

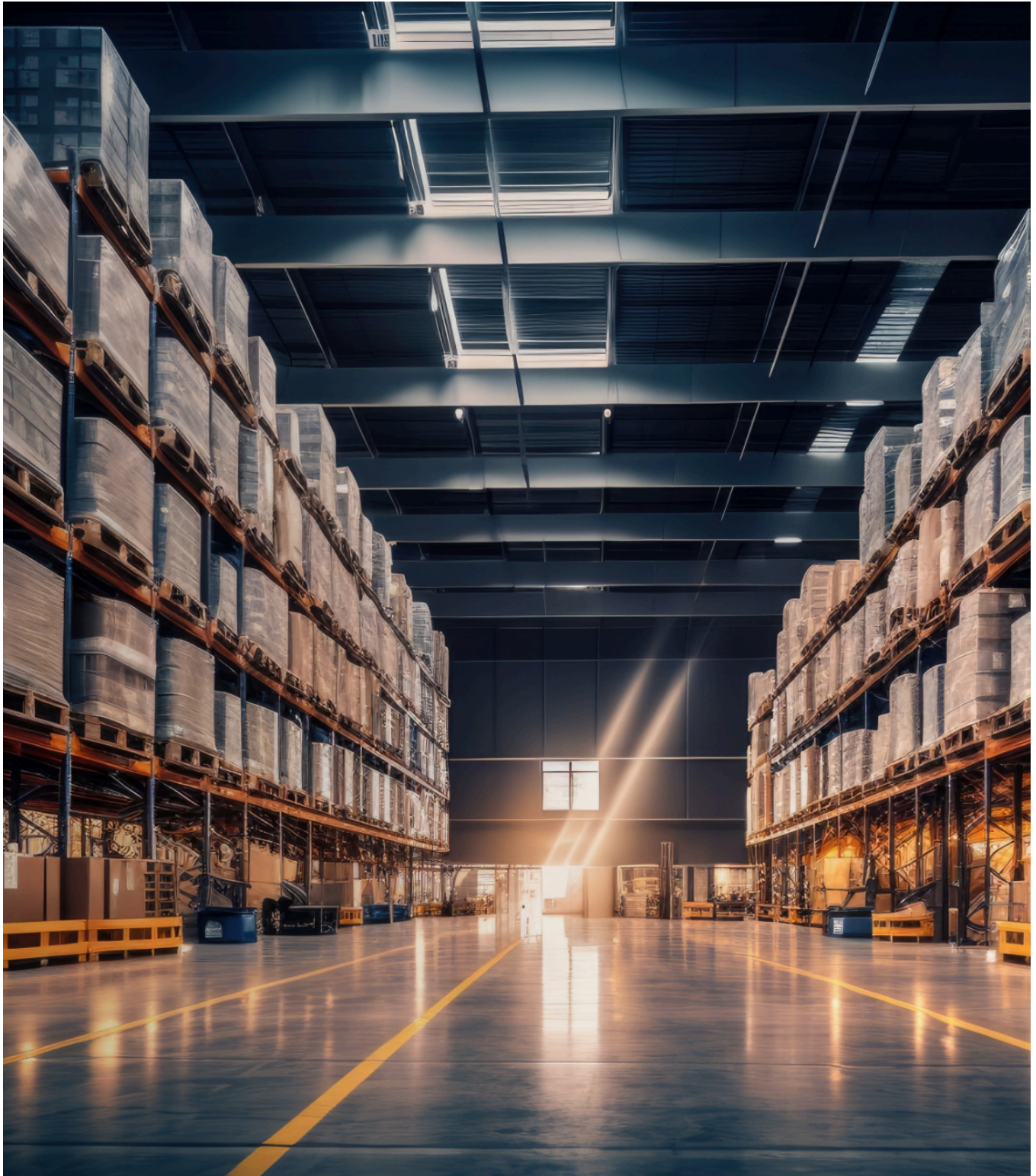
# Industrial Market Overview

iP

Region: Eastern M25

Category: Research

Q3 2025



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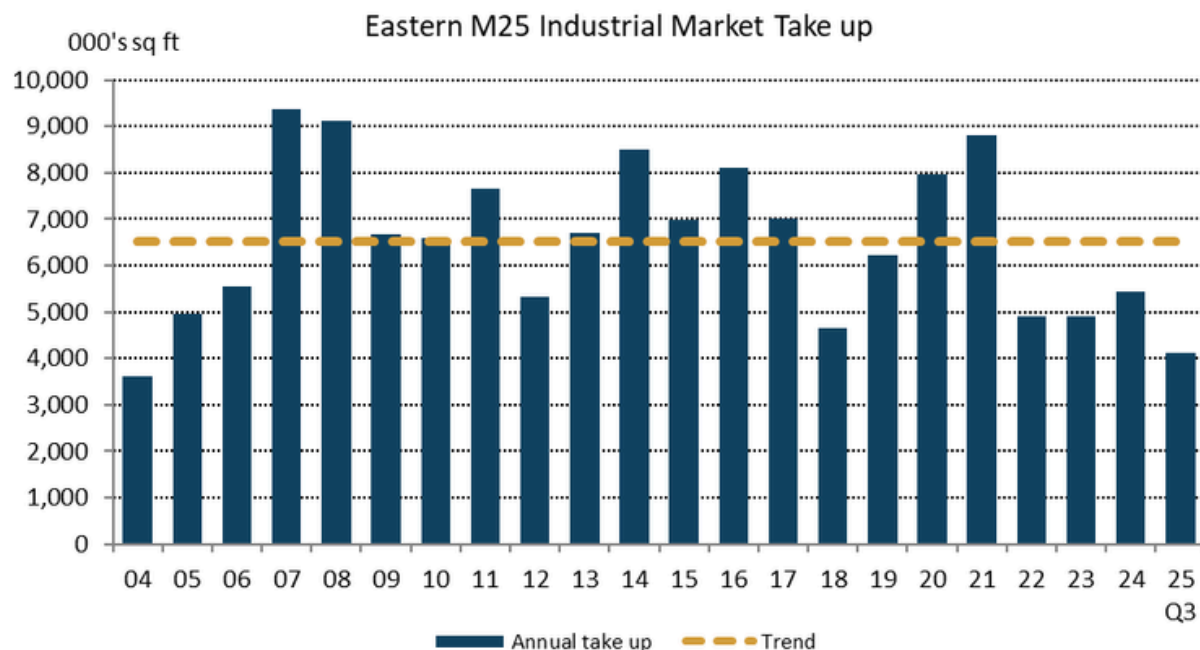
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# Eastern M25 Industrial Market Overview - Q3 2025

Intellectual Property

## Take Up



- Take up reached 4.1m sq. ft in the first three quarters of 2025, with full year activity expected to approach trend levels of activity at 6.0-6.5m sq. ft. Letting activity has been boosted by a particularly strong Big Box sector, with four deals completing totalling 1.24m sq. ft.
- Big Box activity has been focused in the Essex and South East London & Kent markets, with two deals at DP World's London Gateway and Nutra Direct taking two units at Click Aylesford totalling 153,850 sq. ft, whilst Polish logistics group InPost took the 120,215 sq. ft City Box 120 in Greenwich SE10.
- The largest letting was the 820,000 sq. ft pre let at London Gateway, with Tesco agreeing to lease a new facility at the port's logistics park.
- The other sector of the Eastern M25 market to have performed well in the year to date is the sub 5,000 sq. ft sector, where activity is 16% above trend levels at 780,000 sq. ft.
- The Mid Box sector has been most impacted by the slowing economy over the first nine months of the year, with only six deals completing across the Glenny region, totalling 385,675 sq. ft. The most significant Mid Box deal in the year to date has been the 68,000 sq. ft pre let to global cables distributor Batt Cables at Crossways Business Park, Dartford.

