

# Shopping centre & high street investment - Q1 2026



Retail & Leisure Research - UK - April 2026

## UK shopping centre investment: Recovery at scale amid ongoing uncertainty

### Geopolitical backdrop and macro implications

Geopolitical tensions involving Iran escalated materially during February and March 2026, developing into direct military confrontation with the United States and Israel, including strikes on energy and transport infrastructure across the Middle East. A critical dimension of the conflict has been the threat to maritime traffic through the Strait of Hormuz, a key global energy chokepoint. While signals of reduced military intensity and diplomatic engagement emerged in early April, this has been interpreted by markets as a pause in escalation rather than confirmation of a fully agreed settlement. As such, geopolitical risk remains elevated, with energy markets continuing to price in a meaningful disruption premium and sentiment remaining highly sensitive to daily shifts in political messaging.

For the UK economy, the main transmission channel is through global energy prices and their impact on inflation. As a net importer of oil and gas, the UK remains exposed to

energy price volatility, and recent movements have increased the risk of inflation re accelerating during 2026. Even where wholesale prices temporarily ease, sustained volatility raises the likelihood of higher household energy bills, fuel costs and transport expenses, alongside indirect pass through into food prices and imported goods. This dynamic is expected to weigh on real incomes and consumer confidence, particularly discretionary spending, while labour market conditions are likely to remain relatively resilient in the near term given ongoing skills shortages and employers' reluctance to reduce headcount following recent recruitment challenges.

The inflationary implications are particularly relevant for monetary policy and, by extension, commercial property markets. Energy driven inflation risk has led markets to reassess the pace and extent of interest rate cuts, reinforcing a 'higher for longer' outlook. This has fed through to higher benchmark yields and financing costs, prolonging pricing pressure across commercial real estate and limiting the scope for a rapid recovery in capital values.

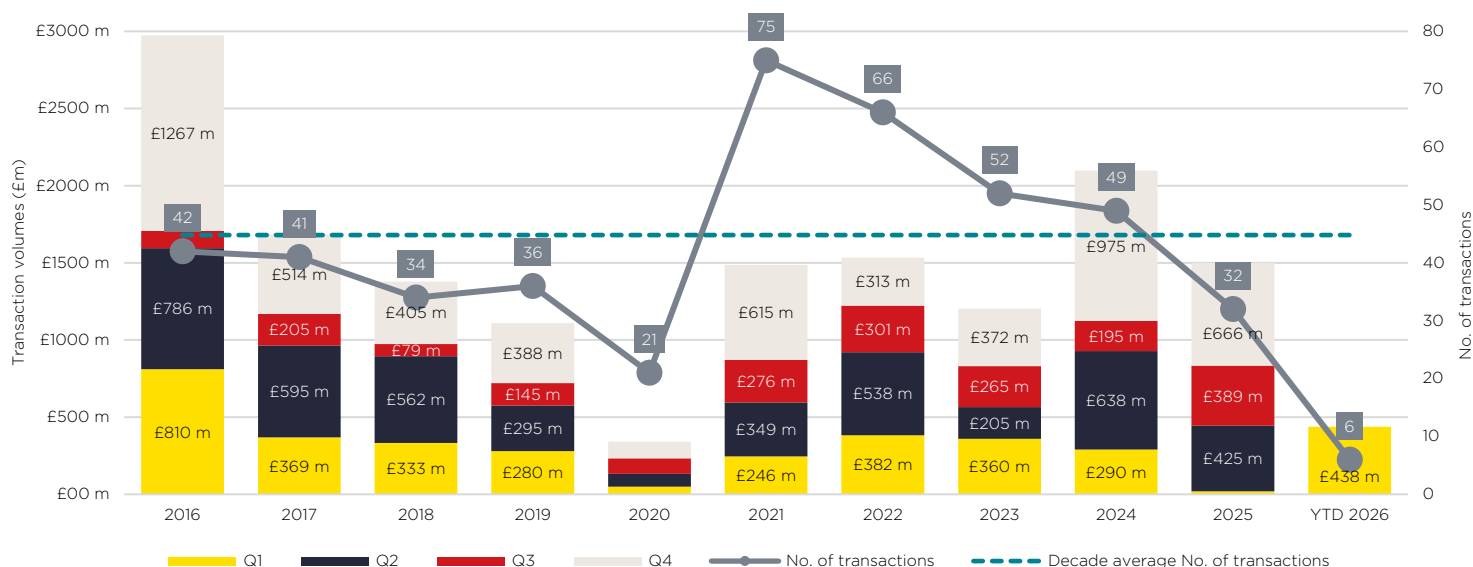
The impact is most pronounced for assets with refinancing exposure, weaker income visibility or material capital expenditure requirements, while well let, income secure assets continue to attract capital.

### Impact on UK shopping centre investment

Against this backdrop, the UK shopping centre investment market delivered its strongest first quarter since 2016, with £438 million transacted across just six deals. This represents a significant rebound on the £19 million recorded in Q1 2025, when market activity was largely subdued by global volatility, and sits 61% above the five-year Q1 average of £260 million.

