



## Q4 2020: UK Commercial Property Market Survey

# Widening disparity between strong industrial sector performance and struggling office and retail markets

- Retail and office availability still rising at a rapid pace
- Industrials continue to outperform, as occupier and investor demand strengthens noticeably in Q4
- Outlook for capital values and rents increasingly divergent at the sector level

The Q4 2020 RICS UK Commercial Property Survey results continue to portray a challenging set of conditions overall, with many parts of the real estate sector still struggling against the economic pressures caused by the pandemic. That said, this headline assessment does not apply to the industrial sector, which, supported by more favourable structural dynamics, has seen activity strengthen once again in Q4.

On the occupier side of the market, a headline net balance of -27% of contributors reported a fall in tenant demand over the quarter. On the face of it, this decline appears less severe than in Q2 and Q3, when net balances of -55% and -33% were posted. However, the disaggregated figures show the latest readings remain steeped in negative territory across both the retail (-78% net balance) and office sectors (-63% net balance). Meanwhile, the industrial sector was solely responsible for driving the slightly less negative headline reading, with a net balance of +41% of respondents citing an improvement in occupier demand (up from +22% last time).

This contrast in fortunes is also evident in the data on availability, as the retail sector posted the sharpest uptick in vacant space (in net balance terms) since the series was formed in 1999. Likewise, the availability of leasable office space rose at the strongest rate since the global financial crisis. Unsurprisingly, incentive packages on offer to tenants were increased significantly in both cases during Q4. At the other end of the scale, industrial availability continued to contract, with the latest net balance falling to -35% from -14% last quarter.

In keeping with the tightening supply backdrop, twelve month rental growth expectations were upgraded across the industrial sector. Both prime and secondary industrial rents are seen posting solid growth, returning net balances of +66% and +35% respectively (rising from +51% and +18% previously). At the same time, twelve month rental projections showed no sign of improvement across retail, registering net balances of -84% for prime (-82% in Q3) and -83% for secondary (-81% in Q3). Similarly, expectations remain downbeat across the office sector, with a net balance of -44% of respondents anticipating a fall in rents for prime office space, and -63% foreseeing a fall in secondary rents over the year to come.

With regards to feedback on the investment market during

Q4, a headline net balance of -12% of survey participants noted a decline in buyer enquiries. This latest reading is in fact the least negative since Q4 2019, although it must be highlighted that demand continues to fall sharply in both the retail and office markets, while strong growth in demand across industrials is offsetting a lot of the weakness at the headline level. Furthermore, overseas investment enquiries for UK industrial assets also picked up in Q4, marking the first positive reading for this indicator since Q3 2018.

Buoyed by this rise in demand, twelve month capital value expectations were revised higher across the industrial sector relative to Q3. Indeed, the net balance of respondents envisaging capital value gains rose from +51% to +67% for prime assets and from +21% to +38% for secondary. On the same basis, expectations turned slightly less negative regarding prime office values, moving from -50% to -35%. That said, projections for capital values across the secondary office market saw no improvement, posting a net balance of -64%. By the same token, expectations remain deeply negative across the retail sector, with the latest net balances coming in at -81% for prime and -85% for secondary.

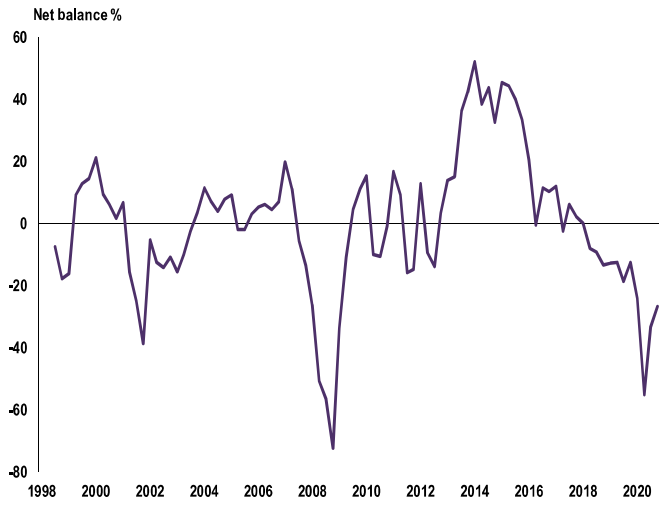
These national trends are replicated at the regional level, with the outlook for the retail sector bleak across all parts of the UK. If anything, the office market in London (particularly in secondary locations) appears under slightly more pressure than in other parts of the UK, albeit office capital value expectations are negative to some extent across the board. The industrial sector meanwhile continues to strengthen in each UK region/country according to the latest feedback.

Looking at some alternative commercial real estate asset classes, both rents and capital values are seen falling sharply across the hotel sector in the coming year. Meanwhile, expectations are also firmly negative for student housing over the same time frame. Multifamily housing displays a flat to marginally positive outlook for both rents and capital values, while aged care facilities and data centres are anticipated to see solid growth in the year to come.

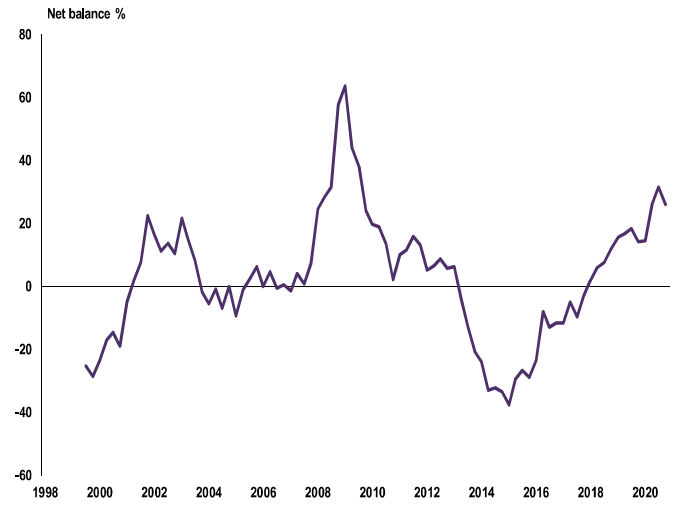
In aggregate terms, the majority of respondents (63%) still consider the market to be in a downturn phase of the property cycle. Notwithstanding this, the Q4 results did show noteworthy shift in the share of contributors sensing the market may now have reached a floor, rising from just 7% last quarter to 19% this time out.

