

INVESTMENT MARKET UPDATE

Q1 2026

allsop

Yields Insights

The below provides a guide for best-in-class rack-rented properties.

Date	Bank of England Base Rate	5 year SONIA SWAP Rate	10 year Gilt Yield
Jan-25	4.75%	4.05%	4.66%
Jul-25	4.25%	3.92%	4.55%
Jan-26	3.75%	3.69%	4.53%
Sector		Jun-25	Sept-25
In Town Retail	Prime Shops	6.75%	6.75%
	Secondary Shops	10%	10.00%
	Regional Shopping Centres	7.50%	7.50%
	Secondary Shopping Centres	9.00%	9.00%
Out of Town Retail	Prime Open A1 Parks	5.25%	5.50%
	Prime Bulky Goods Parks	5.50%	5.75%
	Good Secondary Parks	6.50%	6.50%
	Prime Solus units (10 yrs)	6.00%	6.00%
Foodstores	Indexed (20 yrs)	4.75%-5.00%	4.75%-5.00%
	OMV (20 yrs)	6.00%	5.75%
	Discounters (20 yrs)	5.00%	4.75%
Industrial	Prime Distribution	5.00%	5.25%
	Secondary Distribution	6.00%	6.00%
	Prime Industrial (Within M25)	4.75%	4.75%
	Prime South East (Outside M25)	5.00%	5.00%
	Prime Regional	5.00%	5.00%-5.25%
Offices	City Prime	5.50%	5.25%
	West End Prime	4.00%	4.00%
	Major Regional Cities	6.75%	6.75%
	South East Towns	7.50%	7.50%
	Secondary Regional Cities	11.00%+	11.25%+
Alternatives	Prime Leisure Parks	8.00%	8.00%
	Secondary Leisure Parks	9.00%	9.00%
	Car Showrooms (20 years with indexing)	6.00%	6.00%
	Hotels (Greater London)	4.75%	4.75%
	Hotels (Regional)	5.25%	5.25%
	Student Accommodation (PBSA)	4.50%	4.50%

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combined
experience



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across all major markets



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investor database –
we know the buyers!



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analysis / cash flow modelling
of **each investment**



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service for ongoing strategic
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Sector Focus



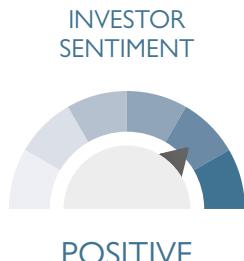
RETAIL WAREHOUSING

Review

- Transaction volumes improved once again in 2025, with over £5.85bn completed, recording a total return of 9.8%.
- Institutional capital continues to dominate the market, with pension funds, insurance companies, and specialist retail property REITs particularly active in pursuing defensive income-producing assets amid broader economic uncertainty.
- The sector has demonstrated exceptional resilience and market liquidity, with retail warehouses increasingly recognised as essential infrastructure supporting the evolving omnichannel retail ecosystem and last-mile delivery requirements.
- Occupational performance has remained robust across prime locations, with many landlords successfully achieving rental uplifts on lease renewals and new lettings, particularly for units offering strong accessibility, parking provision, and click-and-collect capabilities.

Forecast

- Retailers continue to navigate significant operational pressures including increased employment costs, business rates adjustments, and ongoing supply chain challenges, though demand for strategically positioned retail warehouse space is expected to remain fundamentally stable.
- Income mandates including REITs, local government pension schemes and insurance companies, are anticipated to remain the primary capital source driving market activity.
- Rental growth is projected to continue selectively throughout 2026, with prime locations benefiting from acute supply constraints and intensified occupier competition, whilst secondary locations may experience more modest growth trajectories.
- Prime yields are expected to remain compressed as investors continue seeking defensive assets with inflation-linked income characteristics, though secondary markets may witness some yield expansion as capital allocation becomes increasingly discriminating.



Sector Focus



INDUSTRIAL

Review

- Investment volumes reached £11.4bn in 2025, dominated by private equity acquisitions accounting for c.50% of all transactions.
- The sector demonstrated exceptional resilience with occupational demand improving 10%, driven by renewed activity from third-party logistics providers and manufacturing requirements.
- Multi-let industrial estates delivered strong returns of 9.9% for a second successive year, outperforming the wider industrial market with record low default rates of 1.4%.
- Capital values increased 1.4%, with prime London industrial estates achieving equivalent yields below 5.00% as yield compression emerged in prime markets.

