

# Industrial & Logistics Market 2015

## Inside this report:

- Take-up and investment activity hit record levels in 2014
- The gap between prime and secondary rents continues to narrow
- Speculative development has returned in a meaningful way and will accelerate in 2015

**Lambert  
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# Welcome

In over 20 years in the industry, I can't recall a time when the industrial and logistics market has been as dynamic as it is now.

In the past 12 months, we've seen record take-up, investment activity hit an all time high, and speculative development return in a meaningful way for the first time since 2007.

The evidence suggests that 2015 will be another good year for the market. The prospect of rising real wages and the seemingly unstoppable rise of ecommerce will continue to drive occupier demand. We expect that the uncertainty surrounding the outcome of the forthcoming General Election should do no more than temper the positive underlying fundamentals at play in the market.

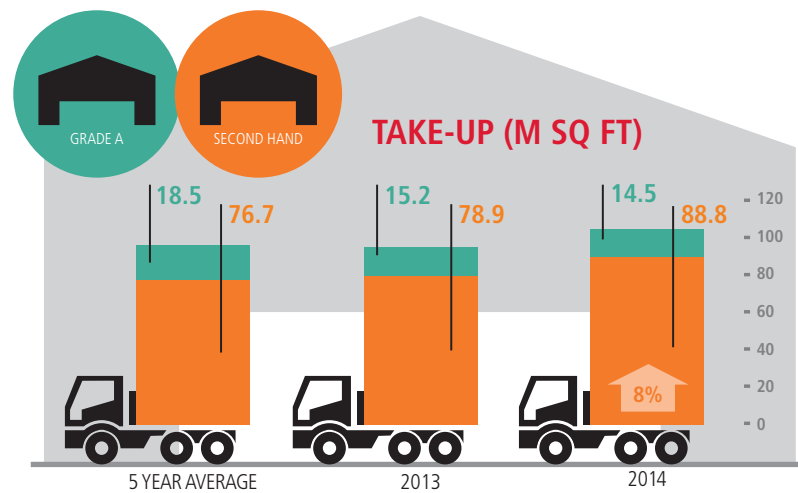
That said, there are challenges that need to be addressed. The pronounced shortages of grade A space are influencing the nature of occupier activity: grade A take-up last year was actually the lowest on record.

Our analysis of occupier demand suggests that more grade A space needs to be delivered if activity is to reach its full potential. The market is responding and we forecast that there is scope for almost 4.5m sq ft of speculative development to be brought forward in the next 12 months in the large and mid box sectors alone. So far speculative development has concentrated on prime markets, but we expect to see pockets of activity to ripple out to 'just off prime' as investors move up the risk curve and occupiers seek relief from prime rent rises.

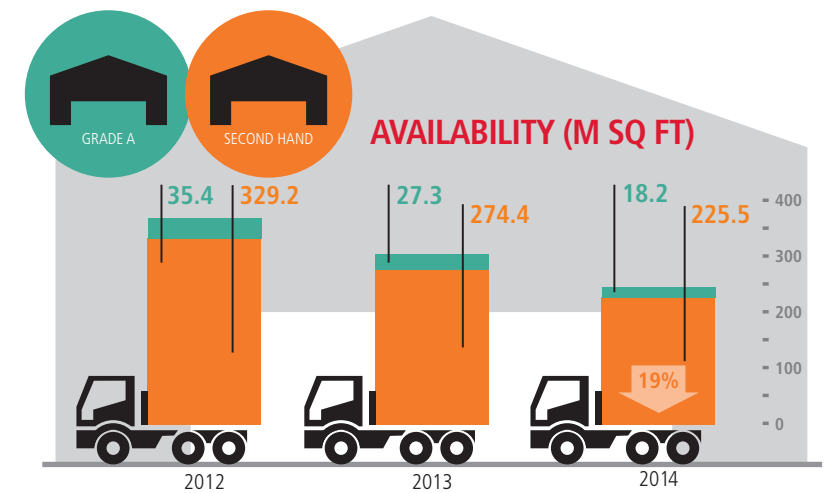
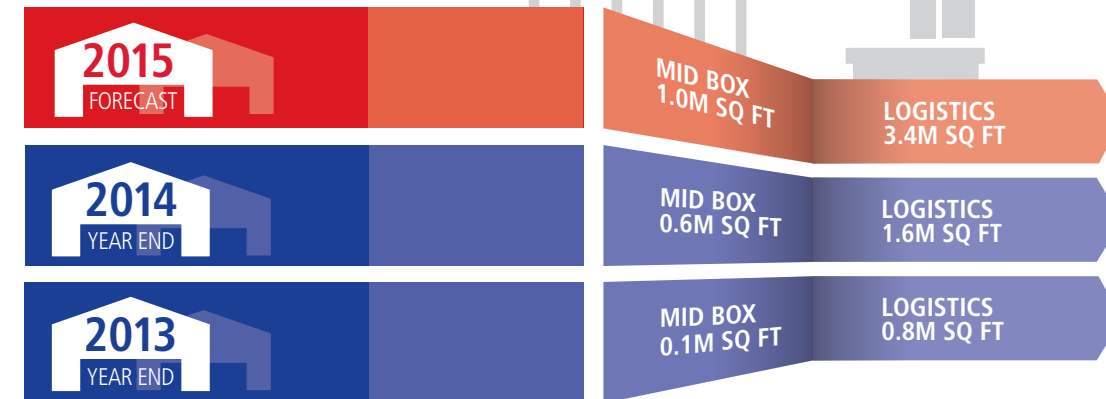
It's a fascinating time to be in the industrial and logistics sector. I hope that you find this research useful as you navigate your way through the market during 2015.

