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UK Logistics market overview

Q3 2021

2021 take-up just behind 2020, already 37% above the long-term annual average

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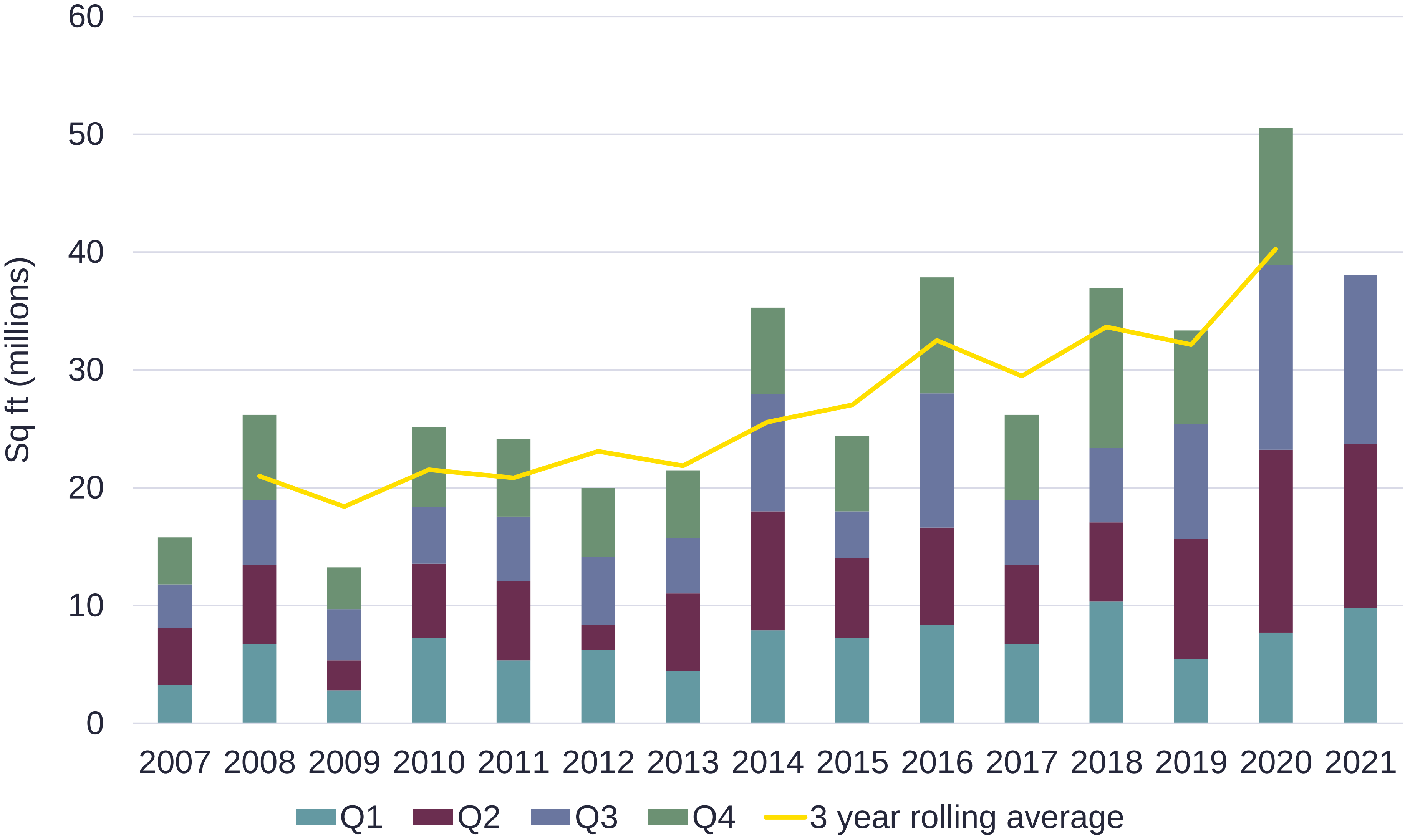
- Take-up in 2021 has reached 38.06 million sq ft through 158 transactions, already 37% above the long-term annual average.
- In 2021, 34% of take-up has been built-to-suit, 33% of space transacted has been second hand 33% has been speculatively developed space.
- So far, in 2021 25% of the total take-up has been from Amazon.



