

BAROMETER

Spring 2018



2017 TAKE-UP OVER 100,000 SQ FT REACHED **27M SQ FT**, BELOW THE RECORD **32M SQ FT** IN 2016, BUT IN LINE WITH LONG TERM AVERAGES



OCCUPIERS CONTINUE TO BE **CAUTIOUS** AGAINST A BACKDROP OF BREXIT UNCERTAINTY AND **LOWER CONSUMER SPENDING**



SLOWER DEMAND IS MASKED BY THE **LACK OF STOCK** AND A **SHORTAGE** OF SPECULATIVE DEVELOPMENT

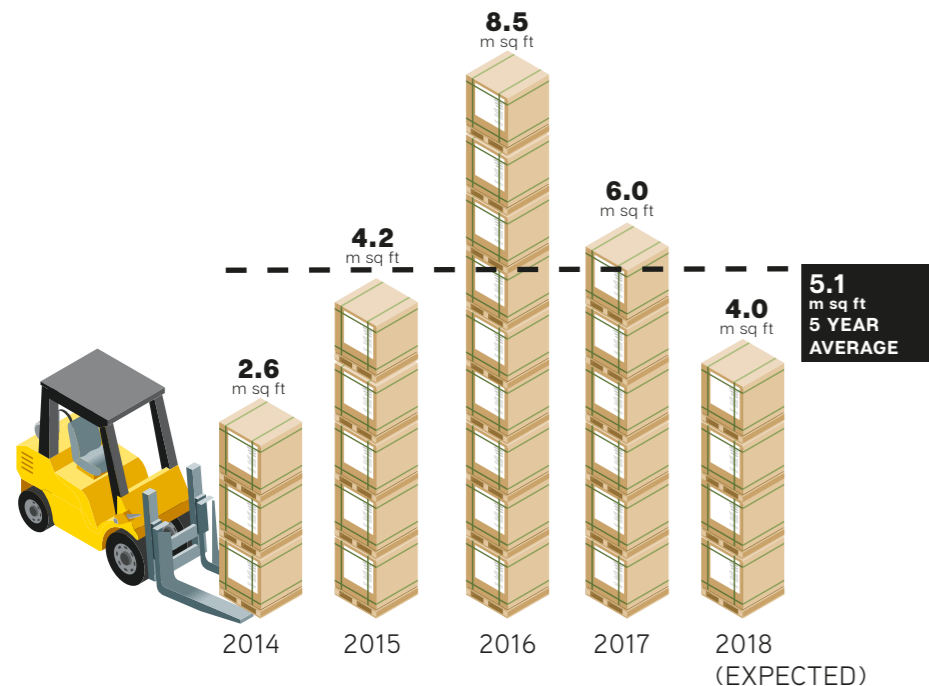


GIVEN THE STRONG START OF YEAR AND LIVE REQUIREMENTS, WE PREDICT 2018 TAKE-UP TO EXCEED **30M SQ FT**

UK SPECULATIVE DEVELOPMENTS

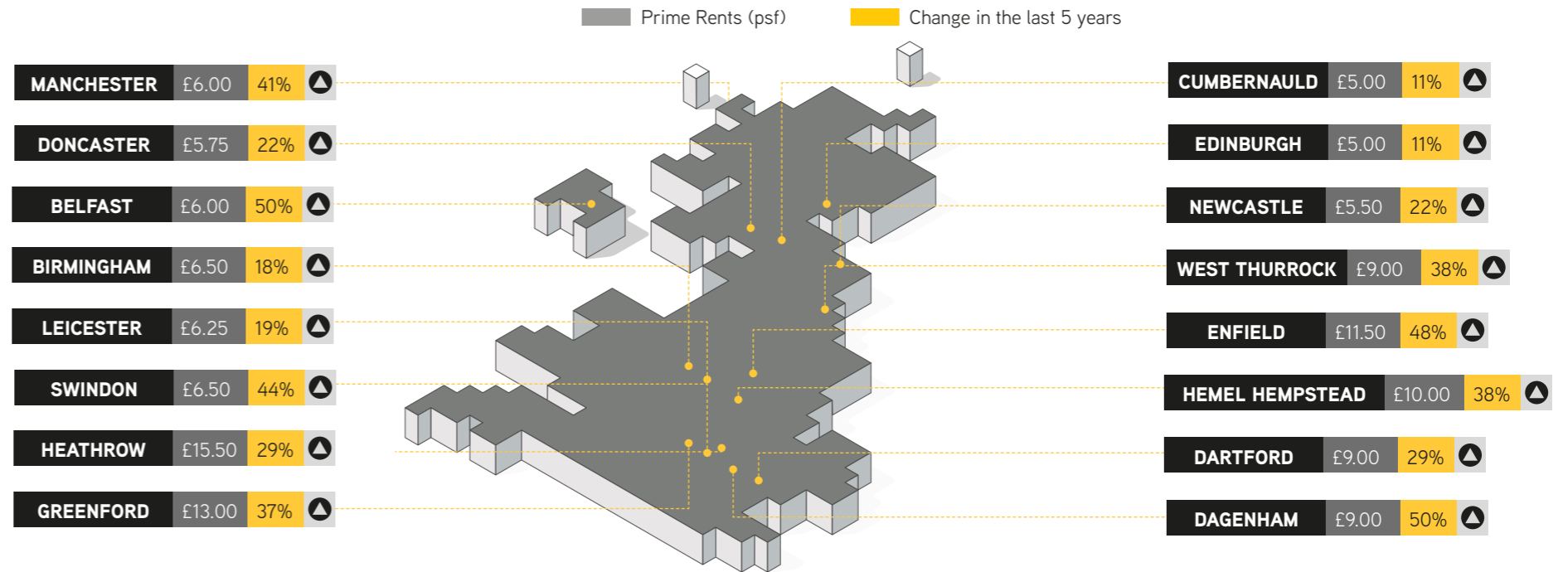
(>100,000 SQ FT)

