

# Press Release 2023



## INDUSTRIAL AND LOGISTICS MARKET UPDATE Q2 2023

Despite the ongoing economic uncertainty, the FHP Industrial and Logistics Team have, in the first two quarters of 2023, handled the sale/letting/acquisition of 991,084ft<sup>2</sup> in 54 transactions.

The pandemic led to an exponential surge in demand across all size sectors with record levels of take up having been recorded across the UK during 2020 and 2021.

The events which unfolded during 2022 with both Russia's invasion of Ukraine and the onshore volatility within the financial markets with a series of interest rates and the cost-of-living crisis has led to all companies being prudent in their business making decisions.

Nevertheless, we are still seeing an imbalance between supply and demand and we are, in the majority of locations, still finding that we have more enquiries than available stock within the smaller size ranges in particular.

The speculative development supply pipeline has slowed down – developers are finding it difficult to reconcile the uncertainty within the market with increased build costs and investor's nervousness, but we have been very fortunate at FHP in handling a speculative development pipeline of nearly 2 million square feet where practical completion on those units was taken from the summer of last year.

We have seen a good take up and demand within the smaller to mid-sized speculative schemes undertaken by Chancerygate at Trent Gateway in Nottingham, by Roe Developments at Clay Cross and by Urban Logistics Reit who funded Wilson Bowden Developments units in Nottingham, Castle Donington, and Leicester.

Acting on behalf of Rotherhill Developments, we have also seen a 125,000ft<sup>2</sup> scheme at Rothley in Leicester reach practical completion – the two units were pre let to EM Pharma and FHP successfully introduced funding from London Metric to enable this scheme to be delivered.

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In the larger size range, Panattoni have recently practically completed on two units of 230,000ft<sup>2</sup> and 345,000ft<sup>2</sup> at J28. NFU completed on units at J24 and J28 totalling 775,000ft<sup>2</sup> in units of 134,000ft<sup>2</sup> up to 343,000ft<sup>2</sup> in size with NFU selling the two units at Castlewood, J28 to GLP – a 134,000ft<sup>2</sup> unit being let and discussions ongoing on the remaining space. We have also let a 101,000ft<sup>2</sup> industrial unit at Fairham Business Park in Clifton.

Our message in the market is quite simple – from a property perspective we are still seeing continued demand in most sectors and we would welcome the opportunity of speaking to any businesses/developers about your property thoughts. As a business, if you are thinking of a move then in most cases whilst the market is a little bit more pragmatic than previous there is still adequate demand to support a business case relocation within the short to medium term.

For further information please feel free to contact one of the team.

ENDS

July 2023

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