Q1 2022: UK Commercial Property Market Survey

Headline occupier and investor demand indicators see significant improvement

- Demand growth accelerates in Q1, although respondents are cautious on the impact of macro headwinds
- Outlook for rents strengthens within the office sector as the recovery in occupier demand gains impetus
- All-property capital value expectations revised higher for the coming twelve months

The Q1 2022 RICS UK Commercial Property Survey results point to the market gaining momentum over the quarter, with demand growth accelerating in relation to both occupiers and investors at the headline level. Nevertheless, despite the general improvement in the survey results, contributors remain cautious on the outlook for the economy given pressures caused by rising living costs and higher interest rates.

Across the UK, a net balance of +32% of respondents reported an increase in occupier demand at the all-sector level. This is up noticeably from a reading of +16% in the previous quarter and marks the strongest return for this indicator since 2015. When disaggregated, the industrial sector continues to post the strongest pick-up in tenant demand, registering a net balance of +60% this time (virtually unchanged from +61% in Q4). Significantly, respondents cited a clear upward shift in demand across the office occupier market in Q1, with the net balance improving to +30% from -3% beforehand. For the retail sector, the occupier demand indicator moved into relatively neutral territory at -1%, compared to -23% in Q4.

With regards to supply, both the office and retail sectors continue to see an increase in the availability of leasable space, albeit the pace of this growth (in net balance terms) is significantly reduced compared to last year. For the industrial sector, vacancy rates declined further over the quarter, with the latest net balance coming in at -47%. Interestingly, at the all-sector level, the Q1 net balance of -9% is the first outright negative reading for the overall availability measure since 2017.

As a result, headline rental expectations for the near term moved further into expansionary territory during Q1, posting a net balance of +19% compared to +7% last time. This was mainly driven by the office sector, where the outlook turned from negative in Q4 to positive in the latest results (net balance -11% vs +9%). With respect to the next twelve months, prime office rents are now envisaged rising by a net balance of +42% of respondents (up from +18% previously). That said, expectations are flat to marginally negative for secondary office rents. On the same basis, rents are anticipated to rise by a net balance of +81% and +66% of respondents for prime and secondary industrial space respectively in the year ahead. For prime retail, the negativity around the rental outlook seen for some time has largely diminished, with the latest net balance of -14% the least downbeat return 2017. Even so, expectations remain steeped in negative territory for secondary retail, evidence by a net balance of -29% of contributors envisaging a fall in rents.

From a regional perspective, rental growth across the prime office market in Central London is anticipated to outpace most other regions over the coming twelve months. Interestingly however, the secondary office market in the South East now displays slightly positive annual rental projections, making it the only region in which an upturn in the secondary office sector is expected.

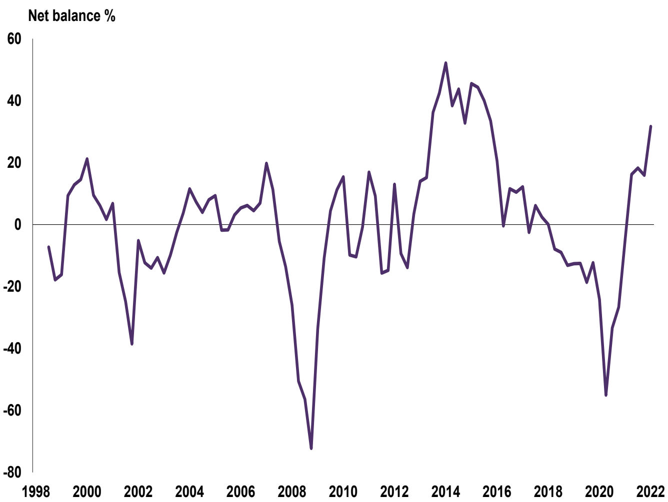
On the investment side of the market, a net balance of +32% of contributors saw an increase in buyer enquiries at the all-property level during Q1. This is up from a reading of +19% in each of the past two quarters and is in fact the strongest figure posted since Q3 2015. Moreover, for the first time since 2017, the investment enquiries indicator is now in positive territory across each of the three traditional market sectors (office, industrial and retail), albeit only marginally so for retail.

In net balance terms, capital value expectations for the year ahead were revised higher (or became less negative) in both prime and secondary portions of the office and retail markets. For prime retail, the latest net balance of zero represents the first non-negative return in almost five years. For the prime office sector, the net balance of +37% of respondents expecting a rise in capital values over the next twelve months is the firmest figure since Q4 2019. Meanwhile, although sentiment regarding the twelve-month capital value outlook across the industrial sector remains robust, the latest net balances edged down slightly from recent highs.

Turning to the alternative sectors tracked in the survey results, respondents envisage a firmly positive trend in both rents and capital values for data centres, multifamily residential, and aged care facilities over the year ahead. Furthermore, the outlook is also positive, albeit to a slightly more moderate degree, for student housing and hotels. With respect to the latter, respondents now envisage a more consistent recovery progressing over the next twelve months having been hit hard by the pandemic since early 2020.