# Commercial property - all sectors

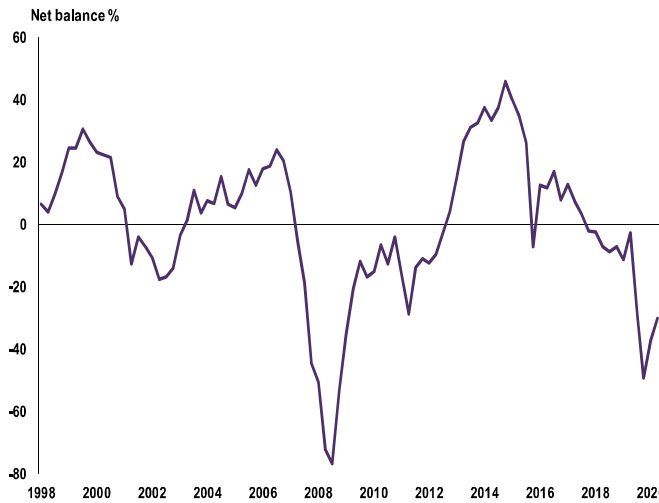
**Occupier Demand**



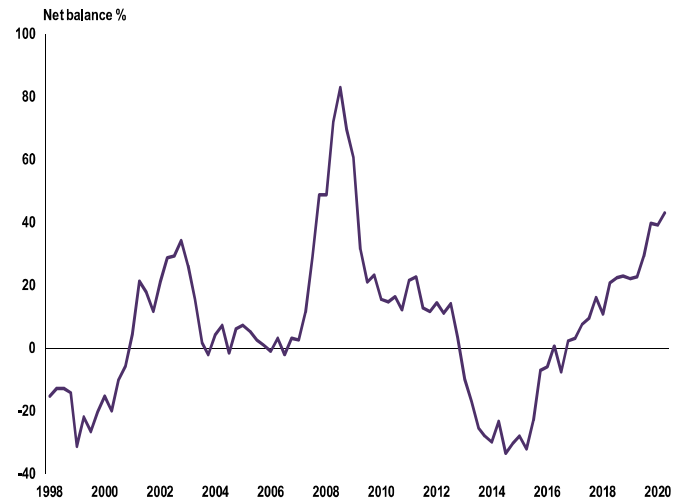
**Availability**



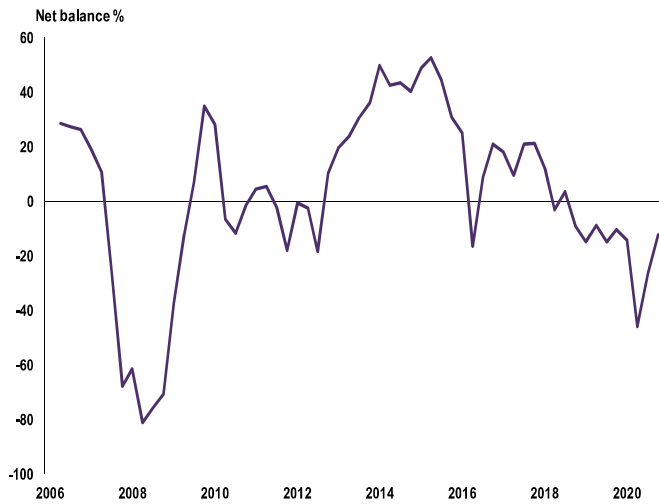
**Rent Expectations**



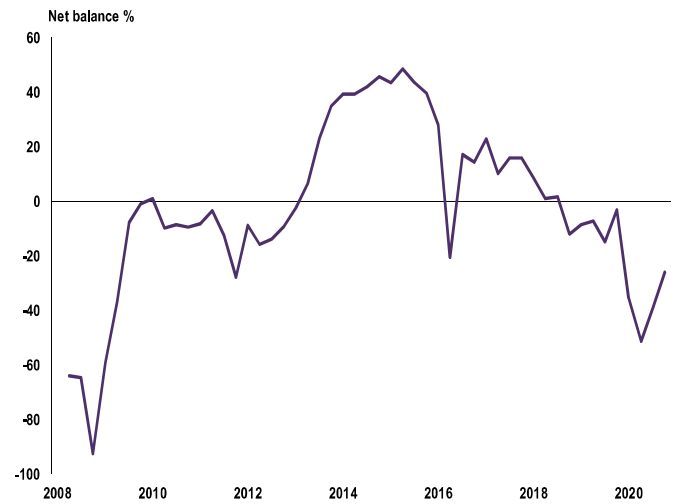
**Inducements**



**Investment Enquiries**

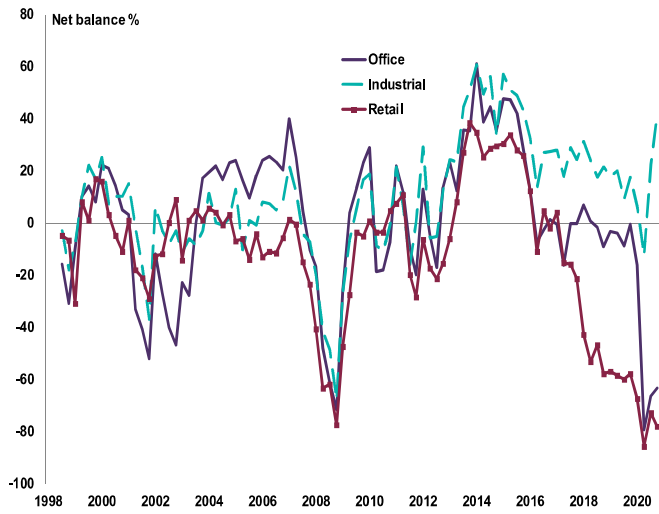


**Capital Value Expectations**

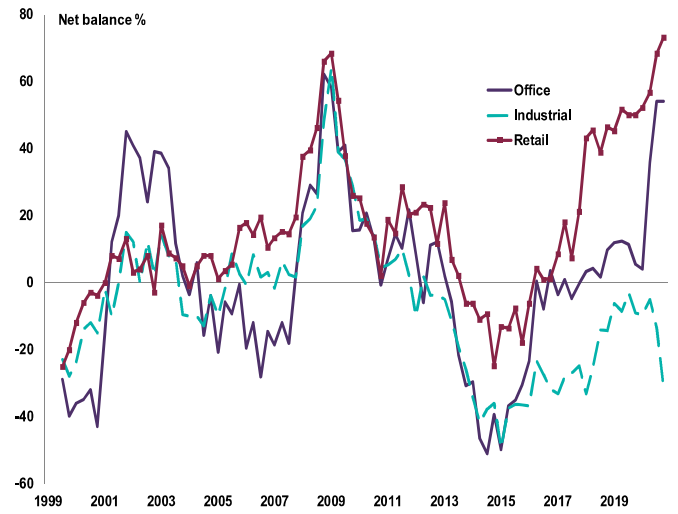


# Commercial property - Sector Breakdown

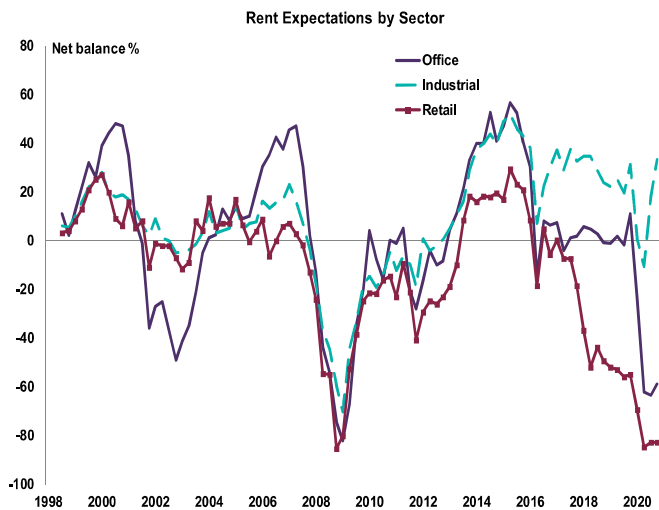
**Occupier Demand**



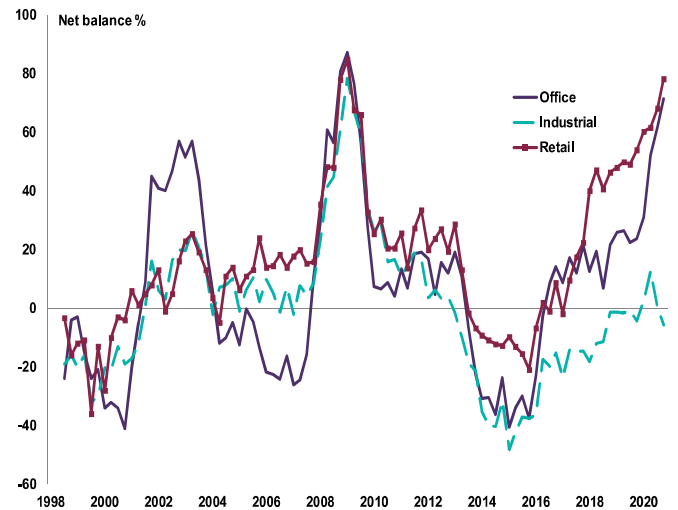
**Availability**



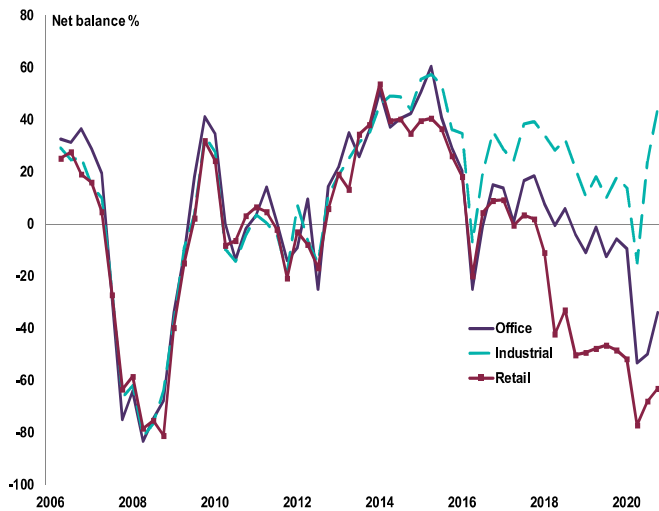
**Rent Expectations**



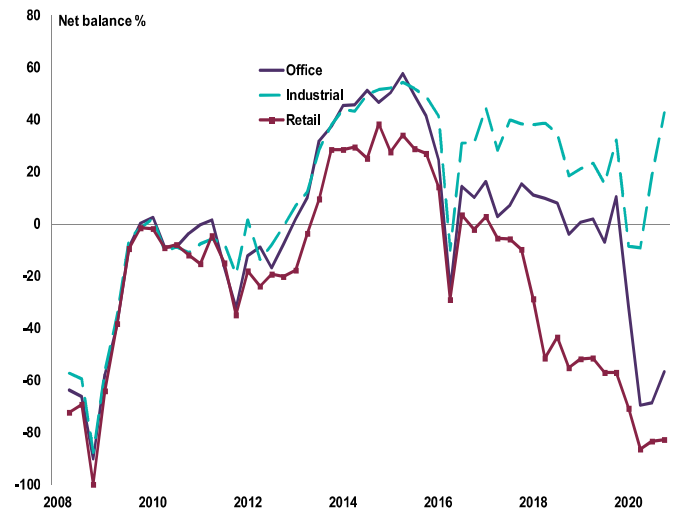
**Inducements**



**Investment Enquiries**



**Capital Value Expectations**



# Commercial property - Additional Charts

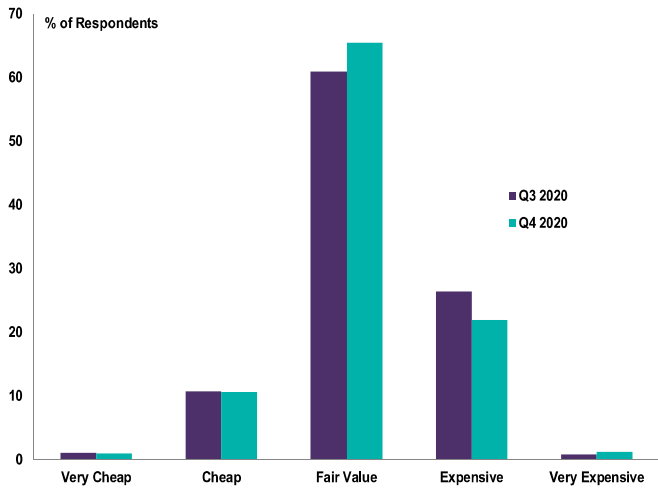
## 12 Month Capital Value Expectations



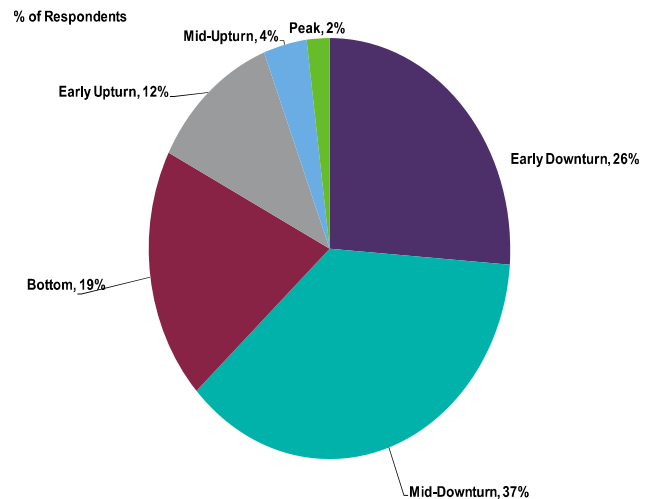
## 12 Month Rent Expectations



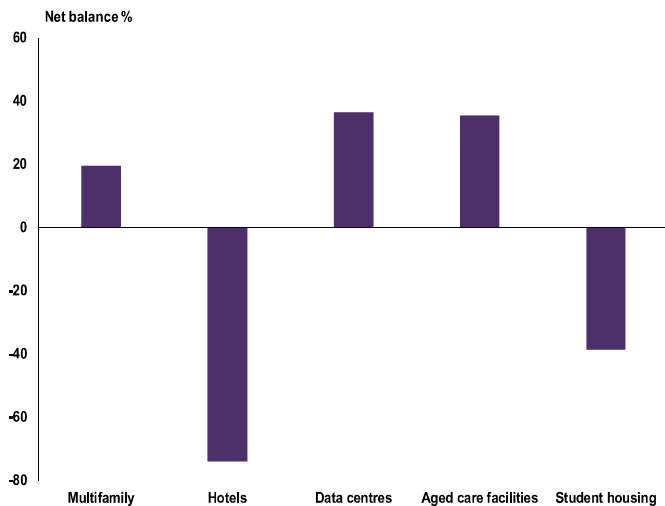
## Market Valuations



## Property Cycle



## 12 Month Capital Value Expectations - Alternatives



# Chartered Surveyor market comments

## East Midlands

Chris Morton, Birdingbury, Elliam CPS, [chris@elliam.org](mailto:chris@elliam.org) - Industrial market in danger of over heating.

David Tate, Chesterfield, Copelands, [djt@copelands-uk.co.uk](mailto:djt@copelands-uk.co.uk) - Residential effect by a lack of supply. Office values likely to increase as more space/social distancing required.

Giles Ferris, Bedford, Stimpsons Eves, [giles.ferris@stimpsonseves.co.uk](mailto:giles.ferris@stimpsonseves.co.uk) - We have been extremely busy throughout lockdown since March and been heavily active in the local investment and valuation market. We are at the peak of the market but I think uncertainty is starting to influence the market due to the collapse of Arcadia and Debenhams and the likely outcome of Brexit or whether we go into a third lock down in the New year. If tenants do not trade well for Christmas the December quarter will be very difficult.

Ian Mcrae, Northampton, Chadwick McRae, [icm@cmcre.co.uk](mailto:icm@cmcre.co.uk) - The shortages of stock in the logistics sector are forcing occupiers to look at pre-lets as their only option to satisfy requirements.

Joe Reilly, Leicester, Innes England, [jreilly@innes-england.com](mailto:jreilly@innes-england.com) - Still uncertain, but there is optimism following the implementation of a vaccine.

Kirsty Keeton, Newark, Nottinghamshire, Richard Watkinson & Partners, [kirsty@richardwatkinson.co.uk](mailto:kirsty@richardwatkinson.co.uk) - Understandably, the retail & office market has been quiet. Industrial sector is holding up with good demand. Office lettings have been agreed for companies downsizing/reducing overheads, with increasing tech, decreasing office numbers and increasing home working. The next 3 months will be interesting, particularly in Newark seeing how the regional businesses fair with lockdown 3.

Paul Wheatley, Leicester, NWLDC, [paul.wheatley@nw-leicestershire.gov.uk](mailto:paul.wheatley@nw-leicestershire.gov.uk) - A concerning time for all property sectors other than industrial. Distribution and logistics hubs have potential for growth.

Richard Sutton, Nottingham, NG chartered surveyors, [richards@ng-cs.com](mailto:richards@ng-cs.com) - Industrial continues to show strength across all size ranges, speculative development is now on track in many locations for Q1-2. Offices are in the doldrums, we are still seeing more demand for city fringe/suburb over city core.

