Occupier demand in 2018 surprised on the upside with take-up for larger and better quality units driving activity nationally. Following on from the above-average performance witnessed in 2017, 2018’s provisional data shows that full-year take-up for distribution warehouses (100,000+ sq ft) could potentially break 2016’s record take-up of circa 32 million sq ft, up approximately 18 per cent year-on-year. As a result, national supply remains very tight with circa 30 million sq ft of space available as of end-December 2018.

Good market fundamentals in a low-supply environment will exert inflationary pressure on rents and increase intensity of land use, particularly in London and key South East locations.

I am pleased to launch our 2019 Industrial and Logistics brochure, which is designed to give you an overview of activity in the regional industrial markets. I hope you find our latest publication informative and useful.

Despite the ongoing political and economic uncertainty generated by Brexit, occupational demand has been buoyant on the back of steady, if uninspiring, economic performance. Combined with limited new build activity and an acute shortage of quality stock in many locations, the subsequent rental growth has resulted in the industrial sector again being the standout performer.

Nationally, prime rental growth for Small Sheds (10,000–30,000 sq ft) was 6.2 per cent in 2018, a slight increase over the 5.5 per cent growth seen in 2017. For prime units of 100,000+ sq ft, 2018 rental growth was 3.5 per cent, a slight decline over the 4.8 per cent of 2017. Rental growth for All Industrial property in 2019 is expected to be 2.5 per cent, with London being the strongest performing region, at 4.0 per cent.

The strength of demand is also reflected in a 20+ per cent year-on-year increase in land values, with an annual increase of 70 per cent in the West Midlands as supply constraints impact.

The industrial sector has had two stellar years in terms of investment performance, delivering high and mid-teens total returns in 2017 and 2018. The sector will remain the top performing sector in 2019, but with only selective and limited further yield compression expected, 2019 total returns are expected to be 6.6 per cent. Developers have responded cautiously with spec development and an increasing number of build-to-suit solutions and we expect there to be a similar pattern in 2019. However, First Panattoni has been dominant nationally, with regard to UK spec development.

To date, they have spent c. £500 million on sites alone and account for a large share of the spec market.

I’m pleased to report that the Colliers International Industrial & Logistics team have had a record year and have been involved in transactions totalling c. 20 million sq ft across the UK in the last 12 months – a snapshot of which are detailed in this publication. With extensive national coverage, the team is well-placed to offer knowledgeable occupational, development and investment advice tailored to your local market. Our success has been down to a number of factors, including a strong regional team and key individuals on the business development and supply chain side.

For an informal chat, please do not hesitate to get in touch with either myself or one of the team. I look forward to meeting you personally.

LEN ROSSO
Head of Industrial & Logistics
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The Industrial and Logistics market within London and the South East remains strong. Demand from a diverse range of occupiers and very limited availability of quality stock is contributing to rental growth and rising land prices in most locations.

INVESTMENT MARKET
As of mid-December, the London and South East investment market had transacted £1.8 billion (Property Data), a third less than 2017’s total. London, in particular, saw a sharp fall in transactions, to less than £900 million, with only four transactions >£50 million, the largest being Hyde Group’s purchase of Charlton Riverside, a four-unit scheme adjacent to the Thames Barrier.

In the South East, the Sovereign portfolio (Island Road Reading and South Central, Southampton) was bought by LaSalle Investment Management for £95 million, representing a 4.6 per cent initial yield. The largest single asset transaction was First Panattoni’s purchase of a 150,000 sq ft unit at Elstree Way, Borehamwood for £53 million.

Prime yields in London are sub-4 per cent, rising to 4.25 per cent in the best South East locations.

OCCUPATIONAL MARKET
In 2018, to the end of November, the 100,000+ sq ft sheds market saw a 22 per cent increase in take-up over 2017, to 2.5 million sq ft. The two largest leasing transactions were: 1) the letting of 750,000 sq ft at Magna Park, Milton Keynes to H&M on a 20-year lease at £6.25 psf, and 2) SEGRO’s letting of 452,084 sq ft at Axis Park, Slough, to Royal Mail on a 15-year lease at £7.50 psf. Supply of Grade A existing warehouses over 100,000 sq ft remains low within the region, standing at c. 925,000 sq ft as of the end of November.

