NEWMARK

Multi-let

The definitive guide to the UK's multi-let industrial property market

August 2025

NMRK.COM/UK

Market Overview

The UK multi-let industrial market enters H2 2025 amid a complex combination of sector resilience and economic uncertainty. Following the third-highest annual industrial investment volume on record in 2024, deal activity slowed sharply in H1 2025 due to persistent geopolitical headwinds and sustained caution in direct real estate markets. Nevertheless, industrial total returns have returned to double digits, supported by stabilising yields and ongoing rental growth. Debt markets are improving, with higher LTVs and tighter margins aiding deployment. A pick-up in transaction volumes is widely anticipated in the final quarter, underpinned by income growth that will continue to support industrial's outperformance over the other major property sectors.

Occupier fundamentals for multi-let remain sound, supported by a resilient mix of demand across retail, manufacturing, logistics and SMEs. Multi-let rental growth continues to outperform other sectors, though the pace has moderated. After London's rapid gains in 2021-22 the cycle has become more regionally balanced, with the Rest of UK outperforming London & the South East for a second consecutive year in 2024. Polarisation persists, with prime ERVs significantly above the broader market, offering headroom for good quality secondary rental growth. High reversion is now being captured, especially in the South East, North West and the Midlands.

Vacancy ticked up again as expected in 2024, with the sharpest increases in London and the South East to around 12%. Inner London remains the most affected, with arguably the most stretched affordability. Void rates outside the South East have been more contained and edged out to around 10%. Typical multi-let occupier costs have increased up to 60% since 2019, but the proportion devoted to rent has fluctuated as staffing and utilities outlays have also risen dramatically. Financial strain is acute, but suitable floorspace remains scarce. Thus, despite rising UK insolvencies, the multi-let default rate was a near-record low 1.5% in 2024.

With little new development and limited lease churn, vacancy is expected to plateau after 2025. Rental growth is forecast to trough in 2025/26 before recovering gradually. The North West, Midlands, and South East are expected to lead the next phase of regional outperformance, supported by tight supply, resilient demand and relatively accessible pricing. Meanwhile, landlords continued to make tangible EPC progress in 2024, and the proportion of grade C-and-below-rated space continues to decline. Grade B is the dominant refurbishment target due to its balance of feasibility and future-proofed regulatory compliance.

Contents

Contributors

Multi-let is Newmark's unique and market-leading syndicated study that provides detailed industry-reference insight into what would otherwise be an opaque sector.

The results are built from the bottom up, using individual tenancy information on units between 500 sq ft and 50,000 sq ft in size.

The information spans 17 years, covering many tens of thousands of individual assets over that time, with a sample size of 162 million sq ft, valued at over £30bn (see Dataset and definitions for further detail).

Many thanks to the leading UK multi-let industrial property investors who contribute their data to make this important study possible.

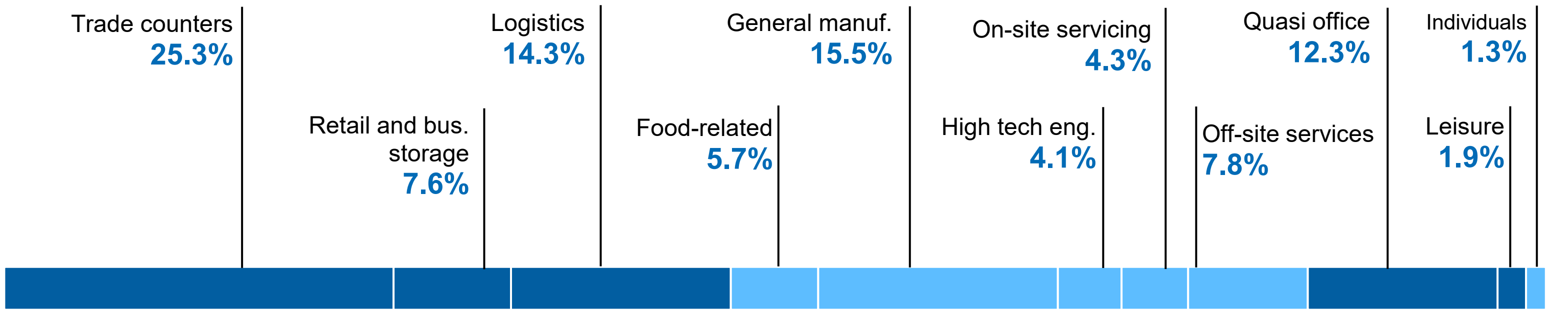
Occupier base

The multi-let industrial occupier base has similarities to larger industrial units in supporting common kinds of activities, such as logistics or manufacturing. However, the segment also benefits from its own unique offering and can host various retail, office and leisure activities. Trade counters are a key occupier type, but a wide variety of national, regional and local businesses now benefit from the flexibility of modern multi-let. This diversification provides an appealing defensiveness and resilience for the sector, particularly at this time of increased geopolitical volatility.

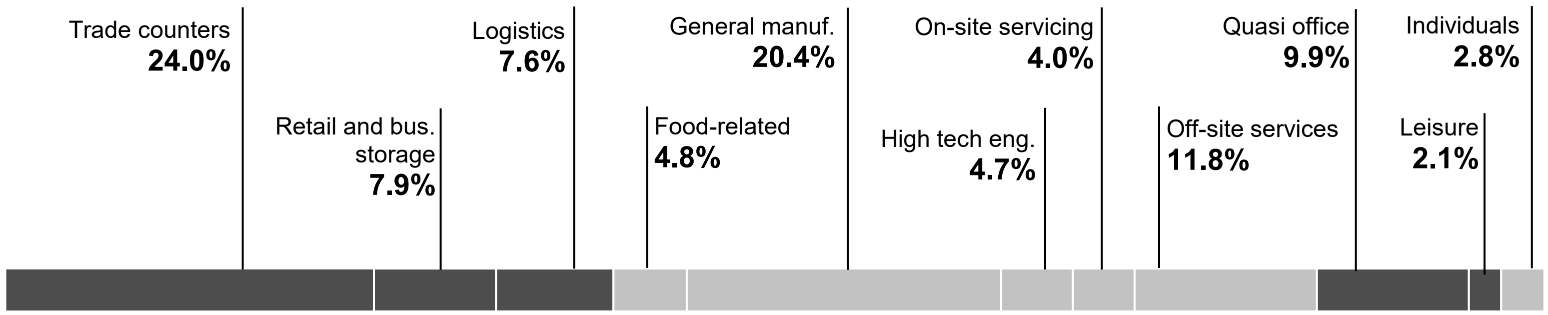
After a rapid period of gentrification over 2012-16 across the UK, logistics continues to be a key growth area in London & the South East. The footprints of logistics and manufacturing are now comparable at near to 15%; logistics having increased from only 2-3% in 2008 and manufacturing having decreased from over 26% over the same period.

Logistics also has a higher concentration in multi-let around key UK cities and is highest in Greater London. Post-US tariffs, Chinese ultra urban logistics operators are now filtering into multi-let demand, capable of absorbing the space vacated by Q-commerce. Food-related activity nevertheless remains high in central locations, with small-batch production, catering and dark kitchens still active. MOT centres ("On-site servicing"), along with the "Individuals" segment most prevalent in micro units in the North, continue to be crowded out of the institutional dataset.

Multi-let occupier base – London & the South East
Source: Newmark



Multi-let occupier base – Rest of UK
Source: Newmark



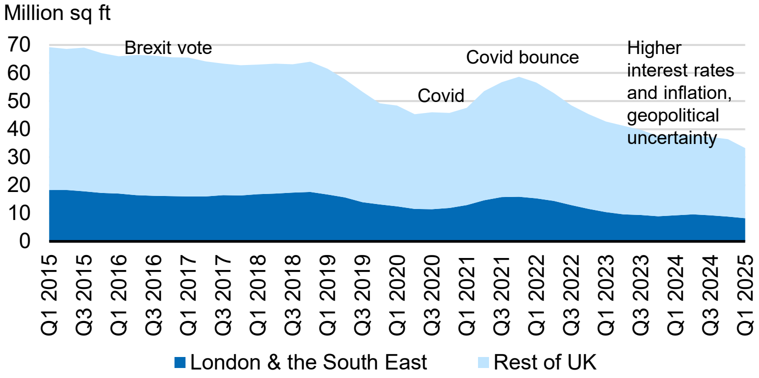
Occupiers & take-up

Rolling annual multi-let take-up for the UK is currently around 35m sq ft, which is around half of the nearly 70m sq ft recorded a decade ago. Take-up broadly reflects the built composition of stock, with around three-quarters located outside the South East. Half of all take-up is in 5,000-25,000 sq ft small-box units, with the remainder split evenly between 500-5,000 sq ft micro units and 25,000-50,000 sq ft mid-boxes.

Occupiers are cost-conscious and cautious about taking new space, while rents have risen significantly. Yet, despite the tick-up in vacancy (covered later in the report), the broader trend continues to be one of relative scarcity of suitable space. Limited multi-let development has likely constrained demand. When newly built and pre-let space is excluded from 50,000 sq ft+ industrial take-up data, trends across the two size formats are broadly similar. Although the multi-let data technically include renewals, most in the dataset are new lettings, implying that many regears, particularly among micro units, happen off-market and go unrecorded.

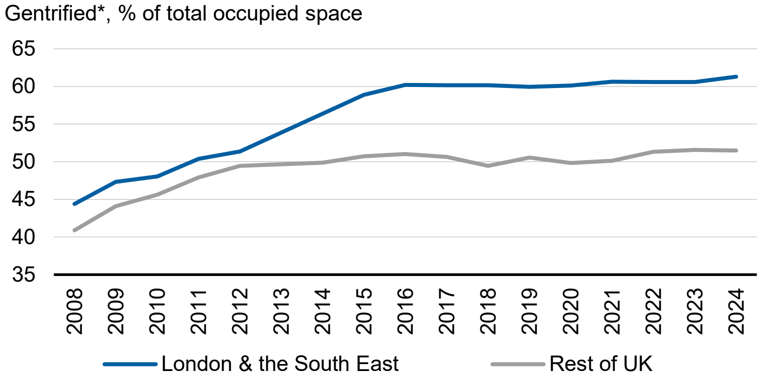
Data on the size of firms occupying multi-let space challenge the perception that multi-let estates are dominated by small businesses. Many are branches of large national or international operators, especially in London and the South East. In contrast, more peripheral regional markets remain strongholds for independents and smaller regional operators.

Multi-let rolling annual take-up by major region
Source: Newmark

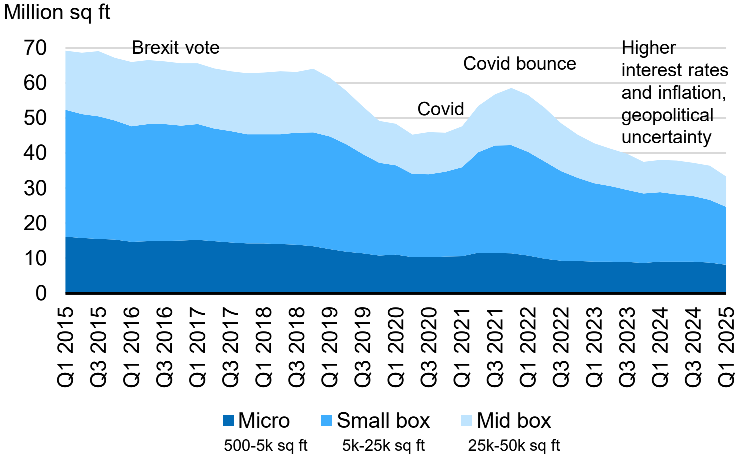


* Retail & logistics occupiers, plus quasi-office and leisure

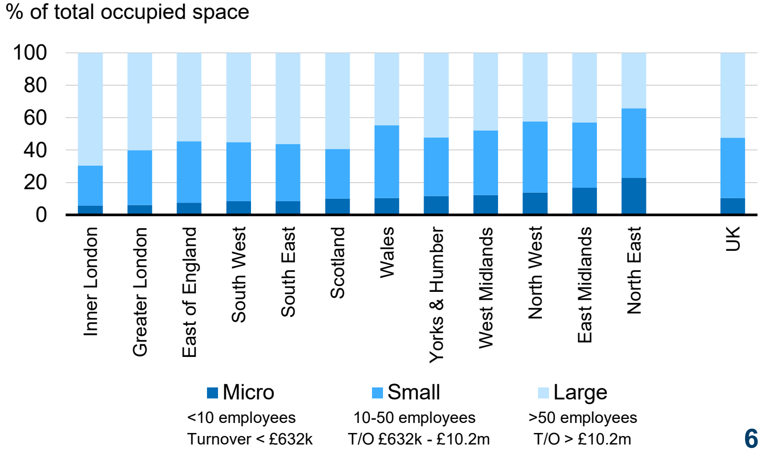
Gentrification of the asset class
Source: Newmark



UK multi-let rolling annual take-up by unit size
Source: Newmark



Multi-let occupied floorspace by company size (definitions)
Source: Newmark



Multi-let rents

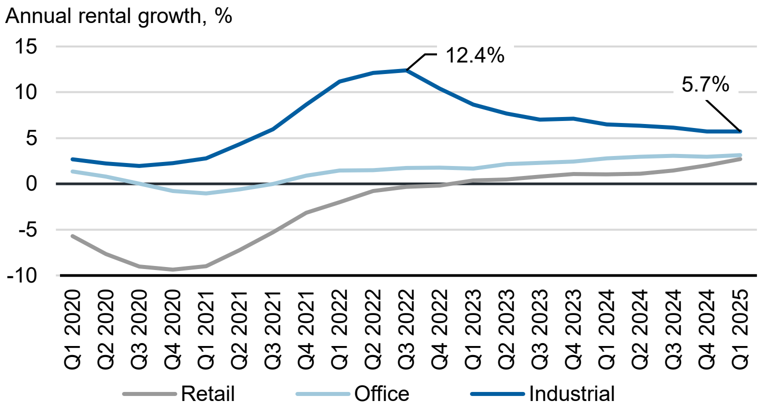
MSCI data across the main property sectors show that all-grades annual rental growth for industrial has slowed from its 2022 peak rate of 12.4% to 5.7% in 2025. While the rate has moderated, this still represents substantial real-terms growth, far outperforming the other major property sectors. The economic environment continues to present challenges for occupiers and in response landlords are increasingly offering lease flexibility and enhanced incentives to support headline rents and minimise friction in the letting process, particularly in locations where demand has become more price sensitive.

Similarly, there was continued momentum in the multi-let study data ERV growth in 2024 and a slowing of the overall cycle after the exceptional growth in 2021 and 2022. However, behind the headline numbers there were notable regional differences. Rental growth in the regions outside of the South East accelerated from 7.3% in 2023 to 8.7% in 2024. Meanwhile London & the South East slowed from 7.1% growth in 2023 to 3.9% in 2024. This regional outperformance for the second year in a row is significant as it has only occurred on one other occasion in our records in 2016.

After the exceptional growth in 2021 that disproportionately impacted London, the hierarchy has shifted as areas that have been slightly behind the in the cycle catch up. Rental growth has been strongest in the East of England, North West and the Midlands. Greater London slowed significantly in 2024, particularly in the small-box segment, while Inner London micro units recorded only low single-digit growth following the 2021-22 acceleration. The ERV spread between London & the South East and the Rest of UK narrowed again in 2024 to around 92%.

