Retail Warehouse Dashboard

Knight Frank

Q3 2026 | A concise quarterly synopsis of activity in the UK retail warehousing market.

Key Takeaways

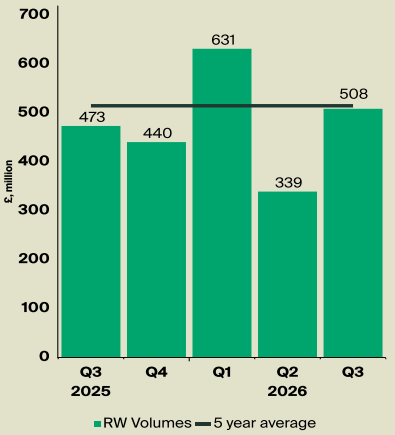
- A welcome rally in investment volumes in Q3 should result in a full-year outturn of £2bn+.
- Q3 RWH investment volumes were £508m. This marked a +50% uplift on Q2 (£339m) and was +7% higher than the corresponding period the previous year (£473m). This took the rolling figure for the year to £1.48bn. With this momentum maintained in Q4, 2026 investment volumes should surpass the £2bn threshold.
- The diversity of the buyer pool in Q3 bears testament to the breadth of investor demand. Institutions (e.g. Realty, Schroders, DTZ Investors) made up the largest share (34.8%), but there was also considerable activity from PE (e.g. Hines), Listed (e.g. SUPR, NRR) and Private Propcos (e.g. Melford, LCP).
- QoQ rental and capital growth stood at +0.4%, in both cases a slight deceleration on the previous quarter (+0.5% and +0.9% respectively. RWH achieved a total return of +1.8% in Q3, taking the 12 month annualised figure to +7.8%.
- RWH footfall staged something of recovery in July (+1.2%) and August (+1.0%), but tailed off significantly in September (-1.7%). As ever, this was not entirely consistent with actual retail sales patterns.
- In Q3, all retail sales values (exc fuel) grew +3.8% YoY, with volumes ahead by +2.1%. A number of bulky goods categories performed well, including PCs & Telecomms (+32.9%), Furniture (+10.8%) and Electricals (+5.9%).
- Vacancy rates remain at record lows (<4.7% according to Trevor Wood Associates).

Key Deals Q3

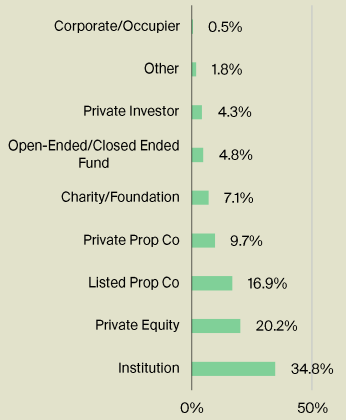
*KF DEAL

ASSET	PRICE £M	YIELD (%)	VENDOR	PURCHASER
Nugent Shopping Park (Orpington)	£84.0m	5.40%	British Land	Hines
The Springs (Leeds)*	£73.5m	7.12%	The Springs Thorpe Park Ltd	Soilbuild Group Holdings Ltd / New River Retail
St Andrews Quay Retail Park (Hull)	£60.8m	8.96%	Orchard Street Investment Management Ltd	Realty
Maskew Retail Park (Peterborough)	£42.3m	6.10%	TPA Capital	Schroders
Alvis Retail Park (Coventry)*	£35.3m	6.45%	National Gas Transmission Pension Scheme	Schroders

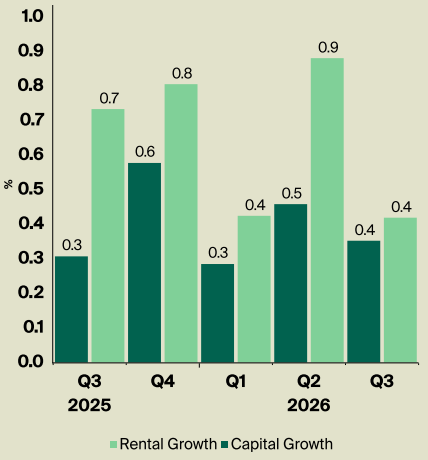
Investment Volumes
(Knight Frank) Last 5 quarters



