

Commercial quarterly examiner

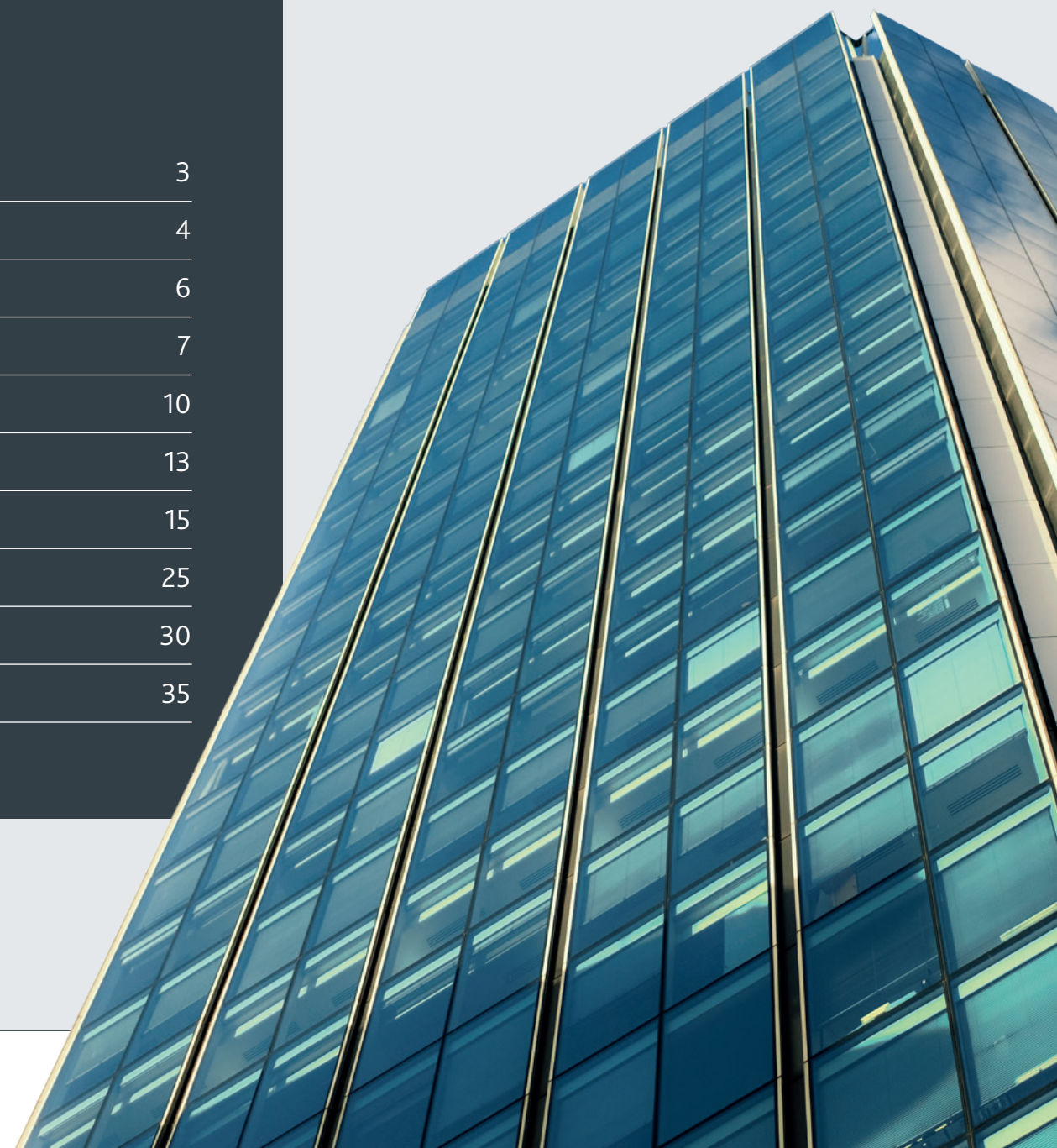
Economy | Offices | Industrial | Retail | Outlook

Q3 | 2025



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1. Key takeaways

Downside risks continue to dominate the outlook for the UK's economy. The further escalation of protectionist measures remains a constant threat. A weak outlook for economic growth requires a loosening of fiscal or monetary policy or both. However, CPI remains stubbornly high and the MPC has so far maintained a restrictive monetary policy. The cost of servicing the national debt has risen and the Treasury must consider tax increases or spending cuts as it approaches the Budget in late November. Liz Truss's brief interlude as Prime Minister serves as a warning of the power of the bond market. But above all else the Government will want to avoid a return to "Austerity II".

World financial markets rose again in Q3, but the IMF and Bank of England have warned that global stock markets may be at risk of a sudden market correction if concerns about overcapacity and profitability in the AI sector, are realised. The FTSE experienced its best quarter since late 2022 driven by a resilient global economy and a weakening British pound but the FTSE REIT index disappointed arising from concerns over increases in the risk-free rate lowering the capitalisation rate.

In Q3, the commercial real estate market flat lined. All Property UK total returns, as recorded by the MSCI Monthly Index, increased by 2 bps to 1.77% from 1.78% in Q2. On an annual basis, total returns of 8.6% year-on-year in September have seen little change since March.

In August, the UK base rate was reduced for the fourth consecutive time to 4.00%, but this move failed to significantly boost the UK's commercial real estate markets. Transaction numbers remain underwhelming and the uptick in lending has been directed towards re-financing. Our view remains that high risk-free rates limit the scope for any increase in capital values. Mindful that it is too easy to overdo pessimism and having previously downgraded our forecasts in Q1 and Q2, we have this quarter maintained our 2025 All Property total return forecast of 7.0% and our projection of 8.0% on a three-year annualised basis reflecting expectations of improved performance in 2026 and 2027.

2. The UK economy

- The UK economy is facing strong headwinds in the short term.
- Despite the glut of recent bad news, the outlook over the three-year forecast period is little altered although the landscape may change after November's Budget.

The IMF's October World Economic Outlook (WEO) predicts global growth will slow from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. This outlook is significantly weaker compared to October 2019, before the pandemic, Russia's invasion of Ukraine, the inflation surge, and current protectionist trade policies.

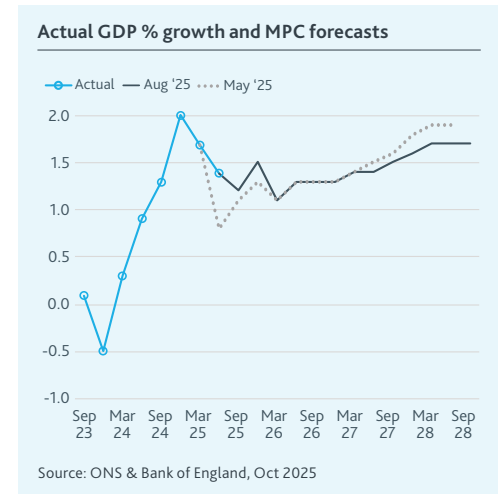
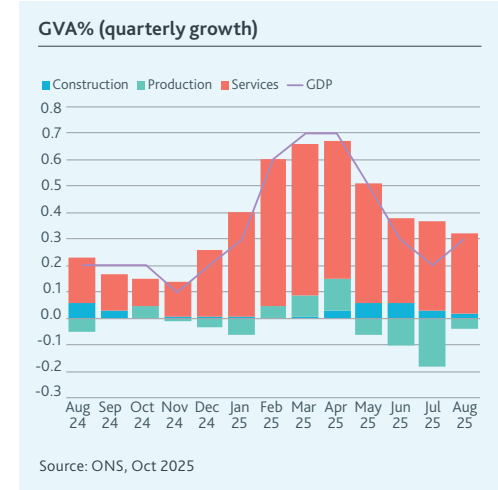
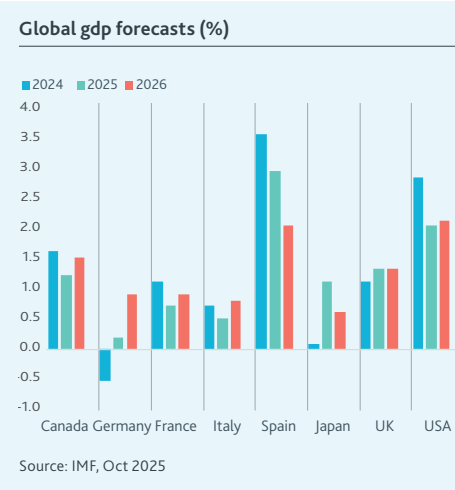
Downside risks to the outlook predominate. They include further escalation of protectionist measures, larger-than-expected shocks to labour supply from restrictive immigration policies, fiscal vulnerabilities and rising borrowing costs for sovereigns; an abrupt repricing of tech stocks triggered by disappointing results on earnings and productivity gains related to artificial intelligence (AI); pressure on the independence of key economic institutions, such as central banks; and commodity price spikes stemming from climate shocks or geopolitical tensions.

For advanced economies, growth is projected to be 1.6% in 2025 and 2026. Growth in the euro area is expected to pick up modestly to 1.2% in 2025 and to 1.1% in 2026. This is a cumulative downward revision of 0.4% compared with the October 2024 outlook from the WEO.

UK economic growth in 2025 and 2026 is expected to be 1.3%. This reflects strong activity in the first half of 2025 and improvements to the UK-US trade deal announced in May. However, the projected growth in 2025–26 is lower than previously forecast in October 2024. In line with other economies including the United States, inflation forecasts for the UK have been revised upwards, but this is expected to be temporary, with a loosening labour market and moderating wage growth eventually helping inflation return to target at the end of 2026.

UK GDP is estimated to have grown by 0.3% in the three months to August 2025 compared to 0.5% in the three months to May and GDP is up 1.3% on the year.

A slower rate of UK economic growth has become entrenched. Before 1996 and the onset of the GFC in 2008, GDP grew at an annualised rate of 2.9%, but has only risen by an average annual rate of 1.6% a year



since then. Total economic output is 5.5% above its pre-pandemic level, but it is -3.5% below its potential level if output had continued at its post-GFC trend rate during Covid and its aftermath.

Lower interest rates have previously been used to stimulate economic growth notably after the GFC of 2008–09 and the Covid pandemic of 2020–21. Between late 2021 and mid-2023, the MPC raised Bank Rate to curb an inflationary episode that peaked at more than 11% year-on-year in October 2022. These increases in Bank Rate have slowed economic growth by reducing the demand for goods and services. However, according to August's Monetary Policy report from the Bank of England, the impact of past increases in interest rates on demand is now estimated to be at its peak. Once that peak passes, monetary policy will start to contribute positively to GDP growth as its effect on demand fades.

Recent global trade policy changes are expected to slow UK GDP growth compared to previous years. However, the policies

prevailing at the time of the MPC's latest report indicate slightly lower US tariffs than previously projected. Trade policy uncertainty has eased, and since May, financial market volatility has decreased while global equity prices have risen. Accordingly, GDP growth is expected to pick up a little in the near term although the annualised average over the three-year forecast period is little changed at 1.5%.

Alternative data supports the view of a weakening outlook for the UK economy, the S&P Global UK Composite PMI dropped to 50.1 in September 2025 from 53.5 in August, signalling near-stagnant private sector growth. The service sector grew slightly, while manufacturing saw its sharpest contraction in six months. New business fell after a brief August rebound, and job losses persisted for a twelfth month due to weak demand and rising costs, especially from wages and National Insurance. The slowdown in September suggests that the UK's economic growth is losing momentum, which could influence the Bank of England's decisions on interest rates.



3. Inflation and prices

- Annual CPI inflation continues to exceed the MPC's 2% target and rose to 3.8% in September from 3.6% in June.
- Base rates will continue downward trajectory, and a rate of 3.25% by the end of 2026 is not out of the question.

Despite the MPC's restrictive monetary policy, annual CPI inflation growth remains stubbornly above the MPC's 2% target. CPI pushed higher to 3.8% in the 12 months to September, up from 3.6% in the 12 months to June, the highest rate since January 2024.

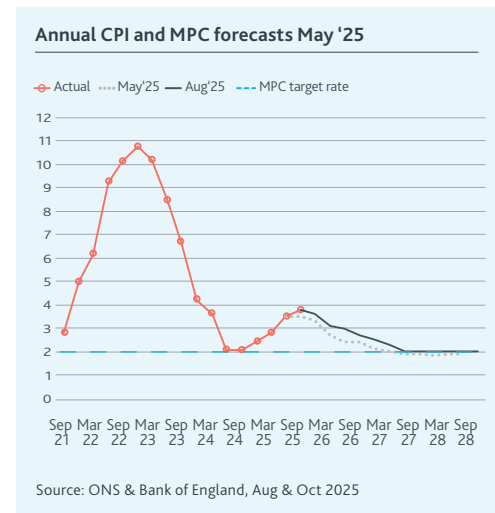
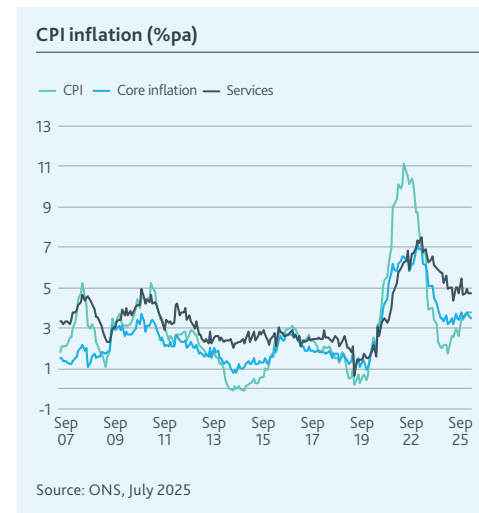
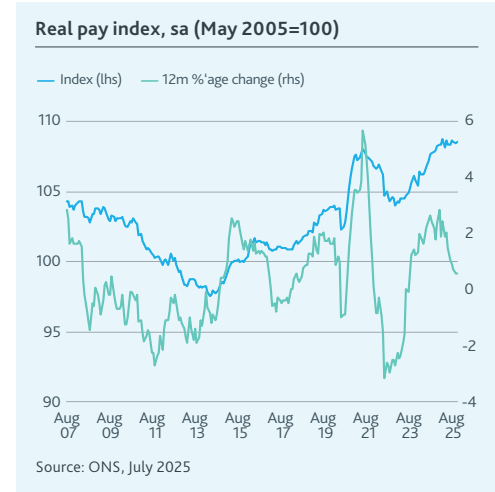
Core inflation excluding energy, food, alcohol and tobacco decreased from 3.7% in June to 3.5% in September but continues above its post-GFC average of 2.7%. Service sector CPI inflation rose briefly to 4.9% in July before falling back to 4.7%, the same rate as at the end of both June and March.

All low-paid major occupations saw increases in hourly pay (excluding overtime) above or close to the National Living Wage increase in April 2025. However, the annual rate of growth in pay excluding bonuses increased by 4.7% in the three months to August representing a reduction from 5.0% recorded three months earlier in May. Real regular pay growth decreased to 0.6% in the year to August from 0.9% in November.

The MPC's August forecast outlook for CPI anticipated an immediate increase in CPI to 3.8% in September, but in the medium term the forecast continues to reflect the downward pressure on inflation from the weak outlook for growth and the weaker contribution from import prices. Energy prices have fallen since a ceasefire ended the military action between Iran and Israel later joined by the USA and, of course, the latest Gaza ceasefire should reduce tensions in the region. Additionally, tariffs produce a weaker global demand for exports and put downward pressure on world prices which then pass through into UK import prices. CPI inflation is now expected to fall gradually to 2.7% in 2026 Q3, and to around the 2% target by 2027 Q2.

The market-implied path for interest rates underpinning August's MPC forecasts indicate that despite sustained inflationary pressure a further reduction in base rates from 4.00% to 3.75% could be expected by the end of the year. In its September meeting, the MPC hardened its view that the upside risks around medium-term inflationary pressures have moved slightly higher and instead warned that the upside risks remain prominent in part due to higher payroll taxes and increases to the minimum wage.