- Circa **4m sq ft** of speculative completions over 100,000 sq ft expected in 2018, 30% down on 2017
- UK overall availability over 100,000 sq ft stands at **29m sq ft** inc. 5.5m sq ft in Grade A space
- Current supply over 100,000 sq ft equates to **eight** months, based on annual average take-up



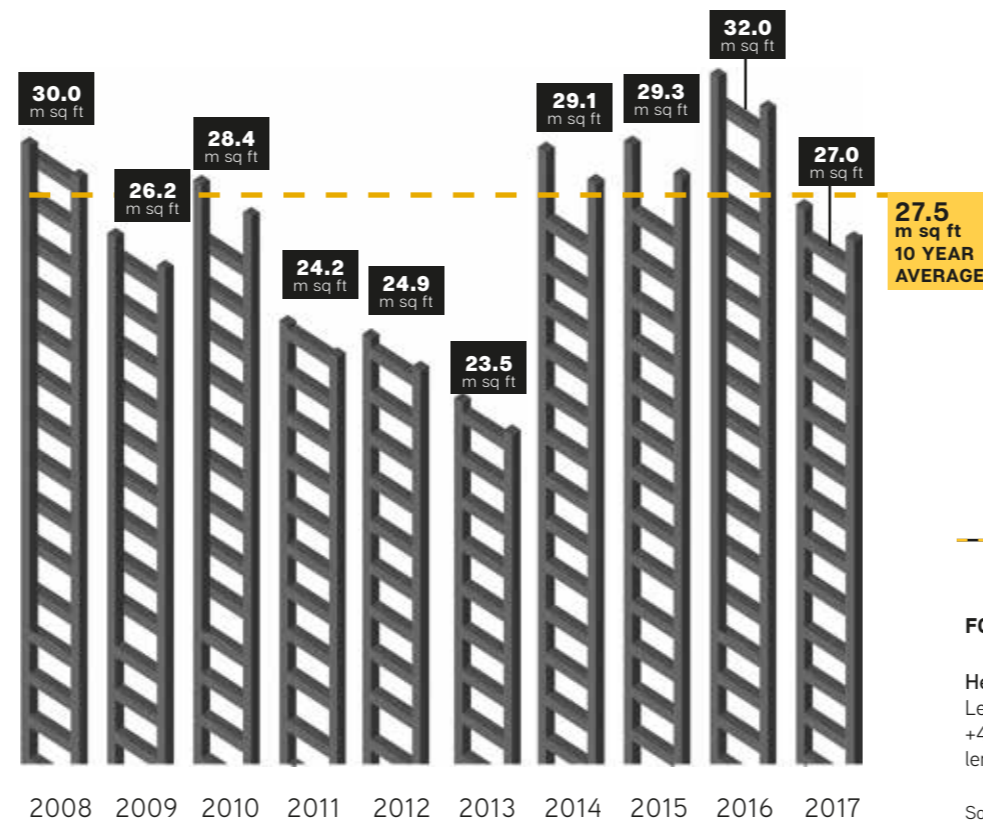
2018 BIG SHEDS RENTS MAP

- UK rents for Grade A units over 100,000 sq ft are up by an average of **4.4%** (y/y), averaging £6.60 psf
- The regions enjoying the highest y/y increases include **South West** (+6%), London (+5%) and Yorkshire & Humber (+5%)
- The industrial sector is set to continue outperforming the other core property sectors in the coming years, with 5-year annualised rental growth of **3.0%**



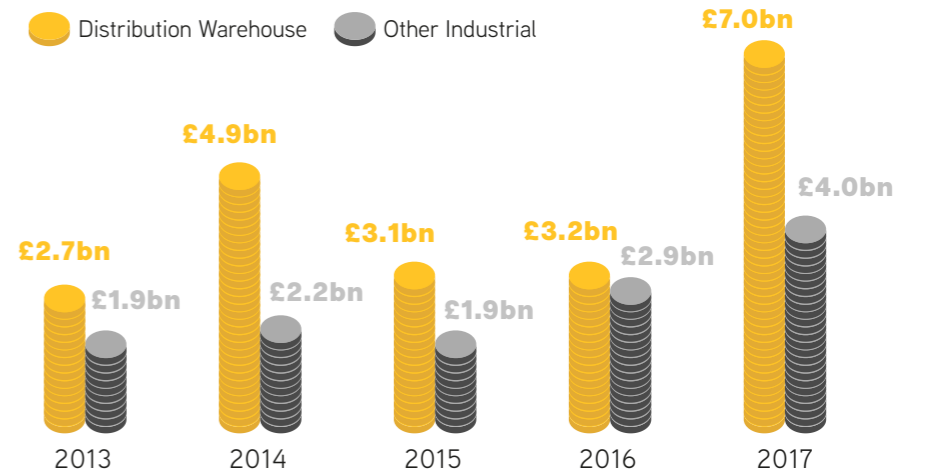
UK LOGISTICS TAKE-UP (>100,000 SQ FT)

- 2017 take-up over 100,000 sq ft was **27m sq ft**, down on 2016 but in line with long term averages
- **24%** take-up from manufacturing, up from 18% in the previous year
- We predict 2018 take-up to exceed 30m sq ft



UK INDUSTRIAL INVESTMENT

- A record **£11bn** of industrial assets transacted in 2017, +80% y/y
- **44%** came from overseas investors (18% in 2016)
- **£2.4bn** - the largest deal by China Investment Corporation



FOR MORE INFORMATION

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Sources: Colliers International, Property Data

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