# Eastern M25 Industrial Market Overview - Q3 2025

Intellectual Property

## Take Up

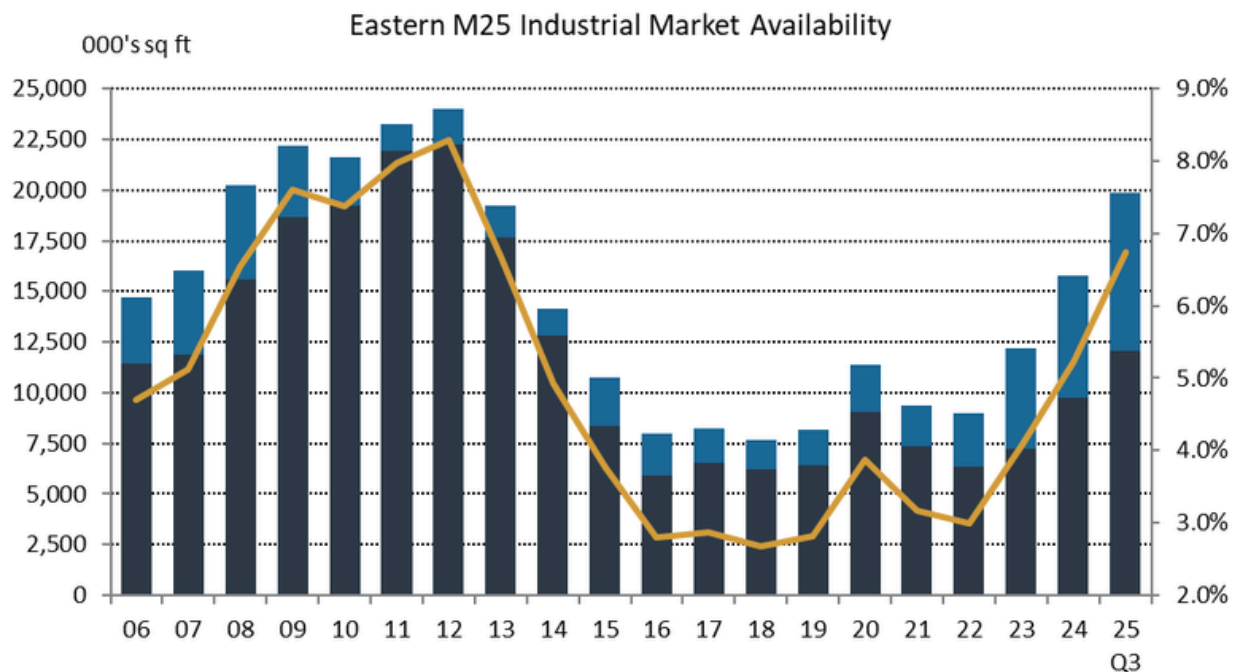
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## Availability