Commercial property - all sectors

Occupier Demand



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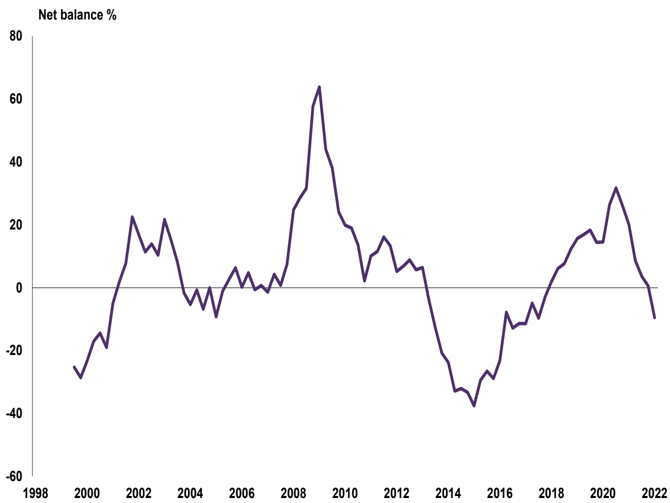
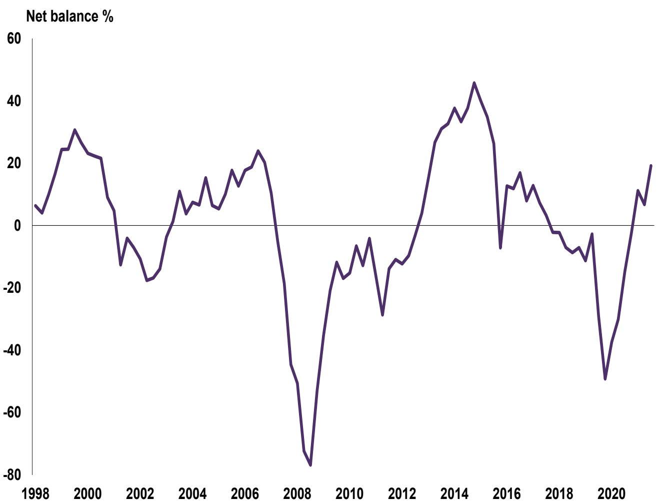
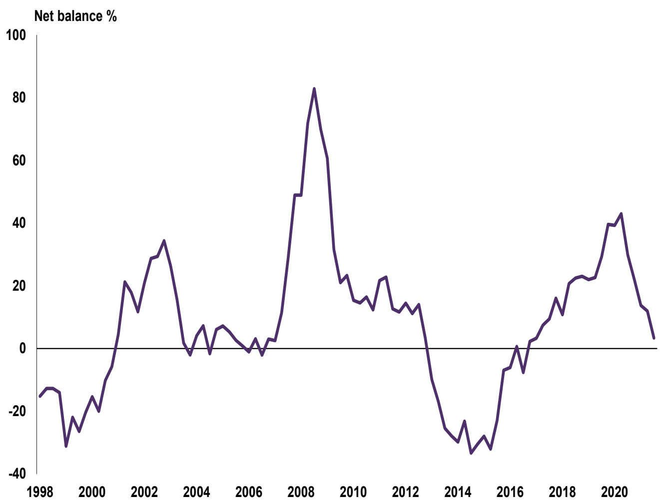