However, it is probable that this hint at a more hardline monetary policy stance will soften when faced with the higher taxes and spending cuts likely in the Autumn Budget. Continuation of the UK's weak economic growth make further cuts likely next year and a reduction in Base Rate to 3.25% in the second half of 2026 is not out of the question.



4. Stock markets, interest rates & asset yields

- As world stock markets advanced further in Q3 warnings emerged about the sustainability of the AI boom. But bad news always has more traction than good and there are also performance risks for being out of the market.
- Rising sovereign bond yields are a worldwide phenomenon linked to budget deficits, but the UK market has also faced Quantitative Tightening and reduced demand for long dated gilts from pension funds.

World financial markets continued to advance in Q3. The MSCI World Index grew by 8.9% in USD terms. On a hedged GBP basis, the index rose 6.8% as the dollar reversed some of its losses against the pound earlier in the year. By the end of Q3, the World Index was up 8.2% in USD terms, and 12.5% on a hedged GBP basis. The ETF has large and mid-cap representation across 23 developed markets. It also has 72% exposure to the US markets and 27% to IT with a 24% exposure to the so called "Magnificent 7".

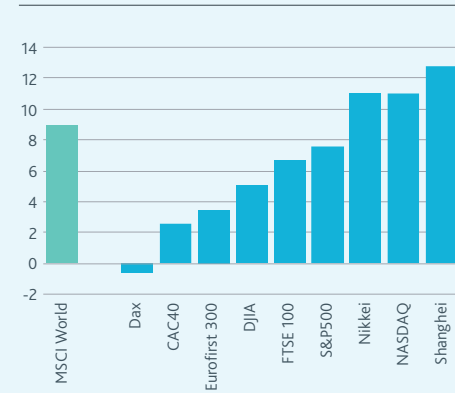
In a race to dominate the market for AI services, Alphabet, Amazon, Microsoft and Meta will spend more than \$400bn on data

centres in 2026 on top of more than \$350bn this year. Prior to ChatGPT's release in 2022, capital expenditure by big tech had only exceeded \$100bn once in seven years. Concerns are now being raised about overcapacity, long-term profitability and energy demands. Both the IMF and Bank of England have warned that global stock markets may be at risk of a sudden correction as the artificial intelligence boom pushes valuations towards dotcom bubble levels.

The progress of Eurozone shares in Q3 continues to be more sedate. The broad-based Eurofirst 300 index gained 3.5%. France's CAC40 rose by 2.6%, but Germany's Dax decreased -0.5%. The UK's FTSE 100 rose by 6.7%, experiencing its best quarter since late 2022. Performance was driven by internationally focused businesses benefitting from a resilient global economy and a weaker British pound. The communication services and technology sectors were strong performers, propelled by the continuing enthusiasm for AI. Basic materials also experienced a rally, driven by higher gold prices. Additionally, the London Stock Exchange saw a resurgence in initial public offerings.

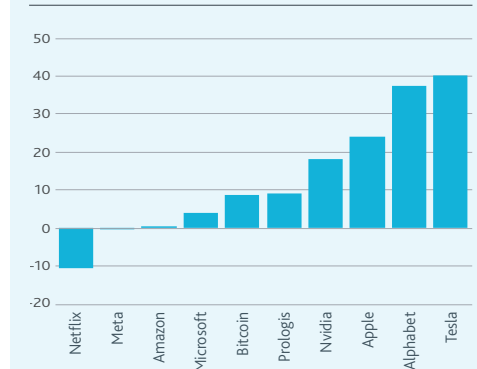
The performance of the FTSE REIT index once again disappointed in Q3 reversing the gains

World stock markets in Q3 2025 (%'age growth)



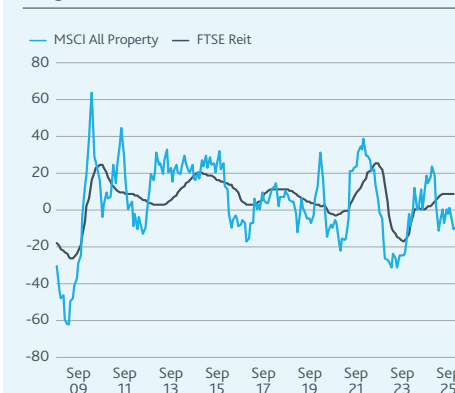
Source: Yahoo Finance, October 2025

Tech & other selected stocks in Q3 2025 (%'age growth)



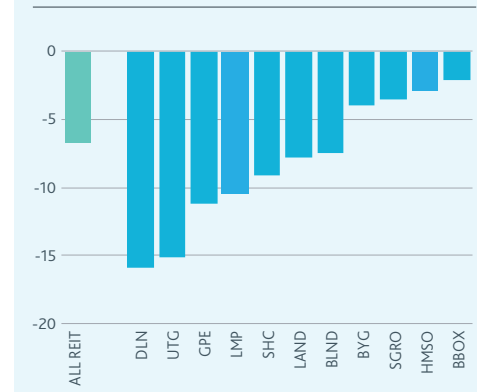
Source: Yahoo Finance, October 2025

Long term 12m total returns



Source: Yahoo Finance & MSCI, July 2025

UK REIT price movement in Q3 2025 (%'age growth)



Source: Yahoo Finance, October 2025

of H1. In Q3 the index underperformed the wider all share market by more than 12% as investors reacted to continuing high borrowing costs and rising long gilt yields increasing the discount rate applied to future cash flows. One positive is that the dividend yield on the sector is now 5.5%.

Tritax Big Box and Segro, specialist logistics developers and investors, outperformed their REIT peers, although market valuations still fell over the course of the quarter. Segro's results for the six months ended 30th June highlighted strong 7.8% like-for-like net rental income growth from its existing portfolio as UK rent reviews and lease renewals realised a 55% uplift in rent passing. The development pipeline has improved and there is encouraging levels of demand for speculatively developed urban space. But possibly more importantly in light of the comments above regarding AI and data centres, the REIT also announced significant progress in building its data centre platform, progressing plans for a 2.3GW+ land-enabled power bank and signing a joint venture to develop its first fully-fitted data centre.

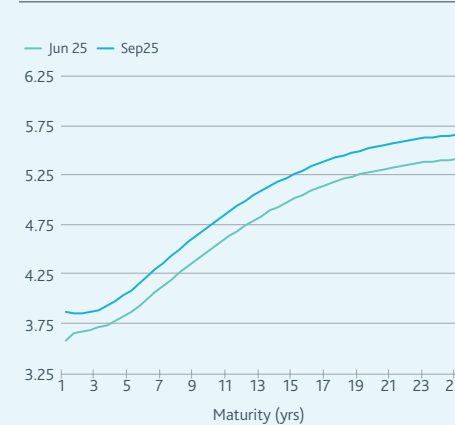
Tritax Big Box also announced its acquisition of a £1.04bn logistics portfolio from Blackstone.

Hammerson, the owner of the ten largest retail and leisure city destinations across the UK, Ireland and France continued its program of consolidation. After taking its holding of North London's Brent Cross Shopping Centre

to 97% in Q2, it acquired the remaining 50% stake in Birmingham's Bullring & Grand Central for £319m. Bullring saw footfall rise by 3% to 33 million visitors in 2024, with sales growth supported by key occupiers such as M&S, Inditex, Sephora and JD Sports, alongside new leisure operators. Grand Central, located above Birmingham New Street station, continues to benefit from growing demand despite 50% of its former John Lewis & Partners space remaining vacant. Hammerson also has plans for a mixed-use office-led redevelopment called The Drum, with a gross development value around £100m.

Despite the improvement in the outlook for Grade A central London offices, Great Portland Estate's share price fell -11.2% in Q3, but it remains 10.6% higher over the year to date. In September, the business announced 26 new leases and renewals signed since 1 July generating a net annual rent of £16.3 million with office lettings on average 7.2% ahead of March 2025 ERV and retail lettings 1.3% ahead. Meanwhile, Derwent London's share price fell -15.9% in Q3 and is down -11.0% over the year to date. Nevertheless, its results for the six months to June reflected positively on the underlying market with £13.8m of leasing, renewals and regears since the start of 2025 with open-market lettings agreed at 10.5% above MRV. Yields are considered to be past their peak and rental growth of 3% to 6% is expected in 2025, with further growth to follow.

Gilt yield curve (%)



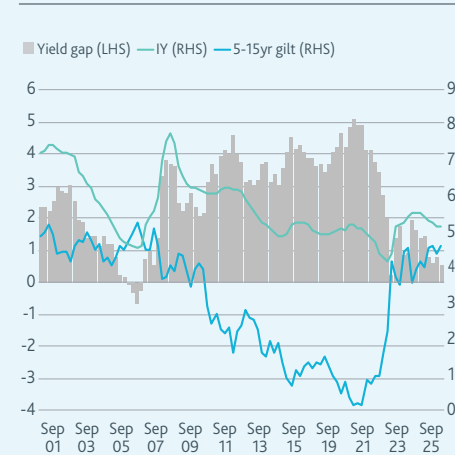
Source: Bank of England, October 2025

UK gilt yields (%)



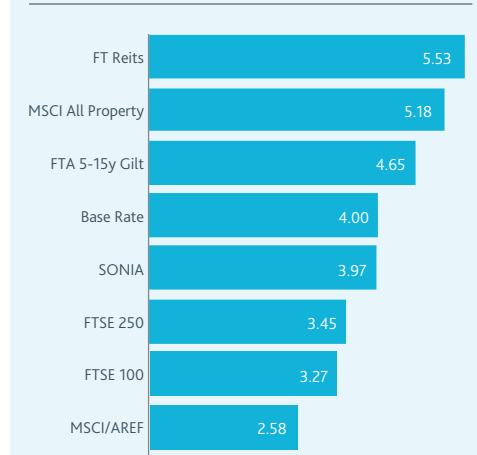
Source: Bank of England, October 2025

Property IY – Gilt yield gap (%)



Source: MSCI & Bank of England, October 2025

UK asset yields Q3 2025 (%)



Source: Yahoo Finance & MSCI, October 2025

Yield curves across major government bond markets continued to steepen in Q3 and UK gilt yields rose across all maturities. There are several factors driving a steepening yield curve, and a growing gap between long-term and short-term yields. Recent upward pressure has come from the US Treasury market, where President Trump's threats to the independence of the Federal Reserve have reinforced concerns regarding the budget deficit. Government stimulus in response to Covid has created a record level of sovereign borrowing across the developed world. Debt issuance among OECD high-income countries is expected to reach \$17tn this year, up from \$14tn in 2023. This has created a supply-demand imbalance with investors demanding a higher coupon to buy the debt.

In the UK, long-term borrowing costs are the highest among the G7, driven by persistent inflation. The BoE's policy rate stands at 4%, and minutes from September's MPC meeting signal that it would not hurry to cut interest rates again, due to concerns surrounding continuing inflationary pressures. The US policy rate is in a range of 4.25-4.5%, with five cuts priced in, while the ECB has already halved its policy rate to 2%.

Other reasons for the higher gilts yields in the UK include the Bank of England's move to reduce the amount of government bonds

it holds. Quantitative tightening (QT) is estimated to have increased 10-year yields by 15-25 bps. However, last month to curb rising bond yields the MPC voted to reduce QT in the next 12 months from £100bn to £70bn of which £21bn would be through gilt sales. Gilts have also been affected by a dip in demand from pension funds as defined benefit schemes are run off and replaced by defined contribution schemes.

The yield on the 5-15 year gilt index softened by 22 bps in the third quarter to return to 4.43%, the level it last reached in March. This is reflected in the total return performance on the FTSE Actuaries 5-15 year gilt index in Q3 of -0.43%. Over the last 12 months, the gilt index has provided a total return of -0.26% as yields have increased by 65 bps since September 2024. Gilt yields eased in October from their recent highs as markets are increasingly comfortable, firstly, that inflation may be coming under control. And secondly, that Chancellor Rachel Reeves will maintain the fiscal discipline demanded by the buyers of UK sovereign debt.



5. Commercial property market performance

- The UK's commercial real estate markets have been remarkably stable so far this year as total returns of 8.6% year-on-year have changed little since the end of Q1.
- Shopping Centres, West End offices and Rest of UK industrials are the leading performers.

The property initial / gilt yield gap has decreased by 23 bps to 0.53% raising concerns of adjustments to pricing levels. However, market rental value growth particularly in the dominant industrial sector remains resilient, which may support a further narrowing of the risk premium.

In Q3 the UK commercial real estate market remained becalmed. All Property total returns, as recorded by the MSCI Monthly Index, increased by 2 bps to 1.77% from 1.75% in Q2. Capital growth was limited to 0.4% after a rise of 0.3% three months earlier. Property equivalent yields hardened by 7 bps but again made no material contribution to changes in valuations. All Property market rental value growth in Q3 increased to 0.9% from 0.7% in Q2. Third quarter income returns remained at 1.4%.

The biggest improvement over the course of the third quarter in rental value growth came from the retail sector as MRV growth increased to 0.9% from 0.4% in Q2. Office rental growth decreased slightly to 0.6%

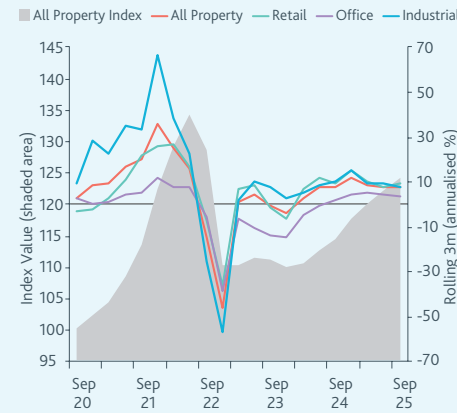
from 0.7% and Industrial rental value growth increased to 1.0% from 0.9% a quarter earlier. Market rental value growth was positive for all retail segments except South East shops.

In the last three months all three sectors have benefitted from a yield re-rating to a greater or lesser extent. Retail equivalent yields have hardened by 11 bps and the office sector yields ended the quarter 7 bps lower although office capital values continued to slip back. However, equivalent yield adjustment in the Industrial sector was limited to a downward adjustment of just 1 bp.

In the 12 months to the end of September, All Property total returns remained at 8.6% as they were in the year to June. All Property capital growth was unchanged between Q3 and Q2 at 2.6% y-o-y. Property equivalent yields have softened by 13 bps in the 12 months to September but have made a negligible contribution to any change in valuations over the course of the last year. All Property MRV growth was unchanged from Q2 at 3.4% y-o-y and the income return remained 5.8%.

