



FUTURE SPACE

REPORT 2026

Brought to you by

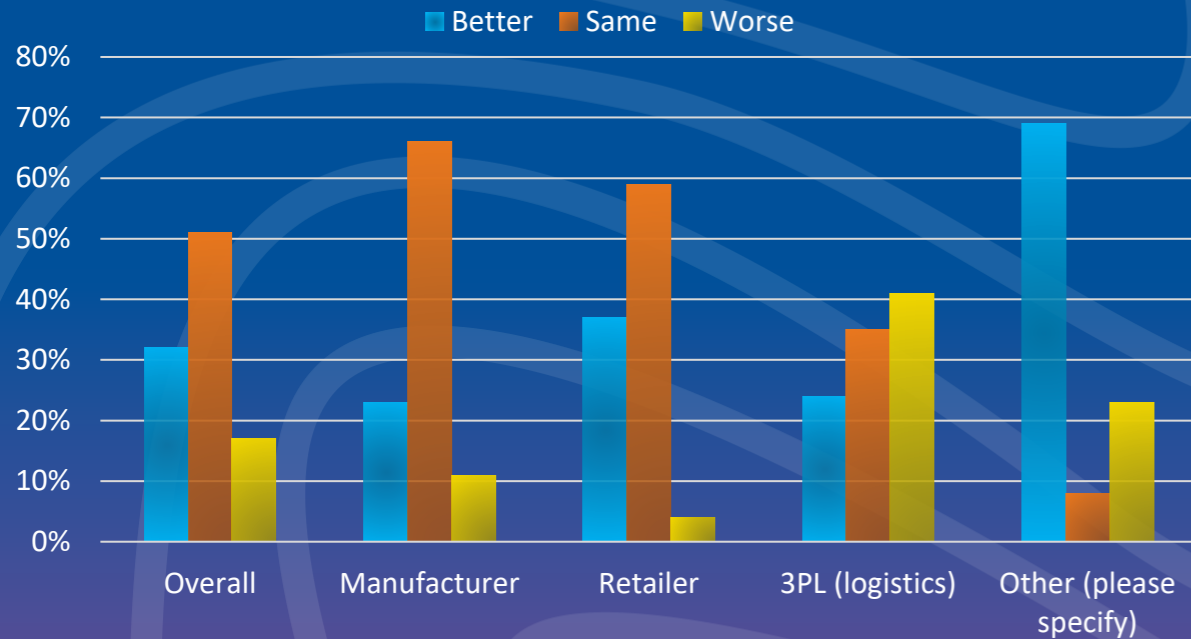


**TRITAX
BIG BOX[®]**



Introduction

How do you view current business conditions versus twelve months ago?



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

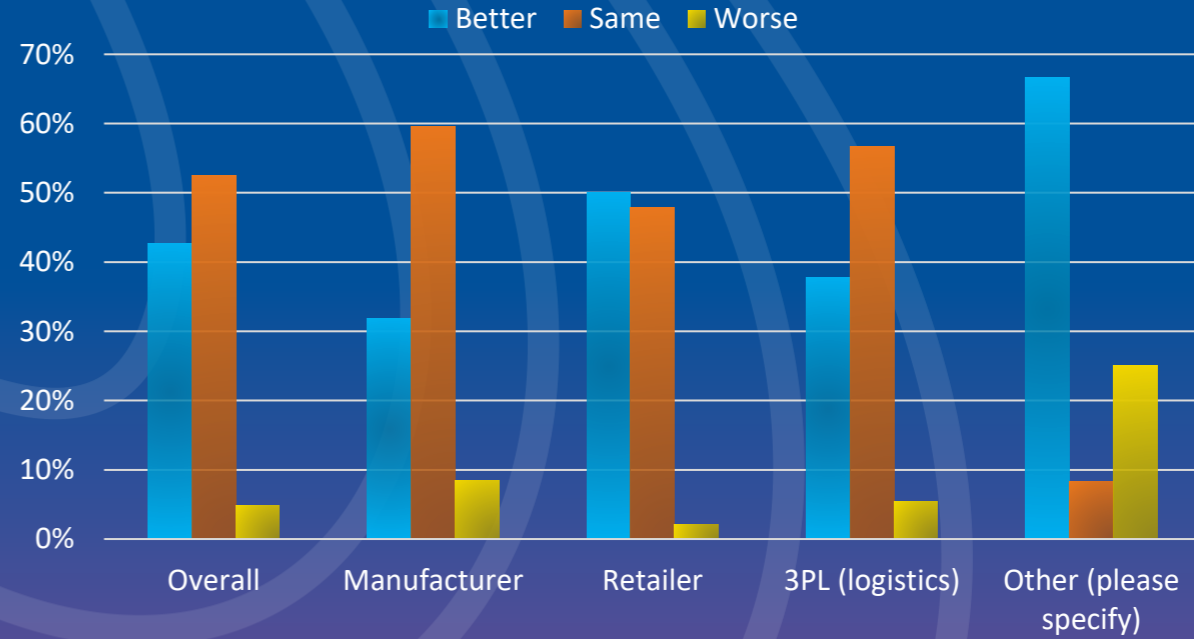
Welcome to the 9th annual Future Space report from Tritax Big Box and Savills, conducted by research partner Analytiqa. This report shares the views of Occupiers, Investors and Developers on the key trends and topics shaping the Industrial and Logistics market over the next 12 – 36 months, and beyond.

