

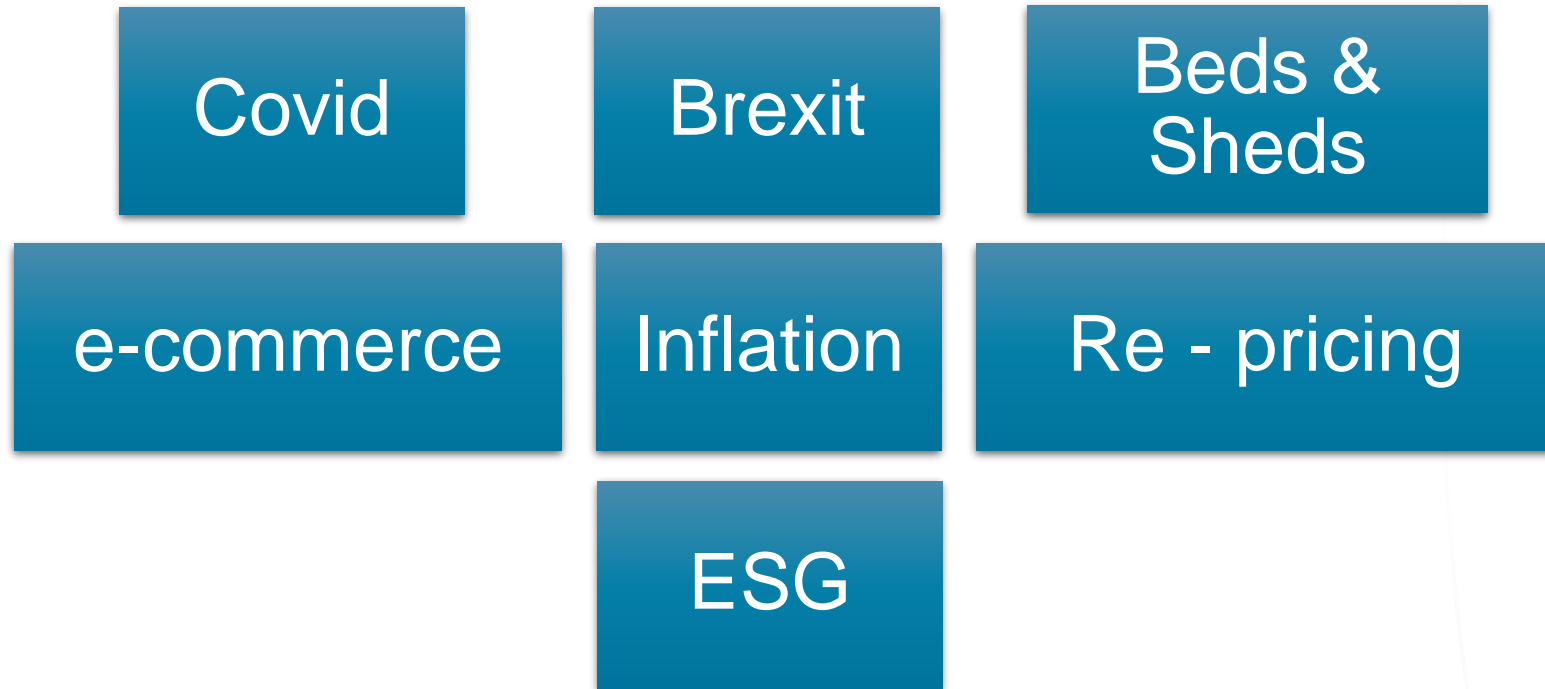


Place North West – Industrial & Logistics Market Update

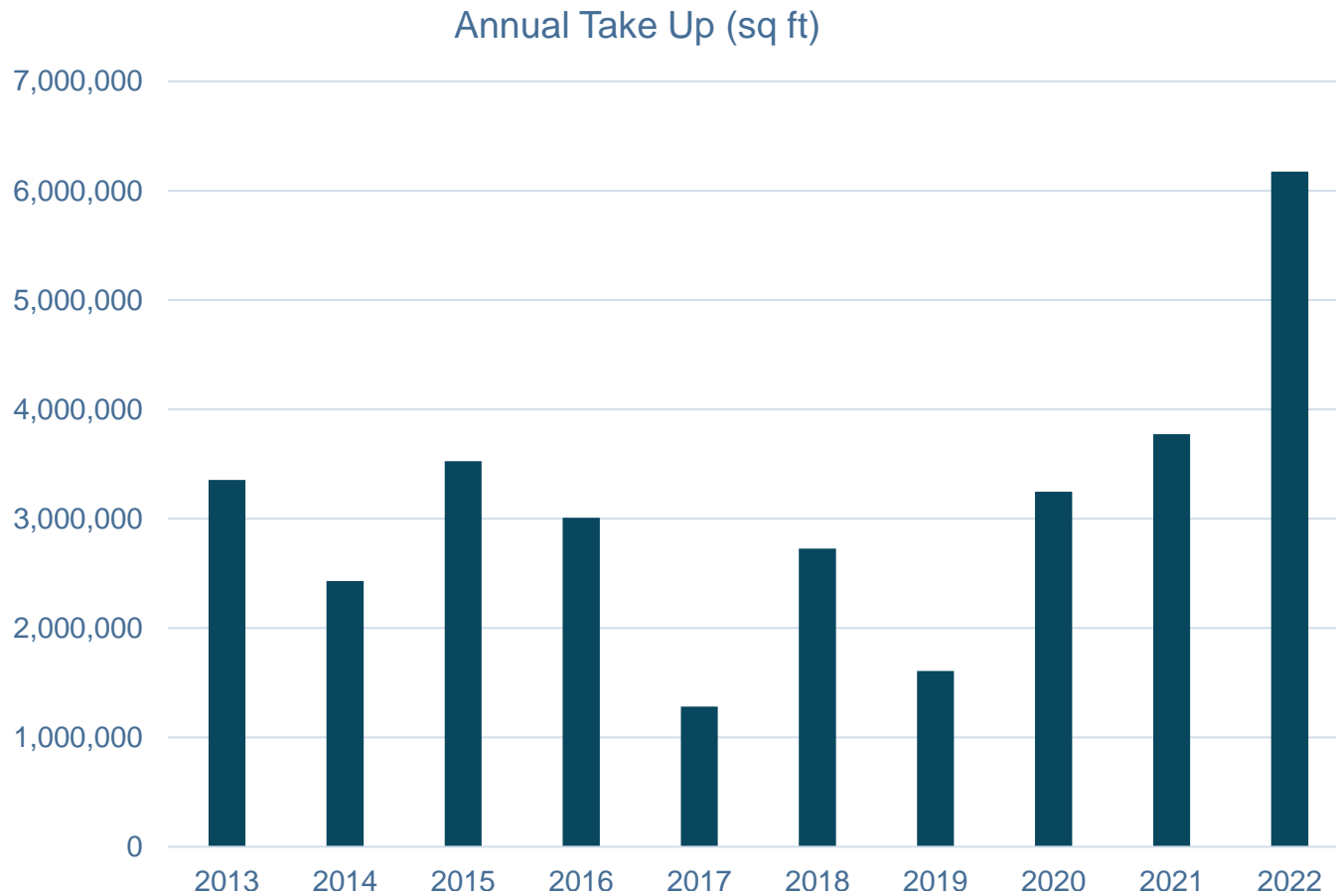
11 May 2023

Andrew Pexton
Director

