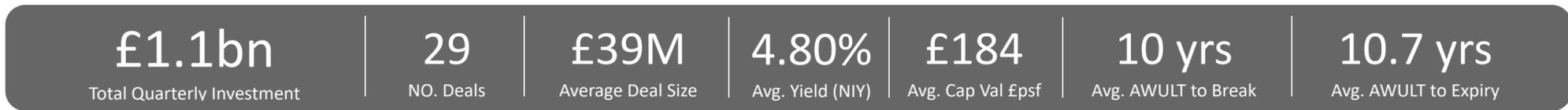
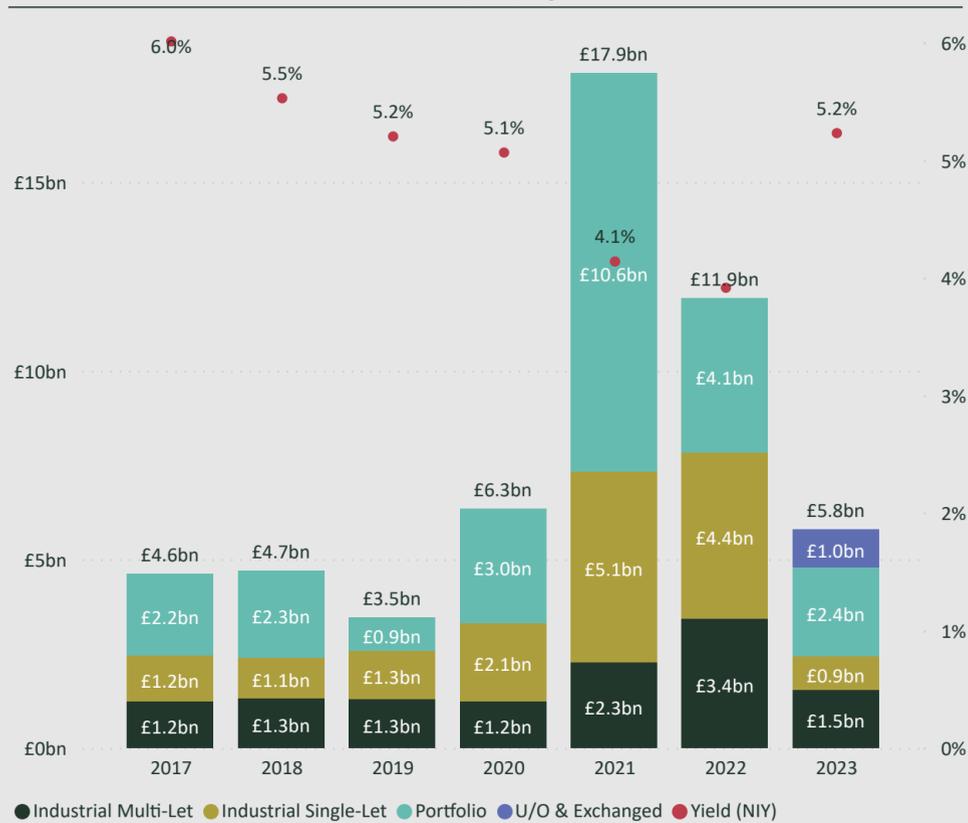


