



Campbell Alexander Financial Management Ltd
28 Broomgate, Lanark, South Lanarkshire ML11 9EE

Telephone or Fax: 01555 860012
E: info@cafinancial.co.uk W: www.cafinancial.co.uk

Commercial Property Market Review

September 2026



Commercial property market update

Colliers' latest report offers an update on the UK commercial property market.

By the end of August, £24.3bn investment had been completed year-to-date (YTD), up slightly on 2025. London captured the largest regional share, representing £9.2bn of activity. International investors accounted for nearly half (46%) of all transaction volumes.

Retail investment slowed from £490m in June to £350m in July, sitting significantly below the five-year monthly average of £660m. However, consumer confidence rose to -17 as retail rental growth accelerated at the fastest pace in seven months. The industrial sector had a strong month, with investment volumes rising to £1.2bn in July. Meanwhile, hotel investment totalled £2.8bn YTD, which is more than double the levels of the same period in 2025.

In London, office take-up increased to 2.8m sq. ft in Q2, about 4% higher than the ten-year average. Grade A buildings continue to be in high demand, accounting for 76% of leasing activity.

Industrial and logistics

A report from Knight Frank notes that the 'UK industrial and logistics sector is entering a new phase.'

Demand in the sector is still driven by ecommerce growth and supply chain resilience; however, activity is increasingly aligned with complex factors, such as government policy decisions and international trade flows. For example, the National Planning Policy Framework specifically recognises the importance of freight and logistics, helping it to be viewed as strategic infrastructure, thus boosting demand and planning prospects.

Also, Chinese ecommerce operators have become one of the most important sources of occupier demand. They have demonstrated interest in a broad range of markets beyond the traditional 'Golden Triangle' distribution hubs. Recent transactions include bonded warehouse facilities around London and last-mile delivery depots in Leeds.

Knight Frank notes that *'demand is becoming increasingly concentrated around key import gateways, urban fulfilment markets and locations capable of supporting modern, technology-enabled supply chains.'*

Market outlook

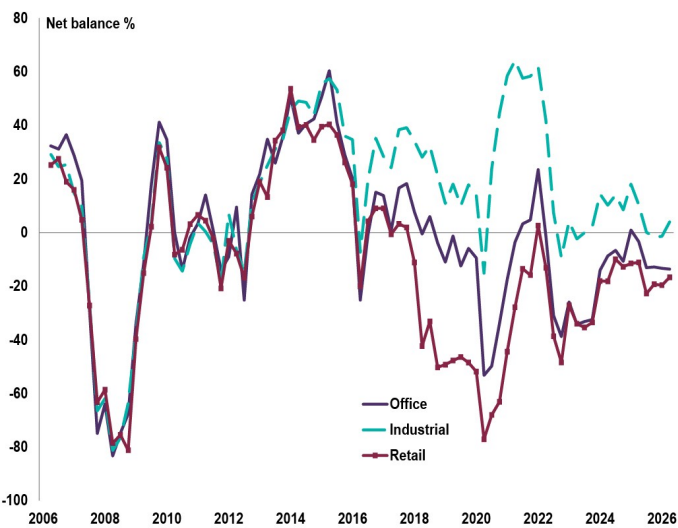
2026 has been clouded by political and economic uncertainty, but Carter Jonas notes that the new Prime Minister may offer some stability for the commercial property market.

As the UK awaits Chancellor John Healey's first Budget, many investors will be looking for policy certainty to boost their confidence. In the coming months, transaction times are likely to lengthen after the summer holiday period; however, this is due to timing rather than weak appetite. Carter Jonas notes that investors are *'continuing to target well-priced opportunities across sectors supported by strong occupational fundamentals and resilient income characteristics.'*

As we head into 2027, the outlook may be slightly more optimistic due to stabilised pricing and improved financing conditions. The industrial and logistics market is supported by strong occupier demand, while the retail sector is experiencing renewed investor interest. The office market is *'polarised'*, with prime ESG-compliant space outperforming other buildings.

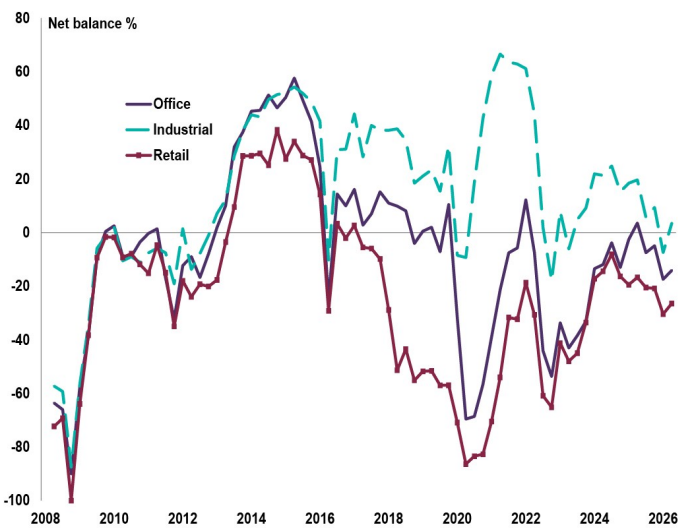
Commercial Property Outlook

Investment enquiries – broken down by sector



- Investment enquiries posted a net balance of -8% in Q2, a modest improvement on the -11% recorded previously
- The industrial sector led, with the net balance for investor demand edging up to +4% from -1% in Q1
- By contrast, investment demand for both office and retail assets remained in negative territory.

Capital value expectations – broken down by sector



- Twelve-month capital value expectations remain comfortably positive for prime offices and industrials
- However, the latest net balance of +29% for both sectors is lower than the figures recorded at the end of last year
- Once again, London is exhibiting notably stronger capital value expectations for both prime offices and prime retail.

Source: RICS, UK Commercial Property Market Survey, Q2 2026

French investment in Scottish market

French investors are particularly active in Aberdeen, according to research from Knight Frank.

Since the start of 2025, French buyers have purchased £100.6m of commercial assets in Aberdeen, including office buildings, hotels and industrial units. These investors have accounted for some of the biggest deals in the Scottish city over the last 18 months, including Alderan's £28.5m acquisition of Total E&P's site on Moss Road. Most of the interest has come from French open-ended property investment funds, which have become more active in Aberdeen since the pandemic. This is reflective of a wider trend in Scotland, with French investors currently accounting for the majority of international investment, representing £450m of transactions since 2024.

Matt Park at Knight Frank Aberdeen commented, "A big part of the attraction is the value on offer in Aberdeen, with yields higher than the UK average and even other parts of Scotland."

"A big part of the attraction is the value on offer in Aberdeen, with yields higher than the UK average and even other parts of Scotland"

All details are correct at the time of writing (16 September 2026)

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.