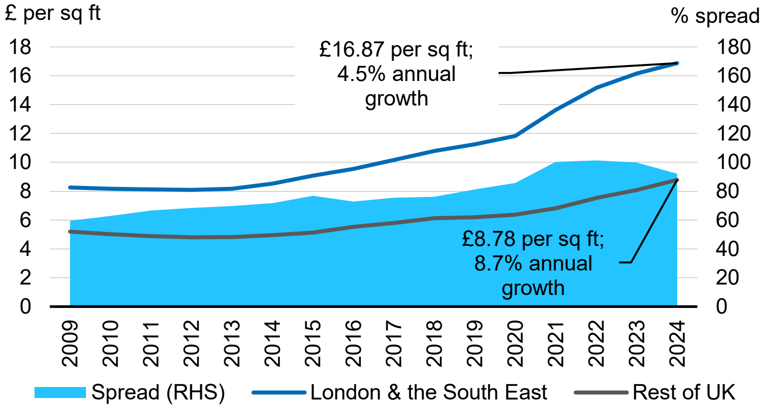
All-grades rental growth by sector

Source: MSCI



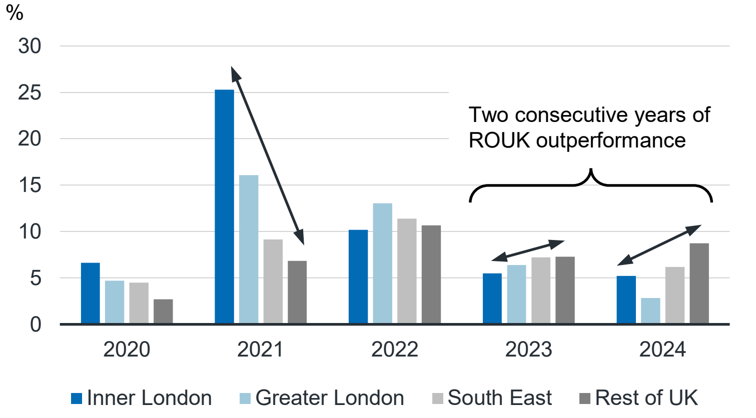
Multi-let ERVs by major UK region

Source: Newmark



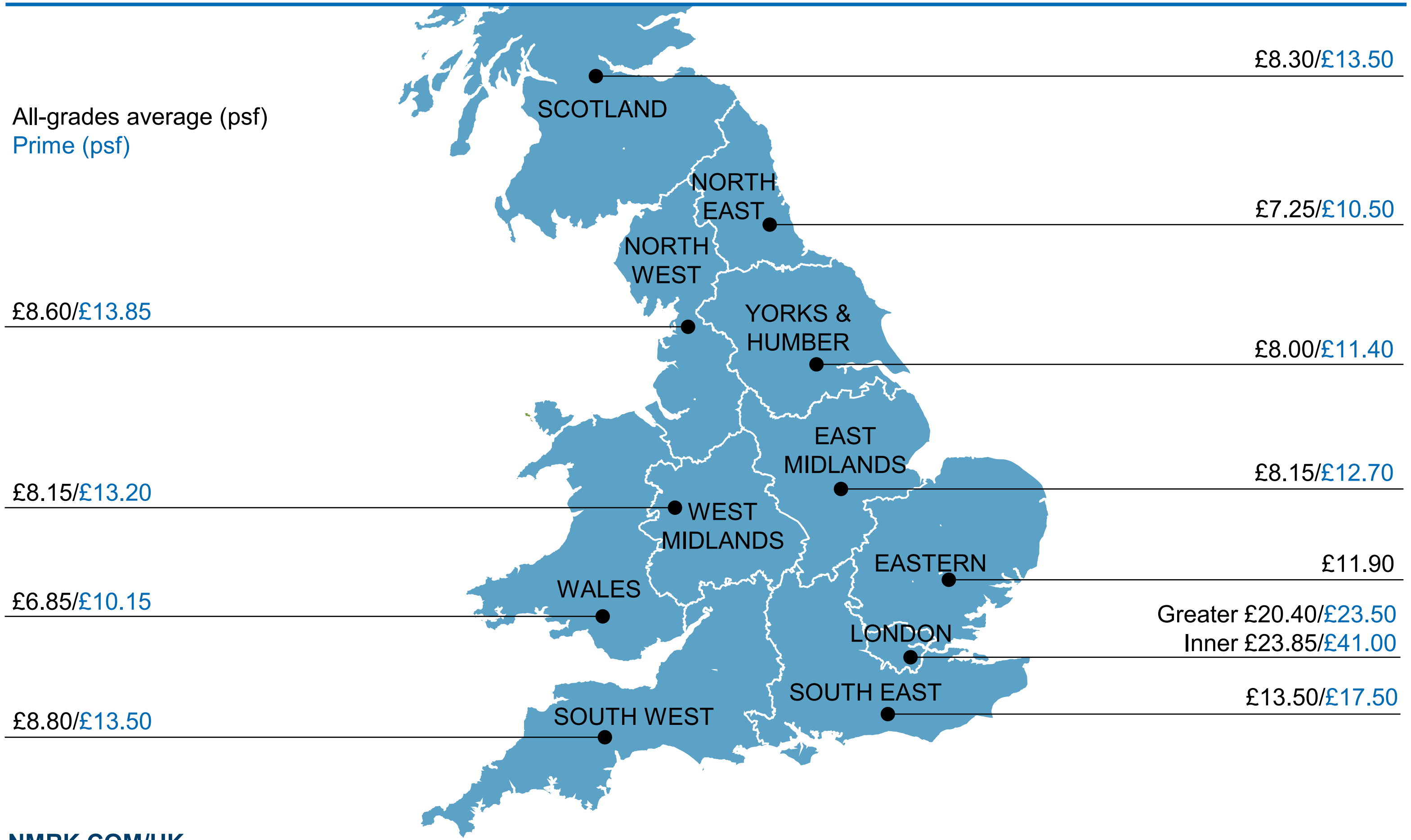
Annual ERV growth by submarket

Source: Newmark

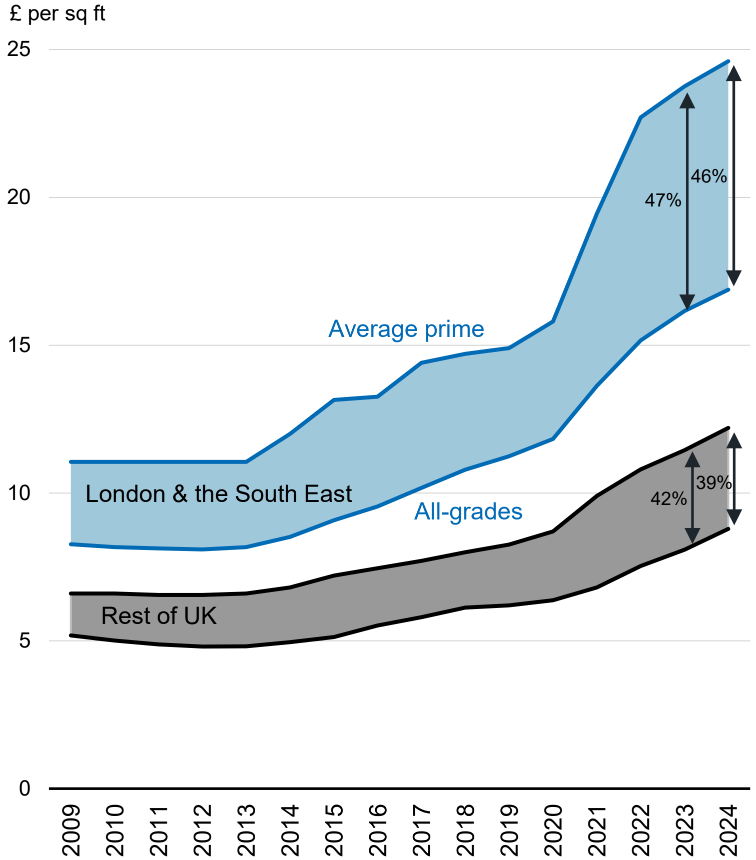


Rental polarisation and reversion

Multi-let prime and all-grades market rents by region, Q1 2025
Source: Newmark



Prime/all-grades multi-let ERVs and spread
Source: Newmark

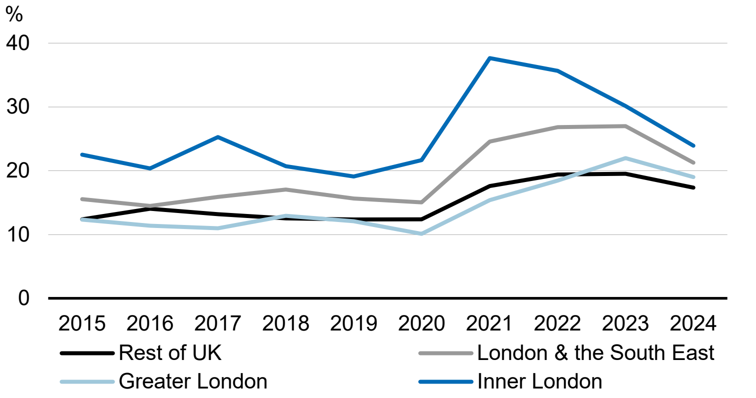


Rental polarisation and reversion

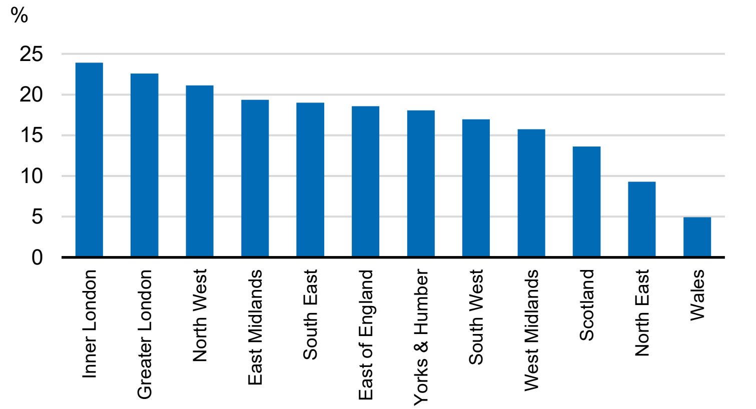
Across the UK, several regions show a marked polarisation between prime ERVs and the broader market. The gap between estimated prime rents and all-grades averages is especially pronounced where there has been the strongest rental growth, such as London, the North West, and the Midlands. The time series chart highlights a sharp rise in this polarisation during 2021 and 2022, peaking in 2023 at 47% in London & the South East and 42% in the Rest of the UK. This reflects both exceptional rental growth and the impact of rising build costs, which pushed up rents for new prime stock to maintain development viability. Although the spread narrowed slightly in 2024 it remains elevated, indicating that good quality secondary space continues to trade at a substantial discount and holds the greatest potential for future rental growth.

In contrast, rental reversion (measured as the spread between headline ERVs and passing rents) was significantly captured across all regions in 2024. Reversion is highest in London & the South East, the North West, and the Midlands, but it is also these regions where passing rents have grown more quickly than ERVs recently and compressed the reversion gap. This trend is most pronounced in London, where reversion has fallen for three consecutive years. This is potentially a positive signal for affordability, as rising passing rents indicate real income growth from tenants rather than notional valuation increases.

Multi-let reversion (ERV and passing rent) by region
Source: Newmark

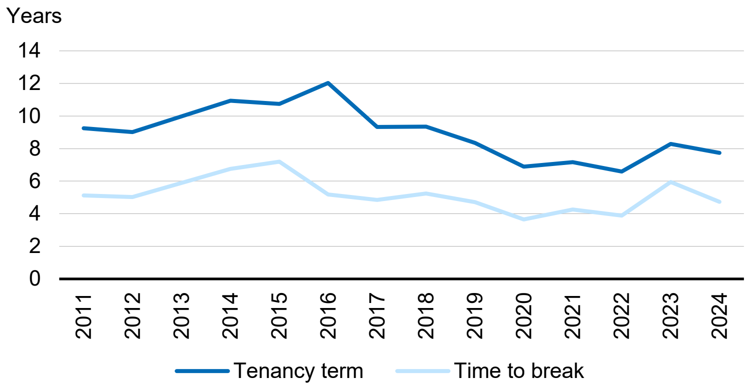


Multi-let reversion (ERV and passing rent) by region
Source: Newmark

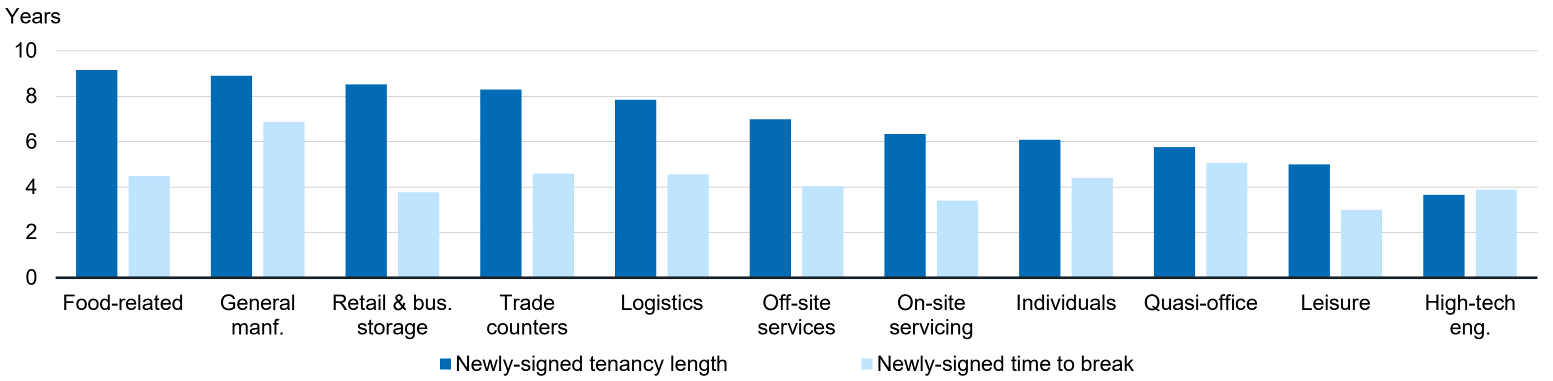


Length of income – newly-signed lease lengths and time to break

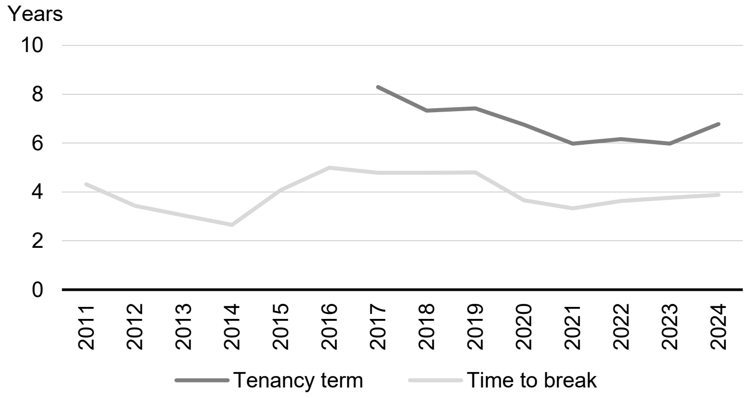
London & the South East, income length
Source: Newmark



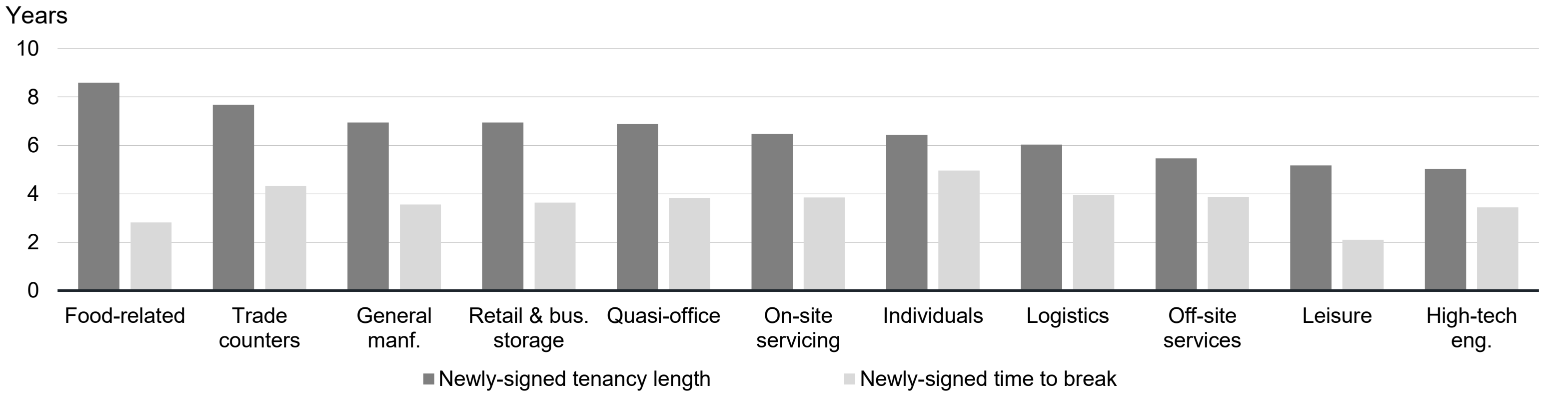
London & the South East, length of income by occupier type
Source: Newmark



Rest of UK, income length
Source: Newmark

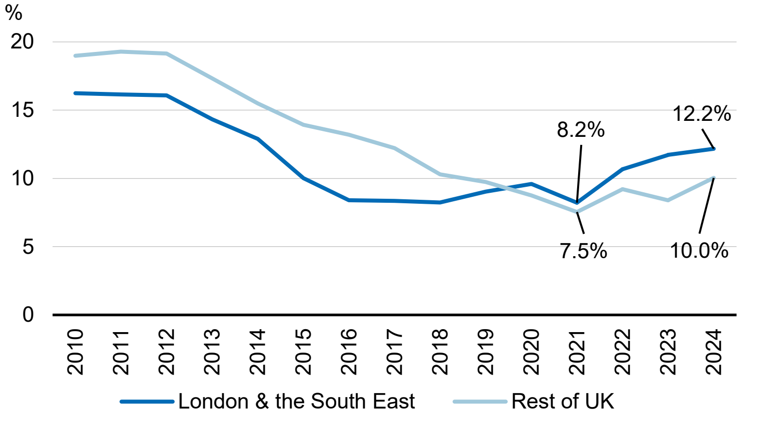


Rest of UK, length of income by occupier type
Source: Newmark



Vacancy

Multi-let vacancy rates by major region
Source: Newmark

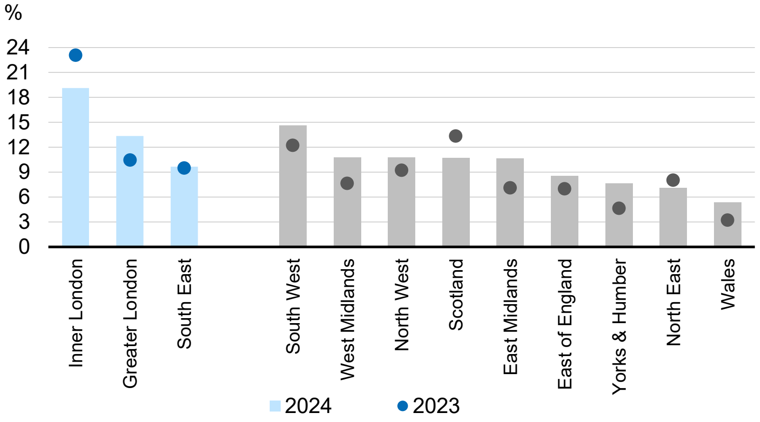


Void rates across the two major UK geographies edged up again in 2024. The increase in recent years has been more pronounced in London & the South East, eroding and eventually reversing the historical void differential with the Rest of the UK. Since the effective market peak in 2021, void rates in London & the South East have risen steadily from 8.2% to 12.2% in 2024. In contrast, void rates in the Rest of the UK have shown a more moderate increase from 7.5% to 10.0% and have fluctuated over the period rather than following a consistent upward trend.

Multi-let vacancy rates by London/South East submarket
Source: Newmark

The rise in voids in London & the South East has been driven largely by Inner London. Apart from the Covid-related bounce in 2021, Inner London void rates rose consistently from 5.2% in 2016 to a peak of 23.6% in 2023, before falling slightly to 19.1% in 2024. This sustained elevation reflects two key pressures: reduced income length that makes many occupier fit-outs uneconomic as landlords hold out for potential change of use; and stretched affordability as the highest multi-let rents in the UK have increased faster than any other submarket, encouraging more footloose occupiers to ripple out to Greater London and the South East.

