

OUTLOOK

1. Colliers on UK RE Investment

Investment

- Monthly investment volumes slowed from £2.2bn in (previously reported as £2.5bn) in July to £1.7bn in August. The figure is well below the five-year monthly average of £4.7bn.
- The year-to-date total of £26.2bn was in line with the corresponding 2023 figure but 17% below the equivalent 2024 figure.
- Just under £9bn of the year-to-date total targeted London, followed by Birmingham at £1.2bn, Manchester at £1.1bn, and Glasgow at £750m.
- Cross-border capital accounted for 51% of all sales volumes so far in 2025 which is above the 2024 share of 45%.
- Industrial has accounted for the largest sector share so far in 2025 (24%), followed by offices (21%) and retail (18%).
- In July's largest transaction by value, QuadReal Property Group acquired an eight-asset student housing portfolio totalling 3,460 beds for over £500m at a 5.6% yield.
- "All Property" net initial yields were relatively stable in July, according to MSCI data. Yields are around 35 bps lower than they were a year ago.

Colliers' view: *Unchanged. Economic and geopolitical uncertainty and high debt costs continue to slow the transactional flow. We expect a pick-up in the second half of the year.*

2. Colliers on UK Industrial

Capital markets:

- Industrial monthly investment volumes slowed from a revised £390m (previously reported as £350m) in July to £270m in August.
- The August figure was well below the five-year monthly average of £1.2bn.

Occupier markets:

- Industrial take-up reached 7.7m sq ft in Q2, up by 17% on the previous quarter.
- Online-led demand has increased with e-commerce players accounting for 15.2% of total take-up in H1 2025.

3. Top August Deals in the UK

Top August investment deals by value

Asset type	Value	Yield	Location	Seller	Buyer
Portfolio	£120m	n/a	Gigha portfolio	Legal & General	Chancerygate/ GIC
Warehouse	£101m	6.5%	Hartlebury Trading Estate, Kidderminster	Shroder Exempt PUT	Sirius Real Estate
Warehouse	£16m	9.5%	Bedford Heights, Bedford	Not disclosed	Sirius Real Estate

Source: Colliers, MSCI RCA

4. Logistics assets now comprise more than half of Blackstone's €120bn European real estate portfolio.

- a. Blackstone took over Warehouse REIT (£489M)
- b. FT: 'The world's largest commercial property investor has been at the forefront of a wave of private capital investment into European logistics portfolios. It has been attracted to the sector because of its relatively healthy rental growth, in part because of continued demand for online shopping, as well as the low levels of capital expenditure needed for warehouses.'

5. Savills: Logistics assets now account for 22% of total capital deployed into European real estate, up from 13% in 2018.

- a. Economic uncertainty continues to slow occupier expansion, with 57% delaying or scaling back plans versus 69% last year, but only 4% have stopped entirely.
- b. Demand for warehouse space is expected to rise—41% in the next year and 47% over one to three years—while sharp falls in the UK and European pipelines point to tightening vacancy ahead.

6. Savills UK Yields August 2025:

Savills prime yields

	August 2024	July 2025	August 2025
West End Offices	4.00%↓	3.75%	3.75%
City Offices	5.25%	5.25%↓	5.25%↓
South East Offices	7.75%↑	7.50%	7.50%
Provincial Offices	7.00%↓	6.75%	6.75%
High Street Retail	6.50%	6.50%	6.50%
Shopping centres	8.00%	7.50%↓	7.25%
Retail Warehouse (open A1)	5.50%	5.25%	5.25%
Retail Warehouse (restricted)	6.00%	5.75%	5.75%
Foodstores (OMR)	5.50%↓	5.50%↓	5.50%↓
Ind/ Distribution (OMR)	5.00%	5.00%	5.00%
Industrial Multi-lets	5.00%↓	5.00%	5.00%
Leisure Parks	8.00%	8.00%↓	8.00%↓
London Leased (core) Hotels	4.50%↓	4.50%	4.50%
Regional Pubs (RPI)	6.50%↓	6.50%↓	6.50%↓