# INDUSTRIAL SECTOR (SLI, MLI & PORTFOLIO)

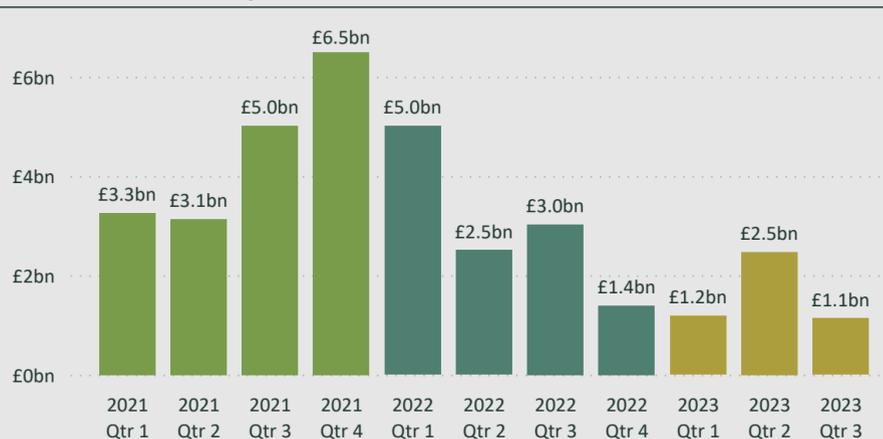
## Q3-2023 Market Overview



Annual Transaction Volume and Yield (NIY) by Sub-Sector

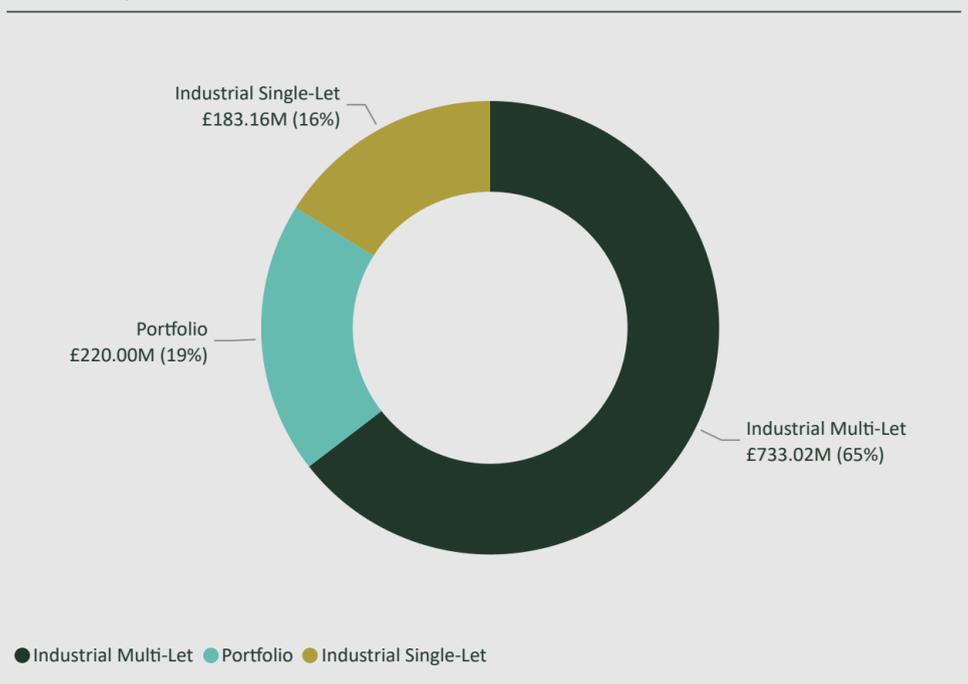


2020-2023 Quarterly Industrial Investment

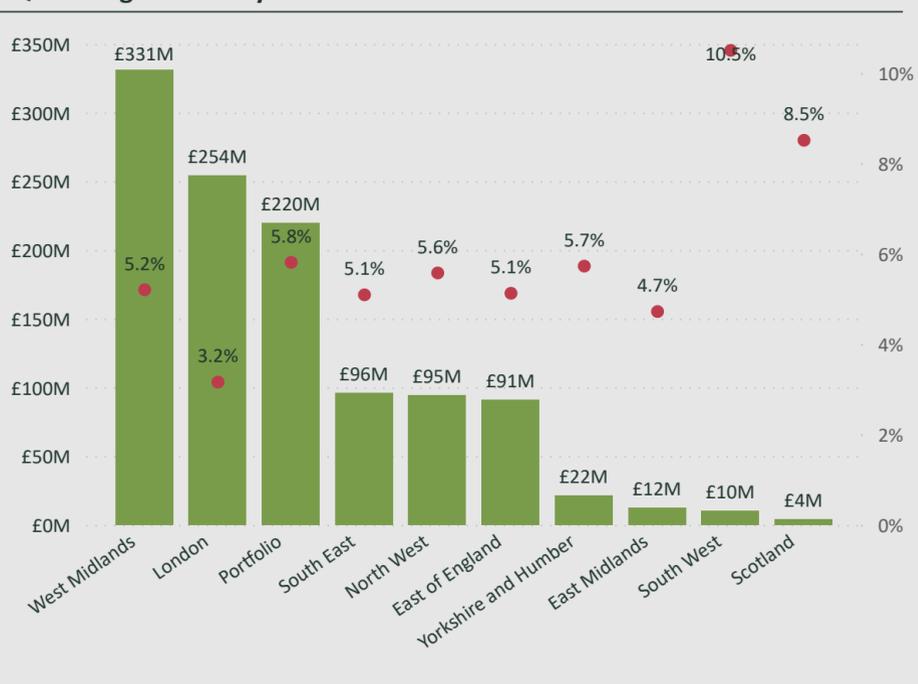


Given Q3 includes July and August, a total transaction volume of just over £1bn isn't terrible, but it does reflect what we felt was a quieter middle part of the year. Overall activity remains subdued and buy-side requirements have narrowed meaning a divergence between prime and secondary pricing. Liquidity remains, but competition is reduced meaning buyers have choice. DB pension funds are now selling real estate which is likely to lead to increased stock levels as we close out 2023 and move into 