Overview



Big Box – Grade A Take Up



2022 – 6.175m sq ft

5 yr avge – 3.49m sq ft

10 yr avge – 3.06m sq ft

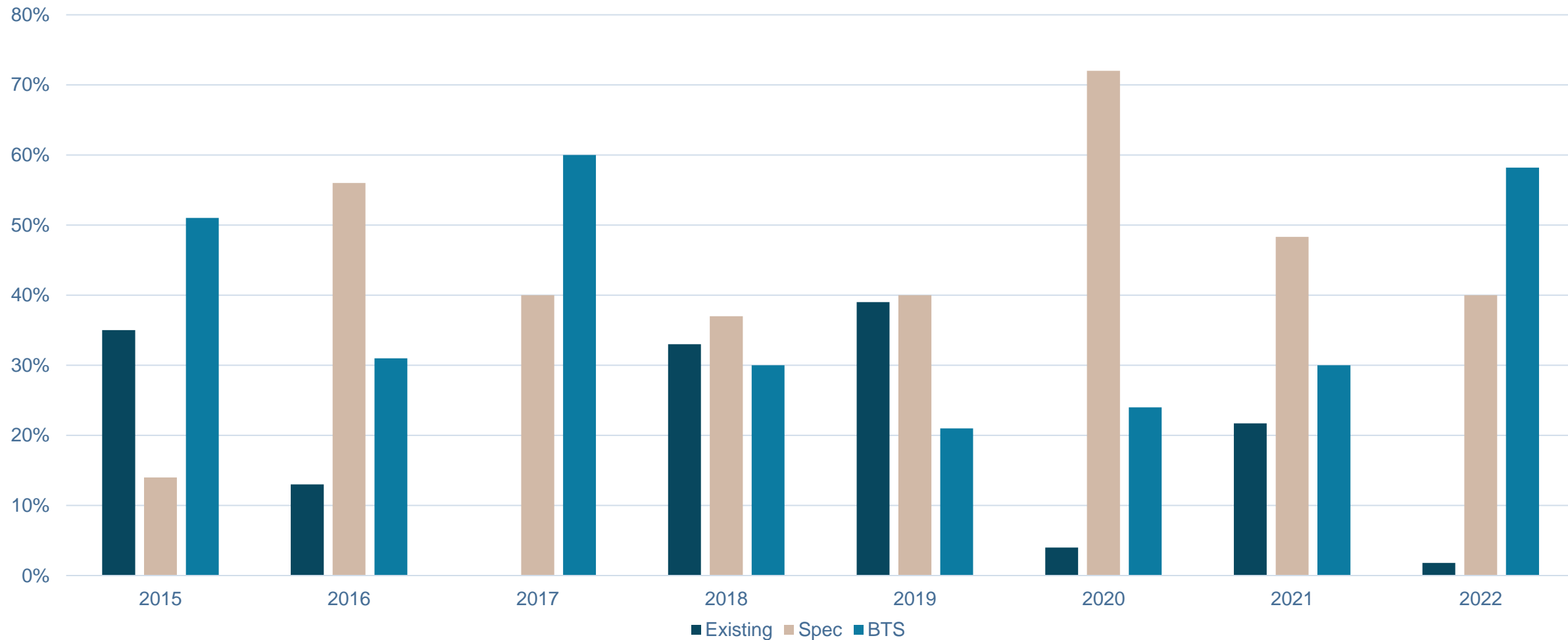
Q1 – 1.785m sq ft

