



Vision '22: Onwards and Upwards?

Virtual seminar

Wednesday 2nd February 2022



Moderator Welcome

John Forbes, John Forbes Consulting
& Member of the Public Policy Committee



Agenda for today

- 09.00 Webinar start
- 09.00 Welcome and housekeeping - John Forbes
- 09.05 Presentation - Mat Oakley, Savills
- 09.15 Panel Discussion - Our panel includes:
 - Moderator: John Forbes
 - Miranda Cockburn at Panmure Gordon
 - Mat Oakley, Savills
 - Savvas Savouri at Toscafunds
- 09.55 Closing remarks from John Forbes
- 10.00 Close

Speakers



Miranda Cockburn
Managing Director -
Real Estate Equity
Research
Panmure Gordon



Mat Oakley
Director,
Commercial
Research
Savills



Savvas Savouri
Chief Economist
and Partner
Toscafunds



Mat Oakley
Director, Commercial Research
Savills



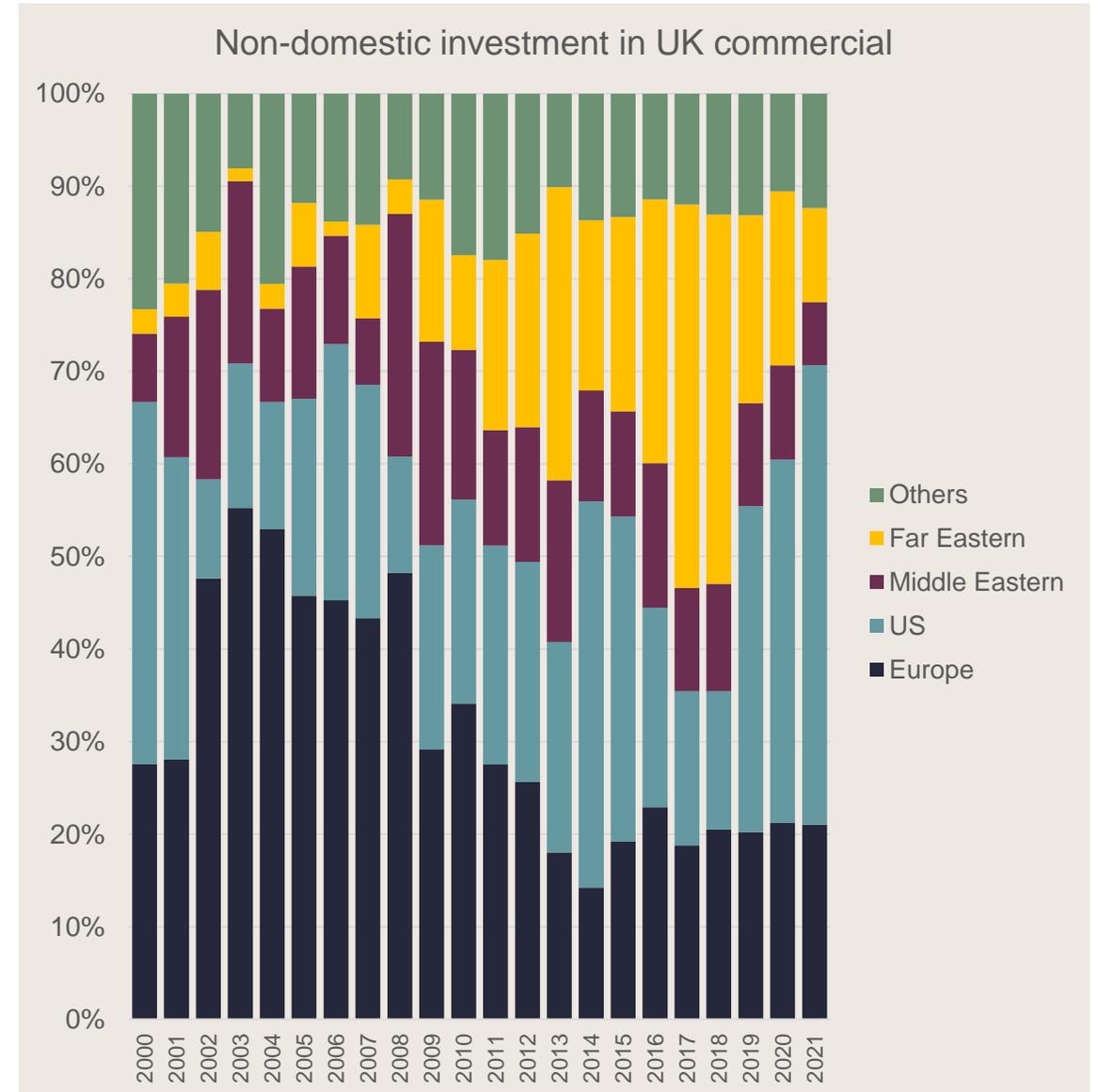
UK Commercial property in 2022 and beyond

Altered priorities ahead?