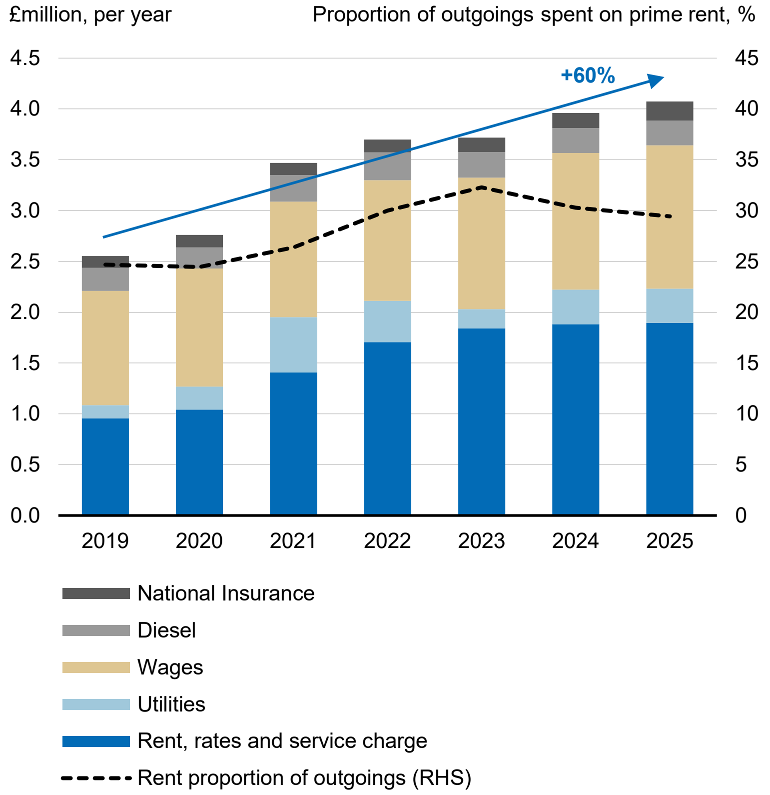
Multi-let vacancy rates by region
Source: Newmark



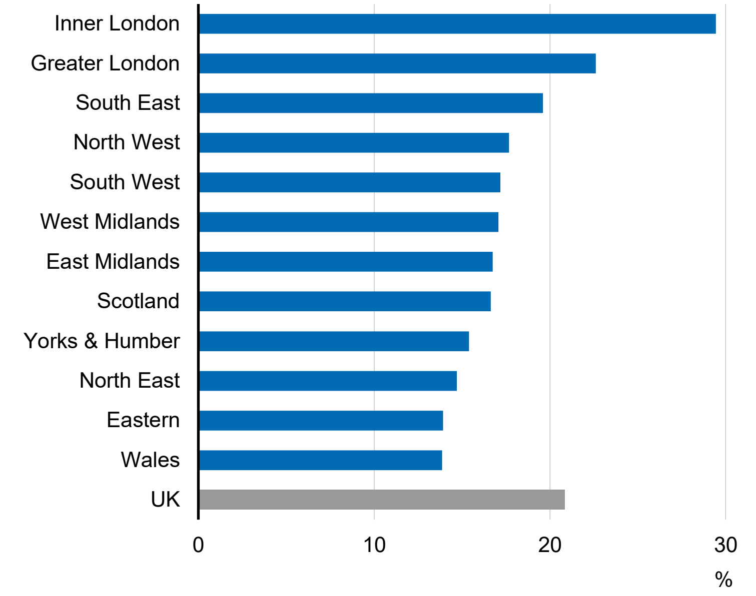
Affordability is explored in more detail overleaf, with a focus on London. Meanwhile, regional void rates edged up across many markets in 2024. Multi-let void rates tend to be higher than for big box units due to greater churn among smaller occupiers and the nature of the dataset, which captures gross voids - i.e. all units without a current tenant, including those temporarily vacant for refurbishment and not being actively marketed. Importantly though, the recent increase in voids has not been driven by new development, which remains scarce relative to the larger logistics sector, and the overall size and take-up rate of the multi-let market.

Occupier costs

Tenant business outgoings*: Inner London
Source: Newmark, Bionic, DfT, ONS, Oxford Economics



Prime rent proportion of occupier costs by region, 2025
Source: Newmark, Bionic, DfT, ONS, Oxford Economics



Total cumulative increase = **60%**
Rent, rates and service charge = **98%**
Wages = **25%** (with NI = **29%**)
Utilities = **161%**
National Insurance = **61%**
Diesel = **9%**

*based on a prime 30,000 sq ft unit let to a medium-sized logistics occupier with 30 employees, five vehicles and average gas/electricity usage, excluding rental incentives and specific costs.

Occupier cost pressures are a major concern, following several years of exceptional business cost inflation and an uncertain trading environment. This is particularly acute in Inner London, where multi-let ERVs are the highest in the UK and without historical precedent.

In this case study, total occupier costs have risen by 60% in just over five years, which equates to more than 10% per year on average. Rent, rates, and service charges almost doubled over the period, contributing 35 percentage points to the total increase and making them the largest single driver of cost growth. Utility costs have been more volatile but represent a smaller share of total expenditure.

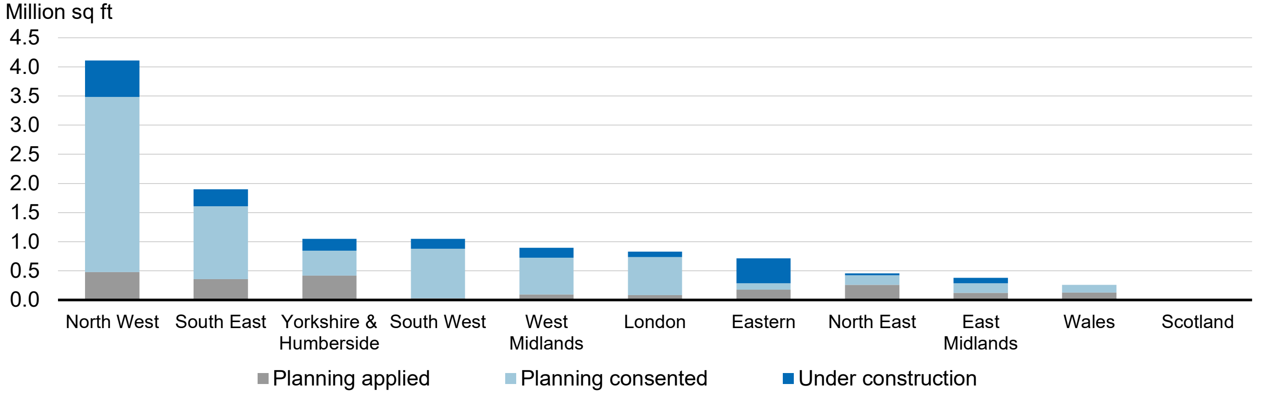
Headline rent as a proportion of total costs peaked at around one-third in 2023 before falling back to just under 30%, which is the lowest since 2021. While all components of the cost base have increased, rising wage costs and utilities have outpaced rental growth over the last two years. In lower-rent regions outside London, the greater rise in wages has reduced the rent share of total costs to 2020 levels.

Income and substitution effects may lead businesses to adjust capital or labour intensity to offset rising costs, but space remains a less flexible requirement. While businesses are undoubtedly more financially stretched than five years ago, and that will impact floorspace demand, the relative affordability of multi-let space has remained relatively contained.

Development

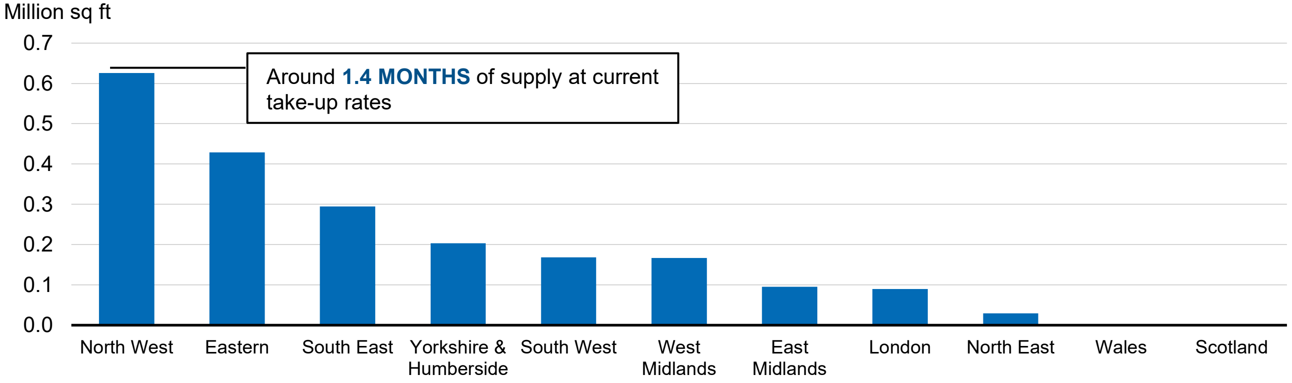
Multi-let development pipeline by region

Source: Newmark, Property Data



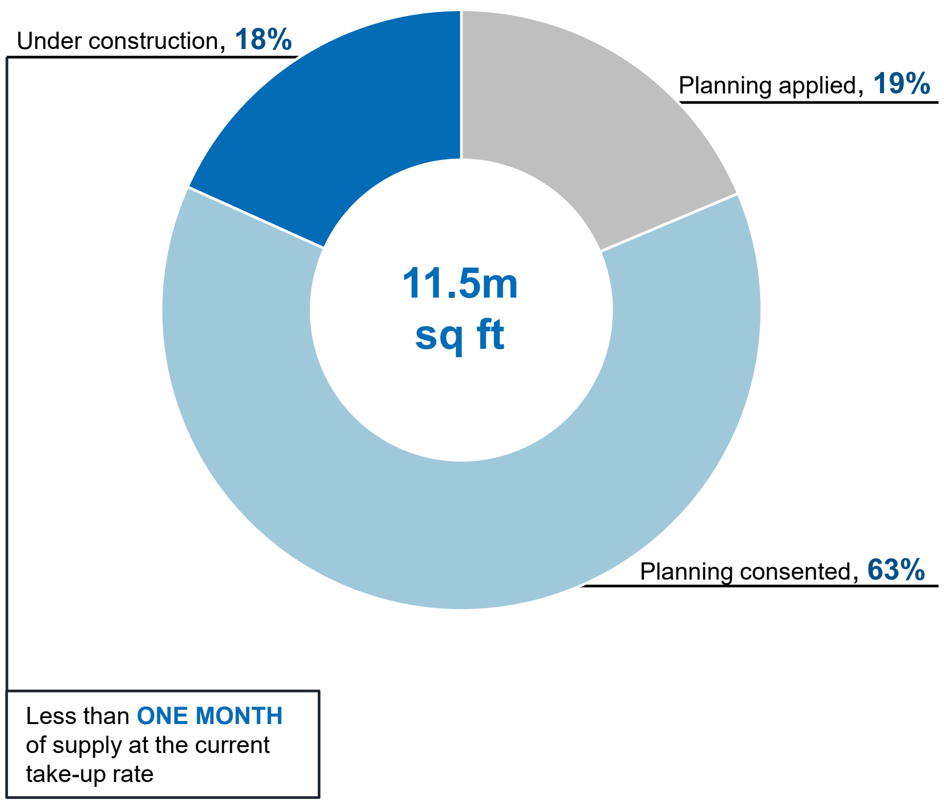
Schemes under construction by region

Source: Newmark, Property Data



Multi-let development pipeline by status

Source: Newmark, Property Data



Risk

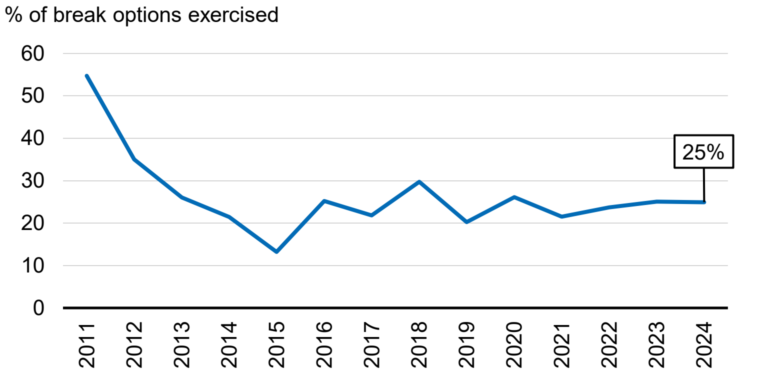
The tenant propensity to exercise a break has fallen significantly since 2011 and now appears to have stabilised at around 25%. Retention at lease expiry has steadily increased over time and, following Covid-related volatility, has settled at an average of two-thirds, though this varies by occupier type.

The multi-let default rate has historically varied cyclically with UK insolvency trends. However, this relationship has diverged in recent years and the default rate fell to record lows in 2023/24, despite rising insolvencies. This resilience reflects the scarcity of suitable space - whereas rent was once an early casualty for struggling businesses it is now more likely to be prioritised.

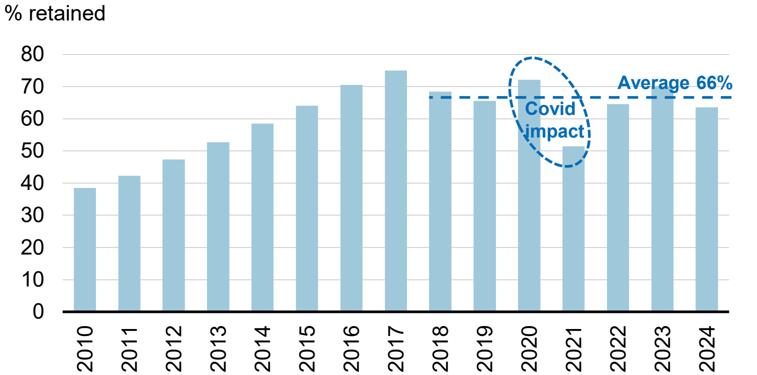
Regional differences in occupier income risk are illustrated by the average annual incidence of breaks and expiries leading to a loss of tenant, alongside defaults. These risk components broadly align with regional reversionary yields, although areas like the South East may carry lower headline yields due to higher rental growth expectations and deeper investment markets. Higher risk in locations such as the North West reflects shorter lease lengths rather than greater tenant risk per se.

A similar pattern emerges when risk is analysed by occupier type, overleaf. For example, "individuals" unsurprisingly are the riskiest tenant type, but less obviously leisure operators in London & the South East are the lowest, despite their high default rate, due to longer average lease terms.

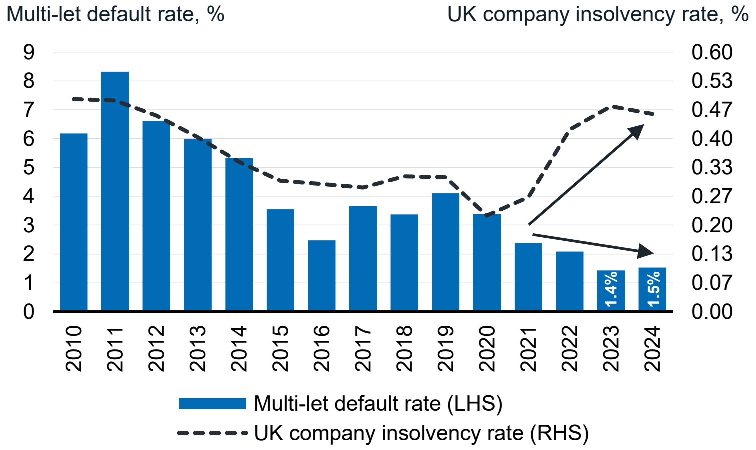
UK multi-let propensity to exercise a break
Source: Newmark



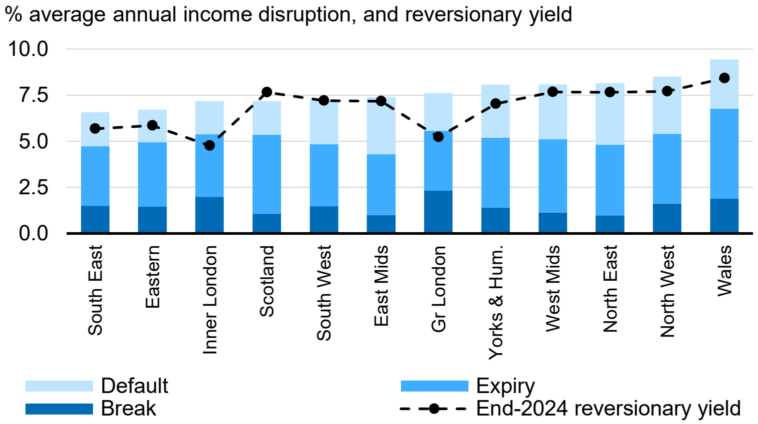
UK multi-let retention rate after expiry
Source: Newmark



UK multi-let default rate and company insolvency rate
Source: Newmark, ONS, The Insolvency Service



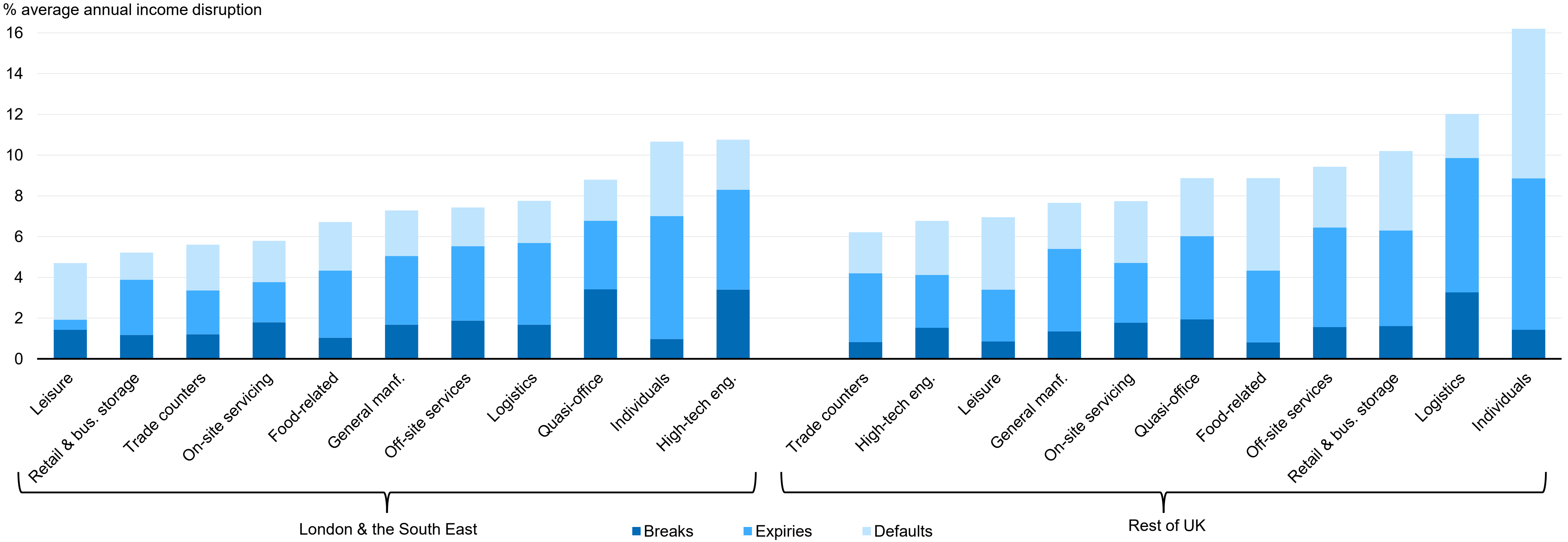
5-year average annual risk by component and region
Source: Newmark



Risk

5-year average annual risk by component, occupier type and major region

Source: Newmark

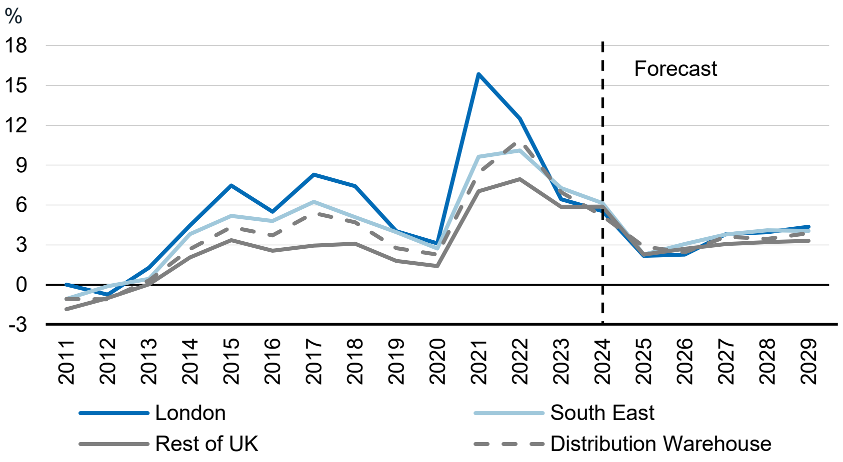


Average annual income disruption, calculated as the result of the average frequency of breaks and defaults and the proportion that lead to a vacancy, plus the average annual default rate.