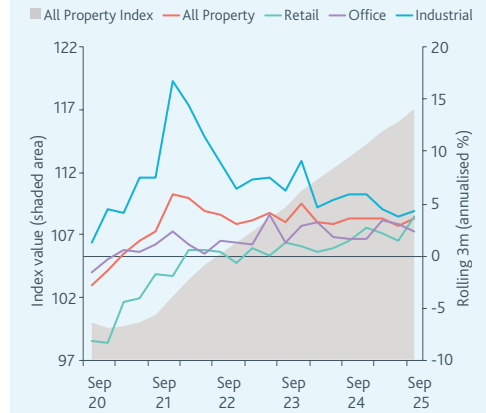
In the last 12 months, Retail equivalent yields have hardened by 10 bps. Industrial equivalent yields decreased by 7 bps y-o-y. The Office sector re-rated by 23 bps and MRV growth reached 2.6% while capital values fell -1.4%. This outcome seems counter intuitive and is explained by higher

Total returns (%) by sector



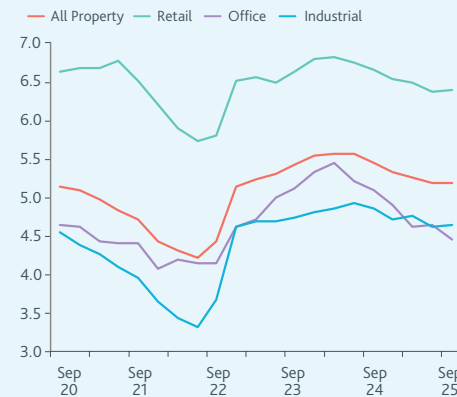
Source: MSCI, October 2025

MRV growth (%) by sector



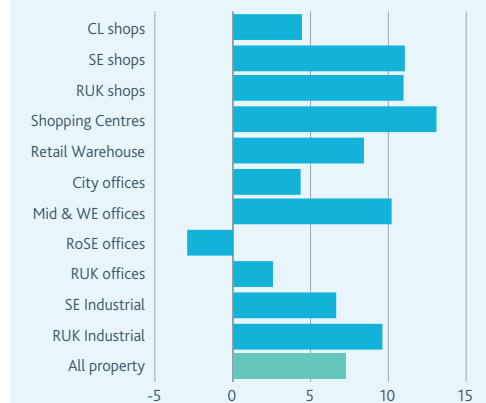
Source: MSCI, October 2025

Initial yield (%) by sector



Source: MSCI, October 2025

Total returns (%) by segment – Q3 2025 annualised



Source: MSCI, October 2025

vacancy rates and incentives that are not captured by the data and variations in performance across assets and locations.

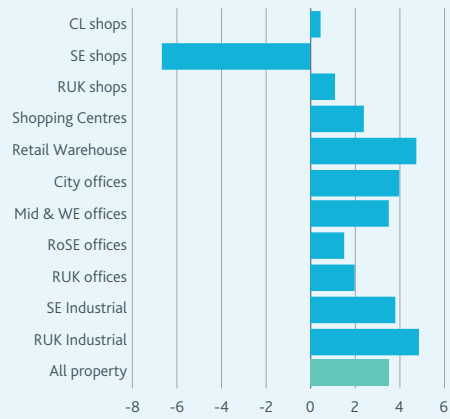
The recovery stage in the current cycle remains disappointing compared to the vigorous bounce in capital growth enjoyed after previous downturns in both 1991-92 and 2008-09. Whilst current y-on-y total returns of 8.6% are satisfactory the market has not experienced a “V” shaped recovery reminiscent of the episodes in 1993-94 or 2009-10.

The good news about four consecutive reductions in Bank Rate from 5.0% to 4.0% in the last 12 months has been crowded out by market uncertainties caused by tepid economic growth, persistent inflation and doubts over the future path of monetary policy.

The Tables included contain further performance data for UK commercial real estate in Q3 2025.

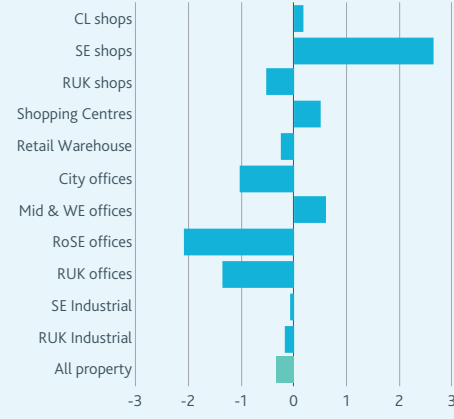


MRV growth (%) by segment Q2 2025 annualised



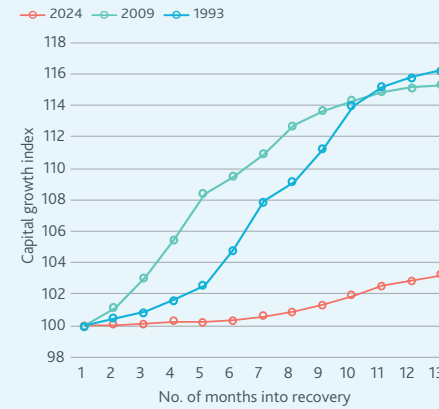
Source: MSCI, October 2025

Yield impact (%) - Q2 2025



Source: MSCI, October 2025

The pace of recovery from market downturn by month, CRE capital growth



Source: MSCI, October 2025

Total returns (%)

	Sep	3m	6m	12m
All Property	0.6	1.8	3.5	8.6
Retail	0.8	2.3	4.2	10.4
Office	0.2	0.8	1.8	4.0
Industrial	0.7	1.9	4.0	10.1
Annualised				
All Property	8.0	7.3	7.2	8.6
Retail	10.1	9.4	8.5	10.4
Office	2.4	3.1	3.6	4.0
Industrial	9.0	7.7	8.1	10.1

Source: MSCI, October 2025

Capital growth (%)

	Sep	3m	6m	12m
All Property	0.2	0.4	0.7	2.6
Retail	0.2	0.6	0.7	3.1
Office	-0.2	-0.6	-0.9	-1.4
Industrial	0.3	0.7	1.5	4.9
Annualised				
All Property	2.2	1.5	1.4	2.6
Retail	2.8	2.2	1.4	3.1
Office	-2.8	-2.3	-1.8	-1.4
Industrial	4.0	2.8	3.1	4.9

Source: MSCI, October 2025

Income return (%)

	Sep	3m	6m	12m
All Property	0.5	1.4	2.8	5.8
Retail	0.6	1.7	3.5	7.1
Office	0.4	1.3	2.7	5.5
Industrial	0.4	1.2	2.4	5.0
Annualised				
All Property	5.7	5.7	5.7	5.8
Retail	7.1	7.0	7.0	7.1
Office	5.4	5.5	5.5	5.5
Industrial	4.8	4.8	4.9	5.0

Source: MSCI, October 2025

MRV growth (%)

	Sep	3m	6m	12m
All Property	0.4	0.9	1.6	3.4
Retail	0.4	0.9	1.3	2.6
Office	0.0	0.6	1.3	2.6
Industrial	0.5	1.0	2.0	4.6
Annualised				
All Property	4.4	3.5	3.2	3.4
Retail	4.3	3.8	2.6	2.6
Office	0.6	2.4	2.7	2.6
Industrial	6.5	4.2	3.9	4.6

Source: MSCI, October 2025

Net initial yield (%)

	Sep	3m	6m	12m
All Property	5.2	5.2	5.3	5.5
Retail	6.4	6.4	6.5	6.7
Office	4.5	4.6	4.6	5.1
Industrial	4.6	4.6	4.8	4.9

Source: MSCI, October 2025

6. Investment in property

- The hoped-for improvement in Central London office liquidity has failed to materialise.
- Shopping Centre transaction numbers remain depressed but investors may be drawn to this asset class by its current outperformance.

Any increase in the overall value of transactions is superficially good news. But any rise in overall spending can be driven by a small group of deals struck at higher prices. The market actually needs a greater number of transactions giving cautious investors greater price transparency and proof that there is a deep and liquid market into which it can sell on the assets if needed.

Investor sentiment remains changeable. After the traditional year end bounce in the last quarter of 2024, All Property investment volumes, represented by the current value of investment transactions adjusted for capital growth, decreased by -48% in the first quarter of 2025. Investment volumes improved by 8% in Q2 but were a disappointing -29% below their long run average.

Preliminary estimates suggest that investment volumes in Q3 decreased by a further -40% and were -57% below the long run average. As

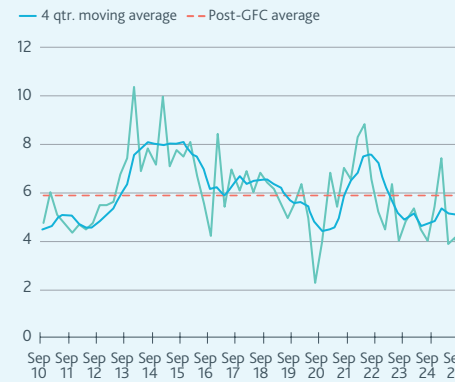
usual the latest numbers for Q3 are likely to be revised in the coming months. Cumulative UK investment volumes so far recorded in the first nine months of the year are currently lower than in either 2023 or 2024.

Retail made up 51% (by number) of investment transactions in Q2; offices represented a further 19% and industrials made up the remaining 35%. In the 12 months ending June 2025, the retail sector accounted for 46% of transactions. Offices represented 20% of transaction numbers and industrials a further 29%. The volume of Retail Park investment transactions has remained consistent for at least the last three years. However, despite the recent improvement in Shopping Centre performance, transaction numbers remain depressed relative to transaction levels in 2022.

Investment volumes, represented by the current value of investment transactions adjusted for capital growth, in the UK's key Central London office market decreased by -10% in Q1 2025. Investment volumes improved by 7% in Q2 but were a disappointing -29% below their long run average.

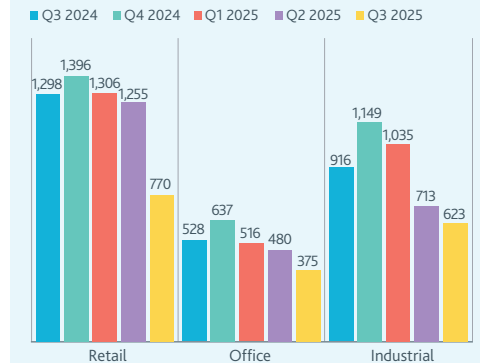
Preliminary estimates for Q3 indicate that there has been no improvement in

All property investment volumes (£bn)



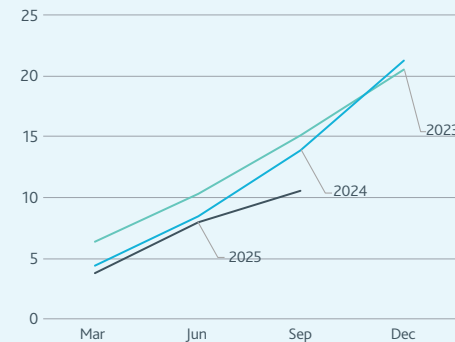
Source: CoStar, MSCI & APR, Oct 2025

UK investment transaction nos. by quarter



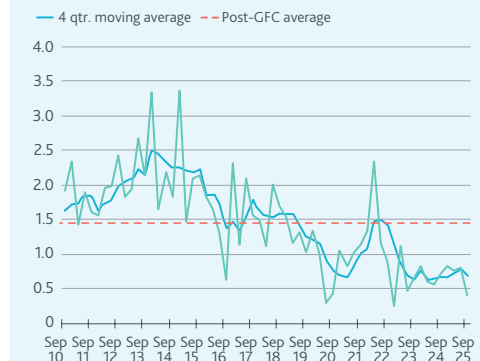
Source: CoStar, MSCI & APR, Oct 2025

Cumulative UK investment volumes by quarter (£bn)



Source: CoStar, MSCI & APR, Oct 2025

Central London office investment volumes (£bn)

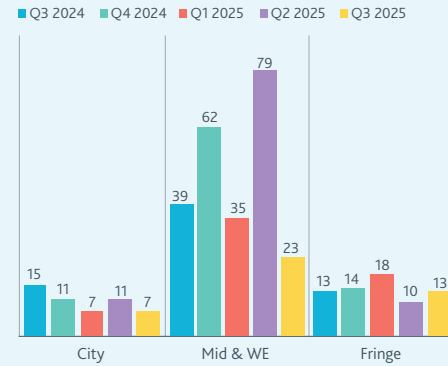


Source: CoStar, MSCI & APR, Oct 2025

investment market liquidity as Central London office transaction volumes fell by 50%. As usual the latest numbers for Q3 are likely to be revised in the coming months. Cumulative investment volumes so far recorded in the first nine months of this year remain higher than those achieved last year.

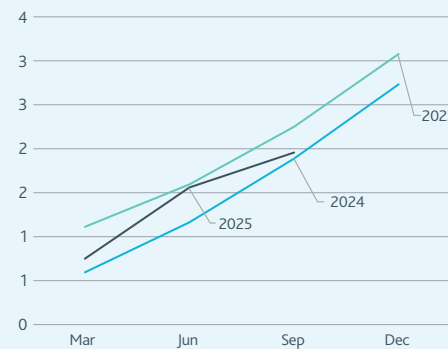
Midtown and West End made up 79% (by number) of Central London office investment transactions in Q2; City offices represented 11% and Fringe offices made another 10%. Total investment volumes for the 12 months ending September 2025 indicate that Midtown and West End accounted for 69% of transactions; the City 12%; and the Fringe markets of Docklands, Southbank and City fringe 19%.

Central London Office transaction nos. by quarter



Source: CoStar, MSCI & APR, Oct 2025

Cumulative Central London office investment volumes by quarter (£bn)



Source: CoStar, MSCI & APR, Oct 2025



7. Office focus

Average UK office occupancy continues to push higher and reached a new post-pandemic high of 40.2% in early October according to Remit Consulting's Return survey which was first undertaken in May 2021 after the first national COVID lockdown ended. Pre-pandemic, the consensus is that office occupancy typically hovered around 70%. Businesses may have overdone downsizing and consolidation.

A European Office Occupier Survey published this year, found that one in five companies with office expansion plans are looking to increase their footprint due to over-contraction or bigger-than-expected return-to-office numbers.

Those employees who returned to their desks seem to be demanding more comfortable working conditions. A British Council for Offices' report entitled, "Review of Post-Pandemic UK Office Utilisation" recommended that developers should consider a utilisation rate of 66% rather than the previous 80% benchmark. The occupational density guidance has increased from 12.5m² per person to 15m².

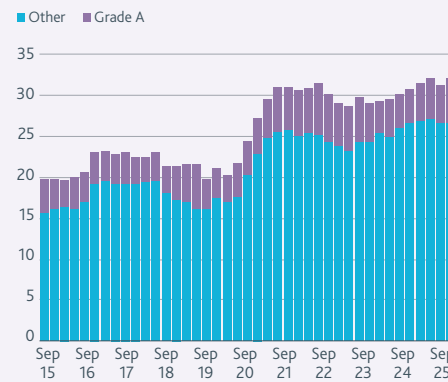
Demand for office space grows organically but the rate of growth has recently slowed. The growth of office-based economic output decreased from 0.86% in Q1 to 0.38% in Q2. The annual rate of growth decreased to 1.76% from 2.29% in Q1. Office output has grown at an annualised average of 2.34% since June 2000, outperforming a more broad-based measure of GDP which has grown at 1.55% a year over the same period.

Central London offices Occupational view

- The divergence between new Grade A space and all other space in the market is increasing.
- In the medium term, it is unlikely that the development pipeline will match demand.

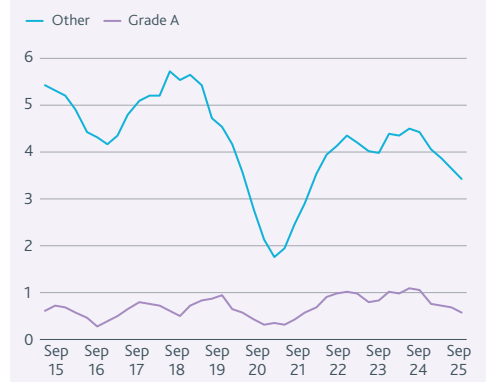
Central London office availability increased in Q3 by 3.0% to 32.1 million sf which represents 28 months' supply at the post-Covid average rate of take-up. The occupational market for the very best buildings typically called "Grade A" is tighter but availability for the best office space increased by 20% in Q3 to 5.43 million sf. This represents 19 months' supply.

