

# Rising interest rates and stubborn inflation delaying transactions in all sectors.

▶ Retail  
Transactions remain dominated by smaller lot sizes and cash buyers.

▶ Out of Town Retail  
Recent major players have paused and activity is muted.

▶ Industrial  
Sector remains in favour but transaction volumes are down.

▶ Offices  
Caution remains and some secondary activity at discounted figures.

Changes in red.

	Sept 2022 (%)	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	July 2023 (%)	Trend
<b>OFFICES</b>						
West End	3.25	3.75	3.75	3.75	3.75	Weaker
City of London	4.00	4.50	4.50	5.00	<b>5.25</b>	Weaker
M25/South East	5.75	6.25	6.25	6.50	<b>6.75</b>	Weaker
Regional Cities	5.00	6.00	6.00	5.75	<b>6.00</b>	Weaker
Good Secondary	7.50	9.00	9.25	9.50	<b>9.75</b>	Weaker
Secondary	10.50	12.50	13.00	13.50	<b>13.75</b>	Weaker
<b>INDUSTRIAL</b>						
Prime Distribution	4.00	5.00	5.25	5.25	5.25	Stable
Prime Estate (Greater London)	3.50	4.50	4.75	4.75	4.75	Stable
Prime Estate (Ex Greater London)	4.00	5.00	5.25	5.25	5.25	Stable
Good Secondary	4.75	6.00	6.25	6.25	6.25	Stable
Secondary Estate	5.75	7.00	7.25	7.25	7.25	Stable

	Sept 2022 (%)	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	July 2023 (%)	Trend
<b>HIGH STREET SHOPS</b>						
Prime	6.25	6.50	6.75	6.75	6.75	Weaker
Good Secondary	8.50	8.75	9.00	9.00	9.00	Weaker
Secondary	12.00	12.00	12.00	12.00	12.00	Weaker
<b>SUPERMARKETS</b>						
Prime	4.25	5.25	5.25	5.25	5.25	Stable
<b>SHOPPING CENTRES</b>						
Prime	7.75	7.75	8.25	8.25	8.25	Stable
Best Secondary	12.00	12.00	12.00	12.00	12.00	Stable
Secondary	16.00	16.00	16.00	16.00	16.00	Stable
<b>RETAIL WAREHOUSES</b>						
Park – Prime – Open User	5.25	6.00	5.75	5.50	<b>5.75</b>	Weaker
Park – Prime – Bulky User	5.25	6.00	5.75	5.50	<b>5.75</b>	Weaker
Solus – Prime – Bulky User	5.00	6.00	5.75	5.50	<b>5.75</b>	Weaker
Park - Secondary	6.75	8.00	7.75	7.50	7.50	Weaker

# Limited activity with signs of stability for prime leased hotels.

Changes in red

	Sept 2022 (%)	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	July 2023 (%)	Trend
<b>LEISURE</b>						
Prime Leisure Park	7.00	7.50	7.50	7.50	7.50	Weaker
Good Secondary Leisure Park	8.75	9.50	10.00	10.25	10.25	Weaker
Cinema Prime	6.75	7.50	7.50	7.50	7.50	Weaker
Health & Fitness Prime	4.75	5.50	5.75	5.50	5.50	Weaker
<b>HOTELS</b>						
Prime London Vacant Possession	4.50	4.75	4.75	4.75	4.75	Stable
Prime London Management Contract	5.50	5.75	5.75	5.75	5.75	Stable
Prime London Lease	3.75	4.50	4.50	4.50	4.50	Stable
Prime Regional Vacant Possession	6.75	7.25	7.25	7.25	7.25	Stable
Prime Regional Management Contract	7.75	8.50	8.50	8.50	8.50	Stable
Prime Regional Lease	4.25	5.25	5.25	5.25	5.25	Stable

	Sept 2022 (%)	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	July 2023 (%)	Trend
<b>PUBS</b>						
Prime London Corporate Pub	3.50	4.00	4.00	4.00	4.00	Weaker
Prime Regional Corporate Pub	5.75	6.75	6.75	6.75	7.25	Weaker
<b>ROADSIDE &amp; AUTOMOTIVE</b>						
Car Showroom Prime RPI Lease	5.00	5.75	5.75	5.75	5.75	Stable
Petrol Filling Station Prime RPI Lease	4.50	5.25	5.25	5.25	5.25	Stable
Car Park Prime RPI Lease	4.75	5.50	5.50	5.50	5.50	Stable
<b>FINANCIAL INDICATORS</b>						
Base Rate	1.75	3.00	4.00	4.50	5.00	▲
5 Year Swaps	3.43	3.63	4.02	4.48	5.23	▲
10 Year Gilts	3.09	3.16	3.82	4.18	4.53	▲
RPI	12.30	14.20	13.40	11.40	11.30	▼
CPI	10.10	11.10	10.10	8.70	8.70	◀▶

# Sentiment for good quality assets remains positive.

**Residential**  
Investment volumes muted, impact of higher interest rates yet to be seen.

**Student**  
Sentiment for good quality assets remains positive as investors look towards strong rental growth for the upcoming 2023/24 academic year.

Changes in red

	Sept 22 (%)	Dec 22 (%)	Mar 23 (%)	Jun 23 (%)	Jul 23 (%)	Trend
<b>RESIDENTIAL</b>						
London Zone 2 Prime	3.25	3.50	3.60	3.60	3.60	Weaker
London Zone 2 Good Secondary	3.65	4.00	4.00	4.00	4.00	Weaker
London Zone 3 to 6 Prime	3.35	3.65	3.75	3.75	3.75	Weaker
London Zone 3 to 6 Good Secondary	3.65	4.00	4.00	4.00	4.00	Weaker
South East Prime	3.80	3.90	4.00	4.00	4.00	Weaker
South East Good Secondary	4.00	4.50	4.50	4.50	4.50	Weaker
Regional Cities Prime	3.85	4.15	4.15	4.15	4.15	Weaker
Regional Cities Secondary	4.25	4.75	4.75	4.75	4.75	Weaker
Other Regional Centres Prime	4.15	4.50	4.50	4.50	4.50	Weaker
Other Regional Centres Secondary	4.75	5.25	5.25	5.25	5.25	Weaker

	Sept 22 (%)	Dec 22 (%)	Mar 23 (%)	Jun 23 (%)	Jul 23 (%)	Trend
<b>SINGLE FAMILY HOUSING</b>						
South East Prime	3.50	3.80	3.80	3.80	3.80	Stable
North West Prime	4.00	4.15	4.15	4.15	4.15	Stable
<b>HEALTHCARE</b>						
Care Homes Prime (Not for Profit)	3.75	4.15	4.15	4.25	4.25	Weaker
Care Homes Prime (SPV)		5.50	5.50	5.50	5.50	Weaker
Care Homes Secondary		7.50	7.50	7.50	7.50	Weaker
<b>STUDENT ACCOMMODATION</b>						
Central London Direct Let	3.75	3.75	3.75	3.75	4.00	Stable
Prime Regional Direct Let	5.00	5.00	5.00	5.00	5.00	Stable
Secondary Regional Direct Let	8.50	8.50	8.50	8.50	8.50	Stable
Central London RPI Lease	4.00	4.00	4.00	4.00	4.00	Stable
Prime Regional RPI Lease	4.00	4.00	4.00	4.00	4.00	Stable
Secondary Regional RPI Lease	5.25	5.25	5.25	5.25	5.25	Stable

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