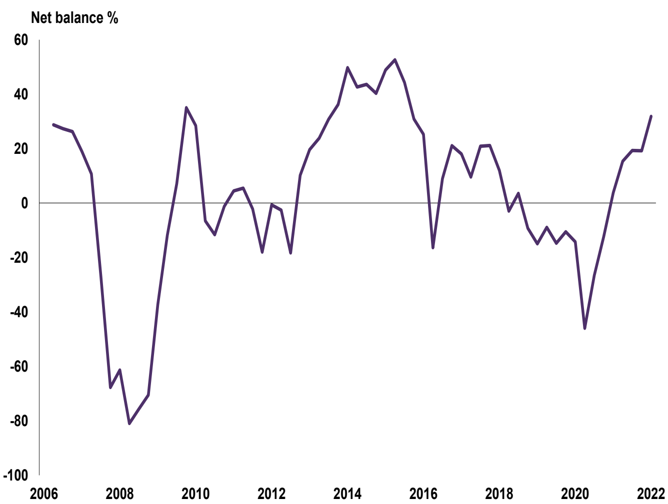
Rent Expectations



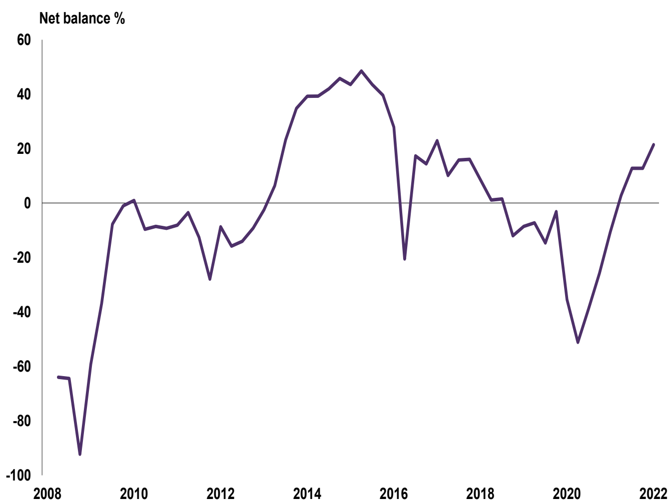
Inducements



Investment Enquiries

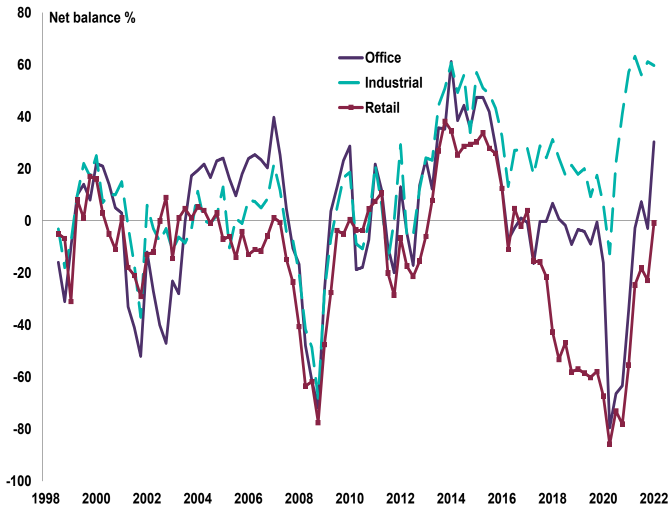


Capital Value Expectations



Commercial property - Sector Breakdown

Occupier Demand



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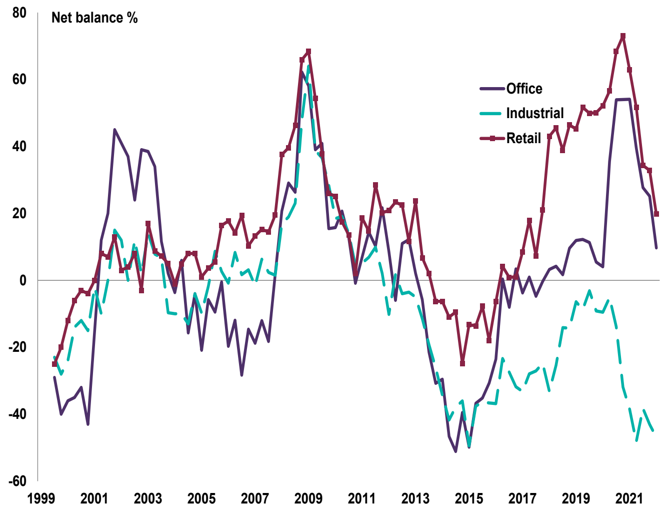
