

Fall in Capital Values Continues for all UK Commercial Property in October

4 years ago



Capital values decreased -6.8% across all UK commercial property in October 2022, according to the latest [CBRE](#) Monthly Index. Over the month, rental value growth was 0.3%. Total returns were -6.4%.

In October, retail capital values decreased -4.8%, representing the smallest decline of all sectors. Retail capital value decreases were driven by standard shops (-5.5%) and retail warehouses (-4.7%). In October, rental value growth was -0.1% for the retail sector. Standard shops reported a rental value growth in line with the sector average, while shopping centres rental values decreased -0.5%. Total returns were -4.3% for the retail sector in October.

The Office sector posted a capital value fall of -5.1% in October. Outer London/M25 and rest of the UK offices reported the largest capital value decreases for the month (at -5.9% and -5.4% respectively), while central London recorded a smaller capital value decrease (-4.8%). Rental values for the Office sector increased 0.2% in October. Rental growth for central London and outer London/M25 offices were in line with the sector increase, however rest of the UK offices reported lower rental value growth. Over the month, total returns were -4.8% for the Office sector.

In October, the industrial sector posted the highest capital value decrease at -10.6%. Industrials in the South East were the driver of industrial capital value decline (-11.8%), recording a much greater fall than industrials in the rest of the UK (-8.3%). Industrial rental value growth was 0.4% for October. Rental value growth was driven by 0.8% rental growth in industrials in the rest of the UK. In October, industrial total returns were -10.3%.

	All Property	Office	Central London Office	Retail	Industrial	Other
Total Return	-6.4%	-4.8%	-4.5%	-4.3%	-10.3%	-6.4%
Capital Value Growth	-6.8%	-5.1%	-4.8%	-4.8%	-10.3%	-3.8%
Rental Value Growth	0.3%	0.2%	0.2%	-0.1%	0.4%	0.5%