## East Anglia

David Harvey, Norwich, Harvey & Co, [david@harveyandco.com](mailto:david@harveyandco.com) - Industrial & warehousing demand strong, limited supply, some new speculative development emerging for the first time in many years. Rents increasing to reflect imbalance between demand & supply. Offices have been difficult in 2020 but there are signs of an uptick in demand and deals are being done, albeit on more tenant favourable terms than a year ago - softer rents and increasing concessions. Grade A stock remains very low so if demand upturn increases, terms will harden. Retail disastrous.

Jon Hutt, Cambridge, JRandsHutt, [jon@jrandsutt.com](mailto:jon@jrandsutt.com) - The Cambridge market remains a strong bubble of activity particularly in the Life Sciences sector. This market is driving value and demand here and will continue to do so through 2021, particularly with the continuing Covid crisis. It is attracting more investor interest than previously, even though it has always been strong. Retail in this area is suffering. Offices unchanged and industrial still in demand due to limited stock.

Jonathan Lloyd, Bury St Edmunds, Hazells Chartered Surveyors, [jonathan@hazells.co.uk](mailto:jonathan@hazells.co.uk) - I consider the traditional office/retail/industrial market sectors are all at different stages of the property cycle. Industrial is doing very well at the moment, particularly logistics, with Brexit uncertainty and Covid home shopping fueling demand. I envisage further price/rent rises but then a potential steep adjustment as the relative ease to satisfy demand through the quick building process may leave some developers exposed. The office market may recover post Covid. Retail will remain difficult.

Nigel Handley, Norwich, Bullen developments Limited, [nigel.handley@bullengroup.co.uk](mailto:nigel.handley@bullengroup.co.uk) - The worst is likely yet to come with the impact of the last 10 months.

P H H Wheaton, Colchester, Fenn Wright, [phhw@fennwright.co.uk](mailto:phhw@fennwright.co.uk) - Stark contrast between the retail and small employment use premises sectors.

Philip Halmshaw, Huntingdon, Brown & Co Barfords, [phil.halmshaw@brown-co.com](mailto:phil.halmshaw@brown-co.com) - Market remains remarkably buoyant in Cambridgeshire.

Richard Bertram, Ipswich, Beane Wass & Box, [rbertram@bw-b.co.uk](mailto:rbertram@bw-b.co.uk) - Difficult trading conditions with few well funded buyers around.

S Longbottom, Stevenage, Stevenage BC, [stuart.longbottom@stevenage.gov.uk](mailto:stuart.longbottom@stevenage.gov.uk) - Uncertain. Limbo for the time being.

Sam Kingston, Norwich, Roche Chartered Surveyors, [sam.kingston@rochesurveyors.co.uk](mailto:sam.kingston@rochesurveyors.co.uk) - The industrial market remains buoyant and lack of supply has led to increased rents and values across the region and especially in Norwich. The office market is split. The freehold owner occupier sector has seen increased demand and this has resulted in higher values- but mainly in the sub £500,000 sector, with the leasehold market struggling. Rents are stable but incentives are moving out.

Scott, St Ivese, Benson Property Consultants, [scott@bensonpcl.com](mailto:scott@bensonpcl.com) - The second Covid wave and when that can be brought under control, will determine when the recovery will start and at what pace.

Simon, Norwich, Altus Group, [spenny316@outlook.com](mailto:spenny316@outlook.com) - Very tough and uncertain times all round. Very little market faith and certainty. Companies that had the planned to improve and take on more stock have put plans on hold.

## London

Abraham Landy, London, Cedar Harp Ltd, [dlandy@cedarharp.com](mailto:dlandy@cedarharp.com) - As a firm who deal with property across England, we have seen take up of secondary retail space in a number of areas. Many of the businesses taking space being ones which can't operate during Covid restrictions (tattoo parlours, beauticians, hairdressers etc.) so small businesses are taking space whilst it's cheap and affordable and on the basis we believe that the government will continue to provide support for at least a year, either by way of rates support, job support etc.