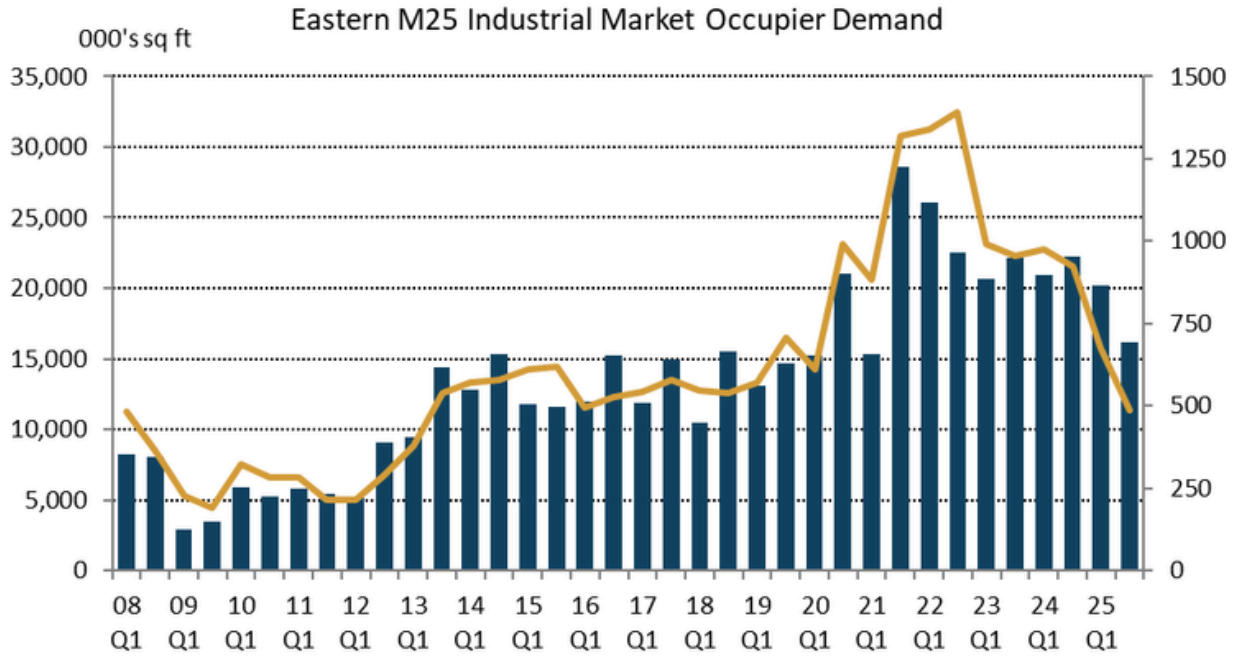


- Supply has risen sharply over the past two to three years, rising from 9.0m sq. ft at the end of 2022 to 19.9m sq. ft at the end of Q3 2025, an increase of 10.9m sq. ft (120%). The initial upturn in supply was driven by an increase in grade A space on the market, with a number of new schemes completing pushing grade A space to 7.8m sq. ft. More recently there has been an upturn in second hand space coming back to the market, with second hand supply standing at 12.1m sq. ft.
- Grade A supply is heavily influenced by a number of Big Box units, which account for 3.6m sq. ft of space in 17 buildings. The largest Big Box unit on the market is the recently available UltraBox in Purfleet, which is due to be refurbished to provide 498,725 sq. ft. The next largest building is the recently completed S440 at Panattoni Park, Sittingbourne, where 438,230 sq. ft is available.
- The amount of second hand space coming back to the market has accelerated over the past 12 months, rising from 7.5m sq. ft at the end of 2023 to 12.1m sq. ft at the end of Q3 2025, an increase of 4.6m sq. ft (62%). Almost 37% of second hand space is in buildings >50,000 sq. ft.
- There has been an upward shift in the availability rate in the Eastern M25 market moving up to 6.75% at the end of Q3 2025, which is now significantly ahead of the long run average availability rate, which stands at 5.0%.

# Eastern M25 Industrial Market Overview - Q3 2025

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## Demand



- Demand in the Eastern M25 industrial market moved back to pre Covid levels in the six months to the end of September 2025, standing at 16.2m sq. ft. The demand for Big Box units has remained relatively strong, standing at 9.1m sq. ft in 28 separate requirements. All other sectors of the market have seen demand reduce, with the most significant easing being seen in the Mid Box sector, where requirements are down to 1.8m sq. ft.

