

Worcestershire Commercial Property **Market Report 2026**

An analysis of the commercial property market
across the county and its sub-markets



Worcestershire
Local Enterprise Partnership

GJS | Dillon

The Commercial Property Consultants



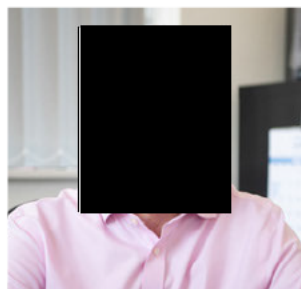
► Top 5 take-aways

- 1** Office take-up at its lowest levels since 2009, with vacancy rates on the rise
- 2** Business confidence is stagnant following impactful Budgets, particularly for high employment sectors
- 3** Industrial take-up recovering well following a challenging 2024, with activity across all size brackets
- 4** Headline rents in all sectors cooling off, following period of high growth
- 5** Future planning for employment space is required following the recent delivery of successful commercial schemes

© GJS Dillon 2026

Details of GJS Dillon can be viewed on our website www.gjsdillon.co.uk. This document is for general information purposes only. The information in it is believed to be correct and was obtained from CoStar in January 2026. The opinions detailed within constitute our judgement as of this date but are subject to change. Reliance should not be placed upon the information, forecasts and opinions set out herein for the purpose of any particular transaction, and no responsibility or liability is accepted by GJS Dillon for any direct, indirect or consequential loss of damage which may result from any such reliance or other use thereof. All rights reserved. No part of this publication may be transmitted or reproduced in any material form by any means, electronic, recording, mechanical, photocopying or otherwise, or stored in any information storage or retrieval system of any nature, without the prior written permission of the copyright holder, except in accordance with the provisions of the Copyright Designs and Patents Act 1988.

Worcestershire Commercial Property Market Report 2026



FOREWORD

John Dillon

*Managing Director
GJS Dillon*

► Over the last 12 months we have seen positive take-up figures in the industrial and warehouse market with demand once again exceeding supply. However, the take-up levels in the office sector have been at a record low, due to the uncertain economic climate and increased employment costs.

The lifeblood of the Worcestershire economy is still SME businesses, and we have seen trepidation from this group, most of whom are thinking twice about taking on extra staff in any real numbers. Subsequently they lack the confidence at present (mainly due to the perceived increased tax burden from the last two Budgets) to move. They are therefore reluctant to take on higher overheads associated with occupying larger commercial premises.

Whatever your politics, the ambition to stimulate economic growth is commendable, but the local businesses that we speak to in the county on a daily basis are just not feeling any sort of confidence at present. Those companies who are purchasing or leasing commercial premises are often doing so because they have been searching for a while. These companies know that with such little industrial and office accommodation in the county they need to act fast before somebody else steps in and takes the space.

My personal concern, and one that I have gone on the record with before, is the frightening fact that over the last five years or so, it has proved impossible to persuade private developers to build brand new office premises in our county. The cost of building modern offices now far exceeds the rents, and prices that a developer would need to achieve to make such a development profitable.

In the absence of modern office accommodation in the county, it begs the question what sort of jobs will we attract in the future? I am not saying for a minute that high quality jobs are not created in warehouse and industrial buildings, but many of our growing businesses are in the service sector, and almost without exception, these employees want their staff back in the office. If the offices don't exist (or the offices are just not of the right quality to attract the right talent), then these service sector companies cannot grow!

This year's report has once again been prepared in collaboration with the Worcestershire Local Enterprise Partnership and we thank them for their continued support. Thanks also to the Herefordshire & Worcestershire Chamber of Commerce and all other contributors for their involvement.



Contents

Foreword by John Dillon	p3
Worcestershire LEP	p4
H&W Chamber of Commerce	p6
Maggs Day Centre	p8
Professional Property Management Makes All The Difference	p10
Office Sub-Markets Overview	p11
Office Market Data	p12
Dilapidations Done Properly	p18
Industrial Sub-Markets Overview	p19
Industrial Market Data	p20
RICS Red Book Valuation Requirements	p26
RICS Home Surveys and Valuations	p27

Worcestershire, perfectly positioned in the heart of England, is a dynamic county that provides the perfect blend of urban and rural life.

- ▶ *Boasting a £14.3 billion economy and robust global connectivity, the region offers a wealth of top-tier talent and premium commercial properties. The county's thriving business ecosystem is a progressive investment hub for local, national and international brands.*

With the support of the partners across the public, private and education sectors, the county's economic partnership, the Worcestershire Local Enterprise Partnership (LEP) has been able to create an ambitious forward looking economic growth strategy for the county, the 'Plan for Growth'. Covering 5 key areas, People, Place, Infrastructure, Business Environment and Innovation. The Plan for Growth outlines the challenges each of these areas face within Worcestershire and provides a forward look at how we can overcome these challenges as a county, and build a "connected, creative, dynamic economy for all".



There have been continued developments within the county's key commercial property projects over the last year:

Worcester Six Business Park

2025 marked the 10-year celebration of the Worcester Six Business Park. The site, positioned just off the M5 Motorway, features state-of-the-art commercial units designed to meet the needs of tenants. Current occupiers include: Bidfood, Alliance Flooring Distribution, IONOS, ZwickRoell, Kohler Mira, Sierra CP Engineering, Spire Healthcare, Kimal, Material Solutions, Super Smart Service, and Stop Start Logistics.

Worcester Shrub Hill Redevelopment

One of the latest key development locations for the county, Worcester Shrub Hill Quarter, will be redeveloped as part of a new vision to create new commercial and residential properties in the heart of Worcester city centre. With plans for a modernised, fully accessible railway station, Shrub Hill is set to become a vibrant mixed-use district, attracting new businesses, residents, and visitors.

Malvern Hills Science Park

Malvern Hills Science Park is a sought-after location for innovation and growth. Set against the backdrop of the Malvern Hills, it has evolved over two decades into a thriving hub for technology-led businesses. The community within the park nurtures businesses at every stage of their journey, whilst also providing an environment that promotes quality of life for employees.

- ▶ For organisations interested in expanding, growing or investing in Worcestershire, a commercial property search service is available via the Worcestershire Growth Hub to help organisations find the right space for them. Contact the Growth Hub team to find out more: email info@worcestershiregrowthhub.co.uk or telephone **01905 677888**.



► BetaDen Cohort 9 Onboarding day

Improving connectivity for businesses

Connectivity is a vital factor for any place, and Worcestershire has been steadily improving its digital infrastructure since 2012. This has been a long-standing priority for Worcestershire County Council and the Local Enterprise Partnership (LEP), with a clear ambition to provide gigabit connectivity to businesses and homes across the county.

A range of successful initiatives - including **Superfast Worcestershire**, the **Worcestershire 5G Testbed**, and the **Network on Wheels** - have helped ensure the county is well connected digitally. This work was further strengthened in January 2025, when Worcestershire was awarded £41.9 million in funding through the UK Government's Project Gigabit programme. Combined with private sector investment, this funding is expected to increase gigabit broadband coverage to over 90% of the county.



To find out more about BetaDen, visit
www.beta-den.com

Within the work of the LEP, there are 3 key pillars:
Innovation & Growth • Talent and Skills • Business Advice & Finance
The LEP and its partners have delivered huge impacts across these pillars
to ensure that Worcestershire is a great place to live, work, visit and invest in.

Innovation & Growth

Innovation has seen strong growth over the past 12 months. A major milestone was the delivery of Worcestershire's first innovation festival, **TechFest**. This two-week programme of events attracted over 500 attendees, and brought together businesses, individuals, and academia to explore the latest technologies and innovation trends. It helped position Worcestershire as a hub for forward-thinking, innovative businesses. Look out for Techfest 2026 coming soon.

BetaDen, Worcestershire's award-winning technology accelerator continues to play a key role in supporting innovation. Its flagship nine-month accelerator programme helps businesses develop breakthrough technology products and services and prepare them for market. Beta-Den's eight-week Incubate programme, delivered in partnership with Barclays Eagle Labs, supports early-stage start-ups. The impact of BetaDen's work has been recognised through its recent award for Technology Accelerator of the Year at the SME Business Elite Awards.

The TechFest and BetaDen initiatives demonstrate how the LEP and its partners are driving Worcestershire forward as a growing centre for innovation.