Central London office availability (msf)



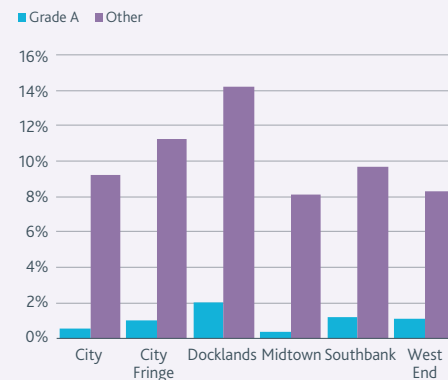
Source: CoStar, October 2025

Central London office take-up (msf)



Source: CoStar, October 2025

Vacancy rates



Source: CoStar, October 2025

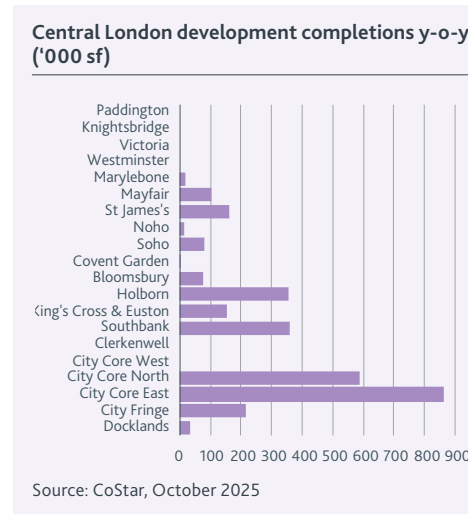
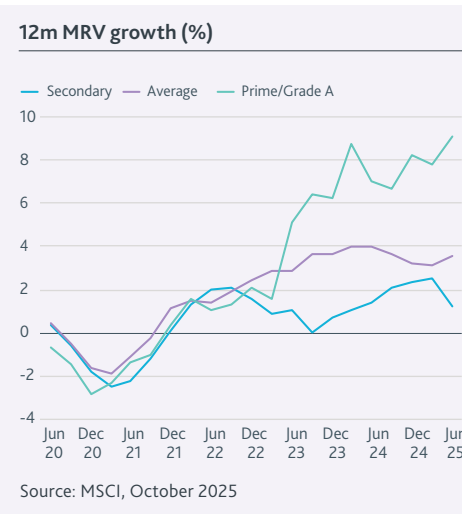
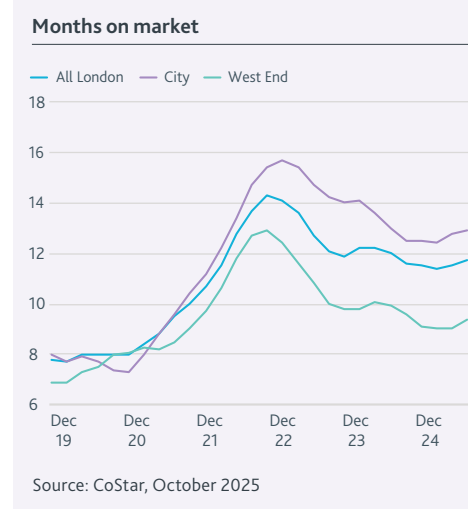
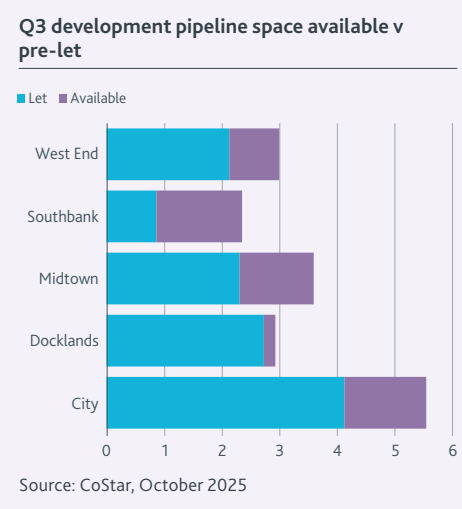


In the City office market, the availability of Grade A office space in Q3 once again rose above one million sf representing 9 months' supply. This includes British Land and GIC's 2 Finsbury Square redevelopment of part of the 1980's Broadgate office campus comprising 750,000 sf in a 36-storey East Tower and a 21-storey West Tower, linked by a 12-storey podium. The scheme is scheduled to complete in 2027 and is reported to be 31% pre-let.

The most liquid West End occupational markets are the relatively fringe West End locations of Noho and Victoria where there is 27 months' supply of the best space. In Victoria there are just four Grade A buildings available to let including WELPUT's 470,000 sf mixed use redevelopment of the former House of Fraser store at 105 Victoria Street and the net zero carbon redevelopment of a 1950's office at 11 Belgrave Road where 68,500 sf is available.

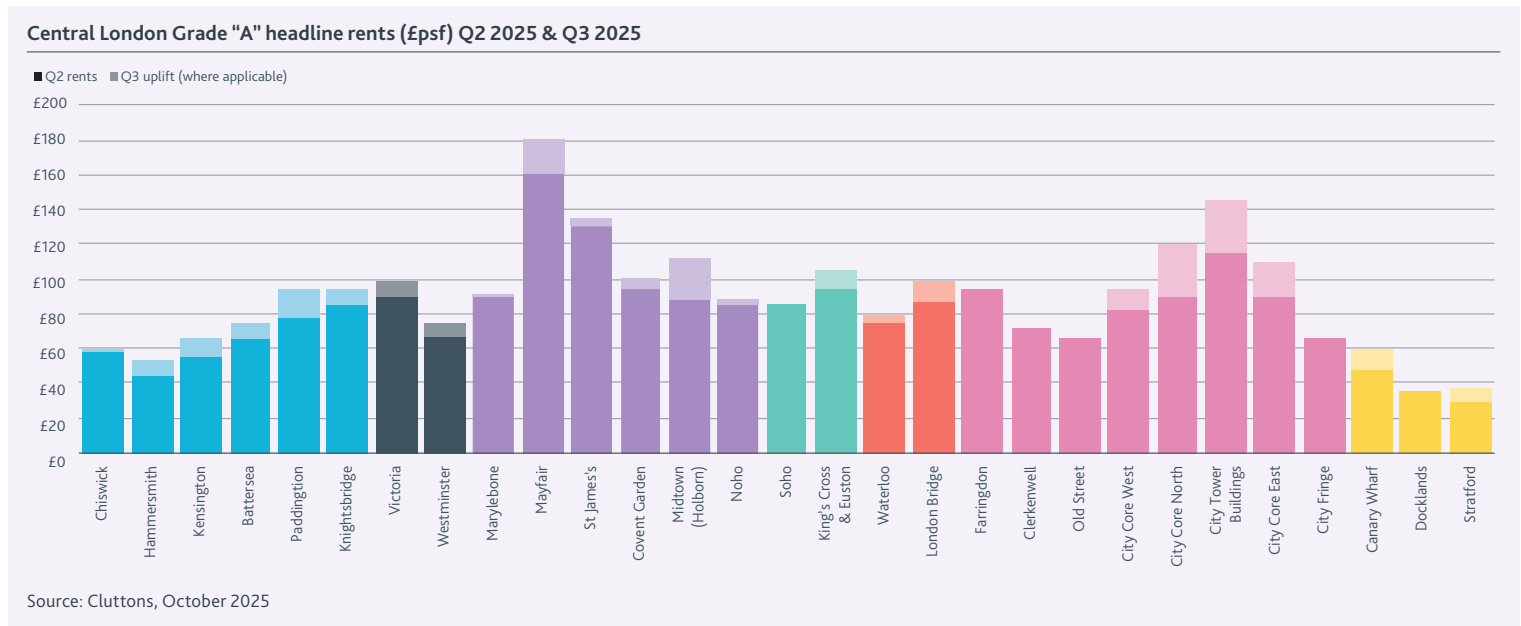
In Noho a further three buildings offering Grade A space are available including 156,000 sf at GPE's Rathbone Square redevelopment of the former Royal Mail sorting office as Meta / Facebook prepares to move to its 620,000 sf Kings Cross campus at 11-21 Canal Reach.

In Q3 a further 315,000 sf of new office space was completed in Central London. So far this year development completions have delivered 1.39 million sf. Demand or take-up for Grade A space averages 868,000 sf per quarter so it is little surprise that rents are increasing for new space.



British Land are reportedly asking £130 psf for space in 1 Broadgate and quoting rents for refurbished space at Paddington Basin have risen to £102 psf. At 77 Grosvenor Street, a building offering a private roof terrace and pavilion and best-in-class "end-of-trip" facilities (cycle storage, showers etc) located in the heart of Mayfair surrounded by luxury retail, high-end restaurants and extremely well served by public transport has achieved rents of £220 psf.

In the last five years, ultra low vacancy rates across core City and West End locations have caused exceptionally strong headline rental growth for the best newly developed space in these locations. In the next five years 46 Grade A buildings are scheduled to complete in Central London providing more than 12.5 million sf of office space. But 59% of this space is already pre-let.

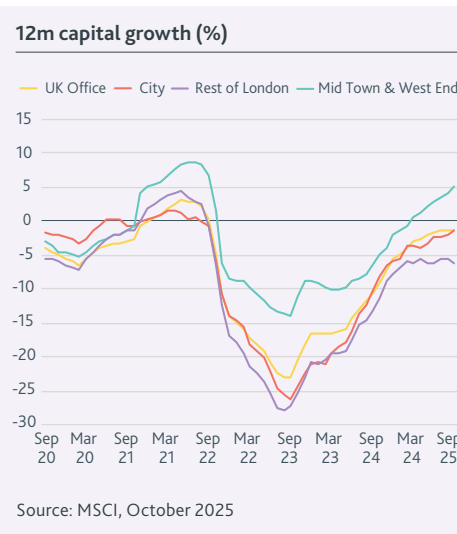
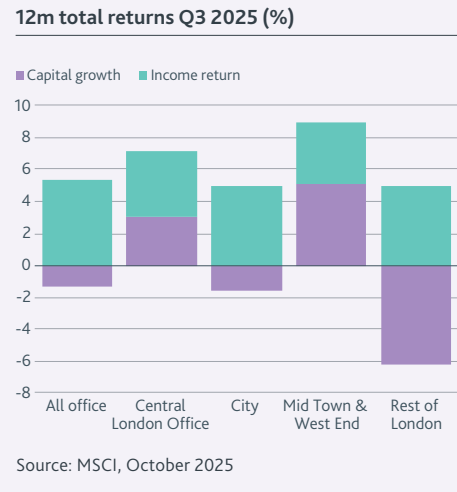


Investment view

- Central London office market valuations continue to improve, driven by a continuing strength in the West End market.
- ESG compliance is a growing priority for European investors, pushing development strategies towards retrofitting and sustainability.

After three consecutive quarters of improving conditions, the recovery in London office market valuations slowed in Q3. The Q3 2025 RICS UK Commercial Property Monitor points to a general deterioration in market activity during Q3 due to the challenging macroeconomic environment. Occupier demand has softened and investment enquiries have declined although feedback suggests London is a little more resilient than Rest of UK markets. Capital value growth decreased from 1.44% in Q2 to 1.02% in Q3 but still representing an annualised rate of 4.1%. Year-on-year capital value growth improved to 2.99% in September from 1.26% in June.

Performance continues to be driven by the West End which has benefitted from growth of 1.62% in the three months to September and 5.12% year-on-year. Despite growing market rental value growth and strong occupier demand for Grade A space, City office valuations decreased in Q3 by -0.22%. Across the whole Central



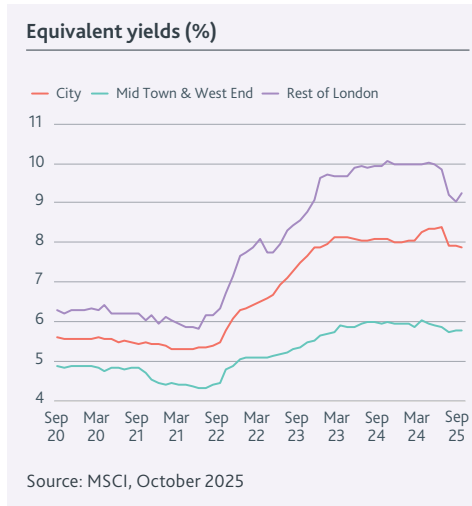
London office market capital values decreased by -26.3% between June 2022 and February of this year but have since grown 3.0%.

For European investors, ESG compliance has become a crucial investment criterion. A 2024 report entitled “Emerging Trends in Real Estate” predicts that 90% of institutional investors will prioritise ESG factors in real estate decisions by 2050. This shift has led to a preference for retrofitting existing assets over new developments, and support for adaptive reuse strategies to achieve decarbonisation goals.

Stanhope, the development and asset manager, and Cheyne Capital, a global alternative investment fund manager, have acquired Row One on London's South Bank between London Bridge and Southwark Bridge, with planning consent for a 250,000 sf office tower with 18 terraces overlooking the River Thames, a club room, wellness centre, end-of-trip facilities, bike spaces, showers, and a new public realm. The scheme aims for net zero operation and targets excellent energy efficiency and sustainability in building operation (NABERS UK 5*), supporting occupant comfort, air and water quality, lighting, and overall wellness (WELL Platinum) and exceptional environmental performance across categories like energy, water use, health, transport, materials, and ecology (BREEAM Outstanding). Rents nearby at 76 Southbank are nearing £90 psf and £100 psf has been targeted at Row One.

A joint venture between Grosvenor and Mitsui Fudosan UK is redeveloping The South Molton Triangle between Brook Street and Davies

Street in Mayfair to provide 267,000 sf of office space on eight storeys behind the existing facades and roofs. The design prioritises the reuse of existing materials and structures wherever possible and will aim to reduce carbon emissions generated during construction and throughout the building's life. Materials used will be designed to promote sustainability throughout the lifecycle of the buildings.



Featured investment transactions

Building	Price (£m)	Price (£psf)	Yield (%)	Avg. uxp lease term (yrs)	Buyer
70 St Mary Axe, EC3	340.00	1,077	5.60 (niy)	6.3	Caperon & Hayfin Cap Man (JV)
102 Petty France, SW1	245.00	467		3.0	The Arora Group
41 Poland St W1	41.00	1,518	4.00 (niy)	2.0	Belsio & Valorem

Source: Cluttons, October 2025

Central London offices Summary tables

Availability (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
City	8.24	8.48	9.34	
City Fringe	3.82	3.78	3.79	
Docklands	2.79	2.54	2.84	
Midtown	7.32	7.95	6.52	
Southbank	3.27	3.79	2.16	
West End	5.67	5.51	4.77	

Source: CoStar, October 2025

Take-up (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
City	0.90	1.52	1.15	
City Fringe	0.36	0.16	0.43	
Docklands	0.25	0.26	0.20	
Midtown	0.72	0.45	0.80	
Southbank	0.36	0.13	0.22	
West End	0.58	0.28	0.73	

Source: CoStar, October 2025

Vacancy rates

	Q2 2025	Q3 2025	5y avg.	Trending
City	11.8%	12.1%	14%	
City Fringe	13.0%	12.9%	13%	
Docklands	13.6%	12.4%	14%	
Midtown	10.6%	11.4%	9%	
Southbank	14.6%	16.9%	10%	
West End	10.0%	9.7%	8%	

Source: CoStar, October 2025

Completions ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
City	-	-	264	
City Fringe	-	-	120	
Docklands	-	-	35	
Midtown	77	281	169	
Southbank	63	34	50	
West End	105	-	133	

Source: CoStar, October 2025

Construction ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
City	4,211	4,211	4,278	
City Fringe	645	645	1,265	
Docklands	1,050	1,050	466	
Midtown	3,827	3,689	3,400	
Southbank	1,699	1,665	855	
West End	1,695	1,695	1,638	

Source: CoStar, October 2025

12m MRV growth

	Q2 2025	Q3 2025	5y avg.	Trending
City	1.2%	2.6%	1.1%	
Mid Town & West End	5.8%	5.8%	3.2%	
Rest of London	-0.1%	0.6%	0.7%	

Source: MSCI, October 2025

Average rents (£psf)

	Q2 2025	Q3 2025	Trending
City	58.30	59.40	
City Fringe	56.00	55.80	
Docklands	47.50	49.40	
Midtown	68.40	68.00	
Southbank	62.40	64.90	
West End	76.20	75.30	

Source: CoStar, October 2025

Investment volumes (£bn)

	Q2 2025	Q3 2025	5y avg.	Trending
City	630.87	334.20	639.54	
City Fringe	11.42	59.32	202.06	
Docklands	0.71	0.00	52.80	
Midtown	555.79	236.36	572.08	
Southbank	65.10	22.82	70.92	
West End	352.40	160.30	527.07	

Source: CoStar, October 2025

Prime yields (%)

	Q2 2025	Q3 2025	Trending
City	5.00%-5.25%	5.00%-5.25%	
West End	4.00%	4.00%	
West End (non-core)	5.25%-5.50%	5.25%-5.50%	

Source: Cluttons, October 2025

Rest of UK offices

Occupational view

- Vacancy rates in major regional office markets doubled since 2020 but the supply of Grade A space has decreased.
- The Government's continued commitment to the "Places for Growth" program, involving the closure of London offices and expansion of regional campuses, could act as a much needed catalyst for growth.