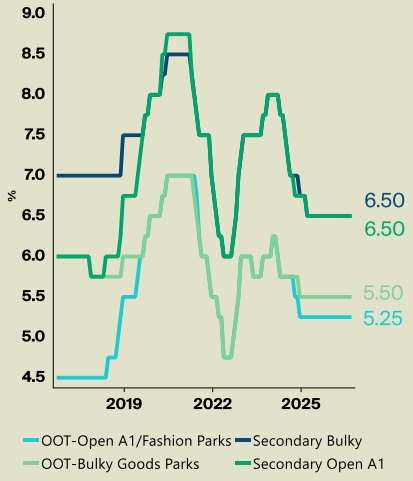
Q3 Buyer breakdown
(Knight Frank) By deal volume



Rental & Capital value growth
(MSCI) QoQ change



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



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Research Commentary

Occupational stability and strong demand for RWH space. As explored in our '*Retail Renaissance: Sleepwalking towards a Supply Crisis*?' report, there is finite supply of RWH floorspace, with limited vacancy and a thin development pipeline. Second hand space through retailer fall-out has, to date, been also been limited and largely restricted to the high street. However, Poundland's future is in severe jeopardy and the business does have a significant OOT presence totalling ca. 1.14 m sq ft.

RWH property metrics remain strong. Having rebased both prior and post COVID, RWH rents have enjoyed 20 quarters of uninterrupted growth since Q4 2021. RWH rents have increased by +2.6% in the 12 months to Q3. The recovery in capital values took root much later (Q1 2024) but has proved equally sustainable and 12 month capital growth stood at +1.7% in Q3. Combined with the 'banker' of high income return (+6.0% in the 12 months to Q3), total returns in RWH are again on course to significantly outstrip all property (+7.8% vs +4.7% in the 12 months to Q3).

A recovery in investment markets but not a stampede. Volumes in previous quarters were held back by a lack of motivated sellers, strong investor demand unsatiated by a lack of available stock. While some of this constraint may have loosened, demand is still selective and price sensitive. Unsurprisingly, strong assets that are sensibly priced are achieving the keenest interest. Conversely, weaker assets that are aggressively priced are struggling to sell. Interest remains robust, but investors are not buying stock at all costs, by any means.

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Keep up to speed with retail markets with our quarterly dashboards and weekly Retail Note

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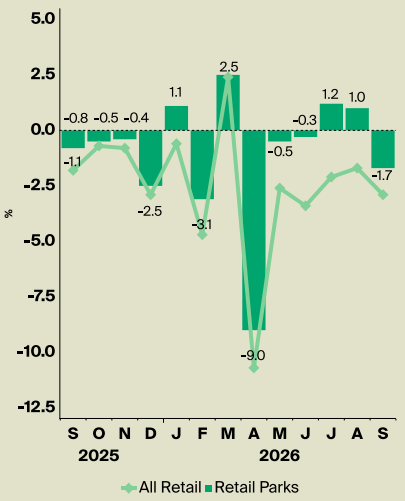
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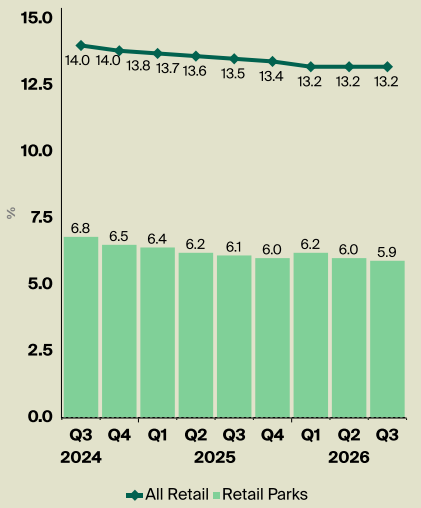
Footfall

(BRC) Monthly YoY change*



Vacancy Rate

(BRC-Green Street) Units



> "A welcome uptick in Q3 should take FY investment volumes past the £2bn mark. But there is still an element of separating the wheat from the chaff, rather than an outright gold rush for RWH."

RESEARCH VIEW
STEPHEN SPRINGHAM
Partner, Head of UK Markets Insight

Retail Sales Categories

(ONS) Quarterly Sales YoY Change