However, volumes remained highly concentrated: £361 million of Q1 2026 activity was driven by just two transactions - the largest of which was Merry Hill at £291.5 million. As a result, despite the sharp uplift in capital deployed, the quarter also recorded one of the lowest numbers of individual deals, reinforcing the market's continued reliance on a small number of large, high-quality assets to drive headline volumes.

Shopping centre transaction volumes by quarter



**Key shopping centre investment takeaways**

- Geopolitical risk has eased in the near term:** Assuming de-escalation and sustained progress towards peace holds, the conflict in Iran is expected to have a limited direct impact on UK shopping centre investment volumes and pricing, with disruption primarily influencing timing rather than underlying demand.
- Energy led inflation risk remains the main macro transmission channel:** Ongoing volatility in oil and gas prices continues to underpin inflation uncertainty, reinforcing a 'higher for longer' interest rate environment and sustaining pricing discipline across commercial real estate.
- Execution risk, rather than pricing, is the key constraint:** Rapidly shifting geopolitical messaging is compressing effective trading windows and complicating deal execution, even as pricing expectations remain broadly aligned and financing conditions continue to improve.
- Q1 2026 marked a step change in activity, driven by scale:** £438m of shopping centre transactions completed in the first quarter - the strongest Q1 since 2016 - although volumes were heavily concentrated in a small number of large, high quality assets.
- Caution is constraining supply, not demand:** While investor appetite and debt availability remain intact, heightened geopolitical uncertainty has reduced the willingness of owners to bring assets to market, limiting near term pipeline visibility.
- Asset quality continues to trump macro noise:** Well performing, income secure centres are attracting strong engagement, with geopolitical headlines having little impact at the asset level, although larger lot sizes face greater pricing scrutiny and execution risk.
- The recovery is progressing, but selectively:** Stable pricing and ongoing yield compression point to a maturing recovery phase, characterised by fewer but larger transactions and a continued emphasis on scale, income security and active asset management.
- Recovery momentum is increasingly structural, not cyclical noise:** Rising average lot sizes, yield compression and renewed institutional engagement indicate the market has moved beyond its trough, with the next phase of recovery likely to be driven by scale, refinancing flexibility and income security rather than volume alone.



The volume of stock under offer has reduced over the quarter, with several potential transactions no longer progressing and a lack of fresh pipeline coming forward. Increased geopolitical uncertainty, particularly linked to the Iran conflict, has contributed to a deliberate 'wait-and-see' approach across both buyers and sellers. While demand for shopping centres remains, and debt is broadly available, there is limited appetite to launch assets into an environment where rejection risk is elevated. As a result, many advisers, including Savills, are actively preparing assets for sale but holding back on launches, ready to mobilise quickly should geopolitical conditions stabilise.

Notably, schemes that have been brought to market and demonstrate strong trading performance continue to attract interest, with investors largely unfazed by geopolitical headlines at the asset level. In recent launches of well-performing centres, no investors have cited the Iran conflict as a reason not to engage. Instead, the challenge appears more acute for larger lot sizes, where equity and debt requirements are more substantial and pricing scrutiny intensifies. In this context, geopolitical uncertainty is acting less as a barrier to demand and more as a filter on timing, scale and risk tolerance.



**Large lot sizes and market confidence**

The forthcoming sale of the Gateshead Metrocentre will be an important test of market depth. Advisers were appointed in late 2025, with a launch expected in May 2026, targeting a valuation in excess of £500 million and an indicative yield of 7.9%. While Merry Hill has demonstrated appetite for dominant UK shopping centres, Metrocentre represents a materially larger and more complex opportunity, with significant ongoing investment requirements despite a recent £6 million refurbishment programme and strong leasing activity, including the creation of the 10,000 sq ft 'The Crescent' hub. This positioning arguably makes Metrocentre a more sizeable commitment than Merry Hill, and market focus will centre on whether global capital is prepared to deploy at this scale in the current environment.

Internationally, the scale question is thrown into sharp relief by the ongoing sale of the Balkany family's nine-asset Spanish shopping centre portfolio, advised by BNP Paribas and Morgan Stanley, with indicative pricing of €1.5-1.6 billion and reportedly

attracting around 12 bids. Although completion has not yet been publicly confirmed, the breadth of interest in what is widely regarded as one of the highest-quality portfolios in Madrid and Barcelona underlines that global capital remains willing to engage at scale when asset quality is compelling. This raises a relevant question for the UK market: if Spain is increasingly viewed as normalised by global investors, could prime UK shopping centre opportunities follow a similar path once geopolitical noise subsides?

**Consumer, occupational and pricing dynamics**

From an occupational perspective, there is growing debate around the impact of geopolitical uncertainty on consumer behaviour. Rising costs, softer confidence and the prospect of renewed inflation point towards a potential tempering of discretionary spend in the short term, with leisure expected to be more exposed. While some asset managers are flagging pressures among individual operators, this has not yet translated into widespread distress. However, recent occupational performance data suggests early signs of nervousness filtering into the market.

