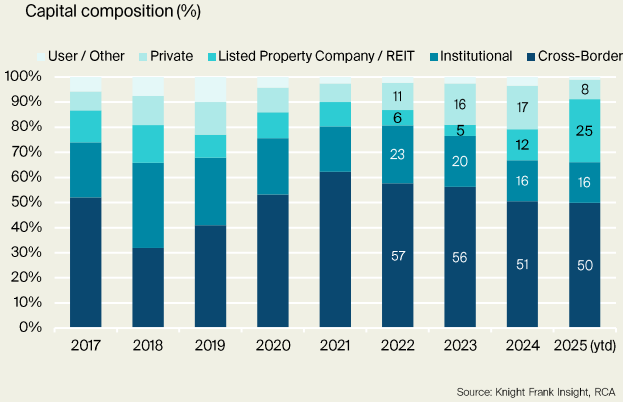
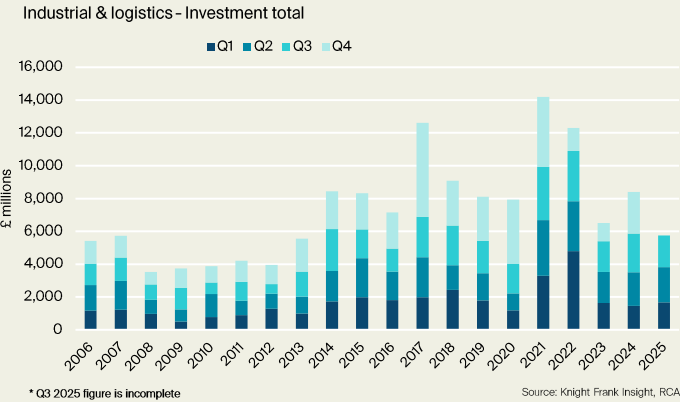