Talent and skills

A strong workforce is essential to any successful business, and in Worcestershire we continue to deliver impactful programmes that help build the county's future workforce. At an early stage, the team delivers the **Careers Hub programme in partnership with The Careers & Enterprise**

Company. This programme works with all middle and secondary schools across the county to strengthen careers education and connect schools with local businesses, inspiring young people to consider opportunities right on their doorstep.

Alongside this, the **Careers Worcestershire Youth Hub** provides direct support to young people aged 16-24 who are not currently in work or training, helping them to access employment and training opportunities. These initiatives link directly to the **Worcestershire Apprenticeships programme**. Now in its 11th year, the programme has supported over 30,000 people to engage with apprenticeships and brings together training providers, schools and public sector partners to promote apprenticeships across the county.

For businesses looking to upskill or reskill their workforce, a range of support is also available. **Skills Bootcamps** help employers train staff in specific disciplines at a significantly reduced cost. **SkillsBoost** offers training grants that allow businesses to reclaim 50% of the cost of short training courses. In addition, **WorkWell**, delivered in partnership with the NHS, supports businesses to improve employee wellbeing. Together, these programmes ensure Worcestershire's workforce continues to meet the needs of local businesses.

Discover more of the LEP's skills programmes by visiting
www.wlep.co.uk/current-projects/employment-skills/

Business Advice & Finance

The final pillar focuses on providing direct business support and funding to help organisations grow within the county. Through the **Worcestershire Growth Hub** - the county's central business support service - businesses can access information, advice, and funding opportunities.

For organisations across Worcestershire, this means there is a single place to go for all business support needs. Whether seeking an innovation grant, developing workforce skills, or exploring commercial property options for expansion, the Worcestershire Growth Hub is here to help.

Find out more by contacting the team

info@worcestershiregrowthhub.co.uk
www.worcestershiregrowthhub.co.uk

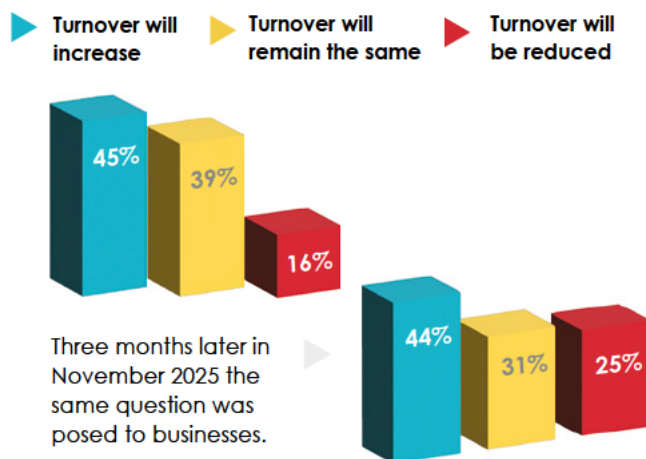
Business confidence and challenges facing businesses in Worcestershire

- ▶ *Business confidence in Worcestershire remains mixed. While many firms remain resilient and continue to expect moderate turnover growth, overall sentiment has weakened due to rising costs, labour shortages, and regulatory pressures. The regional business-confidence outlook, aligned with the West Midlands, remains below the national average.*

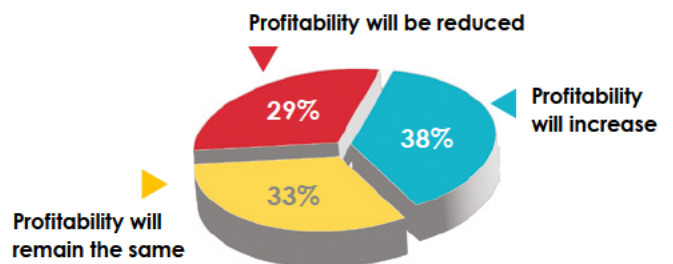
The UK economy in 2025 has been characterised by low growth, persistent inflationary pressure, and uncertainty around fiscal policy. In the West Midlands, growth has been slower than the national average, contributing to weaker regional confidence levels. Increased cost pressures, alongside previously higher interest rates have also tightened business liquidity and investment.

Worcestershire's economy remains diverse, with strengths in advanced manufacturing, cyber and digital industries, professional services, agriculture, and logistics. However, these sectors have all been exposed to varying degrees of economic volatility.

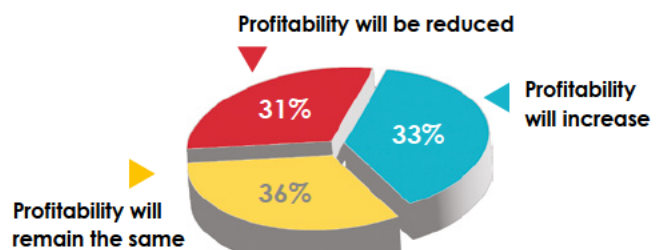
Business confidence in Worcestershire has declined through 2025. In the Chamber's Quarterly Economic Survey undertaken in August 2025 businesses were asked their **predictions for turnover in the 3 months ahead.**



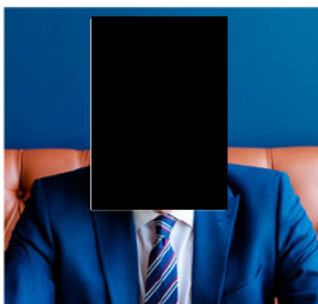
A similar level of confidence was reflected in **profitability projections** over the next quarter. In August 2025 these were the findings:



Three months later and with a Budget pending, the findings did not make good reading:



The challenges are clear. Labour costs, raw materials, energy costs, and the access to and cost of finance driving down confidence.



ARTICLE BY

Robert Elliot

Director of Business
Engagement & Policy,
Herefordshire & Worcestershire
Chamber of Commerce

After 35 years in Hospitality and two years as President of Solihull Chamber, Robert is now in his fifth year at our Hereford and Worcester Chamber of Commerce. During this time he has grown Strategic Membership of the Chamber from 64 to 105 members. Robert is involved in a number of lobbying and research projects.

If you would like to learn more about the information above or Strategic Membership, please contact Robert on [redacted] or email [redacted]

Relative to neighbouring counties and national averages, Worcestershire's confidence levels remain mid-range: not the weakest in the UK but clearly affected by wider economic uncertainty.

In November's QES we asked businesses what their challenges are likely to be in 2026. These are summarised below.

Here is a summary of the concerns and challenges anticipated by businesses in 2026, based on the survey responses:

- ▶ Wage and National Insurance costs (**62.16%** of respondents)
- ▶ Employment costs **50.27%**
- ▶ Increasing profits **48.11%**
- ▶ Inflation **48.11%**
- ▶ Business taxes **47.03%**
- ▶ Increasing revenues **46.49%**
- ▶ Cash flow challenges **44.32%**
- ▶ Energy costs **38.92%**
- ▶ Cyber security **36.76%**
- ▶ Adoption of AI **35.14%**

Other notable concerns include red tape and regulation, recruitment of new employees, business rates, access to new customers, and retention of existing employees.

A wide range of additional challenges were also mentioned, such as access to finance, raw materials, implementing new technologies, supply chain delays, and promoting health and wellbeing in the workplace.

Despite challenges, several opportunities for growth have emerged:

- **Technology and Innovation:** Worcestershire has strengths in cybersecurity, advanced manufacturing, and digital tech. Government and private-sector initiatives offer opportunities for collaboration and innovation.
- **Green Growth:** Increasing interest in sustainability, renewable energy, and low-carbon technologies offers new markets for local firms.
- **Export Potential:** Manufacturing and agri-food businesses continue to see international demand, particularly in niche markets.
- **Local Support Infrastructure:** Venture support, skills training, and funding programmes via the Worcestershire Growth Hub and Chamber of Commerce provide pathways for growth.

Businesses in the region are adapting through:

- Cost-reduction measures and efficiency improvements.
- Investment in automation and digital tools.
- Upskilling employees and improving recruitment strategies.
- Strengthening supplier relationships and diversifying supply chains.
- Increasing collaboration with local colleges, universities, and tech centres.

Worcestershire businesses remain resilient but face significant challenges from rising costs, regulatory pressure, and labour shortages. Business confidence is subdued but not collapsed. Strategic support, investment in skills and technology, and strengthened local networks will be essential to improving confidence and unlocking future growth.





