

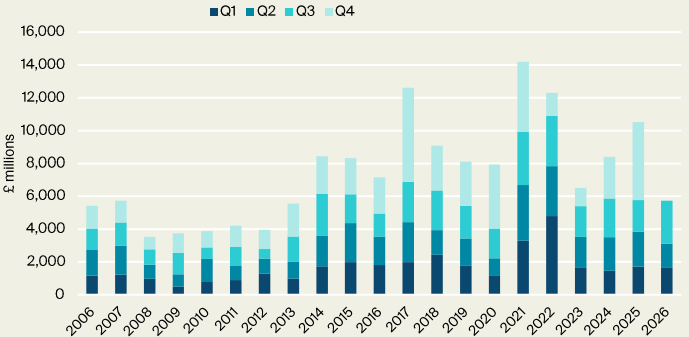
# UK Logistics Market Dashboard

September 2026



## Investment market

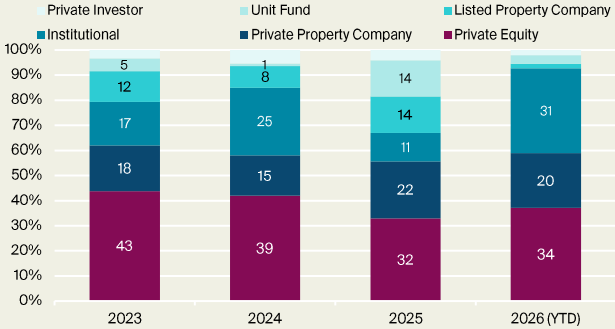
Industrial & logistics - Investment total



\*Q2 2026 investment volumes are incomplete

Source: Knight Frank Insight, RCA

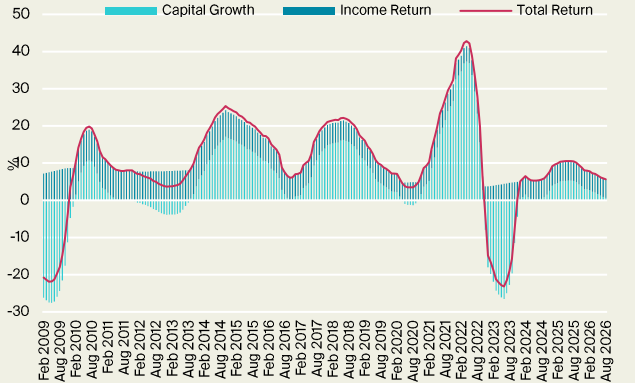
Capital composition (%)



Source: Knight Frank Insight

## Performance

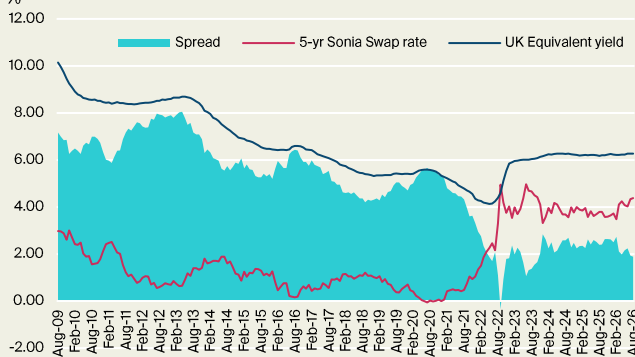
Industrial Total returns – annualised



Source: Knight Frank Insight, MSCI

## Yields

Industrial yields



Source: Knight Frank Insight, Macrobond, MSCI

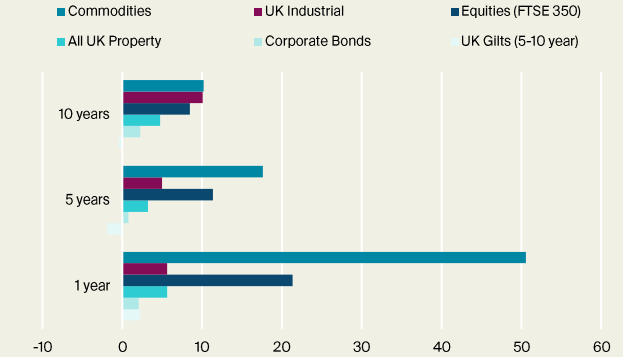
Knight Frank Prime yield guide (%)  
– September 2026