Source Savills

7. Temu has partnered with Turkey's Horoz Logistics to expand its nationwide distribution.

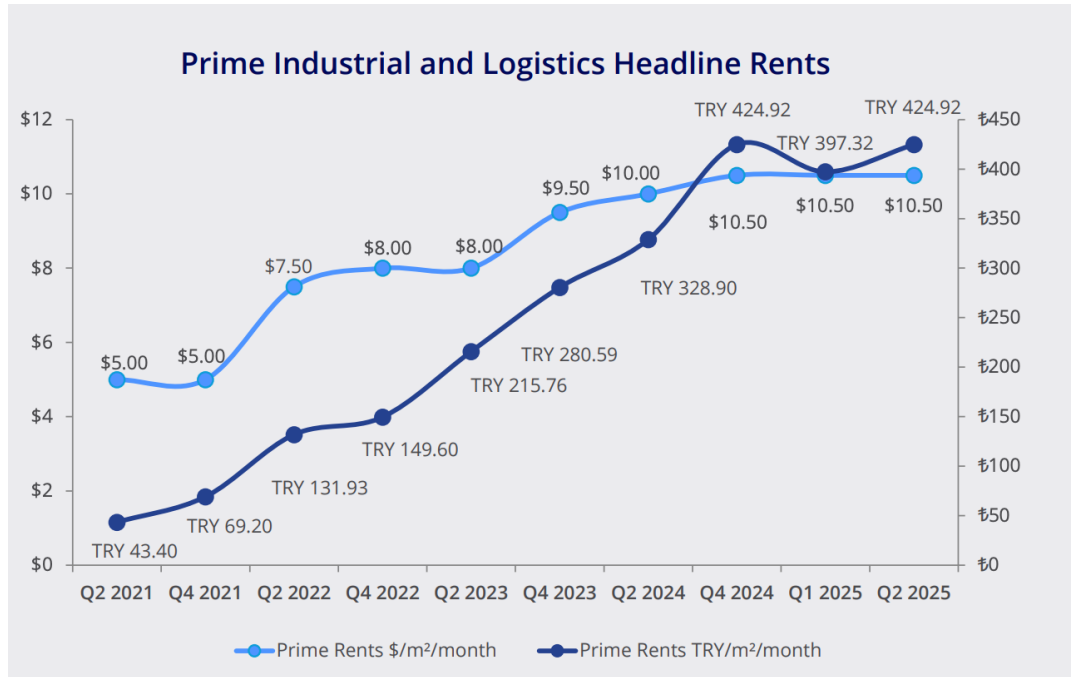
- a. Under the deal, Horoz will handle bulky shipments over 30kg, ensuring faster and more reliable delivery of large-volume products.

8. Colliers TR H1 Reports:

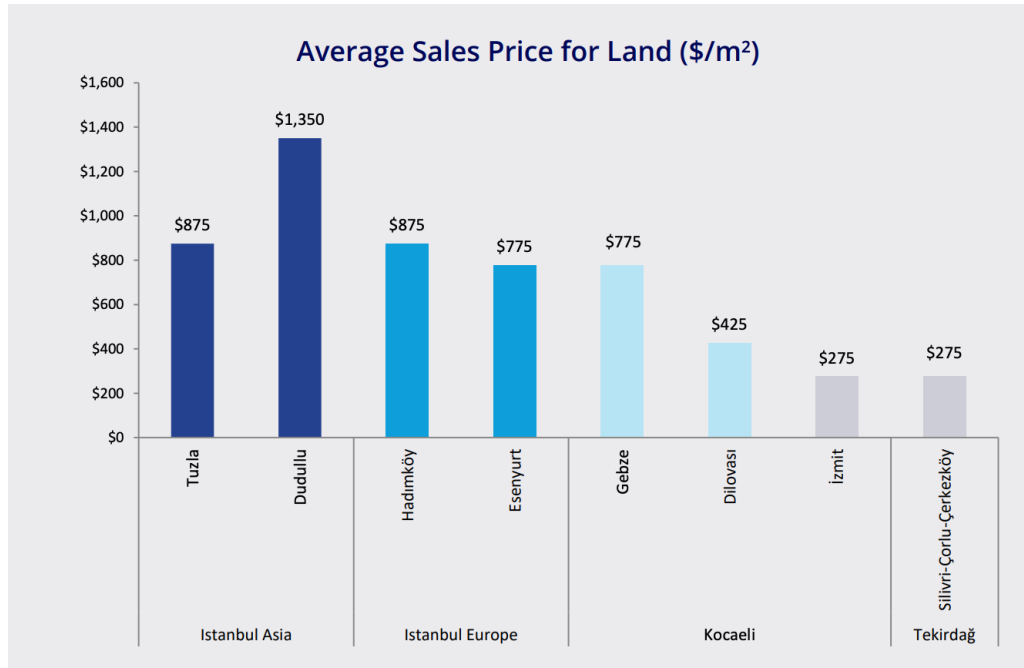
- a. Istanbul and its surrounding region host 5,938,580 m² of leasable industrial space, making up 59% of total stock. Gebze leads with 33%, followed by Esenyurt-Kıraç at 28% and Tuzla at 17%.
- b. Q2 2025 - the vacancy rate for Istanbul's industrial land stock reached 6.68%, with increases across most regions except Çorlu. Dudullu's vacancy remained stable, supported by its concentration of high-quality facilities. The overall rise in vacancies was driven mainly by new supply entering the market, though demand for prime space continues to outpace availability, particularly for units under 10,000 m² and above 25,000 m², many of which are pre-leased during construction.
- c. Expects downward pressure in Turkish market. Limited availability of space <5km² is a challenge.

	Districts	Rent (TL/m ² /month)			Vacancy Rate(%)		
		Q1 2025	Q2 2025	Change	Q1 2025	Q2 2025	Change
Istanbul Asia	1 Dudullu	371	397	↑	0.0%	0.0%	↔
	2 Tuzla	381	407	↑	8.1%	8.7%	↑
Istanbul Europe	3 Silivri	219	198	↓	3.0%	12.8%	↑
	4 Esenyurt-Kıraç	366	362	↓	4.8%	7.0%	↑
Kocaeli	5 Gebze	359	429	↑	1.4%	3.1%	↑
	6 Dilovası	284	300	↑	8.5%	13.6%	↑
Tekirdağ	7 Çerkezköy	265	158	↓	2.5%	14.8%	↑
	8 Çorlu	218	142	↓	3.0%	2.5%	↓

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