Occupiers have limited choice and this has led to 2018 being dominated by large freehold land purchases to owner occupiers, for example, Lidl buying 58 acres in Houghton Regis and Aldi (20 acres) and B&M (12 acres) both buying sites in Bedford. Between them they are set to deliver approximately 3 million sq ft of distribution space. Labour availability remains a key location attractor and, with increasing warehouse automation, the availability of sufficient power supply is becoming crucial.

Annual rental growth for 100,000+ sq ft sheds in the South East is currently running at 6.4 per cent, with 10,000-30,000 sq ft units at 8.1 per cent. Top rents are at Park Royal (10,000-30,000 sq ft) have seen a further increase in 2018, to £20 psf, with a number of Greater London locations in the mid-teens or higher. Borehamwood, at £15 psf, tops the South East rents.

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DIXONS CARPHONE
Acquisition
Mid Kent Business Park, Snodland

DB SYMMETRY
Leasing
Symmetry Park, Biggleswade

GOODMAN
Leasing
London Medway Commercial Park

DP WORLD
Leasing
London Gateway Logistics Park

Gazeley’s spec built Latitude 186 unit in Milton Keynes was let in 2018 and the new spec built Altitude 186,000 sq ft unit, on the same estate, is rumoured to be under offer to Amazon.

Annual rental growth for 100,000+ sq ft sheds in the South East is currently running at 6.4 per cent, with 10,000-30,000 sq ft units at 8.1 per cent. Top rents are at Park Royal (10,000-30,000 sq ft) have seen a further increase in 2018, to £20 psf, with a number of Greater London locations in the mid-teens or higher. Borehamwood, at £15 psf, tops the South East rents.

Labour availability remains a key location attractor and, with increasing warehouse automation, the availability of sufficient power supply is becoming crucial.

Annual rental growth for 100,000+ sq ft sheds in the South East is currently running at 6.4 per cent, with 10,000-30,000 sq ft units at 8.1 per cent. Top rents are at Park Royal (10,000-30,000 sq ft) have seen a further increase in 2018, to £20 psf, with a number of Greater London locations in the mid-teens or higher. Borehamwood, at £15 psf, tops the South East rents.
West London has seen a good level of take-up which has seen availability contract and has therefore pushed rental levels to all-time highs. In the Park Royal location, rents on second-hand modern units are now in excess of £20 psf but there has been no new build recently to ascertain what levels this would achieve. Heathrow has also seen good levels of take-up and again with limited supply has seen rents of circa £16 psf.

INVESTMENT MARKET

The West London investment market has seen limited transactional activity in 2018, primarily due to a lack of product available to be bought. The most significant deal was M&G’s purchase of Gate Centre, Brentford for £34.3 million at a yield of 3.15 per cent. This level of pricing is further supported by Capital Industrial’s purchase of 15 Havelock Terrace, Battersea for £8.5 million, reflecting a yield of 3.20 per cent.

Prime yields are now sub-4 per cent and remain under pressure as investor appetite from a range of capital remains insatiable.

There is limited speculative development coming forward, but this tends to be in larger units, such as the SEGRO Park, Hayes scheme due to complete in 2020, which will offer c. 230,000 sq ft in four units. Further, L&G has just been granted planning for c. 170,000 sq ft of new build in two units on the former BA unit at Bullsbridge, North Hyde Gardens in Hayes.

Colliers International has recently let five units, ranging from 10,000-20,000 sq ft on behalf of Aviva Investors on the West London portfolio and have current interest in their new scheme in Uxbridge, with two units remaining (c. 37,000 sq ft and 134,000 sq ft). The International Trading Estate, in Southall, has seen good take-up in 2018 and Colliers International has recently let c. 120,000 sq ft in three lettings on behalf of Royal London.

