

INVESTMENT  
MARKET UPDATE  
**INDUSTRIAL FOCUS**

Q1 2026

# Allsop's Industrial Market Snap Shot

## Who is Buying


- Overseas investors continue to drive volumes, with North American buyers accounting for 51% of inflows.
- Increased capital from the Far East and Europe reflecting the perceived value and relative liquidity in the UK market.
- Larger REITS looking to 'scale up' through platform acquisitions.


## Who is Selling


- UK institutions looking at reducing exposure to legacy assets and as a result of changes to pension fund requirements.
- US private equity who bought off the back of COVID and are seeing the end of these 5 year business plans.
- Councils looking for cash receipts most likely following local elections in May.

**Off-market deals remain prevalent**, especially for larger lot sizes, with many of these transactions conducted on a one-to-one basis.

## Direction of Travel


 UK take-up predicted to rise to **44 million square feet in 2026** which represents an **increase of 10%** from last years 37.4 million square feet.


 **Take-up** is expected to come from **occupiers consolidating operations** into fewer, larger buildings to improve efficiency. Automation, advanced inventory systems, and productivity gains all benefit from scale. Larger facilities enable companies to streamline operations, reduce site duplication, and move goods through networks faster.

 **Power access** is now even more critical in site selection than ever due to grid connection timelines taking more time.

 **Chinese ecommerce** will continue to make inroads into UK logistics through aggressive expansions of firms like **JD.com and Temu** who are leveraging their highly cost **efficient supply chains** and the UK's demand for ecommerce over the rest of Europe.

 Rising **defence spending** is expected to boost demand from defence manufacturers and logistics. **Sirius Real Estate** plans to **acquire £113 million** of defence-related properties as it increases exposure to the sector.

 **Vacancy** is to remain near **7%**, due to limited appetite for **older, second-hand buildings** that do not meet occupier needs.

 **Rising cost pressures** could also stimulate activity in 2026, with logistics occupiers grappling with a **44% increase in operating costs** since before the pandemic.

 **Q4 2025** industrial and logistics volume reached **£3.7 billion** with North American Private Equity accounting for roughly **60% of UK volume**. Whilst first quarter of 2026 has been stalled due to world events we anticipate transaction volumes to return.

 Projected returns of **8.4% pa for industrial and logistics** between **2025 and 2028**, continuing to outpace other sectors.

# Allsop's National Industrial Investment Transactions

Transvalair, Crawley

Acquisition



Transaction Date:	December 2025
Price:	£6.25m
NIY:	5.15%
Cap Val (per sq ft):	£221
Tenancy Details:	Single let to Transvalair (U.K.) Limited until 2nd October 2028
AWULT:	2.95 years to expiry

Boughton Industrial Estate, Ollerton

Sold



Transaction Date:	March 2025
Price:	Confidential
NIY:	Confidential
Tenancy Details:	Heavily multi let across 53.75 acres
AWULT:	1 year to expiry

Kiddlington, Oxford

Acquisition



Transaction Date:	December 2025
Price:	£6.85m
Cap Val (per sq ft):	£181
Tenancy Details:	Vacant Possession

Ellough Industrial Estate, Beccles

Sold



Transaction Date:	Sept 2025
Price:	£4.5m
NIY:	6.75%
Cap Val (per sq ft):	£103
Tenancy Details:	Multi let comprising of 21 units

# Allsop National Investment

## THE ALLSOP ADVANTAGE

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**208**

COUNTRIES OR  
TERRITORIES REACHED

MARKET LEADERS IN THE  
**£3-£20M**  
**MARKET**

WITH AN UNRIVALED  
HNW INVESTOR CLIENT LIST

**80,000+**

REGISTERED  
INVESTORS

OVER  
**250 YEARS**

COMBINED  
MARKET EXPERIENCE

**GLOBAL**  
**PARTNERSHIPS**

WITH CITI PRIVATE BANK  
AND MILLENNIUM GROUP

Driven by insight.  
Delivered by people.

# Allsop National Investment Team

We **know** the buyers



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Energy, Expertise and  
Exceptional contacts.

# Bringing property & people together

## Services

Asset Management

Auctions

Build to Rent

Business Rates

Development Agency & Advisory

Investment Sales & Acquisition

Lease Advisory

Letting & Management

Office Leasing (Central London)

Planning Consultancy

Receivership

Student Housing

Valuation

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