# UK Logistics Market Dashboard

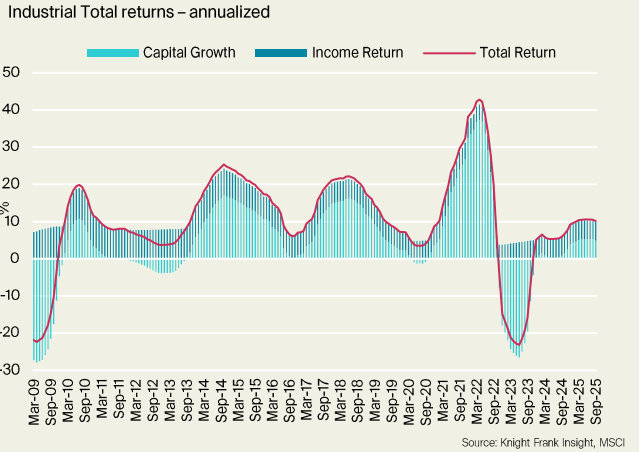
October 2025



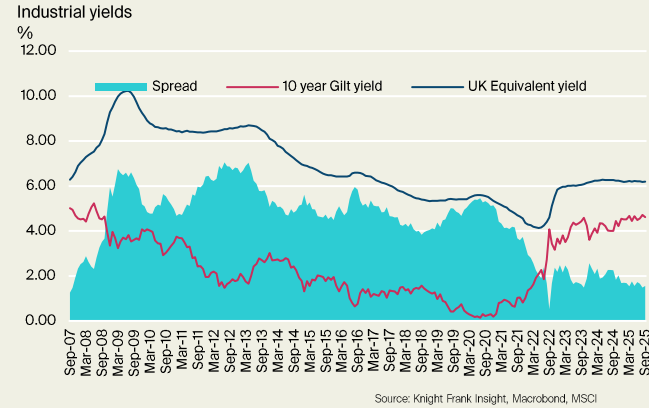
## Investment market



## Performance



## Yields

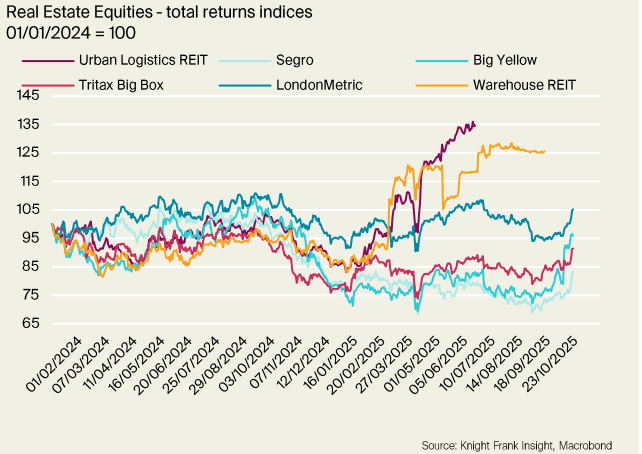


### Knight Frank Prime yield guide (%)

–October 2025

	Oct 2024	August 2025	Sept 2025	Oct 2025	Sentiment
<b>Warehouse &amp; Industrial</b>					
Prime Distribution / Warehousing (20 yr [NIY], higher OMV/index)	5.00	5.00	5.00	5.00	Stable
Prime Distribution / Warehousing (15 years, OMRRs)	5.25-5.50	5.25	5.25	5.25	Stable
Secondary Distribution (10 years, OMRRs)	6.00	6.00	6.00	6.00	Stable
Greater London Estates	4.75-5.00	4.75	4.75	4.75	Stable
South East Estates	5.00-5.25	5.00	5.00	5.00	Stable
Good Modern Rest of UK Estates	5.00-5.25	5.00-5.25	5.00-5.25	5.00-5.25	Stable
Good Secondary Estates	6.75-7.25	6.50-7.00	6.50-7.00	6.50-7.00	Stable

## Listed real estate



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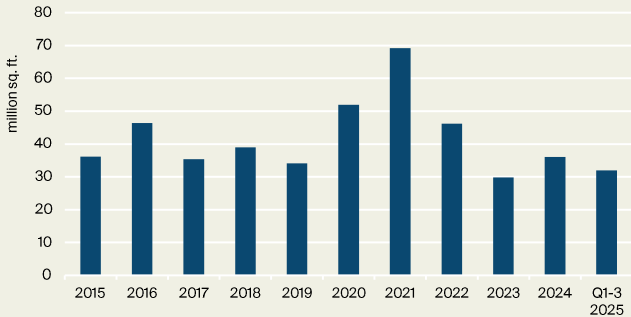
# UK Logistics Market Dashboard



October 2025

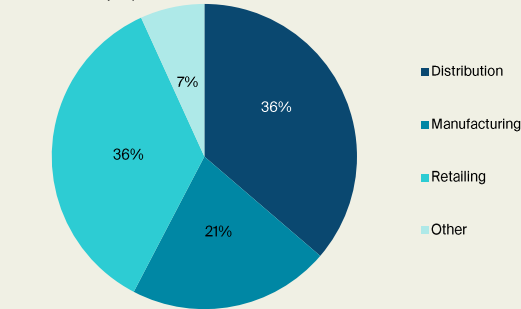
## Occupier market

Take up (units over 50,000 sq. ft.)



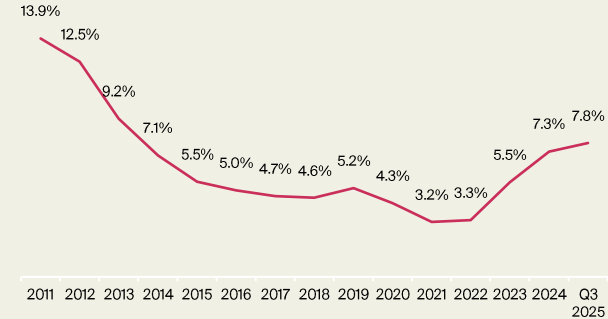
Source: Knight Frank Insight

Take up by occupier type – 2025 YTD (units over 50,000 sq. ft.)