Office availability in the South East decreased by -1.3% in Q3 but increased by 2.5% y-o-y, representing more than 4.2 years' supply at the post-Covid average rate of take-up. Availability across all Rest of UK office markets outside London and the South East also decreased by -0.2 % in Q3 and increased by 3.0% year-on-year representing coincidentally 4.2 years of supply.

The supply of the best Grade A space has recently become more restricted. Although it is more than twice the level of supply available 12 months ago, South East Grade A availability decreased by -3.1% in Q3 and there is 8 months of supply. Rest of UK Grade A office availability decreased by -8.9% in Q3 and -4.2% y-on-y and there is 28 months of supply.

Headline vacancy rates across all the "Big 6" regional office markets post-pandemic

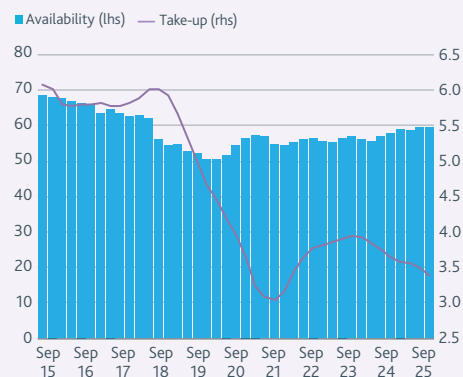
remain elevated. At the end of Q3 2025 the vacancy rate across the UK's largest regional office markets was stable at 9.8% and ranged between 7% in Leeds and 11% in Glasgow. However, vacancy rates for Grade A space across all "Big 6" centres is less than 1%. Although overall vacancy rates across South Eastern centres are at a similar high level, limited development activity has left Grade A vacancy rates at just 0.3%.

"Big 6" market rental value growth has decreased to 2.4% in the year to September from 2.9% in the year to June. Bristol remains the strongest regional office market but rental growth has decreased from 6.0% in Q2 to 3.8% y-on-y. However, South East office market rental value growth has increased from 0.7% y-o-y in Q2 to 1.1% in Q3.

Development completions of Grade A space in the South East and Rest of UK office markets have been relatively consistent both pre and post-pandemic. Since the pandemic, an average of 12 buildings providing 78,600 sf per scheme have been completed every quarter. However, in Q3 2025 only one Grade A development was completed providing 117,589 sf.

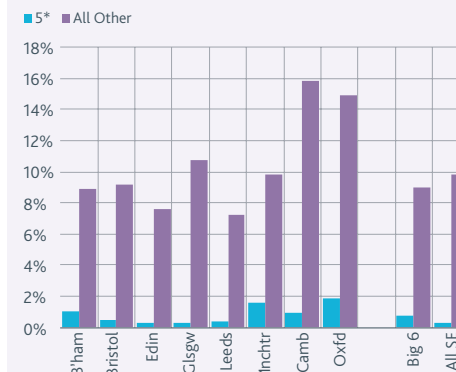
Across the South East and Eastern regions, 2.56 million sf of space is under construction in 39 buildings. This development pipeline is concentrated on Oxford and Cambridge

Rest of UK office availability & Take up (msf)



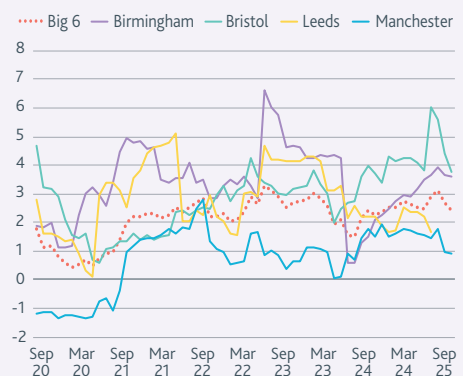
Source: CoStar, October 2025

SE & RUK vacancy rates



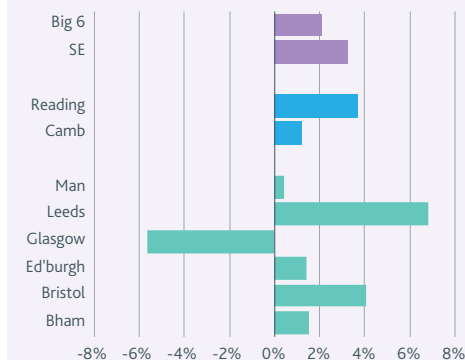
Source: CoStar, October 2025

12m market rental growth (%)



Source: CoStar, October 2025

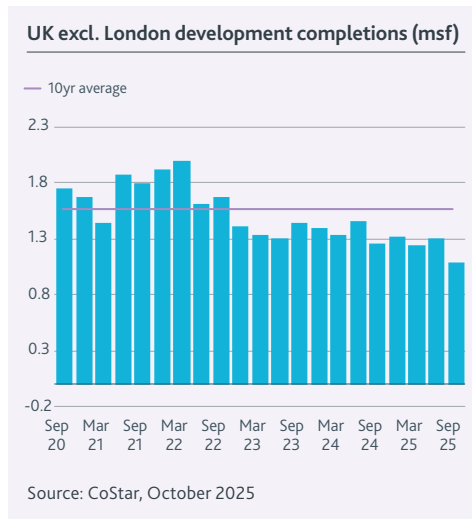
Key Centres - 12m MRV growth (%)



Source: CoStar, October 2025

where the 2 million sf under construction is 18% pre-let. The largest scheme will provide 214,000 sf of space for lab, office and amenity use at Trinity House, Oxford Business Park (OBP). OBP is an 88-acre business park with a strong life-sciences / R&D cluster. Trinity will have 4.4m floor-to-ceiling heights to enable lab fit-out which typically requires 8 air changes per hour, on-floor drainage, increased riser capacity, goods lifts, and floor structures designed to provide stability for instrumentation.

Construction activity is lower in the “Big 6” office markets where just 1.23 million sf is being built in 14 buildings, 34% of which is pre-let. Land Securities' The Republic in Manchester forming part of the Mayfield Park regeneration is one of the latest additions to the pipeline. It will be the first building on the formerly derelict 24-acre site, next to Piccadilly station offering 325,000 sf office building designed for 2,000 people, targeting completion in 2028. Features of the sustainable building will include a double-height entrance, outdoor terraces, a cycle store and RV charging hub.



Investment view

- “Big 6” Regional office investment in the UK has experienced significant volatility in 2025, with a strong rebound in the second quarter after a weak start to the year.
- These “Big 6” markets remain the primary focus for capital allocation but are being challenged by Oxford and Cambridge, alongside several South East towns and other regional cities.

The UK’s major regional office investment markets strengthened in the second quarter when investment volumes increased by 63% to £265 million from £163 million in Q1 but were nevertheless -33% below the post-pandemic quarterly average of £394 million. Preliminary estimates suggest that investment volumes in Q3 decreased by -46% to £144 million. As usual the latest numbers for Q3 are likely to be revised in the coming months.

Much as expected, Manchester received the largest share of investment in the “Big 6” markets over the last 12 months. Slightly more unexpectedly, Edinburgh and Glasgow accounted for 68% of investment in these markets in Q3; or £98 million out of a total of £144 million.

One of the largest deals in Q3 was the acquisition of Quatermile One, Lauriston Place, Edinburgh by a joint venture between BauMont Real Estate Capital and KZN Real Estate for an estimated £53.85 million. The recently refurbished building, designed by Foster + Partners, offers 123,000 sf of Grade A space. Take-up in Edinburgh’s office market reached a five year high in 2024 and prime rents are forecast to rise driven by a

shortage of Grade A office space and lack of speculative development. In late 2024, M&G Real Estate acquired 65% of the issued share capital in BauMont Real Estate Capital which manages €1.5 billion of assets.

The average total return performance across all “Big 6” centres increased to 0.9% in Q3 from 0.5% in Q2 as capital growth improved to -0.9% from -1.1% in Q2. Total returns for the year to September increased to 3.5% from 2.4% in the year to June 2024. Nevertheless, capital values still decreased by -3.2% y-o-y. headline numbers mask significant variance. Occupier market dynamics vary greatly between prime and secondary buildings in most major city centres and consequently, future performance within the office sector is expected to continue to diverge at asset level.

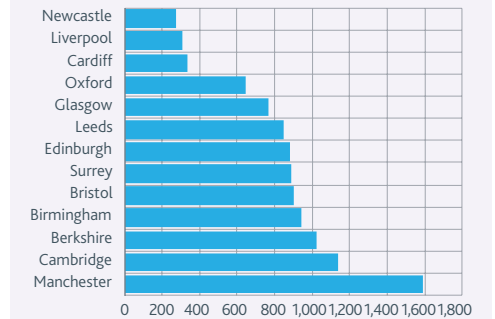
In the 45 months since the end of the pandemic Oxford and Cambridge have started competing with the Big 6 regional centres as destinations for investment capital along with other key South East office in-town and out of town centres including Reading, Slough and Bracknell in Berkshire; Farnborough and Camberley in North Hampshire; and Guildford and Woking in Surrey. Other cities attracting investment capital include Cardiff, Liverpool and Newcastle.

Liverpool’s office investment reached £128 million this year, driven by the sales of the Liver and Capital Buildings. The iconic Liver Building is one of the city’s “Three Graces” on the Pier Head along with The Cunard Building and the Port of Liverpool Building, all built between 1907 and 1917. The Grade 1 listed Liver Building

was bought by Princes, one of the UK’s largest food and drinks group, as a head office for £60 million.

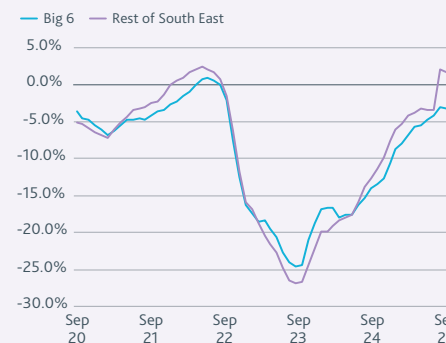
The Capital Building on Old Hall Street was built in 1976 and comprises 420,000 sf was acquired by Oval Real Estate for an estimated £56 million with a net initial yield of 11.3%. Having undergone a £26.2 million refurbishment in 2021, it now offers Grade A space with cafes and bars, informal work areas and social and wellbeing spaces. Oval Real Estate are a private limited company with offices in London, Birmingham and Manchester and backed by US based institutional investors.

Regional office post pandemic investment values



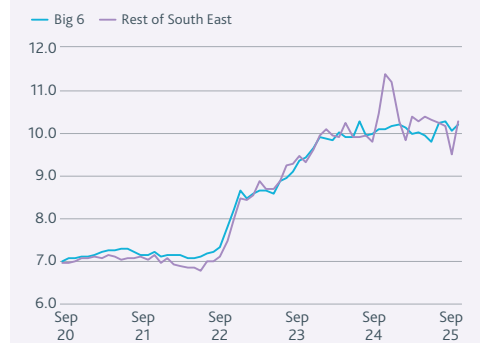
Source: CoStar, October 2025

Big 6 – 12m MRV growth (%)



Source: CoStar, October 2025

Equivalent yields (%)



Source: MSCI, October 2025

Featured investment transactions

Building	Price (£m)	Yield (%)	Price (psf)	Avg. uxp lease term (yrs)	Buyer
Capitol Building, Liverpool	56.0	11.30 (NIY)	133		Oval Real Estate
Reading Enterprise Centre	17.20	8.80 (niy)	313	11	Iroko Zen

Source: Cluttons, October 2025

Rest of UK offices Summary tables

Take-up (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
Big 6	1.70	1.18	1.80	▼
Eastern	0.43	0.35	0.48	▼
Rest of UK	1.28	0.83	1.71	▼
South East	0.77	0.65	1.12	▼

Source: CoStar, October 2025

Vacancy rates

	Q2 2025	Q3 2025	5y avg.	Trending
Big 6	9.8%	9.8%	9.4%	▼
Eastern	7.9%	7.8%	6.4%	▼
Rest of UK	7.6%	7.6%	7.2%	▼
South East	10.0%	9.8%	8.7%	▼

Source: CoStar, October 2025

Average rents (£psf)

	Q2 2025	Q3 2025	Trending
Big 6	22.20	22.00	▲
Eastern	21.40	21.60	▲
Rest of UK	14.20	14.20	▲
South East	24.20	24.20	▲

Source: CoStar, October 2025

Completions ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
Big 6	1,074	-	564	▼
Eastern	169	10	164	▼
Rest of UK	528	2	460	▼
South East	3	135	255	▲

Source: CoStar, October 2025

12m MRV growth

	Q2 2025	Q3 2025	5y avg.	Trending
South East	2.9%	3.2%	1.9%	▲
Birmingham	2.0%	1.5%	2.4%	▼
Bristol	3.9%	4.0%	2.8%	▲
Leeds	7.0%	6.8%	3.1%	▼
Manchester	0.9%	0.4%	1.3%	▼

Source: MSCI, October 2025

Investment volumes (£m)

	Q2 2025	Q3 2025	5y avg.	Trending
South East	154.21	179.48	522.49	▲
Birmingham	40.82	14.71	76.35	▼
Bristol	19.10	1.90	68.07	▼
Edinburgh	79.91	57.14	76.13	▼
Glasgow	19.83	40.93	58.25	▲
Leeds	17.50	11.56	58.99	▼
Manchester	88.24	17.27	157.74	▼

Source: CoStar, October 2025

Availability (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
Big 6	27.74	27.70	26.47	▼
Eastern	8.46	8.38	6.87	▼
Rest of UK	31.69	31.63	30.13	▼
South East	19.58	19.30	17.21	▼

Source: CoStar, October 2025

Construction ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
Big 6	1,224	1,233	4,043	▲
Eastern	1,118	1,109	1,070	▼
Rest of UK	1,479	1,488	2,898	▲
South East	1,511	1,477	1,817	▼

Source: CoStar, October 2025

Prime yields (%)

	Q1 2025	Q2 2025	Trending
M25 / Thames Valley	7.50%-8.00%	7.50%-8.00%	▲▼
Prime Regional Centres	7.25%-7.50%	7.25%-7.50%	▲▼
Secondary Regional Centres	10.00%-20.00%	10.00%-20.00%	▲▼

Source: Cluttons, October 2025

8. Industrial focus

Internet sales penetration of the UK retail market has stabilised and tracking in a range between 26% and 28% since the end of the pandemic. At the end of Q3 internet sales as a proportion of all retailing increased to 28.0% from 27.6% in Q2.

Output for the Transport and Storage industry decreased in the three months to the end of August by -0.37% but grew by 2.46% in the 3 months to May. The sector has grown by 4.05% in the last 12 months and by 12.6% since the onset of the pandemic in February 2020 compared to growth of 5.5% from the whole economy.

The industrial market is segmented between Logistics being 50,000+ sf of warehouse space; smaller Light Industrial units for local distribution, and smaller scale manufacturing and repair workshops; and Specialised space for large scale manufacturing, R&D, Cold Storage and data centres. Most of the UK's stock of industrial space belongs to the logistics segment (66%) whilst 26% is Specialised and less than 10% Light Industrial.