There is a very limited supply of land in West London, either built-to-suit or for sale, with no supply of new build units in the wider A40 corridor and Heathrow. There is also a limited supply of good quality second-hand units in this location. Quoting and achieved rents for 10,000-30,000 sq ft units are continuing to increase, with Heathrow now at £16 psf and Park Royal at £20 psf. Upward rental pressure will be maintained into 2019.

The supply side is continuing to decline due to the current levels of demand, which shows no signs of slowing down, especially in the smaller size range of c. 5,000-30,000 sq ft. There have been a few larger deals in 2018, which has seen the larger speculative schemes starting to fill up. Recent leasing deals include: FedEx taking Heathrow Skyline (80,000 sq ft) at £15.50 psf, DB Schenker taking 60,000 sq ft at Hayes 180 at c. £13.95 psf and SEGRO pre-letting 230,000 sq ft to Do & Co, a food operator who secured the BA contracts, at an undisclosed rent believed to be around £16 psf.

Park Royal still leads the market in terms of rents, with the letting of c. 7,000 sq ft at Tudor Estate at £22 psf, setting a new benchmark for this size of unit and sets a precedent for future expectations.
The South West continues to perform well and the region remains relatively unaffected by the uncertainty created by the UK’s imminent departure from the EU. The underlying fundamentals of the market in the South West remain strong; in particular, supply levels remain very low and occupiers are competing aggressively for the available stock. This is maintaining upward pressure on rents. Demand remains consistently strong, predominantly on the back of the buoyant e-commerce market.

INVESTMENT MARKET

The limited availability of investment stock in the South West has held back volumes in 2018. In the year to end of November 2018, volumes stood at £195.6 million, significantly short of the £440.8 million achieved in 2017 (Property Data). There is a general nervousness amongst investors about recycling money, hence stock coming to market has been limited.

The market has lacked any sizeable £50+ million deals, with just two transactions in excess of £20 million, both multi-let estates. Royal London Asset Management’s purchase of Sliver Trading Estate, Yate, for £21.69 million at an initial yield of 6.66 per cent, and IPF’s purchase of Kingsditch Trading Estate, Cheltenham for £20.5 million at a yield of 5.3 per cent.

Prime yields in the key South West regional towns/cities have remained stable, with Bristol prime yields at 4.75 per cent.

There has been a lot of activity in the South West Industrial market in the last 12 months. Developers have recognised the chronic shortage of stock and there are several speculative developments underway in Bristol that will absorb the latent demand. Recent examples of developers responding include Trebor Developments’ proposal to speculatively build 244,000 sq ft over three units on a 15 acre site in Avonmouth and, Chancerygate, who are well advanced with speculative schemes at Vertex Park and Warmley Business Park in East Bristol, which will offer two small unit schemes by the end of Q1 2019.

Horizon 38 in Filton set a record rent in the region for over 100,000 sq ft with the letting of 115,000 sq ft to Apec Braking at £7.25 psf and, given the imbalance between supply and demand, there’s reason to suggest rents could continue to rise. Multi-let estates continue to perform well and rents for 5,000-10,000 sq ft units are now achieving upwards of £9 psf and, in some cases, are approaching double figures.

Other areas of the South West are also thriving, such as Gloucester, where Arlington has recently secured a pre-let of 183,000 sq ft at Gloucester Business Park to Dowty Propellers. Furthermore, St Modwen has recently been granted planning at Quedgeley East Business Park, where they intend to speculatively develop a range of industrial units following the success of Gateway 12 at Waterwells Business Park.

The abolishment of the Severn Bridge tolls on 17 December 2018 will unlock the region and enhance connectivity into South Wales. This will also improve access to labour from South Wales into Bristol and the South West and make stretches of the M4 corridor from Newport to Cardiff more viable for occupiers; watch this space.

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TREBOR DEVELOPMENTS
New Instruction
Central Approach, Avonmouth

CHANCERYGATE
Acquisition
Furlong Park, Cheltenham

DB SYMMETRY
Leasing
Unit 1 Symmetry Park, Swindon

COLLIERS CAPITAL
New Instruction
Capital One, Bristol
Go big or go home seems to be the motto for 2019, with 2018 turning out much as we had predicted. Coupled with very active take-up from October through December; the East and West Midlands will have seen over 12 million sq ft (Grade A over 100,000 sq ft) transacted, exceeding an already strong 2017. With the East Midlands dominating in 2018, we see this continuing for another strong year for the Industrial and Logistics sector in the region.