# Eastern M25 Industrial Market Overview - Q3 2025

Intellectual Property

## Demand

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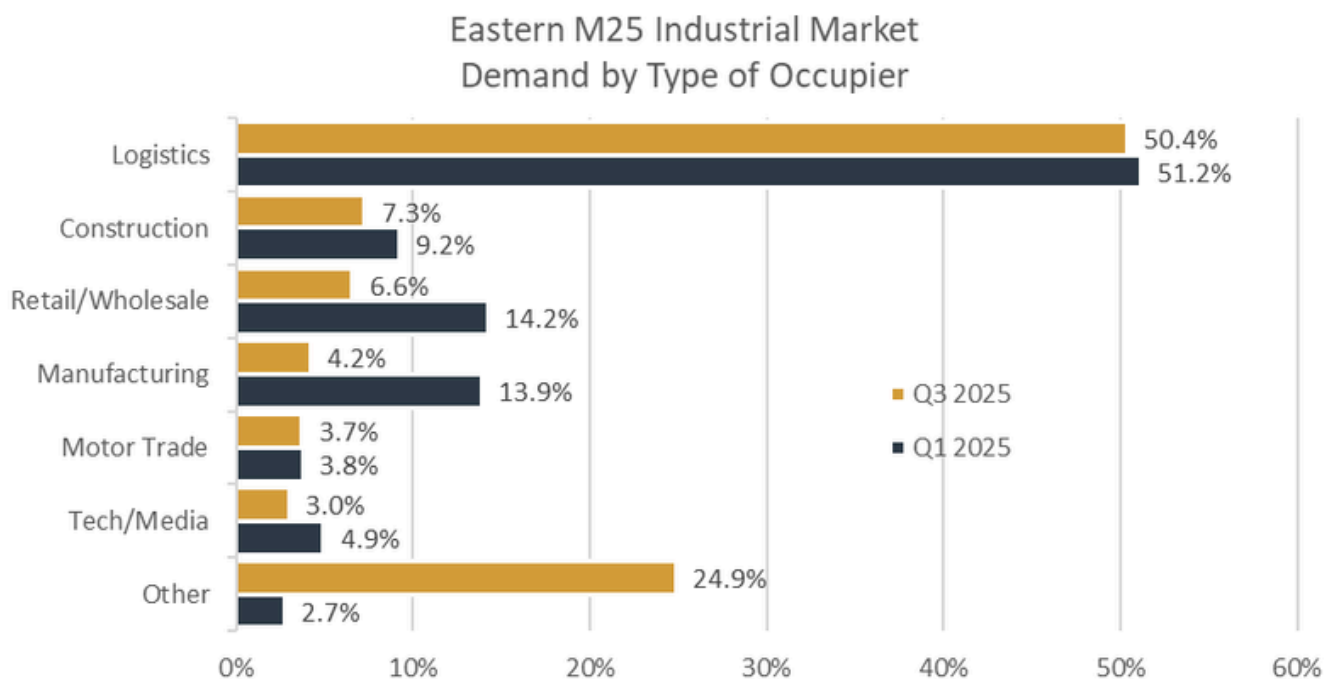
	Supply		Demand	Market Imbalance
	Grade A	Total		
<5,000 sq ft	175.2	1,413.8	433.7	226%
5,001 - 10,000 sq ft	229.1	1,750.1	808.5	116.5%
10,001 - 25,000 sq ft	924.9	3,765	1,957.2	92.3%
25,001 - 50,000 sq ft	1,261.2	3,387.2	2,072.8	63.4%
50,001 - 99,999 sq ft	1,419.4	3,091.4	1,862.3	66%
> 100,000 sq ft	3,767.4	6,454.6	9,079.7	(28.9%)
<b>Total</b>	<b>7,776.5</b>	<b>19,862.2</b>	<b>16,214.2</b>	<b>22.5%</b>

- The table above illustrates the relative imbalance between supply and demand through the different size bands of our analysis. A positive market imbalance figure indicates that there is a greater level of supply than demand currently in the market, whilst a negative figure shows that the level of requirements in the market currently outweighs the overall supply of floor space.

# Eastern M25 Industrial Market Overview - Q3 2025

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## Demand by Occupier Type



- The demand for floor space across the Eastern M25 continues to be dominated by the logistics sector in the six months to the end of Q3 2025, accounting for just over 50% of overall demand (16.2m sq ft).
- Despite this continued dominance of the Logistics sector, the overall share of demand has reduced significantly over the past 12-18 months, with total floor space demanded by the sector falling by 41%.
- The main impetus behind demand in the Logistics sector continues to be 3PL and Storage and Removal companies, with the demand for space from these two occupier types accounting for almost all (98%). Requirements for Big Box units dominates Logistics sector demand, accounting for 75% of overall demand from the sector.
- The major upturn in demand has been seen in the Other category, which includes (not exhaustively) the Leisure, Healthcare and Waste Management sectors. Each of these sectors has seen a sharp upturn in requirements, with the most significant upturn being seen in Leisure and Waste Management occupiers. Both of these sectors have seen a quadrupling in demand and now account for more than 1.1m sq ft of demand for space
- The most significant slowing in demand has been seen in the Manufacturing and Retail/Warehousing sectors, where requirements are down by 75% and 62% respectively.

