

Industrials Driver of Growth for All UK Property in February

3 years ago



Capital values increased 1.2% across all UK Commercial property in February 2022, according to the latest CBRE Monthly Index.

This was the result of strong Industrial performance over the month. Over the month, rental value growth was 0.4%. Total returns were 1.6%.

In February, Retail capital values rose 0.9%. Capital value growth for the retail sector continued to be driven by Retail Warehouses which increased 1.6%. Shops in the rest of the UK performed slightly better than South-East shops with 0.5% and 0.2% increases in capital values respectively. Rental values for the sector were unchanged over the month. Shopping Centres rental values decreased -0.6%. In February, Retail total returns were 1.5%.

The Office sector posted capital value growth of 0.2% over the month. Offices in Outer London was the strongest subsector with capital values increasing 0.6%. Central London reported a growth of 0.1% which was pulled down slightly by West End Offices which values were unchanged in February. City Offices reported a capital value growth of 0.4%. Office rental values were flat over the course of the month. Total returns for the Office sector were 0.5%.

In February, capital values for the Industrial sector posted a stronger growth at 2.4% compared to 1.2% in January 2022. Capital value growth was driven by Industrials in the South-East which increased 2.7%. Industrials Rest of UK reported a growth of 1.6%. Over the month, rental values increased 1.0%. Total returns were 2.6% for the Industrial sector.

Jennet Siebrits, Head of UK Research, CBRE, said: "After subdued growth for commercial property in

January, all property values reported stronger growth in February. Industrials continued to outperform the other subsectors. For the second consecutive month, the Office sector reported marginal falls in values. Retail Warehouses have remained the driver of growth for the Retail sector.”

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