The survey, conducted in the final quarter of 2025, drew 382 responses, providing a robust data set. Occupiers accounted for 47% of responses, with the remaining 53% split between investors, developers and other key industry players.

Our occupier sample comprises a range of sectors – from automotive and grocery to parcel delivery, manufacturers and online-only retailers – giving us a broad view of the industry.

Turning to our findings, occupiers appear to be accepting the “new normal”, post-pandemic. Our survey found that 32% of occupiers felt business conditions were better than they had been twelve months ago, and 51% reported that conditions were the same.

How do you see business conditions over the next twelve months?



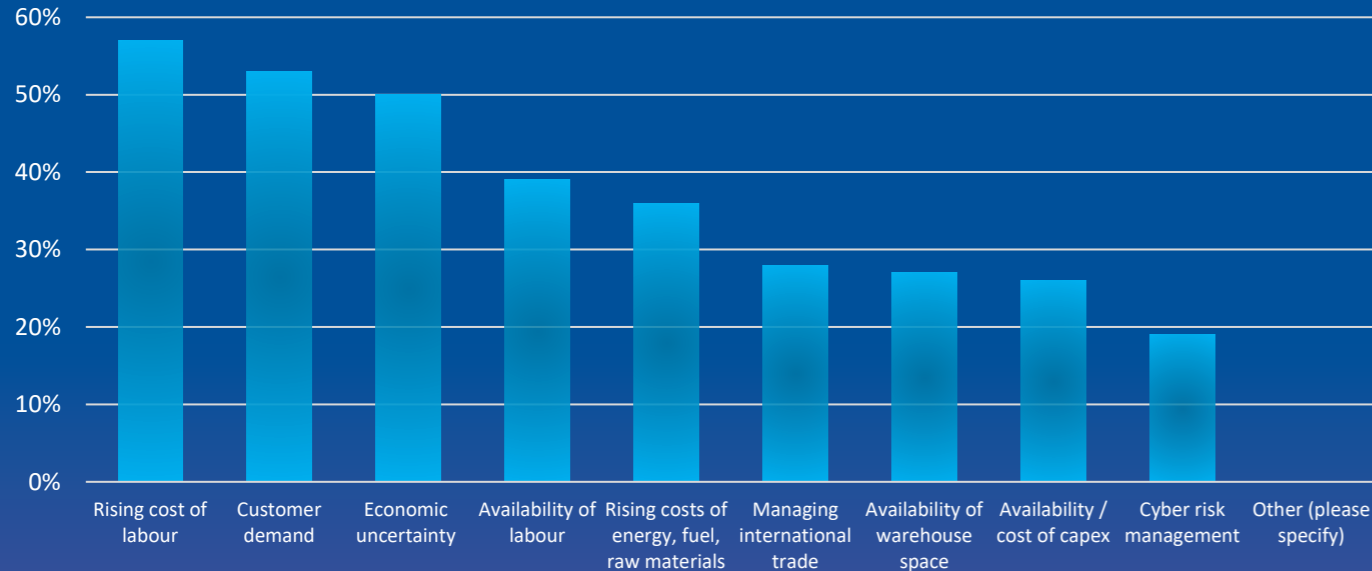
Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Occupiers are slightly more optimistic about the future, with 43% expecting business conditions to be better over the next twelve months and only 5% expecting them to be worse. This forward-looking view suggests that uncertainty created by the late budget is abating.

Brought to you by

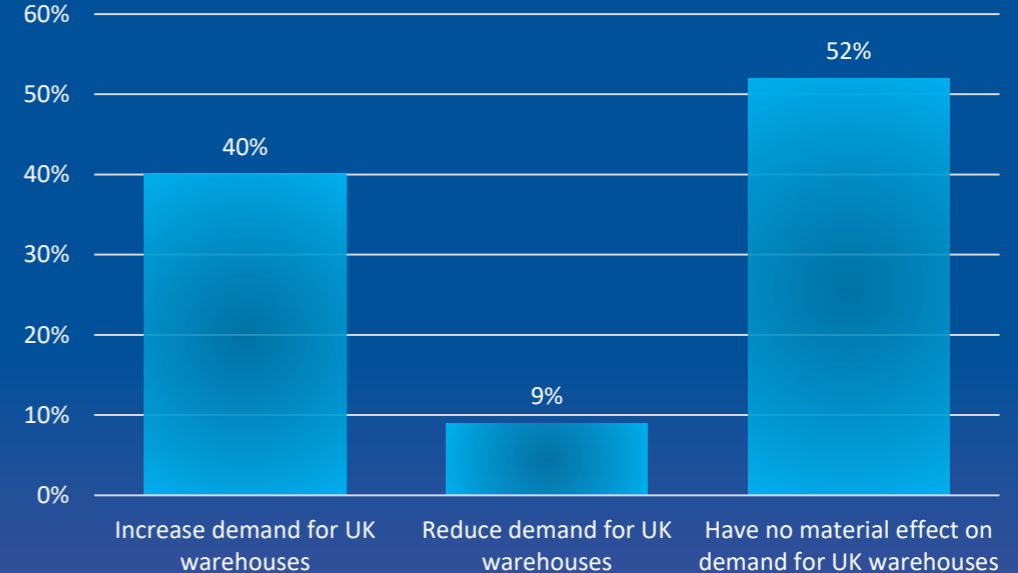
Occupiers: Market conditions

What are the key factors impacting your business at the moment?