**Steve Williams**

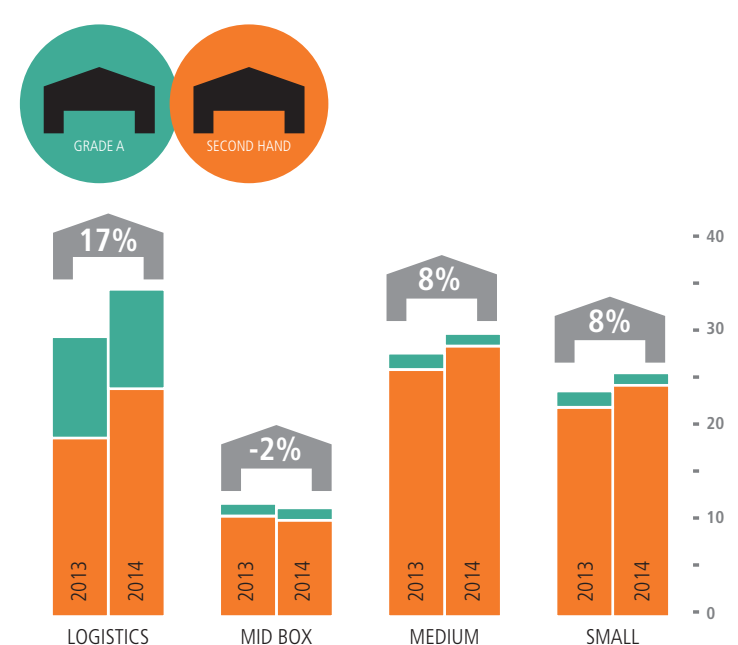
National Head of Industrial & Logistics  
Lambert Smith Hampton



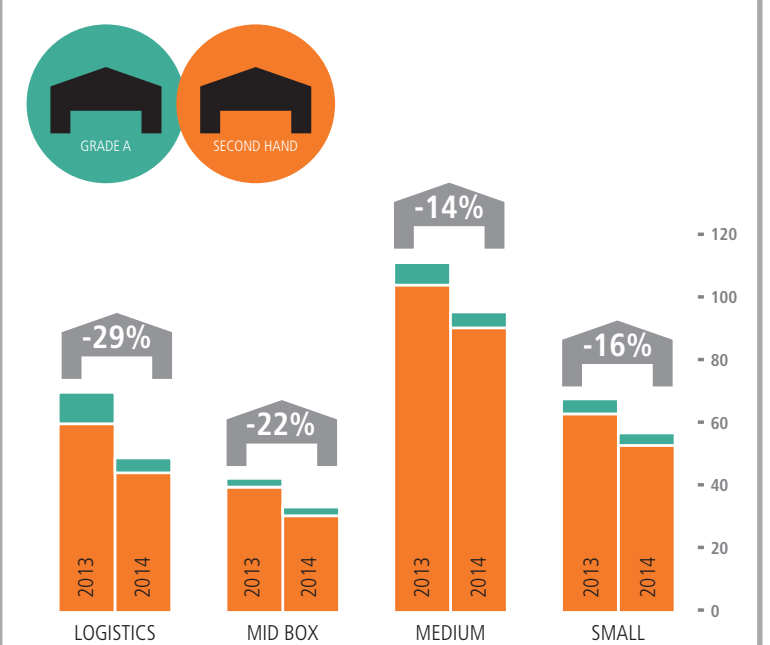
### SPECULATIVE DEVELOPMENT/CONSTRUCTION



