

UK Retail at a Glance | UK High Street

DECEMBER METRICS

ARROW INDICATES MOVEMENT YoY



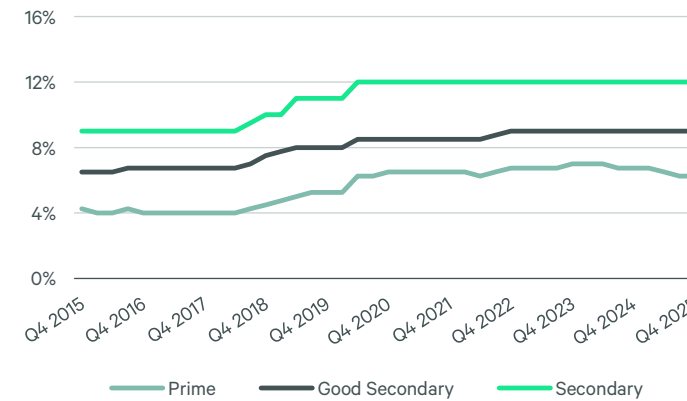
COMMENTARY

Low supply in prime high street locations continues to drive rental growth. According to CBRE's Prime Rent Index, as of Q4 2025 Central London rents grew by 11% YoY and UK high streets by 4%, with the former exceeding pre-pandemic levels (+5% vs Q4 2019). This is repeated across the major national markets, in particular, Manchester and Leeds where the supply/demand imbalance is feeding rental growth.

Stronger occupational demand is driving increased activity in the investment market. 2025 saw robust demand for well-located assets from a larger pool of buyer types. This is reflected by prime yield compression (50 bps), marking two consecutive falls in 2025. Full-year investment volumes reached £1.4bn, up 150% YoY and the highest level since 2017. Over 90% of total UK high street investment was in Central London, driven by the strong occupational market for centrally-located prime retail.

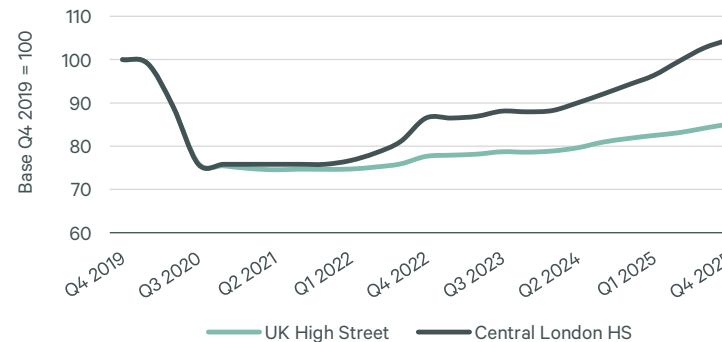
We are watching closely for the impacts of employment cost inflation and business rates changes announced in the budget with a polarising impact to multi-site retailers.