3PL’s were dominant in 2019, online retailers are leading in 2020 and 2021

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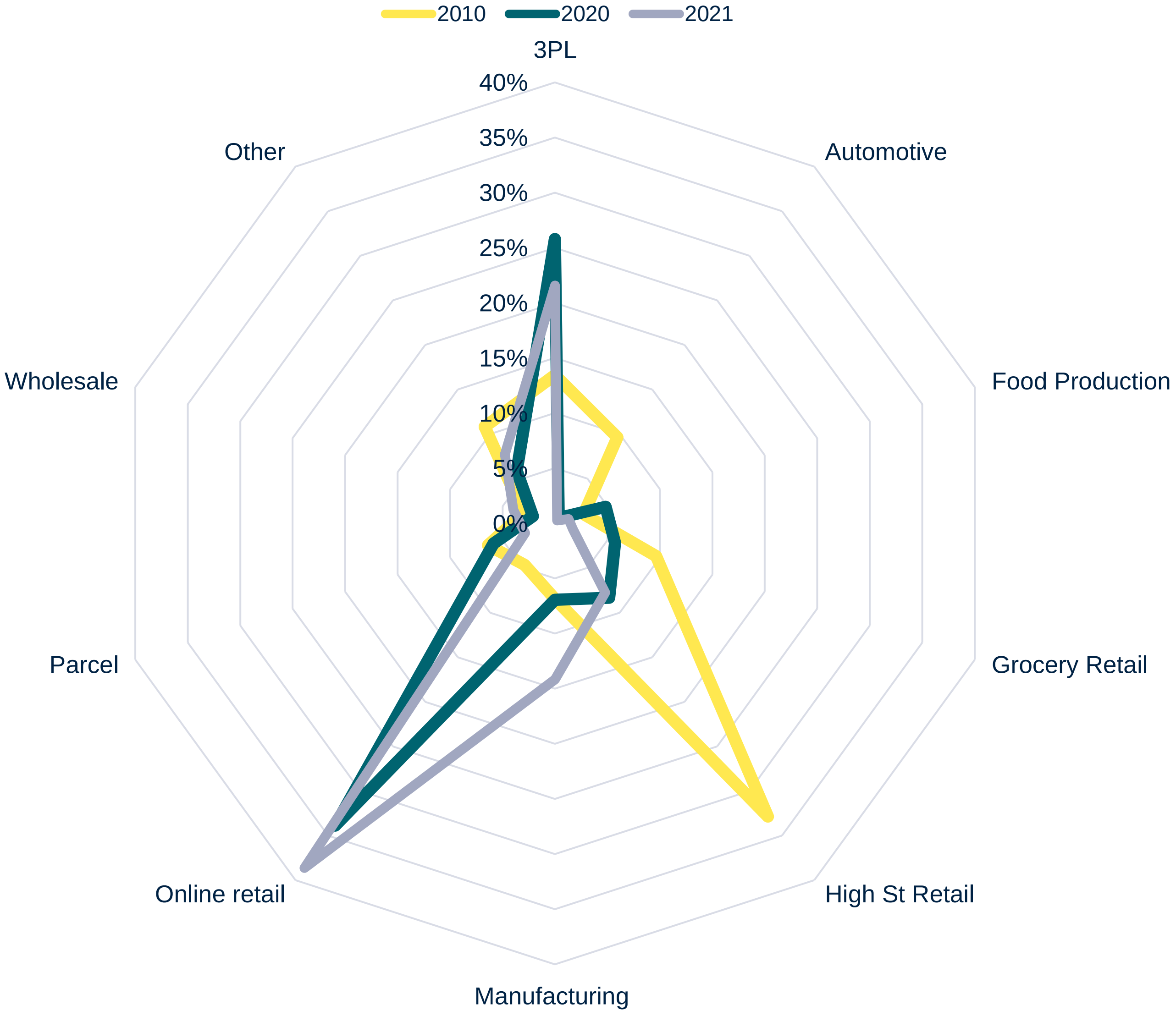
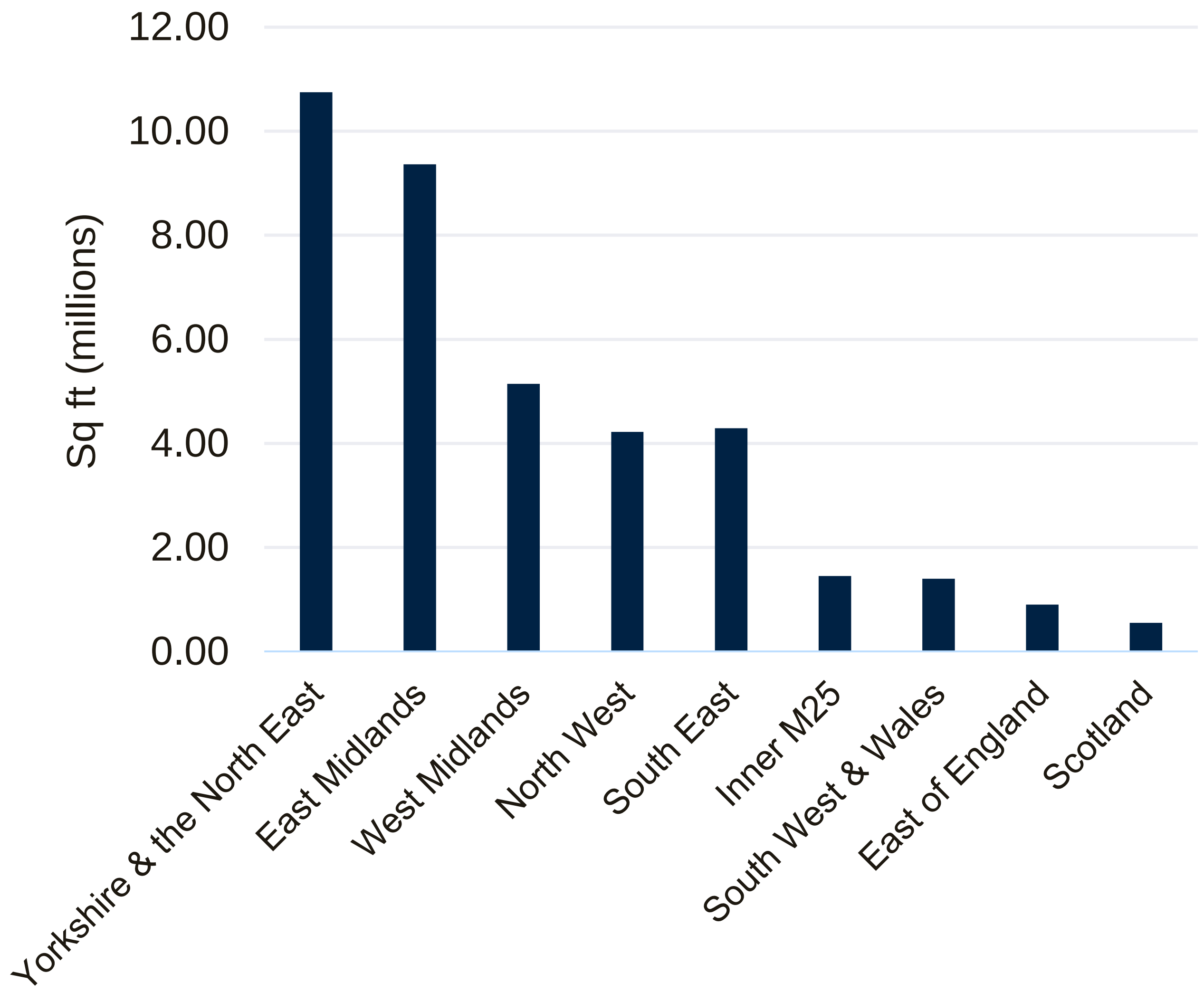