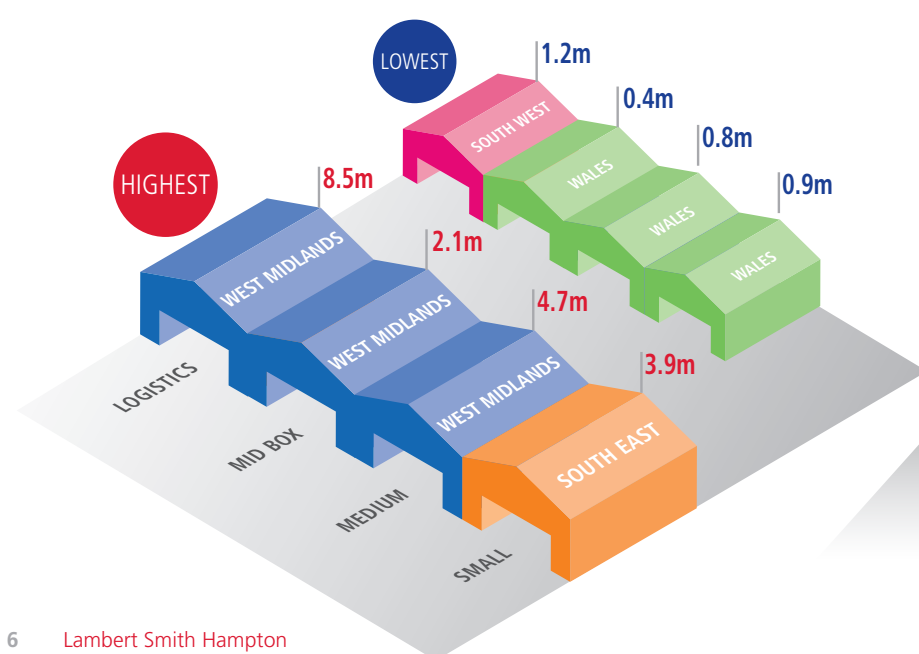
### TAKE-UP BY SIZE (M SQ FT)



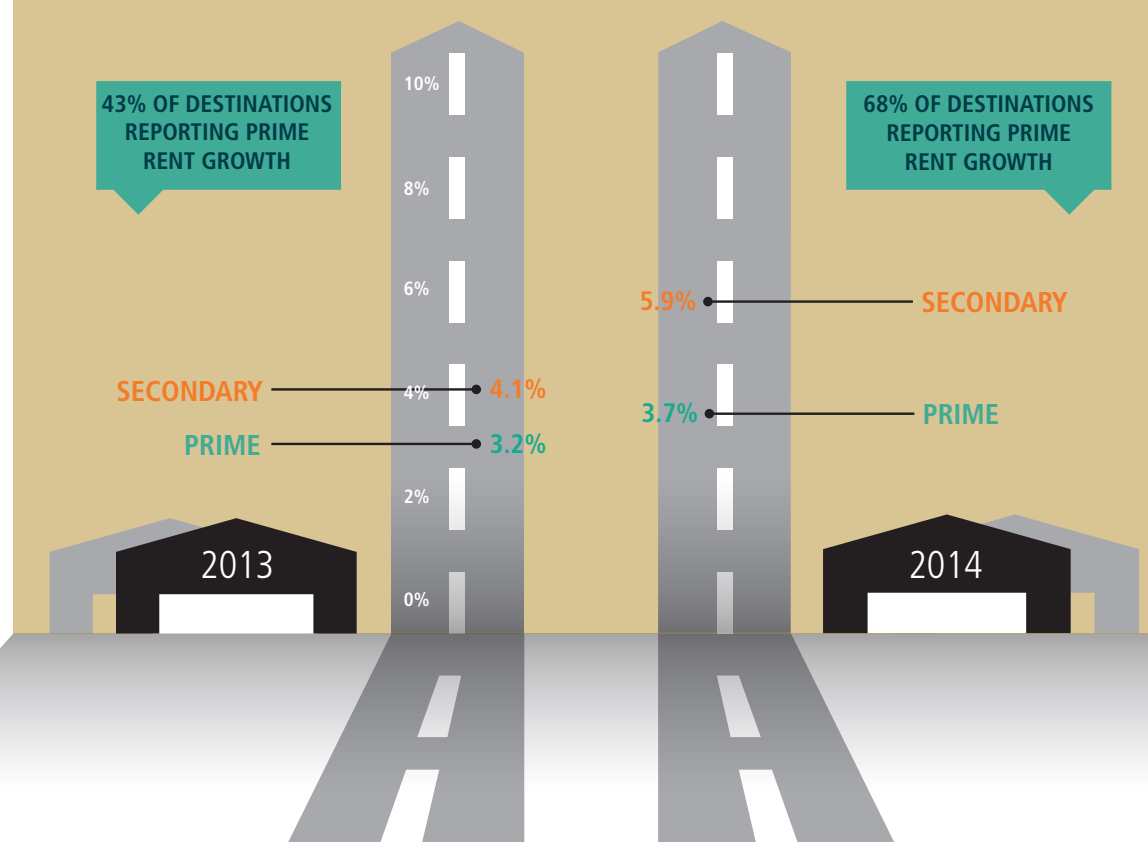
### AVAILABILITY BY SIZE (M SQ FT)



### 2014 REGIONAL TAKE-UP (SQ FT)



### RENTAL GROWTH



### 2014 GRADE A REGIONAL MONTHS' SUPPLY

