

## Monthly UK investment volumes surge to £3.7bn, exceeding average by 37%

3 years ago



£3.7 billion of UK commercial property was transacted in January 2022, putting volumes 37% above the long-term monthly average, according to Savills.

The office sector made up 51% of total January investment volumes (£1.89 billion), but the international real estate advisor highlights that there has also been a resurgence in investment in retail assets, with the sector seeing £924 million of investment last month – the highest January retail investment volume since 2016.

Pricing has been competitive for out of town retail, leisure and foodstores over the past two months, says Savills, resulting in the average prime yield for retail property hardening to 5.8%, a drop of 45 basis points over a 12 month period, and contributing to the all-property UK average prime yield moving in to 4.91%. This places both yields back at their pre-pandemic levels, says Savills, mirroring their respective positions in February 2020.

Mark Garmon-Jones, head of shopping centre and retail investment at Savills, comments: “Echoing the end of 2021, we’ve seen a strong start to investment activity across the UK this year, particularly for regional office and industrial assets, but the most welcome trend from January is the positive interest in the retail market.

“Retail asset prices have been low for a while and many buyers have been circling looking for opportunistic buys, but during the heights of the pandemic debt was hard to secure for obvious reasons. With the debt markets and liquidity now showing signs of improvement we’re starting to see some movement, with both private buyers and some institutions showing interest in the sector, so are cautiously optimistic for a

relatively good year for retail.”

[View Savills full February 2022 UK Commercial Market in Minutes online here](#)

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