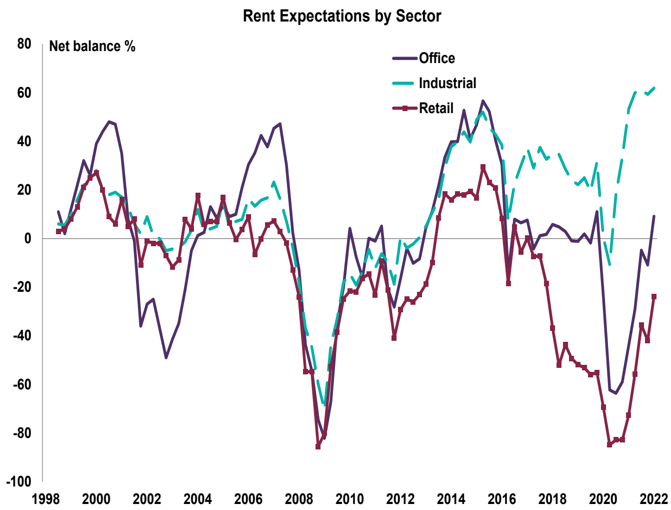


Rent Expectations



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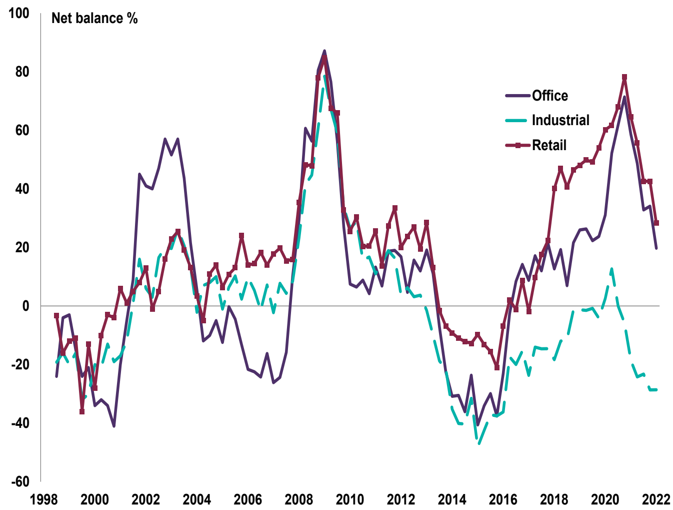

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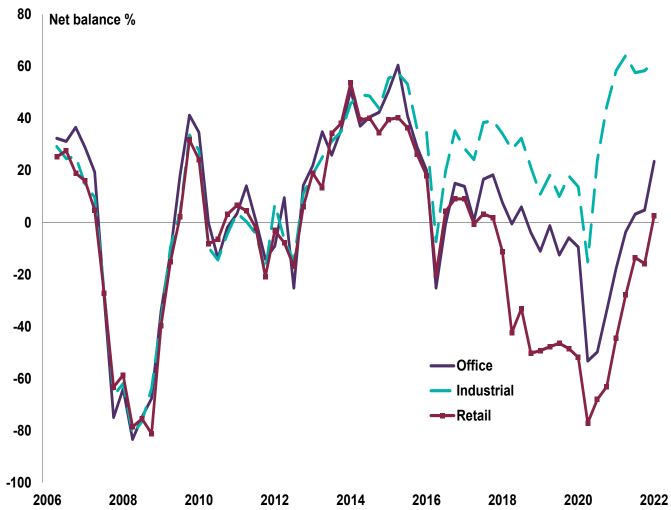
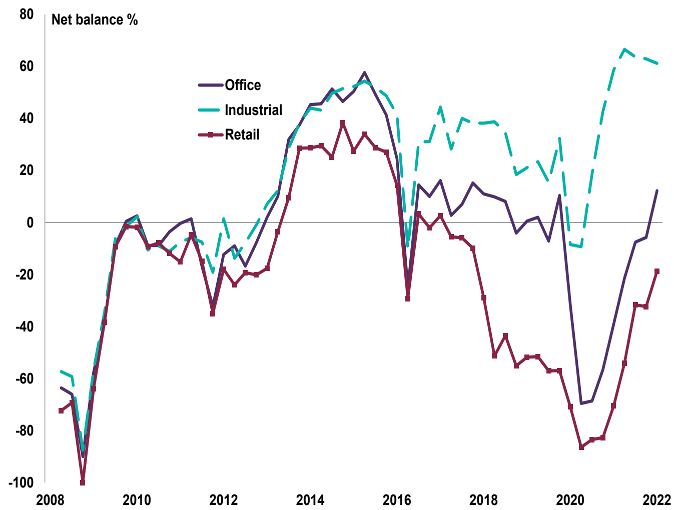
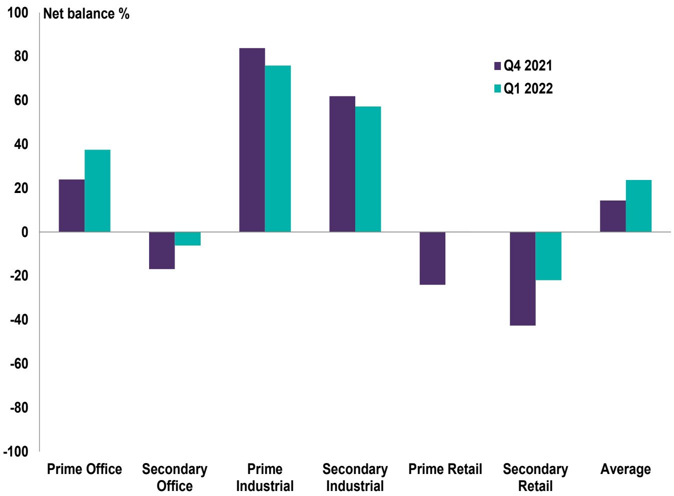