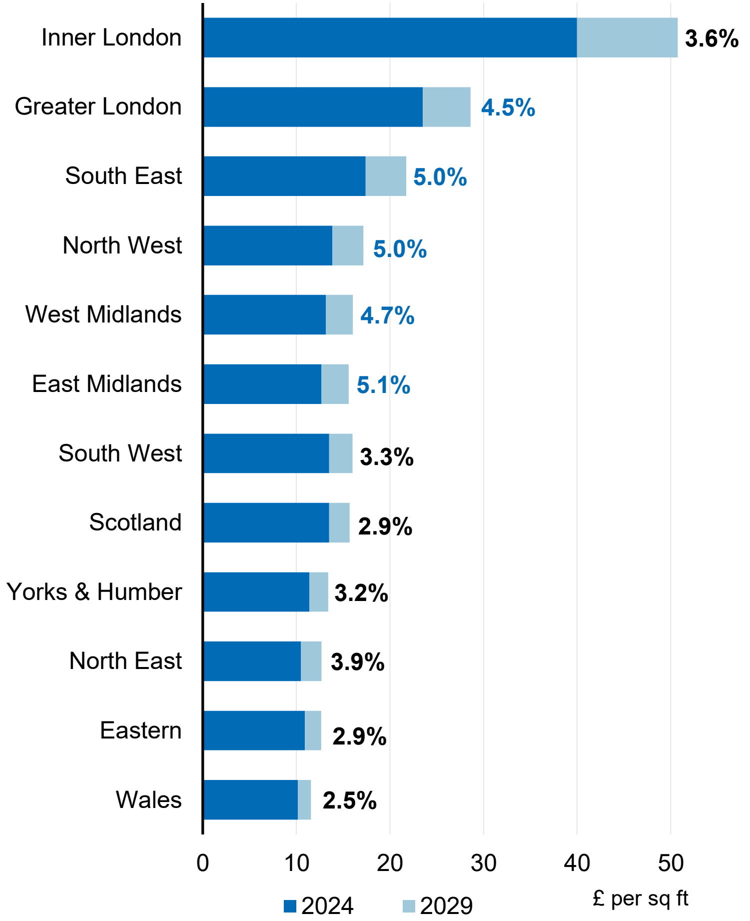
Market outlook

With limited new development and few routes for released space via planned or unplanned lease events, vacancy is expected to plateau after 2025. All-grades rental growth is forecast to bottom out in 2025/26 before gradually picking up. Rental performance across regions is likely to converge, in contrast to previous cycles when London consistently outperformed. Prime rental growth is expected to average mid-single digits annually over 2025-29. The North West, Midlands, and South East are expected to lead the next phase of regional outperformance, supported by tight supply, resilient demand and relatively accessible pricing. In contrast, London is likely to deliver slower rental growth following earlier surges and affordability constraints.

All-grades multi-let rental growth by geography
Source: Newmark, MSCI



Prime multi-let rents and average annual growth 2024-29
Source: Newmark



EPCs – regulatory deadlines and the multi-let landscape

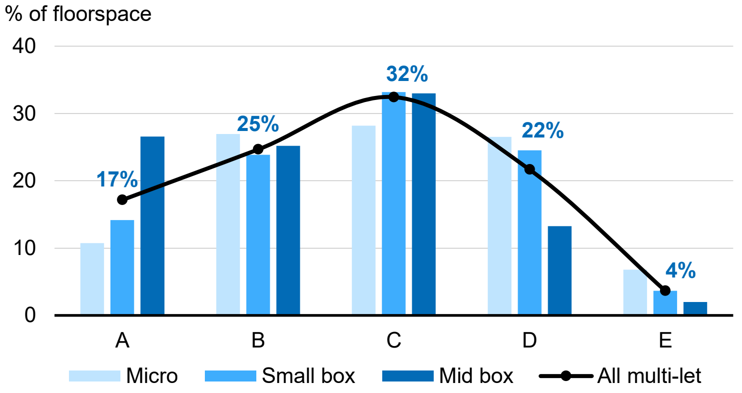
The Minimum Energy Efficient Standards (MEES) requires that landlords may not let or continue to let non-compliant units below an EPC E rating. Meanwhile, white paper discussions are ongoing regarding guidelines for higher EPC ratings in 2027 and 2030.

APRIL 2023
EPC ratings below **E**
non-compliant

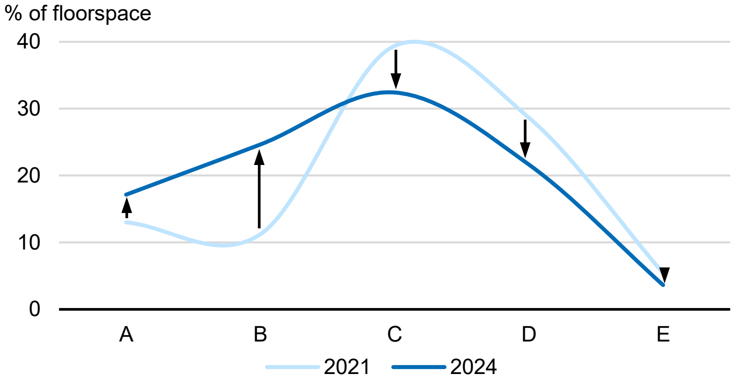
APRIL 2027
EPC ratings below **C**
potentially non-compliant

APRIL 2030
EPC ratings below **B**
potentially non-compliant

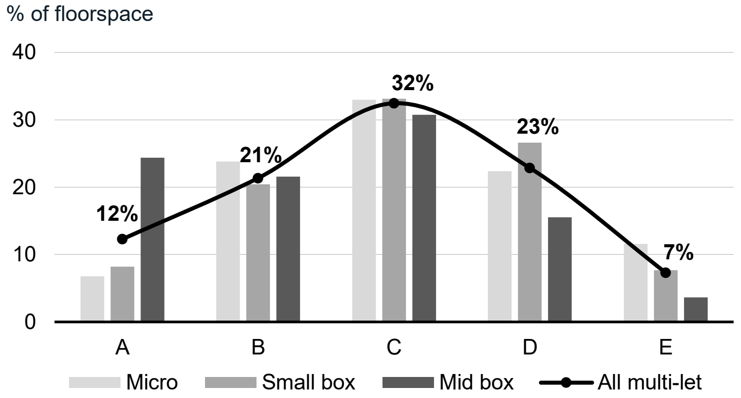
London & the South East multi-let by EPC rating
Source: Newmark



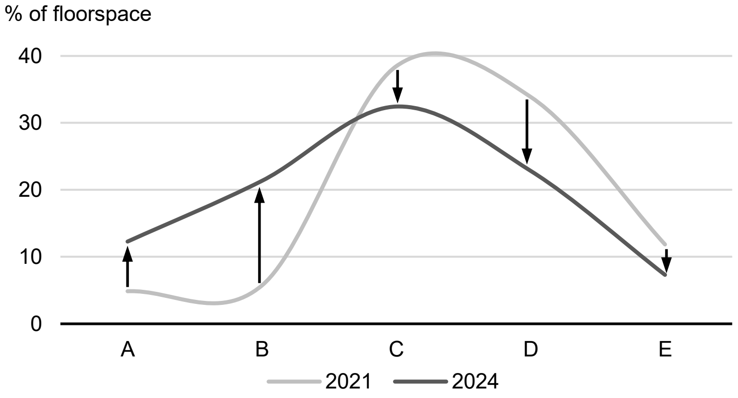
London & the South East multi-let by EPC rating and year
Source: Newmark



Rest of UK multi-let by EPC rating
Source: Newmark

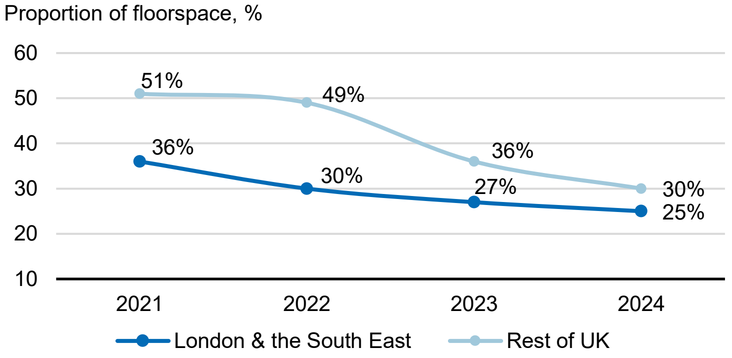


Rest of UK multi-let by EPC rating and year
Source: Newmark

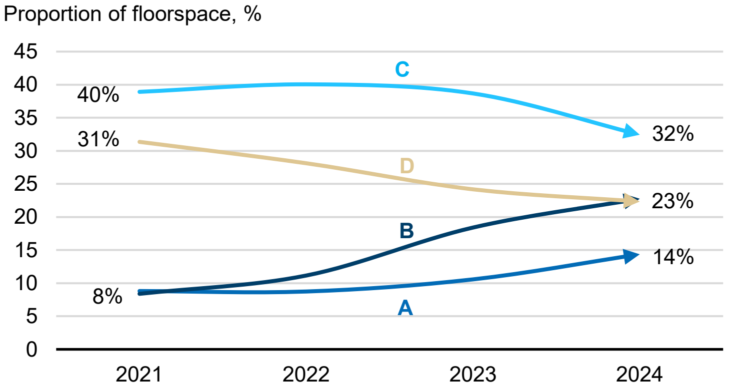


EPCs – multi-let evolution

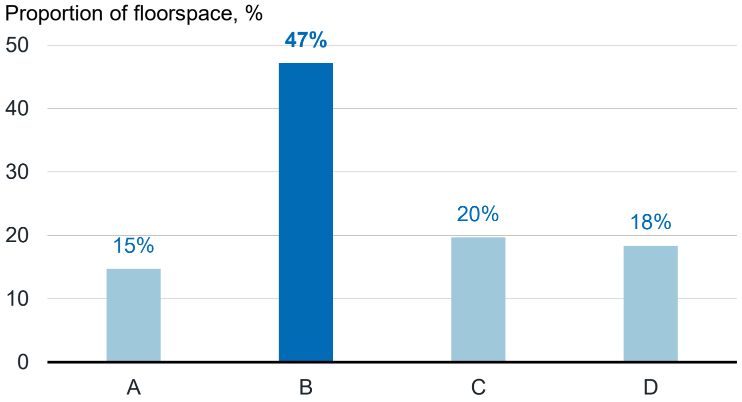
Floorspace likely requiring EPC refurbishment before 2027
Source: Newmark



UK multi-let EPC rating footprints, 2021-24
Source: Newmark



Target EPC rating for multi-let refurbishments in 2024
Source: Newmark



The currently debated and potential 2027 MEES deadline is fast approaching. Encouragingly, landlords have made strong progress, with the EPC profile of the multi-let market transforming over just four years of tracking it. This is especially notable given the sector's limited development pipeline, meaning nearly all gains have been achieved through refurbishment. The proportion of floorspace likely to require refurbishment ahead of 2027 continues to fall, with the greatest improvement seen outside the South East. A 'B' rating is by far the most common refurbishment target, corroborating landlord feedback that B is both practically achievable (e.g. via heating and lighting upgrades) and regulatory-safe, with no planned tightening beyond 2030. In many cases, improvements can also be delivered in situ without disrupting occupiers.

Investment market

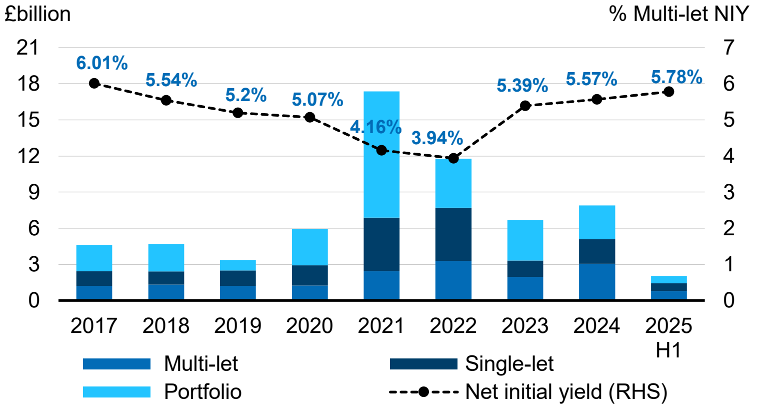
There was an exceptional £8.1bn of industrial assets transacted in 2024, which was the third-highest annual volume on record. Multi-let was favoured over single-let assets due to shorter income lengths and stronger reversionary potential, accounting for over 60% of all industrial transactions. Momentum peaked in Q4 where around £3bn of industrial assets transacted. While confidence remained buoyant going into 2025, transaction activity was much more cautious and mindful of the ambiguities surrounding the new incoming US administration. A substantial volume of investment stock was brought to market early in the year as vendors and agents positioned for an active transaction window from Easter into the early summer.

However, confidence wavered following the 2nd of April "Liberation Day" announcement of proposed US tariffs, which introduced a fresh wave of global uncertainty. While the resulting equity market turbulence was sharp but short-lived, lasting approximately two weeks, the knock-on effect in the direct real estate market has been more persistent. Residual investor caution remains evident, with some transactions paused or slowed after buyers reassessed pricing and capital deployment strategies. Deals that had reached advanced stages by early April typically experienced price adjustments of 2-5%, reflecting revised assumptions on risk and outlook.

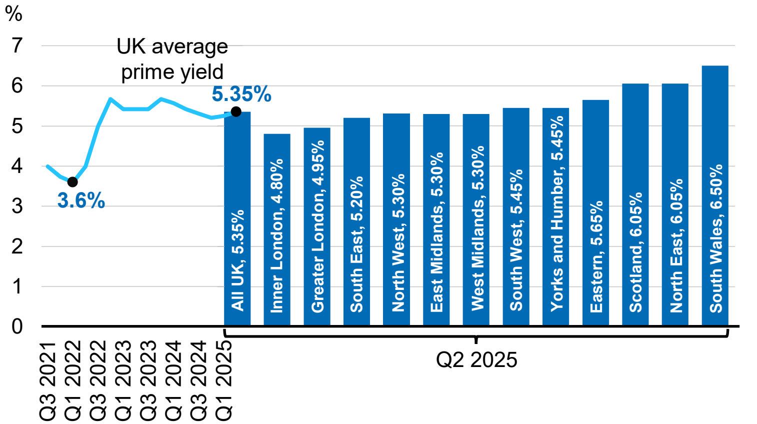
Prime industrial equivalent yields, while substantially lower than retail and office counterparts, softened by around 10 basis points across both multi-let and big box logistics sectors in Q2. This followed a further 5 basis point shift for multi-let assets in Q1.

Current investor demand is buoyant for portfolios, particularly value-add style returns. Portfolio transactions were the primary driver of activity in Q2, offering sufficient scale to match the weight of capital and debt seeking deployment. In contrast, single-asset deals continue to face a more subdued market, with limited sellers, shallower demand and slower execution.

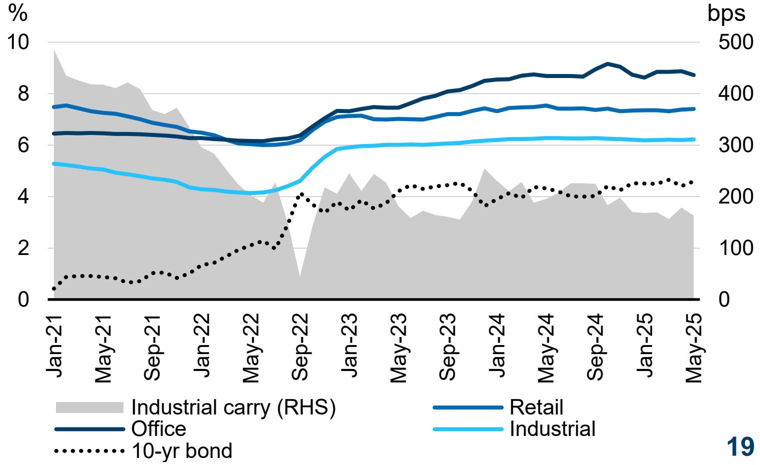
Investment by subsector & transacted multi-let NIY
Source: Newmark



Multi-let prime yields by UK region
Source: Newmark



UK all-grades equivalent yields by sector; bond yield; carry
Source: Newmark, MSCI, Bank of England



Investment market

One of the more encouraging developments in recent months has been the continued improvement in debt market conditions. Loan-to-value ratios have increased to around 70%, up from approximately 55% a year ago. Lenders are competing more actively, margins have tightened and debt has become materially more accretive.