|                                                                  | Sep 2025  | July 2026 | Aug 2026  | Sep 2026  | Change |
|------------------------------------------------------------------|-----------|-----------|-----------|-----------|--------|
| <b>Warehouse &amp; Industrial</b>                                |           |           |           |           |        |
| Prime Distribution / Warehousing (20 yr [NIY], higher OMV/index) | 5.00      | 5.25      | 5.25      | 5.25      |        |
| Prime Distribution / Warehousing (15 years, OMRRs)               | 5.25      | 5.25-5.50 | 5.25-5.50 | 5.25-5.50 |        |
| Secondary Distribution (10 years, OMRRs)                         | 6.00      | 6.00-6.25 | 6.00-6.25 | 6.00-6.50 | +0.25  |
| Greater London Estates                                           | 4.75      | 4.75-5.00 | 4.75-5.00 | 5.00      | +      |
| South East Estates                                               | 5.00      | 5.25      | 5.25      | 5.25      |        |
| Good Modern Rest of UK Estates                                   | 5.00-5.25 | 5.25      | 5.25      | 5.25      |        |
| Good Secondary Estates                                           | 6.50-7.00 | 6.50-7.00 | 6.50-7.00 | 6.50-7.00 |        |

Source: Knight Frank

## Returns across asset classes

Annualised total returns by asset class (to end of August 2026)  
% per annum



Source: Knight Frank Insight, Macrobond

## Key Contacts

**Claire Williams**  
Head of UK & Europe Industrial Research  
+44 203 897 0036  
Claire.Williams@knightfrank.com

**Johnny Hawkins**  
Head of Logistics & Industrial  
+44 20 7961 1519  
Johnny.Hawkins@knightfrank.com

**Will Gubb**  
Head of Industrial & Logistics Capital Markets  
+44 20 7961 1146  
Will.Gubb@knightfrank.com

**Charles Binks**  
Partner, Head of Industrial & Logistics Agency  
+44 20 7961 1146  
Charles.Binks@knightfrank.com

## Important Notice

© Knight Frank LLP 2026. This document has been provided for general information only and must not be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resulting from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.