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Over the next 12 months, do you expect global tariffs to (Pick one):



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Despite facing varied challenges occupiers are set for expansion in 2026

Considering the turbulence observed last year, it's unsurprising that occupiers are hoping for a more positive year, but it is more surprising that almost a third feel that conditions have improved compared to the prior year. This might relate to the fact that many of the issues highlighted by occupiers are showing signs of easing. Rising cost of labour (57%), Customer demand (53%) and Economic uncertainty (50%) were the most frequent responses. Buoyant attitudes from occupiers may, therefore, be driven by the UK economy continuing to post positive, albeit sluggish, growth and consumer demand recovering.

Indeed, despite the uncertainty the Trump administration's tariffs generated in financial markets, only 28% of occupiers listed managing international trade as a concern. Most occupiers consider tariffs as positive or neutral for UK warehouse demand. Half (52%) believe that tariffs will have no material impact on demand, and 40% believe they will increase demand for UK warehouses.

Supporting this, 42% of manufacturers said they are considering near- or on-shoring some part of their supply chain. Reflecting this continued optimism, 47% of occupiers expect to take more space over the next 12 months, rising to almost two-thirds of occupiers (64%) over the next three years.

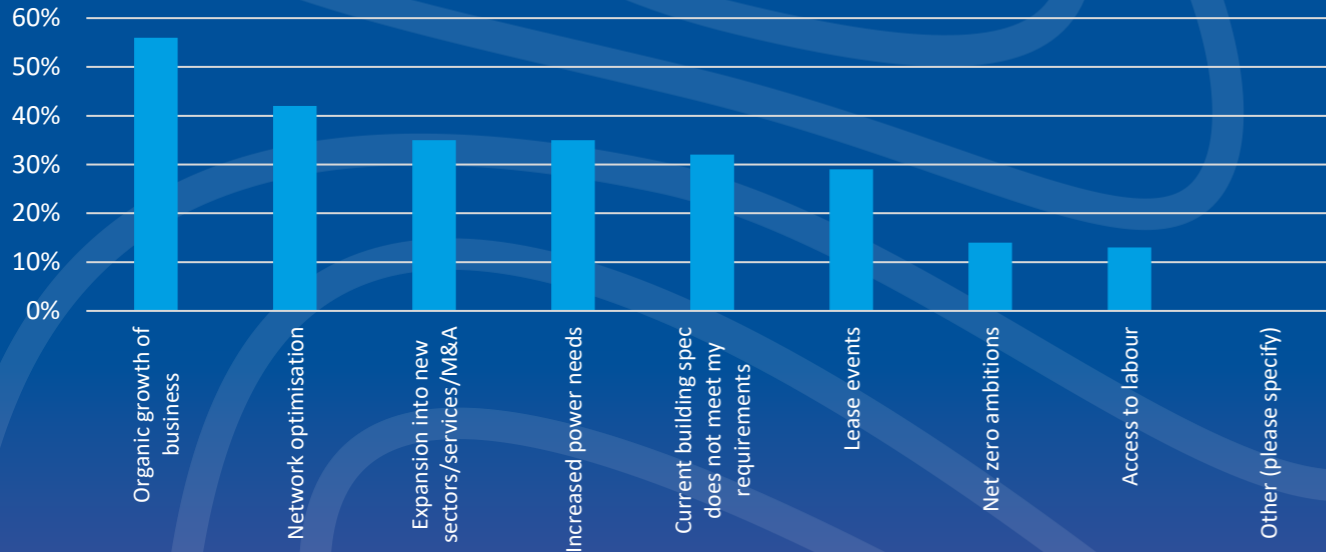
Logistics occupiers (78%) were the most likely to state an intention to expand their footprint, with their demand focused on existing units. Retailers (59%) and Manufacturers (52%) tend to be slightly more conservative, with retailers focused on acquiring build-to-suit space. Crucially, all three occupier types were more likely to expect to take more space than they did in our 2025 census, suggesting that market conditions are improving.