Q2 – 2.7m sq ft

Q3 – 922,000 sq ft

Q4 – 768,000 sq ft

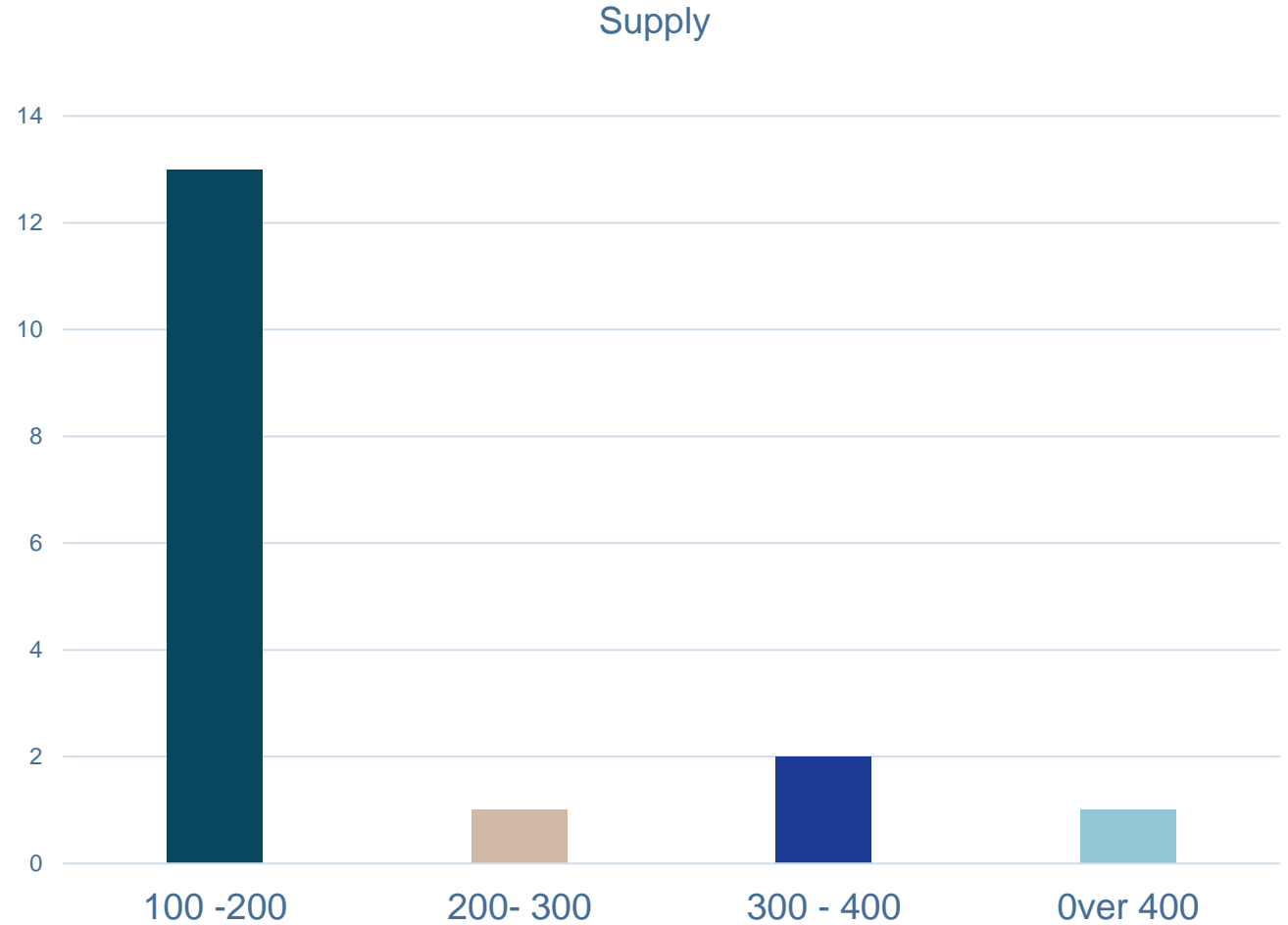
Big Box – Grade A Take Up



Big Box – Supply

3.35 million sq ft in 17 bldgs.

