

Capital value decrease in December ends year where capital values fell 13.3% and total returns were -9.1%

3 years ago



Capital values decreased 3.0% across all UK commercial property in December 2022, according to the latest [CBRE](#) Monthly Index. Rental value growth for the month was 0.2% and total returns were -2.6%. For 2022 as a whole, capital values fell 13.3%, and annual total returns were -9.1%.

Retail capital values declined 2.5% in December. This was driven by Shops in the 'Rest of UK' (-2.9%) and Retail Warehouses (-3.1%). Rental value growth was 0.1% for the Retail sector in December, with Standard Shops reporting the highest rental value increase (0.3%). Total returns were -2.0% for the Retail sector for the month. Retail capital values decreased 8.1% over the full year and annual total returns were -2.1%.

Office sector capital values fell 3.0% in December. This was predominately driven by Outer London/M25 and Rest of UK offices (-5.3% and -3.4% respectively), while Central London offices reported a smaller fall in capital value (-2.3%). Rental value growth for the Office sector was 0.1% in December, and total returns were -2.6%. Office capital values declined by 12.1% in 2022 and annual total returns were -8.3%.

The Industrial sector reported the highest capital value decrease in December at 4.4%. Industrials in the South East recorded a larger fall in capital values compared with Industrials in the Rest of UK (-4.9% and -3.4% respectively). Industrial rental value growth was 0.2% for December and total returns were -4.0% over the month. For 2022 as a whole, capital values for the Industrial sector fell by 21.0% and annual total returns were -18.1%.