

# THE ASSET CLASS EVERYONE LEFT FOR DEAD IS NOW OUTPERFORMING BY 3x.

UK Retail Property vs Offices

The Numbers Nobody's Talking About.

# THE SCOREBOARD

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## UK RETAIL

Total Returns (12m)

**8.6%**

Capital Growth

**+1.6%**

Best Subsector

**Shopping  
Centres**

**10%**

## UK OFFICES

Total Returns (12m)

**2.8%**

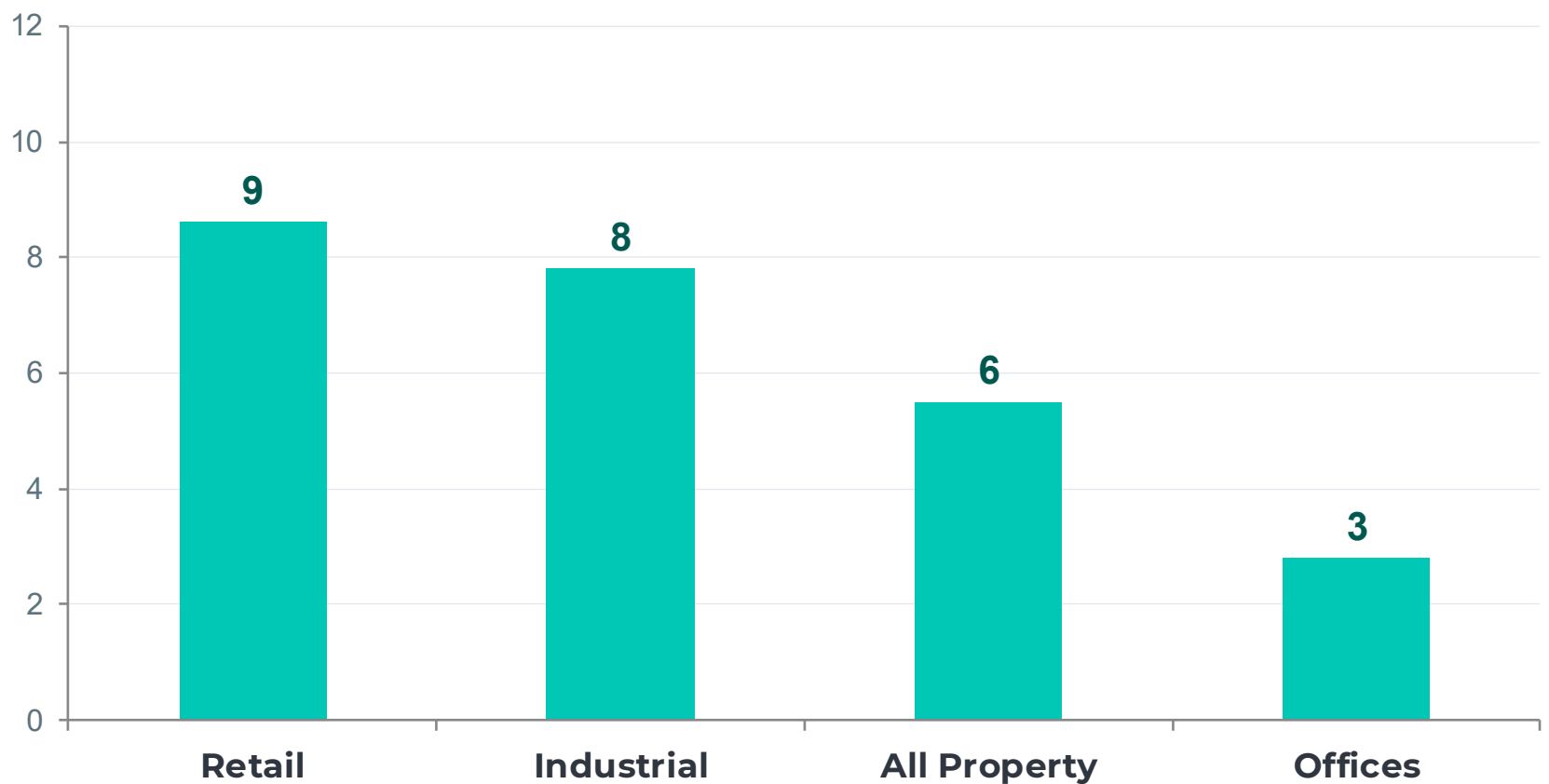
Capital Growth

**-2.5%**

Best Subsector

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# THE GREAT REVERSAL



**For a decade, "retail is dead" was consensus.**

Meanwhile, repricing created entry points most investors ignored. Now the yield compression is real — and the capital is following.

Retail investment volumes are running **37% above** the five-year average.

*12-month total returns by sector. Source: CBRE, Cushman & Wakefield*

# THREE FORCES DRIVING THE ROTATION

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## REPRICING COMPLETE

Retail values corrected 25%+ post-pandemic.  
Offices are still adjusting downward.



## OCCUPIER RESILIENCE

Physical retail footfall recovering. Experiential, grocery, and value retail thriving.



## YIELD PREMIUM

Prime retail yields still offer 75–100bps spread over equivalent office stock.

# -2.5%

UK office capital values — still falling on a 12-month basis.

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**Rising vacancy.**

**ESG retrofit costs mounting.**

**Hybrid work permanently resetting demand.**

The office correction isn't over —  
it's just quieter now.

*Meanwhile, tariff-driven global uncertainty is delaying new large-scale commercial development starts.  
Supply is tightening where it matters most.*

# WHAT SMART CAPITAL IS DOING NOW

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1

Rotating into retail warehouse and convenience-anchored assets

2

Targeting shopping centres with active management upside

3

Locking in yields before compression catches up to pricing

4

Watching the BoE at 3.75% — any cut accelerates the trade

Capital Economics forecasts retail landlord returns of **9.5% for full-year 2026** — the best since 2021.



# THE CONSENSUS WAS WRONG. THE DATA ISN'T.

What's your biggest conviction trade in  
UK commercial property right now?

**Drop it in the comments.**

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