UK Commercial Property Monitor

Q3 2026

ECONOMICS



Elevated borrowing costs dampen the investment outlook, though certain areas of the market are holding up comparatively well

- Near-term capital value expectations turn more negative as rising gilt yields and a tighter credit environment weigh on investment sentiment
- Occupier demand slips back modestly but remains broadly stable relative to recent quarters
- Solid rental growth is still anticipated for prime industrial and office space, along with many alternative sectors, over the next 12 months

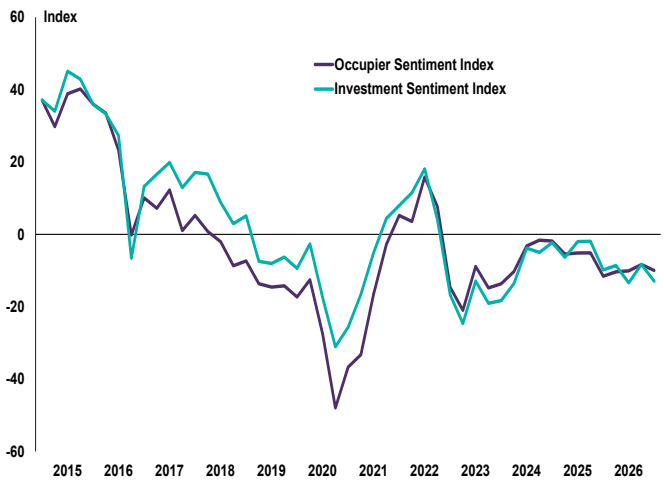
The Q3 2026 RICS UK Commercial Property Monitor points to a deteriorating picture, with the investment market bearing the brunt of a more challenging macroeconomic climate. Oil prices have moved back towards the highs seen earlier in the year, as supply continues to be disrupted by the conflict in the Middle East, while the 10-year gilt yield has risen to its highest in nearly two decades. As a result, the credit conditions indicator returned a net balance of -37%, down from -23% in Q2, pointing to a more restrictive lending environment.

Occupier markets have nevertheless held up slightly better, with the prime end of the market continuing to demonstrate resilience. Reflecting this, the Occupier Sentiment Index eased to -10 from -8, while the Investment Sentiment Index deteriorated more noticeably, falling to -13 from -8 (Chart 1). Overall, perceptions of the property cycle have become more cautious, with the majority of respondents now viewing the market as being in a downturn phase.

Occupier Market

On a UK-wide basis, the all-sector occupier demand indicator returned a net balance of -8%, down from -5% in Q2. That said, this is broadly in line with the net balance readings returned at the start of the year, suggesting tenant demand remains relatively stable, if a little flatter, rather than showing signs of a sharp deterioration. Across the mainstream sectors, the net balance for industrial demand was broadly neutral at -2%, compared with +3% previously, while the office net balance slipped to -8% from -4%. Retail remains the weakest of the traditional segments, although the latest net balance of -15% is marginally less negative than the -16% returned last quarter.

Chart 1 - Occupier and Investment Sentiment Indices



With respect to availability, the headline net balance of +15% (down from +20%) indicates that more respondents continued to report a rise than a fall in the volume of unlet space, albeit to a lesser extent than in Q2. This was most evident in the office sector, where the net balance softened to +10% from +21%. Nonetheless, landlords continue to offer significant incentives to secure occupiers, with the inducements net balance edging up to +24%. A greater share of respondents reported a rise in the value of incentive packages across the office and industrial sectors. While the retail net balance moderated, falling to +24% from +31%, this merely brought the sector back into line with the headline average. Development activity also remains under pressure, with the net balance for new starts falling to -27% from -24%, led by a sharper decline in the office sector reading.

Looking at twelve-month rental growth expectations, the outlook for prime assets remains positive despite the more cautious tone. Prime offices continue to post the strongest expectations among the mainstream segments, with a net balance of +41%, although this is down from the post-pandemic high of +51% recorded last quarter. Prime industrial expectations are similarly firm, with a net balance of +38% (from +45%). By contrast, secondary office and secondary retail rents are still expected to fall, with net balances of -35% and -36% respectively, while the net balance for secondary industrial rents has flattened to +2% from +12%.

London continues to stand apart, remaining the only region where the occupier demand net balance is marginally positive, at +4% (albeit this is down from +11%). Prime office rental growth expectations in the capital remain particularly strong, with a net balance of +64%, alongside +21% for prime retail. Outside of London, the industrial sector is underpinning sentiment across the Midlands and the North of England, where prime

industrial rental expectations returned net balances of +46% and +54% respectively. Conversely, the South of England remains the softest region, with an occupier demand net balance of -19% and weaker headline average rental expectations.

Investment Market

In keeping with the narrative from recent quarters, conditions on the investment side of the market are somewhat weaker than those across occupier markets. The headline investment enquiries net balance fell to -11% from -8% in Q2, similar to the readings returned through the second half 2025 and early 2026. The net balance for industrial investment demand slipped to -1% from +4%, while the office and retail net balances remained negative at -17% and -19% respectively. Net balance readings for overseas investor demand remain modestly negative across all three sectors, marking the fifth consecutive quarter in which this has been the case.

Looking ahead, the rise in gilt yields has weighed on the near-term outlook for capital values. The three-month capital value expectations indicator returned a net balance of -15%, down from -11% in Q2. Industrial expectations slipped into negative territory, with the net balance falling to -5% from +3%, while the office net balance declined to -17% from -14%. Retail remains the weakest of the three sectors, with a net balance of -25%, although this is marginally less negative than the -26% returned last quarter.

Over a twelve-month horizon, the picture continues to be divided between prime and secondary. Capital value expectations remain positive for prime offices (net balance +19%) and prime industrial (+14%), albeit each is down from +29% in Q2, with London prime offices again the strongest at +34%. By contrast, secondary office and secondary retail values are expected to fall (net balances of -44% and -42% respectively), while the net balance for secondary industrial has turned more clearly negative at -15%, from -1% previously. Valuation perceptions in the capital have also become more stretched, with 40% of London respondents now viewing the market as expensive, up from 29% in Q2, compared with 25% of respondents nationally.

