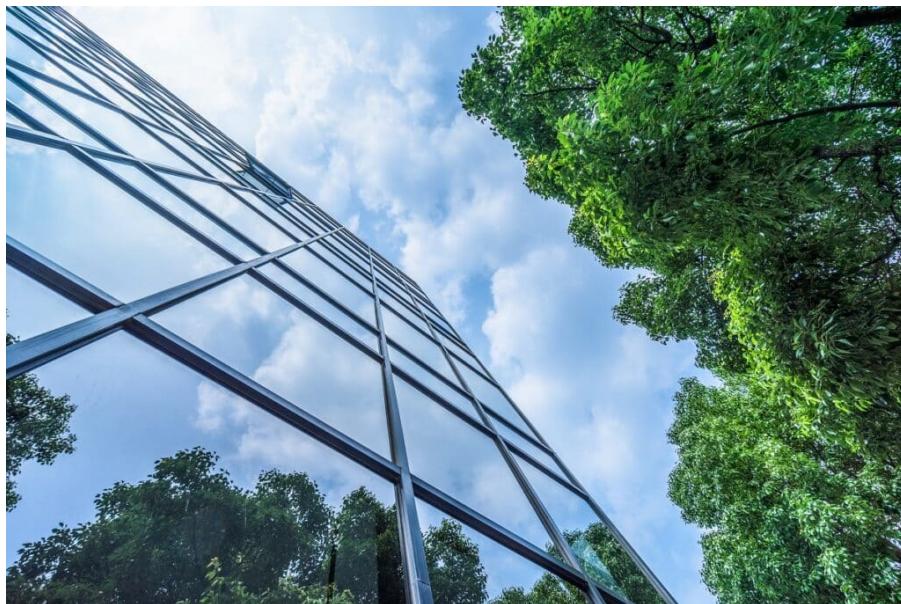


# Commercial property capital values see slight decline in January

3 years ago



Capital values declined 0.4% across all UK Commercial property in January, according to the latest [CBRE](#) Monthly Index.

Retail capital values declined 0.2% in the month, but the sector posted positive total returns with 0.4%. Both Standard Shops and Retail Warehouses recorded marginal capital value declines (-0.3% and -0.2% respectively), however, Shopping Centres reported a capital value increase of 0.1%. Rental value growth was 0.2% for the Retail sector, with Warehouses registering the highest rental value growth (0.3%) and Standard Shop rental values growing 0.1%.

Office sector capital values fell 0.6% in January. Capital value growth decline for Central London offices was 0.3% over the month – the sector decline was driven by a decrease in values for Outer London/M25 and Offices in the Rest of UK (both reporting 0.9% falls). Rental values for the Office sector was 0.1%. Central London posted rental growth of 0.2%, while Offices in the Rest of the UK rental values increased in line with the sector increase. Office sector total returns were -0.2%.

Industrial capital values declined 0.6%. Both Industrial segments posted similar falls as Industrials in the South East and Industrials in the Rest of the UK reported falls of 0.6% and 0.7% respectively. Industrial rental value growth was 0.5%. South East rental values grew 0.5%, and Industrials in the Rest of UK rents increased 0.4%. Over the month, Industrial total returns were -0.2%.

Jennet Siebrits, Head of UK Research at CBRE, said: “An optimistic interpretation of the January results is that commercial property values may have reached the trough of the current downward cycle, thereby presenting a positive outlook for UK commercial real estate in 2023. On the other hand, a more cautious



view is that values have broadly levelled off, reflecting a lack of transaction activity, and when transactions resume a clearer view of market pricing will emerge."