MAGGS DAY CENTRE
**SUPPORTING
WORCESTER'S
COMMUNITY
FOR 40 YEARS**



Maggs is a Worcester-based charity supporting people experiencing homelessness and severe disadvantage across Worcestershire. We work with individuals at **every stage of their journey**, offering consistent, non-judgemental support.

WHAT WE DO

IMMEDIATE SUPPORT



Hot meals and refreshments



Warm clothing and essential supplies



Welcoming to rest and f



LONG-TERM SUPPORT



One-to-one casework and advocacy



Help accessing housing, healthcare and benefits



Ongoing support to rebuild stability and independence

LET'S WORK TOGETHER! SCAN THE QR CODE AND LEARN HOW YOUR BUSINESS CAN SUPPORT MAGGS



"MAGGS IS THE ONE ORGANISATION THAT

- Jay, Maggs Service User



OUR IMPACT - JAY'S STORY

Jay was sleeping rough in a park after being evicted due to mental health challenges and a history of convictions. Struggling with alcohol dependency and unmanaged mental health conditions, he was disconnected from support and experiencing regular seizures.

Through consistent support from his Maggs ITT worker, Jay has begun engaging with alcohol, mental, and mental health services. Maggs also helped him reconnect with legal services, access secure and sustain housing, and prepare for fatherhood with support from social services.



Professional Property Management makes all the difference

- *Successful property ownership goes far beyond simply collecting rent or maintaining the building. It requires strategic oversight, market awareness, and continuous optimisation at every stage of the property's lifecycle. This is where professional property management makes all the difference. We work in partnership with landlords and tenants, providing a comprehensive service that delivers results for all parties.*

Strategic vision from day one

We provide in-depth market analysis, rental assessments, and guidance on value-adding improvements to position your asset for immediate and long-term success. Our early-stage involvement ensures your property enters the market competitively and in full compliance with regulatory requirements.

Stress-free tenant management

Managing tenants effectively requires expertise, diligence, and a thorough understanding of tenancy regulations. By ensuring consistent occupancy and prompt resolution of tenant needs, we reduce operational risk, minimise turnover, and provide a seamless, professional experience for both investors and tenants.

Asset protection through proactive care

Preserving the condition and longevity of your property is critical to safeguarding its value. Our team conducts regular inspections, coordinates timely maintenance, and engages qualified contractors to ensure all work meets the highest standards. By identifying and addressing potential issues early, we minimise disruptions, control costs, and maintain long-term integrity.

Financial visibility

Effective financial management is essential to maximise the performance of your investment. We provide transparent reporting, detailed income and expenditure tracking, and strategic rent optimisation. Additionally, we assist with budgeting for future improvements to ensure informed decision-making and sustained financial growth.

Risk management and compliance

Navigating the complex landscape of property legislation and safety regulations requires expertise and vigilance. Our team ensures your property remains fully compliant, reducing exposure to potential liabilities. In the event of tenancy disputes or regulatory matters, we provide structured guidance and professional representation, safeguarding both your investment and your peace of mind.

Future proof your investments

Our approach extends beyond day-to-day management to focus on the sustained growth of your asset. We identify opportunities for strategic improvements, market-aligned upgrades, and long-term planning that enhance rental performance and capital value. By continuously aligning your property with evolving market trends, we ensure it remains competitive, resilient, and positioned for sustained growth.

By entrusting your property to our experienced team, you can be confident that your investment is being managed with meticulous oversight.

“ We have hugely benefitted from GJS Dillon's advice and experience. We really needed someone local to our property investment that had an established track record, that offered a range of in-house professional property services, and an organisation that we could trust. ”

Sinead Granville, Investment Director, EPL



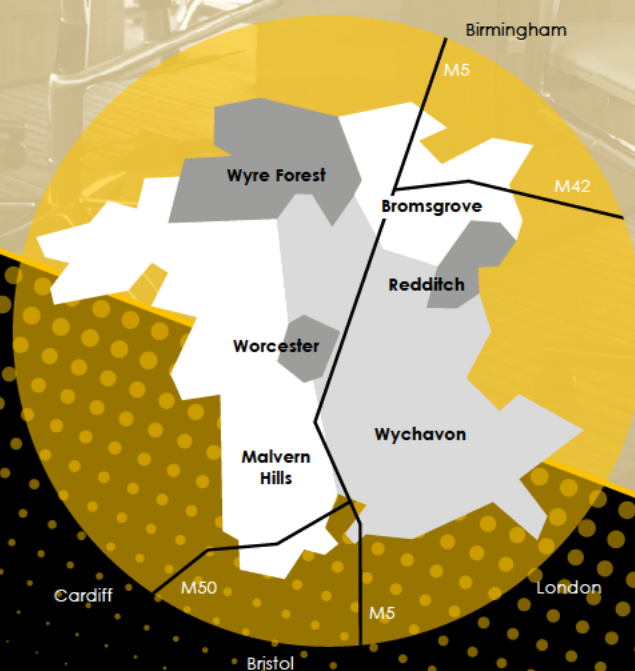
Working in partnership



Give our commercial Property Asset Management team a call on 01905 676169 or visit our website www.gjsdillon.co.uk

Office Sub-Markets 2025

	Total Take-Up (ft ²)	Vacancy Rate	Avg. Deal Size (ft ²)
Bromsgrove	24,000	3.1%	1,412
Malvern Hills	12,479	2.1%	2,080
Redditch	7,010	4.7%	1,753
Worcester	37,384	5.0%	2,199
Wychavon	21,565	5.8%	2,157
Wyre Forest	4,612	5.7%	577



ANALYSIS

Andrew Lewis

Director,
GJS Dillon

Andrew Lewis is the author of the Worcestershire Commercial Property Market Report. He is a qualified Chartered Surveyor who heads up GJS Dillon's award-winning Sales, Lettings and Acquisitions department. Andrew specialises in commercial property transactional work, including advising on disposals (commercial, development and investment property), acquisitions and strategic property advice, from the initial planning phase through to completion of assets.

For further information contact Andrew on [redacted] or email [redacted]



Bromsgrove

Headline rents have pushed past £20 per sq ft for the first time ever, showing the continued value occupiers place on quality, well located space. Activity remained buoyant in the freehold market, with opportunities being more present in Bromsgrove than elsewhere.

Demand

Following four years where take-up has exceeded the 10-year average, it fell in 2025 to its second lowest level since our records began in 2009; with the only year recording lower take-up being 2020, a COVID affected year.

This was due to fewer transactions (with the 17 that were recorded being the joint lowest) and none over 3,500 sq ft. This is reflected in the average deal size, which fell from 2,472 sq ft in 2024 to 1,412 sq ft in 2025. When referencing what size of space most in demand in Bromsgrove, the 10-year average is more telling at 1,803 sq ft.

Supply

The vacancy rate dropped between 2023 and 2024 before slowly rising to the current level of 3.1% (which is in line with the average vacancy rate over the past ten years of 3.2%). This figure is slightly distorted due to circa 12,000 sq. ft at the new Nailers Yard development in the town centre. With this new scheme removed, the vacancy rate would fall to amongst the lowest in the county.

Bromsgrove has traditionally supported the freehold market well, and this continued in 2025, with the sub-market recording the highest number of sales in the county. This is expected to continue into the next year as the freehold market improves in line with the proposed fall in the Bank of England base rate.

Rental and Capital Values

Only Bromsgrove and Wychavon saw growth in both headline and average rents in 2025, with headline rent pushing past £20 per sq. ft for the first time ever. This was achieved due to multiple lettings at Topaz Business Park. This should continue into 2026 as Nailers Yard reaches completion, further pushing the envelope for office rents in the area.

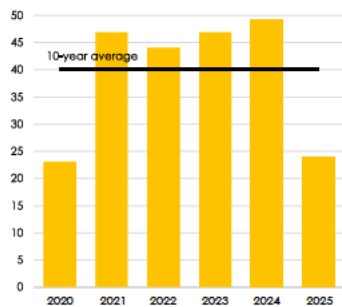
Capital values continue to show resilience, highlighted by transactions at Aston Court, Bromsgrove Technology Park. Strong appetite for freehold accommodation and stable values reflect the nature of Bromsgrove's office market, which is dominated by high-quality, small to mid-sized buildings.

Outlook

2026 will see the delivery of the first new-build office scheme in 15 years at Nailers Yard. This scheme will set the standard for high-quality office space in the region and help increase stock levels in what has traditionally been a popular occupational market.