National shopping centre vacancy edged out to 16.9% in Q1 2026, from 16.3% in Q4 2025, indicating a modest softening. Rents have also tempered slightly. Savills' analysis of their open-market lettings and regears indicates average headline rents have fallen by -2.3% in Q1, with net effectives falling -1.2% across high streets and shopping centres.

UK consumer confidence weakened over Q1 2026, according to NIQ data, as early

**Key consumer & occupational takeaways**

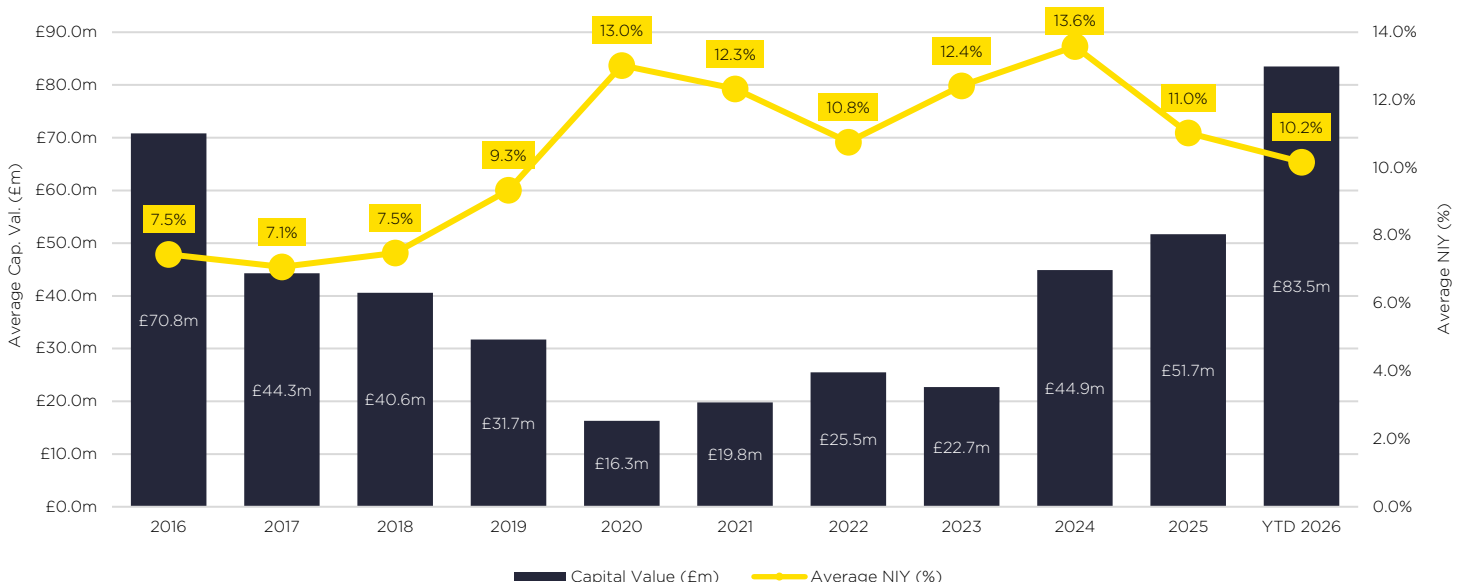
- **Shopping centre vacancy edged higher to 16.9% in Q1 2026**, up from 16.3% in Q4 2025, indicating a modest softening in occupational conditions.
- **By contrast, high street vacancy continued to improve**, falling from 13.4% to 13.2% over the quarter, reinforcing the divergence in occupational performance between prime high street locations and covered centres.
- **Headline rents weakened modestly in Q1 2026**, with Savills' analysis of open-market lettings and regears showing an average decline of **-2.3%**.
- **Net effective rents also softened**, falling by -1.2% across high streets and shopping centres during the quarter.
- **UK consumer confidence deteriorated through Q1 2026** (NIQ), with sentiment worsening markedly by March (to -21 from -16 at the start of 2026) as inflation concerns and Middle East tensions intensified.
- **Spending intentions softened sharply**, with the Major Purchase Index moving from -10 in January to -18 by March, indicating increased deferral of discretionary and big-ticket purchases.
- **Savings behaviour became more precautionary**, with a rising Savings Index suggesting households are prioritising balance-sheet resilience over discretionary expenditure.



