

# PORTFOLIO POWER

Defiance of the budget uncertainty, a resurgence of portfolio deals and record investment in South East multi-lets marked a standout quarter in Q4.

## PORTFOLIOS DRIVE IMPRESSIVE VOLUME

Industrial volume rebounded to £3.9bn in Q4, the strongest quarter since Q4 2021 and 56% above the five-year average. This lifted the total annual volume to £8.7bn, up 4% on 2024, although despite the strong year end, was 14% below the five-year average, reflecting a quiet first three quarters.

Q4 performance was fuelled by record portfolio investment, with £2.2bn transacted across 13 deals. This was anchored by Tritax Big Box REIT's £1.0bn acquisition of the Project Centurion portfolio from Blackstone, the second largest industrial transaction ever recorded.

Distribution warehouses dominated in typical fashion, with volume of £2.6bn, more than four times the volume of Q3 and 71% above the five-year average. However, South East multi-lets stole the headlines, with record volume of £956m boosted by Sixth Street's £345m acquisition of the C6 Industrial portfolio. In contrast, regional estates volume of £375m was 30% below average.

## RECORD DOMESTIC INVESTMENT

At £1.4bn, overseas buyers once again accounted for the leading share of inflows to industrials in Q4, albeit its 30% share was the lowest since Q2 2020. Notably, overseas investors were net sellers of industrials for the first time in six years, with Q4 disposals of £2.1bn resulting in record net-selling of £712m. This is a theme set to continue into 2026.

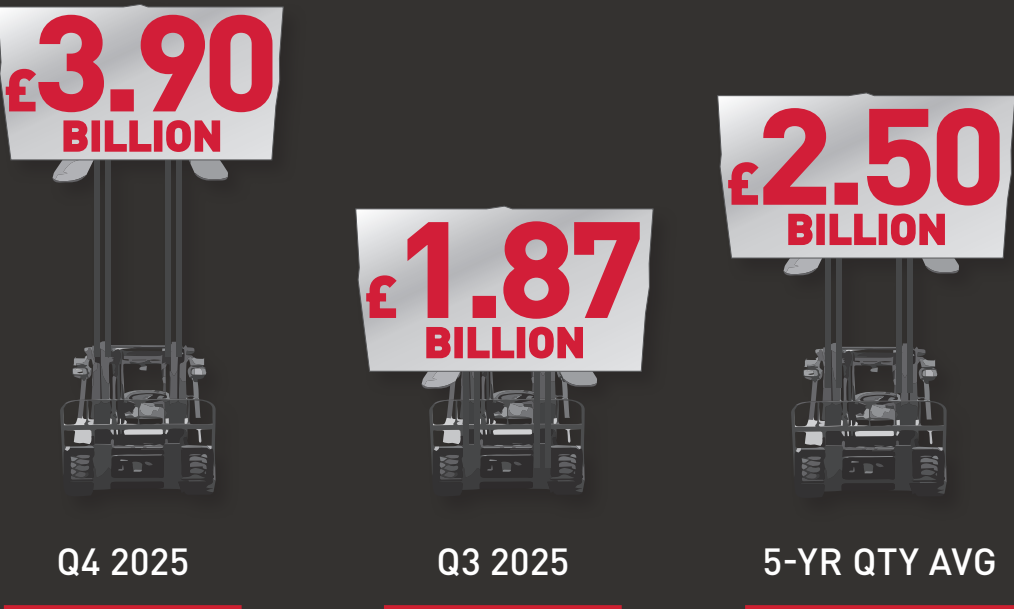
That said, if Blackstone's £1bn portfolio disposal is discounted, overseas investors would have retained their long standing position as net buyers. Equally, Tritax's acquisition of the portfolio pushed domestic purchasing of industrials to a record £2.5bn in Q4.

Institutional buying also soared in Q4, with total purchases almost tripling q-on-q to £416m and marking the first quarter of institutional net buying since Q1 2022. The biggest institutional buy was RLAM's £197m acquisition of Fradley Park in Lichfield, the largest institutional purchase in five years.