2024, which corresponds with a welcome stabilisation in interest rates. We think 2024 will remain a good buying opportunity.

Q3-23 SLI, MLI & Portfolio Investment

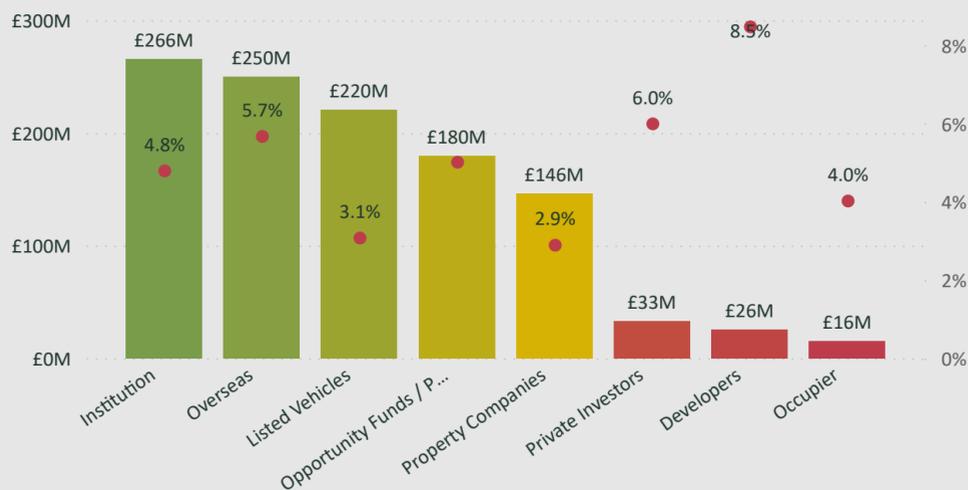


Q3-23 Regional Analysis - Transaction Volume & Yield



Q3 was boosted by the level of activity in multi-let, with over £733m of deals comprising 65% of activity. This also led to transaction NIYs falling versus the YTD average, driven by weighting to large assets with low NIYs but strong reversions. Activity remains concentrated within core markets, with W. Midlands and London accounting for 53% of all deals. This fits the trend of flight to quality, which makes sense given better quality assets are generating most interest and therefore achieving prices which are acceptable to vendors.

