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Commercial Property Market Review

September 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.

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 aroundLondon 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.

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

Source: The Land Registry | Release date: 16/09/26 | Next data release: 21/11/26

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