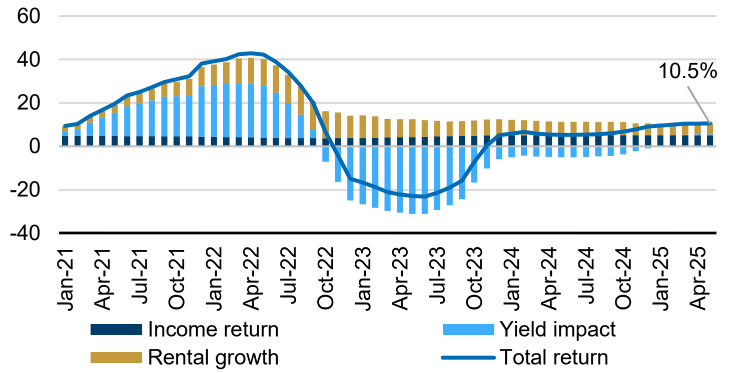
There is a consensus around the likelihood of at least one additional UK base rate cut later in 2025. When it comes to the future path of interest rates, market participants appear to see potential inflation shocks stemming from global conflicts as relatively transitory. In contrast, signals of structural economic weakness in the domestic labour market and output data are generally seen as more entrenched, reinforcing expectations of a more supportive monetary policy stance. Forward curves currently imply as much as 75bps of UK base rate cuts by mid-2026.

Despite the relatively subdued tone of Q2, a significant volume of capital and debt remains raised and ready for deployment. As pricing expectations continue to adjust and macroeconomic clarity improves, there is broad anticipation that increased transaction volumes will be back-loaded into the final quarter of 2025.

Industrial annual total return returned to double digits in March, supported by yield stabilisation and continued rental growth momentum. Looking ahead, income resilience is expected to sustain industrial's outperformance versus other major property sectors, though likely less emphatically than in the past, given the reduced scope for yield compression.

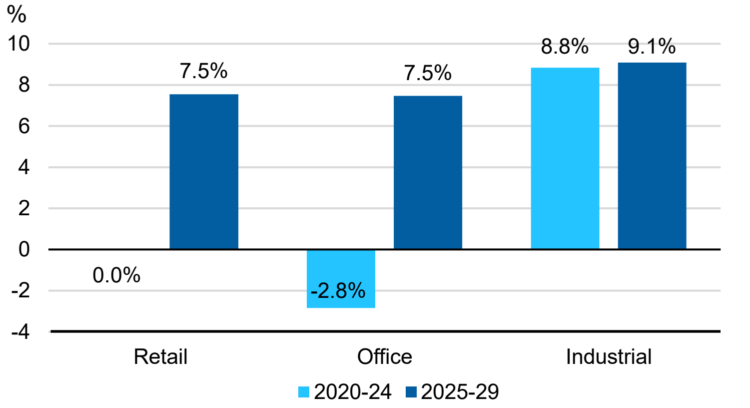
Industrial annual total return and components

Source: Newmark, MSCI



Annual total return by sector

Source: Newmark, MSCI

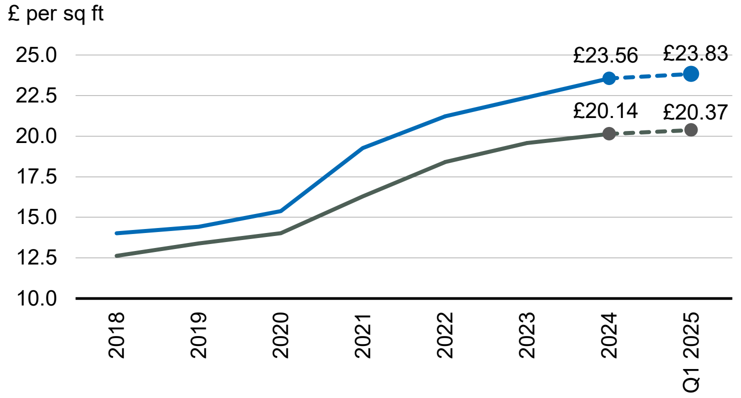


Multi-let regions

Click on a region to jump to the page for more detailed analysis and insight

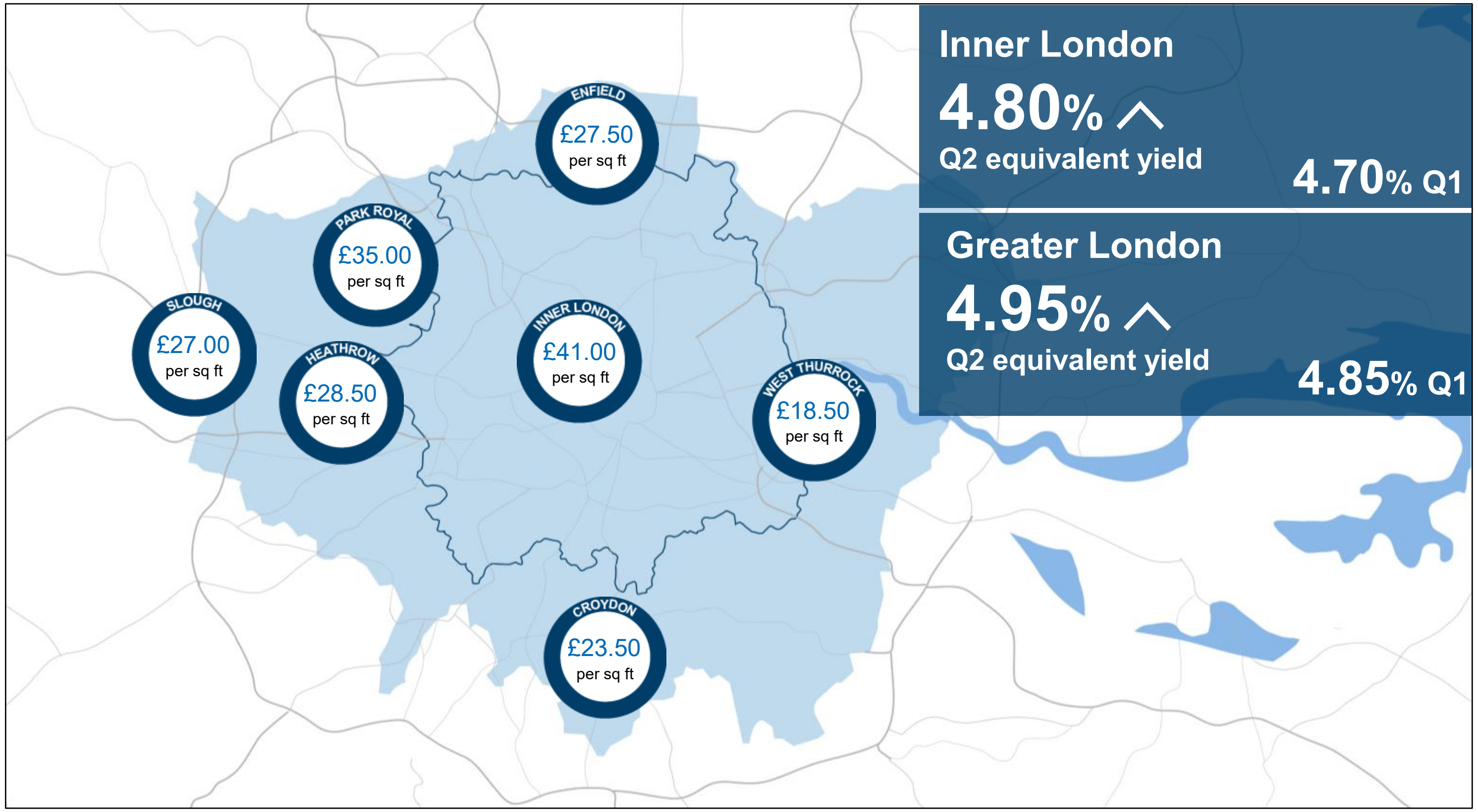
London

All-grades ERV by area
Source: Newmark, MSCI



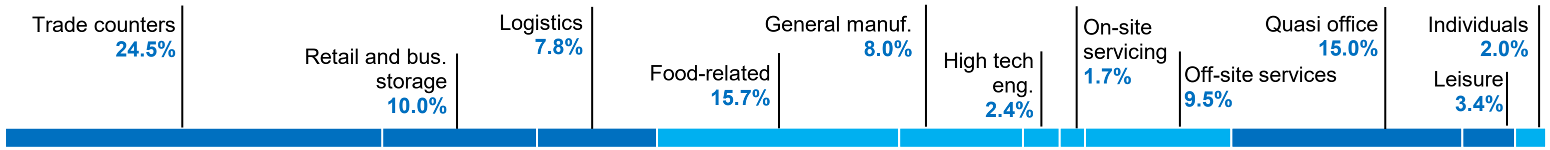
Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark

Q2 prime rents and equivalent yields
Source: Newmark



London

Inner London

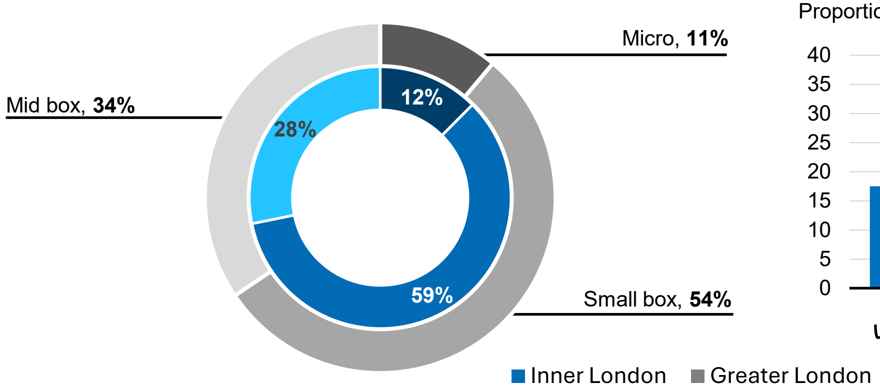


Greater London

London is the UK's largest prime multi-let market. Inner London is the highest-valued, at £41.00 per sq ft, and Park Royal has the premier and largest industrial cluster in the country. There is an oversized proportion of food-related occupiers in Inner London and logistics operators in Greater London. The majority of occupied multi-let floorspace is by large nationals or multinationals and only a third is held by firms classified as micro or small. The EPC credentials are some of the best in the country, with nearly 30% in the A-B range. There are only 16 schemes in the development pipeline, totalling 828,000 sq ft. Moreover, a mere 11% is under construction, which is negligible in the context of the overall size of the London market.

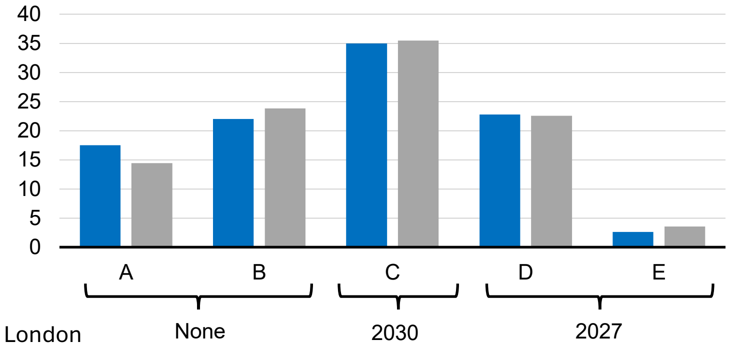
Proportion of floorspace by unit size

Source: Newmark



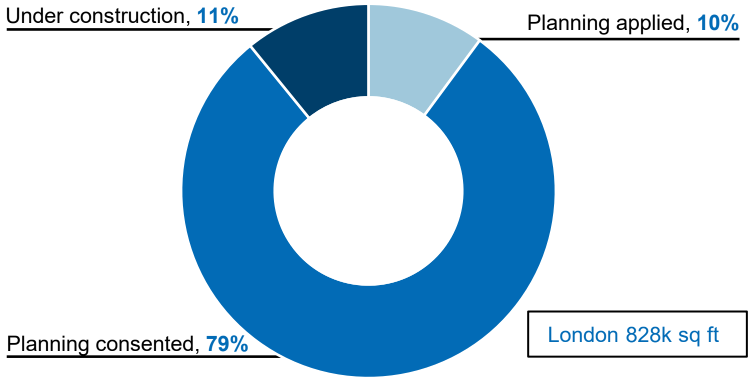
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark



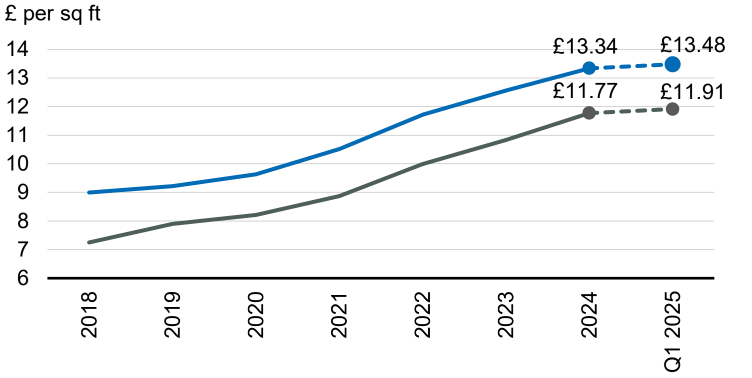
Development pipeline

Source: Newmark, Property Data

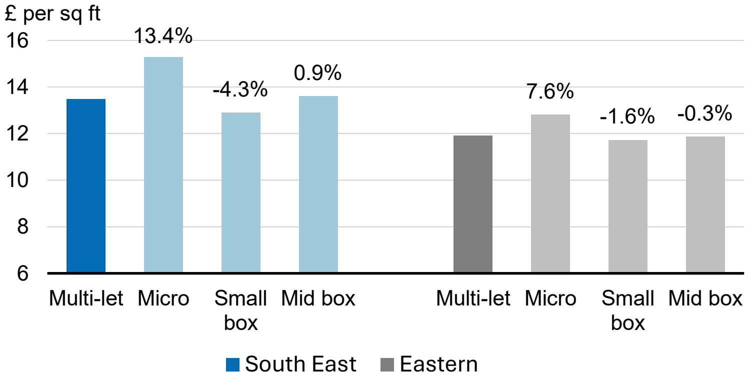


South East & East of England

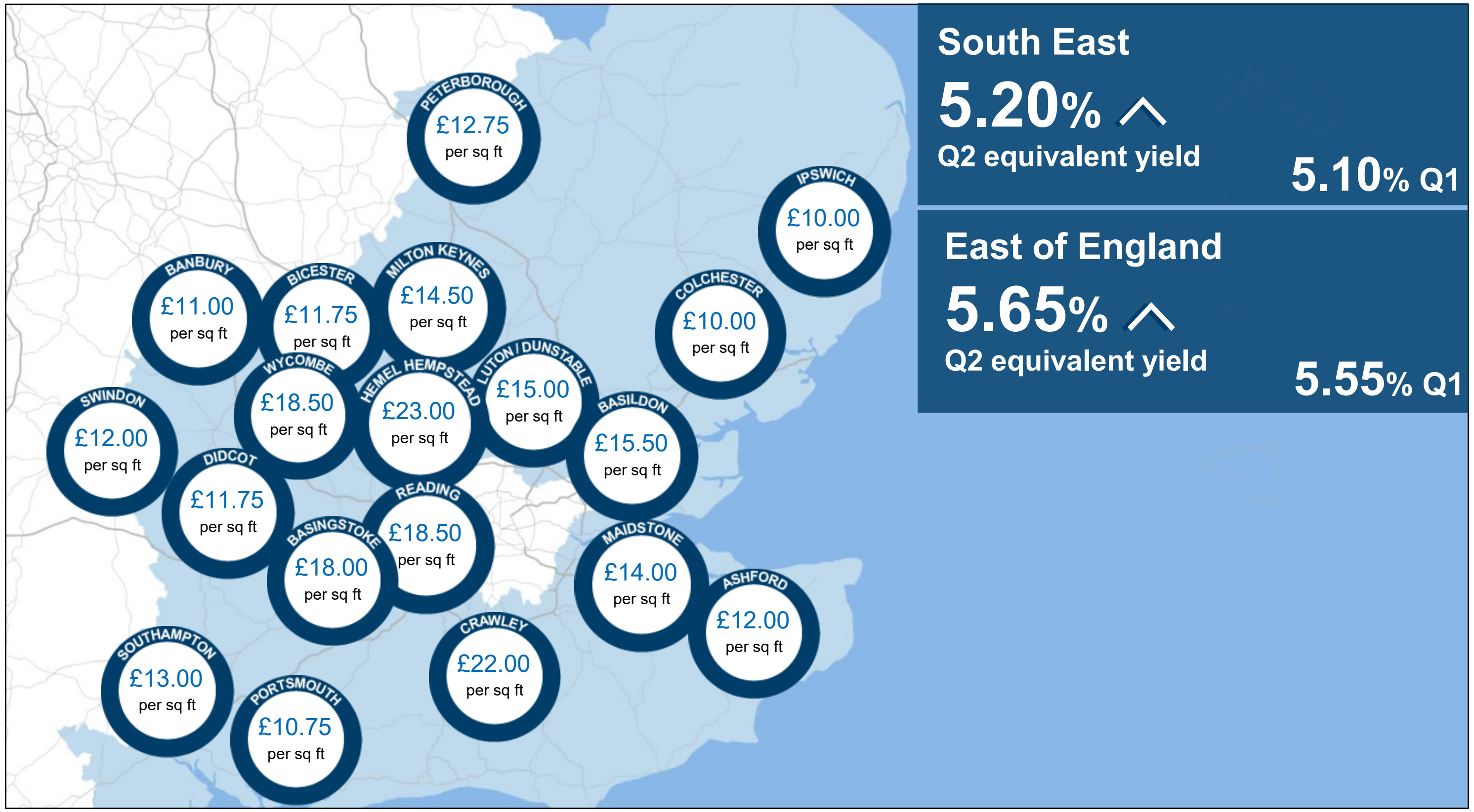
All-grades ERV by area
Source: Newmark, MSCI