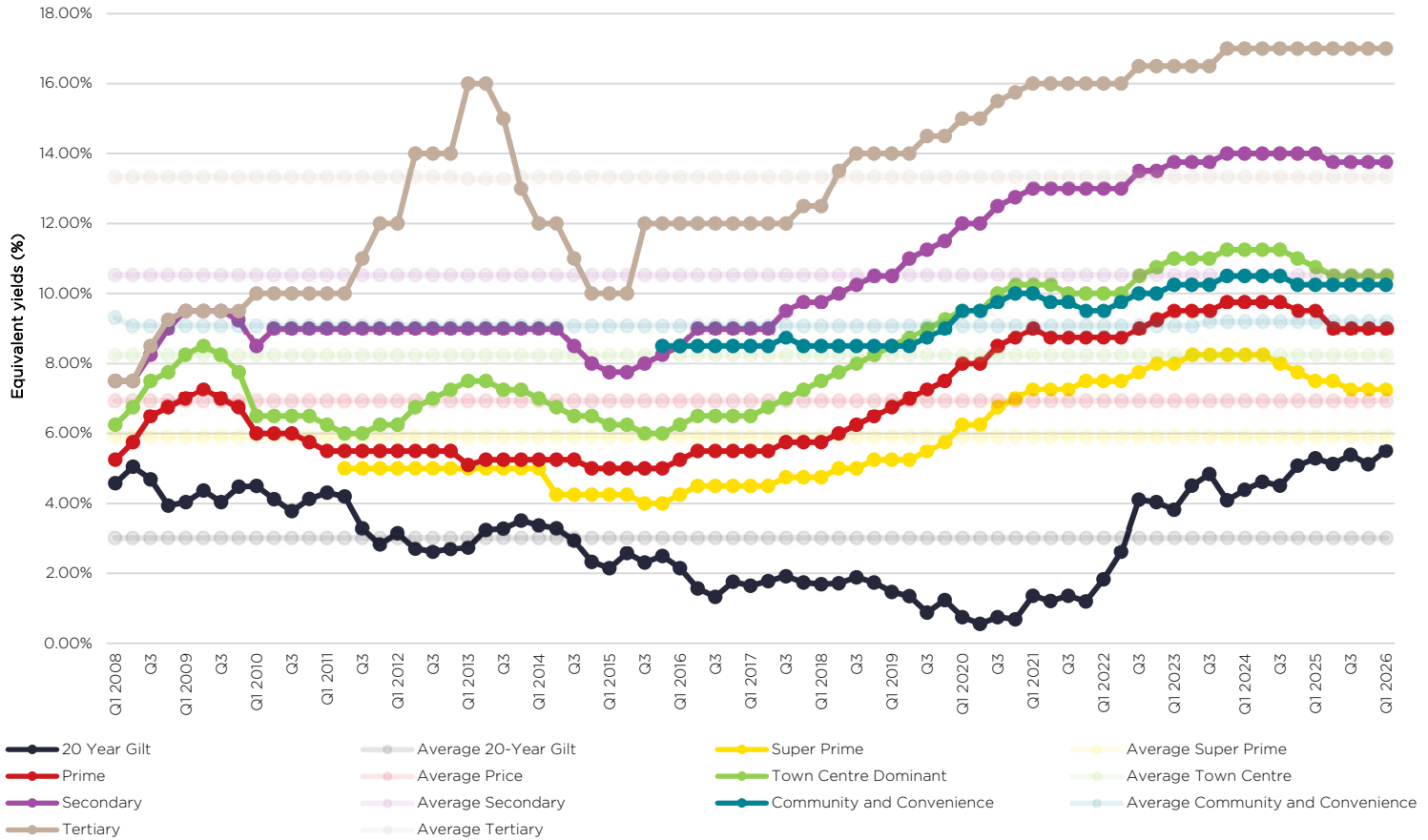
Geopolitical uncertainty is acting less as a barrier to demand and more as a filter on timing, scale and risk tolerance.

**Sam Arrowsmith - Commercial Research Director**

**Average capital value versus net initial yield**



Savills shopping centre equivalent yields:



Source: Savills Research

year stability gave way to increased caution. The headline Consumer Confidence Index edged up to 16 in January, supported by improved perceptions of personal finances, but sentiment deteriorated sharply by March, falling to 21, driven by a pronounced decline in expectations for the wider economy as concerns around inflation and the Middle East conflict intensified. This shift was even more evident in spending intentions: the Major Purchase Index improved modestly to 10 in January but fell to 18 by March, indicating that households were increasingly deferring big ticket and discretionary purchases. At the same time, a rising Savings Index points to a more precautionary stance, suggesting that while consumers remain broadly confident in managing day to day finances, heightened uncertainty has materially weakened appetite for major expenditure.

At the same time however, footfall trends remain relatively resilient, with average weekly shopping centre footfall in Q1 2026 running 0.9% higher than the same period last year. This divergence reinforces investor focus on scheme quality, tenant mix and active asset management as critical drivers of income resilience in an increasingly uncertain consumer environment.

Uncertainty itself remains the key

constraint. The rapidly shifting tone and messaging surrounding the Iran conflict is compressing effective trading windows and complicating execution. However, unlike during the Ukraine war and cost of living crisis, advisers are actively preparing stock for sale, suggesting a wider expectation that this phase of disruption may prove temporary rather than structural. Some investors are also seeking to avoid congested markets, preferring periods of limited supply where assets can attract more focused attention.