Source: Knight Frank Insight

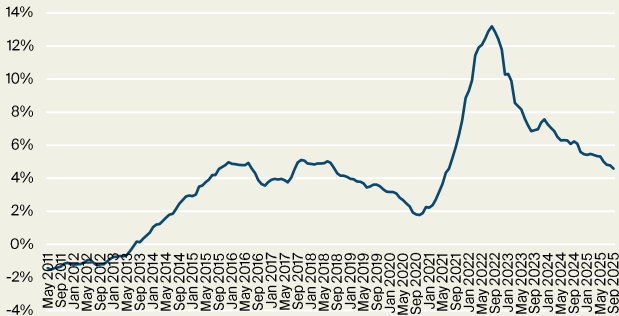
Vacancy Rate (%)



Source: Knight Frank Insight

## Rents

Annual average market rental growth %



Source: Knight Frank Insight, MSCl

Average rental growth forecast (%) –Q3 2025

	2025	2026	2027	2028	2029	2025-29 CAGR
UK	4.2	3.1	3.2	3.4	3.5	3.5
London	3.0	2.2	2.6	3.2	3.6	2.9
South East	4.4	3.3	3.5	3.6	3.7	3.7
South West	4.0	3.0	3.2	3.3	3.4	3.4
Eastern	4.9	3.6	4.0	4.3	4.6	4.3
East Midlands	4.0	2.6	2.7	2.8	2.9	3.0
West Midlands	4.7	3.5	3.5	3.6	3.6	3.8
North West	4.8	3.4	3.3	3.4	3.5	3.6
Yorks & Humber	3.6	2.3	2.3	2.3	2.4	2.5
North East	2.2	1.9	2.1	2.1	2.0	2.1
Scotland	2.3	2.0	2.1	2.1	2.0	2.1
Wales	3.5	2.7	2.9	2.8	2.8	2.9

Source: Knight Frank Insight

## Development

Development completions (units over 50,000 sq. ft.)



Source: Knight Frank Insight, Glenigan

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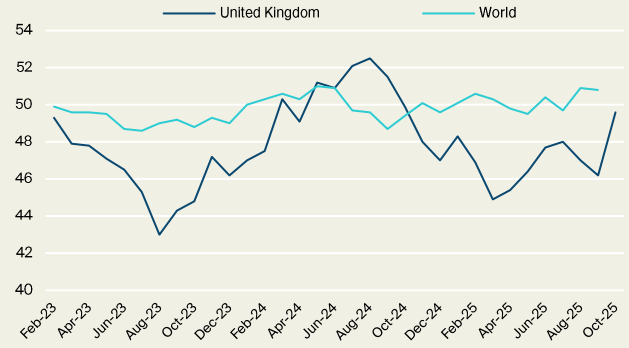
# UK Logistics Market Dashboard



