

'A quiet start for commercial property in 2022 after a record-breaking end to 2021'

3 years ago



Capital values increased 0.7% across all UK Commercial property in January 2022, according to the latest CBRE Monthly Index.

Over the month, rental value growth was 0.2%. Total returns were 1.1%.

The Retail sector started the new year with 0.7% capital value growth. Retail Warehouses was the strongest subsector with capital values increasing 1.0%. Shops in the rest of the UK reported stronger performance than South-East shops with 0.8% and 0.2% increases in capital values respectively. Shopping Centre capital values were unchanged over the month. Rental values for the sector rose 0.1%, pulled down slightly by Rest of UK shops which reported a decrease of -0.4%. In January, Retail total returns were 1.2%.

The Office sector posted capital value growth of 0.2% over the month. Offices in the Rest of the UK and Central London both reported capital growth of 0.2%. Central London growth was led by City offices which reported growth of 0.8% while West End Offices remained unchanged. Office rental values increased 0.1% driven by offices in the Rest of the UK where values rose 0.2%. Total returns for the Office sector were 0.6%.

After a record-breaking end to 2021, growth in the Industrial sector was more subdued in January 2022. Over the month, Industrial capital values rose 1.2%. Industrials in the South East posted slightly stronger growth at 1.2%, compared to 1.0% for the Rest of the UK. Over January rental values increased 0.5%. Industrial total returns for the month were 1.4%.

Marlyn Chantre, Research Analyst, CBRE, said: "Property values have started the new year with more

subdued growth than we saw in the final quarter of last year, reporting lower growth than the monthly average throughout 2021. This is perhaps unsurprising in the wake of the record figures posted in Q4 of 2021. The standout sectors from last year, Industrials and Retail Warehouses, have remained the primary drivers of growth as we head into the new year.”

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