INVESTMENT MARKET

The Midlands remains one of the strongest investment markets outside of London. Again, shortage of quality stock has held back transaction volumes. As of the end of November 2018, volumes were just under £11 billion, a very strong performance, but the year-end numbers will fail to match the £15 billion cleared in 2017 (Property Data). Tritax Big Box REIT made two substantial commitments in the East Midlands at Corby, Midlands Logistics Park – firstly, purchasing the Eddie Stobart 844,000 sq ft pre-let for £81.8 million (5 per cent initial yield) in February and secondly, buying the 945,000 sq ft Bosch unit for £89.3 million (5.2 per cent initial yield) in October. The largest transaction in the West Midlands was the Lime Property Fund purchase of a 490,000 sq ft unit at Coventry, Arsty Park for £73.4 million.

Other notable deals include NFU’s commitment to forward fund The Hub in Birmingham, which was pre-let to Kitchen Craft on a 25 year lease, achieving a price of £33.9 million and reflecting a net initial yield of 4.6 per cent. Also, Aberdeen Standard Investments’ purchase of DC3 Prologis Park, Fradley in Lichfield, which offered 20 year income and achieved a net initial yield of 4.5 per cent. Multi-lets are also performing strongly and achieving record pricing, with an estate in Kings Norton sold to Royal London in December 2018 at £134 million, reflecting a yield of 4.25 per cent.

Prime yields in Birmingham remain stable at 4.5 per cent, with other key Midlands centres 25 bps higher at 4.75 per cent.

OCCUPATIONAL MARKET

The Midlands Industrial and Logistics market has been very buoyant, mainly driven by the continued demand from the online sector, including the usual suspects, such as Amazon, but also new entrants to the market who are clustering around parcel hubs as customer demand for late night online shopping and next day delivery requires ease of access. These hubs, such as the new super DPO hub at M Properties’ Hindley scheme, are land hungry and take a lot of the development pipeline instantly out of the market which, in turn, drives up land values. We are also seeing strong demand for the mid-box market (50,000+ sq ft) and record rents are being achieved in this size bracket, with a M42 rent of £8 psf being achieved at Connexions.

We are also seeing strong demand for the mid-box market (50,000+ sq ft) and record rents are being achieved in this size bracket, with a M42 rent of £8 psf being achieved at Connexions. Colliers International is instructed on some large occupational acquisitions throughout the Midlands and are encouraged by the continued demand we are seeing in the sector.

For more information please contact:

INDUSTRIAL & LOGISTICS | UK 2019
Colliers International
Both occupier and investor demand remain at healthy levels as we move into 2019. As with other regions, the availability of quality investment product has held back investment volumes to a degree, but a diverse range of occupational demand is continuing to support rents and further speculative development.

**INVESTMENT MARKET**

Investment volumes in the North West will be close to £500 million in 2018, down by c. 15 per cent on recent years. Shortage of quality stock remains an issue for investors keen to gain representation in the region. At the end of November 2018, volumes were £427 million (Property Data).

Tritax Big Box REIT was responsible for the two largest transactions, purchasing Weston Road, Crewe (387,500 sq ft), let to Expert Logistics, a subsidiary of AO World Plc, for £36.1 million (initial yield 5.4 per cent) and Florida Farm, Haydock, a 361,100 sq ft unit pre-let to Amazon for £68.7 million, representing an initial yield of 4.9 per cent.

Prime yields in Manchester remain stable at 4.25 per cent, with other key North West locations up to 50 bps higher at 4.75 per cent. This level is supported by Colliers Capital’s recent purchase of a prime logistics unit at Revolution Park, Chorley for £20.35 million, reflecting a yield of 4.65 per cent. There remains strong investor demand across all grades, with good secondary stock achieving 5.25 per cent.