Brought to you by



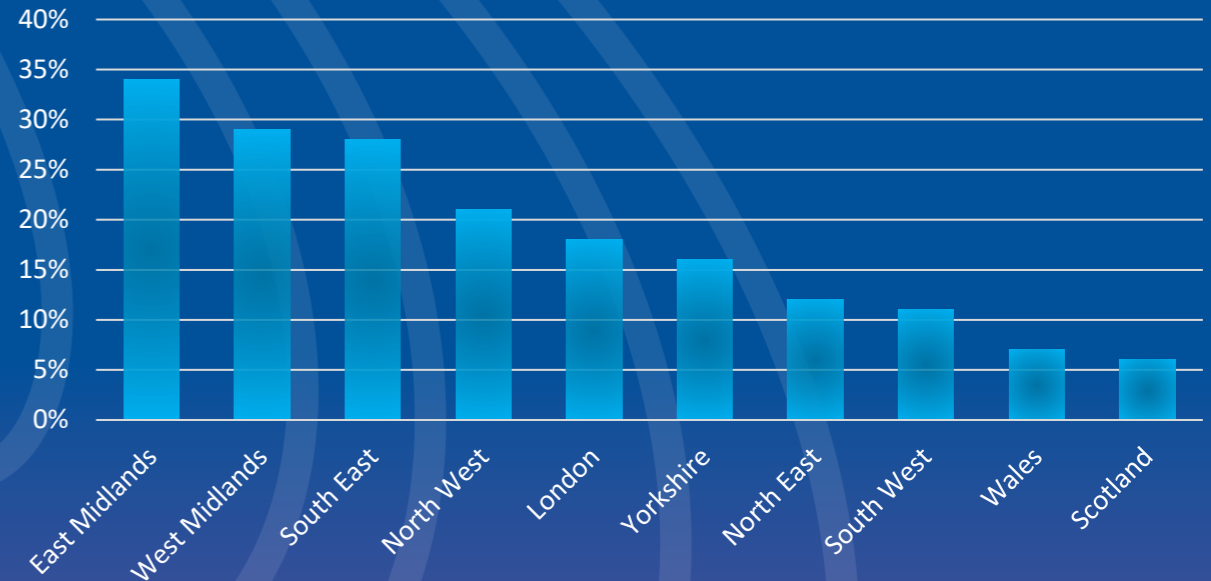
Occupiers: Demand drivers

What are the key factors that influence a decision to take new warehouse space? (Select all that apply)



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

When considering new buildings, what regions will you be targeting? (Select all that apply):



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

A fall in excess capacity may drive take-up growth

Rising demand aligns with what Savills has observed in 2025, with take-up totalling 33.6 million sq ft, a 15% year-on-year increase. This was 6% higher than the pre-pandemic average. Notably, in terms of the specification, 32% of occupiers are targeting build-to-suit (BTS). BTS deals have been notably absent from the market for the last three years; a return of larger BTS deals could drive a significant uptick in take-up ahead of the pre-pandemic average.

One possible driver of this increase in demand is that occupiers' excess network capacity is showing a clear downward trend. Comparing against last year's census, we find that the number of occupiers with excess space of more than 15% of their footprint has fallen from 20% to 11% over the last 12 months. Meanwhile, the share of occupiers with less than 5% excess capacity has increased from 40% to 48%. This suggests that a significant portion of the rapid expansion, which saw some occupiers taking too much space in 2020-2022, has now been filled, which will reduce the flow of grey space coming to the market and increase demand for new space as occupiers look to increase capacity.

Our analysis shows that occupier demand will continue to focus on the East (31%) and West Midlands (29%), with the share of occupiers targeting these regions growing since 2024. The South East, which saw lacklustre take-up in 2025, has seen the share of occupiers targeting the region fall slightly (from 31% to 28%). Meanwhile, London, which has struggled since 2023, appears to be set for an increase in demand, with 18% of occupiers targeting the region.

Brought to you by





Occupiers: Challenges necessitate adaptation

Occupiers face three pressing challenges over the longer term: net-zero, labour and power.

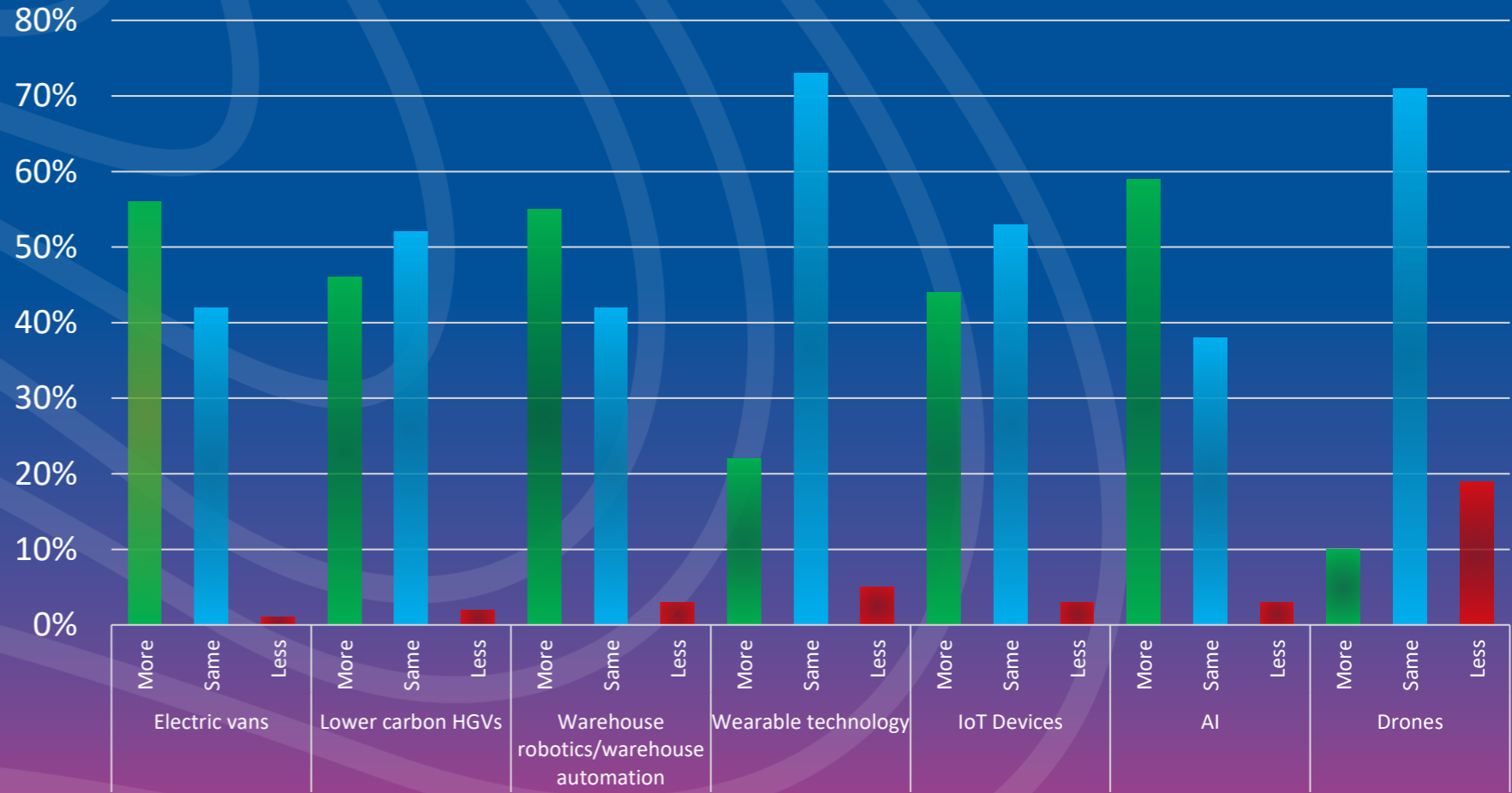
Emerging from the census are three salient challenges that occupiers face, and that will radically influence their future real estate strategies over the next 10-15 years: achieving net-zero, securing sufficient power, and adapting to changing labour needs.