High Street prime yields

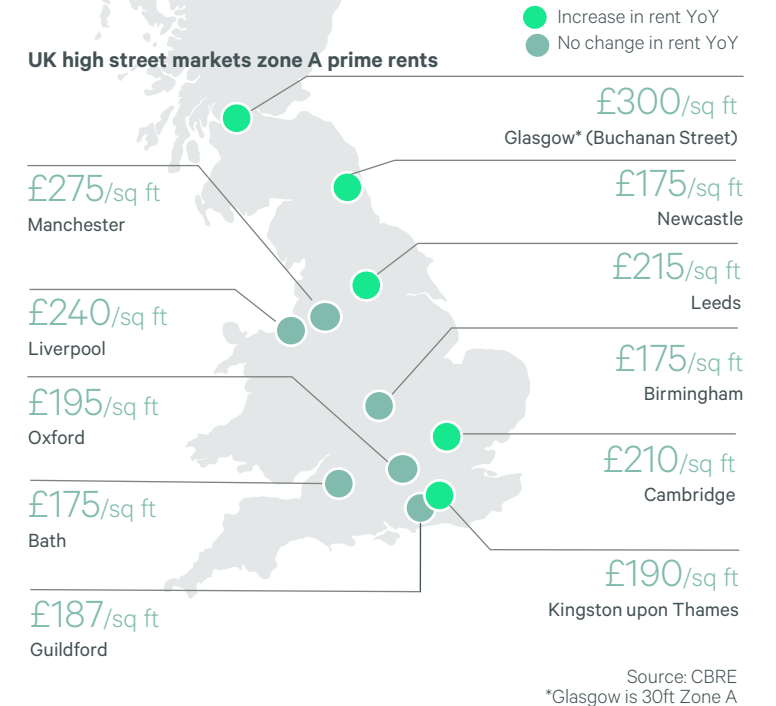


Source: CBRE

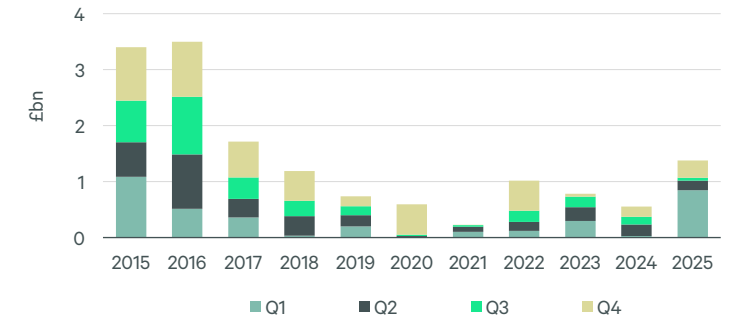
High Street prime rent index



Source: CBRE Research



High Street Investment volumes



Source: CBRE

UK Retail at a Glance | Retail Parks

DECEMBER METRICS

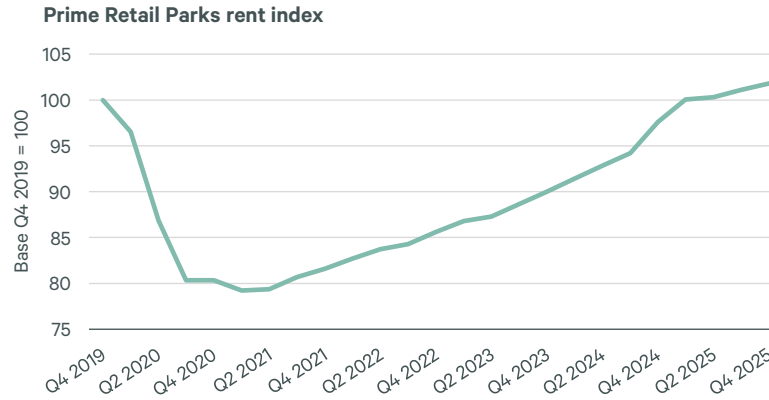
ARROW INDICATES MOVEMENT YoY



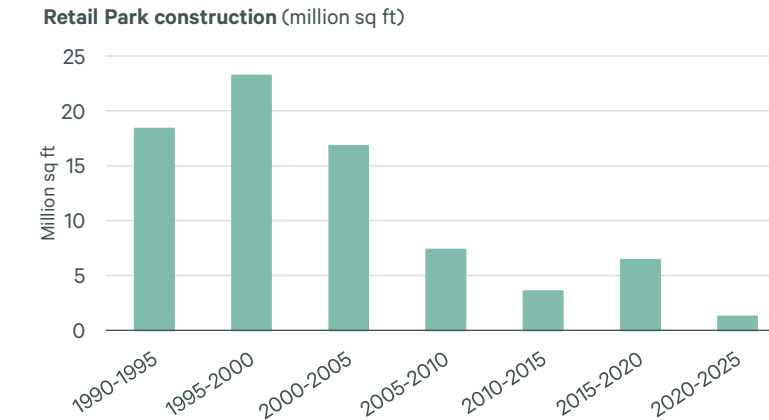
COMMENTARY

Occupational demand remains strong from a range of retailers, including traditional high street brands expanding to retail parks due to their resilience as an asset class. This is evidenced through low vacancy rates, and with limited current construction driving upwards pressures on rents. Q4 prime rents increased by 4.3% YoY, focussed on mid-size units, typically between 7,000 and 20,000 sq ft.