	no.	sq.ft.
• U/C	7	1.26m
• Spec	5	1.465 m
• Existing	5	0.625m

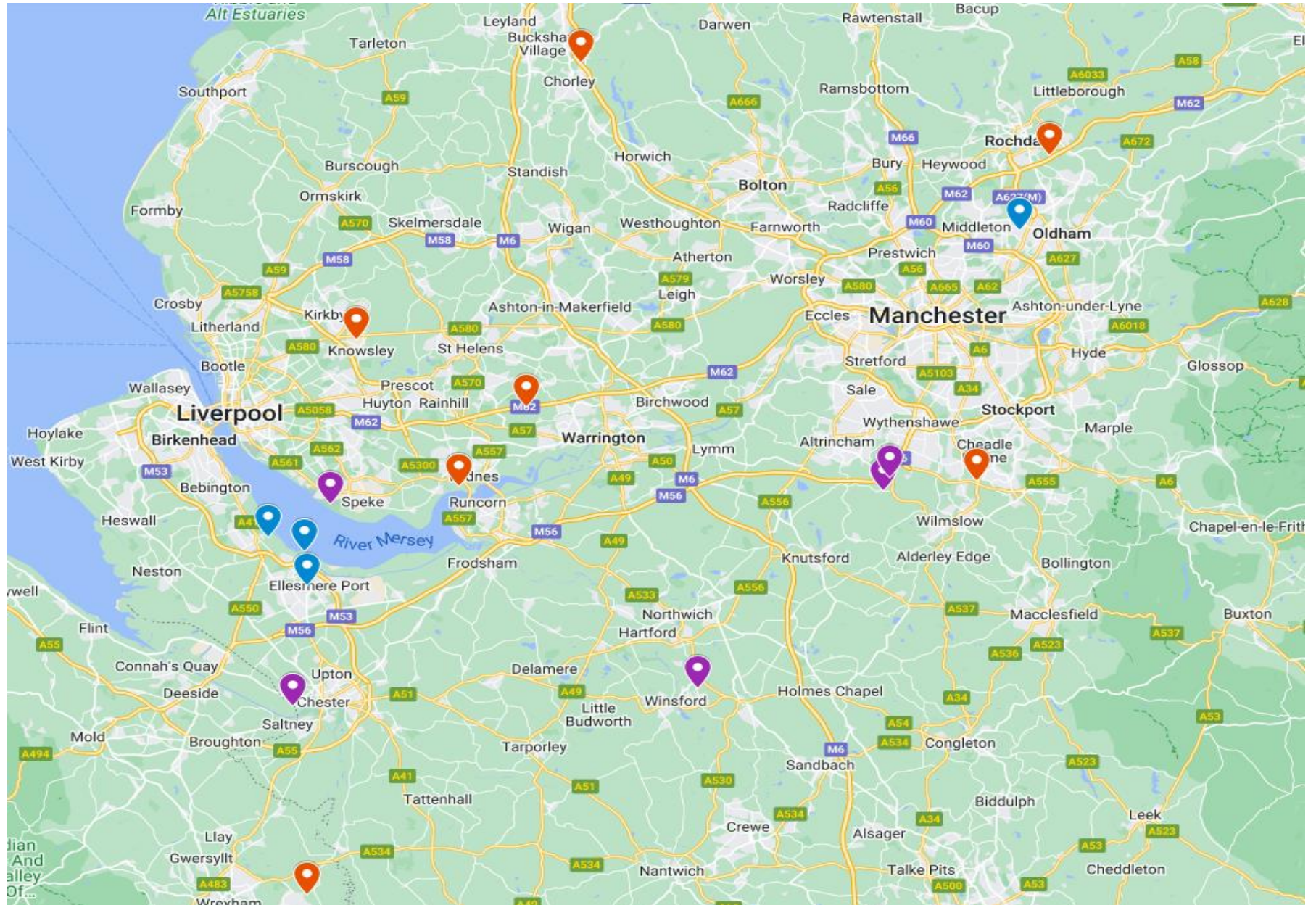


Supply

Under Construction

Speculative Build