It has been clear for some time that ESG regulations will inevitably push occupiers to adapt their warehouse footprints. Indeed, when asked if they could achieve net-zero within their current footprints, two-thirds of occupiers said they could not. Somewhat paradoxically, when asked about what would drive them to take new space, only 14% of occupiers listed meeting their net-zero requirements as a reason.

A possible explanation for this is timelines: only 38% expect to hit net-zero by 2035. A further 43% plan to hit net-zero by 2040, suggesting that many expect that, over the next decade and a half, lease events will provide an opportunity to improve the sustainability credentials to meet these targets. A key challenge is the complexity of decarbonising transport, with implications for logistics, real estate in terms of power requirements, yard layouts, dwell times, traffic density to arterial roads, and, consequently, planning.

With that said, growing power needs may push occupiers to make this transition sooner rather than later. When asked, 82% of occupiers said their power needs will grow over the next three years. Notably, 36% listed power as a barrier to securing space, up from 11% in 2023 and 7% in 2022. Demand for energy-intensive technology is the obvious cause here. Occupiers intend to invest more in AI (59%), electric vans (56%) and warehouse robotics/warehouse automation (55%). The increased power draw from these technologies is likely to reinforce the shortcomings of older stock and incentivise occupiers to seek new stock with sufficient energy, whether through the grid or on-site power generation. Indeed, while only 14% of occupiers would take new space to meet their net-zero targets, 35% of occupiers would take new space to meet their power needs.

What are your company's plans in relation to the following technologies? (Pick one answer in each category):



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Brought to you by





Occupiers: Challenges necessitate adaptation (continued)

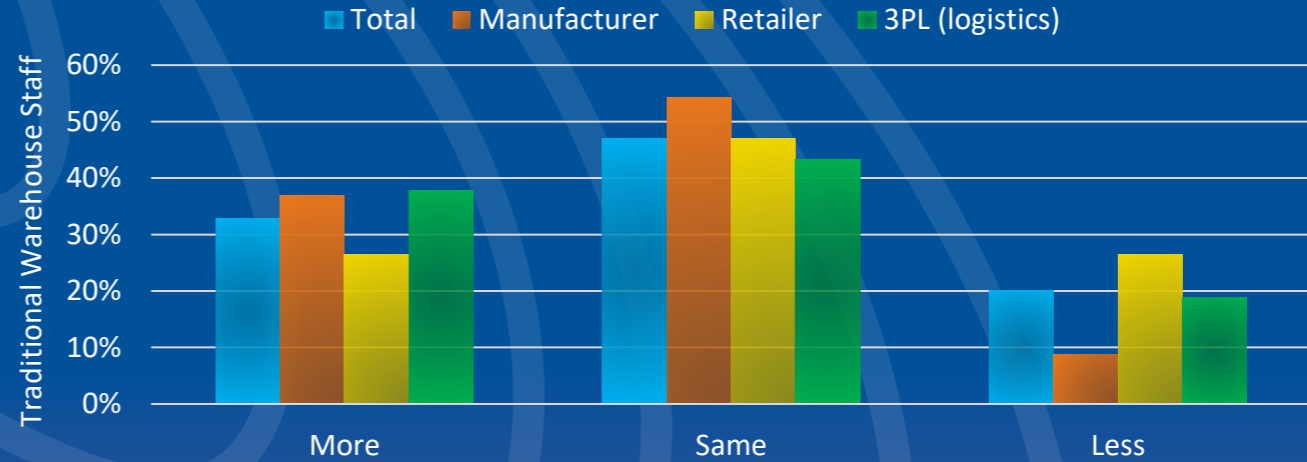
One impact of these trends is that occupiers are continuing to favour energy-related initiatives when it comes to net-zero. When asked what their highest immediate priority was, 26% listed renewable energy adoption; 24% rooftop solar and 20% fleet transition. All of which lines up with what we are seeing in terms of technology adoption.

The impact of technology is also being felt in how occupiers are planning their long-term labour strategies: 60% of occupiers expect to grow their workforce over the next three years. This likely reflects an expectation of improving customer demand as business conditions improve. As highlighted in the previous section, labour force costs (57%) and availability (39%) are growing issues for occupiers. They are most acute for 3PLs, 68% of which highlighted labour costs and 57% availability as challenges.