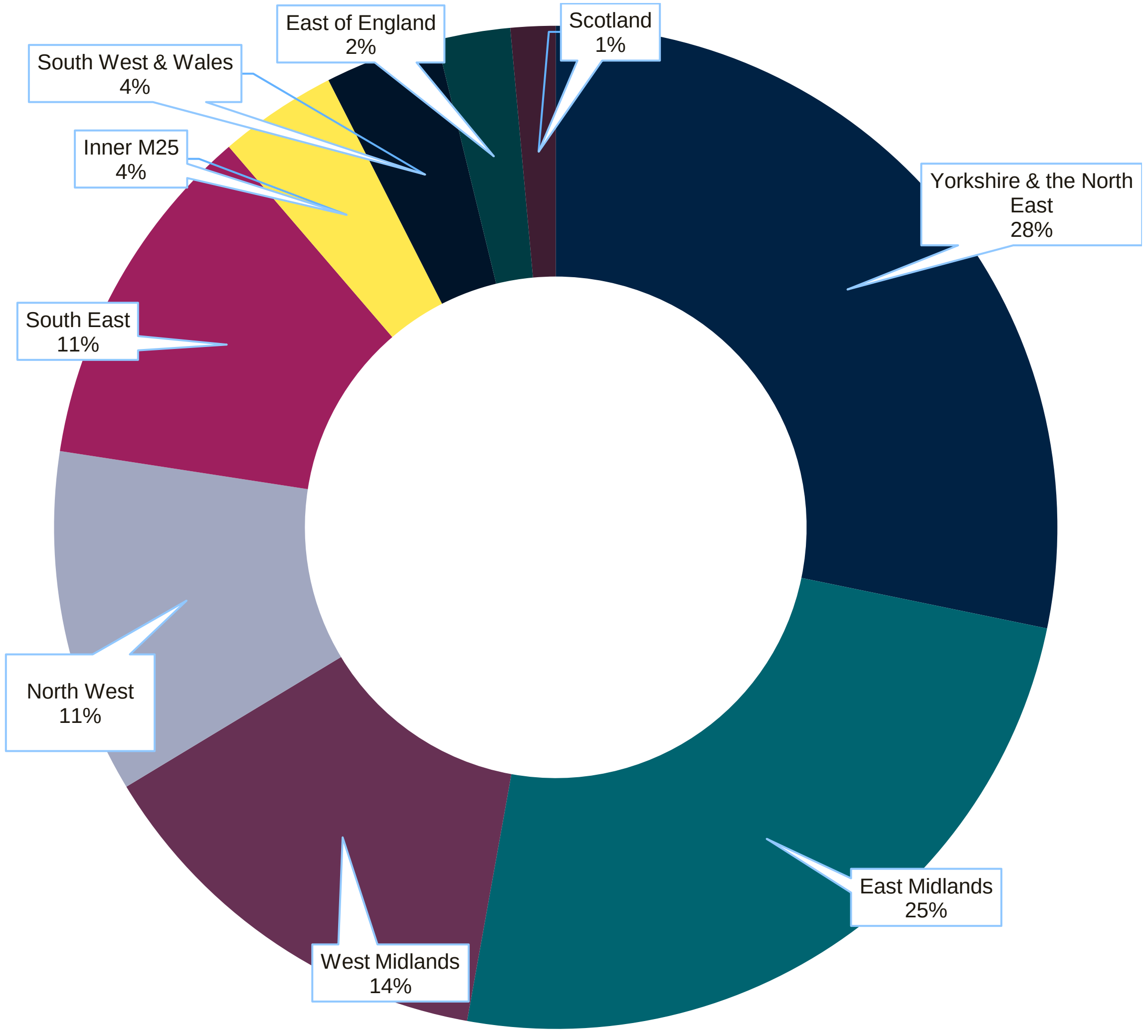
- In 2020, 36% of space transacted was from online retailers. 3PL’s accounted for 26% of space transacted followed by Grocery Retailers at 6% and High Street Retailers at 8%.There was also a rise in activity from the ‘other’ sector accounting for 6% of all space transacted. This includes occupiers such as Data Centres and Film Studios.