**Pricing, yields and outlook**

Pricing sentiment remains relatively stable. While investors have sought to renegotiate on a small number of transactions, this appears to reflect opportunistic behaviour aimed at securing marginally more favourable terms, rather than a fundamental repricing driven by changes in debt costs or access to finance. Savills equivalent yields remain unchanged for the third consecutive quarter at 7.25% for Super Prime, 9.00% for Prime and 10.50% for Town Centre Dominant assets. However, pricing momentum continues to point towards downward pressure, supported by improving debt market conditions and ongoing yield compression.

Yield compression is now clearly underway. While the 2024 average net initial yield of

13.6% represented the highest annual average of the last decade, Q4 2024 transactions alone averaged sub-10.0% NIY - a striking intra-year shift that highlighted a clear projection of the market's direction of travel. That compression has carried into 2025 and through 2026, alongside rising average lot sizes: a twin signal of genuine repricing and the return of institutional confidence to the sector. Shopping centres currently under offer show an average NIY of 9.5% and an average capital value of £62 million, while assets currently in the market quote an average NIY of 8.3% and an average capital value of £20 million.

**Market engagement and investment recovery**

From the current recovery, it is clear the market has emerged from a prolonged adjustment phase. Transaction volumes and total capital values troughed in 2020, compounded by Brexit uncertainty and the Covid-19 pandemic. While investment volumes picked up in 2021, subdued capital values persisted through to 2023 as distressed assets flooded the market. The tide turned decisively in 2024 - 2025, with investment volumes recovering, characterised by fewer but larger deals and a marked improvement in investor sentiment.

Viewed over the long term, the data

Shopping centre equivalent yields - REVO classifications:

SC Equivalent Yields: Revo Classifications	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Dominant Prime	9.50%	9.50%	9.50%↓	9.75%↑	9.75%↓	9.75%↓	9.50%↓	9.50%↓	9.00%	9.00%	9.00%	9.00%
Regionally Dominant	8.25%	8.25%	8.25%	8.25%	8.25%↓	8.25%↓	7.75%↓	7.75%↓	7.50%	7.50%	7.50%	7.50%
Regional Scheme	8.75%	8.75%	9.00%↑	8.75%	8.75%↓	8.75%↓	8.75%↓	8.75%↓	8.50%	8.50%	8.50%	8.50%
Sub-regional Scheme	9.25%	9.25%	9.50%↑	9.50%↑	9.50%	9.50%	9.50%	9.25%	9.25%	9.25%	9.25%	9.25%
Neighbourhood Scheme	10.75%↑	10.75%↑	11.00%↑	11.00%↑	11.00%	11.00%	11.00%	11.00%	10.50%	10.50%	10.50%	10.50%
Good Secondary	11.75%↑	11.75%↑	12.00%↑	12.00%↑	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Secondary	13.75%↑	13.75%↑	14.00%↑↑	14.00%↑↑	14.00%↑	14.00%↑	14.00%↑	14.00%↑	14.00%	14.00%	14.00%	14.00%
Local Scheme (Successful)	10.25%↑	10.25%↑	10.50%↑	10.50%↑	10.50%	10.50%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
Local Scheme (Challenged)	17.00%↑	17.00%↑	17.50%↑↑	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%

Source: Savills Research

illustrates a cyclical market, with clear peaks in the mid-2000s and sharp lows in 2009 and 2020, each followed by a period of recovery. The 2020 drop remains the low water mark, shaped by Brexit uncertainty and the pandemic, after which transactions rebounded while capital values lagged under the weight of distressed sales and ongoing price discovery. A noticeable shift appears in 2024-2025, with volumes improving and average deal sizes

increasing, signalling renewed investor confidence.

Taken together, this places the current recovery within a clear long-term context. Between 2016 and 2025, the market averaged 45 transactions per annum, with an average annual capital value of £1.53bn, reflecting a period shaped by structural adjustment and episodic shocks. Looking further back, the longer-term average

between 2000 and 2025 is substantially higher, at 70 transactions per annum and £3.36bn of annual capital value, underlining the scale of activity achieved during more stable and expansionary phases of the cycle. Against this backdrop, recent improvements in volumes and lot sizes point to a market that has moved beyond its trough and is re-establishing depth, albeit at a measured pace and with a continued emphasis on asset quality and income security.

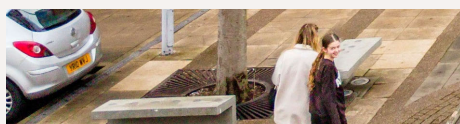
Investment outlook: Recovery driven by scale amid ongoing uncertainty

Q1 2026 has been the strongest first quarter since 2016, underpinned by the completion of a small number of larger lot-size transactions. Historically, annual activity has tended to be weighted towards Q4. In 2024, total investment volumes exceeded £2 billion for the first time since 2016, with nearly half of that activity concentrated in the final quarter. However, this momentum did not carry into the following year: Q1 2025 recorded the lowest quarterly capital volume on record, as overseas volatility and broader investment uncertainty brought the shopping centre investment market close to a standstill.