Forecast

- We project that Yorkshire and the North West will lead the UK in rental growth for 2026. This is driven by significantly tighter supply compared to the East Midlands and a surge in advanced manufacturing requirements.
- Rental growth is projected to continue at 3.1% per annum through 2026, significantly outpacing the 2.5% forecast for all property sectors, supported by constrained supply with only 7.6m sq ft of development expected to commence in 2026.
- Multi Let remains the most competitive sub-sector offering Day 1 value-add opportunities and deliverable reversions. Bedford Commercial Park, a fully let mid-box cluster of 5 units totalling 659,409 sq ft sold to Sunrise for £100 million reflecting 4.86%.
- We anticipate transaction activity to remain robust due to increased liquidity for multi let and portfolios following Tritax's £1bn portfolio acquisition.



Sector Focus



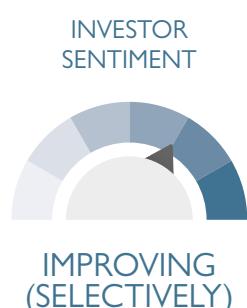
OFFICE

Review

- Renewed interest in the sector with transactions improving significantly to c.£12bn, reflecting a 30% increase on the previous year.
- A clear flight to quality, and a widening divergence between prime and secondary assets has defined the South East and wider regional office markets in 2025.
- Investor demand is focused on Grade A, ESG-compliant buildings in resilient micro-locations, while secondary and obsolete stock faces significant pricing pressure.
- Continued buoyancy in the South East market for offices converted to residential via permitted development.
- Distressed sales are emerging, particularly for assets with high vacancy or significant capex requirements.

Forecast

- The outlook for 2026 is one of cautious optimism, underpinned by a clear flight to quality and a re-based market.
- Supply-demand dynamics increasingly favourable with just 2.5 million square feet under speculative construction across the Big Six and South East, expected to place further upward pressure on rents.
- Regional markets poised for continued recovery supported by constrained speculative development and improving occupier sentiment.
- The pricing gap between best-in-class and legacy stock is widening, with secondary yields now between 10.00% and 12.50% NIY (softer for larger lots).



Sector Focus



ALTERNATIVES

Review

- Investor demand for alternatives remained robust over the past year, driven by a preference for assets with long leases and index-linked rent reviews.
- Hotel investment sector demonstrated continued performance, however the sector saw a c.15% softening against the previous years volume, despite reaching £5bn in 2025.
- A greater mix of lot sizes were seen in the sector, with a significant increase in smaller, long-dated income investments entering the market - as evidenced with the uptick in children's nurseries, SEN schools and car showroom sales.

Forecast

- Alternative sector and operational assets expected to continue attracting strong investor demand, with competitiveness from investors seeking portfolio diversification and index-linked income.
- Living sectors positioned for substantial growth through 2026 and beyond, supported by demographic shifts and structural undersupply across retirement housing, student accommodation, and Build-to-Rent segments.
- Investor demand is closely tied to consumer demand. Strong trading figures (hotels), an aging population (care homes), and increased government funding (nurseries) provide compelling reasons for investment and growth across several subsectors.



Sector Focus



RETAIL

Review

- Positive period in Retail, bolstered by increased institutional interest.
- After a prolonged period of lease re-basing, we are now seeing the return of rental growth across the UK.
- Supply in prime retail locations remain tight, requiring brands to be more agile in pitch selection format size and strategy.
- For the first time in years, we saw yield hardening across sector.

Forecast

- Having seen a sharp correction over recent years, we anticipate Retail will see stronger interest as Institutional investors continue to increase their exposure to Prime Retail once again.
- Impacts of the Autumn budget are now being felt in the sector, with our expectation of cool down coming to fruition.
- Re-basing of assets will continue to generate interest in alternative use value, either through redevelopment or repositioning - we expect this will help fuel an increased buyer pool for the sector overall.

INVESTOR
SENTIMENT



IMPROVING

PRIME
YIELDS



6.75%

Transaction Highlights



Reckitt HQ, 6 Roundwood Avenue, Stockley Park

Client: UHNW

Net Initial Yield: 9.00%

Vendor: Kennedy Wilson

WAULT: 10 years

Description: Fully refurbished office building entirely let to Reckitt on a new 10-year lease.

Tenure: Freehold

£20.51M



The White Building, Reading

Client: UHNW

Vendor: Tritax

Net Initial Yield:

15.71%

Description: Multi-let office building providing 96,363 sq ft (NIA) of office accommodation arranged over ground and 6 upper floors, benefiting from a terrace on the 7th floor.

Tenure: Freehold

£13M

Transaction Highlights

OFFICE

EXCHANGED

OFF MARKET

Quilter HQ, Southampton

Client: UHNW
WAULT: 10.5 years

Description: Grade A office building entirely let to Quilter for a further 10.5 years
Tenure: Freehold

c.£30M

OFFICE

ACQUIRED



Elekta, Crawley

Client: UHNW
Vendor: LaSalle
Net Initial Yield: 8.66%
WAULT: 12 years

Description: Grade A office building entirely let to Elekta for a further 12 years. The property forms the tenants European HQ with a wider R&D facility being developed next door.
Tenure: Freehold.