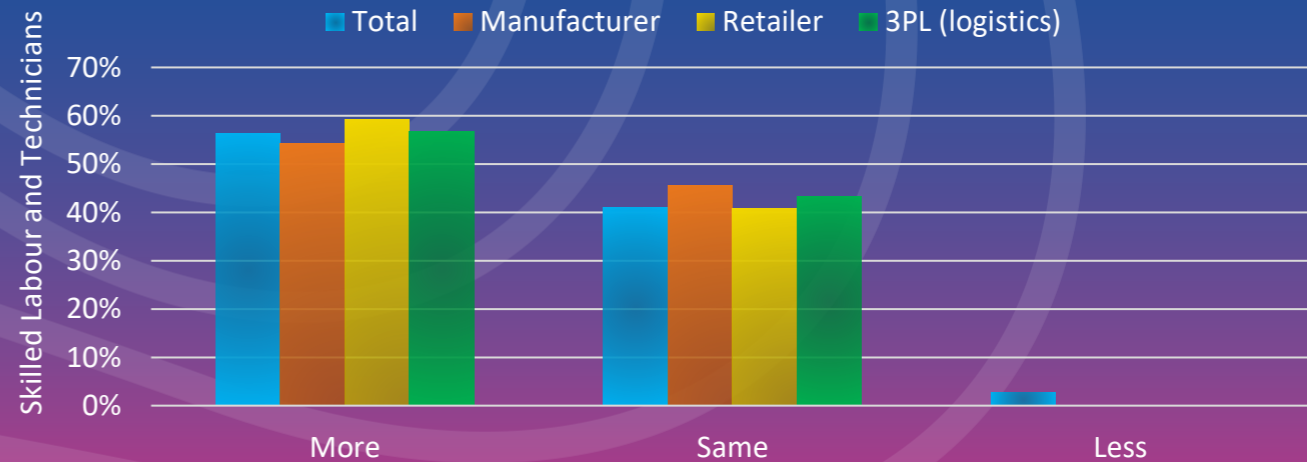
In terms of the skillsets needed in modern warehouses, we are seeing a secular shift in demand towards a broader skills mix: 56% expect to hire more technicians and skilled labour. We do not expect this to lead to a reduction in demand for traditional warehouse employees. 33% of occupiers intend to grow this category over the next three years, while 47% expect to maintain current levels. This suggests that even as warehouse operations become more sophisticated through technology adoption, warehouse employment creates opportunities across all skill levels.

Traditionally, we would equate a growing workforce with increased demand for industrial and logistics space; however, given the increase in automation and more skilled labour, it is likely that changes in demand may not follow historical patterns. What is clear is that these trends in aggregate will drive occupiers towards best-in-class, Grade-A stock as they look to their logistics real estate as a solution to these pressing issues.

How do you expect your labour force to evolve over the next three years?



Source: Savills & Tritax Big Box Future Space supported by Analytiqa



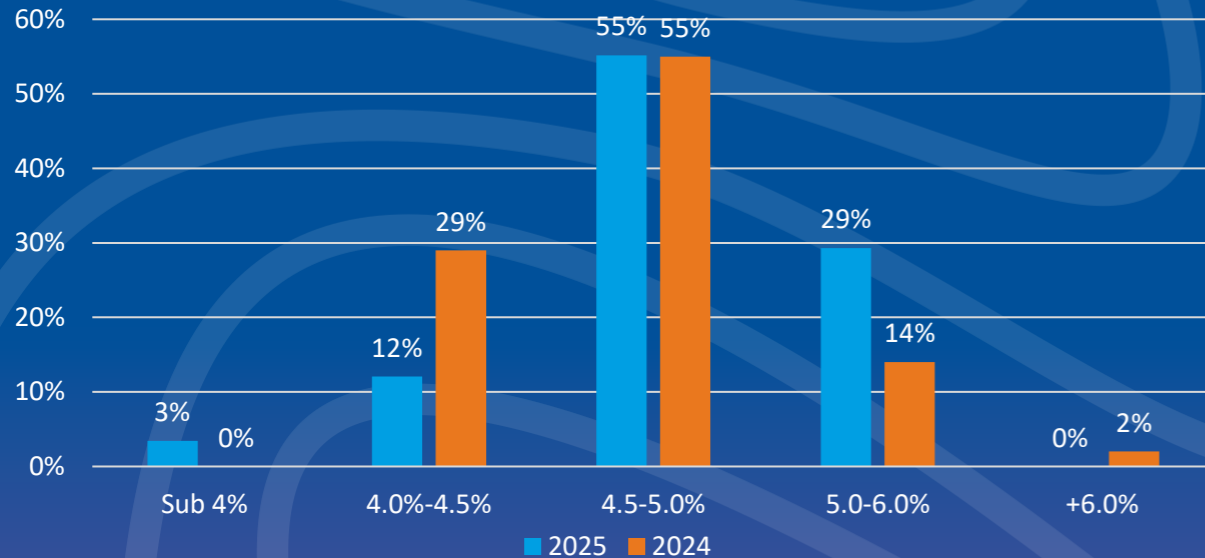
Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Brought to you by