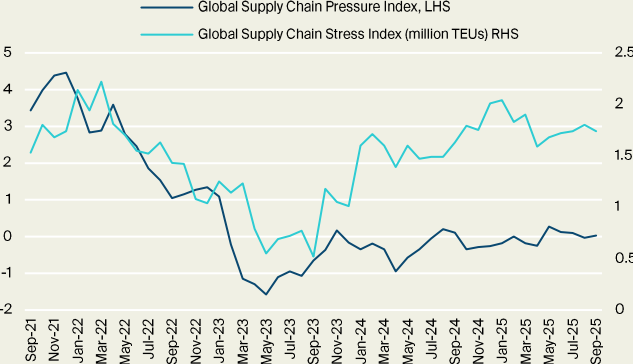
October 2025

## Industry, trade and manufacturing

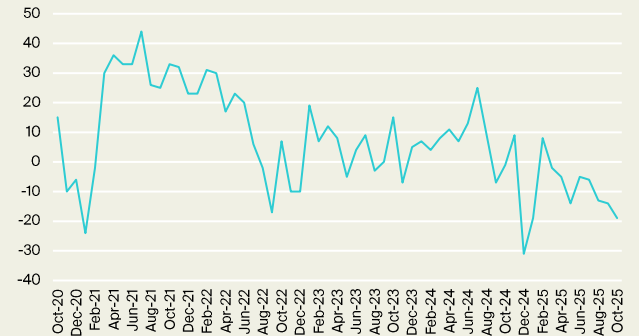
Manufacturing PMI Index



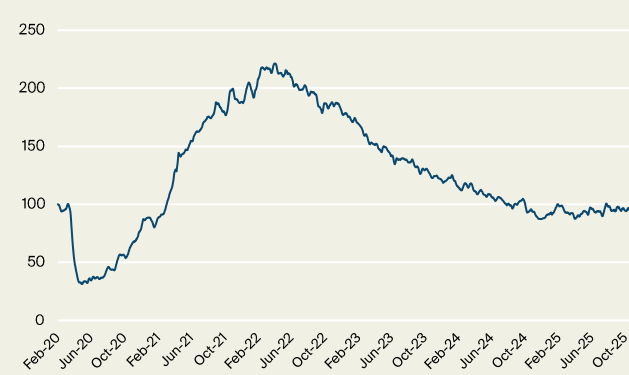
Global supply chains



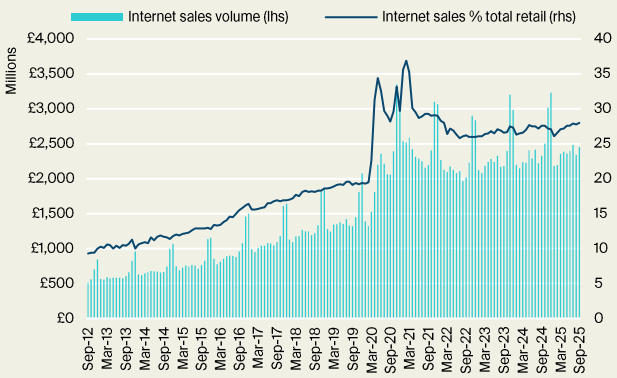
Expectations for future manufacturing output  
CBI Industrial Trends Monthly Survey  
% balance expecting improvement/deterioration



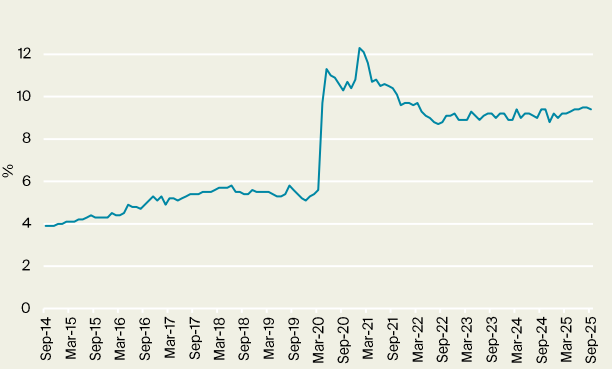
Job Postings Index - Logistics Support



UK Internet Retail Sales (monthly)



UK grocery market – proportion of online retail (%)



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## Market commentary

### Investment

- A total of £1.9 billion in transactions was recorded in Q3. This brings the year to date total to £5.75 billion, this is down marginally (2%) on the same period last year. Portfolio transactions have continued to dominated activity this quarter, as they did in Q2.
- Activity from REITs and listed property companies is notably improved this year, accounting for 25% of investment ytd. Recent notable activity includes Blackstone's acquisition of Warehouse REIT for £489m. Blackstone's offer went unconditional on 8 Sept 2025 and Warehouse REIT's LSE delisting completed 9 Oct 2025. Also in October, Tritax Big Box REIT has acquired a £1.4 billion portfolio from Blackstone, in a cash and share deal.
- Other significant recent transactions include Indurent's acquisition of a 750,000 sq ft, 76 unit Grade A urban logistics portfolio from Chancerygate and Bridges Fund Management for £150 million in September. While Albion Land's Catalyst Bicester scheme has been acquired by Deutsche Finance Group (DFI) for £90 million. Phases one and two at the multi-let, technology and manufacturing scheme comprise eight fully let units totalling 181,000 sq ft, while phase three is being developed by Albion Land and will comprise 110,000 sq ft across five units.
- Ten-year gilt yields stood at 4.62% at the end of September. This is down ten basis points from the end of August, though it remains high relative to historic averages and volatile, swinging c.20–30 bps per week, with various international and domestic factors at play. Markets remain uncertain about when and how quickly the BoE will cut rates, there are also concerns regarding the upcoming Autumn statement.
- In September 2025, industrial equivalent yields softened slightly. At 6.20%, the equivalent yield represented a 155bps premium over gilt yields, though this is higher than last month, it compares with a ten-year average of 369bps.