Investor confidence remains resilient for retail parks due to strong occupancy and increasing rents. This is reflected by the lowest prime yield across the three subsectors at 5.50% which remained stable during 2025. While full-year investment declined YoY following a particularly strong 2024, retail parks continued to contribute the largest share of total retail investment (35%). The sector continues to attract a wide pool of capital with US REIT Realty Income particularly active, acquiring several large portfolios during 2025.

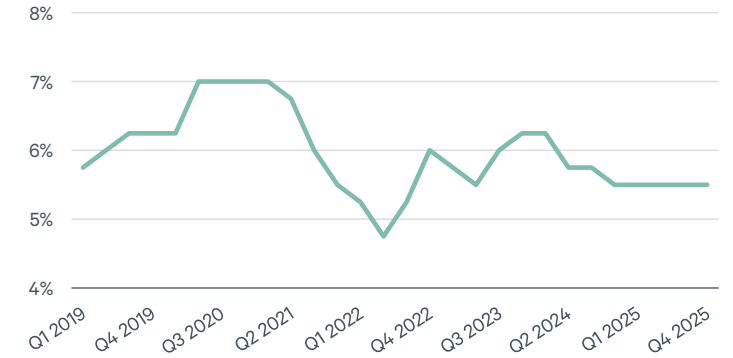


Source: CBRE Research



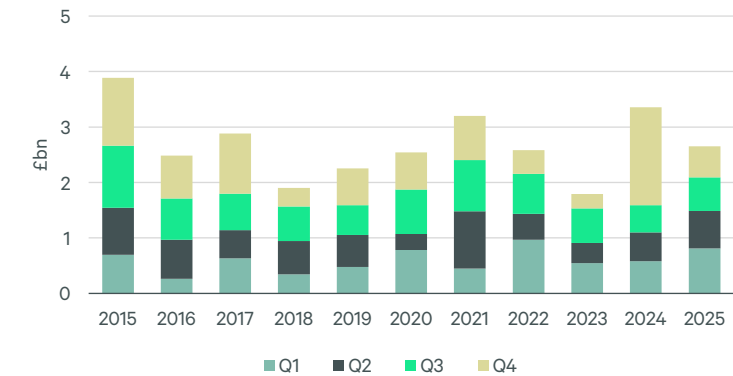
Source: Trevor Wood

Retail Parks prime yield



Source: CBRE

Retail Park investment volumes

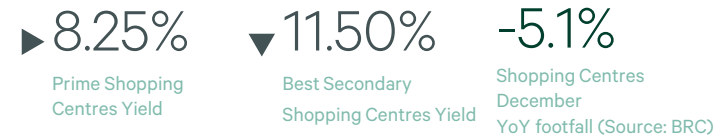


Source: CBRE

UK Retail at a Glance | Shopping Centres

DECEMBER METRICS

ARROW INDICATES MOVEMENT YoY

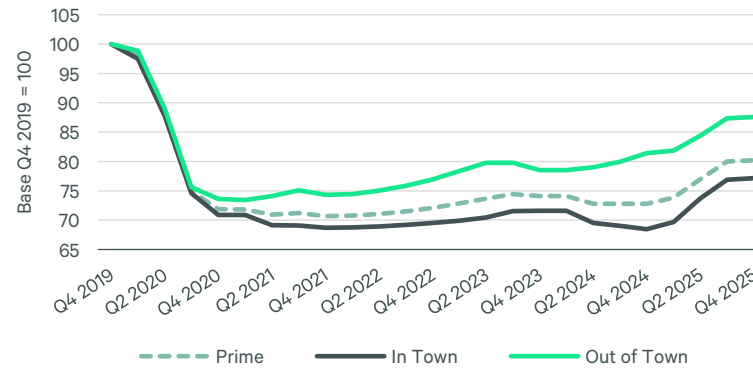


COMMENTARY

Within prime shopping centres, there is a shortage of supply due to new entrant expansion and existing retailers upsizing. Alongside this, centres are increasing F&B and leisure provision to widen tenant mix and reduce vacancy. Demand