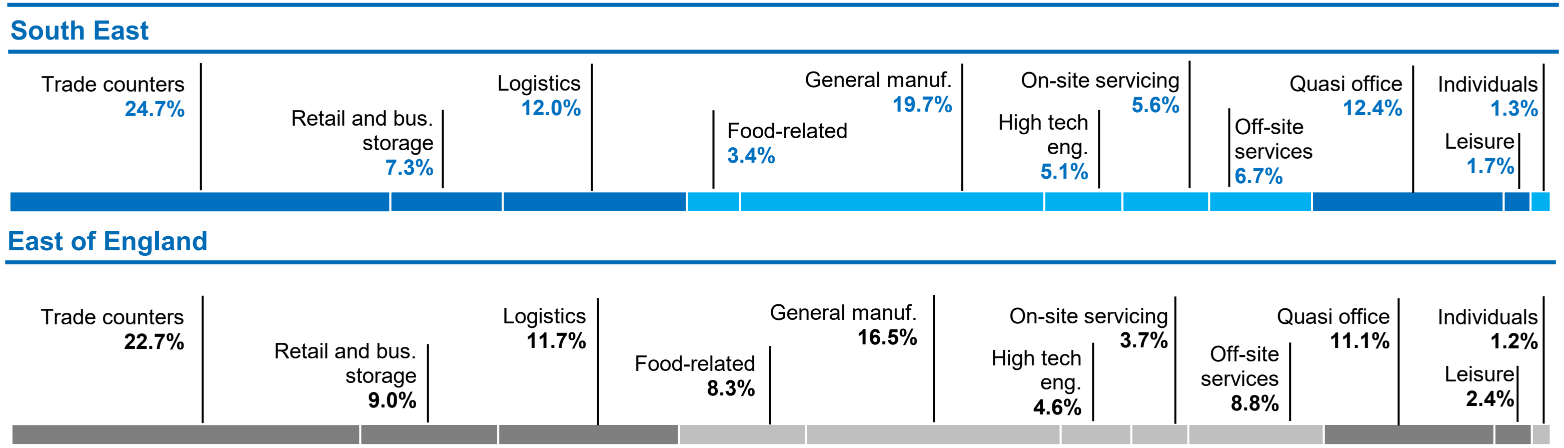
Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark



Q2 prime rents and equivalent yields
Source: Newmark



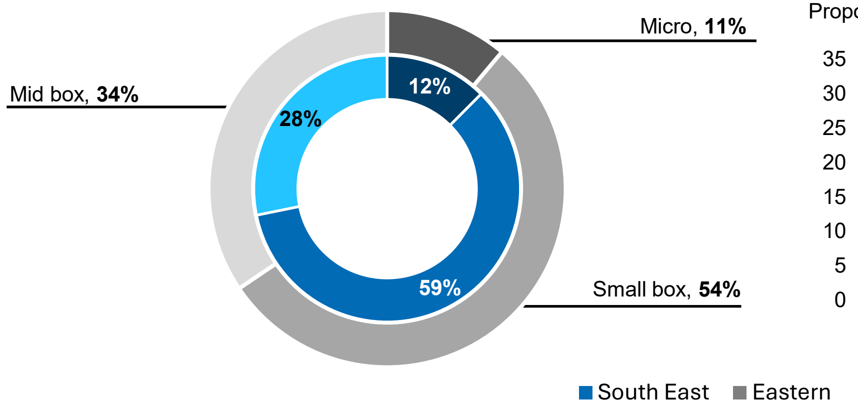
South East & East of England



The South East and East of England multi-let markets span affluent urban centres within commuting distance of London, alongside several key infrastructure nodes, including major airports and ports. These regions have benefitted from the ripple effect of London's exceptional rental growth, as some occupiers have sought more affordable space further afield. Multi-let logistics activity is sizeable, though more moderate than in Greater London. There are 30 schemes in the pipeline, with the majority (25) in the South East. Despite the scale of these markets, just five multi-let schemes are under construction, totalling only 723,000 sq ft.

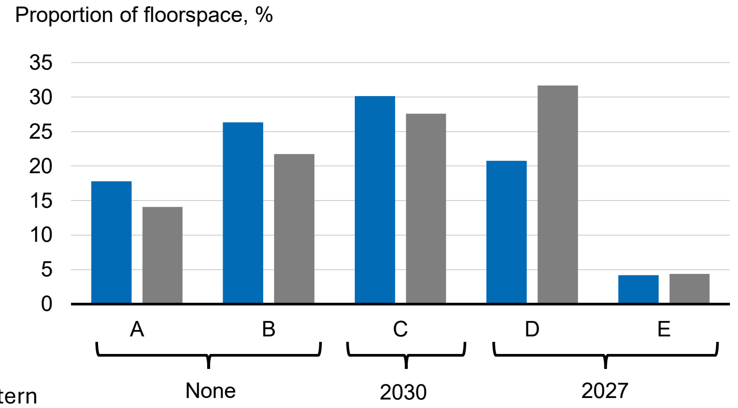
Proportion of floorspace by unit size

Source: Newmark



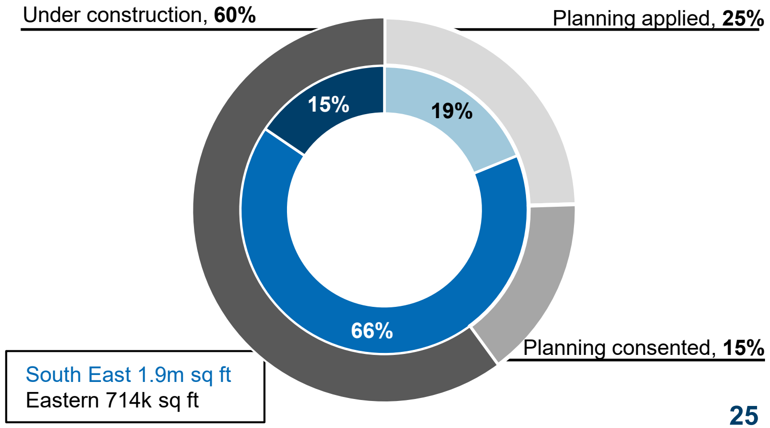
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark



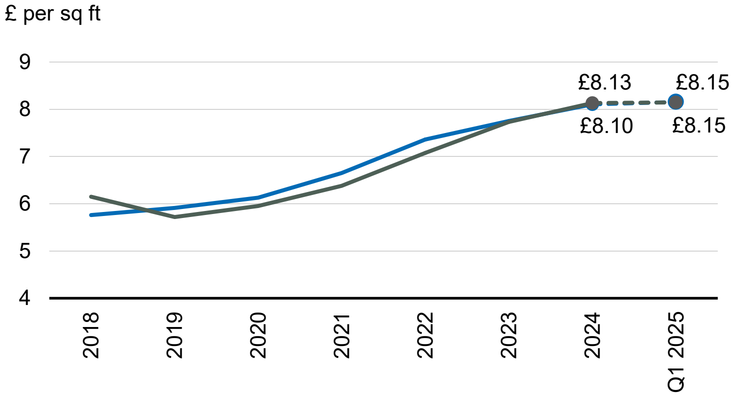
Development pipeline

Source: Newmark, Property Data

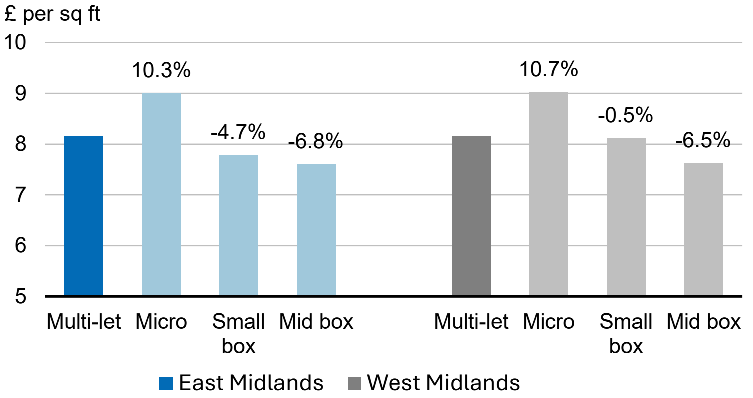


Midlands

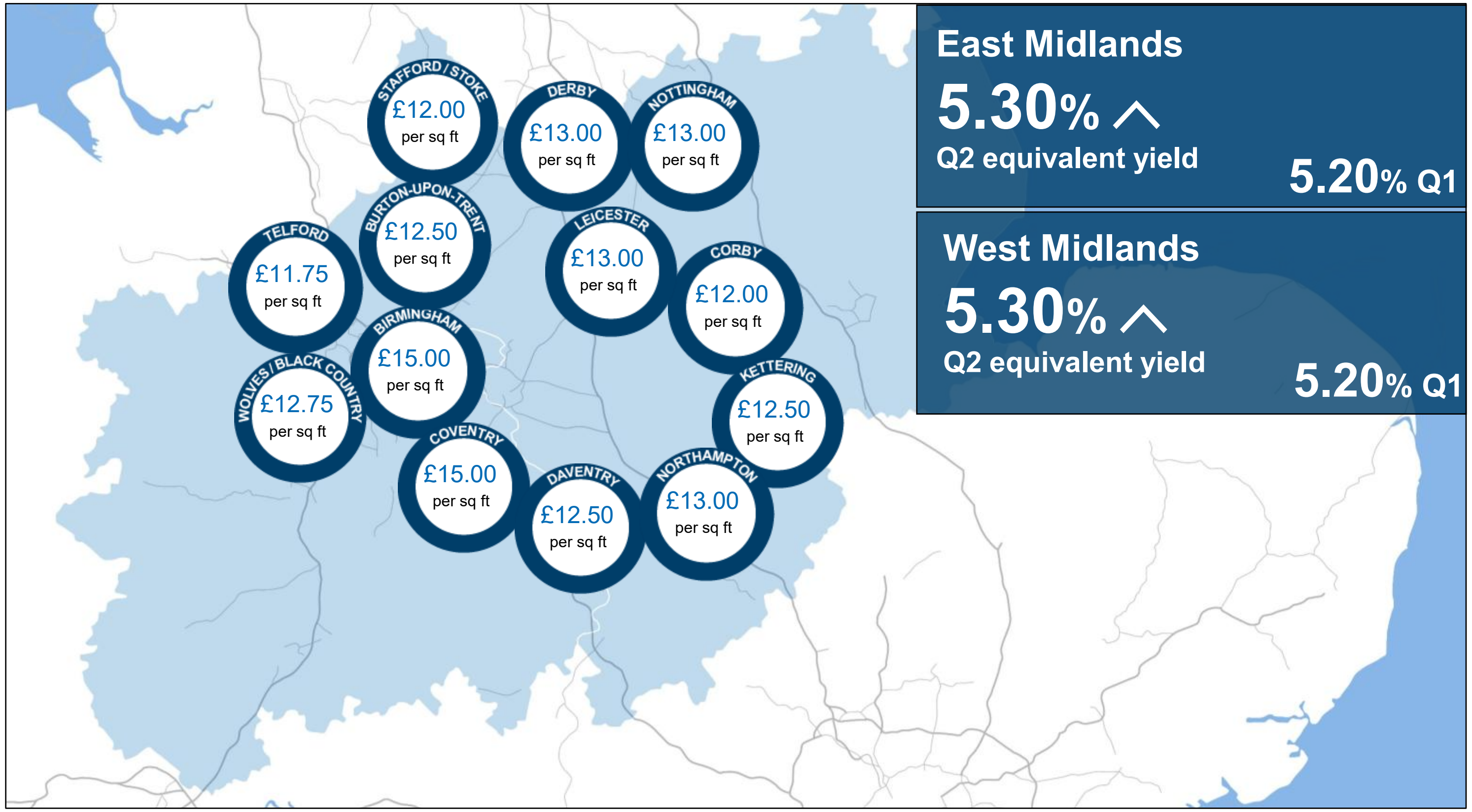
All-grades ERV by area
Source: Newmark, MSCI



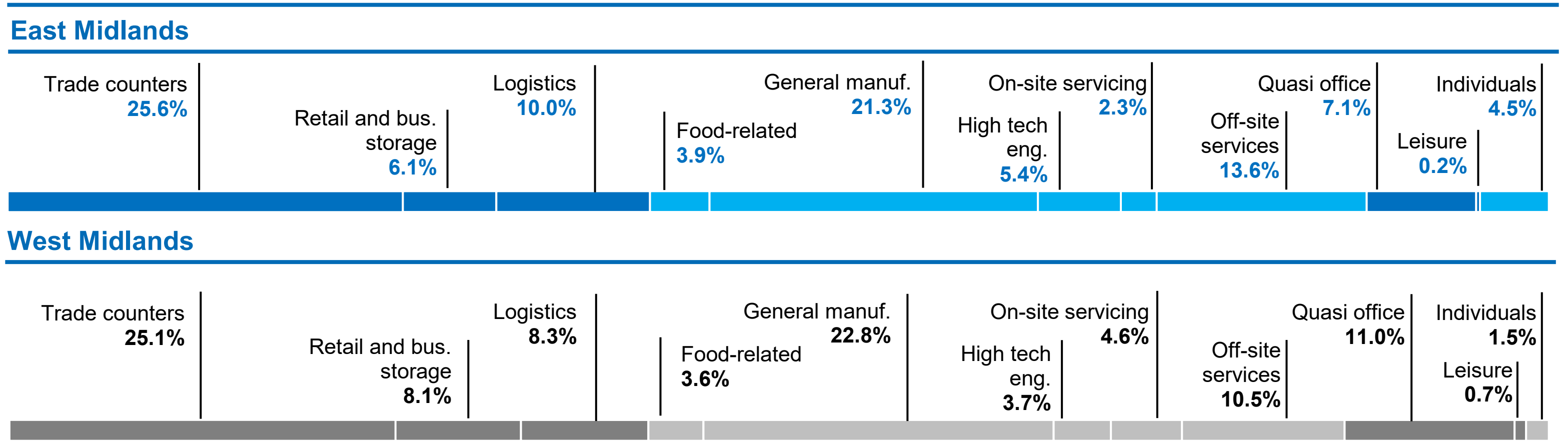
Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark



Q2 prime rents and equivalent yields
Source: Newmark



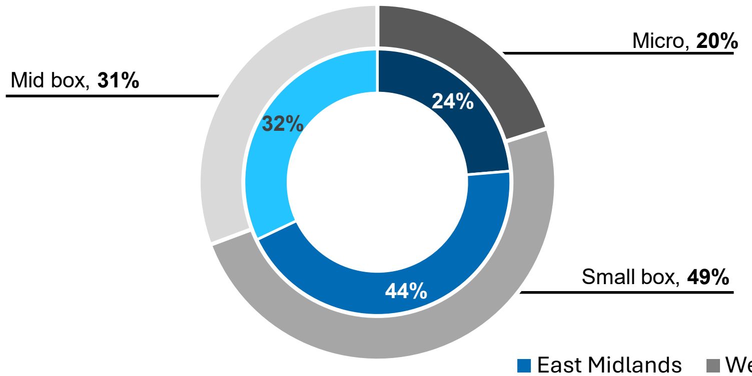
Midlands



The Midlands benefits from a large population base and exceptional connectivity via the national motorway network. The region is served by East Midlands Airport, the UK's leading hub for freight-only flights. Best known for its manufacturing and big box industrial hubs, multi-let space has also proliferated across the region. There are 23 schemes in the pipeline, totalling 1.3 million sq ft, which is lower than in the North West or South East. In the West Midlands, only 19% of pipeline space is under construction (167,000 sq ft), while in the East Midlands, a higher 25% share is under construction but from a smaller base, equating to just 95,000 sq ft.