Existing



Mid Box/Multi Let – Grade A Supply

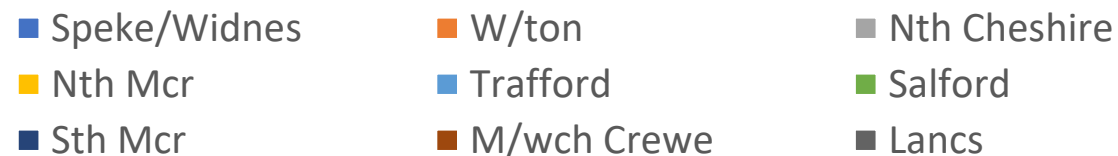
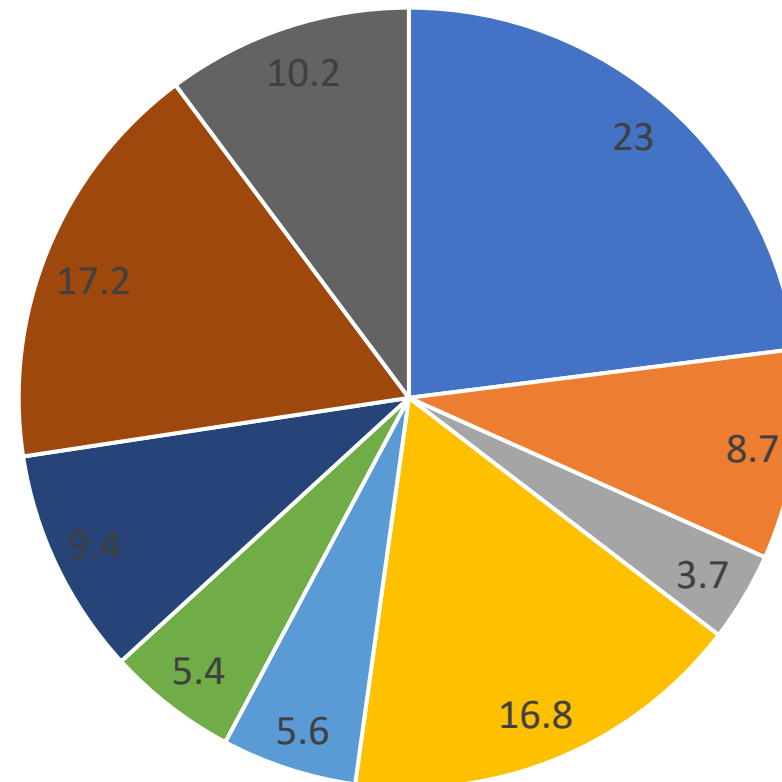
1.9m sq ft of supply

