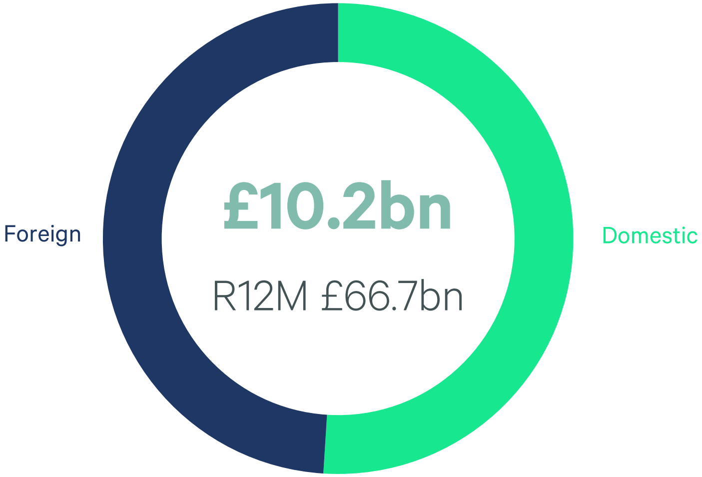
CBRE

UK Real Estate Investment Volumes Q2 2026

Investment into the UK commercial real estate market totalled £10.2bn in Q2 2026, which was 20% below investment in Q1 2026. However, over the past 12 months, £66.7bn has transacted across UK, which is 18% higher than the 12 months to Q2 2025.

Domestic investors deployed the most capital throughout the quarter, at £5.2bn. However, investment has been relatively evenly split between domestic and foreign investors in the first half of the year, with domestic investors accounting for 51% and foreign investors contributing 49%. North American investors continue to drive foreign investment, having purchased £4.0bn of UK real estate in H1 2026, followed by European investors (£1.7bn).

The Office sector (£2.7bn) attracted the most investment throughout the quarter, followed by the Living sector (£2.4bn). The Hotel, Industrial, and Retail sectors each saw £1.3bn in transactions over the quarter. The Living sector has seen the most investment over the last 12 months, at £13.4bn. The Office, Living, and Hotel sectors all posted an increase in rolling 12-month investment, however only the Office sector saw an uptick in investment quarter-on-quarter.



Origin purchaser capital

-20%
YoY Change Q1

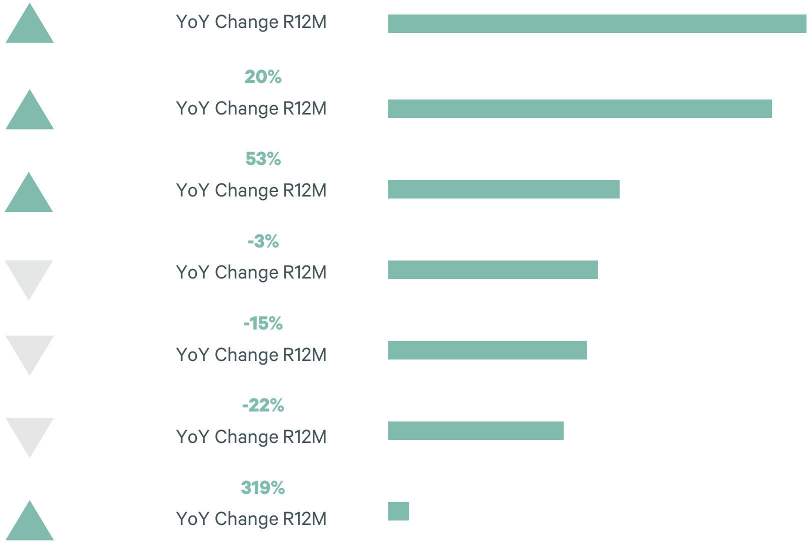
18%
YoY Change R12M

No. of Transactions
305
1,728 R12M

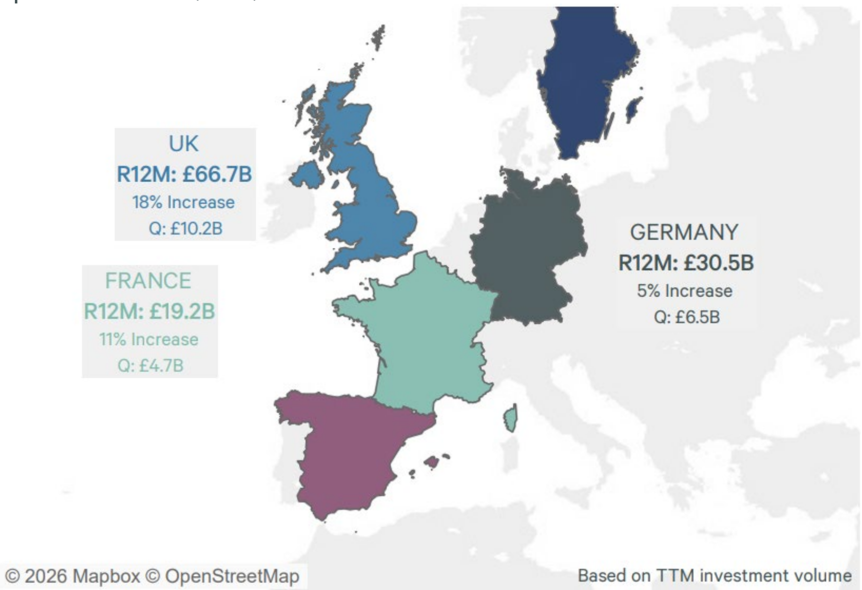
YoY: Year-on-Year
R12M : Rolling 12 Months