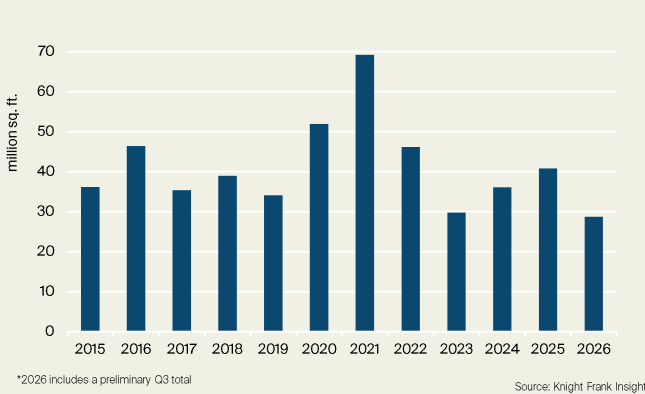
# UK Logistics Market Dashboard



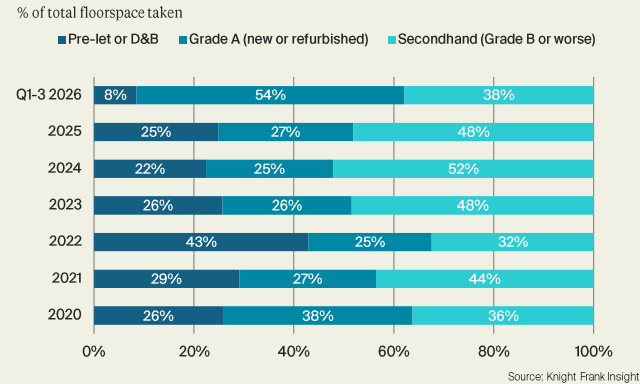
September 2026

## Occupier market

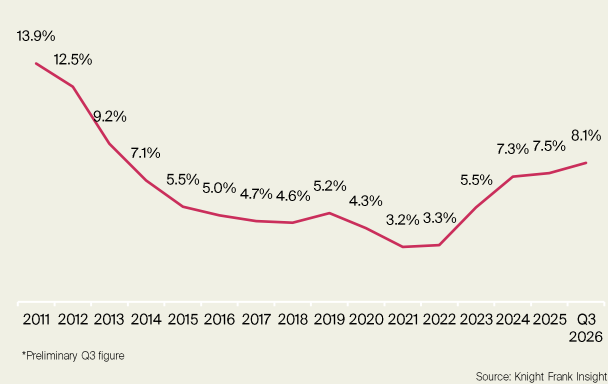
Take up (units over 50,000 sq. ft.)



Proportion of take up by type and grade



Vacancy Rate (%)



## Rents

Annual average market rental growth %



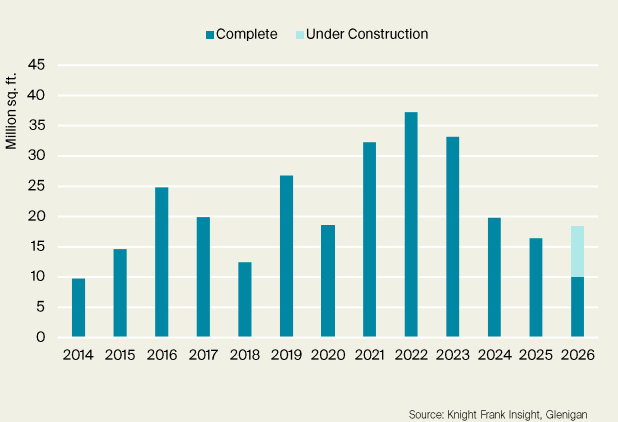
Average rental growth forecast (%) - Q3 2026

|                | 2026 | 2027 | 2028 | 2029 | 2030 | 2026-30 CAGR |
|----------------|------|------|------|------|------|--------------|
| UK             | 3.4  | 2.7  | 3.4  | 3.4  | 3.4  | 3.3          |
| London         | 3.1  | 2.8  | 3.6  | 3.6  | 3.6  | 3.4          |
| South East     | 3.8  | 3.0  | 3.4  | 3.4  | 3.5  | 3.4          |
| South West     | 4.1  | 2.3  | 2.7  | 3.0  | 3.1  | 3.0          |
| Eastern        | 3.2  | 2.4  | 2.9  | 3.1  | 3.0  | 2.9          |
| East Midlands  | 3.1  | 2.2  | 2.5  | 2.5  | 2.4  | 2.5          |
| West Midlands  | 3.5  | 1.8  | 2.1  | 2.3  | 2.3  | 2.4          |
| North West     | 2.5  | 1.6  | 2.1  | 1.8  | 1.6  | 1.9          |
| Yorks & Humber | 1.7  | 1.5  | 2.0  | 1.8  | 1.7  | 1.7          |
| North East     | 2.5  | 2.6  | 2.7  | 2.5  | 2.4  | 2.6          |
| Scotland       | 3.3  | 3.0  | 3.0  | 2.9  | 2.8  | 3.0          |
| Wales          | 2.0  | 1.9  | 1.9  | 2.0  | 2.1  | 2.0          |

Source: Knight Frank Insight

## Development

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



### Key Contacts

**Claire Williams**  
Head of UK & Europe Industrial Research  
+44 203 897 0036  
Claire.Williams@knightfrank.com

**Johnny Hawkins**  
Head of Logistics & Industrial  
+44 20 7861 1519  
Johnny.Hawkins@knightfrank.com

**Will Gubb**  
Head of Industrial & Logistics Capital Markets  
+44 20 7961 1595  
Will.Gubb@knightfrank.com

**Charles Binks**  
Partner, Head of Industrial & Logistics Agency  
+44 20 7961 1146  
Charles.Binks@knightfrank.com

**Important Notice**  
© Knight Frank LLP 2026. This document has been provided for general information only and must not be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.

