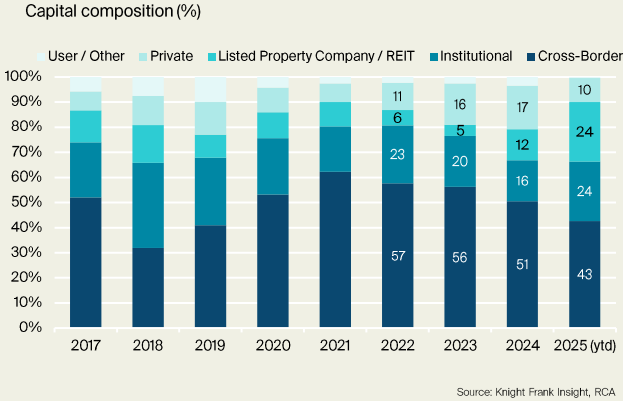
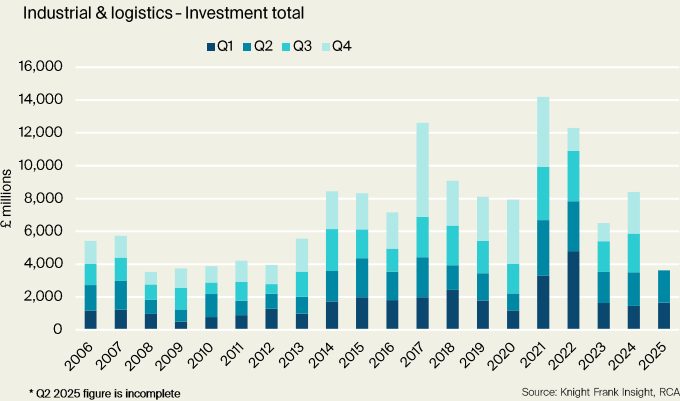