Adrian Macarty, London, Buckland Securities Ltd, [admssltd@gmail.com](mailto:admssltd@gmail.com) - Covid-19 has had a big impact in uptake of vacant space in the commercial market.

Adrian Tutchings, Orpington, Linays Commercial Limited, [commercialproperty@linays.co.uk](mailto:commercialproperty@linays.co.uk) - Very difficult to read the office market. Industrial steady. Retail still active (changes to the Use Classes Order has assisted).

# Chartered Surveyor market comments

Alexander Anrude, London, Royal Borough of Kensington & Chelsea, alexander.anrude@rbkc.gov.uk - There is a lot of discussion through different estate agents and research firms that there is a slight boom within the residential market as well as the commercial. However, whilst working and operating in the central London commercial market, there are clear signs that retail is struggling with the lockdowns taking place. There has definitely been a rising trend where tenants are speaking with the landlords regarding their rent, notices to quit have risen, CVAs and rent reviews deferred.

Anthony Silver, London, DMA, asilver@dmaproperty.com - The only thing certain is continuing uncertainty.

Ben Hodge, London, Allsop LLP, ben.hodge@allsop.co.uk - Demand from private investors is strong however they are carrying out greater due diligence.

Ben Symes, London, Symes Retail Property Limited, ben.symes@symesretail.com - The government must finally deal with the Business Rates system, to modernise it to be more reflective and more reactive to the quicker changes that happen in the market nowadays, particularly concerning retail property.

C J Bond, London, Marwood 252 Limited, cjb.4200@gmail.com - I expect to see a high level of business failures in retail & leisure, continued growth in online & distribution, and a greater move to working from home. This will reduce the demand for office space and increase the demand for bigger houses.

Chris Callaghan, London, Kingswater, cpc@kingswater.co.uk - Uncertainty linked to pandemic.

Chris Jago, London, Houston Lawrence, chris.jago@houstonlawrence.co.uk - Transaction volume down - particularly in the office sector. Tenants seeking very competitive terms.

Claudia, London, London and Cambridge Properties, claudia.gasparro99@gmail.com - Mid downturn. Retail and office suffering the most.

Craig Silver, London, Strettons, craig.silver@strettons.co.uk - Market is generally down however there are signs that tenants seeking bargains are coming to the table.

David Brooks Wilson, London, Noble Wilson Ltd, dbw@noblewilson.co.uk - If we hold our nerve we could be at the beginning of an upturn in the sector but it needs optimism. Brexit concluded and a firm pound sterling. If interest rates remain generally stable then there could be a rapid recovery in consumer demand supported by household savings. Institutional investment inflows could be significant by Q2 2021.

David Vickerstaff, London, White Druce & Brown, davidjv@live.co.uk - The markets have already shifted considerably over the year, but values are uncertain.

Duncan Owen, London, Schrodgers, duncangarethowen@gmail.com - Some significant opportunities for investment will be evident during 2021-2022. Offices are unduly hit negatively in the short term and industrial warehousing may now be close to the top of the market for investment values (but opportunities remain for new prime developers).

Ed Cloke, London, LSH, ecloke@lsh.co.uk - Difficult time for many in the property industry.

Edward Heldreich, London, Acorn Property Group, edwardh@acornpg.org - Challenging.

Fiona Crowley, London, Farebrother, fcrowley@farebrother.com - The office market is experiencing a flight to quality and service and I consider this trend is here to stay as the industry places more emphasis on wellbeing. Occupiers are increasingly demanding fitted accommodation on flexible terms. The office will have the purpose of being a base for collaboration and innovation going forwards, rather than just a 'place' to work. Rents for secondary office space will decline whilst prime rents will remain robust.

Francis Tomlinson, London, Aitchison Raffety, francis.tomlinson@argroup.co.uk - Strange and uncertain times, but parts of the market holding up well.

Freddie Murray, London, London Borough of Waltham Forest, freddie.murray@walthamforest.gov.uk - Retail, hospitality, smaller retail, suburban office markets in Greater London town centres and industrial letting activity all holding up remarkably well; there is still interest from occupiers for the right size (smaller) premises on flexible terms.

George Walker, London, Allsop LLP, george.walker@allsop.co.uk - Investor demand remains strong as valuers and vendors are finally accepting that a re-rating is in place and irreversible. This has led to an increase in liquidity and lot size, particularly in retail, with new and cheaper capital looking to get on the back of some very high yields.

Giles Hall, London, Orchard Street Investment Management, giles.hall2012@gmail.com - The impact of the pandemic has not yet fully filtered through into rent and capital values as government intervention has offset some of the downside. As the support and protection from debt recovery unwinds, I expect office and retail rents and values to fall further unfortunately - as the full extent of tenant distress becomes clear.

Hazel John, Greater London, London Borough of Havering, hazel\_418@hotmail.com - The demand for secondary stocks is expected to dip only slightly, then recover; as prime stock owner occupiers and investors shift to smaller/cheaper takes them to edge of town in the short to medium term. The expectation is that London will become more attractive in 24 months and beyond. Investors, foreign students and tourist will return. Sentiments are more tentative not all negative. Deals are being done. Vacancies are due to natural fluctuation of time and uncertainty rather than mass exodus.

Helen Shellabear, London, Shellwin Limited, helen@shellwin.co.uk - Industrial remains robust but the picture for offices is far from clear. I am not yet seeing any sign of a flight to the hub and spoke model via regional office enquiries and I think it will take at least a couple of years for a pattern to occur as businesses wait to see what the outcome of the pandemic is as they are often tied in by lease breaks. Retail may see a bounce in strong town locations given the conversion to resi opportunities.

Jeremy Day, London, Whitman & Co Commercial, jd@whitmanandco.com - We are enjoying as positive an environment as might be hoped for in west London currently, partly due to the London doughnut effect perhaps. Retail and restaurant enquiries are strong. Offices are less strong. Industrial is incredibly tight locally, owing to low supply.

Jo Fisher, London, TfL, jofisher@tfl.gov.uk - Increasing number of CVA's, SME's appear to be stronger and have quickly diversified.



# Chartered Surveyor market comments

John Burton, London, Urban Space Management, john.burton@urban-space.co.uk - We run a former industrial site in East London which concentrates on SMEs in the creative fields and we are fully let, which is a nice surprise. This is due to people wanting to work in a small space outside of home or expanding to take on Covid-19 compliant space. I have had to reduce rents to get them in but also worry about the next 12 months as we are facing a major recession.

John Gilder, London, JLG Asset Consulting Ltd, gilderj2@gmail.com - All bets are off in most sectors.

John King, Merton L.B., Andrew Scott Robertson, jking@as-r.co.uk - While we are seeing more retail units available there is a steady supply of interest. The problem stems from the fact that most parties hold a low credit rating and covenant strength is more important than rent at the moment. Office vacancy rates are creeping up in Wimbledon, brought on by lease breaks or expiry dates. Companies are wrestling with future business plans. The next 6 months will see a growth in the service office market as companies take stock. Short term leases will dominate 2021.

Julia Gould, London, CBRE, julia.gould@cbre.com - 2021 is going to be a difficult year.

Julian Woolgar, London, Knight Frank, julian.woolgar@knightfrank.com - In terms of the Central London, there is no clear consensus emerging in the office market. Clearly occupiers within the retail, leisure & hospitality sectors have been very hard hit by Covid-19. There remains steady levels of demand from those in the financial and legal sector but there is also Brexit uncertainty at work. There are many differing views as to how much office space will be required post Covid but it is clear that there will be changes made to working practices.

Keith Hellen, London, LB Enfield, keith.hellen@enfield.gov.uk - Very fluid and new planning regs likely to have big impact.

Lawrence Regan, London, Land Commercial Surveyors London Ltd, lawrence@landcommercial.co.uk - I have been surprised at the level of interest in secondary retail.

Mahdi Mokrane, London, Patrizia, mahdi.mokrane@free.fr - The UK market is increasingly bifurcating in both rents and capital values between the resilient and fragile sectors.

Malcolm Trice, London, Ingleby Trice, m.trice@inglebytrice.co.uk - A bounce back is likely to be strong with pent up frustration at not being able to return to fully effective business - timing likely to be delayed as the current lockdown unwinds and businesses establish their needs. An increasing number are starting to prepare and compile options with the end in sight.

Martin Acton, London, Howard Harrison Ltd, martin.acton@hhretail.uk - Rents are falling especially in the retail sector and yields are moving out - Online, business rates, treasury's removal of Vat refunds and Covid are having a massive effect on this sector. Unemployment rates are rising - will all lead to greater redundancies and effect on the economy. A gloomy outlook in the short term.

Matthew Clarke, London, Lewis & Partners LLP, matthewclarke@lewisandpartners.com - Market remains strong for long income but otherwise is very price and risk sensitive.

Michael Rowlands, London, Hollis Hockley, mrowlands828@gmail.com - Industrial and London offices are the leading sectors. There is more investor interest in regional offices as pricing is historically cheap. Shopping centres are still dislocating whereas retail warehousing is attracting interest due to its high yield and potential last mile qualities. Build to rent has the most requirements in the alternatives sector.

Nathan Wareing, London, Wareing & Partners, nathan@wareingpartners.com - Woeful confidence in occupational markets, very nervous investment market with 'market pricing' difficult to read / predict. This is all badly influencing the development market.