Capital Value Expectations

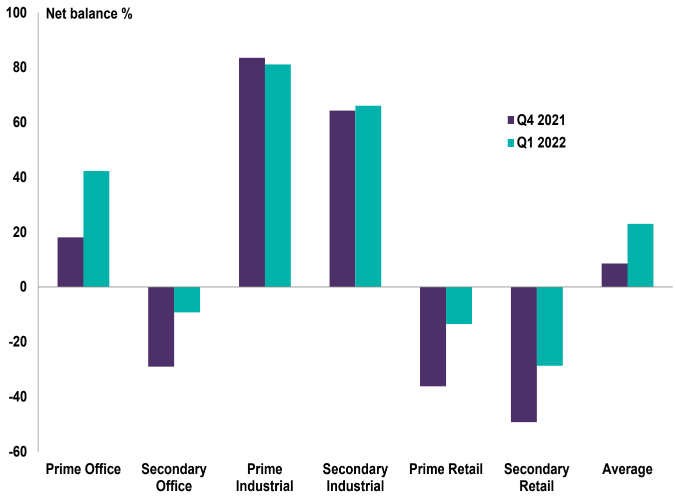


Commercial property - Additional Charts

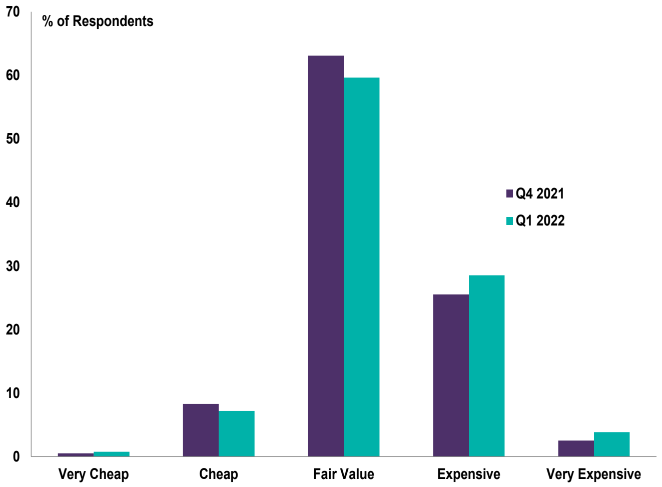
12 Month Capital Value Expectations



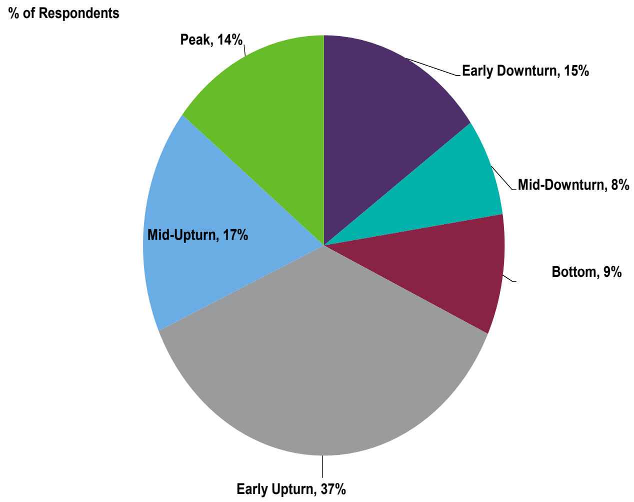
12 Month Rent Expectations



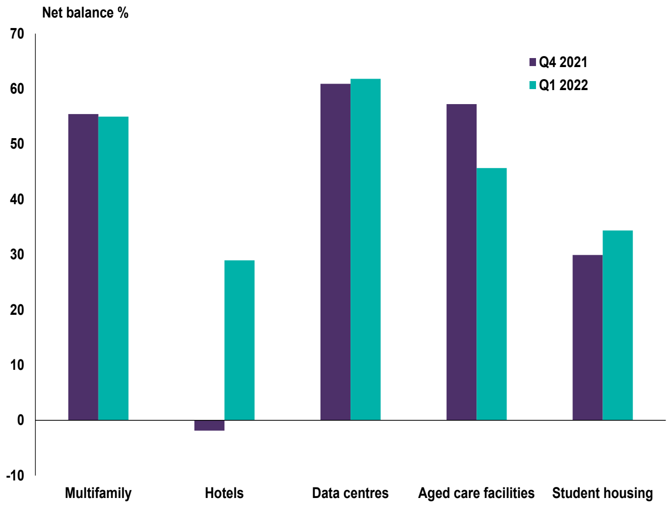
Market Valuations



Property Cycle



12 Month Capital Value Expectations - Alternatives



Chartered Surveyor market comments

East Midlands

Ian Mcrae, Northampton, Chadwick McRae, icm@cmcre.co.uk - We specialise in acquiring warehouse & industrial properties. Stock is getting harder and harder to find. Anything large has a 2 year lead in time, whilst it is built.

Matthew James, Leicester, Gateway Surveyors, mattdj850@live.co.uk - Future conditions looking uncertain.

Richard Sutton, Nottingham, Ng chartered surveyors, Richards2011@virginmedia.com - Industrial remains the hot topic despite massive increases in material costs. Still enough demand to support more speculative development. Seen a move in the office sector favouring fringe over core in terms of location. There still seems an to be appetite to purchase offices for owner occupancy.

S M Salloway, Derby, Salloway Property Consultants, ssalloway@salloway.com - Industrial/Warehouse buoyant; Office improving; Retail static.

Eastern

Anthony Dean, Cambridge, HW Dean & Son Ltd, anthony@hwdeanandson.co.uk - Definite signs for retail market recovery.

David Plaskow Frics, Rayleigh, Hair and Son LLP, dplaskow@gmail.com - Very mixed. Concerns about Russian invasion creeping in.

Guy Gowing, Norwich, Arnolds Keys LLP, guy.gowing@arnoldskeys.com - A market devoid of quality stock in the industrial/warehousing sector, driven by strong demand for distribution and increasingly from manufacturers. Demand for good quality offices has returned with a number of new lettings in early negotiation. The high street is showing signs of recovery with some jockeying for position in the prime pitches.

Johnny Markham, Norwich, Diabdia Ltd, johnny@diabdia.com - Domestic markets do not function in isolation. The impact and growing uncertainty of geopolitics can't be ignored. The spectre of inflation is a reality and downward economic pressure on households is set to continue. World events are shaping and dictating our domestic economic agenda and reality. As a result, early recovery from Covid is extremely vulnerable as are we to any escalation in the situation in Ukraine.

Julian Haywood Smith, Ipswich, Beane Wass & Box, jhsmith@bw-b.co.uk - Ipswich is struggling with attracting shoppers back to town centre after Covid restrictions. Various initiatives being tried such as pop ups in vacant properties, free 30mins parking, indoor markets and investment in upgrading public space. Some retail space being taken up by restaurants, cafes and bars, but few genuine retail applicants. Rating revaluation needed earlier than scheduled to rebalance retail values.

Matt Clarke, Luton, London Luton Airport Operations Limited, matt.clarke1@hotmail.com - With the increased cost of living, there is a growing sense of nervousness and caution.

Richard Bertram, Ipswich, Beane Wass & Box, rbertram@bw-b.co.uk - There are ominous signs on the horizon, rising interest rates, all costs and utilities and general cost of living combined with limited occupational demand. Property used to provide an attractive yield but this is gradually being eroded by government.

Sam Kingston, Norwich, Roche Chartered Surveyors, sam.kingston@rochesurveyors.co.uk - The market has seen a shift in sentiment over the last month, with general activity slowing as a result of inflationary pressures and geopolitical uncertainty. Lack of supply continues to see rents and prices moving upwards in the industrial market, with offices still showing limited signs of any growth, save for offices below 2500 sq ft.

Scott Benson, Cambridge, Benson Property Consultants, scott@bensonpcl.com - The market has been very strong after the pandemic, with spare cash being spent on secure income. With inflation due to continue climbing as fuel prices rocket, interest rates will climb and household's spare income will drop. I feel we will enter or be close to recession by the end of 2022 start of 2023, with the property market feeling the effects by summer 2022. Less investment or rental transactions in most sectors.

London

Adrian Tutchings, Petts Wood, Bromley, Linays Commercial Limited, commercialproperty@linays.co.uk - Difficult to read, rising interest rates, high utility cost inflation and the war in Ukraine make it hard to judge where we are going.

Andrew Miles, London, Castlebrook Holdings Limited, andymiles58@btinternet.com - UK Secondary Retail will remain difficult in terms of lettings and investment sales.

David Swan, London, Anatidae Capital Limited, dswan@anatidaecapital.com - A great deal of the outcome of the year will be driven by the war in Ukraine, commodity prices, inflation and interest rates. There is some justification to believe we will be going into a deep recession as these issues flow into the economy.

Derek Gillmore Frics, London, Stuart Neils, derek@stuartneils.com - Just as Covid was being seen as at the end of its 2 years' cycle, the Russian war on Ukraine has started rapidly increasing the RPI, inflation and political uncertainty.

J Cartmell, London, BL Real Estate, jc@blrealestate.co.uk - There is a tremendous weight of (built-up) demand in the market, primarily for industrial assets, retail warehousing and long income investments as well as development opportunities. This seems to be outstripping the supply.

Julian Lewis, London, Julian Lewis, jrl@julianlewisandco.com - Retail market is surprisingly strong in the suburbs with little stock availible on new lease, premiums and over bidding on vacant units.

Lee Norris, London, AtlasEdge DataCentres, lee.norris@atalsedge.com - The Data Centre investment market continues to perform strongly.