UK Logistics Market Dashboard

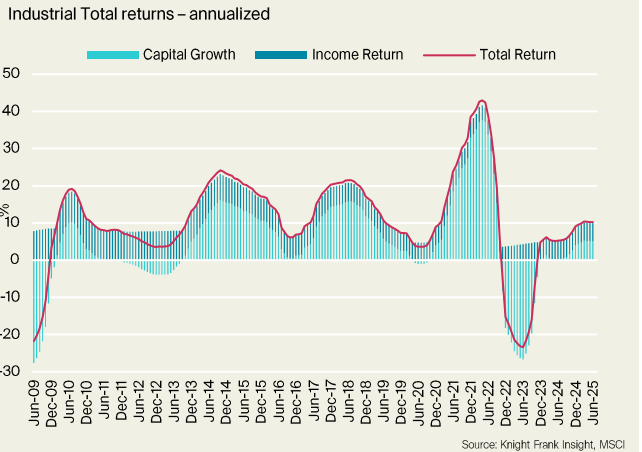
August 2025



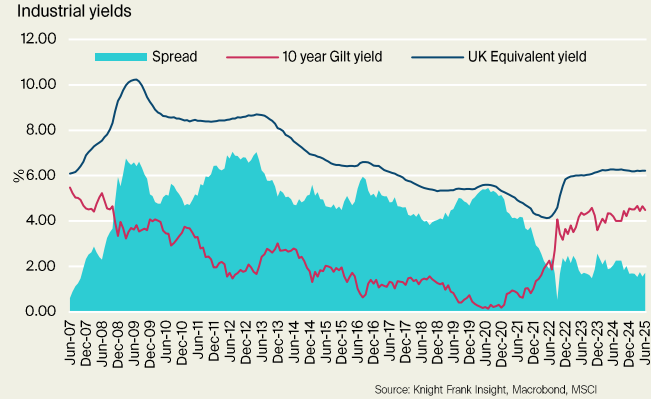
Investment market



Performance



Yields

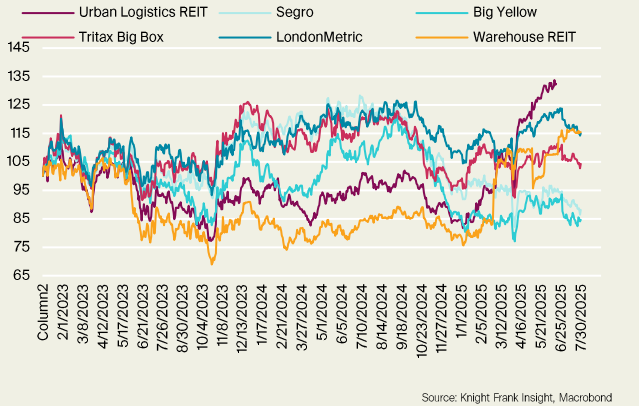


Knight Frank Prime yield guide (%) –August 2025

| | August 2024 | June 2025 | July 2025 | August 2025 | Sentiment |
|--|-------------|-----------|-----------|-------------|-----------|
| Warehouse & Industrial | | | | | |
| Prime Distribution / Warehousing (20 yr [NIY], higher OMV/index) | 5.00 | 5.00 | 5.00 | 5.00 | Stable |
| Prime Distribution / Warehousing (15 years, OMRs) | 5.50 | 5.25 | 5.25 | 5.25 | Stable |
| Secondary Distribution (10 years, OMRs) | 6.00 | 6.00 | 6.00 | 6.00 | Stable |
| Greater London Estates | 5.00 | 4.75 | 4.75 | 4.75 | Stable |
| South East Estates | 5.25 | 5.00 | 5.00 | 5.00 | Stable |
| Good Modern Rest of UK Estates | 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

Real Estate Equities – total returns indices 01/01/2023 = 100



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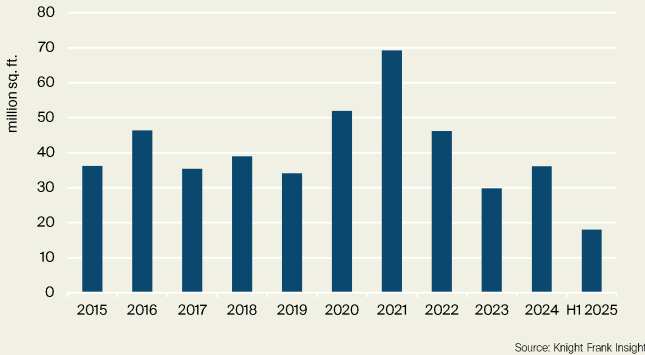
UK Logistics Market Dashboard



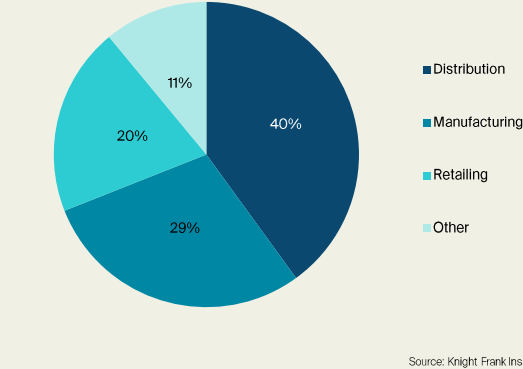
August 2025

Occupier market

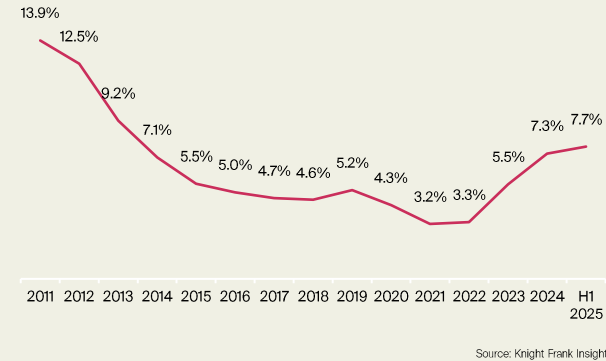
Take up (units over 50,000 sq. ft.)



Take up by occupier type – last 4 quarters (to Q2 2025)
(units over 50,000 sq. ft.)

