

LOGIC: West Yorkshire & The Humber



Q2 2025

Occupier and investment market trends in the West Yorkshire & the Humber logistics and industrial sector.

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Image: Unit 3, Baytree Leeds

Occupier Market

West Yorkshire market strengthens, though speculative pipeline remains dry

BIG BOX LETTINGS BOOST WEST YORKSHIRE TAKE UP

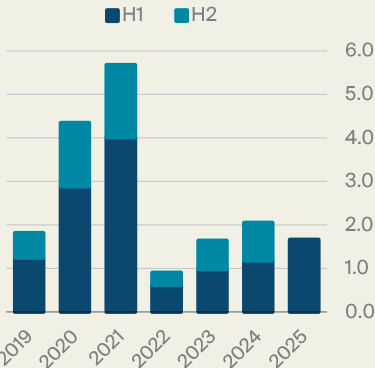
H1 2025 take up in West Yorkshire & the Humber's industrial and logistics occupier market totalled 1.7 million sq ft, with 751,600 sq ft recorded in the second quarter (units 50,000 sq ft+). An increase of 41% on H1 last year, this represents the region's strongest first-half performance since 2021 and continues a three-year upward trend in take up.

The steady increase reflects growing occupier confidence and sustained demand for industrial and logistics space in the region.

In the largest letting in Yorkshire this year, pan-European third-party logistics operator, ID Logistics, signed the fully refurbished 556,598 sq ft Sherburn 550 in Sherburn in Elmet, Selby. This follows two 250,000 sq ft+ lettings in Q1, when Torque Logistics signed the 398,000 sq ft California 400 in Normanton, and Sika Everbuild secured SH280, Sherburn 42 in Selby (280,000 sq ft).

A further five lettings in H1 were between 50,000 and 100,000 sq ft. Meanwhile, one 100,000-250,000 sq ft transaction completed; local

Take up (sq ft)
million square feet



Source: Knight Frank Insight

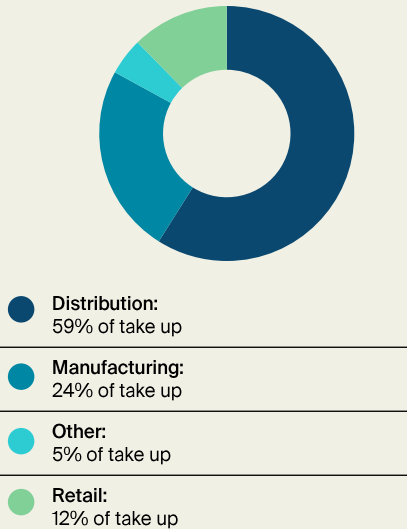
shower tray manufacturer Just Trays signed the 140,000 sq ft Whitehall 140 in Leeds during the second quarter.

DEMAND ANCHORED BY DISTRIBUTION FIRMS

Demand over the past year has been anchored by distribution firms, which accounted for 59% of take up in the four quarters to Q2 2025. While activity was boosted by the major lettings at Sherburn 550 and California 400, distribution occupiers have taken nearly three times more space across the region over the past year compared with the comparable period last year. The manufacturing sector follows, representing 24% of take up annually to Q2, with retailers also active, 12%.

At the midpoint of the year, a further 411,000 sq ft of space was under offer, and although limited stock may act as a constraint in the second half of the year, we expect 2025 to see the strongest level of occupier activity since 2021.

Take up by sector
Q3 2024 – Q2 2025



Source: Knight Frank Insight

MARKET VIEW

Take up highlights the even greater need for speculative development



BY IAIN MCPHAIL, PARTNER,
LEEDS LOGISTICS & INDUSTRIAL
AGENCY

“Take up in Q2 hit around 750,000 sq ft (50,000 sq ft+), which includes the most notable deal of the quarter, ID Logistics taking a new lease on Logisor’s 556,000 sq ft high-bay warehouse in Sherburn in Elmet in Selby. This represents the largest letting in 2025 so far in the region.

Whilst take up is expected to surpass last year’s total by the end of this quarter (with over 400,000 sq ft of space under offer), it will highlight the even greater need for speculative development in prime West Yorkshire. For greater context, there are now only nine grade A units available in the region, four of which are situated in ‘prime’ locations.

Rental growth and market sentiment continue to increase despite the supply pressure, with the mid-box headline rent now reaching £10.25 psf (Leeds Valley Park).

In terms of prime land values, there has been very little market activity in the last couple of years. However, with a 7.5-acre industrial development site (with planning for a 157,000 sq ft unit) at Cross Green in Leeds going to best bids recently, we’re expecting this to set a new tone for the region in the coming months.”