# UK Logistics Market Dashboard



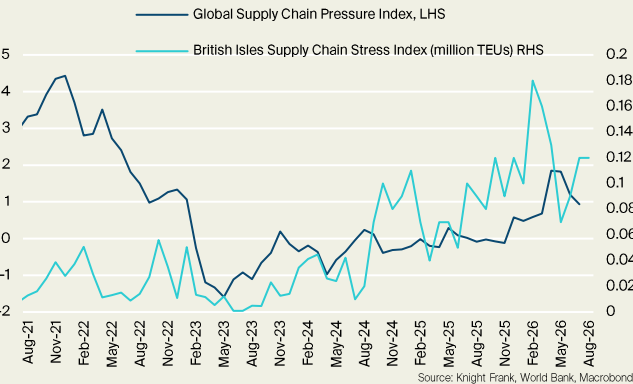
September 2026

## Industry, trade and manufacturing

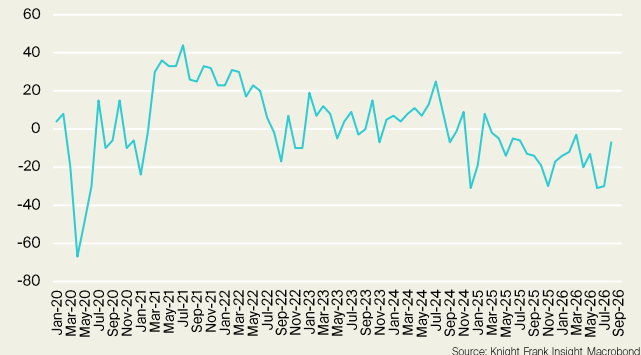
Manufacturing PMI Index



British Isles - Supply chain Stress Index

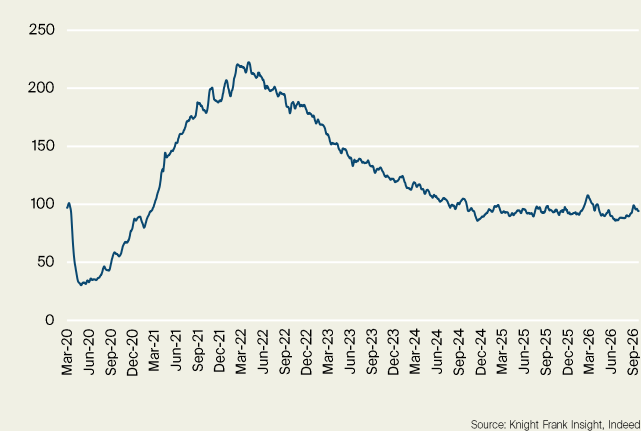


Expectations for future manufacturing output  
CBI Industrial Trends Monthly Survey  
% balance expecting improvement/deterioration