### Returns

- Annual UK Industrial capital growth continued to slow in September 2025, with 4.91% growth recorded, down from 5.21% in August (MSCI).
- Annual total returns declined 33bps to 10.10% in September 2025 (MSCI).

### Occupier Market Activity

- Take-up in Q3 2025 totalled 11 million sq ft (units over 50,000 sq ft), added to the 21 million sq ft of space taken up in H1 2025, this brings the year to date total to 32 million sq ft. There has been a notable increase in activity from Chinese firms, who have acquired more than 2 million sq ft so far this year, more than double the amount of space they took up in the whole of 2024.
- Despite rising occupier activity, the UK vacancy rate continued to rise in Q3, reaching 7.8% up marginally q/q from 7.7% in Q2.
- Significant occupier deals in October, include B&Q taking a 375,000 sq ft unit in Wellingborough, also in Wellingborough, 3PL Whistl has taken a 335,000 sq ft unit, while Avon Freight Group has agreed a lease for a 162,409 sq ft unit at Redditch Gateway, tyre specialist Eurofit Group has a taken DC105, a 105,000 sq ft unit at Prologis Park Coventry, and DPD, a 119,372 sq ft at Indurent Park Tamworth.

### Rental Growth

- Average rents for UK industrial properties continue to grow. The annual growth rate for the year to September 2025 stands at 4.6%, slowing from 4.8% in August, and 6.2% a year ago.
- Rental growth is expected to continue to slow throughout the remainder of 2025 and into 2026, with annual growth forecast at 4.2% in 2025. This latest forecast represents an upward revision since last quarter (4.0%). Rental growth is expected to slow further in 2026 (3.1% growth forecast), before accelerating 2027–2029.
- The strongest average rental growth this year is forecast for the Eastern region (4.9%), followed by the North West (4.8%) and West Midlands (4.7%). The Eastern region is also anticipated to record the strongest growth over the five-year horizon (2025–2029).

### Development

- As of the end of September, an estimated 11 million sq ft has reached PC in 2025. A further 25 million sq ft is under construction and expected to complete later this year or in 2026. These figures includes owner-occupied facilities, pre-lets, and speculative developments and may be revised as expected completion dates change.

### Industry/Trade

- The S&P Global UK Manufacturing PMI for October 2025 was 49.6, up sharply from 46.2 in August 2025, and well above market expectation. Though the market remains in a contractionary state (below 50), it is the weakest contraction since October last year. Manufacturers recorded the fastest production increase since September 2024 driven by restocking and a tentative pickup in domestic demand. While new orders remain under pressure, job losses eased and business sentiment improved.
- Logistics job postings in October have been around the same level as October last year.
- The Global Supply Chains chart compares two indexes: the World Bank's Global Supply Chain Stress Index (GSCSI) and the New York Fed's Global Supply Chain Pressure Index (GSCPI). Over the past 18 months, these indices have diverged, and over the past few months, the GSCPI has trended down, while the GSCSI has trended up and over the past year has been at similar levels to 2021–22. GSCSI focuses on maritime disruptions, especially container shipping delays, using port-level data, while the GSCPI includes shipping costs, airfreight, and manufacturing surveys (delivery times, inventories, backlogs).
- The online retail penetration rate was 28.0% in September, up slightly from 27.6% in August, up from 27.6% in September last year.

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