

City of London commercial investment matches five-year average despite signs of slowing activity in Q4

4 years ago



Total investment volumes for the City of London at the end of October 2022 stood at £7.68 billion across 91 deals, a 25% year-on-year increase on 2021 and in line with the five-year average of £7.67 billion, says [Savills](#). This puts 2022's City investment turnover to date above those recorded at the same point of the year in 2016, 2019, 2020 and 2021.

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The international real estate advisor says that, as it stands, there is a further £2.13 billion of assets are under offer across 24 deals, with an average transaction size of £89 million. Savills says it is currently unclear how many of these deals will exchange prior to the year-end.

Felix Rabeneck, director in the City investment team at Savills, comments: "While there is no hiding that investment activity has slowed in recent months, when taking a broader view of 2022, the picture so far this year for the City is relatively positive. While the market is challenging, we are seeing some buyers viewing it as an opportunity. Overseas investors, particularly those transacting in US Dollar-pegged currencies and cash buyers, see the market as providing opportunities in light of pricing movement and weaker sterling, and are keen to do deals while competing buyers, tested by the debt financing environment, are less active."

Savills says that UK investors have accounted for 44% of 2022 year-to-date investment turnover in the City, followed by Asia Pacific buyers at 32% and North American investors at 14%, although this buyer mix may change once the final quarter of 2022 has been taken into account.