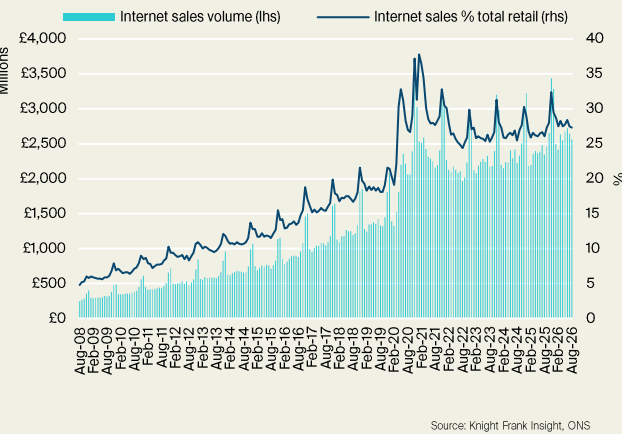


## Online retail sales

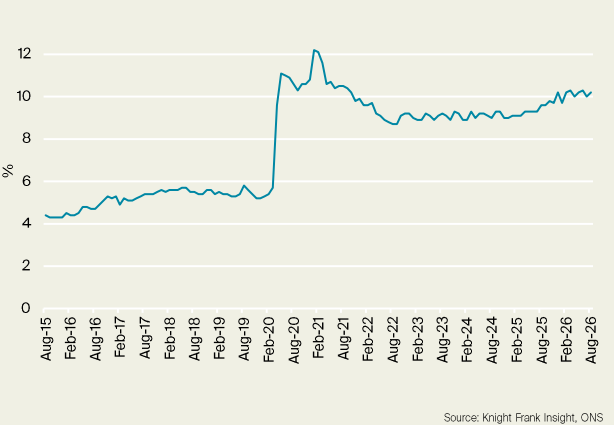
Job Postings Index - Logistics Support



UK Internet Retail Sales (monthly)



UK grocery market - proportion of online retail (%)



### Key Contacts

**Claire Williams**  
Head of UK & Europe Industrial Research  
+44 203 997 0036  
Claire.Williams@knightfrank.com

**Johnny Hawkins**  
Head of Logistics & Industrial  
+44 20 7861 1519  
Johnny.Hawkins@knightfrank.com

**Will Gubb**  
Head of Industrial & Logistics Capital Markets  
+44 20 7861 1595  
Will.Gubb@knightfrank.com

**Charles Binks**  
Partner, Head of Industrial & Logistics Agency  
+44 20 7861 1146  
Charles.Binks@knightfrank.com

**Important Notice**  
© Knight Frank LLP 2026. This document has been provided for general information only and must not be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.

## Market commentary

### Investment

- Preliminary data indicate that approximately £2.6 billion transacted in Q3, the strongest quarter of the year so far, 35% above Q3 last year, and likely to undergo further upward revision.
- Private equity remained the largest source of capital in 2026 year to date, accounting for approximately 34% of investment volumes. Institutional investors represented a further 31%, up significantly from 11% in 2025, demonstrating the renewed importance of institutional capital to market liquidity.
- The five-year SONIA swap rate stood at approximately 4.38% at the end of August 2026. Meanwhile, the UK industrial equivalent yield was 6.27%, producing a spread of around 189 bps, slightly below the July spread of approximately 193 bps. However, the SONIA swap rate has since risen, with a latest reading of 4.65% (1<sup>st</sup> October), putting further pressure on the spread.
- Pricing remained broadly stable across most segments in September. Prime distribution and warehousing yields were unchanged at 5.25% for long, index-linked income and 5.25%–5.50% for 15-year income with open-market rent reviews.
- There was some outward movement in selected market segments. Secondary distribution yields widened to 6.00%–6.50%, while the Greater London estates yield moved to 5.00%. South East and good modern Rest of UK estate yields remained at 5.25%, with good secondary estates at 6.50%–7.00%.
- Despite a more challenging financing environment and a relatively narrow spread over the risk-free rate, the preliminary Q3 investment figures point to improved market liquidity and continued investor appetite for UK industrial and logistics assets.

### Returns

- Annual UK industrial capital growth moderated to approximately 0.68% in August 2026, down from 0.94% in July.
- Annual total returns eased to approximately 5.61% in August, compared with 5.87% in July.