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## Demand by Occupier Type

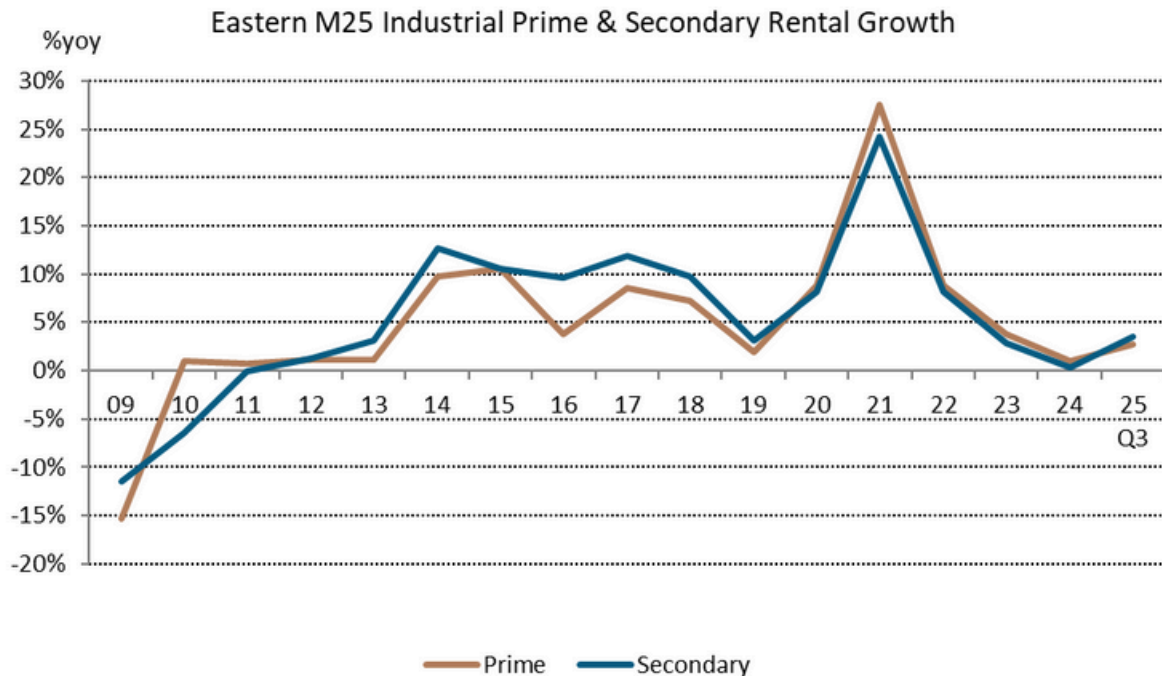
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- Demand in the manufacturing sector is a complex picture, with Advanced Manufacturing and Food and Drink Manufacturing seeing the least significant reductions in requirements, whilst Heavy and Light Manufacturing has seen the most significant weakening in requirements.
- The Motor Trade and Construction sectors has also seen less marked slowing in demand, with the demand from the Construction sector probably driven by several larger infrastructure projects in the area.

# Eastern M25 Industrial Market Overview - Q3 2025

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## Prime and Secondary Rents



- The year on year average growth in prime rents across the Eastern M25 slowed to 1.1% at end of 2024, down from 26.7% at the end of 2021. The first three quarters of 2025 has seen growth strengthen, rising to 3.1% in the 12 months to the end of Q3 2025. Growth is primarily focused towards the Outer M25 locations, where rents have risen by 7.9%, compared to 0.3% in the Inner M25 locations. The strongest growth has been registered in Ashford, Braintree and Harlow where rents edged up to £12.50 psf, £14.50 psf and £16.50 psf respectively.
- Secondary rents followed a similar trend, with growth increasing to 3.7% in the 12 months to the end of Q3 2025, up from 0.4% at the end of 2024. As with prime rents, Outer M25 rents showed the strongest growth, increasing by 8.8%, compared to 0.6% on Inner M25 locations.

