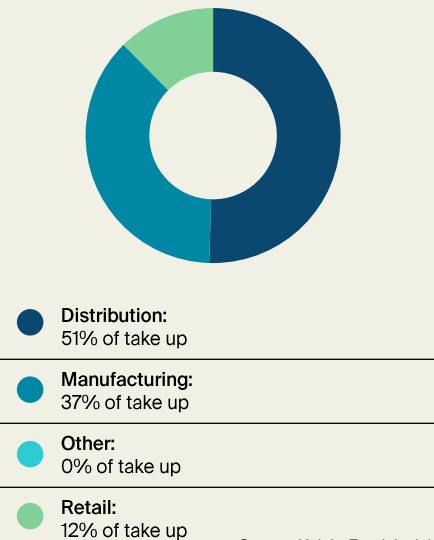
Source: Knight Frank Insight

STRENGTHENING DEMAND ACROSS THE KEY SECTORS

Take up by distribution firms has surged threefold annually, cementing their position as the dominant driver of demand and representing just over half (51%) of activity in the four quarters to Q3. Manufacturers have also expanded their presence, with their share climbing to 37% from 16% in the same period last year. Retailers have similarly contributed to the year-on-year uplift, highlighting a broad-based strengthening of occupier demand across key sectors in the market.

In addition to leasehold transactions, the market has seen several owner-occupier self-builds commence on site this year, which we continue to monitor. This provides further evidence of strengthening occupier confidence in the region. Examples include TJ Morris’ 800,000 sq ft facility at Unity Connect, Doncaster; a 320,000 sq ft facility at Weeden Street in Sheffield, by Forgemasters; and PCL Logistics’ facility at Premier Park, Doncaster.

Take up by sector
Q4 2024 – Q3 2025



Source: Knight Frank Insight

MARKET VIEW

Continued demand from both B8 and B2 occupiers



BY REBECCA SCHOFIELD, PARTNER,
SHEFFIELD OFFICE HEAD

“The South Yorkshire region continues to see a diverse mix of occupiers taking space. We have seen continued demand from both B8 and B2 occupiers, with 37% of take up over the last 12 months being from manufacturing occupiers.

Enquiry levels are stable, but decision-making remains slow.

The region has a healthy supply of units and presents choice for occupiers seeking space in a region with excellent access to the road network and labour. Favourable incentives are being offered to occupiers.

Whilst there is supply, it is more limited in some size bands, such as the 100,000–150,000 sq ft bracket.”

Occupier Market

2.6m sq ft

Occupier take up
YTD 2025

13.5%

Vacancy rate
Q3 2025

£9.00 psf

Prime rents
Q3 2025

Stable

Prime annual rental growth

“YTD take up stands at 2.6 million sq ft, a substantial improvement on the sub-1 million sq ft achieved in all of 2024”

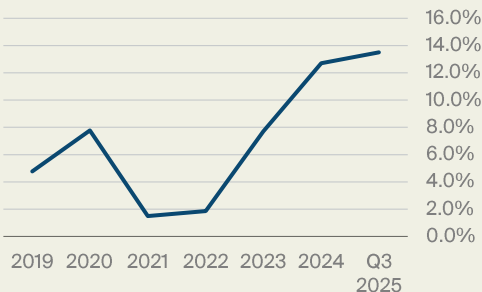
RISE IN SUPPLY DRIVEN BY NEW STOCK

The vacancy rate remains volatile; following two quarters of contraction, supply growth resumed in Q3, resulting in a vacancy rate of 13.5%. This is up from 10.7% in Q2 and 11.5% in Q3 2024. The uplift was primarily driven by new stock, with 1.8 million sq ft of development completions in Q3 boosting existing supply. While occupiers benefit from choice across the region, the supply of high-quality space is tighter in certain size bands and key markets; for example, Sheffield has just one new unit available, measuring over 350,000 sq ft. Not surprisingly, given the volume of completions this quarter, speculative development fell sharply. Construction commenced on one unit in Q3: Unit 1 Total Park Doncaster (129,319 sq ft) by Total Developments. In the near term, a declining pipeline should limit any material increase in vacancy.