Theme 1

The return of long-haul capital

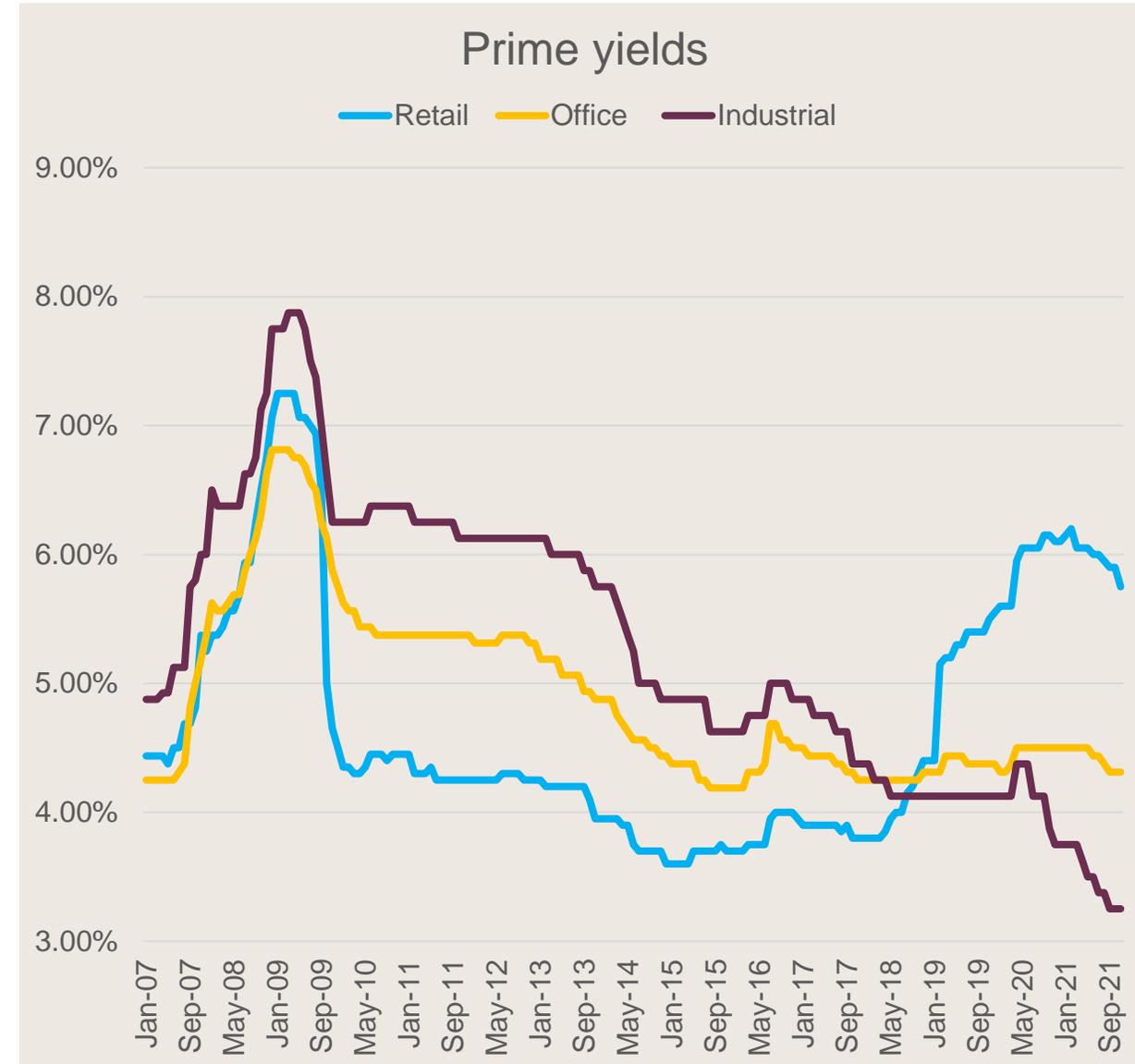
- The return of APAC and ME buyers will boost investment volume...
- ... but **some parts of the UK market aren't as cheap as they were pre-crisis**
- So overall I expect investment turnover of £65bn in 2022 (up from £60bn in 2021, 10% above trend)