£34.25M

OFFICE

ACQUIRED



Building One Abbey View, St Albans

Client: UHNW
Vendor: Columbia Threadneedle
WAULT: 3.3 years

Description: Fully refurbished 19,000 sq ft Grade A multi-let office building providing an average term certain of 3.3 years.
Tenure: Freehold

CONFIDENTIAL

ALTERNATIVE

SOLD



Lavershot Barns

Purchaser: UHNW
Vendor: Receivers

Description: Luxury retail village providing retail accommodation and exhibition land across 45,076 sq ft on a significant 10.25 acre site.
Tenure: Freehold.

£10.25M

Transaction Highlights

ALTERNATIVE



Q Park, Sheffield

Client: London Metric
Buyer: Iroko Zen
WAULT: 20 years

Description: Prime multi-storey car park located in Sheffield city centre. Single-let to Q-Park Ltd for a further 20 years, subject to 5-yearly RPI linked uplifts (2.5% - 5%) compounded annually.

Tenure: Freehold.

SOLD

£16.2M

OFFICE

SOLD

OFF MARKET

Confidential Portfolio

Client: Confidential
Vendor: Confidential
Net Initial Yield: 8.42%
WAULT: 2 years

Description: Portfolio of three multi-let offices in Greater London.

Tenure: Freehold.

£44M

FOODSTORE



Tesco Extra, St Helens

Client: UHNW
Vendor: Aviva
Net Initial Yield: 7.00%
WAULT: 12.4 years

Description: Modern foodstore constructed in 2011 providing a total floor area of 144,465 sq ft (GIA). Long-let to Tesco with the lease benefitting from fixed 2.5% annual uplifts.

Tenure: Freehold.

£54M

OFFICE

ACQUIRED



Collegelands, Glasgow

Client: UHNW
Vendor: Abrdn
Net Initial Yield: 7.50%
WAULT: 12 years

Description: High quality office building totalling 90,528 sq ft (NIA) single-let to Glasgow City Council. The lease is subject to 5 yearly uncapped RPI uplifts (annually compounded) with a tenant option to extend for a further 25 years.

Tenure: Heritable Interest (Scottish Freehold).

£32M

Transaction Highlights

OFFICE

ACQUIRED

OFF MARKET

Clapham North Arts Centre, Clapham

Client: Little Houses Group
Vendor: Needspace

Description: c.38,000 sq ft of accommodation on 1.09 acre site situated next to the train line, moments from Clapham High St Station.
Tenure: Freehold.

£16M

INDUSTRIAL

ACQUIRED



Watchmoor Park, Camberley

Client: Crossbay
Vendor: L&G

Description: The property comprises a 84,690 sq ft warehouse sold with vacant possession providing the incoming purchaser with the opportunity to conduct a comprehensive refurbishment and re-let program.
Tenure: Freehold.

£14.45M

RETAIL

SOLD



Retail Portfolio

Client: Private Prop Co
Purchaser: Private Prop Co

Description: Portfolio comprising four high quality & regionally dominant retail assets strategically located in key centres across the U.K.
Tenure: Freehold & Long Leasehold.

£38.75M

INDUSTRIAL

SOLD



Ring Tower Industrial Estate, Winchester

Client: Store Property
Purchaser: ICG
Net Initial Yield: 6.47%
WAULT: 10.5 years

Description: Last mile industrial estate totalling 120,571 sq ft (11,201 sq m), predominantly let to the strong covenant of Micheldever.
Tenure: Freehold.

£12.75M

Allsop National Investment

THE LAST TWELVE MONTHS

**ONE
TRANSACTION
COMPLETED
EVERY WEEK**
(ON AVERAGE)

OVER
£500M
OF TRANSACTIONS
COMPLETED IN 2025

£5M - £60M
LOT SIZES TRADED

50,000+
REGISTERED HIGH
NET WORTH INVESTORS

**ALL
SOLD**
ENERGY, EXPERTISE
& EXCEPTIONAL
CONTACTS

**JOINT
VENTURES**
WITH MILLENNIUM GROUP, WHO
OPERATE ACROSS OFFICES HONG
KONG & SINGAPORE WITH DIRECT
ACCESS TO ASIAN UHNW'S

ALLSOP 'ADVANTAGE'

208
COUNTRIES OR
TERRITORIES REACHED

DEDICATED
SECTOR SPECIALISTS IN
EACH KEY MARKET

USP
UNIQUE POSITION TO PROVIDE
A JOINT VENTURE MARKETING
PROCESS WITH THE UK'S
LEADING AUCTION TEAM

OVER
250 YEARS
COMBINED
MARKET EXPERIENCE

**GLOBAL
PARTNERSHIPS**
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**OPEN,
FRIENDLY
& HONEST**
BUSINESS APPROACH

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