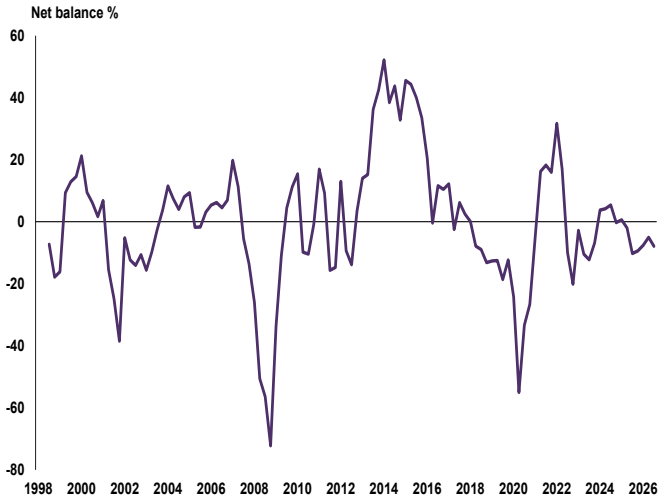


Alternative Sectors

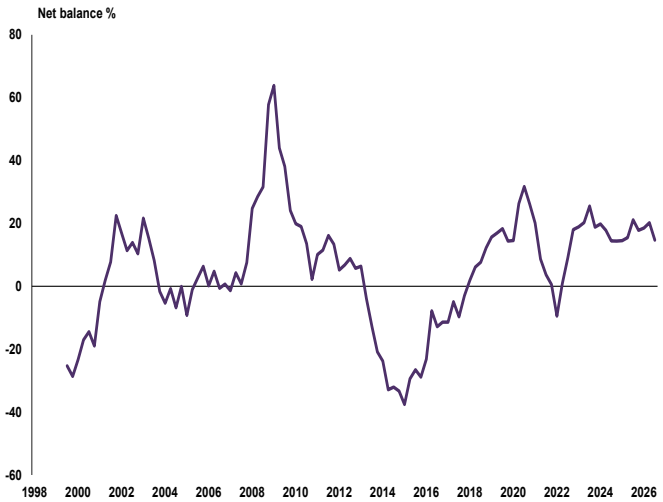
Away from the traditional market segments, data centres continue to lead the way on twelve-month rental and capital value growth expectations, with net balances of +58% in each case, although both readings are a little lower than those posted in recent quarters. The net balance for multifamily rental expectations remains solid at +38%, while capital value expectations for the sector are more measured, with a net balance of +12%. Aged care facilities are also expected to deliver solid gains, with net balances of +34% for rents and +27% for capital values, while life sciences assets are projected to see more modest growth (net balances of +19% and +16% respectively). For hotels, respondents envisage a slight rise in rents (net balance +7%) but broadly flat capital values (-1%). Student housing now has the weakest capital value expectations of the alternative asset classes, with a net balance of -14%, alongside broadly flat rental expectations. Leisure also continues to return negative net balances for both rents and capital values, though these readings are less downbeat than in Q2.

