

# UK Property Perspectives 2022



## Key indicators

|                              | Rents   | Leasing | Vacancy rates | Speculative development | Investment volumes | Yields | Comments   |
|------------------------------|---|---------|---------------|-------------------------|--------------------|--------|--|
| <b>Central London office</b> | ↗   | ↗       | ↘             | ↘                       | ↗                  | ↘      | The leasing market will continue to recover, while a shortage of good quality supply and issues in the development market will lead to prime rental growth. More capital will target Central London and there could be some pressure on prime yields in a polarised market.  |
| <b>Regional office</b>       | ↗   | →       | →             | →                       | ↗                  | ↘      | Leasing markets will stabilise in the regional markets, but ongoing supply shortages will push up rents. With more capital targeting the major cities outside London as well as key South East centres, volumes will increase and there could be selected yield compression. |
| <b>Industrial</b>            | ↗   | →       | →             | →                       | ↘                  | ↘      | Leasing volumes will remain at the elevated level seen over the past two years, pushing up rents, particularly given potential limitations around supply. After record investment in 2021 investment volumes will fall back slightly owing to lack of stock.                 |
| <b>Retail</b>                | →   | ↘       | ↗             | →                       | ↗                  | →      | The retail picture is complicated, with growth in leasing in some sectors, and increasing vacancy elsewhere as consolidation continues. With investment interest set to increase - albeit selectively - yields will stabilise over 2022 after several years of weakness.     |
| <b>Living</b>                | <b><u>Please see our recent Residential forecasts</u></b> |         |               |                         | →                  | →      | Given demographic and structural headwinds, living will continue to see strong investment volumes in 2022, although yields will remain stable. Development of BTL stock will diversify, although delivery levels could be challenged by viability issues.                    |

■ Stronger ■ Weaker ■ Stable

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