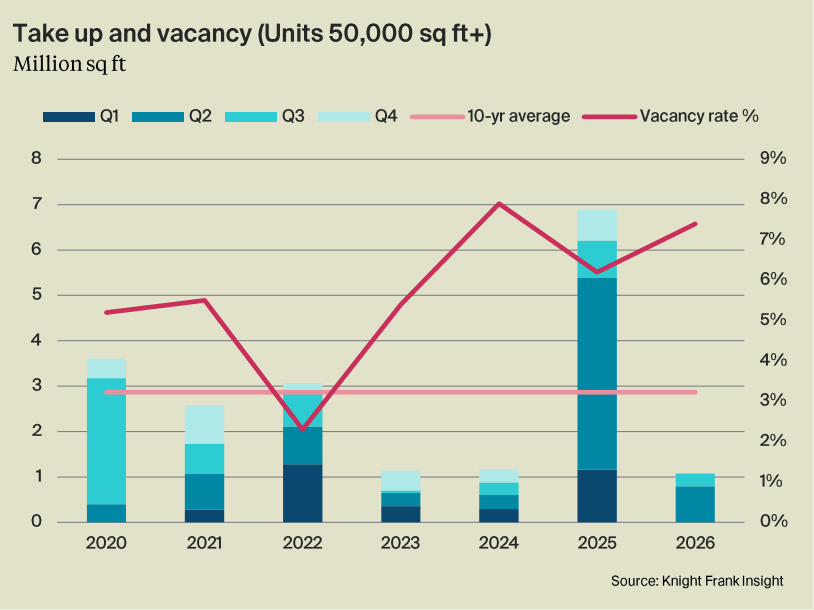
South West

283k sq ft
Occupier take up Q3 2026

7.4%
Vacancy rate Q3 2026

£11.50 psf
Prime rents Q3 2026

9.5%
Prime annual rental growth



DISTRUBUTION FIRMS SUPPORT Q3 ACTIVITY

After a strong Q2, occupier activity slowed in the South West during Q3, with take up falling to 282,582 sq ft. This was 64% below the previous quarter and marked the lowest quarterly total recorded since the end of 2024.

Distribution firms remained the main source of demand, accounting for around 82% of take up, while retail occupiers made up the remaining 18%. The distribution sector has now been the region's most active source of demand over the past year.

There were three transactions above 50,000 sq ft during the quarter. The largest saw UK tyre wholesaler Bond International take 174,634 sq ft of second-hand Grade-A space at Poplar Way East, Cabot Park. The deal alone accounted for over 60% of the quarter's . Elsewhere, Evri signed a 10-year lease on a new 57,643 sq ft facility at Unit 12, Indurent Park Gloucester. The BREEAM Excellent-rated, EPC A+ facility will serve as the South West base for Evri Premium, the separate network created following Evri's merger with DHL eCommerce UK in 2025.

Grade-A SPACE REMAINS CONSTRAINED

The South West vacancy rate edged up slightly to 7.4% at the end of Q3 2026, from 7.3% in Q2. Across the region, 5.5 million sq ft of existing space is currently available, although much of this remains concentrated in lower-quality stock. Around 3.2 million sq ft of available space comprises Grade B or worse facilities, highlighting the continued challenge occupiers face in securing modern, high-quality premises.

While Grade-A vacancy also rose, from 3.4% to 3.7% in Q3, the rate remains well below the regional average, underlining the continued imbalance between the volume and quality of available space.

RENTAL LEVELS & OUTLOOK

Prime headline rents in Bristol stand at £11.50 psf, for units of 50,000 sq ft +, a 9.5% increase y/y and reflecting sustained demand in a market characterised by limited high-quality availability.

Rental growth is expected to slow across the South West in 2026, with Knight Frank Insight forecasting average growth of 4.1% across the region and 1.8% in Bristol, compared with 6.5% and 6.4% in 2025.