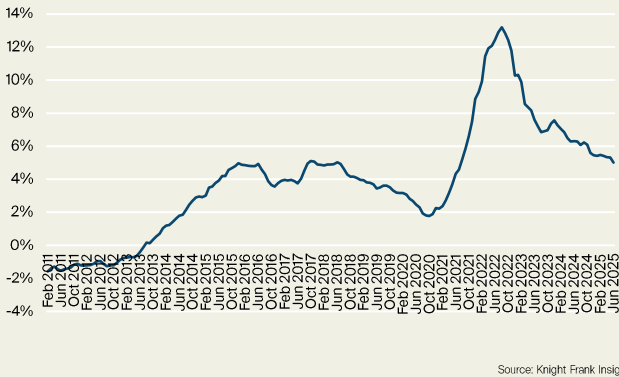


Vacancy Rate (%)



Rents

Annual average market rental growth %



Average rental growth forecast (%)
–Q2 2025

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2025-29 CAGR |
|----------------|------|------|------|------|------|--------------|
| UK | 4.0 | 3.1 | 3.2 | 3.4 | 3.4 | 3.3 |
| London | 3.5 | 2.9 | 3.2 | 3.6 | 4.1 | 3.4 |
| South East | 4.2 | 3.2 | 3.4 | 3.7 | 3.9 | 3.6 |
| South West | 3.8 | 2.9 | 3.1 | 3.2 | 3.1 | 3.1 |
| Eastern | 4.4 | 3.6 | 3.7 | 3.7 | 3.6 | 3.7 |
| East Midlands | 4.2 | 2.9 | 3.1 | 3.2 | 3.2 | 3.2 |
| West Midlands | 4.3 | 3.5 | 3.9 | 4.0 | 3.8 | 3.8 |
| North West | 3.8 | 2.8 | 2.9 | 3.0 | 2.9 | 3.0 |
| Yorks & Humber | 3.7 | 2.6 | 2.7 | 2.8 | 2.8 | 2.8 |
| North East | 3.3 | 2.3 | 2.5 | 2.5 | 2.2 | 2.5 |
| Scotland | 2.7 | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 |
| Wales | 3.3 | 2.5 | 2.7 | 2.8 | 2.7 | 2.7 |

Source: Knight Frank Insight

Development

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



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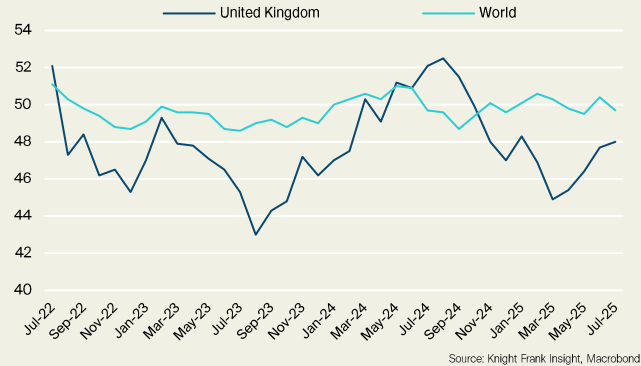
UK Logistics Market Dashboard