- In 2021, 39% of space transacted has been from Online Retailers, 22% from 3PL’s and 14% from Manufacturers. The remaining space was spread over multiple sectors.



2021 take-up by region





United Kingdom supply and vacancy is at its lowest level ever

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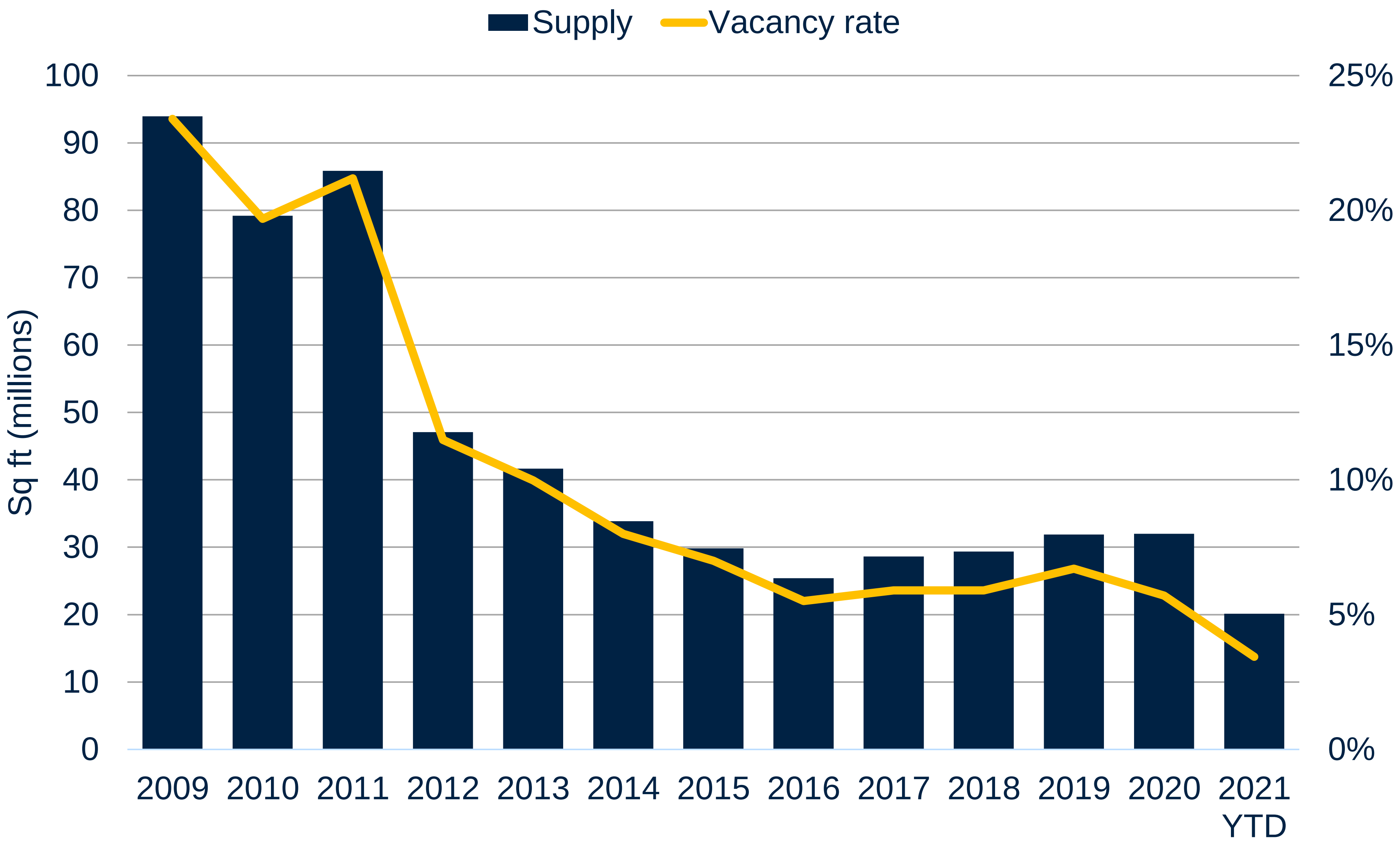
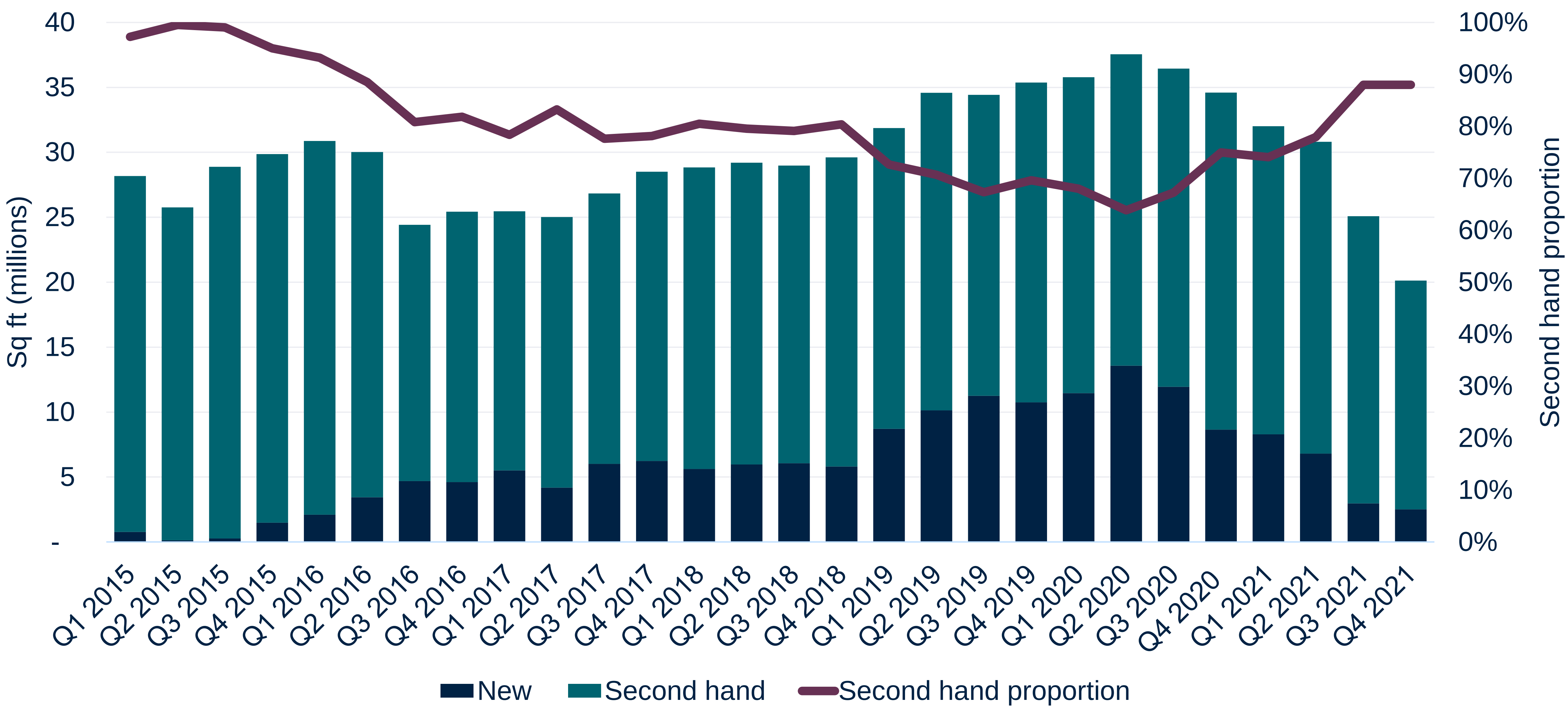
- The supply of warehouse space in the UK currently stands at 20.13 million sq ft across 113 separate units. It's the lowest level seen since Savills started recording the metric.
- This has pushed the vacancy rate to 3.43%, the lowest level Savills has recorded.
- Occupier preference towards grade A space has shifted the quality balance in the available supply. Currently 88% of the available space is second hand and just 12% is new.