Monica El Siwidy, London, Maunder Taylor, monica@maundertaylor.co.uk - Industrial is flying, office is less in demand and retail is picking up again.

Nicholas Colvin, London, Astranta Asset Management, nick.colvin@95jermynstreet.com - There are a large number of major variables which will influence all outcomes, especially energy supplies and pricing, Ukraine, interest rates and inflation.

Nicholas Duck, London, BlackTeal Investments Ltd, nick@blackteal.co.uk - A lot of money in the market still searching for good value and discounted stock. Caution in retail and office sectors for investors is starting to drop off, some thinking industrial is now too expensive and office and retail schemes are where larger margins may be found.

Nigel Turner, London, Addington captial, nigelturner219@gmail.com - I focus on development, including BTR development. The market is struggling with viability given increasing build costs. It is likely that the overseas situation has not yet filtered through to construction costs.

Paul Harris, Rickmansworth, Trend & Thomas Surveyors Ltd, paul@trendandthomas.com - Peak of residential values being experienced. About to tail off before a fall if demand does not hold up.

R Lawes, London, LLDC, rosannalawes@londonlegacy.co.uk - High construction costs impacting values. Cost of living rises will impact investment decisions in the resi sector - may slow absorption rates.

Chartered Surveyor market comments

Richard Lockhart, London, C O H, richard@coh.eu - The prime west end market has seen a real lack of supply driving rents up. The secondary market seems to be finally seeing some more volume of transactions.

Ross Hepburn, London, C&W, ross.hepburn@cushwake.com - Market in early recovery, considerable shortage of high grade vacant prime offices with a backdrop of bigger geopolitical nerves witch will destabilize international investment for some but others may see the UK as a save haven for capital allocation.

Sean Dempsey, London, Boultbee LDN Capital Limited, Sean@boultbeeldn.co.uk - The pandemic feels firmly in the rear view mirror but the Ukraine conflict will doubtless have an adverse economic effect. Prime and good secondary commercial property should continue to recover in an inflationary environment but, we will have to see.

Simon Heilpern, London, Salamanca Group, simon.heilpern@gmail.com - Inflation and commodity price shocks are currently insulated by strong investment demand for the safe haven that London offers. Risk has increased substantially and therefore risk adjusted returns are reduced. The impact of the War in Ukraine is likely to be profound.

Stephen English, London, HBC Real Estate, stephen@hbcrealestate.co.uk - General signs of 'green shoots', dented somewhat by recent world events but London remains the proverbial 'safe haven' for all types of commercial property investment.

North East

David Downing, Newcastle Upon Tyne, Sanderson Weatherall LLP, david.downing@sw.co.uk - There are so many macro economic uncertainties flying around at present (energy prices, inflationary pressures, and the Ukraine crisis) it seems inevitable that the UK Commercial and Residential property markets will feel the impact at some stage. However, for many sectors there does not really seem to be any measurable slowdown. Take up rates are strong and availability is low for both Grade A office and Industrial & Logistics in the NE and the supply tap is a slow one to turn on.

Duncan Mcgregor, Newcastle Upon Tyne, Melbury Property, duncan@melburyproperty.co.uk - Lack of freehold development sites / properties to purchase.

Gavin Black, Newcastle Upon Tyne, NaylorsGavinBlack.co.uk, gblack@gmail.com - A shortage of stock and sites across the office and Industrial sectors will limit activity and encourage new schemes where planning conditions are not too limiting. Inflation in costs and the state of the market will help to increase values.

Gerard Darby, Hartlepool, , gerard.darby@hartlepool.gov.uk - Quiet.

Kevan Carrick, Newcastle Upon Tyne, JK Property Consultants, LLP, Kevan@jkpropertyconsultants.com - Demand for prime office remains consistent, likewise for the industrial and logistics sectors. Acquisition instructions now incorporate the desire to acquire properties that will readily retrofit, or if new development will achieve zero net carbon by 2030.

Nikolaj Dockree, Harrogate, Dockree associates, Najdockree@yahoo.co.uk - A challenging back drop with the Ukraine War and Inflation providing significant headwinds to the UK economy and its real estate market.

Simon Haggie, Newcastle Upon Tyne, Knight Frank LLP, simon.haggie@knightfrank.com - There is definitely a growing unease resulting from the Ukrainian situation and the sharp increase in fuel and energy prices. Even the buoyant logistics market has seen a reduction in enquiry levels.

North West

Andrew Higson, Manchester, Capita, Andrewhigson77@gmail.com - Weight of money seems to be putting prices ahead of where economic factors would dictate.

Damien Gibbs, Preston, Garside Waddingham Surveyors, damien.gibbs@gwsurveyors.co.uk - The market is manifesting mixed signals which are predominantly pointing towards market uncertainty. The Residential Housing Market continues to boom in the North West, but there is a general consensus that it may have now peaked. New build housing schemes continue to grow however, with home working and lifestyle choice being a dominant factor. Off the back of this, small commercial investment sales have also been strong. Including small freehold office sales, downsizing (and upsizing from home).

David Watts, Manchester, G&T, D.watts@gardiner.com - Inflation driven.

Ian Braithwaite, Manchester, Central Manchester Holdings Ltd, ian@cmhlimited.com - Ukraine has caused a further problem which was not anticipated last year so this is having further negative effects on the economy. The resolution of this I expect will have wide ramifications.

M Litherland, Liverpool, Sefton Council, mark.litherland@sefton.gov.uk - Smaller local business seem to be faring reasonably well.

Michael Fisher, Lancaster, Fisher Wrathall Commercial, mike@fwcommercial.co.uk - Industrial demand continues to outstrip supply. Rent levels for quality units continue to rise. Lack of allocated land is constraining the economy.