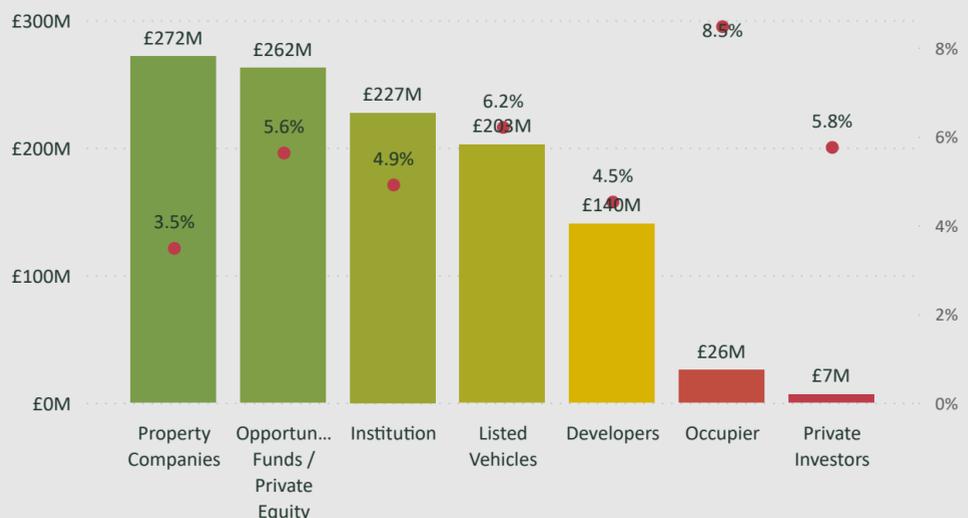
### Q3-23 Purchaser Type - Transaction Volume & Yield



### Q3-23 Top 10 - Purchaser Overview

Purchaser	Transacted Volume	No. of Deals	Yield (NIY)	Cap Val Epsf
JD.com	£250M	2	5.67%	£152
London Metric	£162M	1		
Valor	£146M	1	2.89%	£429
DTZI	£140M	1	4.52%	£179
Westbrook	£69M	2	4.93%	
Mileway	£53M	1	4.99%	£1,684
Tritax	£51M	1	2.70%	£391
Hines	£41M	1	6.20%	£93
M&G	£37M	3	4.81%	£273
Aviva	£33M	1	4.10%	£297
<b>Total</b>	<b>£982M</b>	<b>14</b>	<b>4.61%</b>	<b>£204</b>

### Q3-23 Vendor Type - Transaction Volume & Yield



### Q3-23 Top 10 - Vendor Overview

Vendor	Transacted Volume	No. of Deals	Yield (NIY)	Cap Val Epsf
Goldman Sachs	£250M	2	5.67%	£152
CT Property Trust	£162M	1		
Lothbury	£155M	2	3.06%	£403
Bericote Properties / JP Morgan	£140M	1	4.52%	£179
London Metric	£58M	2	5.81%	£119
USS	£56M	1	4.76%	
Commercial Estates Group	£53M	1	4.99%	£1,684
IM Properties	£51M	1	2.70%	£391
CBRE IM	£38M	3	4.66%	£234
abrdn	£33M	1	4.10%	£297
<b>Total</b>	<b>£996M</b>	<b>15</b>	<b>4.61%</b>	<b>£205</b>