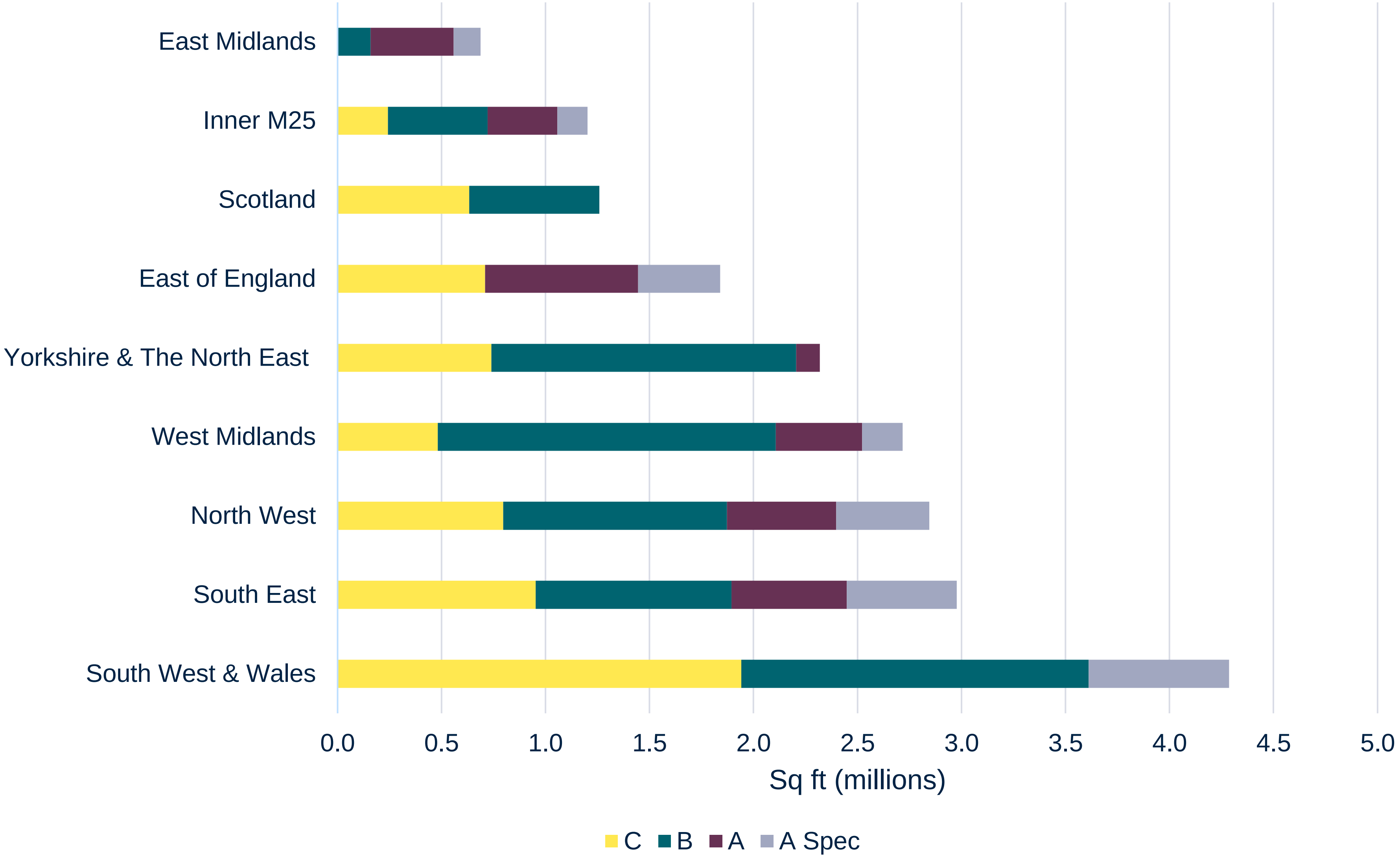


Almost 90% of current supply is 2nd hand



The quality and amount of supply varies regionally

- The South West & Wales has the highest amount of vacant stock with 4.29 million sq ft available, this is followed the South East with 2.98 million sq ft available.
- The North West has 2.85 million sq ft available, the West Midlands has 2.72 million sq ft and Yorkshire & the North East has 2.32 million sq ft available.
- Availability in the East of England currently stands at 1.84 million sq ft, Scotland 1.26 million sq ft and the Inner M25 has 1.2 million sq ft available.
- The East Midlands has the lowest level of supply with just c. 690,000 sq ft available.
- It should be noted that a vast majority of grade B & C supply could be considered obsolete through not being able to accommodate modern occupier requirements.