Total Take-up freehold and leasehold (ft²)

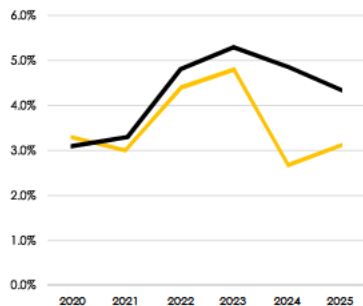
24,000



Vacancy Rate (%)

3.1

Region Worcester



Average Deal Size (ft²)

1,412

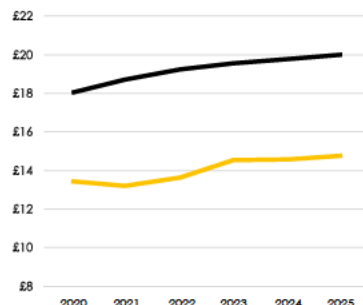
Average Deal Size over a 10-year period

1,803

Headline Rent ignoring incentives (£ per ft²)

20.61

Headline Average



Malvern Hills



After a weak 2024, the Malvern Hills office market showed strong performance in 2025 in terms of take-up, vacancy rates, and activity across the entire spectrum. Rents have tailed off as a result of a lack of delivery of quality space.

Demand

Take-up was at its second highest level since the exceptionally high period of 2014 – 2017 (where the average over this three-year period was close to 30,000 sq. ft). This was driven by transactions across both the sales and lettings market, with the sale of 3,642 sq ft at Willow End Business Park being the first recorded freehold deal since 2022.

The average deal size also increased to 2,080 sq ft, in line with the 10-year average deal size of 2,099 sq ft. Together, these indicators point to steady occupier interest and a robust market. That said, the relatively small scale of available stock means performance levels can fluctuate.

Supply

The vacancy rate fell dramatically from 8.0% (the highest rate of any sub-market in 2024) to 2.1% (the lowest rate of any sub-market in 2025). This was due to the withdrawal of 60,000 sq ft at Malvern Technology Centre, where the building owner is now utilising the space for their own needs.

In planning future supply, it is important to recognise that demand for larger floorplates has been limited, with only two deals exceeding 2,500 sq ft over the last five years - both relating to newly developed accommodation at Birchwood House, Enigma Commercial Centre.

Rental and Capital Values

Headline rents decreased by 9.9% last year, following a period of stability from 2023 to 2024. Headline rents had previously increased due to the delivery of new-build space, which has since been occupied. Owing to the small market size, there was insufficient quality space to support these increased rents in 2025.

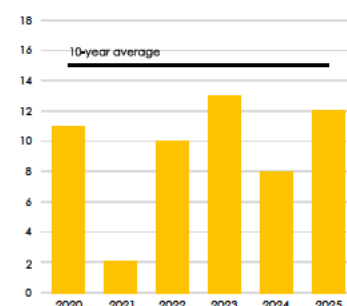
It is difficult to apply a blanket approach to capital values, as freehold sales are few and far between. At the start of 2026 there have been sales on the popular Enigma Commercial Centre, which will help determine capital values going forward.

Outlook

Recent levels of take-up indicate that the Malvern Hills has matured into a stable office market, driven almost entirely by leasing activity. This trend should reassure both investors and owner-occupiers considering acquisitions in the area, particularly given the scarcity of comparable space within the immediate vicinity and across the border into Herefordshire.

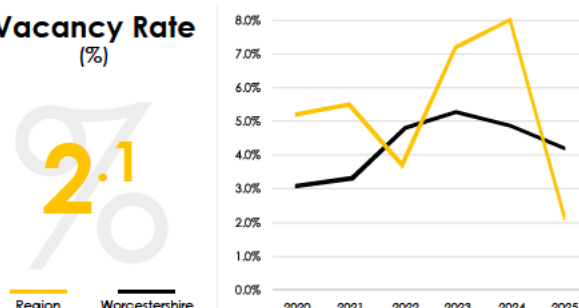
Total Take-up freehold and leasehold (ft²)

12,479



Vacancy Rate (%)

2.1



Average Deal Size (ft²)

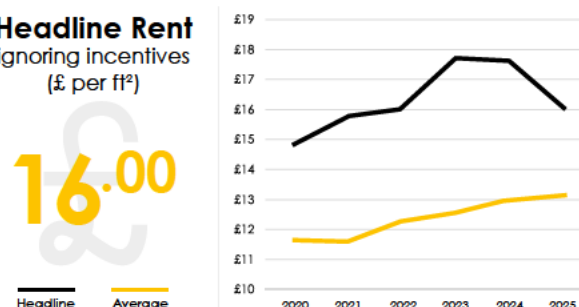
2,080

Average Deal Size over a 10-year period

2,099

Headline Rent ignoring incentives (£ per ft²)

16.00



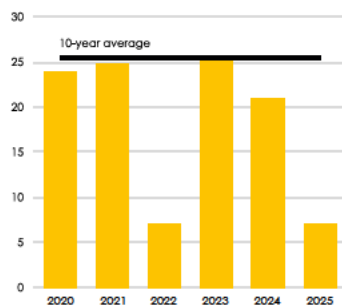


Redditch

Headline rents can only reach levels seen elsewhere in the county if better-quality offices are delivered, creating spaces designed to meet both market and legislative requirements, as well as the expectations of today's occupiers and their employees.

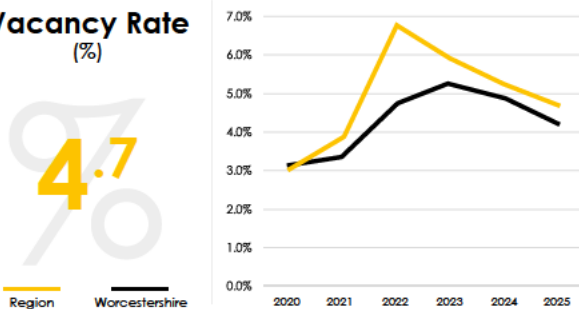
Total Take-up freehold and leasehold (ft²)

7,010



Vacancy Rate (%)

4.7



Average Deal Size (ft²)

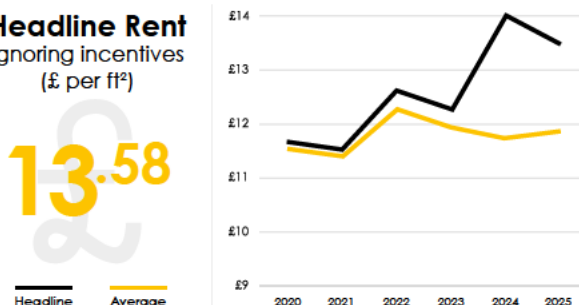
1,753

Average Deal Size over a 10-year period

2,169

Headline Rent ignoring incentives (£ per ft²)

13.58



Demand

Take-up in 2025 was the lowest since our records began in 2009, with 2022 and 2024 being the subsequent lowest years. This means that three of the past four years have experienced record low take-up levels. This below-average performance was due to a lack of transactions, with the total recorded number for the year being four. The previous lowest totals were in 2022 (seven) and 2024 (nine). By comparison, 2023 saw only 11 transactions, while the 10-year average prior to 2022 was 17.

This trend is difficult to explain and may be linked to Redditch's proximity to other markets (such as Bromsgrove, Solihull, the M42 corridor and south Birmingham), therefore giving occupiers more choice than in other locations.

Supply

Vacancy rates within Redditch are broadly in line with the county average and have fallen since the previous year. We would expect vacancy rates to fall further in 2026, as the sale of the 30,000 sq ft Osprey House is due to complete early in the year.

The supply of freehold space remains scarce, which is a historic trend given that, over the past 15 years, sales have accounted for 16% of all transactions (compared to say Bromsgrove which is at 24%). The availability of freehold space would prove popular and have a positive effect on the market's performance.

Rental and Capital Values

Following a large jump in 2024 (where headline rents increased by 13.4% against a county average of 2.4%), headline rents fell back in 2025 by 2.3%, reflecting the lack of quality lettings within the area.

Headline rents are still way off the rest of the county, being at £13.58 per sq ft, against a county-wide average of £17.51 per sq ft. This reflects the nature of the existing stock and presents an opportunity to landlords when refurbishing space and raising the quality of accommodation. This will also assist compliance with tightening energy performance regulations.

