Credius
Senator House,
85 Queen Victoria Street,
London EC4V 4AB

T 020 7562 5858
F 020 7562 5802
E info@credius.com
W www.credius.com

Commercial Property Market Review

July 2026

Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice.

Office occupier market update

The latest Commercial Market Outlook from Carter Jonas has highlighted the current trends in the office occupier market.

More organisations are implementing return-to-office mandates, which have caused office attendance levels to increase. More businesses are looking for high-quality space to make office working more appealing for those who have become accustomed to working from home since the pandemic. Buildings that are sustainable and energy-efficient are particularly popular as they have reduced occupational costs and can help businesses meet their ESG goals. Also, from 2031 the government plans to introduce a minimum EPC rating of B for larger non-domestic properties.

There continues to be a shortage of prime supply in key city centre markets, partly because office development has been limited since 2020. This issue extends to the core City of London, which is low on quality floor space despite being more able to accommodate large-scale high-rise schemes.

Investors shift focus to commercial assets

According to NAEA Commercial Propertymark's Advisory Panel, investors may be shifting their focus from residential to commercial assets in response to changing tax rules.

In recent years, there have been changes to the rules and regulations of the private rental sector, affecting residential landlords. As a result, panel members reported that some investors are turning to commercial property as the legislative framework is considered to be less restrictive. Despite commercial property typically having higher entry costs and more complex transactions, agents have noted a rise in enquiries from investors looking to move away from the residential market.

Steve Lane, a member of the Advisory Panel, noted that more investors are seeking professional advice if they are considering the switch. He explained, *"Many of these investors need guidance on the differences between the tax and regulatory structures of the two markets. This includes borrowing ratios, tax liabilities, and regulatory obligations."*

Retrofitting likely to rise

Retrofitting is likely to become a key topic of conversation in the coming years as the focus shifts to improving existing buildings rather than developing new ones.

Savills notes that most of the buildings that will exist in 2050 are already standing. With the UK committed to reaching net zero by this time, the attention will necessarily shift to retrofitting. In the offices and retail sector, retrofitting is largely connected to an aim to achieve EPC ratings of A and B, with a view to all buildings becoming fully electric. In this area, investors are increasingly prioritising assets that will protect their income, maintain liquidity and support leasing. Meanwhile, in the industrial and logistics sector, retrofitting is generally motivated by meeting occupier needs and complying with regulations. Operational performance is also a key factor, with many projects aiming to minimise disruption by aligning improvements with lease events and planned refurbishments.

All details are correct at the time of writing (22 July 2026).

Source: The Land Registry | Release date: 22/07/26 | Next data release: 19/08/26

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.