Vacancy is decreasing in most markets

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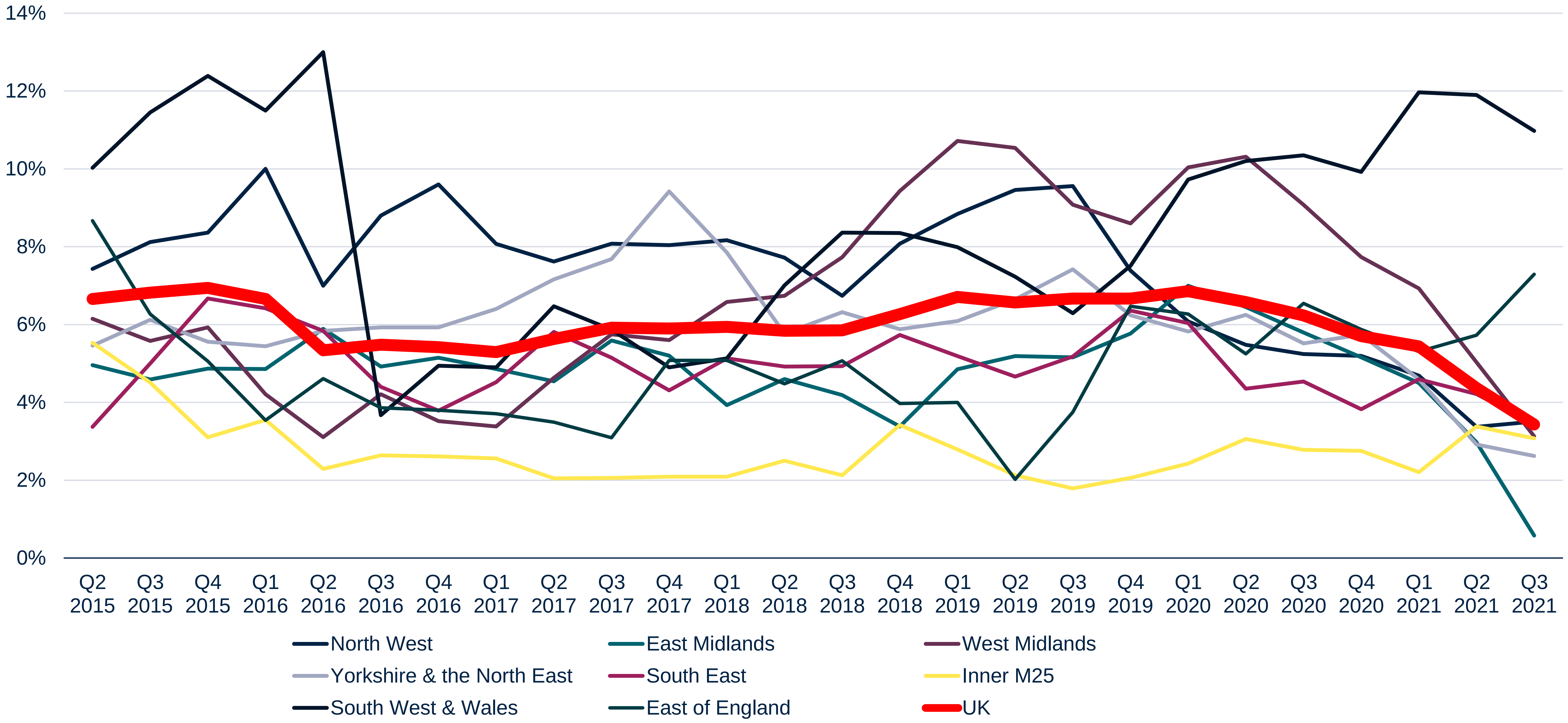

There is 17.22m sq ft under construction speculatively

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- The East Midlands has the highest amount of speculative development with 3.69 million sq ft under construction. This is closely followed by the South East with 3.2 million sq ft under construction.
- There is currently 2.7 million sq ft under construction in Yorkshire & the Humber and 2.4 million sq ft in the North West.
- There is currently 2.3 million sq ft under construction in the West Midlands.
- There is 1.34 million sq ft under construction in the Inner M25, c. 920,000 sq ft in the East of England and c. 670,000 sq ft in the South West.