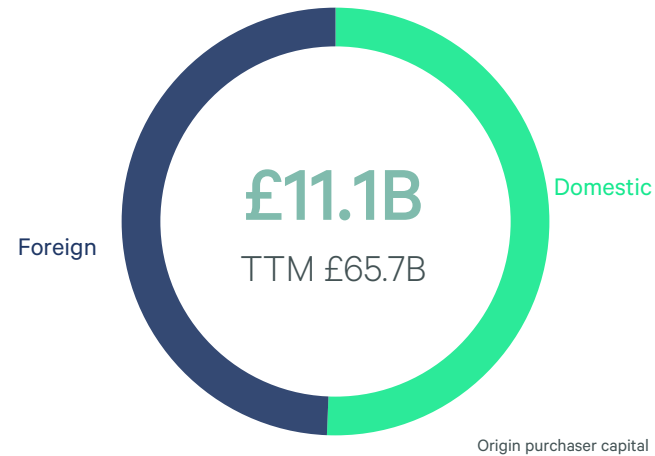


UK Real Estate Investment Volumes Q1 2026

Investment into UK commercial real estate market totalled £11.1bn in Q1 2026, which was 4% lower than volumes recorded in Q1 2025. This resulted in £65.7bn being invested into the UK over the past 12 months, 17% higher than the 12 months to Q1 2025.

Domestic investors contributed most of the capital in Q1 2026, investing £5.3bn across UK real estate. This accounted for 53% of volumes throughout the quarter. Foreign investors deployed £2.4bn in Q1 2026, which was down on Q1 in the previous year. Most foreign investment in Q1 came from European purchasers (£1.0bn). However, over the last 12 months, North American investors have contributed the most cross-regional investment at £15.5bn.

Throughout the quarter, Living (£3.0bn) recorded the highest investment volume, driven by a large entity transaction. Offices (£2.6bn) saw the second highest investment over the quarter, followed by Retail (£1.5bn), and Hotels (£1.5bn). The Living and Office sectors were the only sectors to record a year-on-year increase in investment volumes compared with Q1 2025, and the Living sector recorded the highest investment over the past 12 months, at £12.9bn.