Michael Holden, Accrington, Michael Holden Chartered Surveyors, mjh@michaelholdenfrics.co.uk - Poor in Accrington, better in Kendal, better in Burnley but poor in Barrow in Furness.

Russell Cain, Farnworth, Wigan Borough Council, russell37cain@live.co.uk - Early signs of recovery in some sectors but may be affected by war in Ukraine.

Northern Ireland

Michael Wright, Belfast, Wirefox, michael@wirefox.com - After a difficult couple of years with limited letting activity, we had great expectations following the reduction in WFH restrictions. Now with the Ukrainian war and reactive increases in fuel and cost of goods, this will again hamper appetite. Whilst there is some pent up investor demand and a lack of supply in some sectors, we believe the investment market will fair well with retail rising from a turbulent few years. Rent collections remain strong across all sectors except some retail.

Walter Mcfarland, Enniskillen, Eadie, Mcfarland and Co Ltd, mcfarlandw1955@gmail.com - Our residential market is buoyant but suffering from low supply, our agricultural sector likewise. Retail has a level of rental demand, but demand to purchase is low.

Scotland

Alex Robb, Aberdeen, A B Robb Ltd, alex@abrobb.com - The proposal to include listed buildings in vacant rates is foolhardy.

Euan Cameron, Forfar, Tayside Valuation Joint Board, Euan.Cameron@Tayside-vjb.gov.uk - General unease in the market currently. Office and retail values falling, but industrials holding up - especially small industrial subjects.

Grant Scrimgeour, Glasgow, Denwolf Asset Management, grant@denwolf-am.co.uk - High demand and low supply resulting in upwards pressure on rents and sale prices.

Chartered Surveyor market comments

John Brown, Edinburgh, John Brown and Company, John.brown@jb-uk.com - Shift in patterns in office market with Grade A occupiers taking advantage of new supply and choosing city locations like Haymarket. This is pushing up rents but releasing older stock. Loss of older office to residential use as rebalance takes place. Town House "listed ' office buildings return to houses. Industrial units in limited supply, pressure on rents but condition and location are important. Logistics and transportation hubs for service vehicles important. Retail remains challenging.

Michael Facenna, Glasgow, Avison Young, michael.facenna@avisonyoung.com - Improving sentiment generally as Covid restrictions lift and staff make a return to the office.

South East

Chris, Banbury, White Commercial Surveyors Ltd, chris@whitecommercial.co.uk - Industrial markets appear to be at a peak in terms of values. Lack of Industrial/warehousing supply. Office demand improving as companies decide and prepare to operate in the 'new flexible working' environment. Retail demand from 'new businesses' and 'passion projects' or food operators. National and International economic concerns created by Brexit, the Pandemic, and the Ukraine and Russian situation set to undermine economic growth and cut consumer expenditure.

Colin Brades, Brighton & Hove, Avison Young, colin.brades@avisonyoung.com - There remains uncertainty in the prime and secondary retail markets throughout the city as the influence of the pandemic appears to wane but the war in Ukraine offers worrying concerns about the future economy.

Darren Bradley, South East, Cromwell Holdings, dcb@park-place.co.uk - There is yet to be a notable effect on the SME office market from the pandemic, mostly as many SME's have adopted a "sit and wait" approach. As government support is eased and SME's determine their property strategies in light of emerging hybrid working practices, much surplus office accommodation will be released to the market, driving down effective rental levels and forcing up yields, resulting in falling capital values.

David T. Jones, Winchester, Hampshire County Council, david.t.jones@hants..gov.uk - Steady.

Jeremy Braybrooke, Southampton, Trinity Rose Commercial, j.braybrooke@trinity-rose.co.uk - Still a considerable demand for retail premises to let at the lower end of rents, better than one might have expected. Supply very limited however. Prime City Centre sites more of a challenge. Market towns still popular but more limited demand at higher rents. Most deals take four times longer to complete than they used to, leading to considerable frustration all round.

Jim London, Basingstoke, London Clancy, jimlondon@londonclancy.co.uk - We have been in an upturn but conditions in Ukraine and economic constraints , together with cost of materials and availability, will probably result in a change.

John Hempton, Various, Hempton Franks, jjh@hemptonfranks.co.uk - Turmoil in Ukraine, fuel prices and continued concern on pandemic/endemic factors lead to enormous fear and uncertainty.

John Sadler, Midhurst West Sussex, Claud Waterer Commercial Limited, jsadler@claudwaterercommercial.com - Demand for smaller industrial and warehousing remains strong. Tenants however are becoming concerned over rising energy, material and labour costs that cannot all be passed on to customers. Rents may be squeezed this year.

Mr Jon Varney, Newbury, Deal Varney Ltd, jon@dealvarney.co.uk - The industrial sector is very strong and stock levels are at an all time low. Office demand remains weak but supply is not great due to PDR conversions. Prime retail is weak but secondary is showing a slow pick up.

Paul Loveridge, Thames Valley, The Frost Partnership, Paul.loveridge@frostsurveyors.co.uk - Fluid.

Peter Ridsdale Smith, Tunbridge Wells, Bracketts, peter.ridsdalesmith@bracketts.co.uk - The market hadn't changed much in the past three months. Office demand still weak, industrial good and retail fair but can let at sensible rents with incentives. Depends on the pitch. Demand for investments has picked up with still low rates on the money market. It remains to be seen if problems in Ukraine impact on the market as developments unfold.

Phillip Mawby, High Wycombe, Duncan Bailey Kennedy LLP, philm@dbk.co.uk - The industrial market is still very strong with unprecedented demand and low stock levels. Rental and capital values are at record highs as a consequence.

