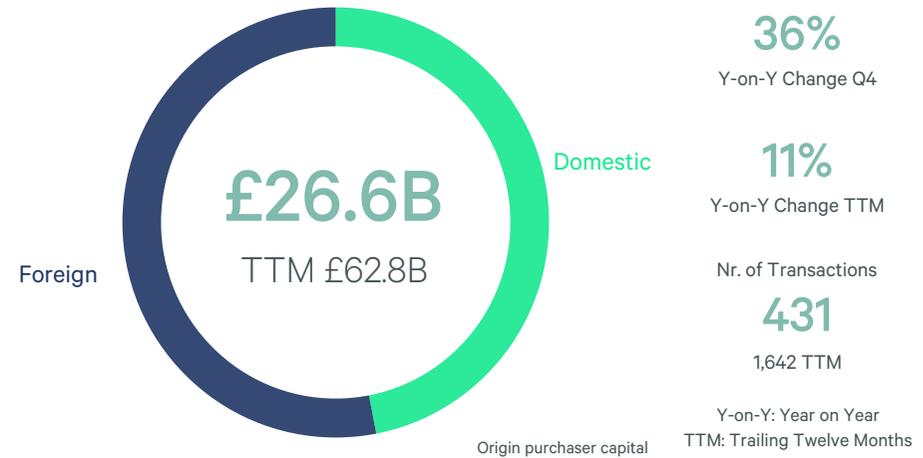


UK Real Estate Investment Volumes Q4 2025

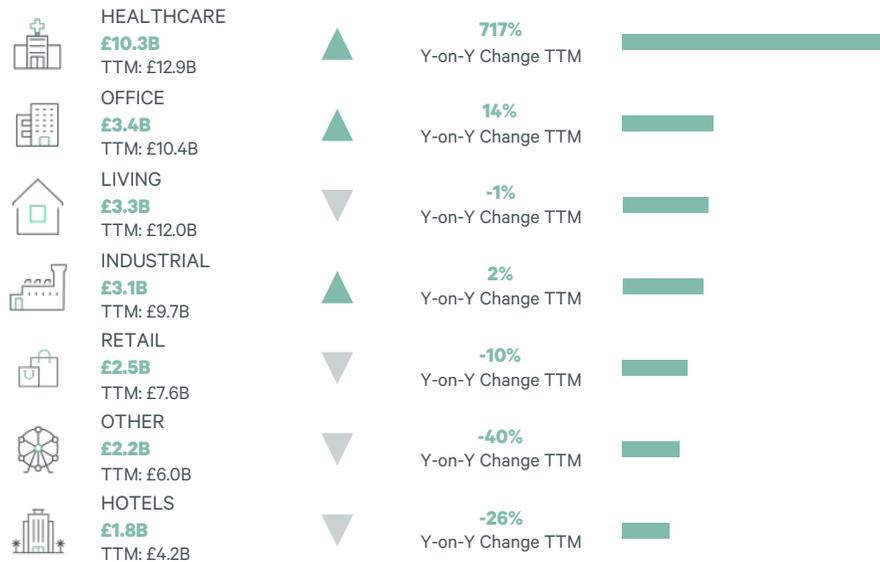
UK commercial real estate market investment totalled £26.6bn in Q4 2025, which was more than double investment in Q3, and up 36% on Q4 2024 volumes. The final quarter's result brought investment throughout 2025 to £62.8bn, which was 11% higher than transaction volumes in 2024.

Foreign investors deployed £13.8bn into UK real estate markets in Q4, driving investment for the quarter, as domestic investors purchased £12.3bn. Despite the uptick in foreign capital in Q4, domestic buyers contributed £38bn of total investment across 2025, representing 61% of transaction volumes. Foreign investors purchased £24.7bn of UK real estate over the year. North American buyers increased their share of foreign investment in 2025 to 68%, from 62% in 2024, while European investors have seen their share of overseas purchases decline over the past three years.