Outlook

Redditch must expand its supply of modern or upgraded offices to attract companies relocating from Birmingham and the M42 corridor. Doing so would lift headline rents from their current county-low position to a commercially viable level.

Worcester

Worcester



The completion and full occupation of successful city centre schemes have led to demand falling and rents curtailing – a clear supply strategy is needed to ensure this momentum is not lost.

Demand

Reflecting the wider county, Worcester experienced its lowest take-up figures since 2011, both in terms of sq ft transacted (37,384 sq ft) and number of transactions (17). This trend extends beyond this year, with the previous year being the second lowest since this date.

The average deal size has remained consistent at 2,199 sq ft, following record lows in the pandemic-affected years of 2021 and 2022, demonstrating the return of larger office-based teams to the workplace. Demand for this space is, however, at an all-time low, perhaps reflecting a shift back to out-of-town locations.

Supply

The vacancy rate decreased for the second year running, down to 5.0%, almost falling in line with the county average. This fall was predominately down to a large letting of 7,000 sq ft at One Kings Court to Knights PLC.

This fall in supply aligns with the natural conclusion of a period of redevelopment, with the introduction and subsequent occupation of schemes such as The Porcelain Works and The Vinegar Works reaching completion. The next phase of development must supply quality accommodation across the entire business spectrum if Worcester is to continue to attract top professional service providers.

Rental and Capital Values

After pushing passed the £20 per sq ft barrier for the first time in 2023 and sustaining these levels in 2024, rents fell back below this mark to £19.07 per sq ft. This aligns with the full occupation of modern, high-yielding schemes and further highlights the need for the continued supply of this type of space.

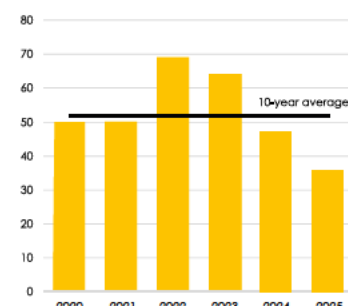
Capital values remained relatively muted in 2025, as the only two recorded sales were for period properties on St. Marys Street and Sansome Walk, which will ultimately be converted to residential accommodation. There were therefore no recorded sales of office space for business use.

Outlook

In recent years demand has increased for city centre space. However, with the lack of high-quality options following take-up at completed schemes, there is now a shift back to out-of-town locations. A clear supply strategy will help retain and attract businesses to the city centre, improving the area as high street spending increases.

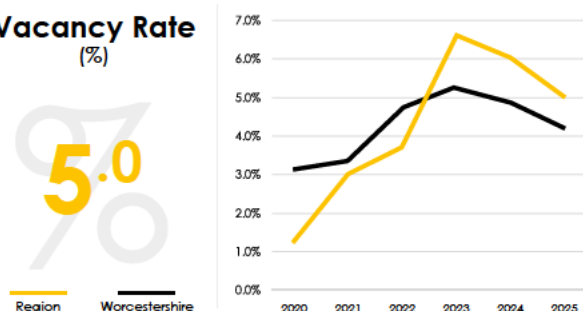
Total Take-up freehold and leasehold (ft²)

37,384



Vacancy Rate (%)

5.0



Average Deal Size (ft²)

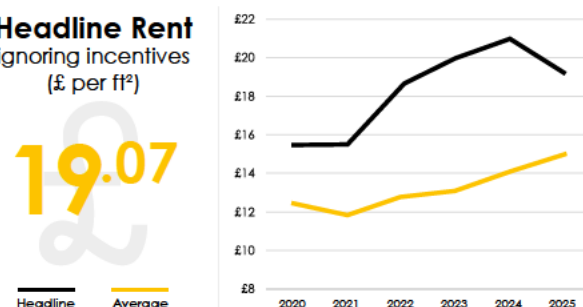
2,199

Average Deal Size over a 10-year period

2,014

Headline Rent ignoring incentives (£ per ft²)

19.07





Wychavon

Wychavon performed comparatively well in terms of take-up and rental growth in 2025. The opportunity remains to deliver space across the sub-market within the market towns and at key transport hubs, of which Wychavon has plenty.

Demand

Despite the office market performing poorly on a regional level (total take-up in Worcestershire was 23% lower than the year before and 38% below its 10-year average), Wychavon fared relatively well, being only 15% below its 10-year average. This was driven by two deals above 4,500 sq ft: including the letting of 5,463 sq ft at MCL House in Pershore.

Looking beyond these large deals, a concerning metric is the number of transactions in 2025 – 10 - which fares poorly against the 15-year average of 19.8. When the office market improves, Wychavon is well-placed given its large geographical spread.

Supply

The supply of office space in Wychavon has increased as the amount of space transacted has fallen, surpassing the county average after being in line with it last year. Another factor impacting this is the supply of freehold space, which is taking longer to transact owing to challenges within the funding market. This should improve into 2026 as lending rates fall further, and it is a positive that freehold space is being offered in the area.

The delivery of market-leading office space around Wychavon's many transport hubs must also be considered, alongside using the supply of office space to enhance town centres.

Rental and Capital Values

After being the only sub-market to see a fall in headline rental growth for consecutive years in 2023 and 2024, 2025 saw Wychavon record the greatest headline rental growth in the area, at 11.3% - a strong statistic given that across the county headline rents fell by -1.7%, driven by the letting of quality office accommodation on Worcester Six.

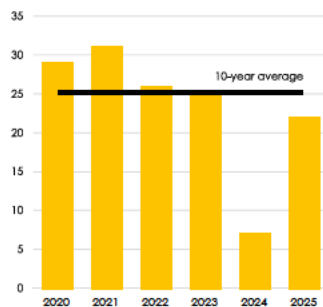
The one reported freehold sale in Droitwich shows that capital values remain static, which is also linked to the delivery of new office space. There are however a handful of freehold opportunities on the market as at the start of 2026, which offer quality space for purchasers.

Outlook

The growth of the industrial and warehousing market in Wychavon has meant that a significant amount of space has been delivered within these schemes. This report focuses on the occupational office market and, whilst Wychavon has performed well in a difficult market, there remains a glut of opportunities across this large sub-market.

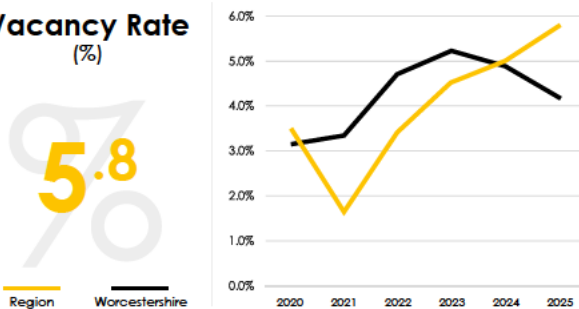
Total Take-up freehold and leasehold (ft²)

21,565



Vacancy Rate (%)

5.8



Average Deal Size (ft²)

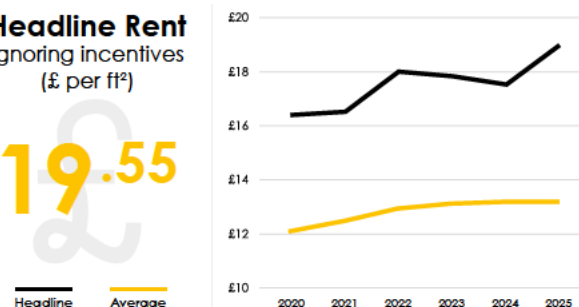
2,157

Average Deal Size over a 10-year period

1,486

Headline Rent ignoring incentives (£ per ft²)

19.55



Wyre Forest

Wyre Forest



We are excited to see the impact new local authority-led developments will have on the Wyre Forest district, predicting good rental growth and increased investment into the area following a period of stagnation in 2025.

Demand

Take-up in 2025 was consistent with 2024 levels, increasing by 10 sq ft more at 4,612 sq ft across eight transactions. However, 2024 represented a year in which take-up levels fell to their lowest levels since 2009, with 2025 therefore reflecting a similarly poor performance for the second year running.

Whilst this reflects overall market performance, the small stock size of the Wyre Forest office market means the figures can be volatile. For example, in 2023, seven of the eight transactions were over 1,500 sq ft, with all eight recorded transactions in 2025 being below this level.