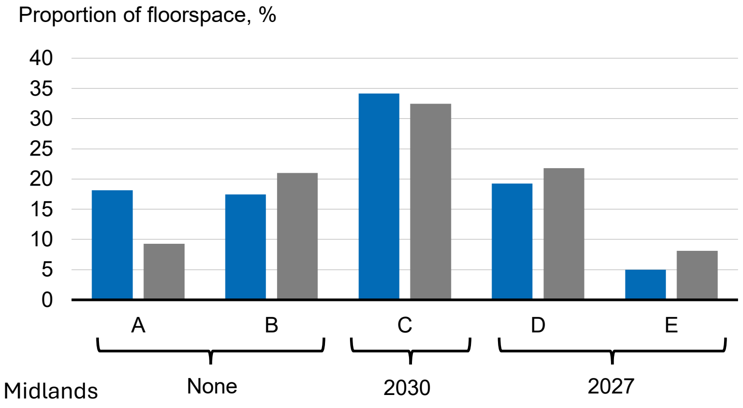
Proportion of floorspace by unit size

Source: Newmark



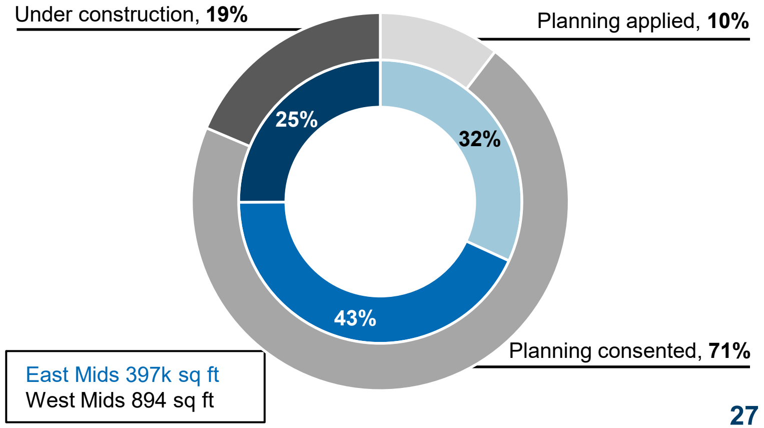
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark



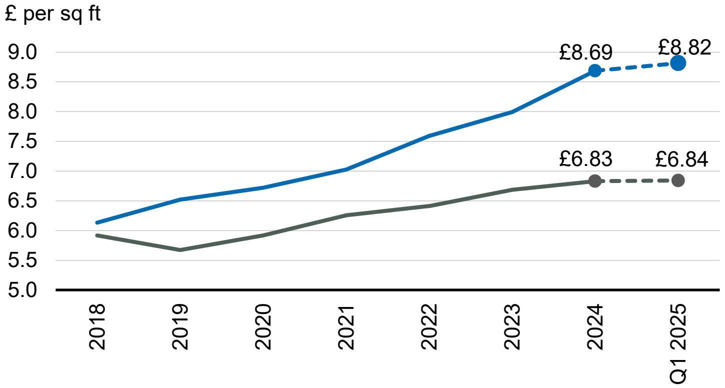
Development pipeline

Source: Newmark, Property Data

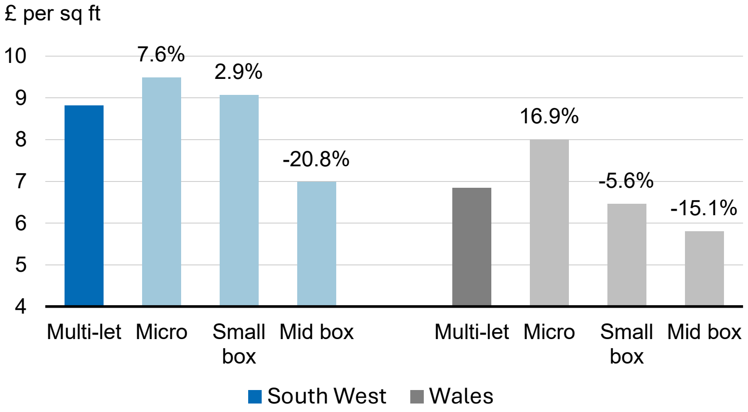


South West & Wales

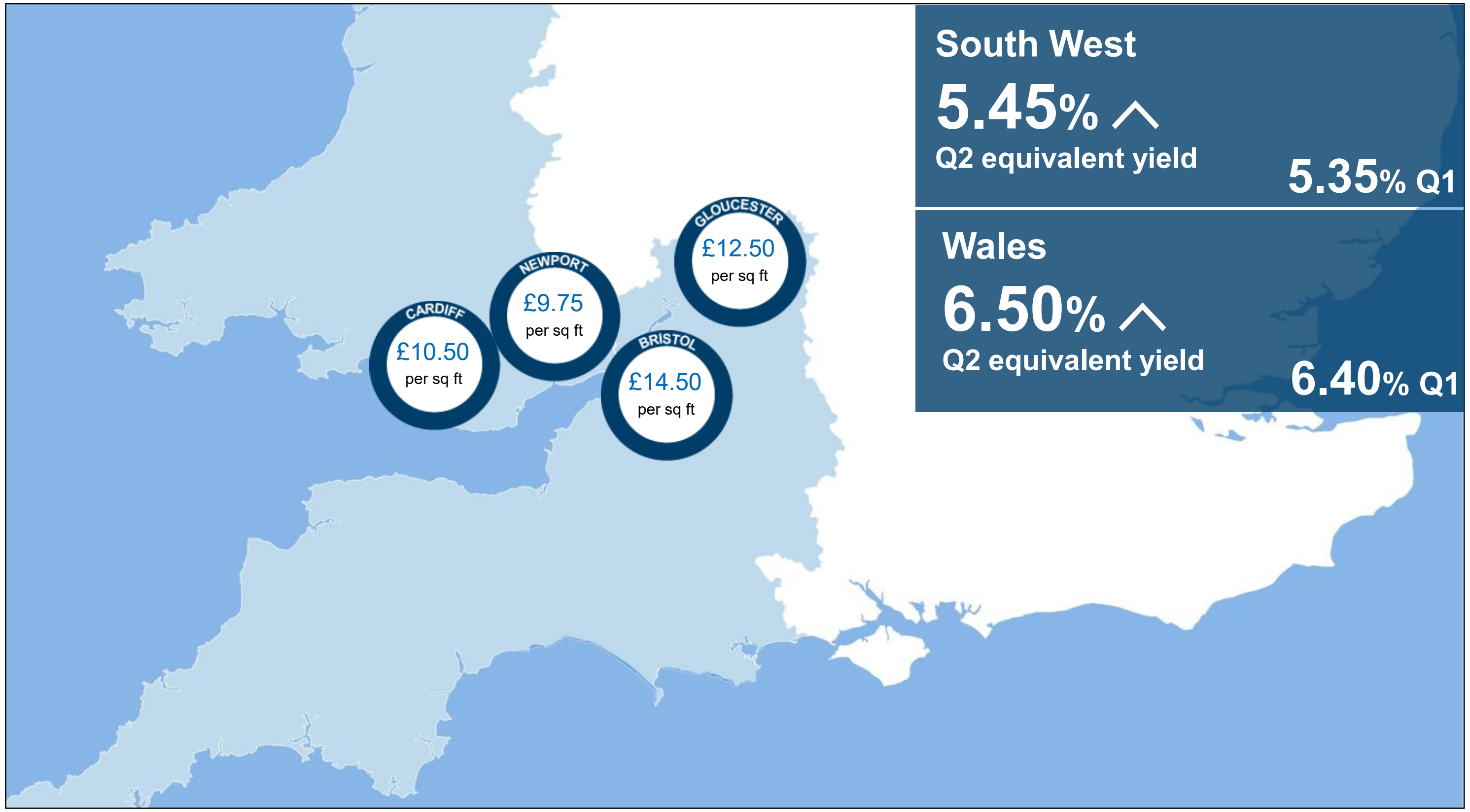
All-grades ERV by area
Source: Newmark, MSCI



Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark

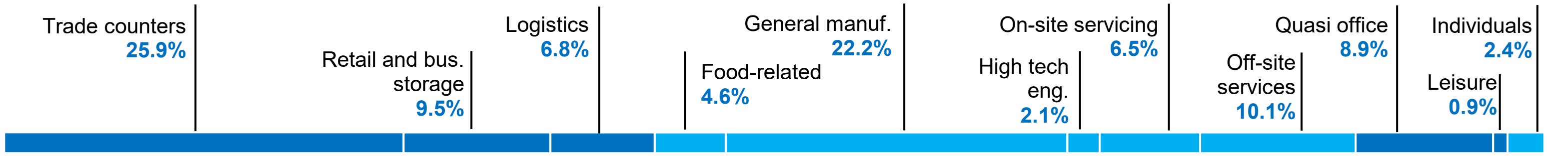


Q2 prime rents and equivalent yields
Source: Newmark

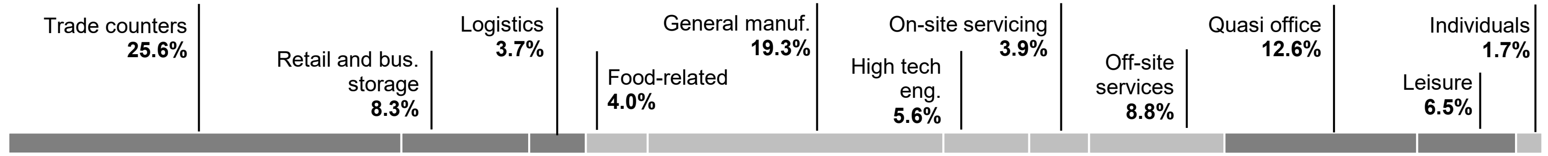


South West & Wales

South West



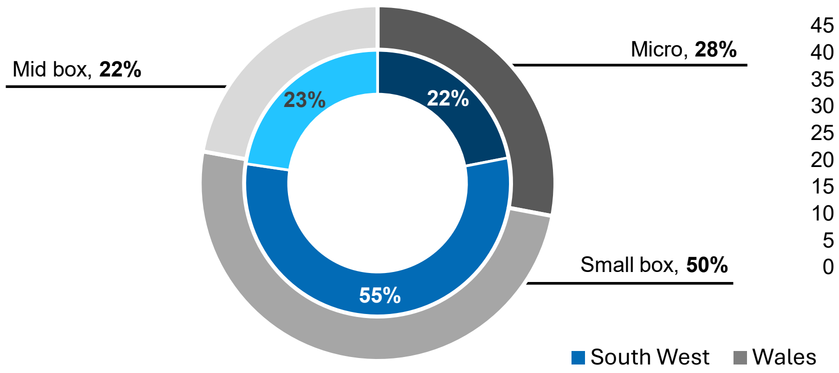
Wales



The north-east of this region is an important logistics location and connects with the M5 motorway on the fringe of the West Midlands market and links into the UK motorway network. Bristol offers the region's highest multi-let ERVs, with a prime headline rent of £14.50, supported by a dense and affluent local population and Avonmouth's key industrial cluster. There are 23 schemes comprising 1.3m sq ft in the wider region pipeline and generally a low level of development activity, particularly in Wales. Wales also has the lowest regional institutional grade multi-let void rate, which reflects its relative affordability. The South West has greater development activity and there is currently 169,000 sq ft under construction.

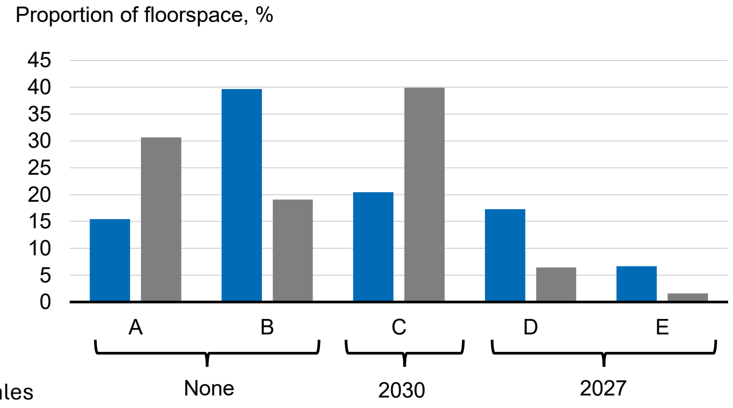
Proportion of floorspace by unit size

Source: Newmark



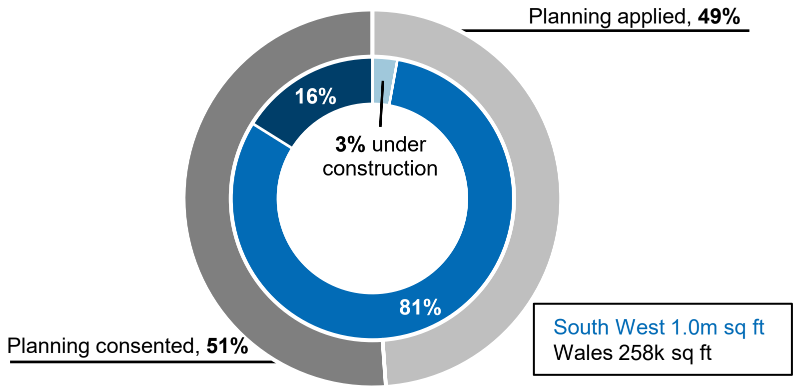
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark



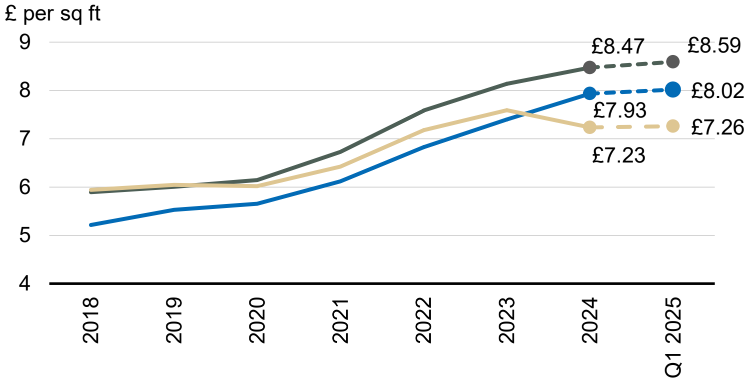
Development pipeline

Source: Newmark, Property Data

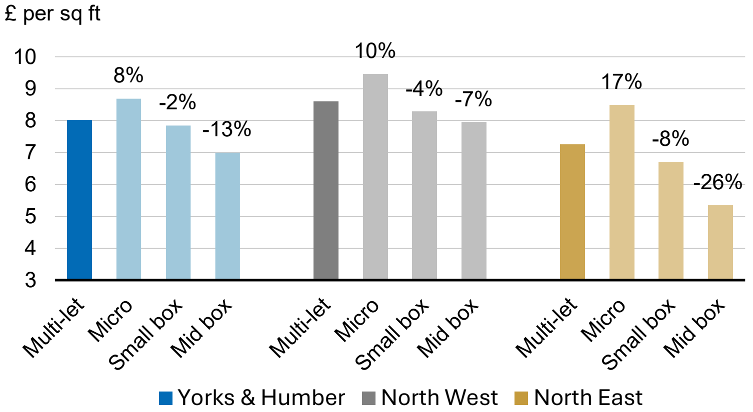


The North

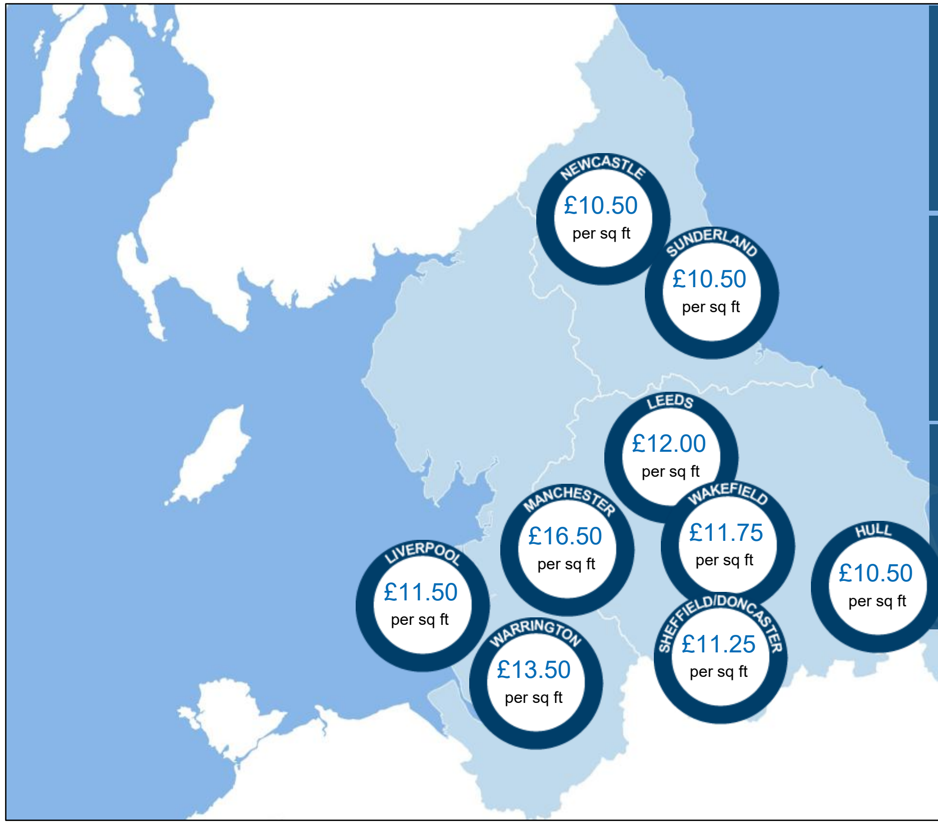
All-grades ERV by area
Source: Newmark, MSCI



Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark



Q2 prime rents and equivalent yields
Source: Newmark

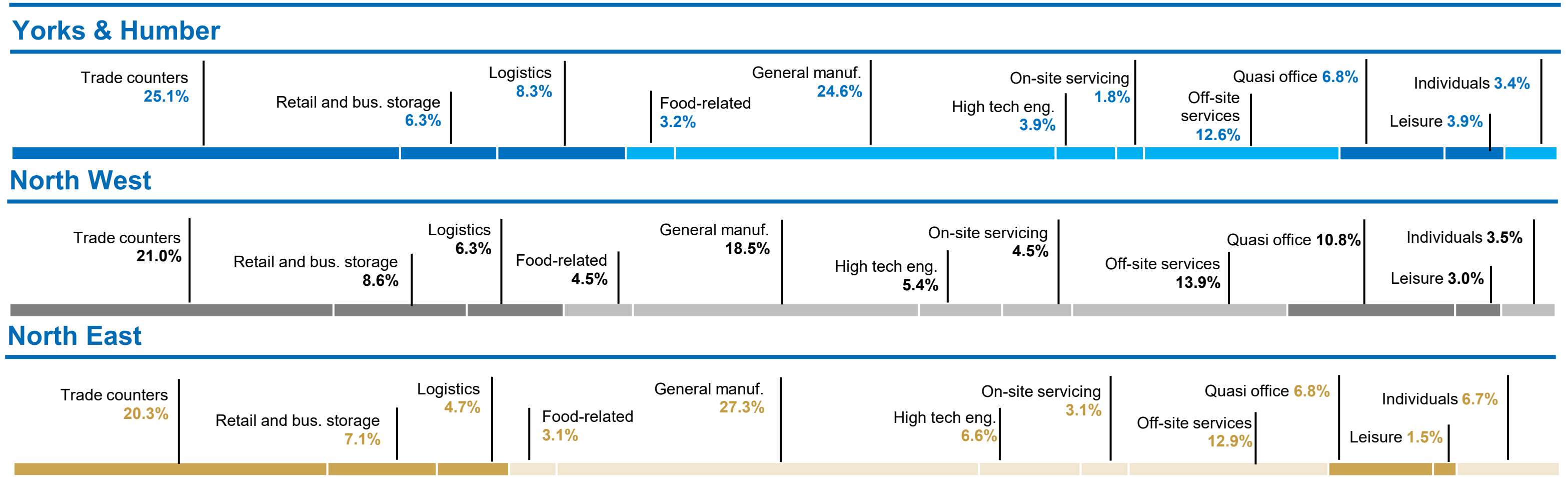


Yorks & Humber
5.45%
Q2 equivalent yield
5.35% Q1

North West
5.30%
Q2 equivalent yield
5.20% Q1

North East
6.05%
Q2 equivalent yield
5.95% Q1

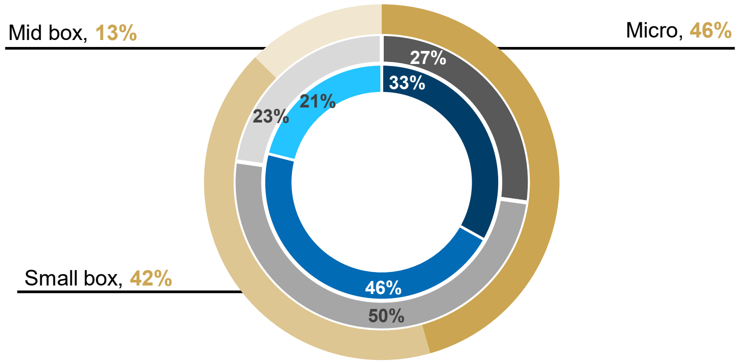
The North



Multi-let in the North of England is defined by its diversity. The North West contains some of the UK's highest-value prime space, supported by several urban logistics locations and arterial motorway connections. The North East, with lower ERVs, is a key industrial hub focused on manufacturing, rail, aerospace and electronics, supported by a well-connected supply chain. A relatively high share of 'Individuals' occupy multi-let units in this region, with most firms classified as micro or small. Supply remains generally tight across the North, though the North West has the UK's largest development pipeline. There is 4.0m sq ft planned, with 626,000 sq ft under construction across 11 schemes.