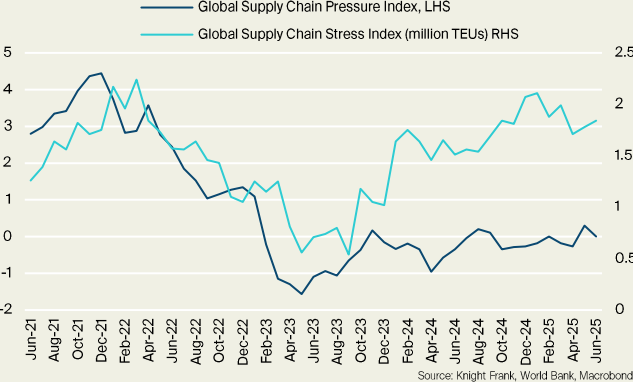
August 2025

Industry, trade and manufacturing

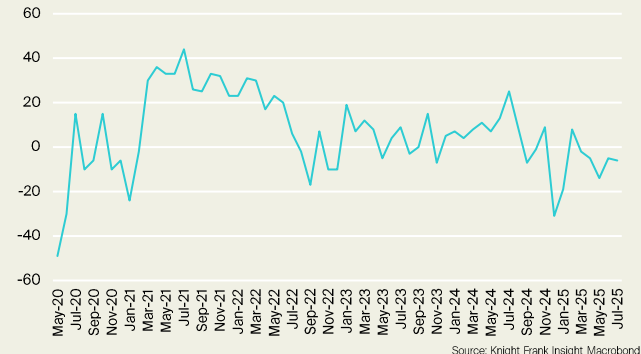
Manufacturing PMI Index



Global supply chains

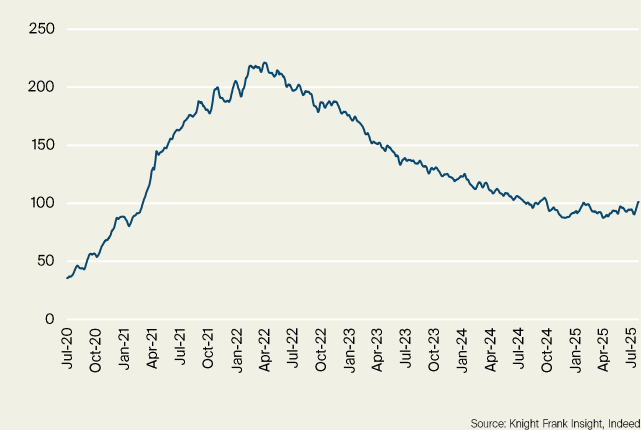


Expectations for future manufacturing output
CBI Industrial Trends Monthly Survey
% balance expecting improvement/deterioration

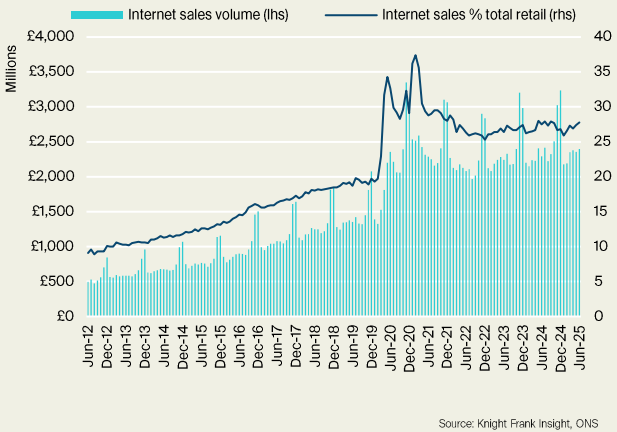


Online retail sales

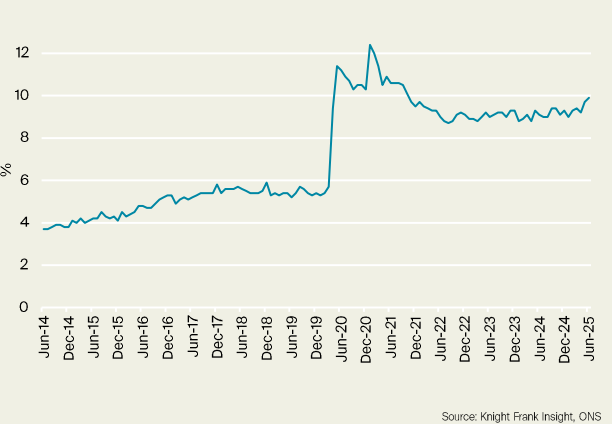
Job Postings Index - Logistics Support



UK Internet Retail Sales (monthly)



UK grocery market – proportion of online retail (%)



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Market commentary

Investment

- A total of £2 billion in transactions was recorded in Q2, 19% higher than in Q1 and broadly in line with Q2 2024 (£2.1 billion). Portfolio transactions dominated activity this quarter, accounting for approximately 65% of the total, compared with just 14% across the last four quarters.
- Institutional investors accounted for 24% of total investment so far in 2025, their highest market share since 2019.
- Several sizeable portfolios changed hands in Q2, most notably LondonMetric's acquisition of Urban Logistics REIT in June in a cash-and-share deal worth close to £700 million.
- Portfolio activity continued in July, with Greykite and Canmoor concluding the purchase of a £90m logistics portfolio, codenamed Partridge, from Hines. Partridge includes four single-let assets across established logistics hubs in Doncaster, Warrington, and Normanton. Meanwhile, Blackstone and Tritax Big Box have made bids for Warehouse REIT, and TPG is close to acquiring the £100m Ammolite logistics portfolio, comprising multi-let assets in London and the South East, from a Shell pension fund that is being wound down.
- Ten-year gilt yields compressed (month-on-month) in June to 4.49% (month-end), from 4.66% at the end of May. Yields softened in July, reaching 4.49% at month end and are around 55bps higher than a year ago, having trended upward over the past year; however, it is difficult to ascertain any discernible trend from recent monthly figures, which have proved highly volatile due to various international and domestic factors.
- In June 2025, industrial equivalent yields firmed slightly. At 6.2%, the equivalent yield is sharper than a year ago (6.3%) and represented a 172bps premium over gilt yields, an improvement on the spread in May, though this compares with 206bps a year ago and a long term average of 376bps.