Neil Hildreth, London, Garrett Motion, neil.hildreth@garrettmotion.com - As an occupier, expectation is that office markets are clearly leaning towards the tenant, whereas the opposite more distinctly applies for industrial & logistics.

Neil Miller, London, Lawrence-Vacher Iip, neil.miller@lvpsurveyors.co.uk - There is a shortage of quality freehold properties coming to the market. Quality investment yields have reduced as there is still cash chasing a home.

Nick Knight, London, CBRE, nick.knight@cbre.com - Pace of roll out of vaccine will define the speed of the recovery.

Panicos Loizides, London, Quest Proerty Consultants, pl@questpc.co.uk - Residential market has also been in decline with market rents currently being between 10-20% down. Office market conditions remain unknown as companies work remotely and following the end of lockdowns and the pandemic, companies will review their requirements.

Paul Hope, London, Mason Partners LLP, paulhope@masonpartners.com - We have been in the eye of the storm for much of 2020. 2021 is likely to be an equally challenging year, particularly within the retail and leisure sectors where there are likely to be multiple casualties as landlords endeavor to recover rent unpaid since the March 2020 quarter day.

Paul Manktelow, London, Howard de Walden Estates, paul.manktelow@hdwe.co.uk - We are seeing a marked move for smaller and more flexible offices where tenants are looking to downsize given the success of working from home.

Paul Wolfenden, London, John D Wood, pauwolfenden@johnwood.com - In such times of uncertainty, investors and firms looking for new space are going to be more cautious about making decisions and owners are going to be more desperate to secure lettings.

Richard D Bowers, London, Informa plc, richard.bowers@informa.com - I expect a significant increase in second hand office supply with a corresponding reduction in asking terms (both rent reductions and improved incentives).

Richard Goldstein, London, Michael Elliott, richardgoldstein@michaelelliott.co.uk - The market remains strong for prime assets. Active buyers are generally focused on Grade A buildings. Secure long dated income is especially competitive.

Richard John Hughes, London, Portman PM Limited, john@portmanplimited.com - Uncertainty prevails.

Robin Calver, London, Robin Calver, robin@robincalver.com - The market remains very fragile and I doubt it will improve until occupiers return to central London.

S Metcalfe, London, Kemsley Iip, steve.metcalfe@kemsley.com - Could go either way in 2021. We expect, with a benign Brexit outcome, industrial to continue its expansion and outperform offices. Retail to bring up the tail, but secondary retail to hold its ground.

Sean Dempsey, London, Boulton LDN Capital Limited., sean@boultonldn.co.uk - The uncertainty surrounding the end date of the pandemic will suppress growth for the foreseeable future.

Simon Ross, London, Stenprop, simon.ross@stenprop.com - Increased demand from new entrants needing storage due to supply chain issues (Covid/Brexit) as well as adapting to eCommerce models.

# Chartered Surveyor market comments

Sovina Vernon-White, London, Transport for London, sovinavernon@me.com - Greater growth in data and online shopping. Retail repurposed for 'experience' venues from the simplest to the most elaborate. Growth in industrial to facilitate data and online shopping.

Stephen English, London, HBC Real Estate, stephen@hbcrealestate.co.uk - Very interesting. But it is the nature of commercial property to be thinking about the market 6 months down the track, when we all hope market conditions will be improving hence the picture is not as bleak as it might be perceived.

Steve Peggs, London, Network Rail Property, steve.peggs@networkrail.co.uk - Developers still buying good sites but being very cautious and managing risks very carefully.

Tim Offer, Kingston, The offer group limited, t@offergroup.co.uk - Local retail and industrial in good demand. Money chasing investment but very sector dependent.

Tim Struth, London, Quoinstone Investment Management Ltd, tim@quoinstone.im - Expect severe polarisation and secondary markets to see large price drops (albeit delayed due to postponed action by the banks).

Verity Taylor, London, P-Three, veritytotaylor@gmail.com - I believe the pandemic will create opportunities for landlords to repurpose their assets and for occupiers to acquire new space.

Victor Aptaker, London, Aptaker & Partners Limited, victor@victoraptaker.com - Worst I have ever known it in my 40 years of largely retail investment practice.

Victoria Oates, London, Shelley Sandzer, victoria@shelleysandzer.co.uk - I don't believe we have truly seen the bottom of the market yet. The debt mountain still needs to be tackled and its only when landlords are prepared to come to the table to discuss this that everyone can truly move on and plan for the future.

William Biggart, London, Torridon, will@torridon.london - It's always darkest before dawn, it won't be like this forever.

## North East

Barry Nelson, Durham City, Whittle Jones North East, bnelson@whittlejones.co.uk - The multi-let industrial market has seen continued demand during 2020 Q4 with enquiries up on previous years. There has been a contraction of supply with occupancy levels at the highest rate in recent history. Whilst undoubtedly the Covid pandemic has had, and continues to have, a significant effect on certain businesses, the overall North East industrial picture has been very positive.

Chris Pearson, Newcastle uponTyne, Naylor's Gavin Black, chrisp@naylorsgavinblack.co.uk - The office market in the region will be challenging in 2021 but I expect tenant demand to pick up quickly once the lockdown restrictions are over.

David Downing, Newcastle uponTyne, Sanderson Weatherall LLP, david.downing@sw.co.uk - The second round of Covid-19 restrictions has continued to accelerate the underlying issues in the commercial property market around retail and casual dining. There is still uncertainty in the office market over occupier demand, which may well knock on to softening in yields from the very low figures seen 12-18 months ago. The industrial market remains the underlying powerhouse.

Kevan Carrick, Newcastle uponTyne, JK Property Consultants LLP, kevan@jkpropertyconsultants.com - Demand for small space from SME's and start ups holding firm but market quieting toward Christmas break.

Paul Stewart, Newcastle uponTyne, Newcastle City Council, paul.stewart@newcastle.gov.uk - Strange but positive market.

Richard Harris, Newcastle, Durham County Council, a11nmouth@gmail.com - Very poor and deteriorating.

Trevor Cartner, Durham, Helios, cartner@heliosproperties.com - Cautious optimism.

## North West

A M Walton, Carlisle, Walton Goodland Ltd, michael@walgongoodland.com - Mixed or bumping along the bottom. 3rd and 4th quarters of 2021 may see an upturn.

Andrew Higson, Manchester, Taurus Property, andrewhigson77@gmail.com - Stagnant.

Andrew Taylorson, Preston, Eckersley, at@eckersleyproperty.co.uk - The market appears to have stalled. Limited stock has become available in the last 3/6 months but there is still occupier demand. Rents and capital values in both office and industrial sectors appear to still be holding in the short term but negative media coverage of the Covid situation does not help with occupier confidence.

Charles Fifield, Cheshire, Fifield Glyn, charles.fifield@fifieldglyn.com - The Covid pandemic has created a shift in what occupiers want from properties, with greater need for social distancing and car parking in office environments which counterbalances the shift to more home working. The shift in retailing to online has accelerated which in turn does benefit the warehouse and distribution sector.

Christopher Learmont-Hughes, Liverpool, Burland Limited, chris@burlandlimited.co.uk - Whilst still subdued, the property market is showing signs of recovery which will continue to improve as the coronavirus vaccine is rolled out, thereby restoring much needed confidence.

Claire Thomas, Manchester, Claire Thomas Asset Management, claire@clairethomasassetmanagement.com - Surprisingly the investment market seems ok. Retail and leisure are getting hammered on rents.

Emily Parkinson, Manchester, JMC Surveyors & Property Consultants Ltd, emilylauraparkinson@gmail.com - Complete split of the market currently, with distribution warehousing and 'essential retailers' booming, whilst office demand has dropped off completely due to the increase in home working. High Street retail being forced to close.

Gabriel Kada, Manchester, APC Consult, gabrielkada@hotmail.co.uk - Retail rental and capital values are perceived as rock bottom and an upturn in investor enquiries has resulted in some transactions at high yields. Investor sentiment in the office sector is low as an anticipated shift of staff work habits is set to change long term.

Ian McCarthy, Warrington, Lavvu Ltd, ian.mccarthy3@ntlworld.com - Difficult 2021 anticipated. Focus on quality and sustainability.

J M Morrison Frics, Manchester, Morrison Property Services Ltd, jonmorrison277@aol.com - Not much changed in last 6 months for commercial property; Lockdowns and tiers have created a very uncertain market. Small investors are also concerned due to the probable increase in Capital Gains Tax.

James Harrocks, Liverpool, Harrocks Commercial Property Ltd, james@harrocks.co.uk - It is the worst retail property letting market that I have experienced in 30 plus years in the profession.

John Fifield, Manchester, Fifield Glyn, john.fifield@fifieldglyn.com - Cautiously optimistic over the next 6 months.

K Ward, Liverpool, Valuation Office Agency, kaitlyn.ward@voa.gov.uk - Covid-19 has had a massive detrimental impact on the current property market. The effects of this will not be known until further down the line.



# Chartered Surveyor market comments

Karen Kilkcourse, Nantwich, Legat Owen, karenkilkcourse@legatowen.co.uk - We are seeing an increase in demand for small offices for companies downsizing or wanting additional space and also for larger offices as companies require more space to allow for social distancing.