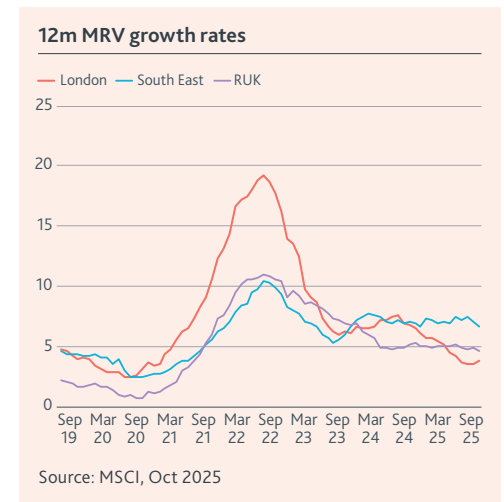
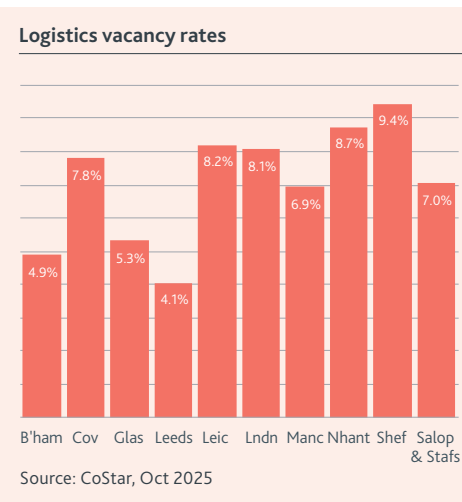
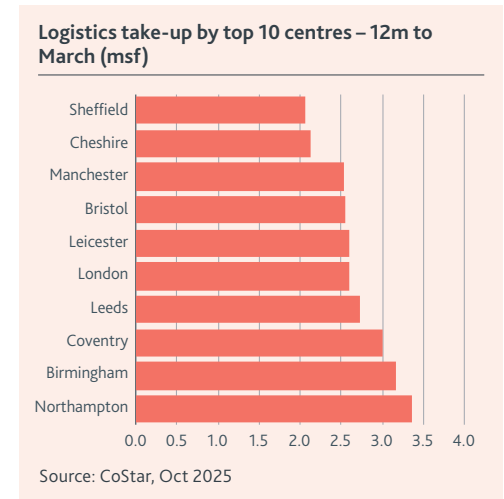
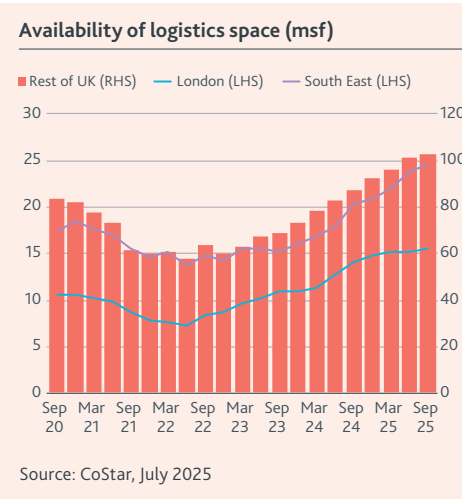
Occupational view

- Rental market softens as take-up decreases and availability continues to increase despite a reduction in the development pipeline. Nevertheless, leading investors remain committed to progressing major logistics projects.
- The new Uniform Business Rate effective from April 2026 is likely to increase total occupancy costs for logistics business occupiers.

Availability of logistics stock to let has been increasing across London, the South East and Rest of the UK since 2023. In Q3 2025 availability increased by 2.2% in London and by 2.0% in the Rest of the UK and 3.1% in the South East.

Across the UK the take-up of all industrial space decreased quarter-on quarter in Q2 by -1.8% whilst the demand for logistics space rose by a modest 0.3% to 14.6 million sf. Preliminary figures for Q3 suggest that all industrial take-up was lower still, at 12.4 million sf, down -28.5% quarter-on-quarter.

Occupiers are aware that the next iteration of the Uniform Business Rate will come into effect in April 2026 based on April 2024 valuations. Since the previous valuation date of April 2021



all industrial rental values have risen by 29% and some locations have seen larger increases. London MRV's are 37% higher, Manchester 35% and Milton Keynes 45%. Occupiers mindful of a likely steep increase in total occupancy costs will want to avoid bidding up rents if at all possible.

It is not therefore a surprise that, market rental value (MRV) growth is trending downwards across most key distribution centres. In the year to September, London MRV growth increased by a barely perceptible 5 bps to 3.88% from 3.85% y-o-y in June. South East y-o-y MRV growth decreased to 6.7% in June from 7.3% in June; and y-o-y MRV growth across the Big 6 regional centres fell to 5.4% in September from 6.1% in June. In Birmingham 12m growth was 5.4% but in Manchester it increased to 6.5% from 6.2% in Q2.

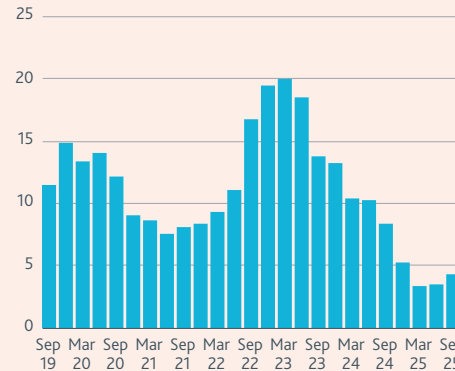
The amount of logistics space under construction has been declining since 2022 and decreased nationally by a further -6.9% in Q3 to 32.1 million sf from 34.5 million sf in Q2. Regionally, the Logistics Triangle dominates the development pipeline. This area in the East and West Midlands, within four hours driving distance of 90% of the British population, has 11.1 million sf under construction. The majority of this pipeline space is in and around Northampton where the amount of construction activity fell by -4.9% from 7.9 million sf to 7.5 million sf. in Q3.

Panattoni has expanded its UK pipeline with two new logistics sites in Northamptonshire and Worksop, Nottinghamshire. The first site in Northamptonshire five miles west of M1 junction 15A has consent for three units of 223,000, 362,000, and 412,000 sf each. The second site in Worksop, is 1.25 miles from the A1 and 10 miles from Junction 31 of the M1 has an outline planning consent for a single 462,000 sf unit. Construction of both is scheduled to begin in 2026 and finish in 2027 and 2028, respectively.

Marks & Spencer is partnering with Prologis to build a 1.3 million sf national distribution centre in Daventry, Northamptonshire. Investing £340 million, M&S aims to double its food business with this automated, BREEAM 'Outstanding' facility featuring high-tech picking systems, rooftop solar panels, rainwater harvesting, vehicle maintenance, EV charging, energy-saving technology, and an EPC A+ target.

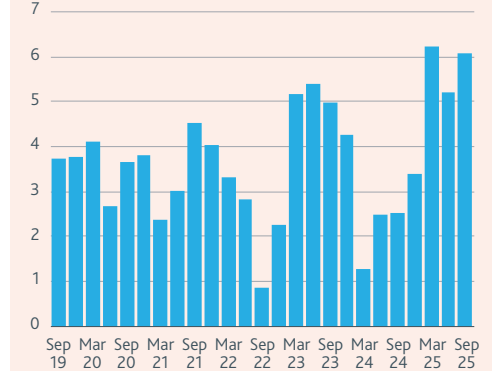
Other news this quarter includes the completion of Indurent 420, Omega West, in St Helens. The 521,000 sf logistics and office facility, developed by Miller Developments and forward-funded by Indurent, has the mandatory green specifications including BREEAM 'Excellent' and EPC 'A+' ratings and sustainable features like alternative fuels, photovoltaic panels, and electric vehicle charging infrastructure.

Logistics triangle 12m net development completions (msf)



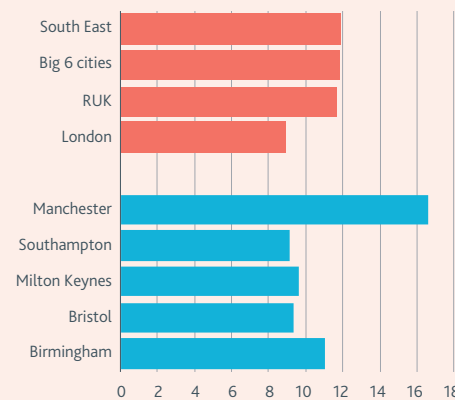
Source: CoStar, Oct 2025

London & South East 12m net development completions (msf)



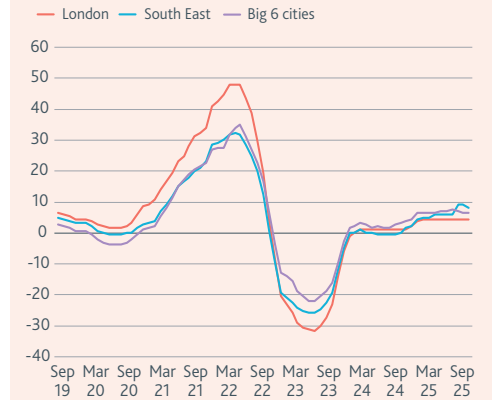
Source: CoStar, Oct 2025

Key centre 12m total returns



Source: MSCI, Oct 2025

12m capital growth



Source: MSCI, Oct 2025

Investment view

- Yields remain stable in London, while those in regional centres re-rate, causing London's industrial sector to underperform relative to the Big 6 regional cities and the rest of the UK.
- Major investment in AI infrastructure and Data Centres is planned but providing grid capacity to power new schemes remains a challenge.

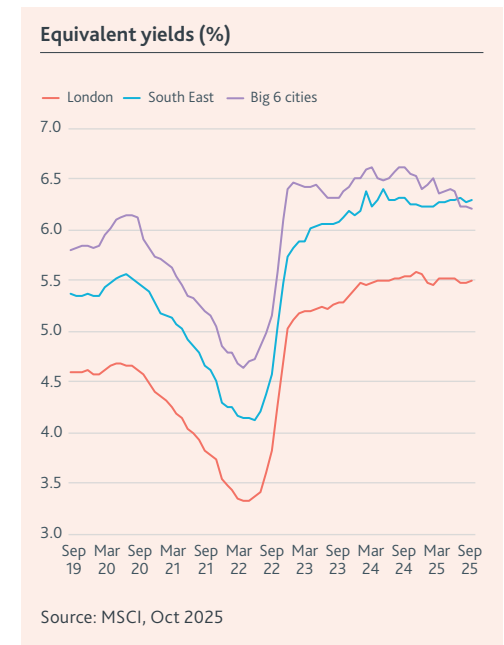
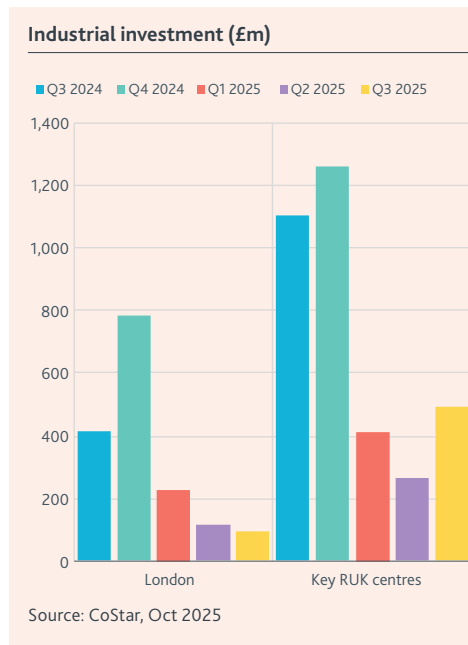
The performance of London industrials has fallen back relative to the Rest of the UK and the Big 6 regional cities. Rest of UK industrials outperformed the South-East due to a combination of higher income return and stronger rental growth. In Q3 y-o-y total returns amounted to 8.9% in London, whereas across the Big 6 regional cities, y-o-y total returns decreased to 11.8% in September from 13.0% in June; and in the South East y-o-y returns also decreased to 11.9% in Q2 from 13.8% a quarter earlier. In Manchester 12m total returns fell back to 16.6% in Q3 from 17.2% in Q2. Yields in London and the South East have remained relatively stable over the last 12 months but have re-rated by an average of 40 bps in the Big 6 regional centres.

Investment volumes are the quarterly value of investment transactions adjusted for

capital growth over the analysis period and provide a measure of transaction activity that is not obscured by changes in value. Industrial investment transactions continue to slide due to investor caution or a lack of assets available on or off market. Volumes decreased y-on-y in Q2 by 26.6% to £680 million in 713 transactions or, £1.378 billion in current value terms, from £926 million (£1.863 billion) in 1,035 transactions in Q1. Preliminary estimates indicate that investment volumes further decreased to £589 million (£1.201 billion) in 623 transactions in Q3 compared to the ten-year quarterly average of £1.46 billion (£2.614 billion) and 1,045 transactions.

London attracted the largest slice of inward investment in the year to June amounting to £1.545 billion in value terms but this was a 27% fall from £2.109 billion invested y-on-y in Q1. London's total industrial investment in the second quarter was almost twice the £58 million targeted at Manchester, the next most popular centre for investors.

The "Tech Prosperity Deal" between the UK and USA announced during President Trump's September state visit promises £22 billion of investment by Microsoft, Nvidia, Google and others into AI infrastructure over the next ten years. Of more immediate impact, SEGRO provides both "powered shells" (partially built data centres) for major clients



and is increasingly developing fully fitted-out facilities. The REIT is actively expanding its data centre footprint at Slough, including through a joint venture with Pure DC to develop a £1 billion, fully fitted data centre. Slough Trading Estate is claimed to be the second-largest cluster of data centres in the world and the largest in Europe. However, major bottlenecks to the rapid development of these AI assets remains not only the UK's planning system but also the capacity of the national grid which is currently unable to support the projected growth in data centres.

Lastly this quarter, further illustrating a theme we discussed in Q2 surrounding corporate transactions as the most efficient way to access scale, Tritax Big Box announced its acquisition from Blackstone of a £1.04bn logistics portfolio, after the end of the quarter. The consideration was £632 million in cash and £375 million of new ordinary shares. The largest assets in the portfolio include Tesco's 700,000 sq ft Fradley Park distribution hub, Rolls-Royce's 540,000 sf Glasgow site, a Kuehne+Nagel facility in Thatcham, and warehouses in Birmingham and Basildon.

