

Press Release 2024



2024 – A YEAR OF ELECTIONS, BUDGET DELAYS AND TRUMP BUT STILL SUCCESSFUL AS THE INDUSTRIAL/DISTRIBUTION MARKET IN THE EAST MIDLANDS CONTINUES TO GROW!

‘Variety is the spice of life’ and certainly in the commercial property market, particularly for the industrial and distribution sector in which I deal, every year for the last few years has been varied!

Covid, the Liz Truss budget, wars in Ukraine and elsewhere around the globe, all contribute to the supply and demand of manufacturing and distribution space in the East Midlands, 2024’s ‘variety’ has been provided by some of the above but also the longest run into a budget I can ever remember, particularly when fuelled with negativity and the most contentious American election ever, plus of course a UK election too. All these elements dominated the second half of 2024 and in turn, each seems to have had a negative impact upon demand for space throughout our region.

After a flying start to 2024 with demand seemingly picking up again at the top end of the industrial and distribution market, these events saw our market slow in the second half of the year, albeit with many notable deals still undertaken and somehow pushed over the line resulting in 2024 being particularly successful in terms of number of deals done and certainly scale of space let or sold.

On a personal level, highlights have included a design and build disposal at Fairham Business Park, Nottingham to a local packaging company who took over 100,000ft² and on the same site a further design and build manufacturing unit for global entity ABB, with the building currently under construction and another 100,000ft² unit flying up.

Sales and lettings of second-hand space have proved strong, meaning that as we come to the end of the year, supply is poor and with very little speculative space being constructed of any size currently, I suspect 2025’s ‘variety’ might be provided by the lack of supply, particularly if the impact of the budget and the US election is not as hard felt as might be anticipated.

There is no doubt that freehold values have continued to rise on second-hand space throughout the last 12 months and with the tipping point probably now reached also in terms of newly built speculative space, it could be claimed that we have less space available than the market requires. As a result, I can see big shed rents rising again in 2025 as well, particularly as it’s predicted that more third-party logistics operators will return to the market seeking space after a very quiet 2024.

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Overall though 2024 has been a successful year but I will certainly remember it as ‘the year of delays’ caused by long summer holidays, the longest run into a budget ever known, a drawn-out and quite frightening US election and now probably the longest run up to Christmas we have known, but roll on 2025 and hopefully quicker and more transactions throughout the market to look forward to.

ENDS

Tim Gilbertson

29 November 2024

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