**OCCUPATIONAL MARKET**

The North West market for units 100,000+ sq ft has remained very buoyant throughout 2018. This is evidenced by the dwindling number of good quality Grade A and secondary units. Big Shed availability has declined by 66 per cent since 2010 in the region, when it stood at c. 18 million sq ft. The next wave of speculative warehouse development of 100,000+ sq ft is now under way, with c. 31 million sq ft under construction in 13 schemes across the North West.

In 2018, it is estimated that take-up for units of 100,000+ sq ft will be close to 5 million sq ft, an increase of 1.6 million sq ft over 2017. Occupier requirements are healthy, with interest on almost all currently available buildings. Only three buildings, totalling 457,000 sq ft, remain, with keen interest in all of them. Assuming all deals complete, year-end Grade A stock will stand at 1.2 million sq ft (less than 6 months’ supply).

With post-recession speculative development now being absorbed, strong demand has led to both Mount Park and Exeter Group/First Industrial building speculative units of 346,000 sq ft (Omega, Warrington) and 375,000 sq ft (Logistics North, Bolton), respectively.

In 2018, two large pre-let deals were agreed, with Amazon taking 360,000 sq ft at M6 Major, Haydock and Movianto taking 360,000 sq ft at Haydock Green. The demand for large box units has prompted US Fund Hillwood to agree a JV with Bencote at M6 Major, Haydock to spec build 523,000 sq ft, to be completed by the end of 2019.

Rental levels have continued to rise, with record rents set for both prime and secondary units. Royal Mail’s deal at Mountpark’s, Warrington Omega scheme achieved £6.25 psf, a record for Big Shed prime rents. Rental levels on 10,000 – 50,000 sq ft units are now achieving above £7 psf as demand continues to outweigh the supply of Grade A warehouses.

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The Yorkshire and North East Industrial and Logistics market performed well in 2018, benefiting from the availability of consented sites and quality standing stock, strong occupier demand, and a healthy investment market. There has been strengthening appetite in the investment market in the North East region and some sizeable deals in Yorkshire.

INVESTMENT MARKET

Investment volumes in the wider North East (including Yorkshire and the Humber) will be close to £500 million in 2018, a slight improvement over the £479 million achieved in 2017 (Property Data). Interestingly, volumes in 2018 have almost doubled in the North East, but have fallen by around 25 per cent in Yorkshire and the Humber.

Tritax Big Box REIT was responsible for the largest transaction in the year to date, the June forward purchase of Symmetry Park, Darlington for £120.7 million at a yield of 5 per cent. This build-to-suit facility, pre-let to a major international online retailer, totals over 15 million sq ft of gross internal area over ground and two mezzanine levels. The second largest transaction was also in Darlington, at Lingfield Point, where Fosgrove Real Estate Partners paid £44 million for a mix of Industrial (11 million sq ft), Office (384,000 sq ft) and Residential. Prime yields in Leeds remain stable at 5 per cent, with other key wider North East locations up to 75 bps higher.

OCCUPATIONAL MARKET

Occupational demand remains strong in the North East and Yorkshire/Humber region, with a number of mega shed deals boosting annual take-up. The aforementioned Symmetry Park, Darlington letting of 1.5 million sq ft is by far the largest leasing transaction in the region. It is a prime example of how technology enables intensive use of warehousing, with mezzanine floors maximising cubic capacity rather than floorplate, and with the internal area customised for robotics and electronic picking systems. Another major leasing event was the letting of Logicor’s Sheffield 615, Shapcote Lane (614,497 sq ft) to Clipper for a contract on behalf of retailer Pretty Little Thing at a rent of £5 psf.

As the above lettings demonstrate, the logistics market is being propelled by retailer and e-commerce demand. The favourable labour supply characteristics in the region are proving attractive to occupiers, with availability and cost of labour being the pre-eminent consideration for many occupiers.

Speculative development is starting to gather pace, particularly in South Yorkshire, although immediate development opportunities in West Yorkshire are severely restricted.