for prime shopping centres is reflected in rental growth. While rents remain below 2019 levels, they have experienced recovery, showing the greatest YoY growth (10.2%) in Q4 out of the three retail subsectors. The wider retail market continues to face challenges due to consumer caution highlighted by a decline in December's YoY monthly footfall, with many consumers waiting for post-Christmas sales.

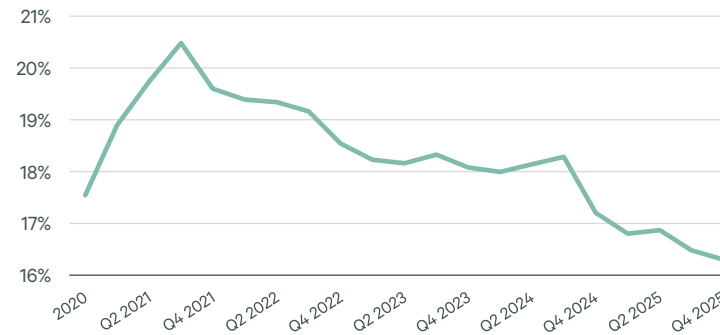
Full-year investment fell by 40% YoY after a strong 2024 and was 13% behind the 10-year average. However, this is mainly driven by a lack of stock rather than investor confidence. UK buyers remain the dominant purchaser including Hammerson who increased their stakes in Bullring & Grand Central and Brent Cross. Additionally, retailer Frasers has been active in the market.

Prime Shopping Centres rents index



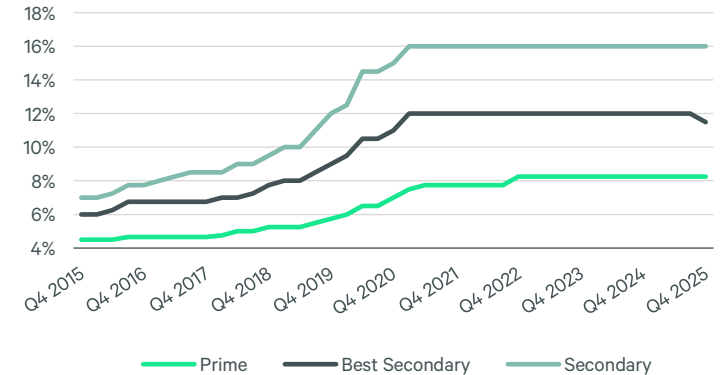
Source: CBRE Research

Shopping Centres vacancy rate



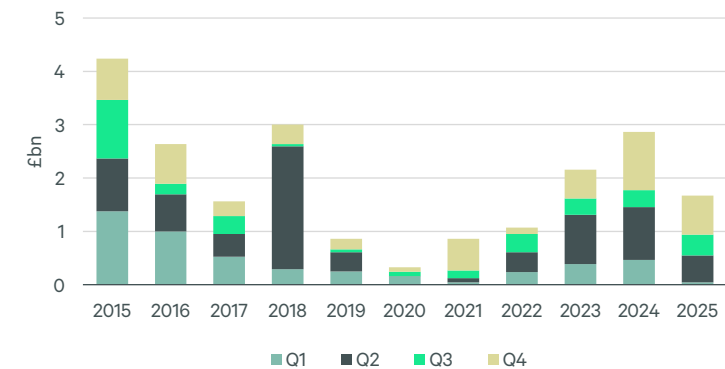
Source: CBRE, Green Street

Shopping Centres prime yields



Source: CBRE

Shopping Centre Investment volumes



Source: CBRE



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