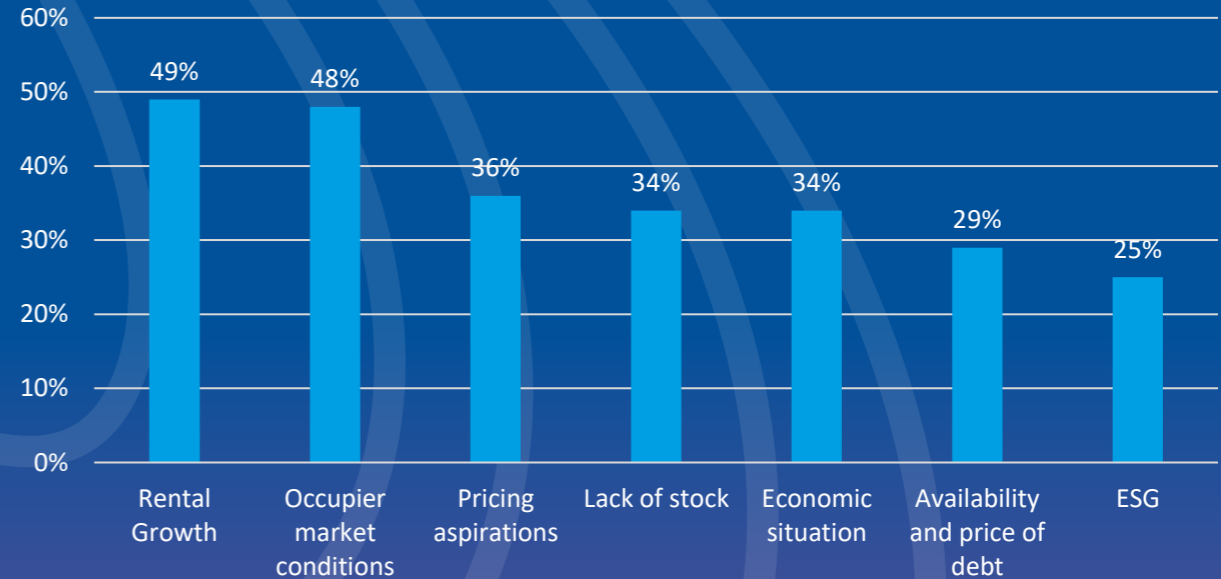
Investors: Outlook

Where do you think prime investment yields will be at the end of next year? (Pick one):



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Which of the following issues are important when considering new industrial and logistics investments? (select all that apply):



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

With no yield compression expected, investors seek rental growth to bolster returns

Investment in single let logistics hit a five-year low in 2025, totalling just £1.6 billion. Demand was stronger for multi-let assets, but a scarcity of assets on the market suppressed investment volumes, which edged up from £7.3 billion to £7.7 billion in 2025. This left overall investment volumes at 9.4 billion last year, a decline of 13%.

Whereas occupiers are relatively optimistic about current market conditions, investors were the most negative of our respondent types, with 36% citing that they felt business conditions had worsened over the last 12 months. This negative sentiment perhaps explains some of the weakness in investment volumes.

Notably, investment volumes in Q2 and Q3 took a significant hit from the uncertainty triggered by the Trump administration's tariffs, and continuing geopolitical tension in 2026 will likely be detrimental to investor sentiment.

One impact of this decline in sentiment is that while developers remain relatively bullish on development, investors are clearly showing an intention to reduce their exposure to speculative developments through forward funding. When asked if they are considering speculatively funding development over the next twelve months, 67% of investors answered in the negative.

This should reduce the flow of speculative development, constraining activity largely to balance sheet developers. As a result, the speculative development pipeline, which has tightened substantially over the last 12 months, is unlikely to increase significantly. Lower development completions will put pressure on supply and set the scene for a second supply crunch in the next decade.

Brought to you by



Developers: Intentions

Unlike investors, developers are bullish on the market in 2026, but will they be able to finance their ambitions?

