

Retail Warehouse Dashboard



Q4 2025 | A concise quarterly synopsis of activity in the UK retail warehousing market.

Key Takeaways

- A slight uptick in volumes in Q4, but generally a fairly subdued end to the year from a RWH investment perspective. This despite ongoing strong performance metrics.
- Investment volumes reached £577m in Q4 2025. While this was up +17% quarter-on-quarter, it was only around one-third the £1.7bn reported in the corresponding quarter in 2024.
- A relative lack of stock and increased pricing scrutiny conspired to constrain volumes in the second half of the year. Activity at the Prime end of the market was particularly muted. Offering a more attractive income return, Good Secondary remained far more liquid, with British Land, Realty and Redevco all highly active in this space.

- Further QoQ acceleration in capital growth (+0.6% vs +0.3% in Q3) and rental growth (+0.8% vs +0.7%). RWH achieved a total return of +2.0% in Q3, taking the 12 month annualised figure to +7.7%.
- According to Local Data Company, RWH vacancy rates improved by a further -10bps QoQ and -50bps YoY. The Q4 figure of 6.0% is the lowest since Q2 2018 (5.6%).
- The usual contradictory messages between footfall and retail sales data, the latter far stronger than the former. RWH footfall declined across Q4 (Oct. -0.5%, Nov. -0.4%, Dec. -2.5%)
- In contrast, all retail sales values grew by +4.8% YoY in Q4, with buoyant demand for both food (+4.8%) and non-food (+3.9%). Volume growth of +3.0% was the highest since post-COVID bounce back in Q1 2022.

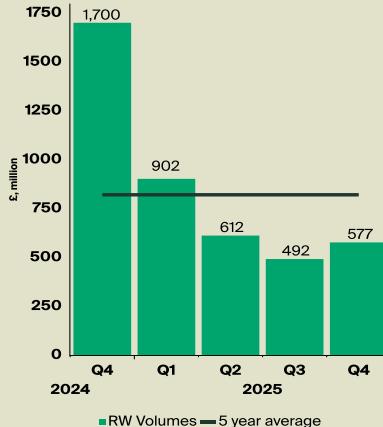
Key Deals Q4

*KF DEAL

| ASSET | PRICE £M | YIELD (%) | VENDOR | PURCHASER |
|--|----------|-----------|-------------------|---------------------|
| Sprucefield Retail Park (Lisburn)* | £48.9m | 7.10% | New River Retail | RI UK 1 Ltd |
| Cantium Retail Park (London) | £48.5m | 4.82% | LondonMetric | DTZ Investors |
| Goldstone Retail Park (Brighton) | £43.3m | 5.27% | Oxford University | Swiss Life (UK) Plc |
| Junction One Retail & Leisure Park (Rugby) | £36.8m | 7.81% | Invesco | Orchard Street IM |
| Westgate Retail Park (Wakefield)* | £22.1m | 7.93% | CD9 Properties | Iroko Zen |

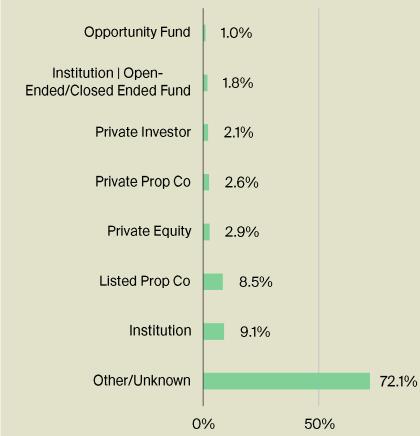
Investment Volumes

(Knight Frank) Last 5 quarters



Q4 Buyer breakdown

(Knight Frank) By deal volume



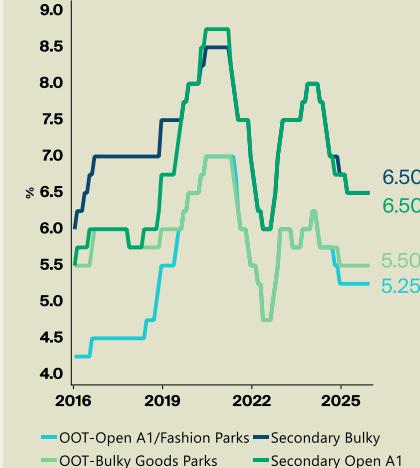
Rental & Capital value growth

(MSCI) QoQ change



Yields (guide available online [here](#))

(Knight Frank) Last 10 years



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Research Commentary

'Best in class' performance challenged. RWH's crown as the best performing real estate asset class may increasingly be disputed by other retail sub-sectors, but that does not detract from a very strong set of metrics. For the rolling 12 months to Q4, RWH delivered a total return of 7.7% vs 7.2% for Industrial and 3.5% for Offices. This performance was driven by a combination of both income return (6.0%) and ever-improving capital growth (+1.6%). Rental growth over the same period was +2.9%, the highest rate of annualised growth in 19 years (since Q4 2006).

Investment markets: a strong start to 2025, a slow end. RWH investment volumes for the year as a whole totalled £2.4bn, down -26% on 2024, but broadly in line with the 10-year average. RWH still accounted for the largest share (41%) of all retail investment volumes in 2025. While the proverbial bubble has not burst completely, pricing has come under the microscope, particularly at the Prime end of the market.

Yields remain stable. Prime yields stand at 5.25% NIY, -175bps keener than their 2020 peak (7.00% NIY). Activity at the Prime end of the market has slowed, with core investors highly sensitive to the Autumn Budget and there being a significant reduction in available capital amongst those investors, driven by the restructuring and consolidation of LGPS mandates. In contrast, Good Secondary (NIY 6.50%) remains far more liquid, with a number of active requirements.

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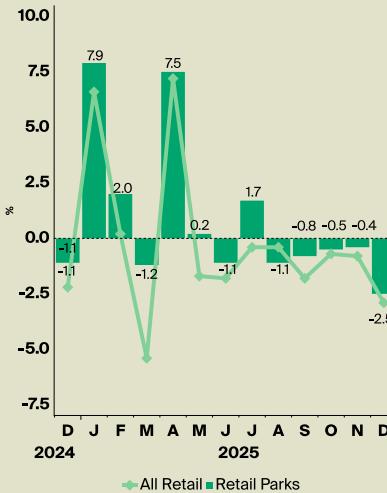
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Footfall (BRC) Monthly YoY change*



Vacancy Rate (BRC-LDC) Units



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A year of two halves. Very strong investment volumes in H1 (Q1 particularly), a nervous Q3 and only a slight pick-up in Q4. But strong occupational and property performance metrics underline the fundamental resilience of the RWH market.

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RESEARCH VIEW
STEPHEN SPRINGHAM
Partner, Head of UK Markets Insight

Retail Sales Categories (ONS) Quarterly Sales YoY Change