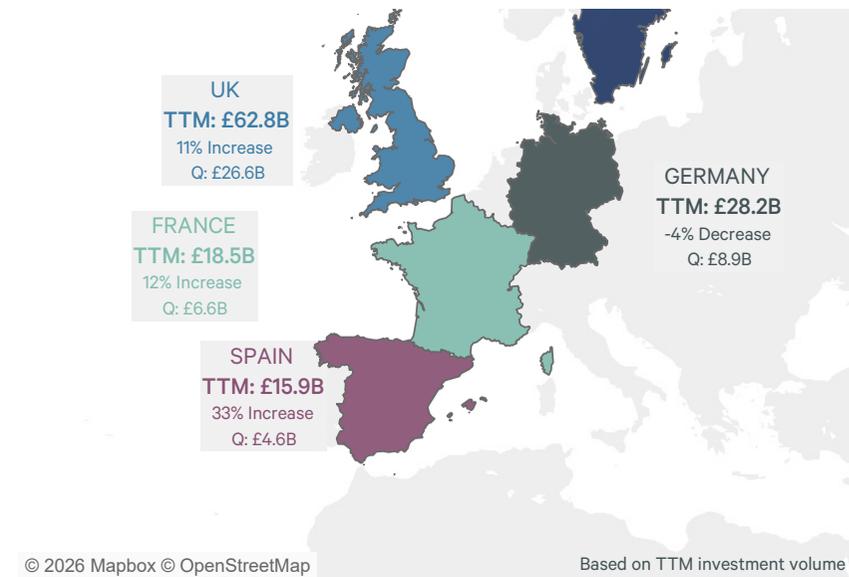
Over the quarter, Healthcare (£10.3bn) saw the most investment, boosted by several large portfolio transactions. The Office (£3.4bn) and Living (£3.3bn) sectors rounded out the top three sectors for investment over the quarter. The Q4 result meant that the Healthcare (£12.9bn) sector also saw the most investment throughout 2025, followed by the Living sector (£12bn). The Office (£10.4bn) and Industrial (£9.7bn) sectors saw investment rise y-o-y by 14% and 2% respectively.



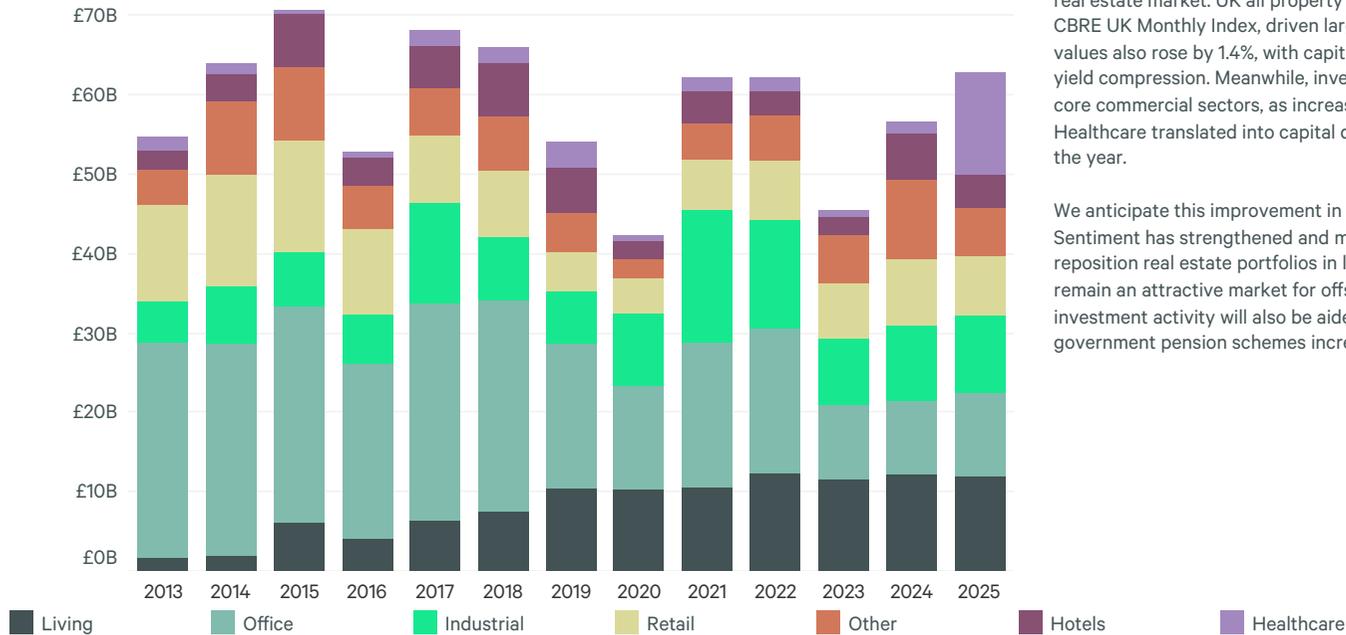
UK Investment by Sector



Top Five European Markets (GBP)



UK Annual Investment Volumes by Sector



Note: 2025 annual numbers until 31/12/2025

Higher investment in 2025 follows two years of improved investment returns in the UK real estate market. UK all property total returns for 2025 were 7.1% according to the CBRE UK Monthly Index, driven largely by income returns. However, all property capital values also rose by 1.4%, with capital growth driven by rising rental values rather than yield compression. Meanwhile, investors have also sought opportunities outside of the core commercial sectors, as increased interest in operational real estate sectors such as Healthcare translated into capital deployment via M&A activity during the latter part of the year.

We anticipate this improvement in investment activity to be maintained in 2026. Sentiment has strengthened and more investors are looking to rotate capital and reposition real estate portfolios in line with improved liquidity. The UK continues to remain an attractive market for offshore capital looking to invest in Europe, while investment activity will also be aided by defined contribution pension funds and local government pension schemes increasing their exposure to UK private markets.

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