### Q3-23 Yield Analysis - Transaction Volume & No. of Deals



### Q3-23 Transaction Price Range - Volume & Yield



### Key Portfolio Deals

Portfolio Name	Sub-Sector	No. of Properties	Floor Area (sq ft)	Transacted Volume	Yield (NIY)	Cap Val Epsf	Sale Date	Purchaser	Vendor
CT Property Trust (Industrial) * Portfolio	Industrial Mixed	10		£162M			Aug-23	London Metric	CT Property Trust
Libra Portfolio	Portfolio - Industrial Multi-Let	6	584,547	£95M	4.59%	£163	May-23	ARGO Real Estate Ltd	Tesco Pension Fund
London Metric Portfolio	Portfolio - Industrial Multi-Let	2	51,657	£18M	4.90%	£339	Aug-23	M&G	London Metric
Project Clarissa	Portfolio - Industrial Mixed	6	311,866	£34M	6.44%	£109	May-23	Clearbell Capital LLP	Palace Capital
Project Gimlet	Portfolio - Industrial Multi-Let	5	395,415	£82M	4.52%	£207	Jun-23	ARGO Real Estate Ltd	Workspace Group Plc
Project Stag	Portfolio - Industrial Multi-Let	4	434,911	£41M	6.20%	£93	Sep-23	Hines	London Metric
Pentium Portfolio	Portfolio - Industrial Single-Let	8	526,864					Exchanged	AXA
Artemis Portfolio	Portfolio - Industrial Multi-Let	9	359,355					Under Offer	IPIF
The Grove Portfolio	Portfolio - Industrial Multi-Let	3	90,406					On Market	GMS Estates Ltd
The Link Portfolio	Portfolio - Industrial Multi-Let	3	188,402					On Market	William Fishwick & Sons

\*Estimated Industrial Component

### Q3-23 Key Single-Let Deals

Address	Floor Area (sq ft)	Tenant	AWULT to Breaks	AWULT to Expiry	Transacted Volume	Yield (NIY)	Cap Val £psf	Sale Date	Purchaser	Vendor
Airport City South, Sunbank Lane, Manchester, North West, WA15 OPT	37,413	DHL	6.4 Yrs	6.4 Yrs	£9.5M	4.02%	£255	Sep-23	DHL	HPPUT
FedEx Edinburgh Airport, Cammo, Edinburgh, National, EH12 0AL	42,697	FedEx	3.7 Yrs	3.7 Yrs	£8.5M	6.06%	£199	Sep-23	ICG	Lothbury
Pork Farms Caspian, 10-20 Sterte Avenue, Poole, South West, BH15 2AS	258,336	Compleat Food Group	20.0 Yrs	20.0 Yrs	£25.5M	8.78%	£40	Aug-23	Angelo Gordon	Compleat Food Group
Wrights Pies, Weston Road, Second Avenue, Crewe, North West, CW1 6XQ	175,050	Compleat Food Group	20.0 Yrs	20.0 Yrs			£86	Aug-23	Angelo Gordon	Compleat Food Group
Tesco Distribution, Didcot, South East, OX11 7HR	70,359	Tesco	2.8 Yrs	7.7 Yrs	£9.0M	5.75%	£128	Aug-23	Brydell	L&G
Unit 1055, Great Bear Distribution, Moulton Park, Northampton, East Midlands, NN3 6RX	102,778	Great Bear Distribution	2.7 Yrs	2.7 Yrs	£12.4M	4.72%	£121	Aug-23	Kennedy Wilson	JP Morgan
Unit G, Wakefield 41, Brunel Road, Wakefield, Yorkshire, WF2 0XG	134,646	Sportswift Limited t/a Card Factory	5.0 Yrs	5.0 Yrs	£13.2M	5.51%	£98	Jul-23	Crossbay	Mayfair Capital
GXO Logistics, Flex Meadow, Westside Business Park, Harlow, East Of England, CM19 5TH	76,040	GXO	5.0 Yrs	10.0 Yrs	£15.6M	5.72%	£205	Jul-23	Kennedy Wilson	BMO
Connect 6, Farington Park, Preston, North West, PR26 6PS	544,000	Victoria Plumbing	20.0 Yrs	20.0 Yrs	£70.0M	5.46%	£129	Jul-23	JD.com	Goldman Sachs
Matthew Clark Bibendum Limited, Unit 5 Apex Park, Cambridge Road, Bedford, East Of England, MK42 0AW	37,055	Matthew Clark Bibendum Limited	8.6 Yrs	13.6 Yrs	£6.8M	4.66%	£184	Jul-23	M&G	HPPUT

In terms of outlook for Q4, we are not seeing dramatically elevated stock levels, and certainly they are below what we might ordinarily expect in Q4. Openly marketed industrial portfolio activity is currently quiet following an uptick in Q2, albeit there are a number of large off market portfolios and recapitalisations which may boost Q4 figures if they transact by year-end.