Supply

When considering the supply of office space within Wyre Forest, the 2025 average deal size of 577 sq ft needs to be viewed within a wider context. Again, the small lot size of the market means this figure can be quite volatile. When assessed over a 10-year period, the average deal size is 2,273 sq ft, the highest in the county – showing that these larger suites are a sweet spot for the Wyre Forest.

New space has been delivered through two Wyre Forest District Council projects – The Old Court and The Piano Building. These two developments offer unique working environments in buildings full of character and identity. Crucially, they can accommodate all types of businesses in space that is amongst the best specification in Worcestershire.

Rental and Capital Values

After a meteoric rise in headline rents since 2021, they plateaued in 2024 and have fallen by 3.2% in 2025, settling at £16.27 per sq ft. Average rents have also stabilised following a period of growth. This reflects a year of low market activity, and both headline and average rents should resume growth once the market improves, as the quality of accommodation exists at the previously highlighted WFDC schemes.

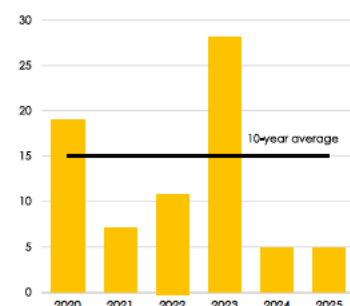
There were no recorded sales in 2025, making capital values difficult to report on.

Outlook

It is encouraging to see commitment from the public sector in delivering game-changing office space to Kidderminster town centre. As the office market improves, this should position the area well; however, consideration must be given to the long-term average team size when new opportunities are delivered.

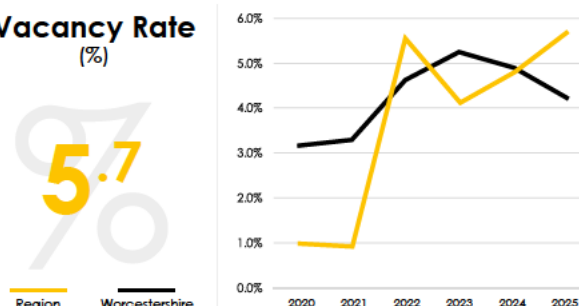
Total Take-up freehold and leasehold (ft²)

4,612



Vacancy Rate (%)

5.7



Average Deal Size (ft²)

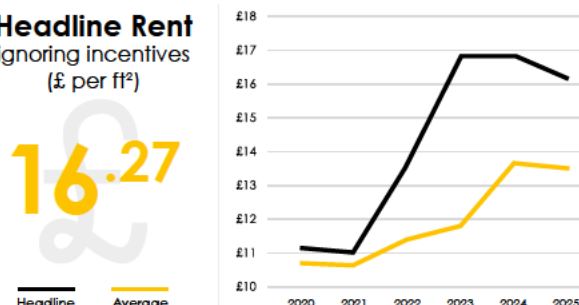
577

Average Deal Size over a 10-year period

2,273

Headline Rent ignoring incentives (£ per ft²)

16.27





Dilapidations Done Properly:

A smart way to control commercial property costs

- A Schedule of Dilapidations is a formal legal document that identifies and quantifies a tenant's responsibility for repairs or reinstatement works under the terms of a commercial lease. When prepared correctly, it enables landlords to recover the cost of remedial works and provides tenants with clarity on their obligations - helping to avoid disputes at lease end.

The need for a Schedule of Dilapidation

With rising costs facing commercial property owners, protecting asset value is more important than ever. Most commercial leases require tenants to maintain the property and return it in an agreed condition at lease end. A Schedule of Dilapidations identifies any breaches of these obligations, the remedial works required, and their associated costs. For landlords, it provides essential legal protection, while for tenants, early professional advice can help clarify liabilities and reduce the risk of unexpected claims at lease expiry.

Interim and Terminal Dilapidations

An **Interim Schedule of Dilapidations** is served during a lease if a landlord believes the tenant is breaching repair or maintenance obligations. It allows time for remedial works while the tenant is still in occupation, encouraging compliance and practical repairs.

A **Terminal Schedule of Dilapidations** is typically served in the final 12-18 months of a lease, subject to the specific repair and yielding-up covenants and timing requirements set out in the lease. It details all breaches that must be remedied by lease expiry, putting the tenant on notice of potential liability, including losses from delayed re-letting. Tenants are often given the chance to complete the works themselves before the lease ends, which can significantly reduce costs.

Rob Cant, Associate Director of Commercial Building Surveying at GJS Dillon, explains that "Disputes frequently arise where landlords allege additional items of disrepair shortly before lease expiry. At this stage, tenants may have limited options other than to settle claims financially - even when those liabilities are disputed - while in other cases tenants may refuse to pay, potentially leaving landlords out of pocket."

He adds that "Most commercial leases contain a 'keep in repair' clause, regardless of the property's condition at the commencement of the lease. We can advise on these obligations and, crucially, prepare a Schedule of Condition at the start of the term. This records the condition of the property and helps ensure the tenant is only required to return it in no worse condition, thereby reducing the risk of disputes from the outset."

Case Study

We recently provided specialist advice in connection with lease terminations to a client who had numerous properties in the West Midlands and were facing potential dilapidations' claims from landlords. They required expert guidance to understand their liabilities, mitigate risks, and achieve a commercially balanced exit strategy. Additionally, the client sought support in securing a new lease while minimising future dilapidations' exposure.

We acted as the client's specialist surveyor for dilapidations, providing comprehensive advice across multiple areas:

- **Lease review and liability assessment:**
Examined repair, reinstatement, and yield-up obligations to assess potential exposure under each lease.
- **Exit strategy and negotiation:**
Supported the client throughout the dilapidations' process, including review of terminal schedules and negotiations with landlords, focussing on the risk of mitigation and commercially viable outcomes.
- **New lease acquisition:**
Advised on the acquisition of a very large industrial unit, preparing a full Schedule of Condition to protect against future dilapidations' liability.

Outcome

The client received a structured approach to lease terminations, with an emphasis on reducing risk and managing potential costs, they also achieved realistic negotiated settlements, and avoided unnecessary legal costs.

Key Insight

Landlords rarely recover 100% of their claims but professional dilapidations' advice has enabled negotiation of landlord claims to recover 60-70% and in some office cases 93%. With professional help, tenants can secure significant savings - often 50% or more. Engaging professional surveyors early can manage exposure, negotiate fair settlements, and protect against future liabilities.



ADVICE

Rob Cant

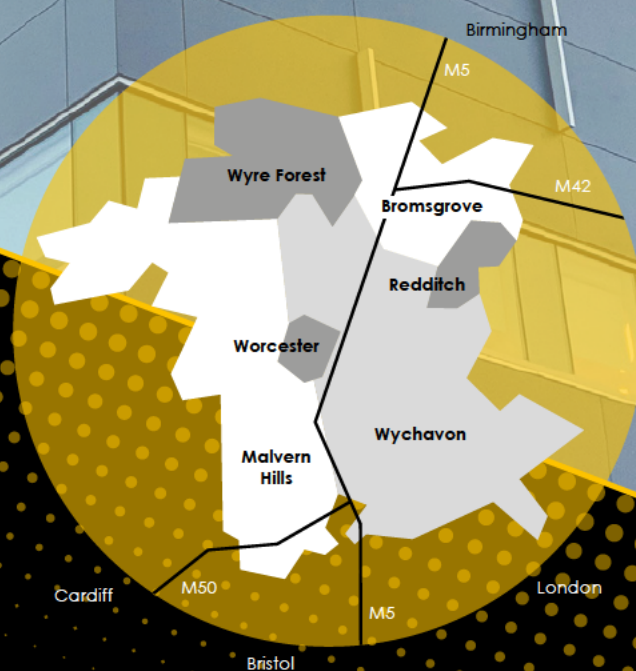
Associate Director,
GJS Dillon

Rob has over 25 years' experience as a Building Surveyor. He has a wealth of experience in building surveying in the commercial and retail sectors and is well-placed to provide owners, investors and occupiers with expert advice on maximising the safety and long-term value of their commercial properties.

For further information contact Rob and his team on [REDACTED] or email [REDACTED]

Industrial Sub-Markets 2025

	Total Take-Up (ft ²)	Vacancy Rate	Avg. Deal Size (ft ²)
Bromsgrove	54,657	5.1%	3,904
Malvern Hills	98,780	6.6%	5,199
Redditch	182,648	4.4%	8,302
Worcester	39,540	5.5%	4,393
Wychavon	354,262	7.6%	16,103
Wyre Forest	99,056	8.7%	11,006



GJS Dillon offers a specialist business relocation service for organisations looking for industrial/warehouse units of more than 10,000 sq. ft, or offices of more than 5,000 sq. ft throughout Worcestershire and the West Midlands.