Theme 2

Upward pressure on pricing at both ends of the risk spectrum

- Prime London office and logistics yields to be driven by weight of money
- Greater levels of activity and yield hardening in **regional offices** and **some parts of retail**
- Opportunistic buyers swing from retail warehousing into other retail segments



Theme 3

The race to carbon neutrality

- **Green premia** from rent or elsewhere?
- More work needed on Social
- More work needed on whole-life carbon...
- ... especially since this might help the standing stock challenge
- Policy changes are inevitable

5bn square feet
needs improving

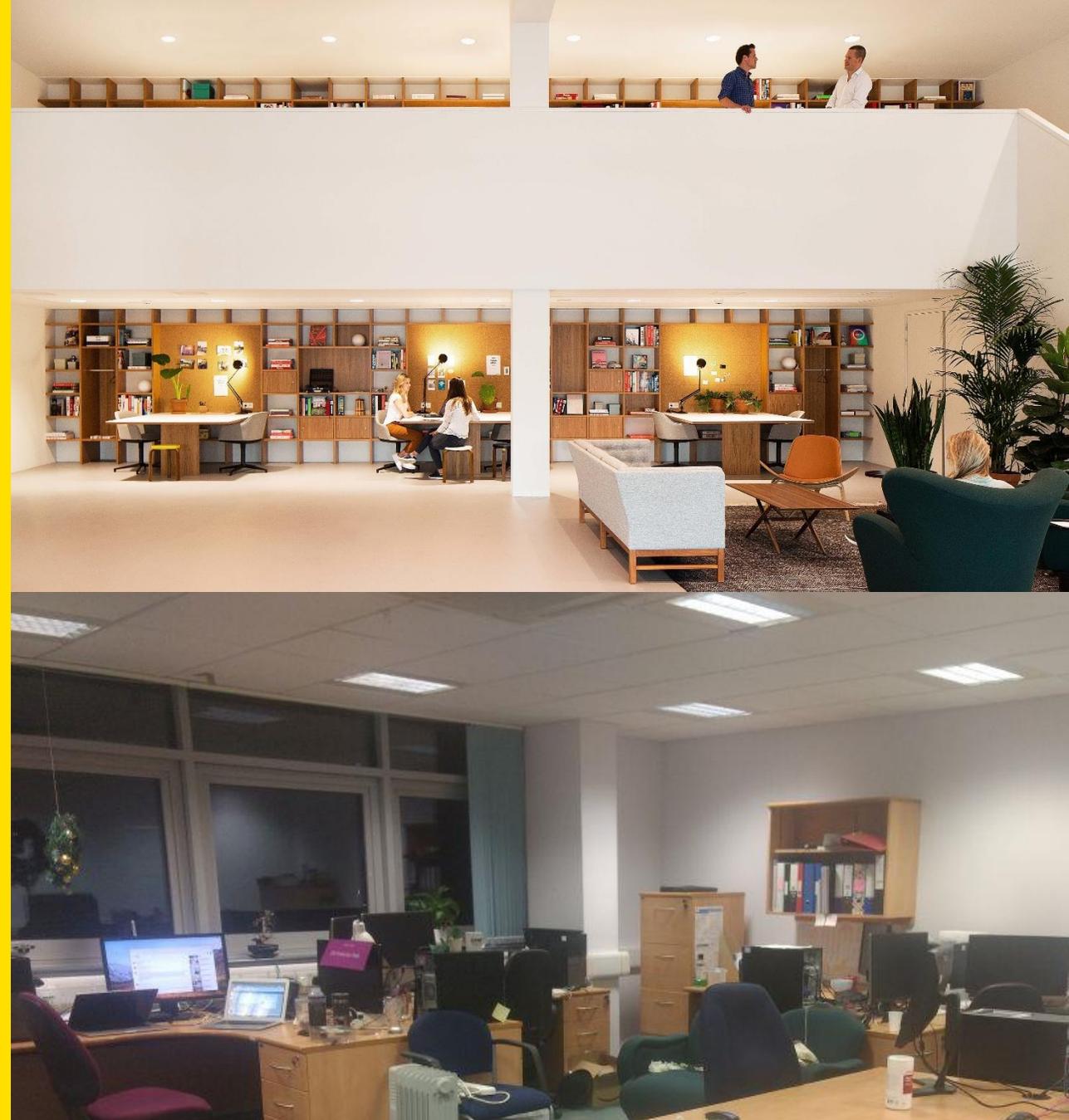
Might not be as
expensive as it
seems

But still too
expensive in some
locations

Theme 4

The office post-Covid

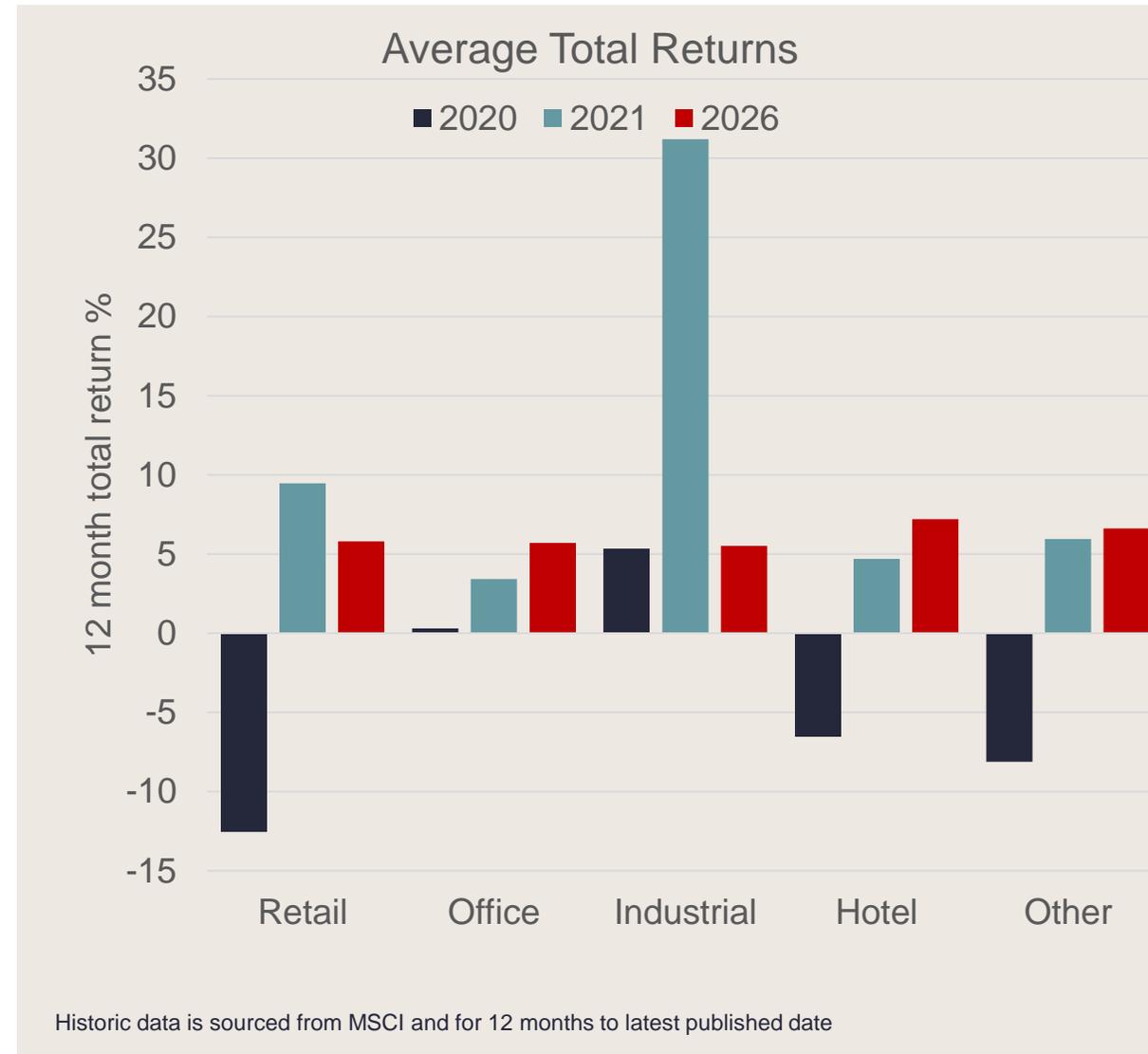
- Bigger companies will delay decisions if they can
- The demand is there, but nobody knows how much they need
- Rising agile will to a degree be compensated for by employment growth and density falls...
- ... but **we still will need 10% less office space than we have now** in some locations
- Regional markets will struggle with a lack of “prime”



Theme 5

The re-emergence of retail and re-balancing of total returns

- Retail warehousing delivered a 20% return in 2021...
- ... where will the bottom-feeders go next?
- Logistics isn't as safe as it seems from obsolescence
- Green retail?
- Agile working will boost forgotten retail locations
- All those savings have to go somewhere – leisure?







Panel discussion

To ask a question to the speakers:

Click the Q&A button at the bottom of your screen to bring up the Q&A board



Thank you