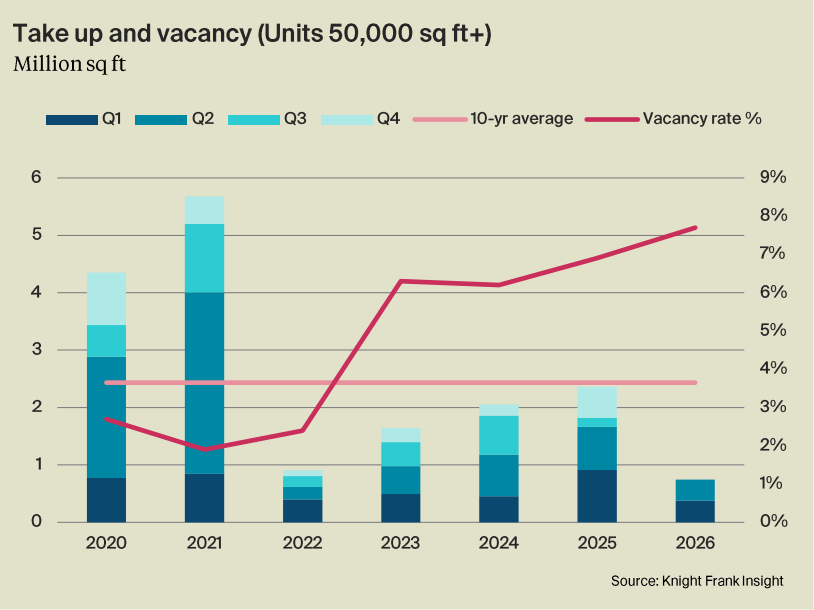
West Yorkshire and the Humber

364k sq ft
Occupier take up Q2 2026

8.4%
Vacancy rate Q2 2026

£10.00 psf
Prime rents Q2 2026

-%
Prime annual rental growth



MANUFACTURERS GAIN GROUND AS DEMAND SOFTENS

Take-up totalled 364,000 sq ft in Q2, down 3.7% q/q and 51.6% y/y. All transactions involved second-hand space, reflecting the ongoing shortage of new, ready-to-occupy stock.

Manufacturers accounted for the largest share of demand, marking a notable shift from recent trends, with distribution occupiers having accounted for 46% of take-up over the previous four quarters, compared with 17% for manufacturers. The increase in manufacturing activity reflects a growing focus on supply-chain resilience and operational control.

Key deals included Sigma's lease of the 71,600 sq ft Ripley Close unit in Normanton at £4.50 psf on a five-year term. Manufacturing demand was evident in two further transactions: Wilsons Power Services acquired the 68,000 sq ft Network House in Leeds, while Lambson Innovate leased the 64,700 sq ft Unit E, Loscoe Close in Wakefield at £7.50 psf.

SECOND-HAND SUPPLY DRIVES VACANCY HIGHER

Availability rose to 5.7m sq ft, up 34% y/y. However, the availability of new stock is 30% lower y/y, highlighting the continued shortage of modern space. The increase was driven by returning second-hand space, which rose to 5.0m sq ft, up 70.3% y/y.

Only 783,000 sq ft (14%) of available space is Grade A, with supply concentrated in small and mid-box units and limited large-format logistics options. Grade C stock dominates available space, totalling 57% of space.

The overall vacancy rate increased to 8.4%, up from 6.9% at the end of 2025. By contrast, Grade A vacancy remains exceptionally tight at just 1.2%, underlining the scarcity of modern, best-in-class space.

Supply conditions for Grade A stock in West Yorkshire are set to improve as Panattoni have now broken ground on their 490,000 sq ft cross-docked Wakefield 500 development, which is the only speculative scheme under construction in the region (over 50,000 sq ft). The best-in-class warehouse is situated in a prime location, sitting adjacent to Junction 31 of the M62 and is due to reach practical completion in May 2027.

LIMITED MODERN SUPPLY SUPPORTS RENTAL GROWTH

Prime rents for units of 50,000 sq ft and above remain at £10.00 psf, although pending transactions are now above this level.

Looking ahead, Knight Frank Insight expect average rental growth of 2.4% across Yorkshire & the Humber in 2026, with Leeds expected to outperform at 3.2%. While average growth is moderating, the limited availability of high-quality accommodation should continue to support rental performance.