If you would like further information on this service or have a project you would like to discuss, please contact John Dillon on [redacted] or email [redacted]

Bromsgrove

Bromsgrove



Demand for modern industrial space remains robust, with new schemes playing a key role in supporting SME growth in Bromsgrove. Once this supply is absorbed, occupier interest is likely to focus on high-quality refurbished stock.

Demand

Take-up in 2025 fell to its lowest level by sq ft since 2009, although there were fewer transactions in 2020 (11) and 2021 (13) compared to the 14 recorded in 2025. This was due to a lack of transactions above 10,000 sq ft, with the 15,646 sq ft letting of 21A Buntsford Drive being the only transaction above this level. In previous years there have typically been a handful more, which has a large impact on a sub-market where there is a greater abundance of SME units.

Notably, the average deal size increased last year to 3,904 sq ft (from 3,112 sq ft in 2024), closer to the 10-year average of 4,302 sq ft. This still remains the lowest in the county, reflecting the prevalence of quality SME units in the area.

Supply

The vacancy rate continues to track below the county average; however, it did increase in 2025 as the delivery of units at The Boulevard and Buntsford Business Centre reached completion. This is a positive for the area, as high-quality new industrial schemes have been delivered.

Bromsgrove continues to support the freehold market well, with the three recorded freehold transactions being the second highest after Redditch. At 21% of total transactions, this is the highest proportion in the county (with Redditch next at 18%). This demonstrates that there will always be demand for freehold industrial units within the Bromsgrove sub-market, regardless of lending market conditions.

Rental and Capital Values

Bromsgrove was the only sub-market to experience both headline and average rental growth in 2025. This reflects the delivery of new schemes, such as those previously mentioned, as well as Phase 2 of Sapphire Court, which is now fully let following delivery in 2024.

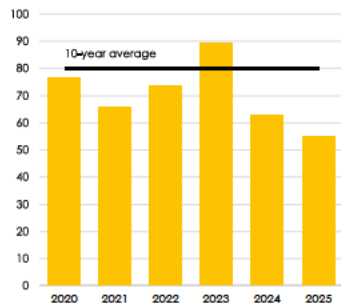
Capital values remained strong despite national caution in the freehold market. Notable transactions included the sale of a 3,067 sq ft unit on Saxon Business Park, which achieved circa £137 per sq ft, and the sale of a smaller 1,009 sq ft unit on Metal & Ores Industrial Estate, which surpassed £160 per sq ft.

Outlook

Unlike broader market trends, Bromsgrove continues to sustain strong freehold demand, supported by accessible lot sizes and reduced reliance on bank funding. Future take-up is more likely to be constrained by limited availability, as vendors remain unaware of the market's continued resilience.

Total Take-up freehold and leasehold (ft²)

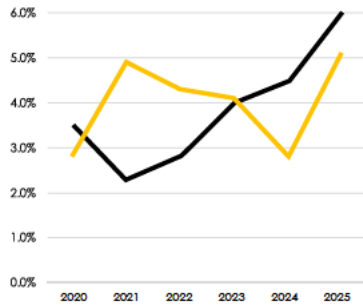
54,657



Vacancy Rate (%)

5.1

Region Worcester



Average Deal Size (ft²)

3,904

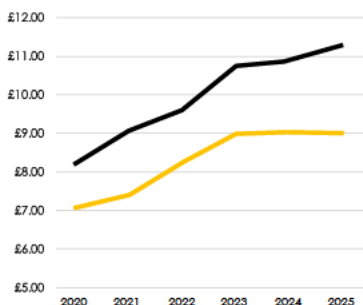
Average Deal Size over a 10-year period

4,302

Headline Rent ignoring incentives (£ per ft²)

11.33

Headline Average



Malvern Hills

The Malvern Hills continues to perform well, driven by improved access and proactive local authority investment. As current schemes are absorbed, maintaining this performance will depend on bringing further space to the market, either through new schemes or refurbishment of existing stock.



Demand

Take-up has surpassed the 10-year average for the fifth consecutive year. Notably, the 19 recorded industrial transactions in 2025 were the highest number in the Malvern Hills sub-market since our records began in 2009. This was driven by a high number of transactions (10) in the sub-2,500 sq ft category, compared to a 10-year average of 3.6.

Where recent strong performance has been supported by lettings at Indurent Park Broomhall, there was only one letting there in 2025 - a 31,885 sq ft unit to Hownet. The remaining demand came from a variety of unit sizes and locations across the Malvern Hills catchment.

Supply

The vacancy rate had been falling since the 7.0% peak in 2022, as a result of successful lettings at Broomhall. However, as the proposed Barberry Business Park progresses through the development pipeline - with units advertised from 2,500 to 225,000 sq ft - this is beginning to push the vacancy rate back up to 6.6%, above the Worcestershire average.

While there is existing stock at locations such as Malvern Business Centre and Hanley Workshops, opportunities for smaller businesses only arise when these units become vacant. New, high-quality developments for SME occupiers are therefore much needed.

Rental and Capital Values

Following a sharp rise in headline rents up to 2024, rents cooled in 2025 to £11.46 per sq ft. This was expected, as the £12.50 per sq ft achieved at Beauchamp Business Centre in 2024 was a Worcestershire record at the time, reflecting strong demand for high-quality space in the circa 2,000 sq ft size bracket.

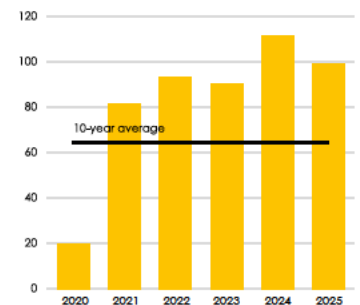
The sole freehold transaction in 2025 was the acquisition of a 10,351 sq ft industrial unit on Sandy's Road, achieving circa £115 per sq ft. This was below the £128 per sq ft recorded the previous year, reflecting the larger unit size compared with earlier sales.

Outlook

Market momentum was maintained throughout 2025, underpinned by continued activity at Indurent Park Broomhall. The delivery of comparable new-build options for SME occupiers would reinforce the Malvern Hills sub-market's recent uplift and capitalise on enhanced connectivity created by the Southern Link Road dualling.

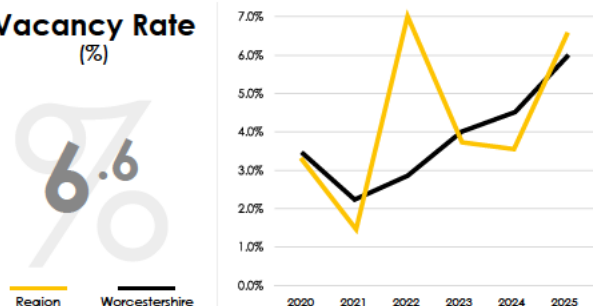
Total Take-up
freehold and leasehold
(ft²)

98,780



Vacancy Rate
(%)

6.6



Average Deal Size
(ft²)

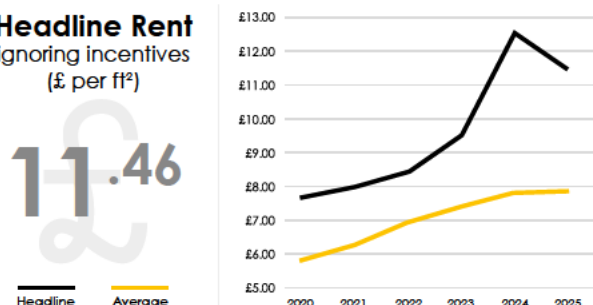
5,199

Average Deal Size
over a 10-year period

6,860

Headline Rent
ignoring incentives
(£ per ft²)

11.46





Redditch

With the lowest vacancy levels in the county, there is an opportunity for developers and investors to add to a constrained property pipeline in a market that has consistently attracted demand from both local and wider occupiers.

Demand

In 2025, the Redditch industrial market recovered following a record-low year in 2024. This recovery was buoyed by four freehold transactions totalling 77,663 sq ft - the highest volume of space sold since 2021 and the second highest since 2016.