S Metcalfe, Chelmsford, Kemsley LLP, steve.metcalfe@kemsley.com - Ukraine, inflation, affordability.

Simon Browne, Brighton, Crickmay, scb@crickmay.co.uk - Strong demand for mixed secondary investments, particularly with a residential element. Purchasers will look to maximise value through subdivision, change of use etc.

Stephen Ray, Redhill, SHW, sray@shw.co.uk - Business as usual it appears despite the war in Ukraine at present.

South West

Alastair Andrews, Swindon, Loveday, alastair@loveday.uk.com - Despite the war in Ukraine and inflationary pressures, we have not yet seen these factors have any impact on occupational or investment demand. However, it is very early days and there are reasons to be concerned.

Alastair Young, Devon, Middleton Wilson, alastairjyoung@gmail.com - Obviously very difficult in what I see as a "rolling road". Generally I believe the intent is upward but media reports and oil/Ukraine concerns are distorting where we actually are. There is cash around and I think property will be seen as a safe haven to invest, especially industrial and residential and, as a result, as things regularise I can see a further late 222/23 mini boom. It is difficult to call, however.

Andrew Kilpatrick, Swindon, Kilpatrick & Co, a.kilpatrick@kilpatrick-cpc.co.uk - Swindon's commercial property market was showing signs of new green shoots up to 24 February and Russia's invasion of Ukraine, which has introduced new uncertainties into all of our lives and the UK's economic outlook.

Anne Brennan, Poole, Sibbett Gregory, anne@sibbettgregory.com - Spring bringing lots of new enquiries. Demand continues to outstrip supply. Renewed interest in secondary retail and office space.

Hakeem Lasisi, Bristol, Balfour Beatty Plc, justakeem2002@yahoo.com - Economy still ongoing a recovery process that would take a year to have reasonable impact on all sectors.

James Durie, Bristol, Businesswest, james@duries.co.uk - Bristol is on many peoples' shopping lists as it attracts and retains talent and has an entrepreneurial climate - and its long term fundamentals are strong.

Chartered Surveyor market comments

Joanne High, Plymouth, Vickery Holman, jhigh@vickeryholman.com - Demand continues to outstrip supply in the South West for most sectors. Enquiries for the High Street have increased, albeit rents are much more reasonable now. The biggest issue for prime retail is the rateable value, which needs to come down to be in line with market rents.

Jon Morgan, Sherborne, Dorset Council, jon.morgan@dorsetcouncil.gov.uk - Inflation and uncertainty as to global events impact all sectors.

Jonathan Paul Bishop, Bristol, MJN South West ltd, jon@mjnconsultancy.com - Very dependant on sector and area.

Leslie Warren, Bristol, DB Arriva, Lesliegwarren@gmail.com - Uncertain, logistics and distribution buoyant, as are data centres- the rest is uncertain.

Luke Sparkes, Cirencester, Marriotts Property LLP, luke.sparkes@marriotts.co.uk - After some light on the horizon there appears to be uncertain times ahead again, the increase in costs of living and significant rise in building material costs may well have an impact later in the year. Time will tell.

Oliver Workman, Cheltenham, THP Chartered Surveyors, oliver@thponline.co.uk - 2022 off to a flyer, with enquiry levels up significantly compared to Q4 2021. The market briefly quietened upon Russia's invasion of Ukraine, however the impact of the war on enquiry levels appears to be receding.

Steve Bucknell, Royal Wootton Bassett, Fulcrum Development Consultancy Ltd, Steve@fulcrumdc.co.uk - Commercial is strong. Residential has peaked and is about to fall.

Wales

David Herbert, Cardiff, Cyncoed Property, david.herbert@cyncoedproperty.co.uk - Much of the increase in value, particularly new prime, will be due to construction cost push.

West Midlands

Chris Keye, Birmingham, Darby Keye Property, chris.keye@darbykeye.co.uk - Industrial and logistics market continuing to show an acute lack of supply against surging demand.

David Latham, Stoke On Trent, CPC Project Services, david.latham@cpcprojectservices.com - The residential sector remains relentless, with continuous new enquiries and very strong development led opportunities.

Nick Twigg, Rugby, RE Investors Ltd, nick@reinvestors.co.uk - Very much a wait and see attitude that we see in the investor market. Inflation, interest rates, growth and war are key influencers of the market that is in flux.

Steven Haddock, Birmingham, Prologis UK Limited, shaddock@prologis.com - We have seen a significant increase in demand for both prime and secondary industrial properties with rents accelerating as a result of increased stock holding and e-fulfilment.

Yorkshire & the Humber

John Hornsby, York, John R Hornsby Chartered Surveyors, info@johnrhornsby.co.uk - Very strong demand for secondary shop units to lease and decent industrial units, both freehold and leasehold.

Michael Darwin, Northallerton, M W Darwin & Sons, info@darwin-homes.co.uk - Uncertainty due to the war in Eastern Europe makes any predictions very difficult.

Peter H Swift, Sheffield, Swift & Co, peter@swiftandco.com - Overall slight steady improvement in industrial demand, particularly smaller secondary units. Office demand, still slow. Retail steady demand for small units in secondary positions.

Richard Corby, Leeds, Lambert Smith Hampton, rcorby@lsh.co.uk - Shortage of stock across all commercial sectors continues to drive values and rents up, with increases to the cost of materials adding to development costs. Purchasers need to be able to act quickly to clinch a deal, and cautious funders are not helping their customers to be competitive. Value hunters are picking up unloved but well-let retail assets which is fueling a recovery from the bottom of the market in that sector.

Richard Heslop, Leeds, DE Commercial, richard@de-commercial.co.uk - Continued demand for small industrial / warehouse freehold properties.

Information

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