Featured investment transactions

Building	Price (£m)	Yield (%)	Price (£ psf)	Avg. uxp lease term (yrs)	Buyer
Commercial Park, Bedford	100.00	5.40 (niy)	152	0.59	Aermont Capital
Solar Park, Solihull	61.00	3.50 (niy)	216	2.5	DTZ Investors
Malago Trade Park, Bristol	10.83	5.60 (niy)	171	3.1	Space Industrial / Marchmont / Invesco

Source: Cluttons, Oct 2025



Industrial focus

Summary tables

Availability (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	17.88	18.39	13.50	
South East	28.97	30.09	21.00	
Logistics Triangle	49.28	51.78	37.53	
Manchester	13.18	12.09	8.55	
Leeds	6.55	6.82	6.11	
Rest of UK	124.61	127.45	96.14	

Source: CoStar, Oct 2025

Take-up (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	0.69	0.87	1.29	
South East	2.08	1.26	2.72	
Logistics Triangle	4.40	3.67	6.49	
Manchester	0.64	0.77	1.05	
Leeds	0.81	0.31	1.08	
Rest of UK	8.68	5.52	11.15	

Source: CoStar, Oct 2025

Vacancy rates

	Q2 2025	Q3 2025	5y avg.	Trending
London	8.1%	8.3%	6.1%	
South East	7.3%	7.6%	5.4%	
Logistics Triangle	6.3%	6.6%	4.9%	
Manchester	6.2%	5.7%	4.0%	
Leeds	3.7%	3.8%	3.5%	
Rest of UK	5.9%	6.0%	4.6%	

Source: CoStar, Oct 2025

Completions ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	26	745	456	
South East	1,205	836	1,423	
Logistics Triangle	2,838	1,667	3,191	
Manchester	28	372	359	
Leeds	30	-	506	
Rest of UK	3,259	2,565	6,070	

Source: CoStar, Oct 2025

Construction ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	3,403	3,125	2,890	
South East	5,264	4,815	6,541	
Logistics Triangle	11,629	11,199	14,714	
Manchester	1,043	787	1,315	
Leeds	411	1,074	2,348	
Rest of UK	19,130	17,694	25,946	

Source: CoStar, Oct 2025

12m MRV growth

	Q2 2025	Q3 2025	5y avg.	Trending
London	5.6%	4.5%	8.5%	
South East	6.3%	6.0%	7.2%	
Logistics Triangle	4.8%	4.6%	6.1%	
Manchester	6.8%	7.1%	9.1%	
Leeds	0.0%	0.0%	0.0%	
Rest of UK	5.6%	5.2%	6.0%	

Source: CoStar & MSCI, Oct 2025

Average rents (£psf)

	Q2 2025	Q3 2025	Trending
London	19.80	19.90	
South East	12.90	13.00	
Logistics Triangle	8.80	8.80	
Manchester	8.00	8.10	
Leeds	7.20	7.30	
Rest of UK	8.10	8.20	

Source: CoStar, Oct 2025

Investment volumes (£bn)

	Q2 2025	Q3 2025	5y avg.	Trending
London	113.84	97.04	544.26	
South East	253.33	174.13	472.54	
Logistics Triangle	187.38	229.07	680.93	
Manchester	57.82	105.81	137.46	
Leeds	31.44	80.19	106.64	
Rest of UK	733.78	515.35	1263.54	

Source: CoStar, Oct 2025

Prime yields (%)

	Q2 2025	Q3 2025	Trending
Prime Distribution Sheds – Omrv	5.25%	5.25%	
Secondary Distribution Sheds	6.00%-6.25%	6.00%-6.25%	
Prime Industrial Within M25	4.75%	4.75%	
Prime Industrial Regional	5.25%-5.75%	5.25%-5.75%	
Secondary Industrial Estate	6.50%-7.25%	6.50%-7.25%	

Source: Cluttons, Oct 2025

9. Retail focus

According to October's BRC Retail Sales Monitor total retail sales increased by 2.3% year on year in September, compared to growth of 2% in September 2024. The 12-month average growth rate is 2.1%. In-Store Non-Food sales increased by 0.5% year on year in September, against a growth of 0.8% in September 2024.

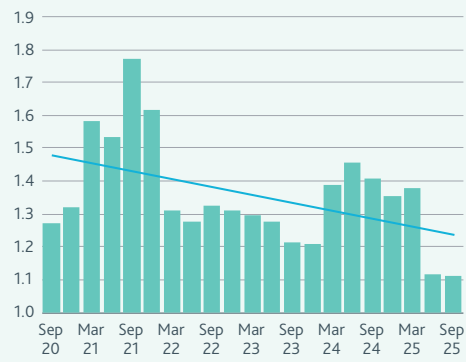
Online Non-Food sales increased by 1% year on year in September, against a growth of 3.4% in September 2024. This was below the 12-month average growth of 1.8%. The online penetration rate being the proportion of Non-Food items bought online increased to 37.6% in September from 37.2% in September 2024. This was above the 12-month average of 37%.

However, spending rose more slowly than in recent months as households dealt with the higher cost of food and the possibility of November's budget bringing higher taxes. Milder weather apparently meant shoppers delayed refreshing Autumn and Winter wardrobes. Meanwhile, Electrical sales were elevated thanks to the release of the new iPhone and Apple Watch.

In September, Next plc released its half-year results and prefaced presentation of the results with a warning that the medium to long-term outlook for the UK economy does not look favourable. The UK economy is not approaching a cliff edge, it said, but expects anaemic growth at best. UK online sales increased by 11.1% compared with last year and retail store sales rose by 3.7%. All UK sales growth was 7.9%. Next anticipate that growth in UK sales in the second half of the year will be lower than the first half as consumer spending will be dampened by reduced employment opportunities resulting from April's National Insurance changes.

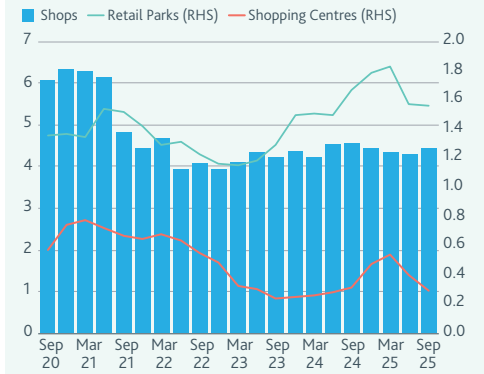
John Lewis reported strong first-half sales despite posting a pre-tax loss which it partly attributed to the new EPR levy covering the cost of managing the waste disposal and recycling of its product packaging and higher National Insurance Contributions. It also warned that it expected the macro-economic environment to remain challenging.

Central London shop availability ('000 sf)



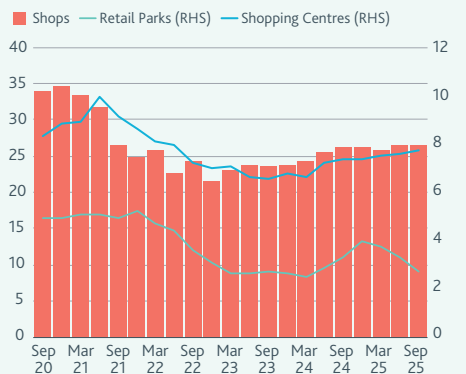
Source: CoStar, Oct 2025

South East retail availability (msf)



Source: CoStar, Oct 2025

Rest of UK Retail availability (msf)



Source: CoStar, Oct 2025

Rolling 12m take-up (msf)



Source: CoStar, Oct 2025

Occupational view

- UK retail space availability decreased by 1.4% in Q3, with Retail Park availability dropping by 16.7%.
- London and South East shops show signs of improvement, with increased demand and stabilising rental levels

The amount of all UK retail space available to let decreased by -1.4% in Q3. Shopping Centre availability rose by 0.5% but Retail Park availability decreased by -16.7% and the availability of traditional shops decreased slightly by -0.2%.

In September 2025 annual take up of all retail space was -10.5% lower than a quarter earlier and -13.5% lower compared to the same quarter last year. However, all retail net absorption rates were positive for the first time in eight quarters. A negative reading indicates that more space is being released onto the market than is being let.

The South East retail market is showing signs of improvement, with increased demand and stabilising rental levels. While challenges persist, including high costs and vacancies, there are encouraging signs in areas like Brighton, Croydon, and Worthing.

IKEA has opened a new store in Brighton city centre, offering 2,600 home furnishing accessories and small furniture items for immediate purchase. The store, IKEA's third city-centre location in the UK. Unibail-Rodamco-Westfield has unveiled Allders Parade, a comprehensive retail and dining destination that will be integrated into the redevelopment of the former Allders department store building in Croydon. The first shops will include Miniso, Sky, Abaci, Isle of Flowers, Coco & Nut, and Meltin' Memories.

In Q3 Retail Park lettings fell y-on-y by -10.7% y-on-y but were 8.7% higher than in Q3 2024. The amount of Shopping Centre space let fell for the third consecutive quarter by -5.6% y-on-y and were -15.3% lower than the same quarter last year. The amount of traditional retail space let y-o-y decreased by -12.0% in Q3 compared to Q2 and has also been falling for three consecutive quarters.

Grosvenor Estates has reported that retail and leisure lettings are up 10% on the same period last year. New openings include Melanie Grant's first UK studio, Barnaby Bars by chocolatier Barney Goff and New York designer Adam Lippes's flagship European boutique. The portfolio's retail and leisure voids are now 4.5%. On Oxford Street, plans

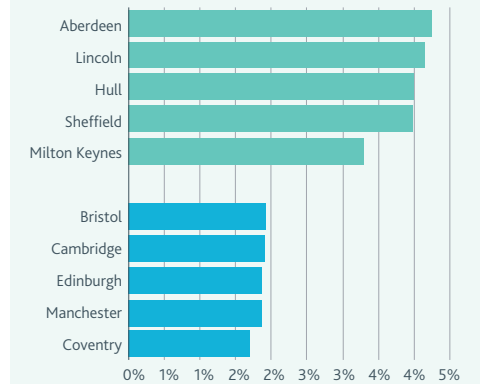
are advancing for the redevelopment of the House of Fraser and BHS former department stores.

More prosaically, by the end of 2025 Aldi plans to open at least 11 new stores and 35 refurbishments, creating 40 jobs per site. The discounter now holds a 10.9% UK market share. Poundland has avoided administration and will embark on a restructuring plan shrinking its estate from 800 to 650-700 stores.

All Shopping Centre market rental values (MRV) have grown by 2.0% in the year to September, up very slightly from 1.9% in June but a strong improvement on growth of -0.4% y-on-y a year earlier. Retail Park rental growth is stronger and reached 3.1% in the 12-months to September, up from 1.4% in June 2024. MRV growth for standard high street shops has also been improving, to 3.0% in the year to September from 0.5% a year earlier.

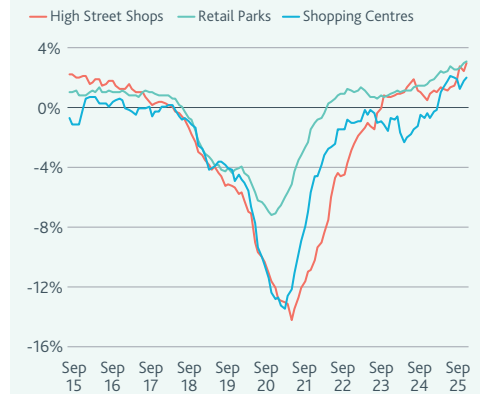
Marks & Spencer was the biggest retailer to sign a major lease in Q3, as it agreed to expand its footprint at Merry Hill, the eighth largest shopping centre in the UK. M&S has been at Merry Hill for 35 years and will consolidate two stores into 93,000 sf. and will open in late 2025.

Key centre vacancy rates



Source: CoStar, Oct 2025

12m MRV growth



Source: MSCI, Oct 2025

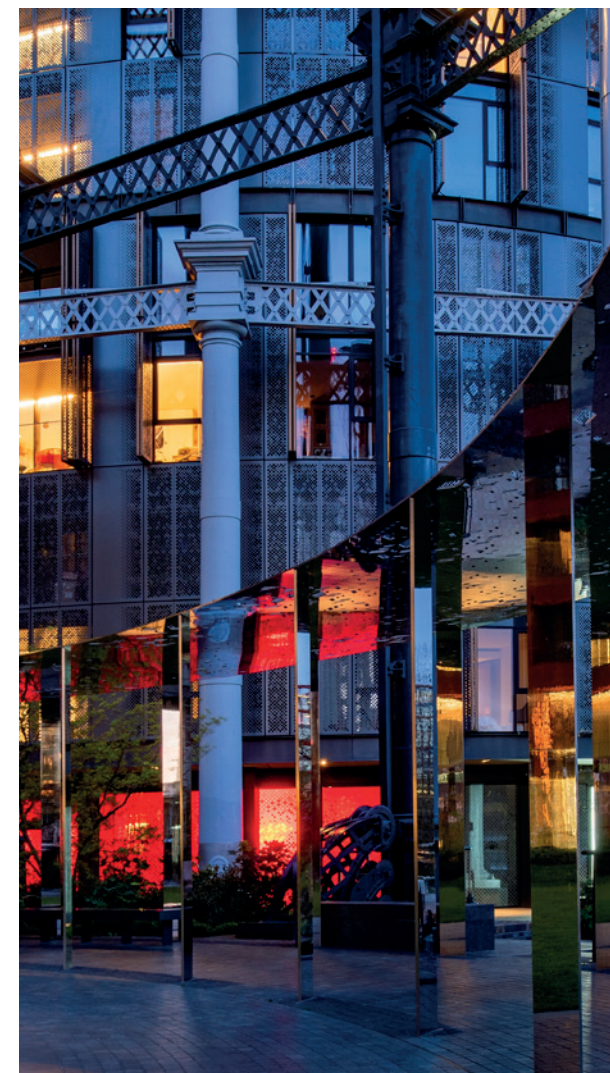
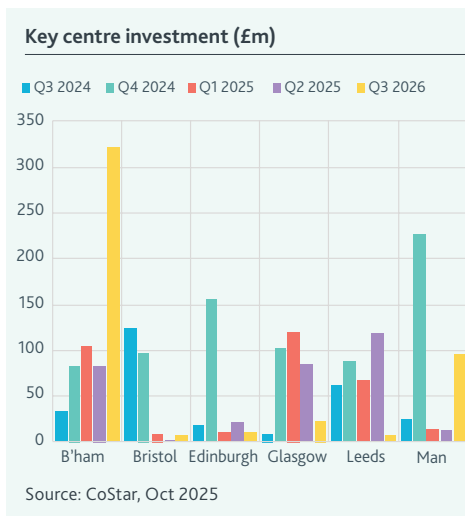
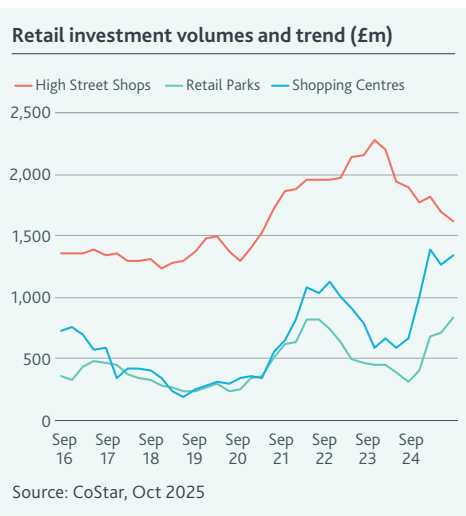
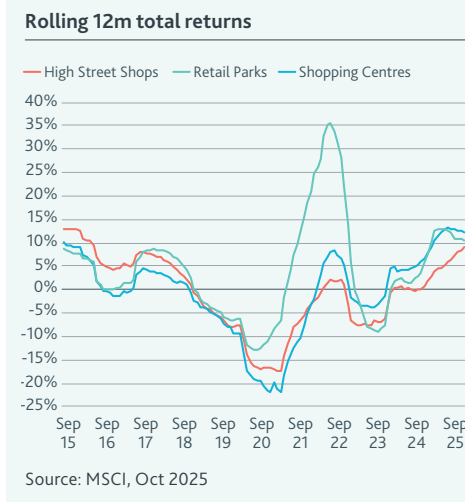
Investment view

- High Street shops and Retail Parks performed strongly, driven by high income returns and a slight re-rating in yields.
- Investment volumes for Shopping Centres increased year-on-year in Q2 as investors continue to seek out opportunities.

High income returns and a slight re-rating in yields continue to drive some strong performance numbers from High Street shops and Retail Parks in particular. However, the indices suggest that yields for Shopping Centres and Central London shops have softened over the course of Q3. This is not the case for prime assets in these segments where yields have been trending stronger.

We have seen falls of 25 bps for prime high street shops in the past two quarters – the first time this has happened for more than a decade. The Prime yield is currently at 6.25%, supported by recent sales in Cambridge and Oxford.

As a result of the de-rating referred to above, Shopping Centre capital growth in the year to September 2025 decreased to 2.5% from 3.1% in June and total returns decreased to 12.4% from 13.0% in June. Retail Park total



returns slipped to 10.4% y-on-y in September from 11.0% in June, nevertheless this was a large improvement on performance of 5.9% in September 2024. High Street shops enjoyed a large improvement in performance in Q3 as total returns increased to 9.1% from 7.2% in Q2 and 036% in Q3 2024.