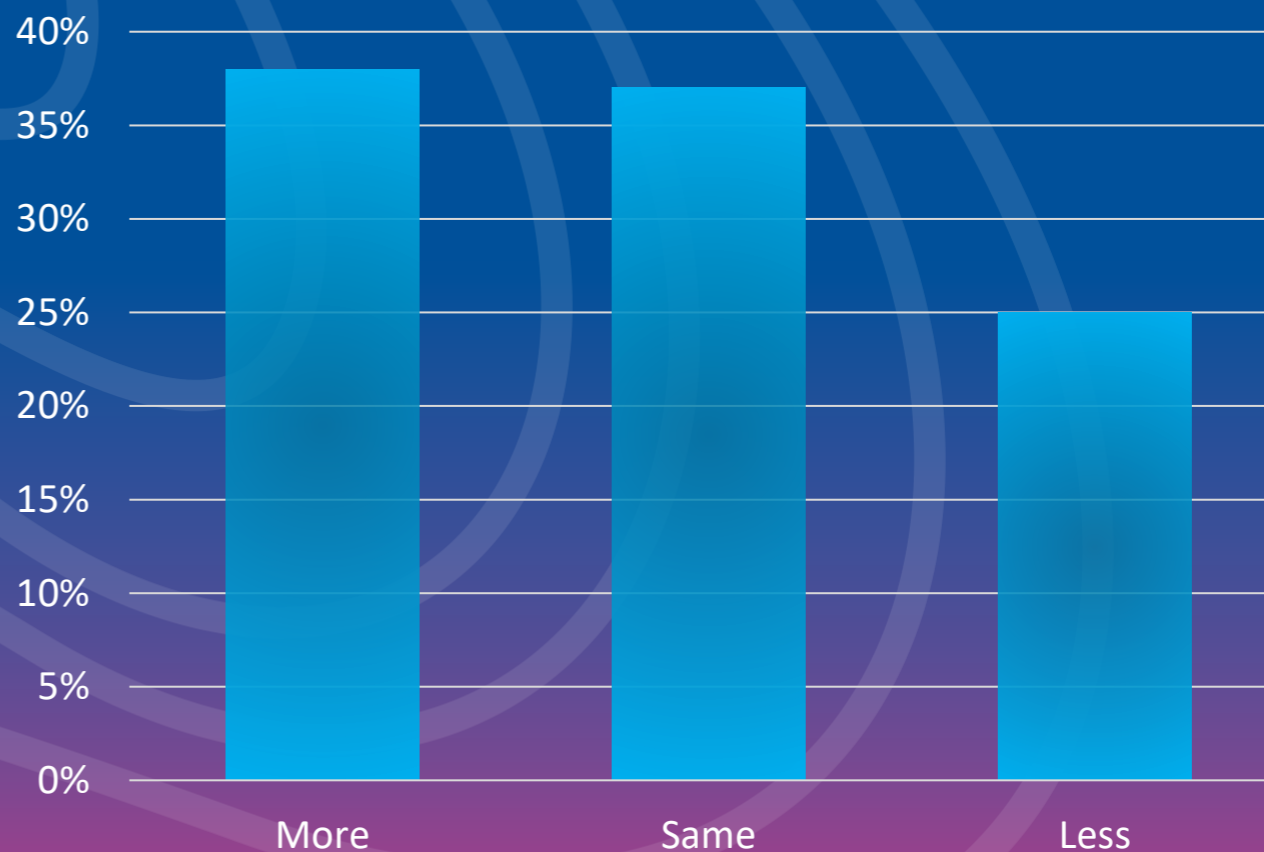
Developers were marginally more optimistic than occupiers (33% vs. 32%) this year about business conditions. Indeed, developers are bullish on take-up volumes for 2026, with 60% believing that take-up will rise this year. Notably, when asked about what issues are important when developing, “the health of the UK economy” was the number one issue, having ranked fourth a year earlier. Power availability remains a critical issue for developers, ranked second, having ranked first the year before. Time required to get planning also persists as a struggle for developers and is ranked third.

This sentiment is reflected in developers' speculative development intentions over the next year: 38% plan to develop more in 2026, up from 32% in 2025. With that said, the share of developers saying they would develop less speculative space has also risen from 18% to 25%. In addition to investors being less willing to forward fund speculative development, this suggests that we will see more activity from balance sheet-driven developers, while those reliant on external financing may struggle to realise their ambitions.

Developers show the strongest interest in big-box units of 100,000–250,000 sq ft, with 40% focusing on this size band. Mid-box units of 50,000–100,000 sq ft follow closely at 38%. Occupier demand mirrors this pattern, with 39% targeting 100,000–250,000 sq ft units and 28% seeking mid-box space.

The divergence becomes more pronounced in the larger size categories. While 12% of developers are considering units of 250,000–500,000 sq ft, occupier demand is notably higher at 22%. At the very largest scale—units of 500,000 sq ft and above—developers and occupiers are aligned, with 10% of each group targeting this size bracket.

What is your speculative development outlook for 2026?



Source: Savills & Tritax Big Box Future Space supported by Analytiqa

Brought to you by



Key takeaways

**INSIGHT 1:
MORE OPTIMISTIC
ABOUT BUSINESS
CONDITIONS OVER
THE NEXT 12
MONTHS**

Occupiers are more optimistic about the next twelve months, with 47% expecting to take more space in the next twelve months and 48% having less than 5% excess capacity in their current footprints

**INSIGHT 2:
OCCUPIERS WILL NEED
TO MODERNISE THEIR
PORTFOLIOS TO MEET
THEIR NET ZERO
GOALS**

While very few occupiers said they would take new space to meet their net-zero ambitions, the vast majority acknowledge they will be unable to reach net-zero in their current property footprint. This will drive demand for new ESG rated stock

**INSIGHT 3:
TECHNOLOGY
ADOPTION WILL
DRIVE A
CHANGING MIX
IN LABOUR**

While most occupiers expect to retain the same number of traditional warehouse employees, growing tech ambitions are driving a need for technicians and skilled labour

**INSIGHT 4:
INVESTORS ARE
SEEKING RENTAL
GROWTH TO DRIVE
RETURNS**

With prime yield expectations pointing to stable if not upwards pressure on prime yields in 2026, investors are prioritising rental growth prospects when considering investments

**INSIGHT 5:
DEVELOPERS
ARE BULLISH
BUT WILL FACE
FINANCING
CONSTRAINTS**

While developers are more optimistic about market conditions and intend to develop more on balance in 2026, they are likely to face funding constraints with investors unwilling to forward fund speculative developments



Toby Green
Agency
020 7409 9903
tgreen@savills.com

Michael Alderton
Occupier Advisory
020 7409 8142
michael.alderton@savills.com

Kevin Mofid
Research
020 3618 3612
kmofid@savills.com



Mark Fergusson
Head of Client Engagement
020 8051 5059
mark.fergusson@tritax.co.uk

Henry Stratton
Head of Research
020 8051 5080
henry.stratton@tritax.co.uk