

Retail Warehouse Dashboard

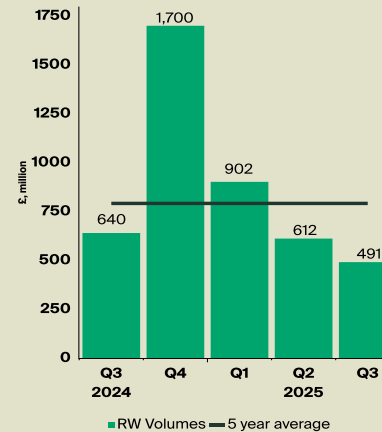


Q3 2025 | A concise quarterly synopsis of activity in the UK retail warehousing market.

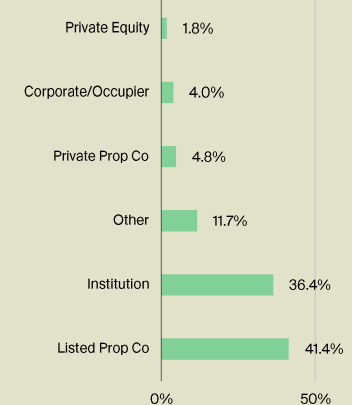
Key Takeaways

- Stuttering investment volumes a reflection of general investor unease rather than any weakness in occupational markets or property performance metrics.
 - Investment volumes reached £491m in Q3 2025, a -20% decline quarter-on-quarter and a -23% shortfall on the corresponding quarter last year. Demand is being driven by a diverse range of capital, including UK institutions, French SCPIs and active REITS (e.g. Realty).
 - Investor demand has partially been put in check ahead of the Autumn Budget. Whereas previously a lack of available stock was the major constraint, pricing has now come under far greater scrutiny. Assets need to be priced correctly if they are to transact.
- An uptick in capital growth (+0.3% vs +0.1% in Q2) and QoQ rental growth maintained at +0.7%. RWH achieved a total return of +1.8% in Q3, taking the 12 month annualised figure to +9.6%.
 - According to Local Data Company, RWH vacancy rates improved by a further -10bps QoQ and -70bps YoY. The Q3 figure of 6.1% is the lowest since Q2 2018.
 - In common with the other main retail channels, RWH footfall trends were out of kilter with spending patterns in Q3, the latter generally far more positive than the former.
 - RWH footfall was strong in July, but tailed off significantly thereafter. Spending trends were more consistent and non-food retail sales grew +3.7% YoY in Q3 as a whole.

Investment Volumes
(Knight Frank) Last 5 quarters



Q3 Buyer breakdown
(Knight Frank) By deal volume

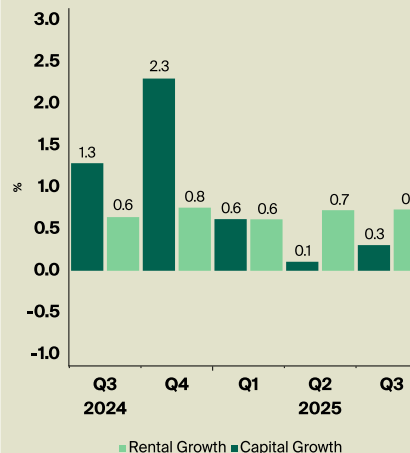


Key Deals Q3

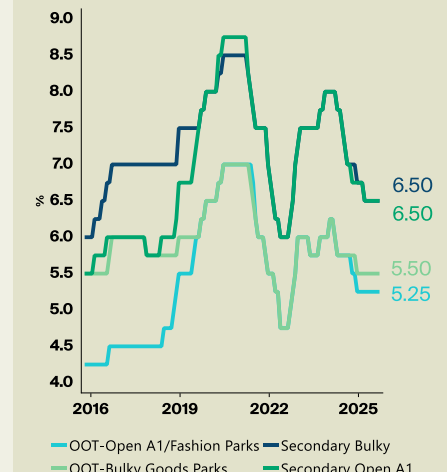
*KF DEAL

ASSET	PRICE £M	YIELD (%)	VENDOR	PURCHASER
Project Eagle Portfolio	£142.0m	8.00%	Ediston Real Estate	Realty Income
Manchester Fort Shopping Park (Manchester)	£90.5m	7.23%	Nuveen	PGIM
Vangarde Shopping Park, Monks Cross (York)	£44.3m	8.30%	ABF Pension Trustees Ltd	British Land
Newcastle Shopping Park, Byker (Newcastle)	£41.1m	7.15%	Patrizia	Orchard Street IM
St Michael's Retail Park (Ripon)*	£8.3m	5.62%	Commercial Development Projects Ltd	New Ireland Assurance Company PLC