Lesley Watmough, Manchester, Fluerets, lesley.watmough@gmail.com - I work in the leisure industry. Some site values are upheld for alternative use if sold for residential. Not all clients or properties are impacted equally.

Martin Walton, Stockport, Roberts and Roberts, mw@waltonswb.com - Still decent demand for industrial and warehouse space especially small units. Mixed retail and shop investments selling well but the rest of the market is sluggish.

Michael Nuttall, Whalley, Clitheroe, Brookhouse Group, mike.nuttall@brookhousegroup.co.uk - There is so much uncertainty around, present investments decisions are really being delayed or avoided unless they have to be made. Brexit/Covid, bank sentiment, housing numbers all make this a very difficult period to navigate.

Roger Challioner, Blackpool, Blackpool Council, roger.challioner@blackpool.gov.uk - Covid-19 has applied additional pressures on already struggling businesses, further accelerating the fall of the traditional high street.

Russell Cain, Bolton, South Ribble Borough Council, russell37cain@live.co.uk - Poor at the moment overall, but surprisingly good in some sectors.

Simon Adams, Kendal, Peill & Company, simon@peill.com - Occupier sentiment remains surprisingly resilient despite the twin threats of pandemic and Brexit. Enquiries have tailed off at the end of 2020 but a number of development starts envisaged for H1 2021.

## Northern Ireland

Arthur Connell Hugh Nugent, Newry, Young - Nugent, achn488@outlook.com - Valuations are a pin in a map exercise at present. Banks are likely to lend, at most, half of any valuation figure submitted.

Noel Rooney, Belfast, Ortus, noel@ortus.org - Market conditions currently stimulated by government support schemes. Conditions could deteriorate significantly once government support is withdrawn.

Tim Buckley, Berkhamsted, Moyallen, tim.buckley@moyallen.co.uk - Occupational interest for retail very limited but some local/regional businesses are taking the opportunity to trial new formats. Large scale fashion closures should result in others picking up sales.

William D. Reilly, Omagh, Pollock Commercial LLP, bill.reilly@btconnect.com - Very depressing and made all the worse by Brexit.

## Scotland

Alan Creevy, Glasgow, CDLH, alan.creevy@cdlh.co.uk - Retail/offices and hospitality values hit, but not as badly as expected. However, values are likely to come down further through to the second half of 2021.

Alan Kay, Motherwell, Bellshill, Airdrie, Coatbridge, Wishaw, Cumbernauld, North Lanarkshire Properties LLP, a171.kay@gmail.com - The commercial and industrial markets in this region have been artificially suppressed in recent years by a reluctance on the local authority's part to carry out rental revaluations.

Alex Robb, Aberdeen, A B Robb Ltd, alex@abrobb.com - Vacancy rates are the single biggest impediment to property investment. The original idea was that it would encourage landlords to act reasonably - it did not envisage the negative impact due to extremely weak demand resulting in perfectly good stock being demolished to avoid the tax. This will have a detrimental knock on effect on development and investment which will cost jobs in the construction/professional sector.

Alexander Burrell, Elgin, Moray Council, alexander.burrell@moray.gov.uk - Office and retail demand continues to contract and, given other market factors, is unlikely to recover to pre Covid levels. Industrial is still growing partly due to additional space demand for Covid safe operations and partly from new start businesses. Consultation with tenants suggests mixed picture with some barely coping whilst some are seeing growth.

Chris Paterson, Edinburgh, Burns & Partners, cp@bap.co.uk - Challenging time affecting sectors in differing ways.

David Castles, Glasgow, Ian Philp Glasgow Ltd, david@philpholdings.co.uk - Full economic impact of pandemic yet to be realised with retail sector in particular not yet hitting the bottom of cycle. However, smaller private niche retail occupiers may have a better chance of survival with less cost pressures and more attraction for the public to visit the high street.

Douglas Hogg, Glasgow, HSA Retail, douglas.hogg@hsaretail.com - Exceptionally difficult across the majority of sectors as a direct consequence of the Covid pandemic.

Gavin Anderson, Glasgow, DM Hall LLP, gavin.anderson@dmhall.co.uk - The indefinite post Christmas lockdown has been a massive blow to many businesses, particularly in the leisure, hospitality and retail sectors. Even previously high performing businesses are now in a precarious financial position and desperately need to raise more cash to survive. We're now seeing numerous leasehold premises, particularly in the licensed trade and retail sectors, coming to the market to lease, which will have a depressing effect on property values.

Giles Edgar, Edinburgh, 1910 Investments Limited, e1910.office@gmail.com - Public policy uncertainty towards property owners and occupiers, coupled with lending liquidity issues, will dominate the first half of 2021 in Scotland.

J S Macdonald, Edinburgh, JSM Developments, jim@jismdevelopments.co.uk - Covid-19 has had a major effect during 2020 but the vaccine should start to see the market ease during 2021 with a slight upturn in Q1 but becoming more marked by Q3 onwards.

John B V Brown, Edinburgh and Lothian, John Brown and Company, john.brown@jb-uk.com - Lockdowns are worldwide, specific concerns depend on political will and ability to provide business support. Commercial property is now a real risk, support for logistics continues but gloom for retail is clearly a global issue. Property is hard to sell quickly, rents are softening and space demand is going to change. Click and collect with stores support, and car parking. High streets doomed unless the vaccines work and this contagion is wiped out. Change, fundamental to good investment.

Philip Eves, Edinburgh, Buccleuch, peves@buccleuch.com - Divergent with increasing momentum.

# Chartered Surveyor market comments

Richard Fox, Glasgow, Morris Property Management, richardgfox@hotmail.co.uk - Cannot generalise for the whole of Scotland but market is surprisingly strong in difficult economic conditions.

Stephen Buchanan, Edinburgh, Buchanan Chartered Surveyors, spb@buchananacs.co.uk - Toxic.

## South East

Alison Owen, Maidstone, Martine Waghorn, ako@martinewaghorn.co.uk - Pent up demand is now easing and as such the market is slowing. The office market is static, with retail vacancy rates increasing rapidly.

C R Daniells, Southampton, Daniells Harrison Chartered Surveyors, crd@dhcs.co.uk - Uncharted waters. Uncertainty. Unclear.

Clive Faine, Milton Keynes, Abbeygate Developments, cfaine@abbeygate-dev.co.uk - Covid and Brexit dominated with material uncertainties. Big shed demand and PRS market high. Hospitality, leisure and retail in a very difficult position.

Colin Brades, Brighton & Hove, Avison Young, colin.brades@avisonyoung.com - The city retail sector is struggling with government lockdown closures across non essential traders and with a number of companies entering administration (albeit these have generally been businesses already facing difficulties pre Covid-19). Demand remains limited across the local prime, secondary and tertiary shop markets.

Dan Onion, Oxford, Thomas Merrifield, danonion@thomasmerrifield.co.uk - Covid has changed the property landscape and accelerated trends that might have taken another 5-10 years to filter through to the market. Brexit has been looming for the last year but the reality may be an equally hard hit.

David Kemp, Ashford, Kent, Ashford Borough Council, david.kemp@ashford.gov.uk - Retail confidence lowered with a thinning out of high street locations and greater density of online purchasing.

Elise Thompson, Surrey/ London/ Reading, BPS Chartered Surveyors, elise@bps-surveyors.co.uk - Looking from the perspective of planning and development viability, we are seeing the changes to Use Classes in September 2020 encouraging the development of more Use Class E/F.1 space, supported by the flexibility of their respective potential occupiers.

Iain Steele, Farnham, Park Steele, iain@parksteele.com - Industrial continues to be very strong, particularly freehold with very low supply. Office occupiers are still unsure about space requirements and what they may need going forward. Independent retailers are active and looking for opportunities to open but they have a maximum rent varying from town to town. Multiple retailers are inactive. Landlord sentiment starting to favour independent retailers over multiples as the latter's behaviour has not endeared them with their approach.

Ian Marshall, Crawley, Marshall Clark (Crawley) LLP, i-marshall@mccrawley.co.uk - General feeling in all sectors of the market is pessimistic.

Jeremy Braybrooke, Southampton, Trinity Rose Commercial, j.braybrooke@trinity-rose.co.uk - The longer the pandemic continues the more strain it inflicts on retailers and landlords. Local, individual retailers, have, on the whole, performed the best for landlords in the past year, and multiple retailers are no longer necessarily favoured. This may well come as a surprise when it comes to tenants wanting to take units again, landlords will go for those who showed some honour and decency in the difficult times. Mind you, the same goes for landlords in some cases.

Jim London, Basingstoke, London Clancy, jimlondon@londonclancy.co.uk - Uncertainty.

Louise Osborne, Surrey, The Arch Co, louise.osborne@thearchco.com - We deal in low value small business/industrial units and there is an unexpected relatively high demand for these still, with many new lets taking place.

Mark R Powney, Farnham, Aegis property Solutions Ltd, aegisproperty@icloud.com - All well and good.

Matthew Pellereau, Camberley, Matthew Pellereau Ltd, mpellereau@aol.com - Now that Brexit is done and vaccines are being rolled out as the year moves forward, industrial will continue to be more attractive, offices will come back more slowly in prime areas, but secondary Retail will continue to suffer as online expands further. Property investment in the right location is still a sound bet.