Returns

- Annual UK Industrial capital growth accelerated slightly in 2025, with 5.12% growth recorded, up from 5.10% in April (MSCI).
- Annual total returns declined slightly for the third consecutive month to 10.22% in May 2025 from 10.23% in May (MSCI).

Occupier Market Activity

- Take-up in Q2 2025 totalled 10.0 million sq ft (units over 50,000 sq ft), the highest quarterly total since Q3 2022. This brings H1 take-up to just over 18 million sq ft, on par with H1 2024. Despite continued economic uncertainty and cost pressures, occupiers are increasingly confident, moving forward with expansion and upgrade plans and committing to new facilities.
- Despite rising occupier activity, the UK vacancy rate increased in Q2, reaching 7.7% from 7.3% in Q1—its highest level in 11 years.
- The Q2 total was boosted by several large deals, notably GXO taking Panattoni's Avonmouth 885 near Bristol and ID Logistics leasing Sherburn 550 in Elmet, Yorkshire, in April.
- Activity in the big box market has continued strongly in July. The Yorkshire market, in particular, continues to demonstrate its appeal. Recent deals include Torque Retail Services signing a 15-year lease for the 398,186 sq ft California 400 at Wakefield Europort and Sika (a Swiss multinational chemical firm) leasing SH280, a 280,000 sq ft facility at Sherburn 42 in Leeds. Meanwhile, in the North West, BAE is in exclusivity to lease Arc 500, a 495,000 sq ft warehouse in Birkenhead. In the Midlands, drinks manufacturer Carlsberg Britvic has pre-let 222,000 sq ft at West Midlands Interchange.

Rental Growth

- Average rents for UK industrial properties continue to grow. The annual growth rate for the year to June 2025 stands at 5.0%, slowing from 6.3% in June last year. Monthly rental growth of 0.28% was recorded in June, down from 0.33% in May (MSCI).
- Rental growth is expected to slow throughout the remainder of 2025 and into 2026, with annual growth forecast at 4.0% in 2025, 3.1% in 2026, before re-accelerating between 2027–2029.

Development

- As of the end of July, an estimated 10 million sq ft has reached PC (with some schemes still pending verification). A further 18 million sq ft is under construction and expected to complete later this year. This figure includes owner-occupied facilities, pre-lets, and speculative developments and may be revised as completion dates change.

Industry/Trade

- The S&P Global UK Manufacturing PMI for July 2025 was 48.0. While the sector remains in contraction, this is a six-month high. Manufacturers continue to report challenges from weak domestic conditions, geopolitical instability, and global trade uncertainty.
- Logistics job postings showed improvement, reaching their highest level since September 2024, ahead of the Autumn Budget announcement of the rise in employer NIC from 13.8% to 15.0%.
- 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. GSCPI is near normal levels, while GSCSI remains elevated, indicating stress similar to 2021–22. GSCPI includes shipping costs, airfreight, and manufacturing surveys (delivery times, inventories, backlogs), while GSCSI focuses on maritime disruptions, especially container shipping delays, using port-level data. This divergence highlights the acute impact of Red Sea disruptions on maritime freight but may also suggest improved supply chain resilience, with firms better able to manage disruptions through stronger inventory management and increased stock holdings.
- The online retail penetration rate was 27.8% in June, down slightly on June last year. Consumer surveys point to the recent spell of cyber attacks as a potential cause for consumers' hesitancy. However, this has not been evident in the online grocery market, where online penetration rates were at their highest since October 2021, at 9.9%.

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