By contrast, Q1 2026 has seen a marked rebound, driven largely by transactions agreed in late 2025. Despite this improvement, the volume of new stock coming to market remains limited, with the sector adopting a more cautious stance as investors await greater clarity on the wider geopolitical environment. At present, nine schemes remain under offer, totalling approximately £190 million, with a further 17 centres in the market, quoting a

combined capital value of around £295 million. Continued improvement in debt market conditions is supporting competitive bidding processes, and Savills expects to see the phased re-entry of former Intu assets, with several anticipated to launch during 2026 and 2027.

Looking ahead, Savills continues to forecast over £2.5 billion of shopping centre transactions in 2026, despite a slower pipeline in the near term. Approximately one-third of the UK's top 30 shopping centres are expected to transact or be brought to market over 2026-2027, with 17 assets or stake interests having already traded or entered the market since 2022. While transaction timing remains sensitive to geopolitical developments, the underlying fundamentals - including debt availability, improving pricing confidence and sustained investor demand - support the view that this forecast remains achievable. In this environment, refinancing is increasingly being considered alongside disposal, particularly for well-capitalised owners seeking flexibility on execution.



# UK high street investment: Ready capital, conditional timing

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While the previous downward pressure on yields has eased for the time being, there is no evidence of a material outward shift.

**James Stratton - UK Investment Director**

## Geopolitical context and transaction timing

The recent escalation in the Iran conflict, followed by the current ceasefire, may - in the context of the annual sales programme - have limited impact on high street investment volumes and pricing, assuming the ceasefire holds. In practice, many trades are typically initiated early in the New Year, with a view to completing by Easter and were well underway before the escalation of the conflict. A second wave of activity typically follows post Easter for which preparations likely continue whilst the success of the ceasefire and deescalation is assessed. Whilst this may delay the launching of some sales to market the window to summer is sufficient that the typical flow of sales activity may yet emerge.

Looking ahead, Q2 could therefore provide a constructive platform for trading if confidence improves around the durability of current de-escalation and market participants are willing to proceed. The key macro question is the lag between geopolitical stress and any inflationary impact filtering through - with expectations typically in the region of six months to a year - and it is this timing risk that could reintroduce pricing uncertainty. The market had been waiting for interest rates to continue easing; although cuts had begun, there is now a growing expectation they may stagnate for at least a year. Even so, in the absence of renewed escalation, the environment is not as disruptive for high street trading as might have been feared at the height of the conflict a couple of weeks ago, when money rates spiked and sentiment was more fragile.

## Stock availability and short term execution risk

For now, the most immediate constraint remains a lack of stock. There is evidence of sales being prepared and a willingness to trade, but many prospective vendors appear to be watching events closely over the next couple of weeks to assess whether there is a viable window between now and the summer. In that sense, the market is politically exposed, but not paralysed. Those with conviction to transact will often proceed regardless, particularly now that the initial volatility in money markets has been absorbed.

Recent uncertainty has likely taken some of the steam out of pricing, but importantly prime yield remains at 6.50%, unchanged since summer 2024. While the previous downward pressure on yields has eased for the time being, there is no evidence of a material outward shift.

Activity from here is highly path dependent. If negotiations stall or the path to a peace deal breaks down, we would expect reduced activity and a more cautious approach to execution. Conversely, if a peace deal is agreed, or there is clear momentum towards a durable settlement, then appetite is clearly present, and we would anticipate plenty of activity as capital looks to deploy. This creates a market dynamic that feels like an amber light: neither fully greenlit nor red flagged, with decision making sensitive to political clarity and progress contingent on greater geopolitical stability and confidence around the durability of the current de escalation process.

In the near term, this equates to business as usual while participants assess risk, and the market finds itself at a crossroads. Some investors and vendors will proceed, while others will remain on the sidelines. This divergence in behaviour is now a defining feature of trading conditions.

## Key high street investment takeaways

**Geopolitical risk has eased in the near term:** Despite the Iran conflict remaining unresolved, current conditions suggest limited direct risk to UK high street investment volumes or pricing, particularly when viewed against the normal annual sales cycle and established trading patterns.

**Timing, not sentiment, is the constraint:** Buyers are active and capital is available, but **limited stock** - rather than macroeconomic pressure - continues to cap transaction volumes. Many prospective vendors are monitoring developments closely before launching assets.

**A potential Q2 trading window is emerging:** If geopolitical conditions stabilise, Q2 could provide a constructive platform for activity, particularly as post-Easter sales preparations come through and investors seek to deploy capital.

