

# THE SIZE AND STRUCTURE OF THE UK PROPERTY MARKET: END 2015 UPDATE

# **AT A GLANCE**

## **JULY 2016**

ling of figures for does not sum to £483bn.

### Value of commercial property (fbn)



In 2015, both the total value of UK comercial property and that owned by investors reached their highest recorded levels to date.

#### Value of commercial property: London versus rest of UK (£bn)



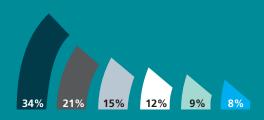
Compared to 2006, the total value of commercial property is 38% higher in London but 14% lower in the rest of the country. London now accounts for almost 40% of the UK's commercial property stock by value.

#### Ownership of UK commercial investment property (fbn)

| £13                  | £20      | £23                                   | £39                            | £46                           | £59                              | £71                                     | £79  | £135     | Total: £483bn*  |
|----------------------|----------|---------------------------------------|--------------------------------|-------------------------------|----------------------------------|---|--|----------|---|
| UK private investors | UK other | JK traditional estates<br>& charities | UK segregated<br>pension funds | UK insurance<br>company funds | UK private property<br>companies | UK REITs & listed<br>property companies | UK & Channel Island<br>domiciled collective<br>investment scheme | OVERSEAS | * Note - due to rounding (<br>individual categories, doe: |

Overseas organisations own 28% of UK commercial investment property. Collective investment schemes and listed property companies (including REITs) are the largest domestic owners of UK investment property. UK insurance companies now control only 9% of the investment market, compared to a fifth in the early 2000s.

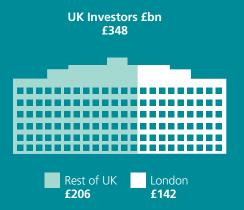
#### Distribution of overseas ownership by type of investor, end-2015

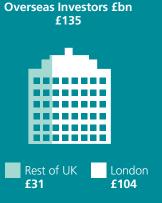


- Funds
- SWFs and governments
  Individuals & private property companies
- Other overseas owners
- REITs & listed property companies
- Insurance companies & pension funds

Collective investment schemes (i.e. funds) are the largest type of overseas owner but sovereign wealth funds were the fastest growing type of commercial property investor in 2015.







77% of overseas holdings are in London, compared to 41% for UK investors.



The total value of UK residential property is 6 x that of the commercial sector. The private rented sector (PRS) has a value in excess of £1th but mainstream property investors own only a tiny fraction of this, although their holdings increased by circa 25% in 2015.

#### The 2015-2018 Research Programme is sponsored by:



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