

UK Commercial Property Auction Data Report

July 2025

The Acuitus cPad report reviews activity in the UK commercial real estate auction market. The report is produced by Acuitus Research and is powered by analysis of the long-running cPad data series. These reports provide a comprehensive analysis of key performance metrics, sale trends across asset types, the geographical preferences of investors, and movements in yields.

The latest sales data for this Q2 2025 review has been provided by The Essential Information Group. It is a subset of commercial property auction sales and focuses solely on investment-grade assets and income-producing property with development potential.

Overview

The UK commercial property auction market has seen growing momentum in the first half of 2025 with Q2 activity building on the foundation of more robust investor confidence in the first quarter.

The Q2 data shows a market which is more resilient and adaptive with enhanced volumes, pricing, and yield trends.

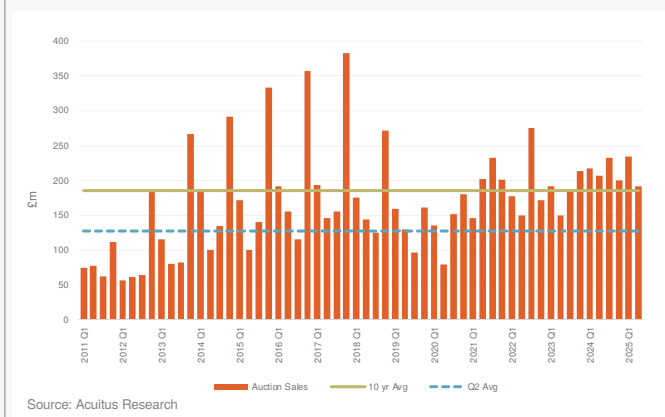
Resilient and adaptive

The UK commercial property auction market saw a significant upswing in the first half of 2025 with its strongest performance since the onset of the COVID-19 pandemic. Auction sales in H1 2025 reached a total of £425.6m, slightly surpassing the figures from H1 2024 of £423.3m. This performance reflects a resilient yet adaptive market that is responding to shifting investor sentiment and broader macroeconomic trends.

Resurgence of retail and alluring alternatives

- **Retail** returned as a central focus for investors. In Q2 alone, retail assets comprised 63.6% of all auction sales, representing a considerable increase compared to 52.2% over the previous 12-month period and up from 49.1% in Q1 2025. This shift marks a reversal from the recent past where retail assets had steadily lost ground to other commercial sectors such as offices, industrial properties, and alternative investments.
- **Alternatives** remain a vital component of the auction market landscape. In Q2, alternatives attracted nearly 26% of total auction sales, amounting to £49.6m. This category includes a diverse range of asset types such as leisure, healthcare, development land, and mixed-use properties. The continued investor interest in alternatives reflects a broader strategy of diversification and risk mitigation, especially in sectors viewed as more resilient or offering strong asset management potential.

Activity: Amount traded quarterly 2011-2025 (£m)



London stays in the spotlight

Greater London property continues to be a strong preference for many buyers at auction. During Q2, the capital generated £79.1m in sales across 99 lots which account for 41.3% of total Q2 activity. This marks the highest quarterly sales value for London-based assets in more than a year, reaffirming the city's status as a prime destination for both UK-based and international investors.

Sales across the rest of the UK still accounted for a substantial proportion of the whole and amounted to £112.3m of Q2 activity.

Small is beautiful?

The renewed focus on retail – particularly smaller, high-street units – has influenced the size and structure of deals within the auction market. In Q2 2025, the average lot size dropped to £484,560, the lowest level seen in a decade.

This shift represents a departure from the post-pandemic trend where larger assets were dominating auction activity. Notably, only 9% of lots sold in Q2 were priced above £1m – the lowest proportion on record. The 37 higher-value lots that sold in Q2 generated £66.3m, accounting for 35% of the quarter's total. In comparison, the previous 12-month average was £114m per quarter from properties above the £1m threshold, comprising 51.9% of all auction proceeds.

This data suggests that investors are currently more inclined toward acquiring smaller, more manageable properties. This may be driven by reduced risk exposure, faster turnaround potential, and broader affordability. However, whether this trend continues will depend on the quality, availability, and pricing of such smaller assets in future auctions and the supply of the larger lots.