Nick Hanson, Farnham, Nick Hanson, nick.hanson@vf-f.com - Generally muted but with some exceptions. Noted increase in demand from London SMEs seeking to extract themselves from the capital (often in tandem with purchase of housing nearby) particularly in the office/workshop sector.

Paul Bird, Braintree, Joscelyne Chase Commercial Ltd, paul@joscelynechase.co.uk - Fortunately, our main commercial market is the industrial / warehouse sector which remains strong. We are also able to offer freehold opportunities to owner occupiers in the same sector for which there continues to be a reasonable demand.

Paul Jarvis, Southborough, Tunbridge Wells, Spicer Oppenheim, paul.jarvis@spicerop.com - Its difficult to be certain where the market is and where its going when there is so much uncertainty over Covid 19. Homeworking has become an acceptable norm but offices will still be needed especially for the younger less experienced workers who struggle to learn the subtleties of operating when they work remotely.

Peter Ridsdale Smith, Tunbridge Wells, Brackets, peter.ridsdalesmith@brackets.co.uk - The commercial market continues to struggle and, with the most recent lockdown, few enquiries received. Before that in recent months - industrial demand quite good - retail surprisingly ok but at reduced levels. Offices very poor with little demand.

Philip Marsh, Beaconsfield, Philip Marsh Collins Deung, philip@squaremetre.com - Confusing.

Richard Moon, Tonbridge, Location 3 Properties Ltd, richard.moon@l3p.co.uk - The market has undoubtedly been adversely affected in the short term by the pandemic. We understand that there is still strong investor appetite for the industrial and logistics sector (our area of expertise) with a scarcity of stock and opportunities. The longer term outlook for all sectors will only be truly known when the vaccination programme starts to make a difference and the wave of lockdowns cease.

Simon Bateman, Portsmouth, Spire Consultancy Ltd, simon.bateman@spireconsultancy.com - Prime office demand up, especially at the smaller suite end, where companies are downsizing but looking more for quality.

Simon Browne Mrics, Brighton, Crickmay, scb@crickmay.co.uk - Demand for industrial is good. Owner occupier demand for smaller commercial lots is still resilient, particularly if there is a residential element. Investor demand down, mostly for higher value lots and anything to do with retail and office.

Stuart King Bsc Rics, Letchworth Garden City, Davies King Chartered Surveyors, daviessking@talk21.com - Covid is making business difficult but not impossible.

William McClintock, Southampton, McClintocks Ltd, bill@mcclintocks.co.uk - The market is uncertain and in recession which has not really fully hit the market.

# Chartered Surveyor market comments

## South West

Alastair Andrews, Swindon, Loveday, alastair@loveday.uk.com - Industrial is holding up reasonably well driven mainly by logistics, online and the new E use class allowing units to be used for alternative uses. Demand is strongest in the very small sector below 3,000 sq ft or larger above 50,000 sq ft. There is some optimism in the office market that the way we use offices could start to generate activity as businesses re-evaluate what they need and relocate accordingly.

Andrew Hosking, Exeter, Stratton Creber Commercial, andrew@sccexeter.co.uk - The warehouse market keeps powering ahead with record rental levels having been obtained in Exeter since Lockdown 1. In other sectors, demand remains firm for correctly priced shops and offices provided, in the case of leasehold stock, early and regular tenant breaks are offered. Multi let industrial investments remain the most sought after asset class.

Andrew Kilpatrick, Swindon, Kilpatrick & Co, a.kilpatrick@kilpatrick-cpc.co.uk - Swindon's market conditions continue to be affected by the pandemic and lockdown restrictions, which is affecting most sectors, but especially the leisure & food & drink sector. This included restaurants & hotels, many of which were hoping for a strong Christmas trade to offset a bad year. Not sure how many will survive until spring.

Anne Brennan, Bournemouth, Sibbett Gregory, anne@sibbettgregory.com - Early signs of consumer confidence in some sectors and decline in others due to lockdowns, i.e. leisure.

Ashleigh Phillips, Plymouth, Bruton Knowles, ashleigh.phillips@brutonknowles.co.uk - Industrial market on rental and capital basis is strong. Class E likely to disrupt market. A number of office occupiers looking to reduce accommodation. High street retail uncertain due to lack of transactions.

Daniel Smethurst, Swindon, Smethurst Property Consultants, daniel@smethprop.co.uk - Reduced level of enquiries but an increase in investment / purchases due to diminishing opportunities. Still healthy supply of cash but have noticed deals taking longer and purchasers looking to chip on pricing offered 6-9 months ago. Healthy demand for PDR but capital values for office buildings with VP under pressure.

James Dee-Shapland, Bristol, Workman LLP, james.dee-shapland@workman.co.uk - It seems offices are taking a hit given the working from home capabilities.

Jan Merriott, Dorchester, Symonds and Sampson, jmerriott@symondsandsampson.co.uk - Unpredictable and uncertain.

Jeremy Sutton, Swindon, Keningtons LLP, jeremysutton@keningtons.com - Industrial market remaining robust with good levels of take up, low levels of supply, and upward pressure on rental levels. Very little activity in the office market in Q3 or Q4. Prime retail dead, secondary retail attracting service uses rather than retail sales.

Joanne High, Plymouth, Vickery Holman, jhigh@vickeryholman.com - The South West market has shown once again to be resilient and activity has continued despite the economic backdrop. The industrial sector has the most demand, with supply levels low. Neighbourhood retail parades have performed well throughout the pandemic, and generally if rateable values are below £15,000 the property lets fairly swiftly. The office sector has seen an unsurprisingly decreased demand, although stock levels remain relatively low.

John Haxforth, Winchester, John Haxforth, jhaxforth@icloud.com - Demand for out of town offices with good parking and facilities is strong. Several spec schemes performed well attracting both tenants and investors.

John Thomson, Cirencester, John Thomson Surveyor, john@johnthomsonsurveyor.co.uk - The town centre risks decimation whilst edge of town industrial and retail shall become the new town hub.

John Woolley, Salisbury, John Woolley Ltd, john@johnwoolleyltd.co.uk - All continuing to be downcast not only until Covid restrictions lift, but also the underlying demise of Salisbury's commercial levels of activity - particularly in retail, which needs a new initiative to restore.

Leslie Warren, Bristol, Arriva, leslegwarren@gmail.com - Unstable and unpredictable.

Luke Sparkes, Cirencester, Thomson & Partners LLP, ls@thomsonandpartners.co.uk - There have been tough times for commercial agency in our locality which I expect will continue well into the spring.

Mike Mcelhinney, Bath, Carter jonas, mike.mcelhinney@carterjonas.co.uk - Very mixed but with better than anticipated demand for secondary retail and catering premises from the independent sector.

Maira Baker, Bath, Bath & NE Somerset Council, moirabakery64@gmail.com - Retail tenants struggling, not paying their rents and seeking more financial assistance. More CVA's and administrations, some leading to turnover rents in order to retain the tenant. Demand still there for circa sub £25k pa rents. Little interest at all above this. Probably temp lets for at least 2021 on concessionary rents.

Nick Wheeldon, Torquay, Waycotts, nwheeldon@waycotts.co.uk - Market distorted by economists extracting limited information, mainly London centric to prove usually a political point rather than actually reflect the market.

Oliver Workman, Cheltenham, THP Chartered Surveyors, oliver@thponline.co.uk - Activity taking place for office and industrial space sub 2,000 sq ft, otherwise the commercial property market remains flat. Some tentative positivity emerging with commencement of vaccine roll out.

Patrick Kieley, Plymouth, Plymouth City Council, patrick.kieley@plymouth.gov.uk - Industrial/logistics remain strong driven by demand and lack of good quality stock. The high street retail decline that was started by shifting consumer patterns has been accelerated by a forced habit change. Office market is in limbo while we wait to see whether occupiers will commit to remote working long term.

Paul Reed, Bristol, SGC, pnrmillfield@icloud.com - Uncertain. Limbo for the time being.

Richard Taylor, Bristol, Osmond Tricks, richardtaylor@osmondtricks.co.uk - The NHS healthcare market remains largely unchanged.

Russell Power, Bristol, Rowley Hughes Thompson LLP, russp@rhtretail.co.uk - We remain in very uncertain times. The Covid 19 vaccinations offer genuine hope for a recovery in all sectors, from June 2021.

Simon J Walsham, Bournemouth, Poole and Christchurch, James and Sons, simonwalsham@jamesandsons.co.uk - Industrial market remains above average with increased activity in the office sector. Retail remains poor.

Stephen Matcham, Plymouth, Stratton Creber commercial, stevem@sccplymouth.co.uk - Industrial demand for rent and purchase still strong, limited office demand, very little retail demand.

Stuart Sly, Truro, Charterwood, stuart@charterwood.com - Residential and industrial market doing well. Other sectors are in decline.

# Chartered Surveyor market comments

## Wales

Chris Sutton, Cardiff, Sutton Consulting Ltd, [chris.sutton@suttonconsulting.co.uk](mailto:chris.sutton@suttonconsulting.co.uk) - The commercial property market has been materially affected by Covid and, to an extent, Brexit. Retail and leisure markets are in lockdown & the office market on hold until we see the full impact of new tech and home working on long term demand. Meanwhile, industrial goes from strength to strength, buoyed by urban logistics demand and strength from trade counter operators. In manufacturing, aviation and automotive supply chain demand are both down and creative, energy & data centre demand is up.