Demand has driven selective rental growth in Leeds, Sheffield and Newcastle with rents for 10,000-30,000 sq ft units now in the range of £6.50-£6.75 psf. Prime regional logistics rents (100,000+ sq ft) are £5.50-£5.75 psf.

TRACK RECORD HIGHLIGHTS

LONDON SCOTTISH
Freehold Disposal
Cartonwood Drive, Barnsley

DB SYMMETRY
Leasehold Disposal
Symmetry Park, Darlington

ABERDEEN STANDARD INVESTMENTS
Leasehold Disposal
V495 Doncaster

GLENTROOL ESTATES
Freehold Disposal
S2, Shertburn

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The Industrial and Logistics market in Scotland has performed relatively well over the last 12 months. That said, whilst supply continues to diminish and demand for small units remains strong, take-up of medium to larger sized buildings has been more limited, no doubt due, in part, to the wider political and economic uncertainty surrounding Brexit.

**INVESTMENT MARKET**

Investment volumes to the end of November 2018 were at £310 million (Property Data), 7 per cent higher than 2017 and the strongest year since 2014. The multi-let investment market in Scotland continues to be favoured due to the strong occupational story and the low capital values per sq ft on offer. The largest non-portfolio transaction was Canmoor Asset Management and JCAM’s purchase of the 45 unit, 1.6 million sq ft Westway Park, Renfrew for £37 million, at an initial yield of 8.9 per cent.

Scotland offers a yield discount to the rest of the UK, which income focussed investors can take advantage of. As a result, the sector has continued to perform well. The strongest demand favours long-dated income or modern property in prime locations, with prime yields in Edinburgh and Glasgow at 6 per cent. Older or more secondary stock has a place in the market as long as it is priced correctly and, crucially, if the lot size is large enough to attract the main industrial players. Investor caution for anything other than modern and/or well-located stock is continuing to drive the prime and secondary pricing differential.

**OCCUPATIONAL MARKET**

Q1 to Q3 2018 saw Scottish Industrial take-up of 4.2 million sq ft. There is, therefore, some catching up required to reach 2017’s total of 8.1 million sq ft or the 10-year average of 7.9 million sq ft.

Demand for the smaller sub-15,000 sq ft size range remains healthy, with 2018 take-up in this size band broadly similar to 2017 and accounting for 45 per cent of total take-up. However, the medium sized (15,000-50,000 sq ft) end of the market has been more subdued, accounting for 34 per cent of total take-up. Mirroring historic trends, the 50,000+ sq ft market is less active, albeit there appears to be several unsatisfied requirements which we hope will translate into transactions in 2019.

Demand continues to come from a broad spectrum of sectors. Whilst parcel delivery firms have been a feature of market activity, Scotland has seen lower levels of demand from online retailers than the rest of the UK as increased e-commerce demand is served by large RDC’s in the north of England. The market continues to witness tightening supply levels and, with the future speculative development pipeline remaining limited, we expect upward rental pressure in 2019. The Scottish Industrial and Logistics property market has a total stock of 225 million sq ft. The availability rate has been declining gradually to the present 8.2 per cent (18.4 million sq ft), representing a significant 32 per cent reduction from the 2011 peak of 12 per cent. Only 5 per cent of available stock is new or modern, which is a concern for larger occupiers and unlikely to be addressed by developers. We therefore anticipate more built-to-suit activity.

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**INVESTMENT**

ASDA
Freehold Disposal
Grangemouth

EXETER PROPERTY GROUP
Leasing
21 Coddington Crescent, Eurocentral

GRAYLING CAPITAL
Acquisition
Titan, Centralpoint, Eurocentral, Glasgow

CANMOOR
Leasing
Westway Park, Renfrew
Demand for industrial space remains concentrated around the Greater Belfast area and established provincial industrial parks which benefit from immediate accessibility to the motorway network. The market is very much deterred from opportunities that do not exhibit this key characteristic.

**INVESTMENT MARKET**

There is a limited supply of institutional grade industrial product in Northern Ireland and a corresponding lack of transactional activity. 2018 has seen a demonstrable appetite from a range of family trusts, property companies and opportunity led funds for a combination of individual properties, multi-let estates and built-to-suit assets.