## POSITIVE START TO 2026

While notional prime yields held steady throughout 2025, economic uncertainty, elevated gilt yields and softer rental growth expectations impacted upon pricing sentiment. However, some of that pressure has been relieved in early 2026 thanks to a tangible improvement in the financial environment. Easing inflation, the prospect of one or two additional rate cuts and improving occupier sentiment make for a much more positive start to 2026 compared with this time last year.

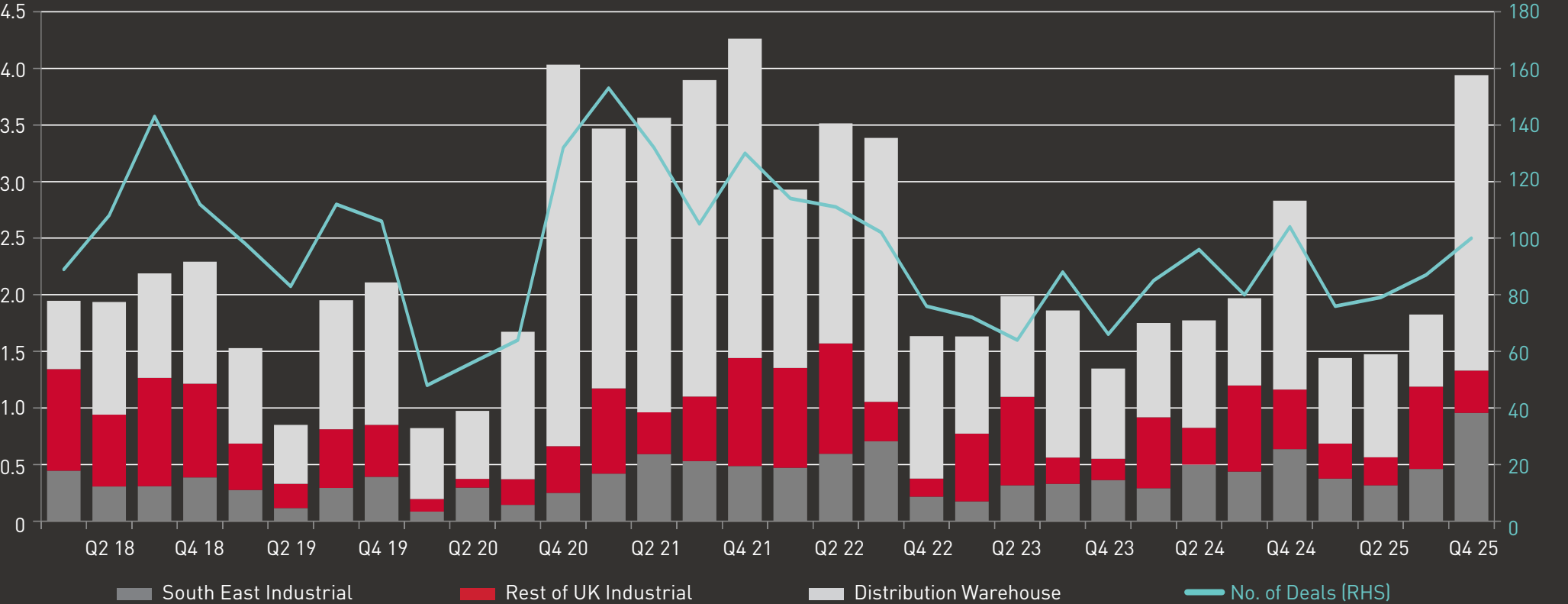
## INVESTMENT VOLUME



## PRICING

PRIME YIELDS	END Q4 2025	3 MONTH CHANGE (BPS)	12 MONTH CHANGE (BPS)
South East Estates	5.00%	0	0
Rest of UK Estates	5.25%	0	0
Distribution Warehouses	5.00%	0	0
TRANSACTION YIELDS	Q4 2025	3 MONTH CHANGE (BPS)	12 MONTH CHANGE (BPS)
South East Industrials	5.48%	-14	86
Rest of UK Industrials	8.30%	212	264
Distribution Warehouse	6.90%	198	218
All Industrial	6.33%	84	152

## INDUSTRIAL VOLUME (£BN)



LSH KEY DEALS



PHASE II ADANAC PARK, SOUTHAMPTON

On behalf of a retained client, LSH sold a brand new fully let multi-let estate in Southampton to CBRE IM. The estate comprising 11 units was sold for £30.50m reflecting a net initial yield of 5.10%.



