

WEST YORKSHIRE

Logistics and Industrial Commentary

H1 2017 Review

- Occupier demand across the region has remained steady. Take-up of industrial and warehouse units of over 50,000 sq ft across West Yorkshire totalled over 700,000 sq ft in the first half of 2017 spanning 6 transactions. This represents more than double the level of take-up compared to the previous six months of 2016.
- As with other regions, high quality existing and new build industrial stock in the mid-size range remains in short supply. Prime rents in this sub-market are achieving between £5.50 - £5.75 per sq ft.
- The largest letting of the year so far involved Wakefield Eurohub, which was let to Allied Glass in January. Consequently there is now a shortage of grade A 'Big Sheds' in West Yorkshire available over 200,000 sq ft.
- There are currently five existing new and modern second hand warehouse units situated in the Normanton / Castleford area off junction 31 of the M62. The units range in size from 108,000-175,000 sq ft, for which quoting rents vary from £4.50-£5.75 per sq ft.
- The lack of stock has contributed to an increase in design and build requirements, as companies struggle to identify existing units that can accommodate their exact needs. The development sites within the Leeds City Region Enterprise Zone in the Aire Valley such as Muse Developments Logic Leeds scheme are well placed to accommodate this demand.
- There continues to be a severe lack of investment stock / opportunities in the local market and there is strong demand from all sectors. Key investment transactions in H1 2017 include Wakefield Eurohub (190,000 sq ft) sold for £11.8m, reflecting a yield of 6.25% on a 10 year lease to Allied Glass, and Mammars & Pappas – a sale & leaseback sold for £10.35m on a ten year lease, reflecting a yield of 8%.

Selected West Yorkshire transactions in H1 2017

Address	Occupier	Size (sq ft)	Rent / Price (per sq ft)	Date
6/62 Lowfields Business Park, Elland	Sold to Buy It Direct	126,000	£53 psf*	Mar 17
Unit F3 Leeds West	Sold to Global Autocare	104,000	Confidential	Mar 17
Oakwell 27, Birstall	Cubico Limited	110,000	£3.50 rising to £4.50	Feb 17
Wakefield Eurohub	Allied Glass	190,000	£4.25	Jan 17
PH1 Coal Rd, Seacroft New Park	Vision Alert	101,500	£5.00	Jan 17



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Q2 2017 Prime headline rents (£ per sq ft) ▼ / ▲ - movement expected to Q2 2018

Market	under 20,000 sq ft	20,000 to 50,000 sq ft	50,000 + sq ft
Leeds	£6.25 ▲	£5.75 ▲	£5.60 ◀ ▶
Bradford	£5.75 ◀ ▶	£5.25 ▲	£5.00 ◀ ▶
Wakefield	£6.25 ◀ ▶	£5.75 ▲	£5.35 ▲



Wakefield Eurohub – Let to Allied Glass.

Regional outlook

- The West Yorkshire industrial market is expected to continue to perform well into the second half of 2017 with a number of available units reportedly under offer.
- Prime rental levels for the mid-sized sub market are expected to rise in the near future with newly completed and design & build options now being marketed at quoting levels of between £5.95 to £6.25 per sq ft.