Investment volumes are the quarterly value of investment transactions adjusted for capital growth over the analysis period and provide a measure of transaction activity that is not obscured by changes in value. Retail Park investment volumes increased y-on-y in Q2 by 16.3% to £3.334 billion in 394 transactions or, £3.277 billion in current value terms, from £2.868 billion (£2.808 billion) in 357 transactions in Q1. Shopping Centre investment volumes increased y-on-y in Q2 by 6.1% to £5.373 billion in 118 transactions or, £2.117 billion in current value terms, from £5.063 billion (£1.983 billion) in 129 transactions in Q1. Investment in traditional high street shops decreased further in both Q1 2025 and Q2. Preliminary estimates indicate that All Retail investment volumes decreased by -16.5% to £12.670 billion (£9.171 billion) in 4,727 transactions in Q3.

Q3's most prominent investment transaction featured Hammerson's acquisition of the remaining 50% stake in Birmingham's Bullring & Grand Central for £319m from Canada Pension Plan Investment Board. In 2024,

footfall at the Bullring, anchored by the iconic, curvaceous Selfridges store, increased by 3% to 33 million visitors, while total sales rose by 11%, making it the strongest performer in its peer group of super-sized, regional, city centre destination shopping centres.

Global shopping mall investor and developer Unibail-Rodamco-Westfield (URW) has purchased a 25% interest in the £1bn St James Quarter mixed-use scheme in Edinburgh from Nuveen and further Shopping Centre transactions are expected to complete before the end of the year. US real estate investment

trust Realty Income has made a bid to buy The Lexicon shopping centre in Bracknell, UK for approximately £160 million from a joint venture between Schroder Capital UK Real Estate Fund and Legal & General Capital. Federated Hermes is reported to be selling the Christopher's Place retail and leisure estate in St Albans for over £19.3 million. Mike Ashley's Fraser Group is reportedly planning to purchase the Braehead shopping centre near Glasgow for around £220 million. The shopping centre formerly owned by Intu is now in the hands of the SGS Group, the mall's lender.

Equivalent yields (%)



Source: MSCI, Oct 2025

Featured investment transactions

Building	Price (£m)	Yield (%)	Price (£psf)	Avg. uxp lease term (yrs)	Buyer
Newcastle Shopping Park	40.50	7.30 (niy)	174	8.9	Orchard Street
Retail Parks					
Gateway Retail Park, Cheltenham	8.86	7.40 (niy)	242	7	Pears Property
Bognor Regis Retail Park	15.475	7.15 (niy)	184	8.5	Martin's Properties
Shopping Centres					
Tesco, Hythe Road, Ashford	54.10	7.00 (niy)	582	9	Supermarket REIT

Source: Cluttons, Oct 2025

Retail focus

Summary tables

Availability (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	5.45	5.35	5.45	▼
South East	4.29	4.46	4.70	▲
Rest of UK	26.55	26.41	26.40	▼
Shopping Centres	10.08	10.13	10.41	▲
Retail Parks	3.91	3.23	4.49	▼

Source: CoStar, Oct 2025

Take-up (msf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	0.705	0.457	0.792	▼
South East	0.497	0.279	0.715	▼
Rest of UK	2.166	1.567	2.943	▼
Shopping Centres	0.999	0.969	1.115	▼
Retail Parks	0.378	0.331	0.813	▼

Source: CoStar, Oct 2025

Vacancy rates

	Q2 2025	Q3 2025	5y avg.	Trending
London	3%	3%	3%	▼
South East	2%	2%	2%	▲
Rest of UK	3%	3%	3%	▼
Shopping Centres	4%	4%	5%	▲
Retail Parks	3%	2%	3%	▼

Source: CoStar, Oct 2025

Completions ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	284.62	43.66	269.98	▼
South East	48.81	14.16	187.68	▼
Rest of UK	168.83	234.68	804.86	▲
Shopping Cen.	-	-	65.12	
Retail Parks	-	-	76.76	◀▶

Source: CoStar, Oct 2025

Construction ('000 sf)

	Q2 2025	Q3 2025	5y avg.	Trending
London	693	651	1,614	▼
South East	358	361	744	▲
Rest of UK	2,269	2,092	3,043	▼
Shopping Cen.	-	-	172	
Retail Parks	5	5	243	◀▶

Source: CoStar, Oct 2025

12m MRV growth

	Q2 2025	Q3 2025	5y avg.	Trending
London	0.4%	0.5%	-2.7%	▲
South East	1.0%	1.8%	-1.9%	▲
Rest of UK	2.4%	3.1%	-1.9%	▲
Shopping Centres	1.9%	2.0%	-1.6%	▲
Retail Parks	2.5%	3.1%	0.9%	▲

Source: MSCI, Oct 2025

Average rents (£psf)

	Q2 2025	Q3 2025	Trending
London	43.90	44.00	▲
South East	25.60	25.70	▲
Rest of UK	18.90	19.00	▲
Shopping Centres	34.00	34.30	▲
Retail Parks	20.80	21.00	▲

Source: CoStar, Oct 2025

Investment volumes (£bn)

	Q2 2025	Q3 2025	5y avg.	Trending
London	455.01	180.55	550.36	▼
South East	109.73	138.01	302.95	▲
Rest of UK	494.77	414.37	837.49	▼
Shopping Cen.	381.10	366.01	372.45	▼
Retail Parks	623.33	76.84	560.58	▼

Source: CoStar, Oct 2025

Prime yields (%)

	Q2 2025	Q3 2025	Trending
Prime Shops	6.50%	6.25%-6.50%	▲
Secondary Shops	7.50%-9.50%	7.50%-9.50%	◀▶
Shopping Centres			
Prime – Dominant Regional	8.00%	8.00%	▲
Retail Warehouse			
Prime Parks (Open A1/Food Store)	5.25%	5.25%	◀▶
Prime – Solus (15Yrs/10Yrs)	5.75%-6.25%	5.75%-6.25%	◀▶

Source: Cluttons, Oct 2025

7. Outlook & House view

- The fastest year-on-year growth rate in property lending since at least 2012 has not fed through into an immediate increase in transactional activity. It is likely that much of this capital has been deployed to refinance existing debt.
- High risk-free rates limit the scope for any increase in capital values and this quarter we have maintained our 2025 All Property total return forecast of 7.0% and our projection of 8.0% on a three-year annualised basis reflecting expectations of improved performance in 2026 and 2027.

Forecasters' confidence in a recovery of the UK's commercial property market weakened again in Q3. Consequently, August's Investment Property Forum (IPF) consensus forecasts for total returns in 2025 decreased to 7.6% from 7.9% in February. However, the IPF outlook for 2026 improved to 8.7% from 8.4%.

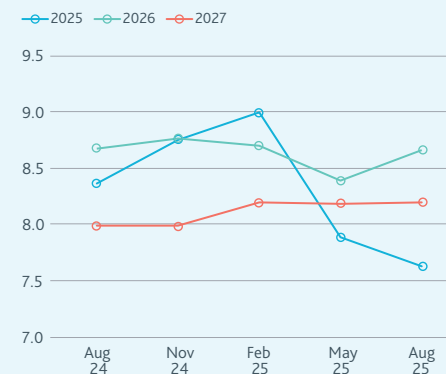
The IPF's average annualised total return forecast over the three years to 2027 remains 8.2% and 7.7% for the five years ending 2029. Total return expectations for 2025 worsened across all segments in May's survey except Standard Retail. Expectations are highest for Shopping Centres and Retail Warehouses and lowest for Rest of UK offices.

The range of forecasts for 2025 narrowed in August, with the highest prediction at 8.8% and the lowest at 5.7%, a range of 3.1%, compared to 6.1% in May, suggesting the consensus view is narrowing in the face of the uncertain economic headwinds. The range of forecasts for 2026 remains 3.3% for next year, ranging from 6.3% to 9.6%. Either the survey's contributors are more confident about the prospects for 2026; or market conditions must improve at some point.

The Q3 2025 RICS UK Commercial Property Monitor points to a deterioration in market activity during Q3. The challenging macroeconomic environment with rising inflation and elevated bond yields, are weighing on the outlook. Occupier demand has softened across all sectors, although feedback is a little more resilient in London. Investment enquiries have declined. Only 22% of respondents now feel conditions are consistent with the early stages of an upturn across the market. However, prime commercial real estate is still expected to post moderate capital value and rental growth over the year ahead, although projections have been trimmed.

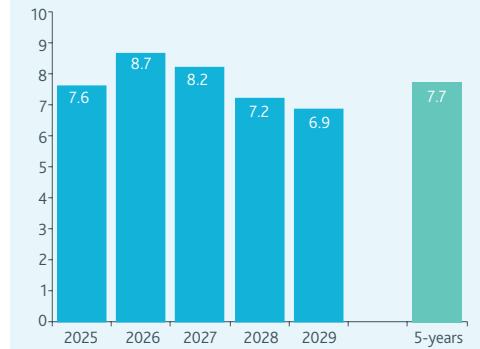
The central forecast from the House View model is revised on a quarterly basis to reflect the changing macro-economic outlook and the current performance of commercial real estate. A fourth consecutive reduction in UK base rate to 4.0% was announced in August but provided

IPF Consensus forecast evolution (%)



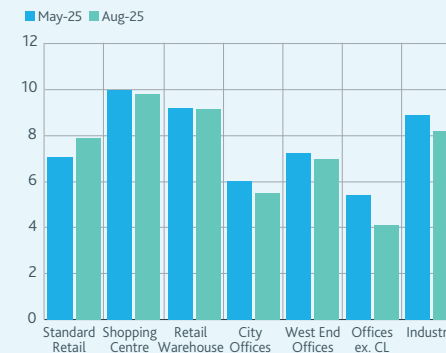
Source: IPF, Aug 2025

IPF All Property consensus forecasts y-by-y (%)



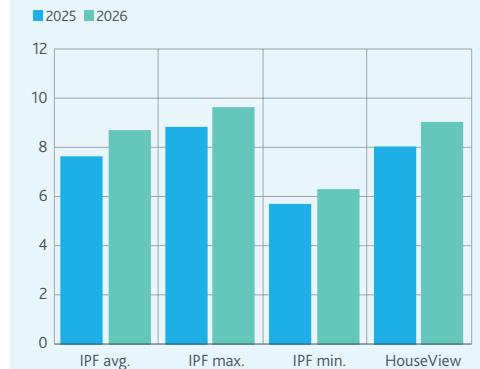
Source: IPF, Aug 2025

IPF 2025 total return forecasts by sector Nov 24 v Aug 24 (%)



Source: IPF, Aug 2025

UK commercial total return forecast range (%)



Source: IPF, APR & Cluttons, Aug & Oct 2025

little of a boost to the UK's commercial real estate markets. Capital growth in Q3 only increased very slightly from 0.3% to 0.4% and transaction numbers remain underwhelming.

New lending to UK commercial real estate fell to a historic low in 2023 as lenders and investors struggled with falling property values and higher debt costs. But 18 months of market stability has now encouraged lenders to actively seek out borrowers from the real estate sector. Outstanding loans from UK banks and financial institutions to real estate businesses grew 10.9% in the 12 months to August, to £138.3bn, according to Bank of England data. That was the fastest year-on-year growth rate since at least 2012. However, much of this capital must have been deployed to refinance expiring debt since transaction volumes remain low due to pricing uncertainty and a reluctance from investors to commit

equity in the face of the current macro-economic uncertainties.

Nothing has happened this quarter to change our opinion that weak economic growth combined with a troublesome inflationary outlook and increasing risk-free rates will limit the recovery in commercial property values in 2025. If anything, events have reinforced this view. Property yields have remained broadly static for a year and there is little prospect of any tightening until the gilt yield curve flattens at the long end. This is unlikely to happen in the short term. Our forecasts in Q1 and Q2 were downgraded to reflect the prevailing economic uncertainties and a reluctance by investors to commit capital. This quarter we have maintained our 2025 All Property total return forecast of 7.0% and our projection of 8.0% on a three-year annualised basis reflecting expectations of improved performance in 2026 and 2027.

Business Rates update

The Revaluation of all commercial properties will come into place on 1st April 2026. The base date to which all commercial properties will be revalued will be 1st April 2024. The assessment will broadly represent the rent that would have been paid for the property at that date, assuming that the landlord is responsible for all repairs and insurance and that the property has been put into an economic state of repair by the landlord. The last Revaluation took place on 1st April 2023 taking as a valuation date of 1st April 2021. Consequently, the fate of ratepayers will depend upon the change in Rateable Value (RV) between these two valuation dates.

Of course, the change in assessment is only part of the story with the other element of the equation being the multiplier that will be adopted. Currently the multiplier is 55.5p although where a property is below RV £51,000 this is reduced to 49.9p. The total tax take is expected to remain much the same. So, if the sum of the RV at the Revaluation exceed those that were in place on 1st April 2023 then I would expect the general multiplier to fall and vice versa. At this stage, it is difficult to estimate but we will have greater clarity from the Chancellor in the budget speech on 26th November 2025. Our best estimate is that the multiplier will remain close to its current level.

In addition to the multiplier there will be a surcharge of up to 10p on all properties with an RV over £500,000. There has been some speculation in the press that supermarkets have negotiated an exemption from this surcharge but this is yet to be officially confirmed. Properties within the Retail, Hospitality & Leisure sectors that qualify will be entitled to a discount in the multiplier of up to 20p. We expect the Chancellor to announce details of the surcharge and discount in the budget. Finally, the Government has confirmed that there will be a transitional relief scheme that will limit yearly increases in liability following the Revaluation. The details and parameters of the scheme have yet to be announced.

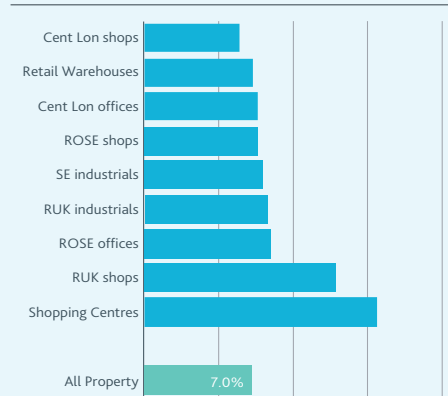
The impact of the Revaluation will vary between the various CRE sectors and locations.

Changes in office RV will range from 7% in Newcastle up to 49% in the City of London. In the City and West End the range of increases could vary between 25% and 49% depending upon the property.

Large Distribution Warehouses have seen strong increases in rental values which could translate into large increases in assessment. The Valuation Office has undervalued some distribution warehouses in the current Rating List, which will effectively multiply any uplift. In the North East, whilst rental values have increased by 44%, the increase in RV could be nearer 100% by virtue of the current 2023 Rating List assessments being undervalued. There is a similar story in the North West. Within the Golden Triangle we think assessments will increase in the order of 31%.

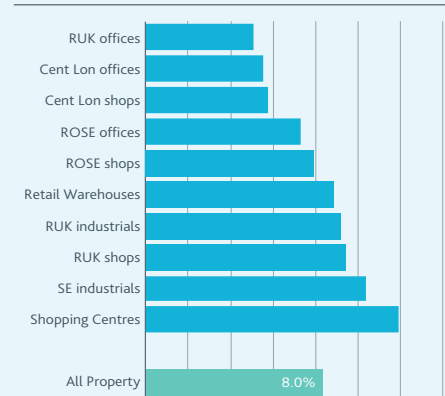
RV assessments in Retail centres will be largely static although we would not be surprised if there was some uplift in the large regional Shopping Centres e.g. Blue Water and Trafford Park.

Cluttons House View – 2025 relative total returns (%)



Source: IPF, APR & Cluttons, October 2025

Cluttons House View – 2025-2027 relative total returns (%)



Source: IPF, APR & Cluttons, October 2025

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