RENTAL LEVELS & OUTLOOK

Prime rents in Sheffield for units over 50,000 sq ft have remained stable over the past 18 months, at £9.00 psf. Average rental growth of 4.0% is predicted for Sheffield for 2025 and 3.6% for the wider Yorkshire & the Humber region. Looking ahead to next year, average rents in Sheffield are forecast to grow at a slower rate of 2.3%, and 2.2% in Yorkshire & the Humber (Knight Frank Insight).

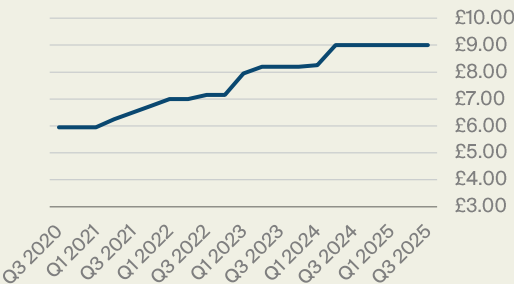
Vacancy rate
% of stock



Source: Knight Frank Insight

“1.8 million sq ft of development completions in Q3 boosted existing supply”

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



Source: Knight Frank Insight

Key Occupier Deals YTD 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
Unit 3a Bessemer Park, Sheffield	292,445	Jeld-Wen	£7.95 psf	Speculative build
iP7 iPort, Doncaster	166,872	Moran Logistics	£7.75 psf	Speculative build
Unit 2 Horizon 29, Chesterfield	133,474	Cary Group	£8.25 psf	Speculative build
Unit 7 Parkway One, Parkway Avenue, Sheffield	60,791	4S Distribution	£7.75 psf	Second-hand refurbishment
Unit 2 Gateway 36, Barnsley	50,225	Boxt	£8.25 psf	Speculative build

Source: Knight Frank Insight

Investment Market

5.50%

Prime NIY - Sheffield
Q3 2025

-25 bps

YoY movement in prime yields

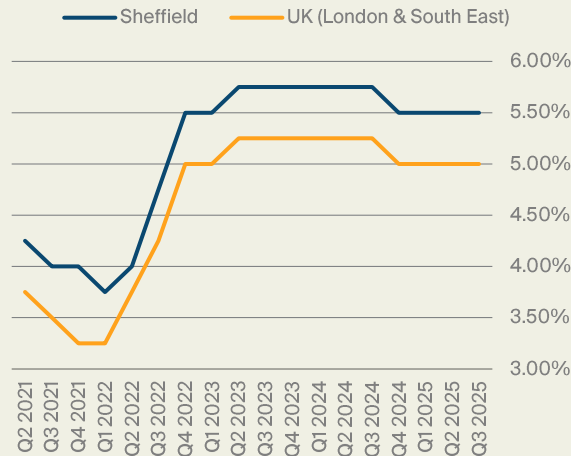
STEADY QUARTER FOR INVESTMENT ACTIVITY

Activity in the investment market continued at a steady rate in Q3, with several notable transactions bringing YTD volumes on par with the same nine-month period last year. In particular, Swiss Life Asset Managers UK sold a 138,144 sq ft distribution centre at Trax Park, White Rose Way in Doncaster, off-market to EQT Exeter for £29.25 million. The property comprises two warehouses, which are let to Wincanton until September 2027. In addition, Northwood acquired President Park in Sheffield from Knight Frank Investment Management. The 85,000 sq ft multi-let estate is fully let to four tenants, and the achieved price of £7.82 million reflects a net initial yield of 6.45%, with significant potential for reversion given that 72% of the income is subject to lease events over the next three years.

Prime industrial yields in Sheffield for units over 50,000 sq ft have remained at 5.50% for the first three quarters of 2025, having compressed by 25bps in Q4 2024.

Prime Yield

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

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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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