Commercial property all-sector average charts

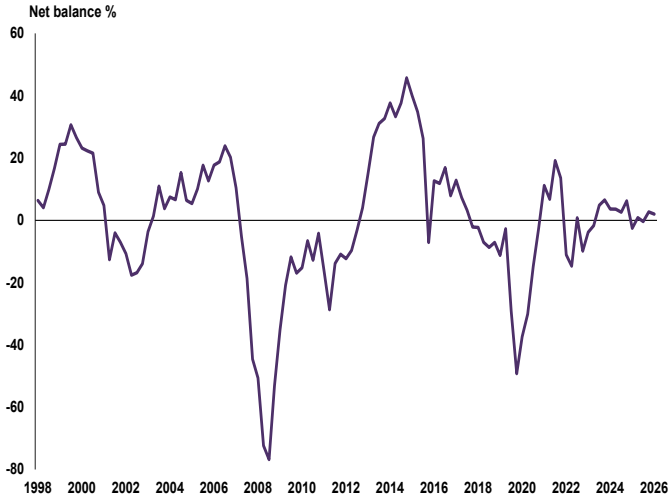
Occupier demand



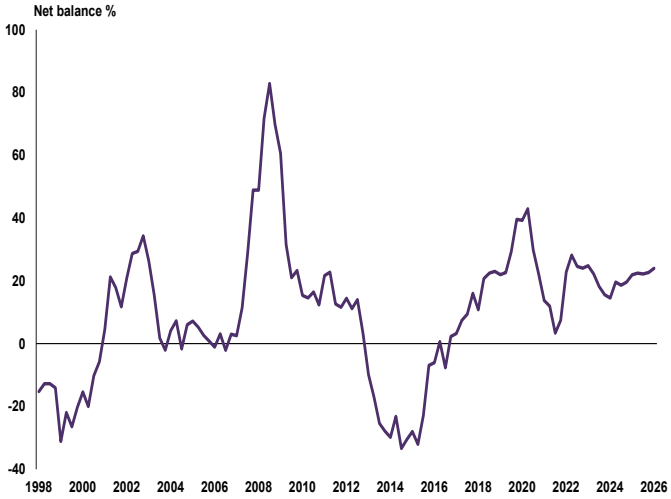
Availability



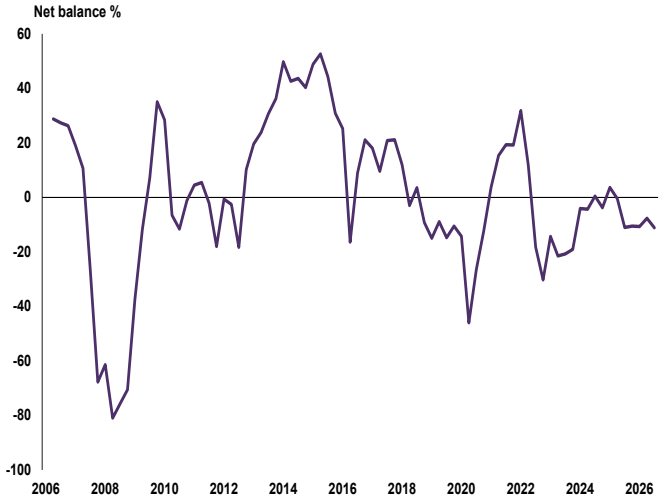
Rent expectations



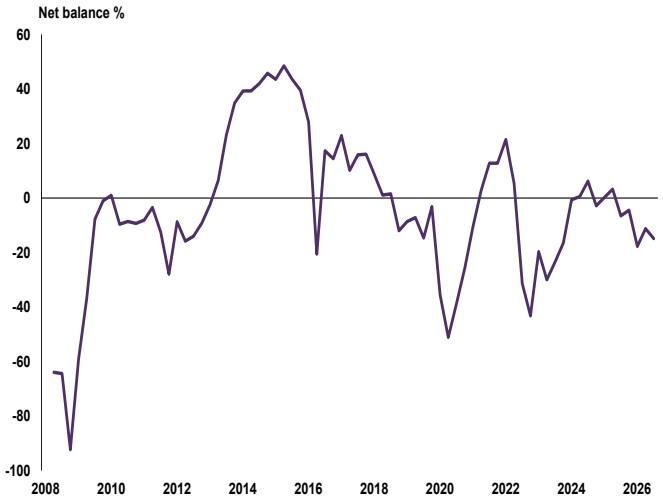
Inducements



Investment enquiries

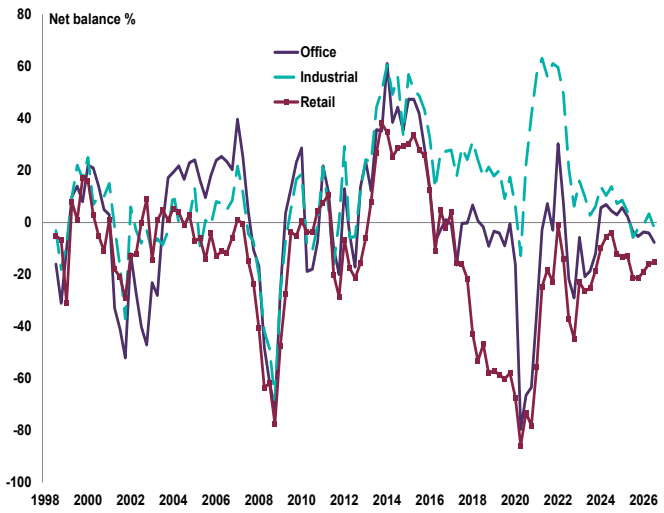


Capital value expectations

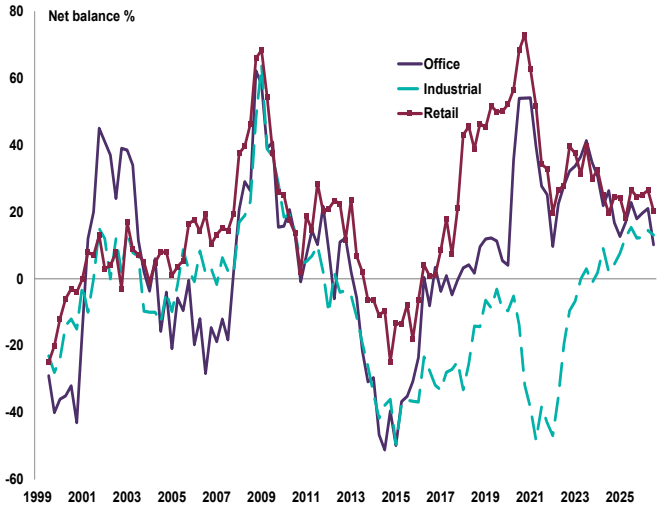


Commercial property - sector breakdown charts

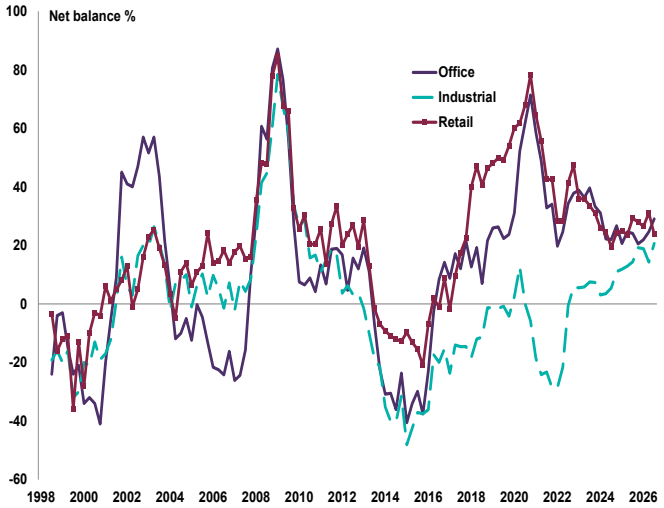
Occupier demand



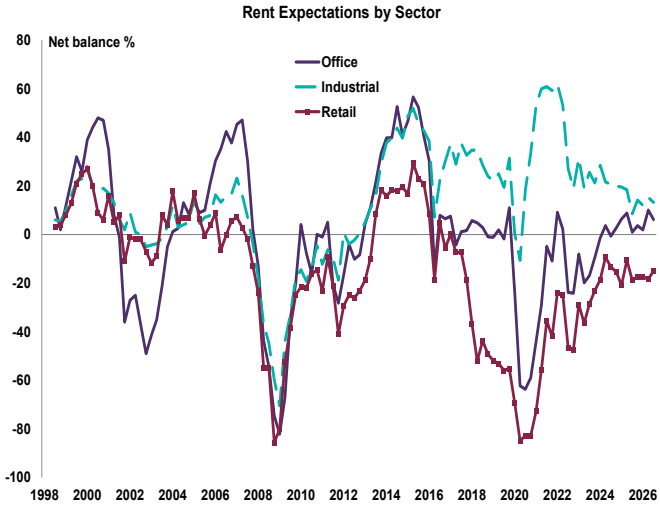
Availability



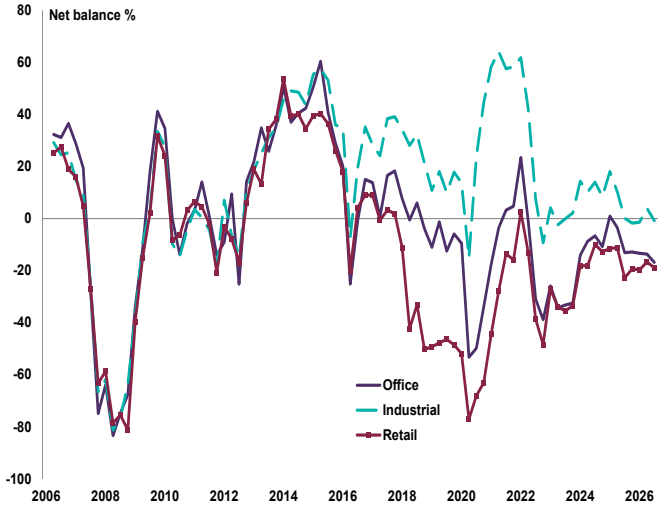
Inducements



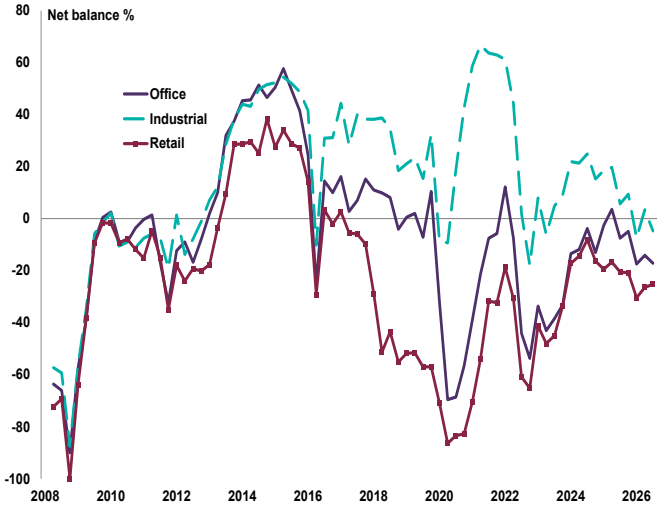
Rent expectations



Investment enquiries

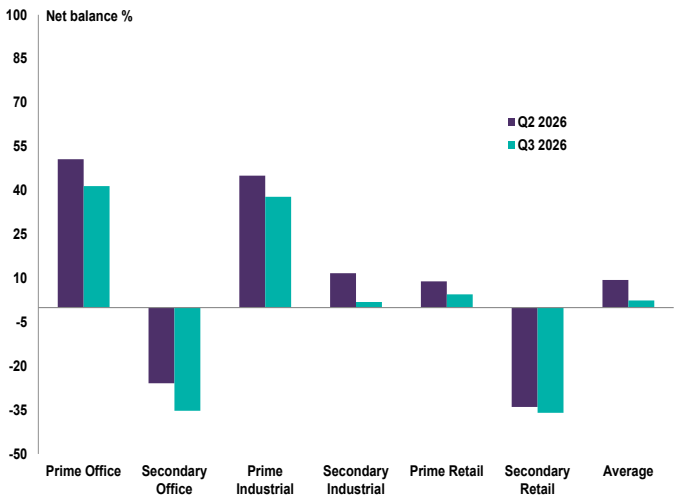


Capital value expectations

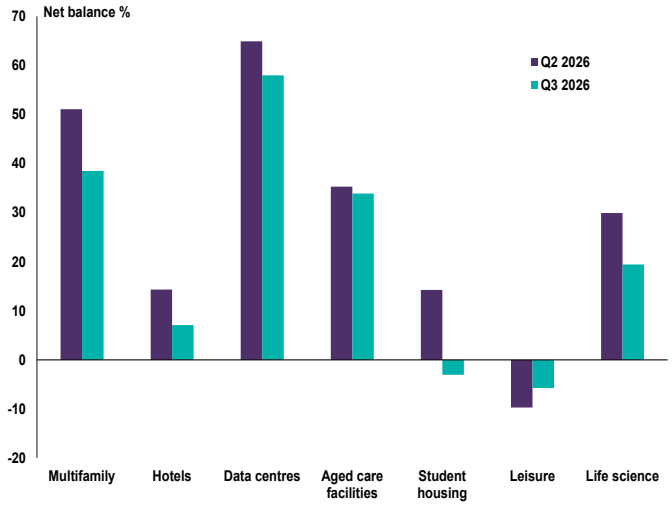