Christopher Hunt, Holyhead Wales, Pettifer Investments, [chunt@pettiferinvestments.com](mailto:chunt@pettiferinvestments.com) - The Anglesey market is dominated by Covid lockdowns affecting tourism and resolving the Brexit issue in relation to the port at Holyhead. With Brexit resolved it will hopefully be business as usual for the port.

David Cochlin, Carmarthen, John Francis Commercial Dept, [dc@johnfrancis.co.uk](mailto:dc@johnfrancis.co.uk) - Across West Wales, demand has been slightly stronger than might be expected against the background of Covid, lockdowns and Brexit. Casual applicants are less but those in the market are serious tenants/buyers so transactions are taking place. Against this, many sellers are taking a lot more time than usual in deciding whether to go to the market so supply has been reduced.

David Mathews, North Wales, North Wales Economic Ambition Board, [colindavidmathews@buegogleddcymru.co.uk](mailto:colindavidmathews@buegogleddcymru.co.uk) - Residential development proving resilient as is the housing market. Industrial remains strong as well. Retail struggling. Waiting to see how the market moves allowing for Covid-19.

Michael Bruce, Cardiff, DLP Surveyors Ltd, [michael@dlpsurveyors.co.uk](mailto:michael@dlpsurveyors.co.uk) - The industrial market in South Wales has continued to perform relatively well although one wonders what the fallout may be after Q4 2020. Positive news is that Trebor Developments have submitted a planning application to speculatively develop a 46,000 sq.ft. shed at J.35 Pencoed (Bridgend).

## West Midlands

Anthony Williams, Oldbury, Goold Estates Limited, [anthony.williams@propertyplusconsulting.co.uk](mailto:anthony.williams@propertyplusconsulting.co.uk) - Very encouraging demand for industrial and warehouse space given the economic climate.

Charles Warrack, Birmingham, Johnson Fellows, [charles.warrack@johnsonfellows.co.uk](mailto:charles.warrack@johnsonfellows.co.uk) - We are starting to come out of the COVID-19 pandemic with the vaccine release - there is light at the end of the tunnel with signs of early recovery. The industrial / logistics market goes from strength to strength with stock flying off my shelves as soon as it comes in. There are more independent retailers looking for opportunities. It's counter intuitive, but I'm now seeing more office users come back into the market with demand for smaller tranches of higher specification space.

Danny Mcaree, Coventry, Thompson Heaney, [danny@thompsonheaney.co.uk](mailto:danny@thompsonheaney.co.uk) - The current outlook is very negative with significant downside risk. The latest nationwide lockdown will lead to multiple business failures across the retail and leisure sectors.

H. Picton-Jones, Birmingham, Picton Jones [Asset Management] Ltd., [hpicton@pjassetman.co.uk](mailto:hpicton@pjassetman.co.uk) - Potential tenants very cautious, seeking bigger inducements and delaying pending outcome of pandemic.

Ian Lofthouse, Worcester, Independent, [ian\\_lofthouse@hotmail.com](mailto:ian_lofthouse@hotmail.com) - The 'market' is highly schizophrenic due to Covid and the Brexit fiasco. The views of those I talk to reflect this with a tendency towards 'it will get better, the question is when.'

Ian Mercer, Birmingham, Bruton Knowles, [ian.mercer@brutonknowles.co.uk](mailto:ian.mercer@brutonknowles.co.uk) - Demand for development land, both immediate and strategic, remains strong. Particular interest from high net worth individuals and boutique/SME developers. PLC housebuilders appear more cautious. Demand for industrial space for manufacturing and storage is strong and appears likely to grow. Convenience retail and demand for local centres remains strong. Secondary office space for flex-lets is attracting interest. A fragmented market.

Malcolm Wilcox, Birmingham, Cordwell Property Group Limited, [malcolm@cordwellgroup.com](mailto:malcolm@cordwellgroup.com) - Despondency in the retail, hospitality and leisure markets with the onset of the third lockdown. Food retail is positive as is the logistics market. Offices and industrials are subject to uncertainty.

Peter Browne, Birmingham, Burley Browne, [pete.browne@burleybrowne.co.uk](mailto:pete.browne@burleybrowne.co.uk) - In some ways surprisingly robust with the exception of prime retail.

Peter Fletcher, Birmingham, Solace Property Consultancy, [peterf@solacepc.co.uk](mailto:peterf@solacepc.co.uk) - Ironic that, post Brexit, the world is consumed by health and safety issues. Strongest sector is logistics driven by e-commerce as we lockdown and isolate.

Robert Atkins, Worcester, Mark Atkins Associates, [mark@markatkinsassociates.com](mailto:mark@markatkinsassociates.com) - Retail clearly suffering, industrial is strong and offices broadly static. Bit early in the year to fully ascertain where the market is and clearly the ongoing Covid crisis continues to impact the market.

Tony Broad, Birmingham, Tony Broad Associates, [apbroad@btconnect.com](mailto:apbroad@btconnect.com) - Covid has inevitably had a dramatic and detrimental impact upon the retail market across all user types (exception being the discount supermarket and well located convenience store sectors). Covid has exacerbated and accelerated the structural changes which had been happening for 10 years or so.

## Yorkshire and the Humber

Clinton Bradford, Fitzpatrick Commercial, [clinton.fitzpatrick@fitzpatrick.com](mailto:clinton.fitzpatrick@fitzpatrick.com) - Bradford has been in a steady fall for many years. It could compare to Detroit in depth and speed of decline.

Daniel Rosso, Hull, NPS Humber Ltd, [dan.rosso@nps.co.uk](mailto:dan.rosso@nps.co.uk) - Delayed due to grants but start of early downturn in my opinion.

David Lea, Huddersfield, Stonegate Pub Co, [david.lea@eigroupplc.com](mailto:david.lea@eigroupplc.com) - Licensed trade faces considerable uncertainty due to short term Covid issues and potential for further behavioural changes in the use of pubs and restaurants post Covid. This uncertainty may result in lower rents and additional closures, with increased demand from developers to convert pubs for alternative use.

Greg Lacey, Leeds, Tilstone Partners on behalf of Warehouse REIT plc, [gpacey@tilstone.net](mailto:gpacey@tilstone.net) - Industrial sector remains extremely buoyant, can 2021 reach the same level of record take up... I think so. E-commerce demand here to stay for the long term.

J Reeves, York, Helmsley group, [john-reeves@helmsley.co.uk](mailto:john-reeves@helmsley.co.uk) - Government threatening to interfere with land tax is a major concern for future development. Its a free market and needs no more regulation. The moratorium on rent collection will impoverish many of the clients we use to fund deals so we expect redevelopment to be very slow in restarting.



# Chartered Surveyor market comments

James Oddy, Bradford, Benjamin Bentley & Partners (Bradford) Ltd, jsoddy@benjaminbentley.co.uk - Apart from good industrial property, the market for other commercial buildings and land is very quiet (to buy or lease) and there is little demand to rent in the retail sector.

Jonathan Butler, Doncaster, Fisher German, jonathanantonybutler@gmail.com - Continued decline in enquiries for office and retail accommodation.

Luke Dawson, Leeds, Westcourt Group Ltd, luke.dawson@mac.com - The market is very uncertain at present. I expect that gap between prime and non-prime assets will become greater.

Michael Smith, Leeds, Innova Property Consultants Ltd, mrs@innovaproperty.com - Retail very nervous and I am struggling to see a way forward, particularly prime city centre. Industrial good, but won't know the effects of Brexit until Q3/Q4 of 2021. Offices - with Covid 19 still affecting homeworking, there could be a dip in the take up of large space and new stuff being built.

Mr Paul Spencer, York, London Ebor Developments Plc, paulspencer@londonebor.com - Just into the New Year and this second lockdown - currently quiet.

Nicholas Coultish Mrics, Kingston-Upon-Hull, Scotts Property LLP, nick@scotts-property.co.uk - Demand for prime retail is suppressed owing to the ongoing pandemic. The office market appears to be in a 'frozen' state with the longer term impacts of the pandemic still to be seen. The industrial sector in the region is resilient however, with continued strong demand, perhaps in part due to the requirement for storage associated with Brexit.

Peter H Swift, Sheffield, Swift & Co Chartered Surveyors, petert@swiftandco.com - Generally some demand for industrial both to rent or purchase. Retail and office struggling in South Yorkshire.

Richard Corby, Leeds, Lambert Smith Hampton, rcorby@lsh.co.uk - Its a divided market, with industrial remaining strong, retail devastated and offices somewhere in the middle (but with slowed activity masking the picture). Development opportunities are still selling well and investors are still looking at property as comparatively attractive and safe. We thought we were getting to the beginning of the end a few months ago but we are really probably not even at the end of the beginning in terms of the pandemic.

Richard Henley, Leeds, South Street Capital, richard@southstreetcapital.co.uk - Industrial sector (in which we predominantly operate) remains strong with good demand and take up witnessed across the UK over the past 6 months.

Richard Heslop, Leeds, DE Commercial, richard@de-commercial.co.uk - Industrial market remains buoyant.

Steven Goode, Harrogate, Steven Goode & Co, stevenagoode@gmail.com - Depressed.



# Information

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Survey questionnaires were sent out on the 8 December 2020 with responses received until 12 January 2021.

Number of contributors to this survey : 786

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RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

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