Rents £8.50 - £12.50 psf

Main locations

- Mersey/Widnes
- Middlewich/Crewe
- North Manchester
- Lancashire

Market Share %

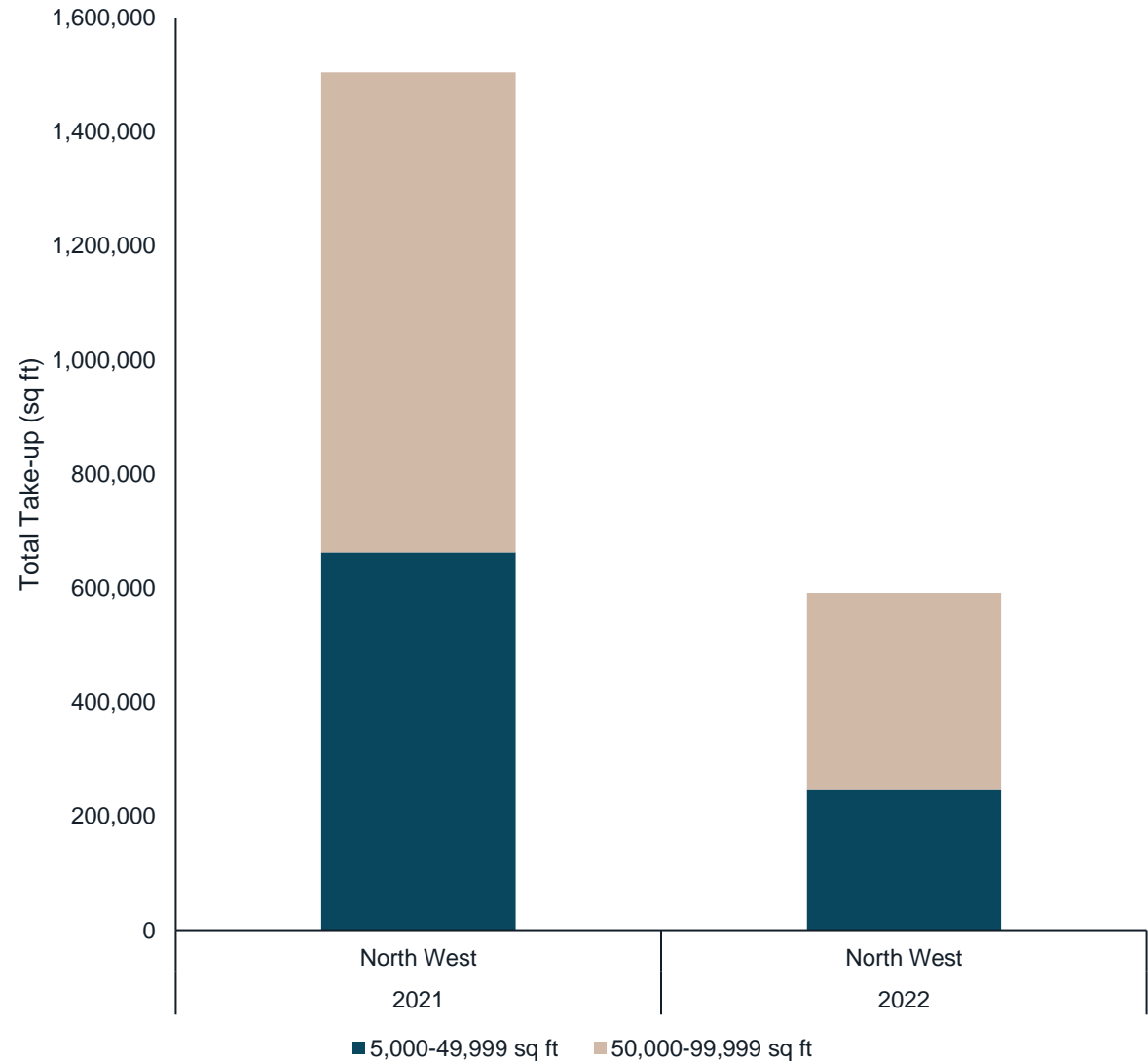


Mid Box/ Multi Let – Grade A Take Up

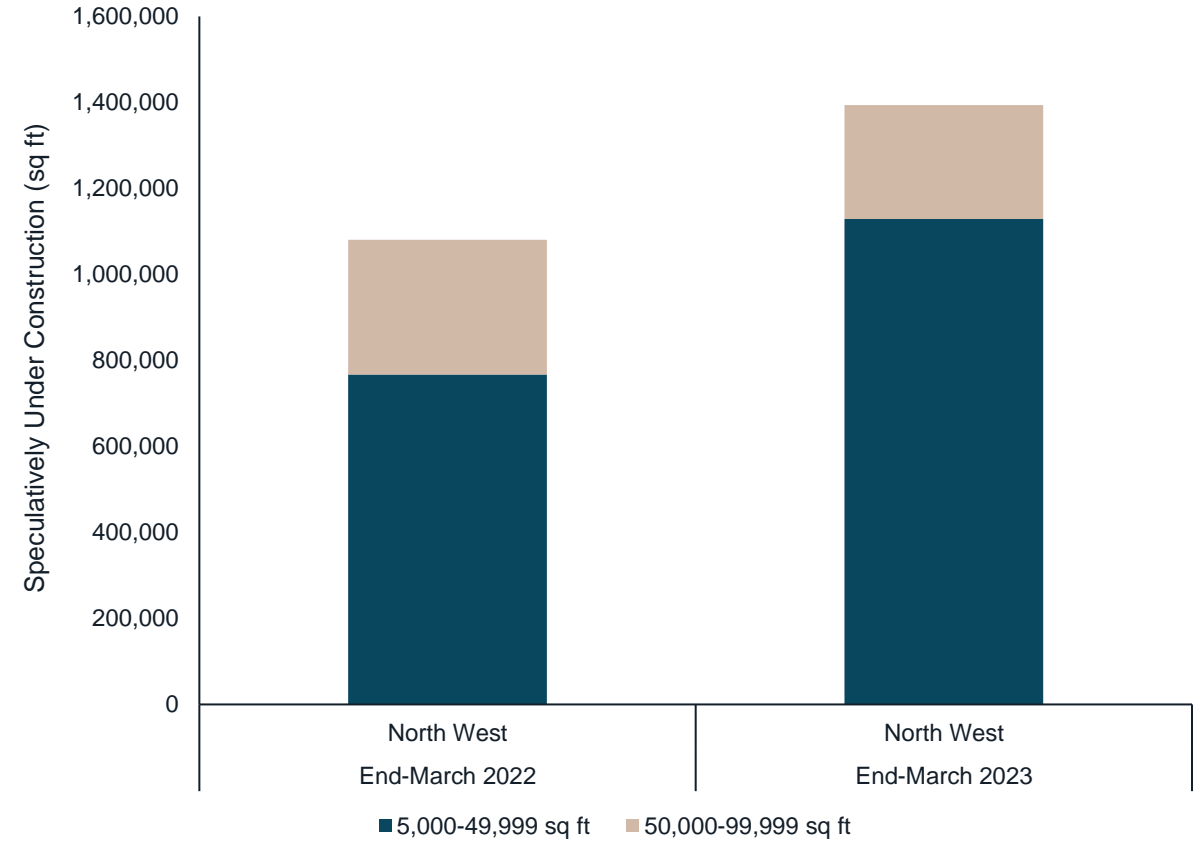
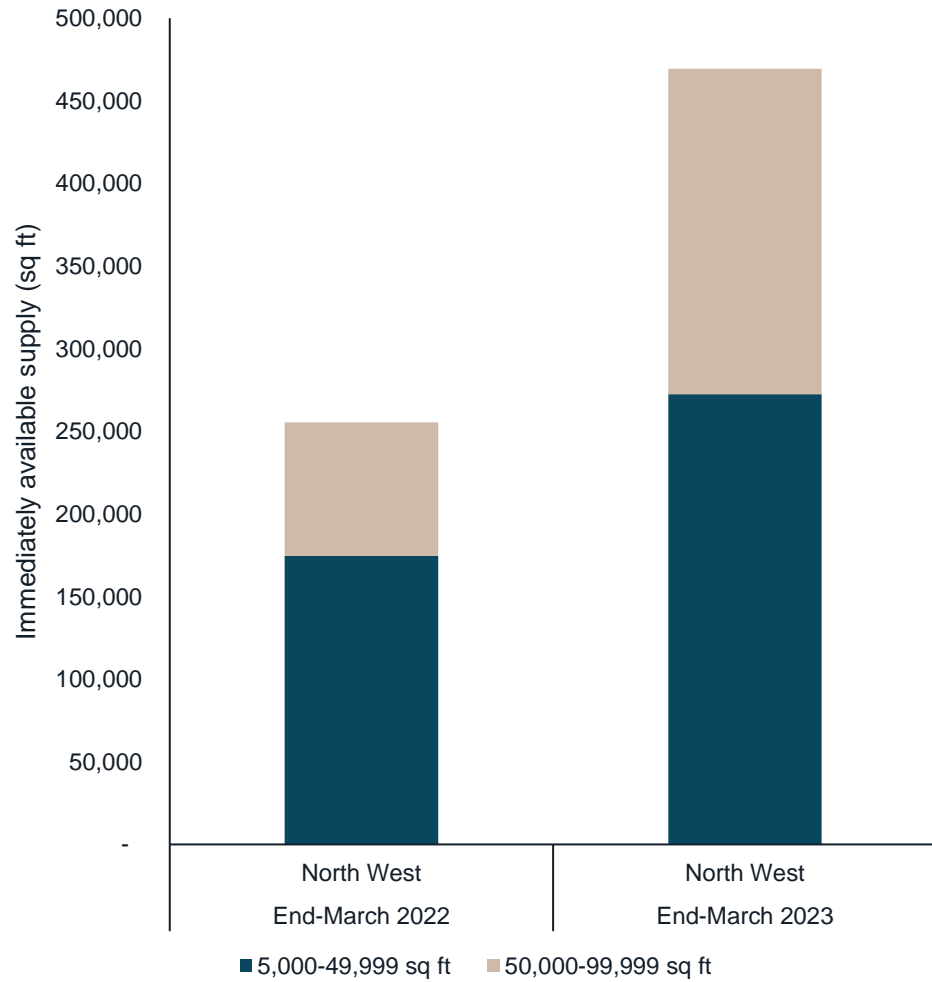
2022 take up – 592,000 sq ft

2023 take up – 179,000 sq ft

Rental growth - 22% in 2022



Multi-let and mid box immediately available & under construction



Development Pipeline



Development pipeline

c 14m sq ft of consented sites over 100,000 sq ft



Limited number of developable sites



Viability

- Investor and developer sentiment
- Landowners/developers securing planning and preparing for devt

- Land Values
- Rents & Yields
- Utilities

Development - The Issues

Investment values – outward yield shift of 200 bps but stable

- Prime single let yield c 5 – 5.25%
- Prime multi let yield c 5 – 5.25%

Interest Rates – another rise of 0.25% ?

ESG – occupier and investor strategies

Build Cost Inflation

- Inflation over the last 12 months
- Fewer units being built - contractor margins may tighten

ESG Perspectives



Occupational Trends/Issues

- ESG
 - Sustainability
 - Staff recruitment/retention
 - RFP's
- Availability
- Utility provision
- PV's – PPA's & grid connection
- Net Zero Carbon in build and/or operation
- Operational Costs/ Business Rates

Looking Forward

Supply & demand

Rental growth

Return of speculative development

Land values

Occupational requirements

Thank you

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