Commercial property - additional charts

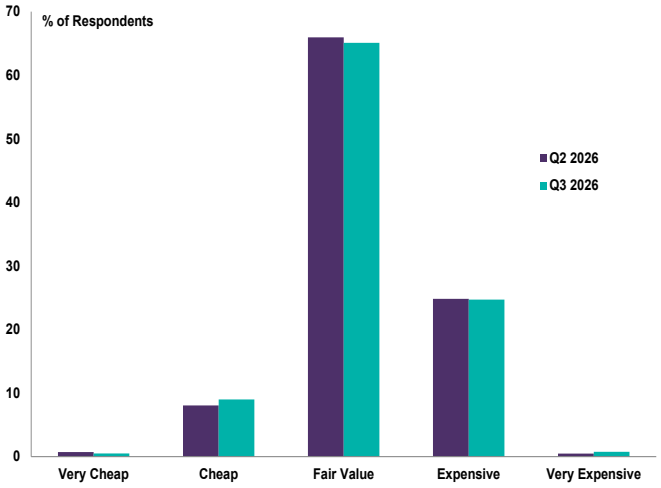
12-month rent expectations across mainstream sectors



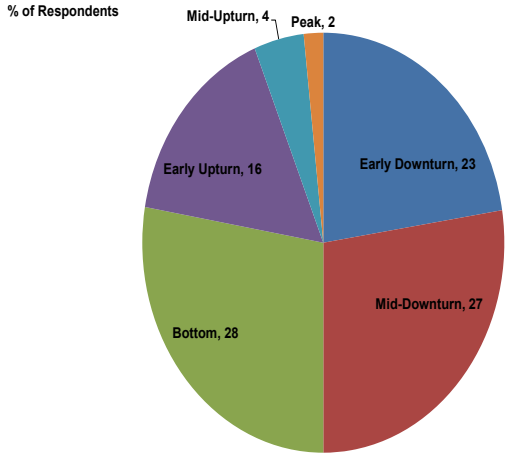
12-month rent expectations across alternatives



Valuation perceptions



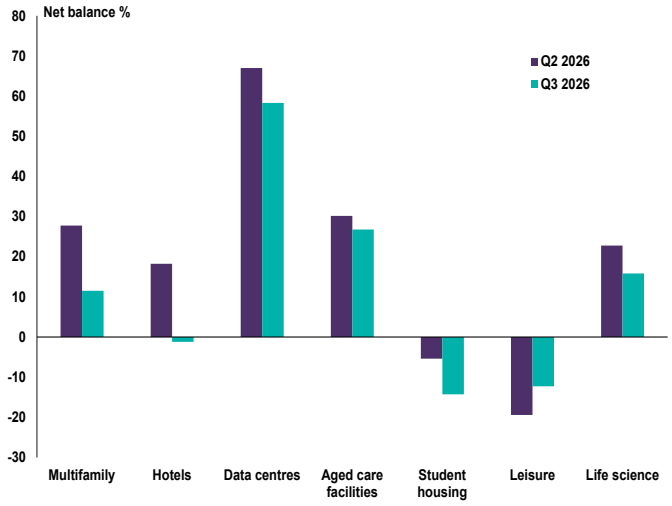
Property cycle



12-month capital value expectations across mainstream sectors



12-month capital value expectations across alternatives



Chartered surveyor comments

East Midlands

Andrew Lawson, Chesterfield, The Resort Group Plc, al@theresortgroupplc.com – Very difficult to predict the future, as we have had a sustained period of unrest since Covid: the energy crisis, multiple wars still ongoing, various worldwide disasters placing demand on construction resources, both materials and labour, and market fluctuations. We need a sustained period of stability.