Occupier Market

1.7m sq ft

Occupier take up
H1 2025

5.7%

Vacancy rate
Q2 2025

£10.00 psf

Prime rents
Q2 2025

14%

Prime annual rental growth

“H1 2025 was the region’s strongest first-half performance since 2021”

SEVERE SHORTAGE OF NEW AND LARGER BUILDINGS

The supply of existing units over 50,000 sq ft totalled 3.9 million sq ft at the end of Q2 2025, 4.3% lower than the previous quarter and 13% lower on an annual basis. As a result, the vacancy rate sharpened by 30bps in Q2 to 5.7%, from 6.0% in Q1 and 6.6% recorded a year ago.

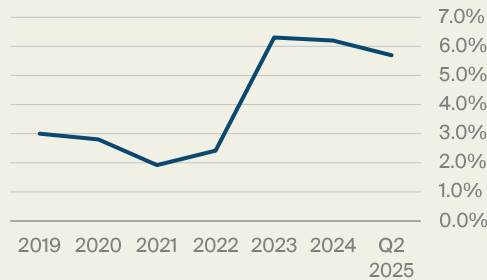
There is currently no speculative development of 50,000 sq ft+ units across the region, and a severe shortage of new and larger buildings. Of all the existing supply, only two units exceed 200,000 sq ft, both of which are lower-grade stock and may not be suitable for modern, ESG-driven occupiers. Based on the five-year average annual take up and excluding space under offer, the West Yorkshire & the Humber region has just 14 months’ worth of total supply remaining, and only five months’ worth of new or second-hand Grade A space. This underscores the critical need for new development to accommodate requirements.

RENTAL LEVELS & OUTLOOK

Prime industrial rents in Leeds for units over 50,000 sq ft remained stable in Q2 2025 at £10.00 psf. Prime rents are 14.3% higher annually. Knight Frank Insight forecasts average rental growth of 3.9% for Leeds for 2025 and 3.7% across the wider Yorkshire & the Humber region.

Vacancy rate

% of stock

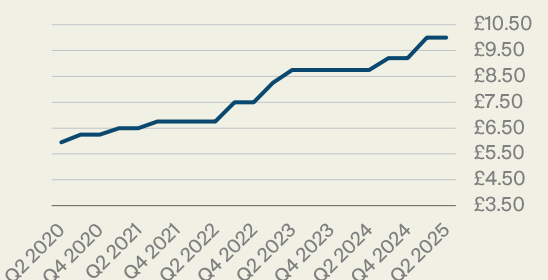


Source: Knight Frank Insight

“Of all the existing supply, only two units exceed 200,000 sq ft”

Leeds - Prime Rents

£ per sq ft (units over 50,000 sq ft)



Source: Knight Frank Insight

Key Occupier Deals

H1 2025

PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (OR PURCHASE PRICE)	COMMENTS
Sherburn 550, Sherburn in Elmet, Selby	556,598	ID Logistics	£6.75 psf	Second-hand
California 400, Normanton, Wakefield	398,000	Torque Logistics	£6.25 psf	Second-hand
SH280, Sherburn 42, Selby	280,000	Sika Everbuild	£7.50 psf	Speculative build
Whitehall 140, Whitehall Road, Leeds	140,000	Just Trays	Confidential	Second-hand
Unit A, Leeds Valley Park, Leeds	55,000	Wayfair	£10.00 psf	Speculative build

Source: Knight Frank Insight

Investment Market

5.25%

Prime NIY - Leeds
Q2 2025

-25 bps

YoY movement in prime yields

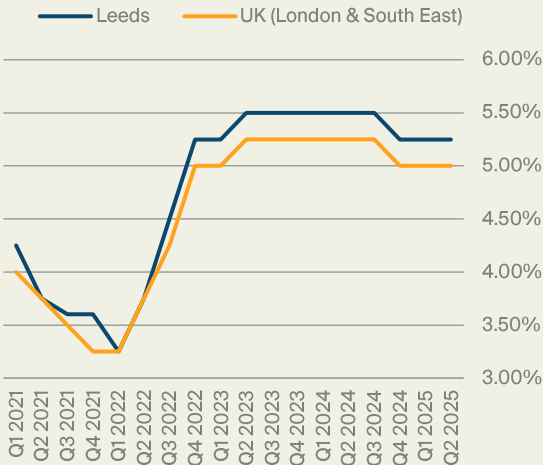
INVESTMENT VOLUMES REMAIN SUBDUED

Transaction activity in West Yorkshire & the Humber for the first half of 2025 remained subdued, following a relatively robust year for industrial investment in 2024.

Transactions in Q2 included Eshton Menstone Ltd.’s disposal of Unit E2, Tyler Close in Normanton, to a private retirement benefit scheme. The 23,923 sq ft unit is let to Apterioris Ltd. until 2034. The purchase price of £2.75 million reflects a net initial yield of 6.54% and a reversionary yield of 7.11%.

Yields for prime industrial units over 50,000 sq ft in Leeds remained stable at 5.25% in Q2 2025, and are trending 25bps sharper than neighbouring Sheffield, but 25bps softer than London & the South East region.

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.



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