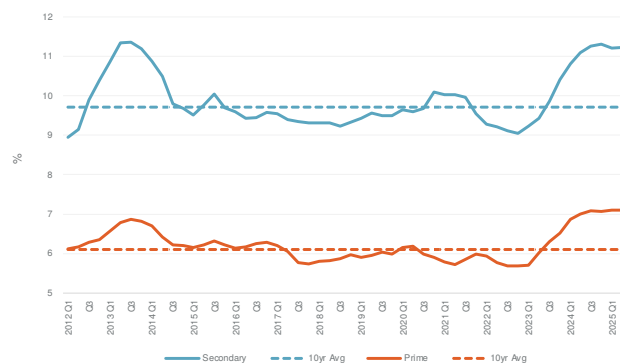
Success rates and seller strategies

The overall auction success rate rose to 80.4% in Q2 2025. While this is a positive indicator of market health, it still trails the post-2020 average of 85.1%. Nevertheless, it remains above the pre-pandemic average of 79.1% recorded between 2012 and 2020. The modest dip in success rates may reflect more selective buyer behaviour, but also indicates that sellers are increasingly adept at using pre-registration insights and bidder engagement data to determine the most effective sales strategies – whether selling ahead of the auction, proceeding on the day, or choosing to withdraw.

Yields

- All-Property spot net initial yields hardened to 8.64% in Q2, falling 109 bp from 9.73% in Q4 2024.
- Most sectors saw yields compress over H1 2025, with the most significant reductions in alternatives (down 201 bp) and industrial (down 119 bp).
- Prime spot yields fell to 7.04% in Q2, returning to end-2024 levels after drifting up in Q1. Having hardened to 10.71% in the first quarter of this year, secondary spot yields moved out in Q2 to 11.29%, but were still lower than the Q4 2024 level of 11.69%.

Prime and Secondary cPad yields 2012-2025



Source: Acuitus Research

Yields by sector

RAYS*	2025 Q2	2024 Q4	10-year average
All-Property	8.87	9.23	7.90
Retail	8.90	9.57	8.03
Office	11.36	11.99	9.08
Industrial	7.53	8.03	7.69
Leisure	7.84	7.87	7.41

*Four-quarter rolling average yield (RAYS)

Spot yields	2025 Q2	2024 Q4
All-Property	8.64	9.73
Retail	8.55	9.20
Office	12.88	13.02
Industrial	6.73	7.92
Leisure	7.05	9.06



Central London Freehold Investment

Endell Street,
London WC2
Sold for: £5.46m

By location

RAYS*	2025 Q2	2024 Q4	10-year average
London	6.25	6.21	5.53
Rest of UK	9.91	10.70	8.59

*Four-quarter rolling average yield (RAYS)

Spot yields	2025 Q2	2024 Q4
London	6.98	5.92
Rest of UK	9.73	10.80

Prime and Secondary

RAYS*	2025 Q2	2024 Q4	10-year average
Prime	7.10	7.07	6.15
Secondary	11.22	11.30	9.79

*Four-quarter rolling average yield (RAYS)

Spot yields	2025 Q2	2024 Q4
Prime	7.04	7.06
Secondary	11.29	11.69

Market drivers and outlook

Looking ahead to the second half of the year, several key trends are expected to shape the market.

First, retail properties are likely to maintain their momentum, especially smaller, well-positioned units with reliable tenants. While alternative and mixed-use assets will remain attractive as investors seek stability and asset management upside. Second, London is expected to continue its strong performance due to sustained demand and liquidity. And lastly, the resilience of the auction market will hinge on macroeconomic conditions, consumer confidence, and the adaptability of investors and sellers alike.

While the commercial property auction market continues to evolve, its current trajectory suggests a healthy, if shifting, landscape – where informed decision-making, sector selectivity, and strategic agility are paramount.



Freehold Retail and Residential Parade Investment
Woodley, Reading
Sold for: £4.06m



Seven lots sold for Nottingham City Council
100% sale rate realising £10.595m



For further information on this research or to discuss auction strategy, please contact:

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