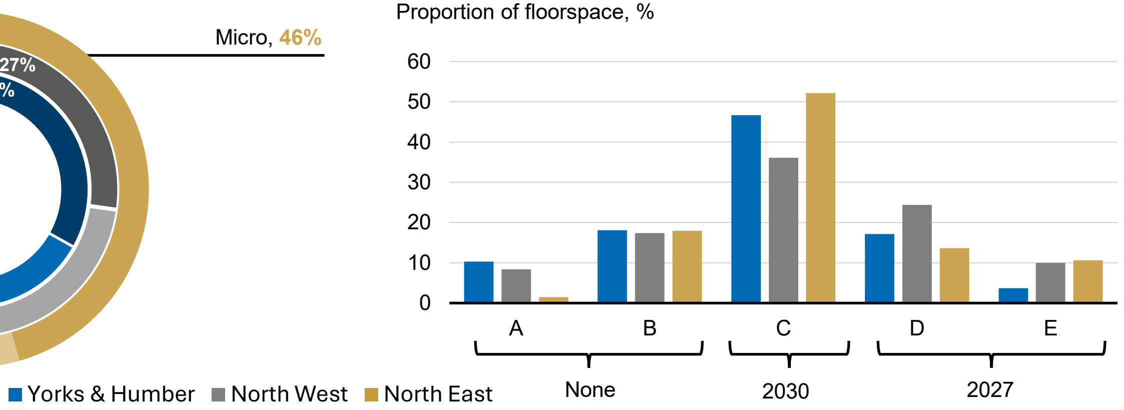
Proportion of floorspace by unit size

Source: Newmark



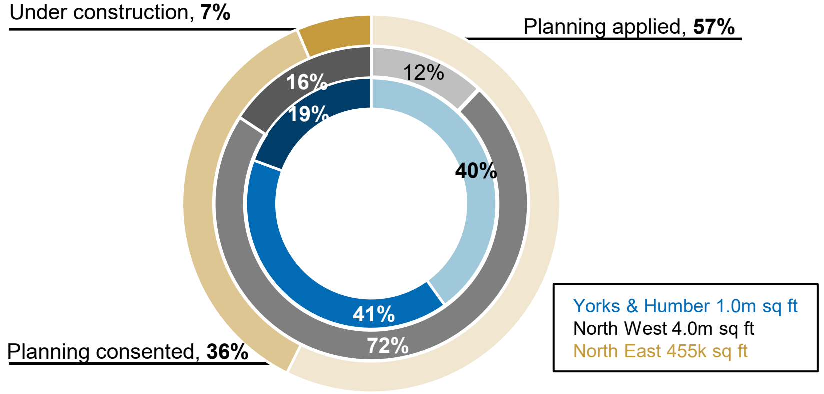
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark



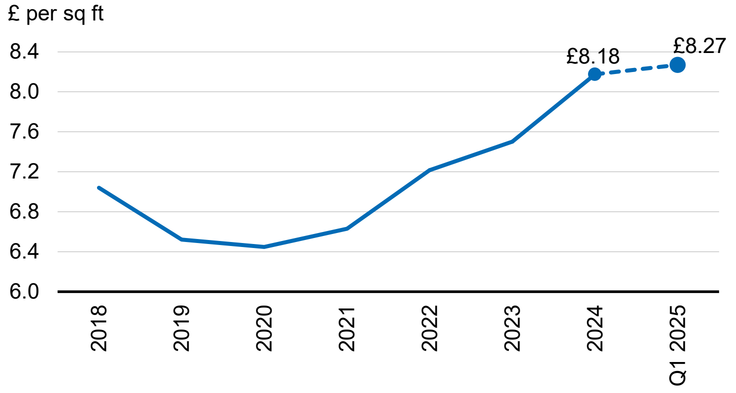
Development pipeline

Source: Newmark, Property Data

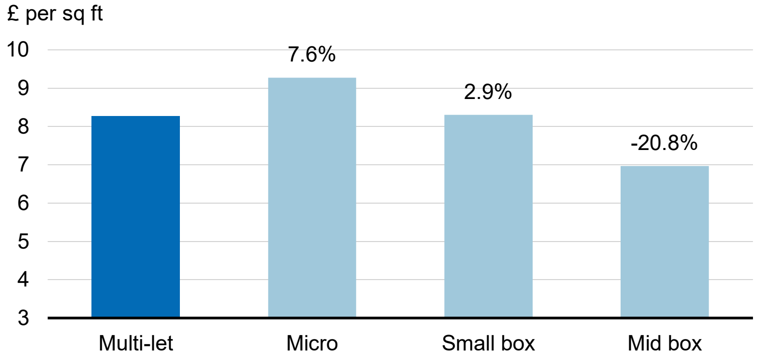


Scotland

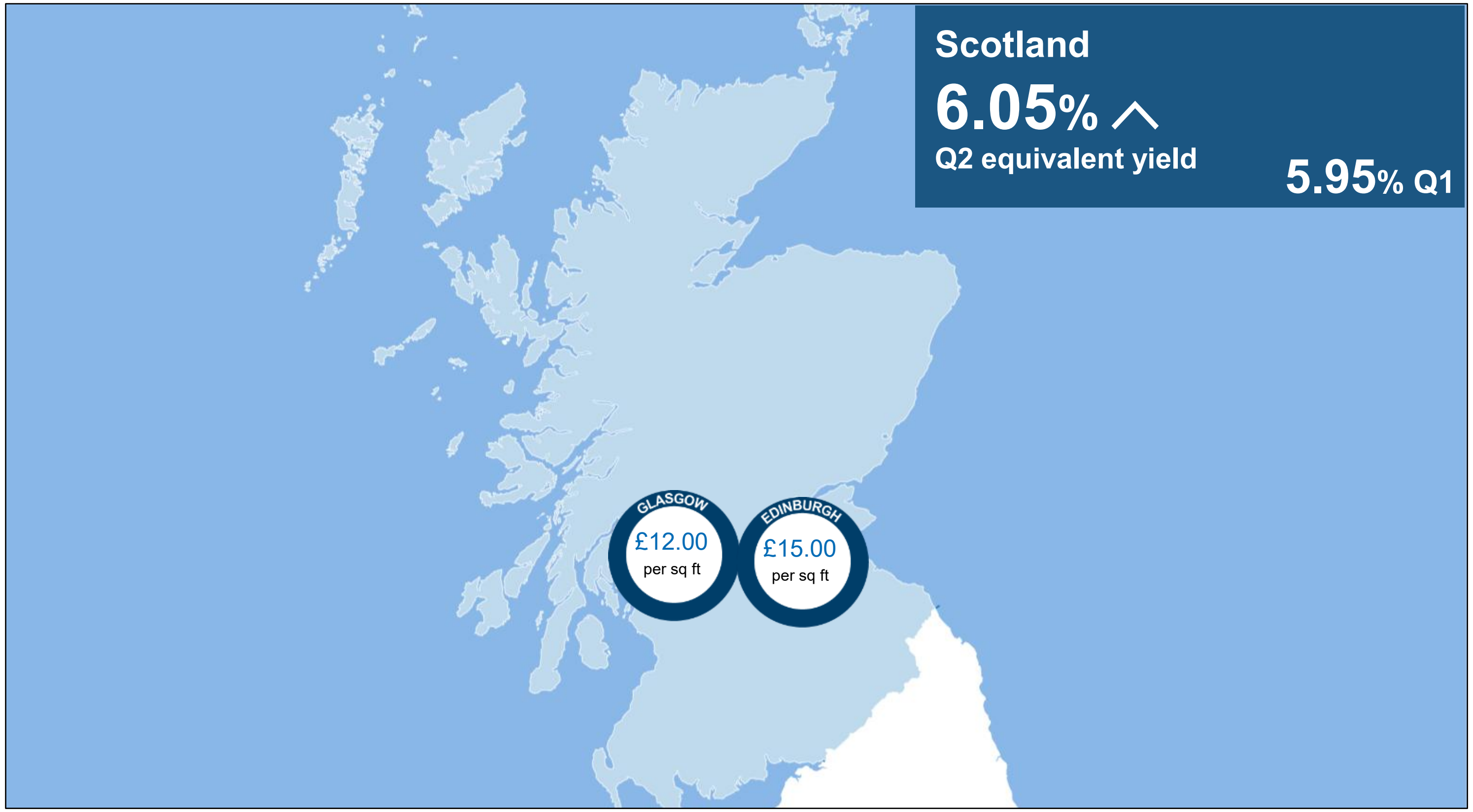
All-grades ERV by area
Source: Newmark, MSCI



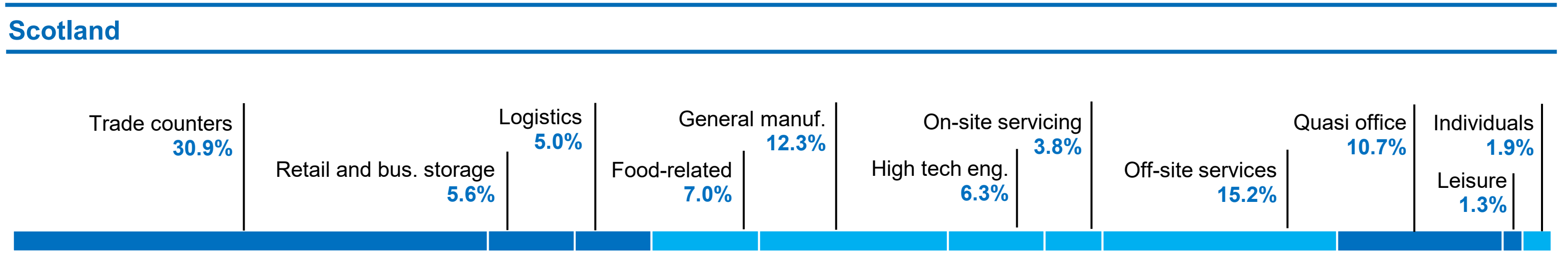
Q1 all-grades ERV by unit size and % premium/discount
Source: Newmark



Q2 prime rents and equivalent yields
Source: Newmark



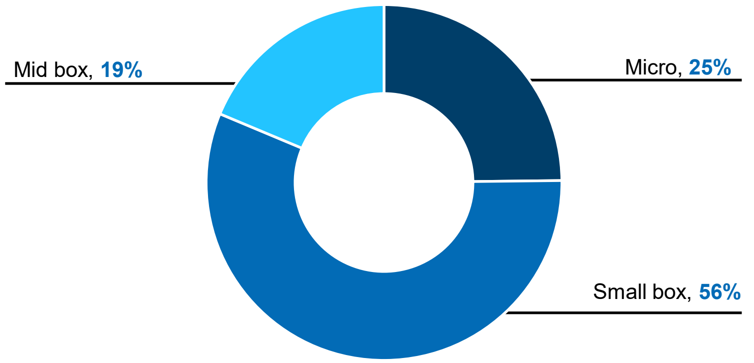
Scotland



Until recently, prime rents in the Scottish Central Belt (M8 corridor) had lagged behind other UK multi-let markets, limited by a thin volume of benchmark transactions. That changed in 2024, when quoting rents in Edinburgh jumped to £15 per sq ft following the completion of Capital Park. This set a new benchmark for best-in-class product in Scotland. The uplift not only elevates the overall Scottish offer but also exposes the rental differential between Edinburgh and Glasgow. In contrast, land values in Edinburgh are now high enough to support quoting rents of £15 per sq ft on new schemes. When future developments come through they will likely support stronger achievable rents in Glasgow as well.

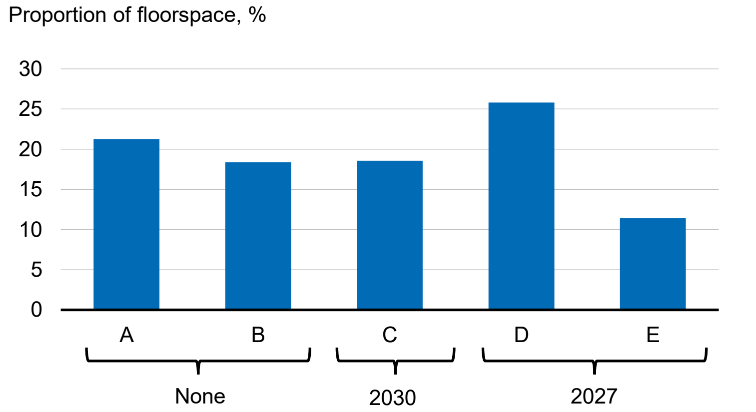
Proportion of floorspace by unit size

Source: Newmark



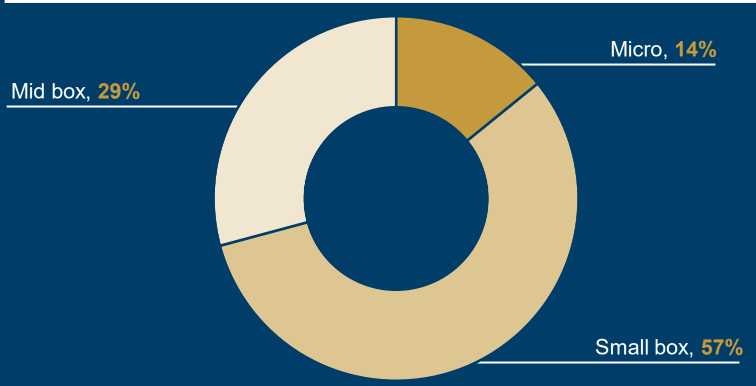
Floorspace by EPC grade (& deadline to non-compliance)

Source: Newmark

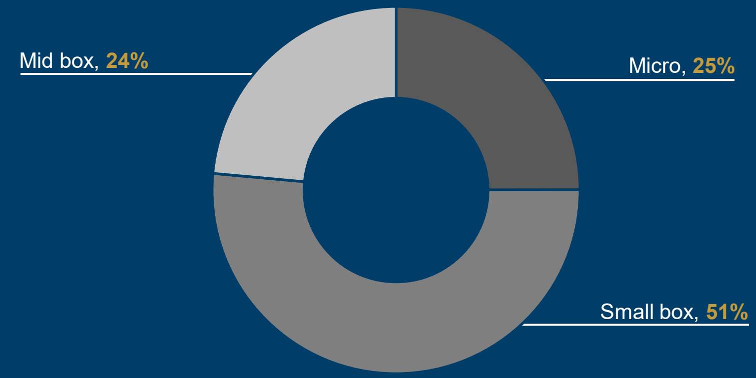


Multi-let sample structure

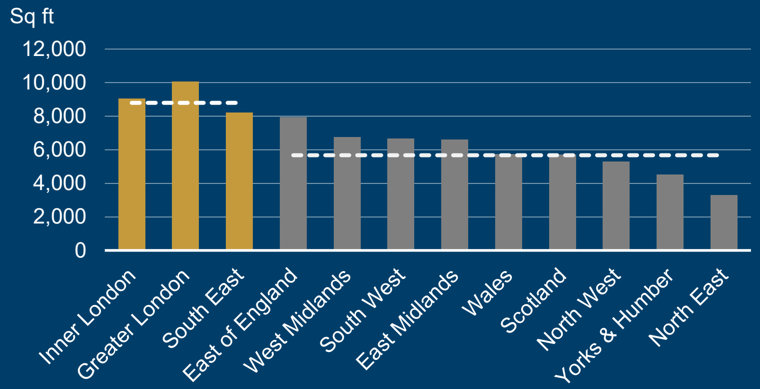
London & the South East floorspace by size of unit
Source: Newmark



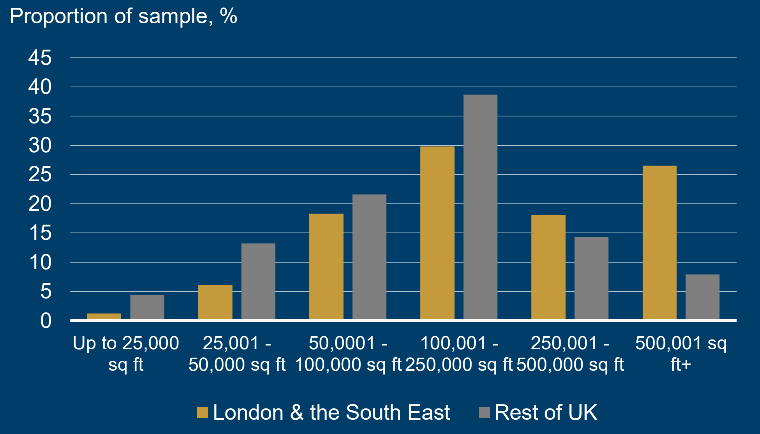
Rest of UK floorspace by size of unit
Source: Newmark



Multi-let average unit size by region
Source: Newmark



Multi-let estate sizes by major region
Source: Newmark



Dataset and definitions

1,200+
Estates

14,500+
Units

£30bn
Total capital value

162m sq ft
Total floorspace

£1.8bn
Market rent

16
Contributors

Micro units
500-5,000 sq ft

Small box units
5,001-25,000 sq ft

Mid box units
25,001-50,000 sq ft

A **micro-entity** occupier must meet at least two of the following conditions:

- turnover must be not more than £632,000
- the balance sheet total must be not more than £316,000
- the average number of employees must be not more than 10

A **small** company occupier must meet at least two of the following conditions:

- annual turnover must be not more than £10.2 million
- the balance sheet total must be not more than £5.1 million
- the average number of employees must be not more than 50

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Further insight