-4%

Y-on-Y Change Q1

17%

Y-on-Y Change TTM

Nr. of Transactions

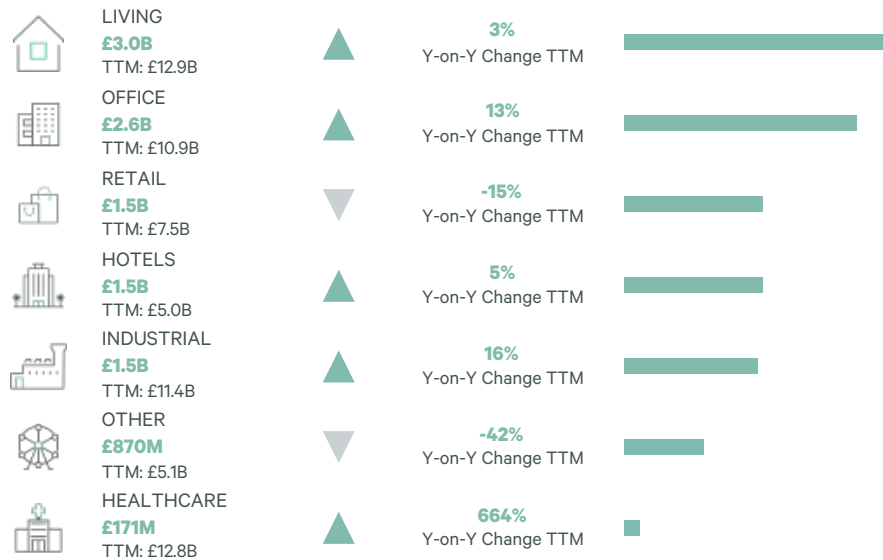
327

1,660 TTM

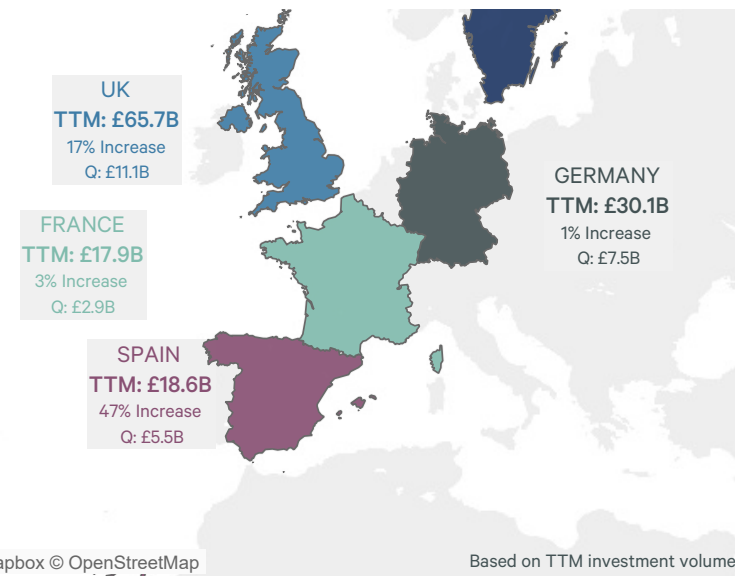
Y-on-Y: Year on Year

TTM: Trailing Twelve Months

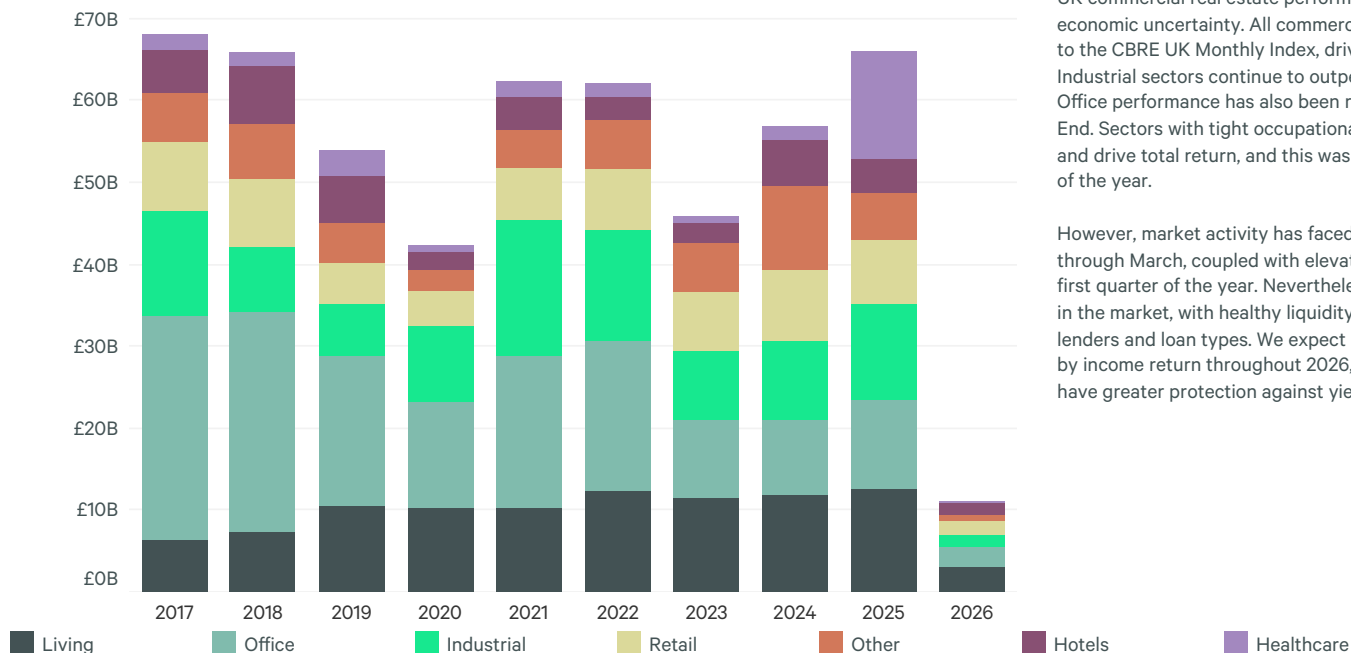
UK Investment by Sector



Top Five European Markets (GBP)



UK Annual Investment Volumes by Sector



Note: 2026 annual numbers until 31/03/2026

UK commercial real estate performance remains resilient amidst geopolitical and economic uncertainty. All commercial quarterly total returns for Q1 were 1.4% according to the CBRE UK Monthly Index, driven entirely by income return. The Retail and Industrial sectors continue to outperform the all property results, while Central London Office performance has also been resilient, driven predominantly by assets in the West End. Sectors with tight occupational markets are best poised to generate income growth and drive total return, and this was mirrored in investment throughout the first quarter of the year.

However, market activity has faced headwinds during Q1. The rise in three-year rates through March, coupled with elevated gilt yields, is likely to have affected volumes in the first quarter of the year. Nevertheless, to date, we've continued to see strong resilience in the market, with healthy liquidity in the UK real estate debt market across different lenders and loan types. We expect property performance to continue to be underpinned by income return throughout 2026, and assets with inflation-linked leases will likely have greater protection against yield expansion.

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