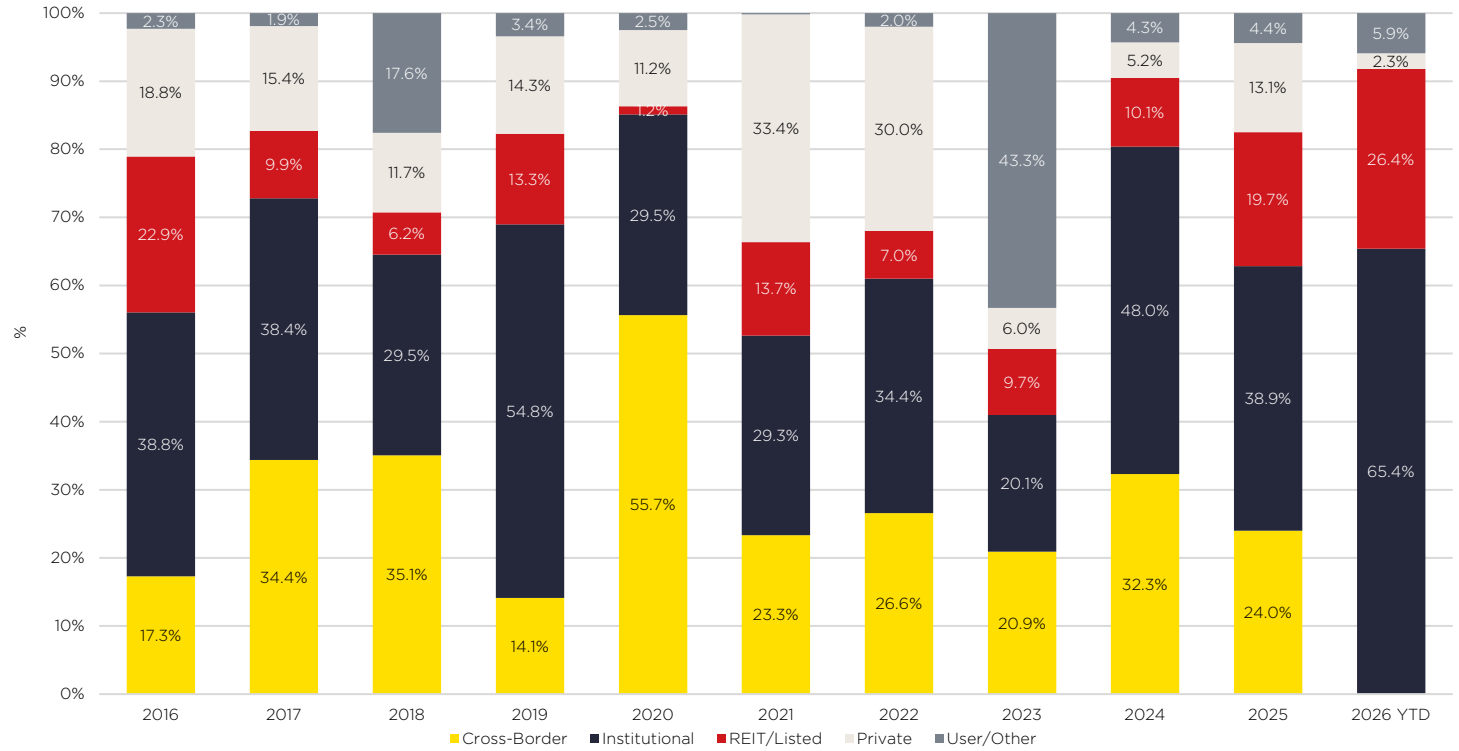
**Pricing remains broadly stable:** Prime high-street yields have held at 6.50% since summer 2024. While recent uncertainty has removed downward pressure on yields, there is no evidence of material outward shift.

**Supply remains institutionally driven:** Institutional investors continue to dominate the sell side in early 2026, with disposals driven by structural fund restructuring rather than negative views on the high street. Smaller lot sizes are more likely to trade, while £20m+ assets remain keenly sought.

**Buyer composition is narrowing but supportive:** Cross-border and private investors dominate demand in early 2026, supported by ongoing interest from French SCPIs in the £3m-£10m segment. The market retains headroom for a recovery in volumes if stock emerges.



MSCI RCA urban retail/high streets buyer composition



Source: MSCI RCA data

Opportunistic disposals and the 'window' narrative

Should progress towards a peace deal continue, a further driver of liquidity could come from investors seeking an exit before the next shock event - a mindset shaped by several years of repeated disruptions and policy shifts. In that context, some vendors may look to transact while the market window is open, driven by the desire to complete a trade before sentiment is tested again (recent reference points include the war in Ukraine, changes to National Insurance and minimum wage, fiscal policy adjustments, business rates, and tariff-related uncertainty). This also links to the presence of opportunistic behaviour: where pricing is perceived as stable and execution risk manageable, capital will typically move quickly. We will find out this quarter how far this "window" narrative translates into completed deals.