UK Investment by Sector

			YoY Change R12M
OFFICE	£2.7bn	R12M: £11.1bn	7%
LIVING	£2.4bn	R12M: £13.4bn	20%
HOTELS	£1.3bn	R12M: £6.0bn	53%
INDUSTRIAL	£1.3bn	R12M: £1.4bn	-3%
RETAIL	£1.3bn	R12M: £7.2bn	-15%
OTHER	£1.0bn	R12M: £6.9bn	-22%
HEALTHCARE	£162m	R12M: £11.8bn	319%

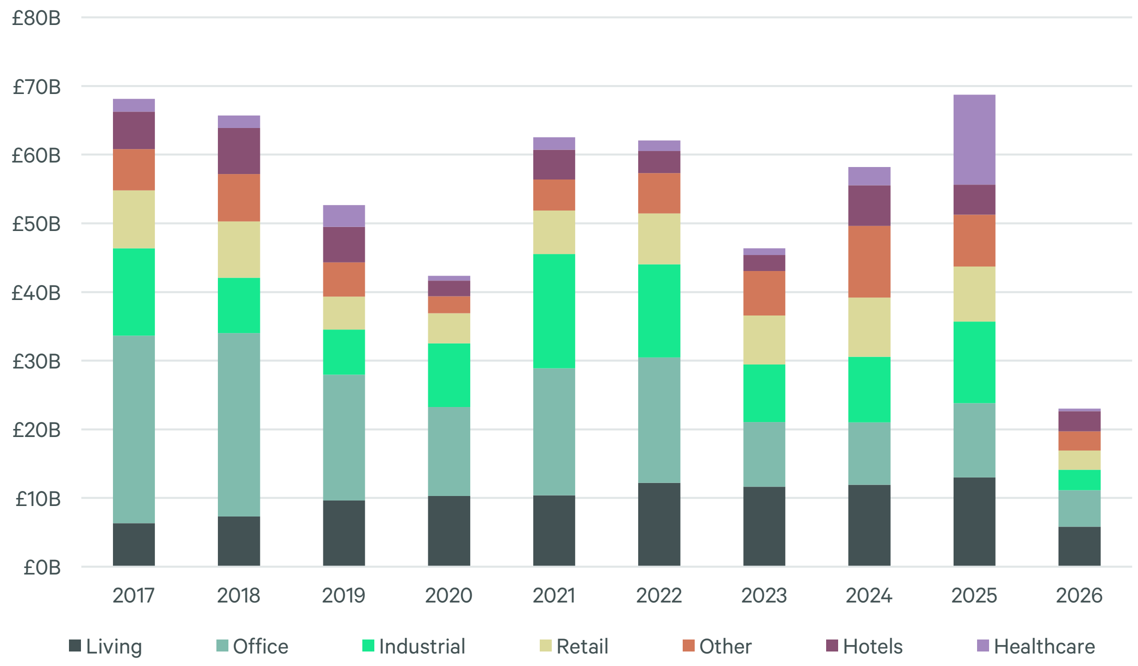


Top Five European Markets (GBP)



Based on TTM investment volume

UK annual investment volumes by sector



Note: 2026 annual numbers until 30/06/2026

UK real estate performance has proved broadly resilient in H1 2026 despite persistent pressure from elevated gilt yields, which have tested pricing across most sectors. According to the CBRE UK Monthly Index, all property capital values fell 0.2% in the first half of the year, driven primarily by weaker peripheral Office markets. Outside that segment of the market, performance is more constructive. All property total returns reached 2.5% in H1, with income returns of 2.8% confirming that operational performance and sustainable income generation are the primary drivers of returns in this cycle.

Prime yields across most sectors (except Retail Parks) now sit within 25bps of their 10-year highs. For investors, that represents a structurally attractive entry point with higher initial yields; resilient occupier demand; and across Logistics, Living, and well-located Offices, there is a genuine shortage of new supply. The Living sector continues to attract institutional capital on the back of structural undersupply, while Industrial assets in supply-constrained regional markets are seeing similar dynamics.

Debt market conditions support the investment case for H2. According to CBRE's European Lender Intentions Survey 2026 released in June, 71% of lenders expect to grow their originations this year, with appetite concentrated on prime, income-producing assets with strong covenants. For well-advised buyers, financing is available and pricing is competitive. We expect investment volumes to improve in H2, particularly for core-located prime assets where occupier demand is strong and supply is constrained.

Contacts

Tasos Vezyridis
Executive Director
Head of Research, UK&I and CE
tasos.vezyridis@cbre.com

Steven Devaney
Senior Director, Head of Investment
Market Research, Europe
steven.devaney@cbre.com

Nick Baring
Associate Director, UK Research
nick.baring@cbre.com

Colin Thomasson
Head of UK Investment Properties
colin.thomasson@cbre.com