### Q3-23 Key Multi-Let Deals

Address	Floor Area (sq ft)	No. of Units	AWULT to Breaks	AWULT to Expiry	Transacted Volume	Yield (NIY)	Cap Val £psf	Sale Date	Purchaser	Vendor
Unit 8,9,10, Coventry Logistics Park, Richardson Way, Coventry, West Midlands	784,989	3	13.0 Yrs	13.0 Yrs	£140.4M	4.52%	£179	Sep-23	DTZI	Bericote Properties / JP Morgan
The Triple Two Centre, Tannery Close, Beckenham, Greater London, BR3 4BY	111,400	10	3.3 Yrs	3.8 Yrs	£33.1M	4.10%	£297	Sep-23	Aviva	abrdn
Darrows Estate, 46 John Brannan Way, Bellshill, Scotland, ML4 3HD	57,060	21	3.9 Yrs	4.6 Yrs	£4.2M	8.51%	£74	Sep-23	Tracey Investments	Shed5 Ltd
Bilton Way, Enfield, Greater London, EN3 7ER	130,295	3	3.7 Yrs	3.7 Yrs	£51.0M	2.70%	£391	Sep-23	Tritax	IM Properties
Euroway Trade Park, London Road, Aylesford, South East, ME20 7UB	88,472	7	2.5 Yrs	2.5 Yrs	£14.5M	4.96%	£164	Aug-23	OSIM	CBRE IM
Swallowgate Business Park, Holbrook Lane, Coventry, West Midlands, CV6 4BL	79,844	8	1.9 Yrs	3.0 Yrs	£11.0M	4.95%	£138	Aug-23	Westbrook	DTZIM
Ridham Dock, Sittingbourne, South East, ME9 8SR	31,167	12	14.8 Yrs	21.4 Yrs	£52.5M	4.99%	N/A	Aug-23	Mileway	Commercial Estates Group
Units 4&5, Alpha 23, 218-220 Purley Way, Croydon, Greater London, CR0 4XG	47,952	2	5.9 Yrs	8.3 Yrs	£13.0M	4.77%	£271	Aug-23	M&G	CBRE IM
Gunnels Wood Industrial Estate, Gunnels Wood Road, Stevenage, East Of England, SG1 2BH	334,670	41	3.0 Yrs	4.8 Yrs	£56.0M	4.76%	£167	Aug-23	Westbrook	USS
Haslemere Industrial Estate, Pig Lane, Bishops Stortford, East Of England, CM23 3HG	74,424	13	2.4 Yrs	3.4 Yrs	£12.8M	5.67%	£171	Aug-23	Westbrook	Barings
St Margarets Business Park, Drummond Place, Twickenham, Greater London, TW1 1JN	27,500	7	2.0 Yrs	2.0 Yrs	£10.9M	4.14%	£395	Aug-23	Clipstone	CBRE IM
Tera 40, Auriol Drive, Greenford, Greater London, UB6 0TP	340,987	4	4.7 Yrs	4.7 Yrs	£146.3M	2.89%	£429	Jul-23	Valor	Lothbury
Ansty Phase I & II, Pilot Way, Ansty Park, Coombe Fields, West Midlands, CV7 9JU	1,101,092	7	15.0 Yrs	15.0 Yrs	£180.0M		£163	Jul-23	JD.com	Goldman Sachs
Rochester Trade Park, Maidstone Road, Rochester, South East, ME1 3QY	39,996	14	2.4 Yrs	2.4 Yrs	£7.4M	5.65%	£185	Jul-23	Industrials REIT	Mayfair Capital

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