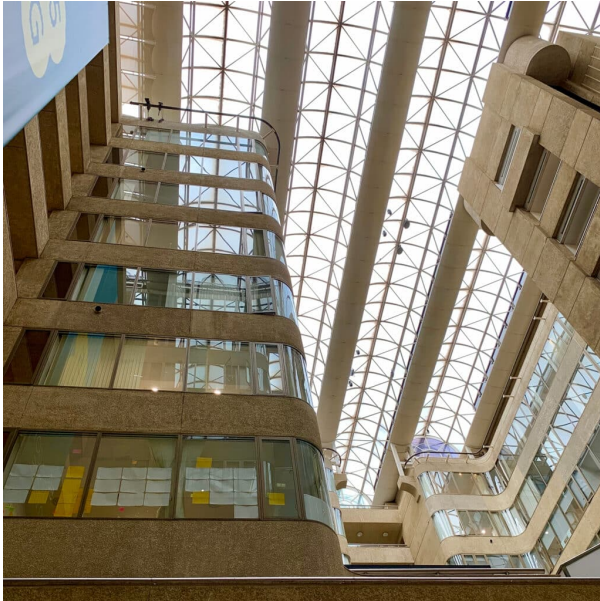


Average prime UK commercial yield stabilises in November and investment volumes exceed expectations

3 years ago



After five consecutive months of moving out, the average UK prime yield on commercial property stabilised in November, staying at 5.63% according to [Savills](#), in response to a steady political backdrop.

The international real estate advisor also says that year-to-date commercial investment volumes have exceeded its expectations. Investment volumes had reached just above the £50 billion mark by the end of November says Savills, just 7% below the annual total achieved in 2019, and above its mid-year expectation that 2022 total volumes would be around the long-term average of approximately £46 billion. It says that the alternative sector has made up 36% of YTD volumes, with offices following at 25%.

Savills says that the number of commercial sectors with yields experiencing upwards pressure has halved since October, although some sectors are still predicted to see some outward yield shifts going forward. Foodstores, however, were notable in seeing their yields harden by 25 basis points in November.

James Gulliford, joint head of UK investment at Savills, comments: “H2 2022 saw an extremely rapid repricing of market yields in most sectors in response to external events, but November saw some stability emerge, putting many UK sectors in a good position for investor activity to return in the next few months. The fact that despite several months of uncertainty, year-to-date volumes are roughly in line with those in 2019, and above where we expected them to be when we reflected at the half year point, is cause for optimism.”

[Read Savills full December 2022 commercial Market in Minutes report here](#)