

Logistics Sector Sees Largest Range of Occupiers Taking Space on Record in 2022

3 years ago



New research from [CBRE](#) revealed the UK's logistics sector has experienced new levels of occupier diversity in 2022, with 111 different occupiers taking space over a total of 139 deals.

Total take-up for the sector reached 38m sq ft in 2022- reflecting a 10.3% fall compared to 2021 and 11.6% lower than the record breaking 2020. Despite the decrease, total take-up in 2022 still sits 5.25% above the five-year average and 32.7% higher than the ten-year average.

At a sector level, the third-party logistics (3PL) sector dominated occupier activity, accounting for 33.3% or 12.65m sq ft of total take-up. Of the 55 3PL deals completed over the year, 40 involved different categories of 3PL occupiers including DHL, Wincanton and Kammac, further highlighting the growing mix of occupiers taking space. Manufacturing take-up increased in 2022, outperforming online retail with 11.7% compared to 11.2%. Online retail's contribution to total take-up fell 28.6% from 39.8% in 2021.

The year ended with the national vacancy rate increasing to 2% - providing some relief, considering the previous 12 months' demand, and pushing the current built supply to around three-months, or 10m sq ft. Looking ahead, development supply is strong with 15.37M sq ft of speculative space under construction across 69 buildings, which translates to a further five months' supply.

Regionally, demand continued to be evenly spread. Yorkshire & North East topped the take-up figures at 20.4%, reflecting occupier interest in the available labour pool and, as a result, the opportunity to secure larger units. Notably, Yorkshire & North East recorded the lowest vacancy rate, at a critically low level of 1%, however the region has a strong development pipeline of 19 units that are under construction at present.

Paul Farrow, Executive Director, Head of UK Industrial & Logistics, CBRE, said: “Overall take-up volumes for the year are still strong, particularly when we consider the many record-breaking quarters achieved in recent years. The sector is proving robust, as indicated by the increased mix of occupiers that remain active in the market. While there remains uncertainty, we hope that 2023 will see stability from a macro perspective, giving renewed confidence to occupiers.”