Sources of supply and institutional dynamics

Where, then, will stock come from if buyer demand strengthens? Institutional vendors are still expected to be the principal source, consistent with the same underlying theme seen for some time. The core challenge is not a lack of potential sellers, but the rationale for selling: disposals are being driven primarily by fund dynamics, including mandate reshaping and consolidation, rather than negative sentiment towards

the high street sector. Defined benefit pension scheme restructuring continues to generate flow, with smaller segregated mandates either sold down or absorbed through mergers, often leaving behind lot sizes that no longer fit the strategic profile of enlarged funds.

This structural reallocation was expected to deliver more liquidity than has ultimately emerged, but progress has been slower than assumed - contributing to a constrained pipeline. At the same time, many institutional owners continue to retain assets because income returns remain attractive, reinforcing the view that there is no overarching "sell the high street" narrative; instead, supply is being released gradually and orderly, supporting a sense of stability.

This institutional reshaping is also influencing the size and shape of tradable lots. As funds become larger and more cash-rich, appetite tends to skew away from smaller transactions; accordingly, smaller lot sizes (sub £20m) are more likely to be brought to market, while £20m+ opportunities increasingly sit on the institutional wish list. Early signs of a return of institutional demand are emerging, following a 14.7% share of purchases in 2025, although this has not yet translated into recorded buying activity so far in Q1 2026.

Capital flows and buyer composition

Capital flows in the high street market underline this point. Cross-border buyers dominated in 2025, accounting for 54.1% of all buyer activity, with private investors the second-largest group at nearly 23%. So far in 2026, the buyer base is split almost evenly between cross-border (47.2%) and private buyers (52.8%), with no institutional, REIT/listed, or user/other buyer activity recorded yet in Q1.

On the sell side, institutional investors were the largest sellers in 2025 (38.9%), followed by cross-border (24.0%) and REIT/listed entities (19.7%). Early 2026 has been even more concentrated, with institutional sellers representing 64.4% of all seller activity so far, followed by REIT/listed at 26.4%.

Overall, 2025 reflected a more diverse mix of capital on both sides (cross-border buyers and institutional sellers leading), whereas 2026 YTD (Q1 preliminary) suggests a more concentrated market - private and cross-border demand facing a sell-side dominated by institutions. This is early-stage data and may shift as more transactions close through the year. Net acquisitions also reflect this pattern: institutions and REIT/listed were net sellers in 2025, while cross-border and private investors were net buyers.

**Transaction volumes and market context**

Pricing and volume evidence remains consistent with the “stock constrained” narrative. According to MSCI RCA, total urban retail and high street investment reached £155.2m in Q1, a figure expected to rise as further transactions are recorded. Even so, volumes are currently 75.0% below Q4 2025, 76.8% down on the decade quarterly average, and 78.4% lower than Q1 last year. It is important to contextualise this against 2025’s trading pattern: last year saw a pronounced dip in activity in Q3, followed by a sharp recovery in the final quarter. Overall, market activity remained constrained far more by limited stock availability than by wider

economic pressures - a dynamic that still holds. If supply loosens, volumes can recover because underlying desire to transact is clearly present.

A further supportive feature of the demand stack remains French SCPIs (Sociétés Civiles de Placement Immobilier). These non listed vehicles pool investor capital in a structure akin to syndicated funds, offering individuals exposure to property without direct ownership. SCPIs continue to show active interest in the UK high street, particularly in the £3m-£10m lot-size bracket, and they remain an important contributor to liquidity in that segment.



Overall, the balance of risks points to a market that is poised rather than paused, with near term outcomes highly sensitive to political clarity and vendor confidence.

**Sam Arrowsmith - Commercial Research Director**

**Market positioning and outlook**

In summary, Q1 2026 reflects a market where buyers are ready and willing and a theoretical seller base exists, yet completed activity remains muted - a set up that closely mirrors conditions at the end of Q3 last year, which ultimately preceded a strong year end rebound. The primary constraint continues to be supply rather than sentiment, with real estate still providing strong, stable value for pension funds, encouraging actuaries to maintain property allocations and limiting the immediate release of stock. As a result, the practical missing ingredient is tradable assets, not demand. The UK high street investment market therefore sits at a clear inflection point: if a peace deal is agreed, or there is sustained progress towards one, geopolitical risk is likely to recede, enabling investors to refocus on fundamentals and execution.

expectations have become less accommodative and inflation remains a medium term consideration, income returns remain attractive and pricing broadly anchored. The release of stock - whether through pension restructuring, strategic portfolio adjustments or opportunistic disposals - will therefore be the principal determinant of market momentum. Even a modest improvement in supply could allow volumes to recover quickly.

Conversely, a failure to reach agreement or renewed escalation would be more likely to defer activity than reprice the sector, reinforcing a pattern of caution rather than capitulation. Overall, the balance of risks points to a market that is poised rather than paused, with near term outcomes highly sensitive to political clarity and vendor confidence.

In that scenario, there is a credible case for a pickup in activity through Q2, supported by pent up demand, post Easter launch programmes and vendors seeking to transact within what is perceived to be a relatively stable window. While interest rate



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