% p.a.	1 Year	3 Years	5 Years	10 Years
Prime Rents	3.1%	2.6%	10.2%	7.1%
Secondary Rents	3.7%	2.3%	9.3%	8%

## About us

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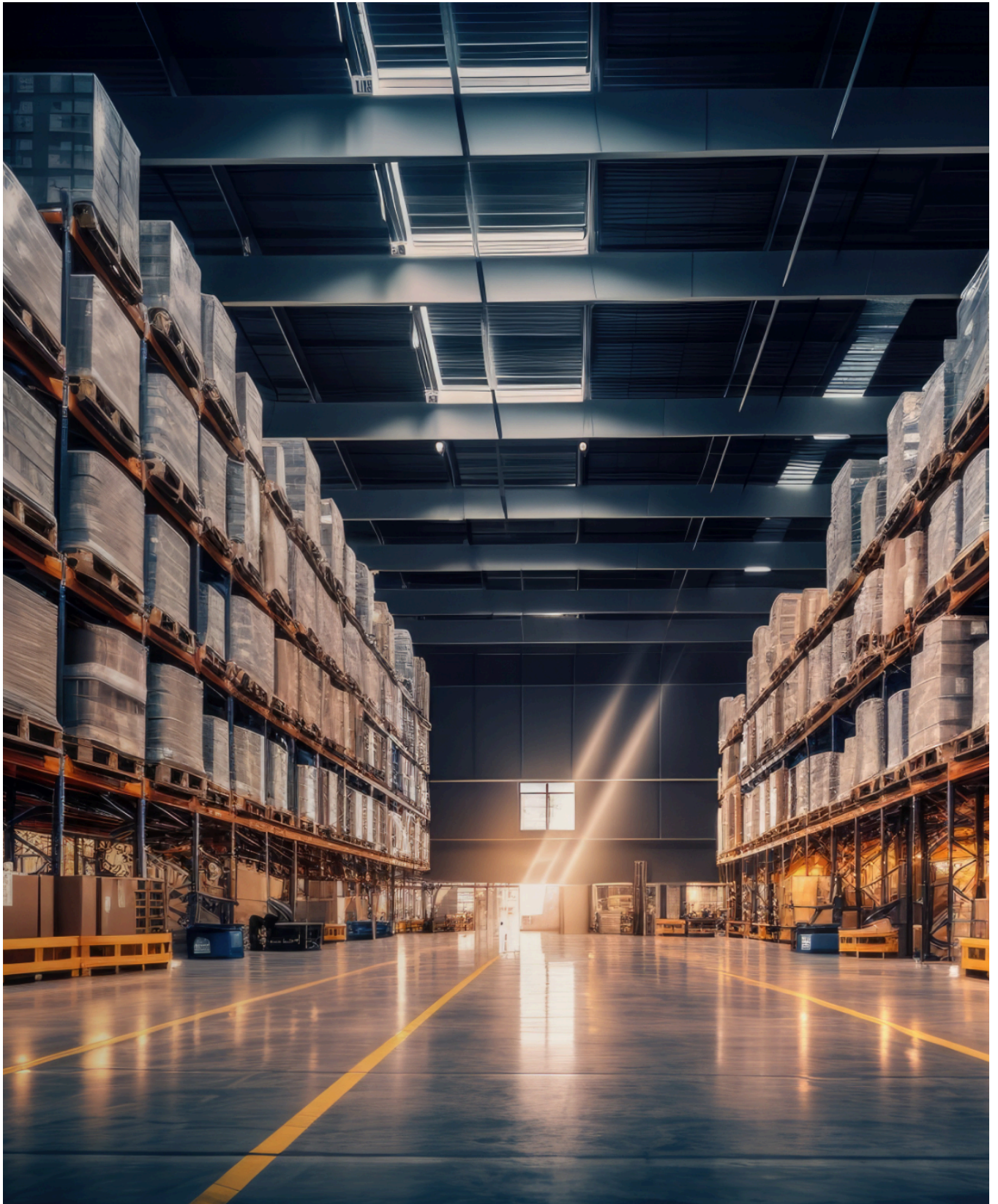
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