SOLENT GATE, FAREHAM

Acting on behalf of Columbia Threadneedle, LSH sold a modern reversionary industrial estate in Fareham. The estate comprising 7 units and let off a low average rent of £10.80 per sq ft was sold for £9.00m reflecting 5.63%.

KEY Q4 DISTRIBUTION DEALS

PROPERTY	WALT (YEARS)	TENANT	PRICE (M)	NIY	DATE	VENDOR	PURCHASER
PR1 Park Royal	12.5	Classic Fine Foods	43.6	4.50%	Nov-25	KSP/Patrizia	Tritax
Charlton Depot	44.0	Sainsbury	123.2	4.85%	Dec-25	LaSalle	DWS
Mountpark, Bristol	9.8	Waitrose	54.7	5.60%	Dec-25	Mountpark	Leftfield Capital
Pin 54 Wolverhampton	15.0	P.J.H Group	28.7	5.40%	Dec-25	Pin Property	Titan
Acton Lane, Park Royal	5.3	Ward Thomas	17.3	3.96%	Dec-25	CBRE IM	Hines

KEY Q4 MULTI-LET DEALS

PROPERTY	WALT (YEARS)	RENT (PER SQ FT)	PRICE (M)	NIY	DATE	VENDOR	PURCHASER
Crest Distribution Centre, High Wycombe	6.1	£17.74	38.5	4.96%	Nov-25	Goya/Hillwood	DTZi
Adanac North, Southampton	6.5	11.77	30.5	5.11%	Dec-25	Oceanic Estates	CBRE IM
St Martins Business Centre, Bedford	2.6	£7.15	31.0	5.60%	Dec-25	Fidelity	Westbrook
Fradley Park, Lichfield	2.6	£6.59	197.0	5.15%	Dec-25	Ares	RLAM
Dukes Road, Park Royal	2.6	£23.47	39.0	4.28%	Dec-25	Blackrock	M&G

KEY Q4 PORTFOLIO DEALS

PROPERTY	WALT (YEARS)	NO. OF PROPERTIES	PRICE (M)	NIY	DATE	VENDOR	PURCHASER
Project Centurion	6.0	41	1040.0	5.20%	Oct-25	Blackstone	Tritax
C6 Industrial	-	37	345.0	Conf.	Oct-25	Clipstone	Sixth Street
Project Ammolite	2.8	5	99.0	5.78%	Nov-25	CBRE IM	TPG
Ocean Portfolio	4.8	7	24.0	7.98%	Dec-25	ICG	Blue Coast Capital
Project Ryder	-	5	22.1	5.40%	Dec-25	LondonMetric	Almcor

Get in touch:

ALEX CARR  
Head of Industrial Investment  
+44 (0)7525 950779  
acarr@lsh.co.uk

JERRY VIGUS  
Senior Director  
+44 (0)7711 167057  
jvigus@lsh.co.uk

CHARLIE HOW  
Senior Director  
+44 (0)7545 208976  
chow@lsh.co.uk

TOM STEADMAN  
Director  
+44 (0)7904 276 239  
tsteadman@lsh.co.uk

TOM WOOD  
Associate Director  
+44 (0)7761 757 976  
twood@lsh.co.uk

JACK JAMES  
Surveyor  
+44 (0)7355 608 829  
jjames@lsh.co.uk

IZZY WATTERSON  
Associate Director - Research  
+44 (0)7799 341 258  
iwatterson@lsh.co.uk