Benjamin Coleman, Northampton, Ben Coleman Associates, ben@bencolemanassociates.co.uk – With major conflicts in the Middle East and Ukraine, profound uncertainty in the UK economy and a Government intent on prevarication, the current malaise in the commercial property market should come as a surprise to no one.

Brendan Bruder, Northampton, Abbeyross Chartered Surveyors, brendan.bruder@gmail.com – Conflicts between businesses or investors and the councils are inevitable. Previous administrations worked with the private sector, so there is a need for consistency as we bid to central government for support and autonomy. Northampton is a great place to do business but it needs coordination. All sectors are doing pretty well, with the exception of offices, where vacancies are still sticky and freeholds expensive unless they provide conversion potential.

James Maunder Taylor, Peterborough, Kingfisher Property Finance Ltd, jmt@kingfisherpropertyfinance.com – Lenders are generally struggling to release senior debt into the market for both investment and development opportunities, and there is a growing lack of deals and opportunities. Senior debt has significantly reduced in price. Legal fees have increased and deals are more protracted.

John Chappell, Skegness, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk – Very difficult conditions. Whilst tourist numbers to the coast have been strong, they are down on previous years, reflecting the cost pressures on the traditional families that come here, not least the cost of putting petrol or diesel in their cars. Visitor numbers are therefore visibly down and spend per head is noticeably down, and this is affecting confidence in this sector, with a number of long-established businesses now coming to the market, sadly at a time of lowest demand.

Martin Langsdale, Derby, Raybould & Sons, martinlangsdale@btinternet.com – 2026 has been a slow, hard year. The two negative Autumn budgets and the fear of more taxes to come have had a severely detrimental effect on businesses.

Eastern

Julian Wright, Great Yarmouth, East Commercial Chartered Surveyors, julian.wright@eastcommercial.co.uk – Retail with residential above is seeing a significant reduction in investor interest and a decline in capital values. Legislation on residential lettings is squeezing landlords, and we are seeing increased listings for sale but reduced appetite even at auctions. Demand is positive for industrial units, both as investment and from owner occupiers. We are seeing some increase in the sale of freehold to existing long term leaseholders on industrial.

Martin Blackwell, Peterborough, Blackwell Consulting Limited, mcb@blackwellconsulting.com – There remains strong demand for modern distribution and warehouse space across a range of size bands. However, this is putting considerable pressure on more traditional industrial manufacturers, who do not want pure warehouse or distribution space. They are often having to compete in this area, and industrial sites are often not taken or developed as industrial but as warehousing. To support manufacturing, policy adaptations to ensure industrial availability are suggested, not only distribution.

Richard Newton, Ipswich, Engineroom Design (London) Limited, Richard@engineroom.company – Lack of activity across most sectors in the region.

Sam Kingston, Norwich, Roche Chartered Surveyors, samk@rochecs.co.uk – Both the occupational and capital markets have remained subdued over the summer months, as the economy continues to struggle with increased costs across wages, energy and raw materials. In the capital markets there is activity where buyers see the pricing as attractive, but overpriced assets are struggling to sell.

London

Adrian Tutchings, Orpington, Linays Commercial Limited, commercialproperty@linays.co.uk – Very poor level of enquiries from prospective tenants or buyers over the summer period.

Charles Hicks, London, Strandbrook Ltd, charleshicks@strandbrook.co.uk – The bond market is going to have a direct impact on yields, so we will have to wait for that to play out. The UK Government budget on 28 October and the US mid-term elections are key watersheds.

Chris Jago, London, Houston Lawrence, chris@houstonlawrence.co.uk – The market continues to operate in a random fashion. Capital values are harder than ever to predict right now.

David Carlsson-Evans, London, Chantry Estates London LLP, davidcarlsson-evans@chantry-estates.co.uk – Market is sluggish and occupiers are more cautious.

David Shapiro, London, Ashurst Real Estate, London UK, ds@ashurstre.london – The market remains challenging across the asset classes that I deal with, with little sign of a recovery, although interest does appear to be marginally better.

Duncan Locke, London, McWhirter Locke Ltd, duncan@mcwhirterlocke.com – Land Securities have reported very high office occupancy levels, and a lack of new Grade A accommodation naturally leads to rising rents in prime office areas of London.

Gary Yardley, London, Aragon Property Consultancy Limited, gary.yardley@sky.com – Dismal.

Geoff Scott, London, D S Smith, geoff.scott@dssmith.com – Demand for secondary owner occupied industrial space has certainly dipped.

Graham F Chase, London, Chase Sinclair Clark LLP, GFC@chasesinclairclark.co.uk – Depressing property market with significant uncertainty as a result of changes in property statutory provisions, increased regulation and higher taxation across the board.

Justine Morris, London, BLB, jmorris@blb.uk.com – It is difficult to judge as people are only just returning from the summer holidays.

Mac Lal, London, Macneel, maclal66@gmail.com – Stagnant due to uncertainty and an unfriendly UK business environment, increased regulation and taxes.

Marcus Perkins, London, MP2RE LLP, mp@mp2re.com – General antipathy towards investing, but in turn 'hot spot' competition for the right product. Nervousness about an outward movement in interest rates. Grade A office leasing market strong.

Mark Larard, London, EMEA Wide, mark.larard@gmail.com – The economy and all real estate markets are going to get significantly worse over the next 12 to 24 months globally, but especially in Continental Europe.

Martin Crossley, London, MC Retail Consulting Ltd, mc@mcretail.co.uk – Capital values are completely determined by interest rates. Any sign of reduced inflation and a reduction in rates will fuel an acceleration of rents and values.

Nigel Harrison, London, Harrison Leggett, nh@harrisonleggett.co.uk – Prime office market strong due to a relative lack of product available. Secondary office market fragile and flex office offerings reaching peak supply.