### Occupier Market Activity

- Occupier take-up totalled approximately 9.1 million sq ft in Q3 2026 (preliminary total), bringing the year-to-date total to 28.8 m sq ft. Grade A new or refurbished space represented around 54% of take up so far this year, second-hand Grade B or lower-quality space accounted for 38%, and pre-let or design-and-build transactions just 8%.
- The overall vacancy rate reached 8.1% at the end of Q3 2026, up from 7.5% at the end of 2025. Although availability has increased, occupier activity remains weighted towards higher-quality accommodation.
- The volume of immediately available larger industrial units declined during 2026, indicating that headline vacancy does not necessarily translate into broad availability of suitable modern buildings.
- Retailer expansion and ecommerce continue to support occupier demand. Primark has taken the former Debenhams distribution centre in Sheffield (c.630,000 sq ft), this coincides with Primark’s recent announcement that it is introducing home delivery for ecommerce orders.
- Meanwhile, Chinese ecommerce operators remain among the most active occupiers. Recent, Q3 transactions include CIRRO Fulfilment (Super Smart Service) at Nottingham 360 (362,289 sq ft), EDA Cloud at Citadel 324, Wolverhampton (324,366 sq ft), J&T Express at Wardpark Industrial Estate, Cumbernauld (68,854 sq ft) and AUK Logis UK at Griffin Park, Desford (103,679 sq ft), highlighting the ongoing influence of Chinese ecommerce supply chains on UK warehouse demand.

### Rental Growth

- Average annual UK industrial rental growth was approximately 4.34% in August 2026 (MSCI Monthly Index). Growth continued to moderate from earlier peaks but remained positive.
- The Q3 2026 forecast projects average UK rental growth of 3.4% in 2026, this marks an upward revision from our Q2 growth forecast. The strongest rental growth in 2026 is forecast in the South West at 4.1% and the South East at 3.8%.

### Development

- Approximately 10.1 million sq ft of industrial and logistics space had completed in 2026, with a further 8.3 million sq ft under construction. If all space under construction completes as scheduled, total development output would reach approximately 18.4 million sq ft.
- This would place 2026 development above the 16.4 million sq ft completed in 2025, although below the substantially higher levels recorded between 2021 and 2023.
- Development activity remains comparatively constrained, limiting the addition of new supply despite the rise in the overall vacancy rate.

### Industry/Trade

- The UK Manufacturing PMI increased to 52.0 in September 2026, remaining above the neutral 50 threshold.
- Manufacturing order-book conditions remained weak despite the improvement in the headline PMI. The order-book balance was -7 in September, although this was a notable improvement from -30 in July.
- Supply-chain pressures remained elevated, reflecting ongoing disruption to global shipping networks, congestion around key Red Sea and Suez trade routes, vessel rerouting around the Cape of Good Hope, and continued geopolitical uncertainty.
- Online retail penetration remained structurally above pre-pandemic levels. Internet sales represented approximately 27.3% of total retail sales in August 2026, up from 26.1% in August last year.

### Key Contacts

**Claire Williams**  
Head of UK & Europe Industrial Research  
+44 203 997 0036  
Claire.Williams@knightfrank.com

**Johnny Hawkins**  
Head of Logistics & Industrial  
+44 20 7961 1519  
Johnny.Hawkins@knightfrank.com

**Will Gubb**  
Head of Industrial & Logistics Capital Markets  
+44 20 7961 1595  
Will.Gubb@knightfrank.com

**Charles Binks**  
Partner, Head of Industrial & Logistics Agency  
+44 20 7961 1146  
Charles.Binks@knightfrank.com

**Important Notice**  
© Knight Frank LLP 2026. This document has been provided for general information only and must not be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this document, Knight Frank LLP does not owe a duty of care to any person in respect of the contents of this document, and does not accept any responsibility or liability whatsoever for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. The content of this document does not necessarily represent the views of Knight Frank LLP in relation to any particular properties or projects. This document must not be amended in any way, whether to change its content, to remove this notice or any Knight Frank LLP insignia, or otherwise. Use of our data on AI platforms, for AI training or machine-learning purposes is strictly prohibited. Reproduction of this document in whole or in part is not permitted without the prior written approval of Knight Frank LLP to the form and content within which it appears.