Rental & Capital value growth
(MSCI) QoQ change



Yields (guide available online [here](#))
(Knight Frank) Last 10 years



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Research Commentary

Spend defies footfall wobbles. RWH footfall trends were inconsistent with spending patterns in Q3. RWH footfall was strong in July (+1.7%) but petered out significantly in August (-1.1%) and September (-0.8%). Conversely, non-food retail sales values grew strongly across the quarter (Jul: +2.7%, Aug: +4.4%, Sep: +3.3%). Collective non-food Q3 YoY growth of +3.7% belied a very variable demand profile across the core OOT segments. Electricals (+8.5%) and Furniture (+5.6%) were the two top-performing categories. Demand for Garden Centres (+2.4%) and DIY (+2.5%) was more muted, while PCs & Telecomms (-4.9%) and Carpets (-5.9%) had a tough quarter.

Lack of a development pipeline becoming an issue? The OOT market was largely insulated from occupier fall-out in Q3, with failing operators (Claire's, Bodycare) largely in-town players. Occupational demand remains strong, to the point of bringing the lack of a development pipeline into question. According to LDC, RWH vacancy rates improved by a further -10bps QoQ and -70bps YoY. The Q3 figure of 6.1% is the lowest since Q2 2018. Meanwhile, further RWH rental growth of +0.7% in Q3 took the annualised figure to +2.9%, the highest rate of growth since Q4 2006.

Investment markets subdued. Although recently surpassed by Shopping Centres, RWH property performance metrics nevertheless remain superlative. RWH achieved total returns of +1.8% in Q3, taking the annualised figure to +9.6%. Lack of stock is increasingly less an issue for investment markets, but what is available needs to be priced correctly to sell in an uncertain economic market.

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COMMERCIAL INSIGHT

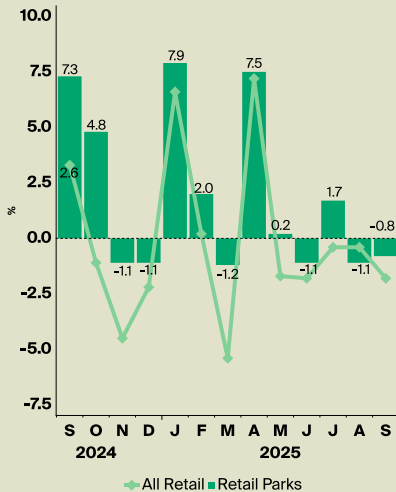
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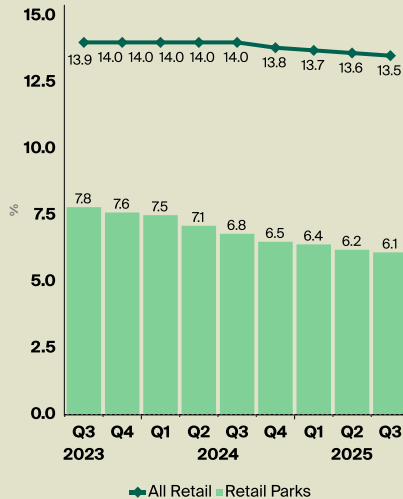
Footfall

(BRC) Monthly YoY change*



Vacancy Rate

(BRC-LDC) Units



“The lowest level of vacancy (6.1%) since June 2018, the highest annualised level of rental growth (+2.9%) since way back in December 2006. At what point will the constrained RWH development pipeline be called into question?”

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RESEARCH VIEW
STEPHEN SPRINGHAM
Partner, Head of UK Markets Insight

Retail Sales Categories

(ONS) Quarterly Sales YoY Change