Paul Cockburn, London, Savills, pcockburn@savills.com – Really tough capital markets. Buyers are very happy not to trade unless the product and deal are absolutely right for them, given the worsening economic outlook.

Richard Simon Kelly, London, BMA, simonkelly54@googlemail.com – Still uncertainty. The Iran and oil position and its impact on the economy is affecting long term strategic views. The upcoming UK budget is an unknown.

North East

David Downing, Newcastle upon Tyne, Sanderson Weatherall LLP, david.downing@sw.co.uk – The tightening supply of Grade A offices in Newcastle is pushing rents on for this type of space, but secondary offices are a very different story, with little demand and values at best static. There is a good demand level for smaller retail units, but the affordability of rents is the real driver on whether deals complete. There is tightening supply in the industrial and logistics market, as development is still difficult because costs continue to rise at a rate above the growth in values.

Gerard Darby, Hartlepool, Hartlepool Borough Council, gerard.darby@hartlepool.gov.uk – Flat.

Ian Blackett, Newcastle upon Tyne, Davison Blackett Limited, ianblackett@btconnect.com – Frustrating.

Kevan Carrick, Newcastle upon Tyne, JK Property Consultants LLP, kevan@jkpropertyconsultants.com – Whilst generally a quiet market, in offices, quality and City Centre locations, and similarly smaller size industrial units in good locations, both show enquiries. There is a lack of confidence continuing in the market from occupiers, who as an alternative prefer to adapt existing space. It is hoped that the Budget will change perceptions and encourage businesses to invest to achieve business growth.

North West

Jonathan Mills, Manchester, Metis Real Estate Advisors, jmills@metisrealestate.com – Remains relatively flat.

Mark Clarkson, Preston, Eckersley, mac@eckersleyproperty.co.uk – Challenging.

Michael Fisher, Lancaster, Fisher Wrathall Commercial, mike@fwcommercial.co.uk – Overall demand across all sectors is muted, though industrial continues to hold up better than the rest. There is a lot of sitting on hands, waiting to see what the next budget has in store and which direction the government is going to take.

Mike Forster, Liverpool, Sefton Borough Council, mike.forster@sefton.gov.uk – Seeing active demand for secondary retail and industrial rentals, and increased development activity in the residential and leisure sectors.

Nick Maxwell, Manchester, Jeffrey Alexander LLP, Survey@guas.co.uk – Market is stable but may change if lenders tighten lending policies.

Northern Ireland

Gareth Howell, Belfast, Wirefox, gareth.howell0@wirefox.com – The market is quite disparate, with clear distinctions between prime and secondary. Occupier sentiment remains cautious in many areas.

Guy Hollis, Belfast, Oakland Holdings, guy.hollis@oaklandni.com – The Northern Ireland property market continues to be under pressure across the board. Recent local political tensions are having a very negative impact on investment generally.

Scotland

James Macdonald, Edinburgh, JSM Developments, jim@jsmdevelopments.co.uk – It is difficult to be accurate in predicting how the market will change due to the many uncertainties in the international arena, although I get a feeling that a gentle uptick is happening. It is fragile, however, and could easily be blown off course by political decisions.

John Duffy, Glasgow, Colliers International, John.duffy@colliers.com – High Street and Shopping Centre values stable. Upwards pressure on Retail Park values.

Leigh Porteous, Dunfermline, DM Hall, leigh.porteous@dmhall.co.uk – The market has slowed in the last few months with fewer enquiries. Values are not yet affected but it will take time to reflect.

Len Kidd, North East Scotland, Retired, len.kidd67@btinternet.com – Please note that I am retired and my answers here are based on my observations of property in the local area. What I have noticed is the number of secondary shops and offices being offered for sale for conversion to housing. I have also noticed an increasing number of local authorities and major commercial landlords opting to demolish. I notice also an increase in the use of yards and large industrial buildings to house small, short term let storage units and containers for domestic and non-domestic clients.

South East

Alastair West, Whitstable, Azure Property Consultants Ltd, Al@azurepc.co.uk – There is a lot of uncertainty in the market. Investors and occupiers do not know how the markets will change with AI.

Bernard Smith, Crawley, Bernard J Smith Limited, bernie@bernardjsmith.co.uk – Enhanced nervousness. Little appetite for new commitments. Occupiers prioritising flexibility.

Christopher Thomas, Windsor, Christopher Thomas & Co Ltd, ct@chthomas.com – Although occupier demand remains balanced, geopolitical tensions driving inflation have caused certain sectors of the property market to stutter. Investment in data centre, software and technology related business appears to be a central economic driver in the South East region.

David P D C Martin, Brighton and Hove, SHW, dmartin@shw.co.uk – Generally a quiet summer in all sectors, but with two good office pre-lets at Sovereign House in Brighton, which has been extensively refurbished, with good interest in the remaining floors demonstrating the underlying demand for Grade A offices. There are still deals being done in retail and industrial, but with landlords having to be more flexible on rents and incentives. The late Autumn budget is delaying some business decisions.

Edward Iliffe, Southampton, Yattendon Group, edward.iliffe@yattendon.co.uk – The removal of Business Property Relief and Agricultural Property Relief, together with continued changes to employment rules and taxation, is seen as weighing on business growth.

Gbolahan Solaymon MRICS, Chelmsford, N/A, gbolahan.solaymon284@gmail.com – The environment for economic growth remains sluggish. The mid-downturn has fed through to weaker occupational demand across all the key commercial property sectors: offices, industrial and retail.

Gordon Wood, London, Hunters Property Investment, gordon.wood@dexterwood.co.uk – Current Government policies relating to the housing rental market, retail and the evening leisure markets are holding back business growth.

Iain Steele, Farnham, Park Steele, Iain@parksteele.com – There continues to be a reasonable level of enquiries, although conversion to transactions is taking longer. The legal process continues to be frustratingly slow, sometimes scuppering deals.

Jeremy Grey, London, James Andrew International, jhg@jamesandrew.co.uk – World events, with continuing wars in the Middle East and Ukraine, are causing huge inflationary pressures. Central banks are likely to increase interest rates once or twice before the New Year. Higher interest rates drive up yields, pushing capital values down.

John Logan, Chelmsford, Fenn Wright LLP, jdl@fennwright.co.uk – The market generally quietened down as expected for the summer holidays and the usual autumn rebound has not materialised. The office market has been very quiet for the past three to six months.