The largest industrial asset brought to the market in 2018 was Antrim Business Park, a 580,000 sq ft former manufacturing facility set on 72 acres, at £12.5 million, which attracted multiple bids, all from outside of Northern Ireland. The property presents a range of asset management opportunities and we understand that a sale has been agreed above the asking price.

Principal drivers of demand in 2018 were third party logistics operators managing contract led solutions for a variety of business users, from e-commerce to international manufacturing companies. These demand drivers are, however, reflected in short term (three to five year) contract led solutions, which are not sufficient to drive either new build or speculative development.

There has been no speculative development in Northern Ireland for over 10 years, albeit the past 12 to 18 months has witnessed the completion of a number of sizeable build-to-suit pre-lets including Bunzl (Armagh) and Cosentino (Nutts Corner). A key characteristic of the Northern Ireland market over the past 10 years has been the closure of a number of large factories housing major local employers. The past 12 months has seen Michelin (800,000 sq ft) close in Ballymena (acquired by Colliers International) and Schlumberger close (150,000 sq ft) in Newtownabbey. In the absence of new development, demand for large distribution warehouse space is being actively absorbed by these opportunities.

Outside of what would be deemed traditional demand, Northern Ireland has witnessed a continued increase in demand for film studio space, very much a derivative of the positive experience HBO has enjoyed during the eight plus years of Game of Thrones being shot in Belfast. Belfast Harbour delivered a bespoke 120,000 sq ft facility, immediately taken by Warner Horizon, and a number of further projects seem keen to locate in Northern Ireland given the excellent accessibility from London and support network for the industry that now exists.

2019 should see the emergence of a number of more significant pre-letting deals, with Amazon rumoured to be acquiring a dedicated distribution hub alongside a number of other 3PLs.

New build distribution units with 8 metre plus eaves heights located in immediate proximity to motorway junctions will command rents in the region of £5.50-£6.25 per sq ft. However, a very limited supply of this type of accommodation, particularly in the 50,000+ sq ft size range is available.

Second/third generation warehousing/ former manufacturing space across Greater Belfast with eaves heights of 6 metres plus is achieving £3.75-£4.50 per sq ft, dependent upon location, configuration and specification.

**OCCUPATIONAL MARKET**

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Outside of what would be deemed traditional demand, Northern Ireland has witnessed a continued increase in demand for film studio space, very much a derivative of the positive experience HBO has enjoyed during the eight plus years of Game of Thrones being shot in Belfast. Belfast Harbour delivered a bespoke 120,000 sq ft facility, immediately taken by Warner Horizon, and a number of further projects seem keen to locate in Northern Ireland given the excellent accessibility from London and support network for the industry that now exists.

2019 should see the emergence of a number of more significant pre-letting deals, with Amazon rumoured to be acquiring a dedicated distribution hub alongside a number of other 3PLs.

New build distribution units with 8 metre plus eaves heights located in immediate proximity to motorway junctions will command rents in the region of £5.50-£6.25 per sq ft. However, a very limited supply of this type of accommodation, particularly in the 50,000+ sq ft size range is available.

Second/third generation warehousing/ former manufacturing space across Greater Belfast with eaves heights of 6 metres plus is achieving £3.75-£4.50 per sq ft, dependent upon location, configuration and specification.

**TRACK RECORD HIGHLIGHTS**

**SILVERWOOD PROPERTY DEVELOPMENTS**

Acquisition
Former Michelin Factory, 190 Raceview Road, Ballymena

**SCREWFIX**

Acquisition
Omagh & Enniskillen

**ASDA**

Lease Renewal
Port of Larne

**AGRO MERCHANTS**

Acquisition
Blackstaff Road, Belfast
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Established national team in key locations across the UK with extensive local knowledge
Unrivalled occupier representation
Strong relationships with key developers and funds
Dedicated logistics and supply chain experts
Strong market performance in excess of 20 million sq ft transacted within the last 12 months