John King, London, Andrew Scott Robertson Chartered Surveyors and Estate Agents, jking@as-r.co.uk – There has been an increase in demand within the retail sector from new players such as those offering therapy and cosmetic treatments, along with an increase in coffee shops. Otherwise, larger office buildings are changing use to residential: in the London Borough of Merton 20 per cent of the stock is applying for co-living and residential conversion. Industrial units above 5,000 sq ft are struggling to let at present due to a spike in rents over the past couple of years. We appear to be in mid stream over its direction.

Julian Scannell, Medway, Watson Day Chartered Surveyors, julianscannell@watsonday.com – We appear to be in a hiatus. It is more likely that bank interest rates will increase rather than decrease in the short term. The market appears to have paused pending the delivery of the October budget speech. There are other factors depressing demand from both prospective tenants and prospective purchasers, including sustained high costs of fuel, energy and fertiliser and the increased cost of government borrowing. Overall, the prospects for the next few months appear bleak.

K Mersh, London, Savills, kmersh@savills.com – From discussions with others working in the market, this is easily the hardest market I have worked in.

Ken Glendinning, Winchester, N/A, ken_glendinning@btinternet.com – Weak market, prices and costs increasing, poor demand and general concern at levels of taxes and the cost of labour.

Matthew Dichler, London, Knight Frank, Matthew.dichler@knightfrank.com – Waiting for the global environment and the UK macro picture to stabilise, with hopes of avoiding stagflation.

PJ Thibault, London, HNB Real Estate, pjthibault@hnbrealestate.com – Do not be fooled. There continues to be very little liquidity in the market for the vast majority of UK property outside of a few super core markets.

Robert Martin, Slough, Cadent Gas, robertjnmartin@icloud.com – In the property area I focus on, from the occupier side, office and industrial prices remain on the high side.

Roger Holt, Southampton, Holt Consult, roger@holtconsult.co.uk – The market is slowly moving forward, but in particular in the smaller business sectors it is difficult due to poor business confidence.

Russell Francis, London, Colliers, russell.francis@colliers.com – Occupiers and investors are concerned about the potential for taxes and interest rates to rise and are hence delaying decisions.

Simon Browne, Brighton, Crickmay Chartered Surveyors, scb@crickmay.co.uk – As a valuer I see that investor demand is reduced and very price sensitive. Yields have risen noticeably over the last 18 months. Higher value lots are more difficult to sell. There is still a reasonable market for low value investments and premises for owner occupation. The Renters Rights Act is impacting on the value of single and small lot size residential investments. Market sentiment is generally dismissive of government policies and capabilities.

Stephen Ray, Redhill and Reigate, SHW, sray@shw.co.uk – Prime offices in Redhill particularly are in demand, and supply is diminishing.

Tony Chalkley, London, Grant Mills Wood, tonyc@grantmillswood.com – Potential occupiers are still making enquiries for new or alternative premises but are delaying decision making, perceived to be due to a new Prime Minister and the forthcoming budget. All occupiers and investors need certainty to make expansion decisions and that does not exist presently. The war in Iran is fuelling inflation and increasing manufacturing and distribution costs which, ultimately, will be passed on to the consumer.

Will Staniland, London, Rumsey and Partners, will@rumseyandpartners.co.uk – A very flat summer, with a negative impact from global issues. The oil crisis is leading to long term interest rate rises and there is anticipation of the budget. A positive view of the new Prime Minister is a slight brightness on the horizon, but investment and occupational deal progress is glacial.

South West

Andrew Theobold, Ringwood, IHCA Limited, andrew@ihcaltd.co.uk – A realisation that we are where we are and markets are not going to improve any time soon, particularly within the leisure and hospitality sectors. It is therefore a matter for operators to pivot and manage their business as well as they can within the challenging environment we find ourselves in, until operational costs become more manageable, which is some time away if at all.

Andrew Kilpatrick, Swindon, Kilpatrick & Co, A.Kilpatrick@kilpatrick-cpc.co.uk – Swindon and Wiltshire's commercial property market continues to be somewhat subdued and, whilst the change in Prime Minister seems to have lifted some of the gloom, businesses are waiting to see whether the optimism translates into any meaningful action to help the economy.

Anne Brennan, Poole, Sibbett Gregory, anne@sibbettgregory.com – Investor confidence is waning at the prospect of an increase in interest rates, with credit constraints and high borrowing costs impacting investment. The UK economy remains fragile due to ongoing concerns over tax, regulation and energy costs. Institutional investors are now pulling capital out of UK equity funds, with many transferring their cash to gilts and fixed income bonds. Stability is needed.

Bryan Richard Galan, Bournemouth, Mellawood Properties Ltd, bryan.galan@outlook.com – Interest from retailers is weak and I expect this to continue. The rates issue is impacting on lettings, along with staff and utility costs.

Dean Speer, Salisbury, Myddelton & Major, deanspeer@myddeltonmajor.co.uk – Market remains weak, with demand uncertain, now to include the industrial sector. Occupiers are very cautious about the economy.

G English, Warminster, G E Commercial Property, genglish@gecp.co.uk – A definite air of caution and uncertainty, with tougher borrowing conditions.

G C Thorne, Poole, Thornes, graham@thornes.org.uk – A rather depressing story.

Huw Thomas, Chippenham, Loveday, huw@lovedau.uk.com – The office market continues to slide downward, with generally the only demand being for conversion to residential. The industrial and warehouse market is stable, with slight increases in rents and capital prices for better quality premises. The retail market has seen the largest increase in demand in this area, led by the food and drink sector.

Ian B. Sloan, Moreton-in-Marsh, Bankier Sloan, reception@centre-p.co.uk – Demand for retail units in the traditional North Cotswold tourist towns, including Stow-on-the-Wold, remains good due to a lack of units in prime locations. Location is everything in these tourist towns.

Ifan Rhys-Jones, Plymouth, Listers Property Consultants Ltd, ifan.rhysjones@btinternet.com – The market is very flat in certain sectors, particularly for prime property, and remains relatively undynamic in our region and city.

Jon Stone, Exmouth, Jon Stone Surveyors Ltd, jon@jonstone.co.uk – Nervous market across all sectors.

Leslie Warren, Bristol, Guinness Partnership, lesliegwarren@gmail.com – Variable.

Luke Sparkes, Cirencester, Marriotts Property LLP, luke.sparkes@marriotts.co.uk – The commercial lettings market remains fragile. There appears to be a general lack of confidence among prospective tenants, likely driven by national and international political events and the local impacts, either forcing their hand at the eleventh hour or evident in the offers they put forward. Encouragingly, investment sale enquiries appear to have strengthened over the past three months.

Michael Oldrieve, Exeter, MO, m.oldrieve@btinternet.com – On tick over and needs a kick to get it going.

Nick Maffey, Truro, Miller Commercial, ngm@miller-commercial.co.uk – Nervous!

Oliver Workman, Cheltenham, THP Chartered Surveyors, oliver@thponline.co.uk – The market remains challenging but with some blue sky on the horizon. Activity has increased in August into September and, depending on the impact of the impending budget, the hope is that this trend will continue.

Peter Woodley BSc (Hons) MRICS, Cheltenham, Cheltenham Borough Council, peter.woodley@cheltenham.gov.uk – With interest rate rises looming and continued increases in the cost of gilts, things are not looking promising.

Robert McGuffie, Truro, RJM, robert@rjmproperty.co.uk – Appears to be a slightly weaker market, particularly for commercial.

Simon Walsham, Bournemouth, Poole and Christchurch, James and Sons, simonwalsham@jamesandsons.co.uk – Industrial market remains positive, with demand outstripping supply. Office market remains good in some smaller regional centres. Retail market remains weak.

Simon Bennett, Bristol, Altitude, sb@altitude-inv.com – Whilst there is still activity amongst smaller private investors for lots up to c£2m, the wider economic uncertainty is having an adverse effect on investor confidence and pricing for larger properties.

Tim Wright, Dorchester, Greenslade Taylor Hunt, tim.wright@gth.net – Market conditions have deteriorated significantly over the past three months, although this has not resulted in lower prices and rents yet. Enquiries are much lower. Businesses are nervous about the current economic climate.

Wales

Chris Sutton, Cardiff, Sutton Consulting Limited, chris.sutton@suttonconsulting.co.uk – There is a squeeze in the supply of both Grade A office and industrial accommodation, with good quality enquiries struggling for options to accommodate relocation or expansion plans. There is new development in the industrial sector, mainly along the M4 corridor, supported where appropriate by the Development Bank of Wales. In the office market, developer Rightacres has successfully refurbished office floorspace in central Cardiff for several Grade A occupiers.

Richard Baddeley, Conwy, Richard Baddeley & Company, richardbaddeleyco@gmail.com – The change of government in Cardiff has so far had little impact on the North Wales economy, but the previously agreed Growth Deal has a number of sound projects, although these will not see an appreciable impact for several years. The significant developments are at Parc Bryn Cegin, where there is encouraging demand for the industrial space in development, and the Menter Mon Hydrogen Hub at Parc Cybi, Holyhead, with funding from the Growth Deal to provide low carbon energy to local businesses.

West Midlands

Chris Keye, Birmingham, Darby Keye Property, chris.keye@darbykeye.co.uk – Relatively robust occupier demand continues in the industrial and logistics market, with regional variations in supply evident.

George Riley, Leamington Spa, ehB Reeves, george@ehbreeves.com – The market in the West Midlands area is slowing down and we are not seeing the same level of demand that we saw 12 months ago.

Gevorg Tigranyan, Birmingham, Burley Browne Chartered Surveyors, Tigranyan.001@yahoo.com – I am quite positive about the market change.

Richard David Calder, Birmingham, Calders Chartered Surveyors, richard@calderssurveyors.com – Demand has deteriorated significantly during the last 12 months in all sectors, and particularly so in offices.

Richard Franklin, Tenbury Wells, Franklin Gallimore Ltd., richard@franklingallimore.co.uk – The market is quiet both in terms of applicants and new listings. Global uncertainty linked to US policy is the reason many businesses are citing for a lack of investment, and they are waiting for more settled conditions before making long-term property decisions.

Tim Reed, Hereford, Sunderlands LLP, t.reed@sunderlands.co.uk – Quite a bit of property is coming onto the market, primarily office and retail. Industrial is just holding its own, as is prime office and retail, but secondary premises are in increasing supply and rents and capital values are likely to face downward pressure as a result.

Yorkshire & the Humber

Andrew Hedley, York, Blacks Property Consultants, andrew.hedley@blacksproperty.com – Generally poor due to uncertainty.

Andrew McBeath, York, McBeath Property Consultancy, andrew@mcbeathproperty.co.uk – Still at the bottom of the cycle but with some very slight improvements pending.

Andrew Allen, Doncaster, LWE Commercial Property Advisers, andrewa@LWEstates.com – The market across all sectors can vary considerably within a small geographic area, for example Sheffield to Doncaster or Barnsley, and even sub-markets or suburbs within cities such as Doncaster.

Jonathan Duck, York, Bramall Properties Limited, jonathan.duck@bramallproperties.co.uk – Uncertain.

Max Rider, Leeds, Prospect Estates Ltd, max@prospectestates.com – Conditions are cautiously stable rather than strong. Rate expectations will keep pricing sensitive, and demand is favouring well-located, high-specification stock. For the subject property, its own condition, that is EPC rating, tenure and covenant strength, will outshine any regional headline.

Nicholas Child, Leeds, Wilton Developments Ltd, nick.child@wiltondevelopments.co.uk – There is a lot of disruption at the present time. If things begin to settle down this should lead to higher confidence.

Richard Heslop, Ilkley and Leeds, Property Consultants, richard@de-commercial.co.uk – Uncertainty remains a key factor and this is hindering decision making. This lack of confidence can be attributed to macroeconomic factors, Ukraine and the Middle East, while a change of Prime Minister at home is resulting in a wait and see strategy. The forthcoming budget and the potential for further tax rises continue to have a negative impact on the property market as a whole.

UK Commercial Property Monitor

RICS UK Commercial Property Monitor is a quarterly guide to the trends in the commercial property investment and occupier markets. The report is available from the RICS website www.rics.org/economics along with other surveys covering the housing market, residential lettings, commercial property, construction activity and the facilities management market.

Methodology

Survey questionnaires were sent out on 9 September 2026 with responses received until 19 October 2026. Respondents were asked to compare conditions over the latest three months with the previous three months as well as their views as to the outlook. A total of 420 company responses were received.

Responses have been amalgamated across the three real estate sub-sectors (offices, retail and industrial) at a country level, to form a net balance reading for the market as a whole.

Net balance = proportion of respondents reporting a rise in a variable (e.g. occupier demand) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

A positive net balance reading indicates an overall increase while a negative reading indicates an overall decline.

Contact details

This publication has been produced by RICS. For all economic enquiries, including participation in the monitor please contact: economics@rics.org

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