Of these sales, three exceeded 10,000 sq ft, the joint highest number since 2014. Highlights included 48D Pipers Road and 20 Oxleasow Road, both of which went under offer less than a month after launch. The volume of large sales demonstrates renewed confidence among businesses looking to invest in their premises and the wider region.

Supply

The average deal size increased in 2025 to 8,302 sq ft, moving closer to the 10-year average of 10,612 sq ft. This was supported by the large freehold sales noted above and two lettings over 10,000 sq ft, which together totalled 56,726 sq ft. The sale and letting of larger units has historically been a defining characteristic of the Redditch market.

Supply of this type of space continues to come forward through schemes such as Redditch Gateway and Greenlight. It is also encouraging to see new schemes targeting the SME market, including Claybrook Business Park.

Rental and Capital Values

Both headline and average rents slowed slightly in 2025, declining by 2.9% and 2.2% respectively. This mirrors national trends for larger occupiers, where post-pandemic competition for quality warehouse space has eased as market conditions normalise.

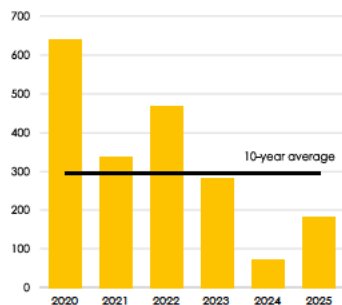
Capital values also softened marginally, as 2025 saw the transacting of larger, more dated stock, typically at around £85 per sq ft. In previous years, sales rates in excess of £140 per sq ft were achieved, highlighting purchaser willingness when the right product comes to market.

Outlook

Redditch has traditionally been a hotspot for institutional landlords leasing space to national occupiers. It is therefore encouraging to see local businesses committing to large freehold purchases and reinvesting in the area.

Total Take-up freehold and leasehold (ft²)

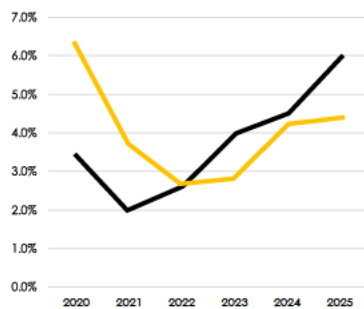
182,648



Vacancy Rate (%)

4.4

Region Worcester



Average Deal Size (ft²)

8,302

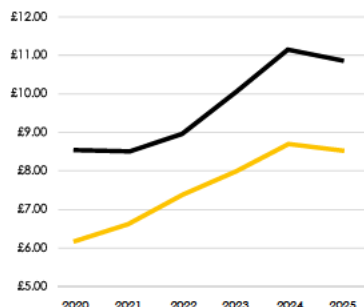
Average Deal Size over a 10-year period

10,612

Headline Rent ignoring incentives (£ per ft²)

10.85

Headline Average



Worcester

Worcester



2025 marked a record-low year for take-up in Worcester. This coincides with a reduction in market stock size, a trend that could be exacerbated as central industrial estates are considered for alternative uses. A clear strategy is required to protect the city's employment space.

Demand

In 2025, Worcester recorded the lowest amount of space transacted (39,540 sq ft) and the lowest number of transactions (9) since records began in 2009. By comparison, the long-term annual average is approximately 165,000 sq ft.

This was largely due to there being only one transaction above 5,000 sq ft - the sale of 25,377 sq ft at Blackpole Trading Estate East to Hills Ford. Over the past decade, the market has averaged 3.7 transactions per year above 10,000 sq ft; therefore, the lack of larger deals had a material impact on take-up figures.

Supply

Vacancy rates remain below the county average, despite having been at their highest level in the past ten years. However, they increased marginally following the introduction of space at Bromyard Works in St John's.

As space is absorbed at this site and others, further high-quality accommodation will need to be delivered in Worcester, particularly as significant industrial space close to the city centre has been lost in recent years. While Indurent Broomhall and Worcester Six provide alternatives, both lie outside the city boundary and are themselves nearing full occupancy.

Rental and Capital Values

Following strong lettings of small, high-quality units at Cranham Industrial Estate in 2024 - where rents exceeded £12 per sq ft - headline rents eased slightly to £11.33 per sq ft in 2025. Average rents also declined, reflecting the scarcity of available space within central Worcester.

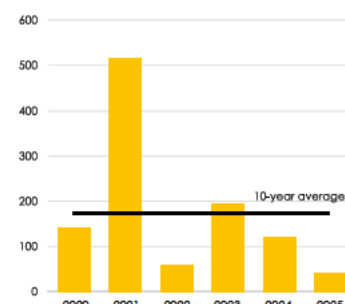
The strength of previous rental performance highlights the viability of achieving sustainable rents and should provide confidence for investors and developers to deliver much-needed space in central Worcester.

Outlook

The enquiries received daily for quality SME units underline the depth of demand within Worcester. The loss of premises around Shrub Hill railway station has created a gap that has yet to be addressed by development suitable for the city's vibrant entrepreneurial community.

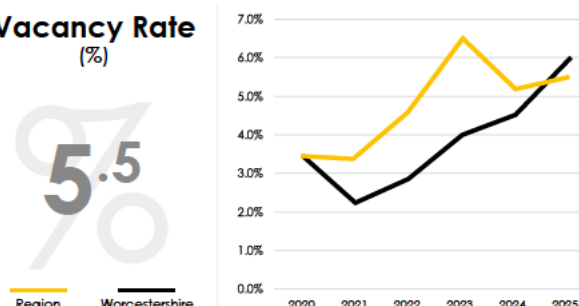
Total Take-up freehold and leasehold (ft²)

39,540



Vacancy Rate (%)

5.5



Average Deal Size (ft²)

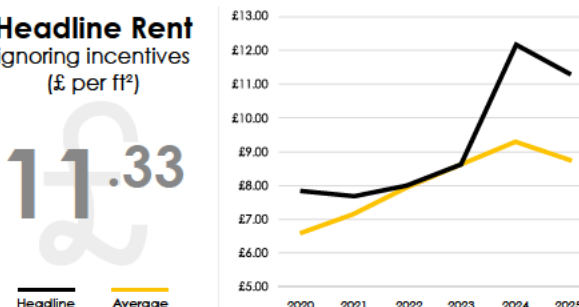
4,393

Average Deal Size over a 10-year period

9,590

Headline Rent ignoring incentives (£ per ft²)

11.33



Wychavon

Wychavon



Wychavon performed well against a difficult economic backdrop in 2025. Market activity should give investors and developers confidence to continue investing in the region, where occupiers are in urgent need of smaller industrial units designed for SME businesses.

Demand

Wychavon's take-up increased for a fourth consecutive year, with demand spread evenly across size brackets. This balance is illustrated by 11 transactions below 2,500 sq ft and six transactions above 10,000 sq ft.

Take-up levels remain sensitive to large transactions at key schemes such as Worcester Six or Hartlebury Trading Estate. In 2025, this included the notable letting of 169,410 sq ft at Droitwich 170, a newly delivered Harworth unit.

The 278,048 sq ft letting to MiTek at Worcester Six has not been included in the 2025 figures, as the deal was not recorded due to potential non-occupation by year-end.

Supply

The vacancy rate in Wychavon remains elevated compared to the rest of the county, largely due to the availability of larger units at established estates such as Hartlebury Trading Estate and design-and-build options at strategic sites.

Following the surge in e-commerce brought about by the pandemic, many large national occupiers have since reduced their space requirements or sub-let surplus accommodation. This trend presents an opportunity for the mid-box market, with increased activity evident at sites such as Trinity at Vale Park, Evesham.

Rental and Capital Values

Headline rents increased to record levels, both in Wychavon and across Worcestershire, matching the £12.50 per sq ft achieved in Malvern the previous year. Average rents eased slightly due to lettings of more dated stock around Droitwich and the A442 corridor.

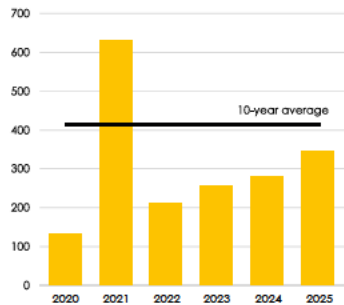
There were no recorded sales in Wychavon during 2025; however, several units were under offer at the start of 2026 and will be reflected in next year's data.

Outlook

2025 was another solid year for the Wychavon industrial market. Take-up increased even without the inclusion of the 278,048 sq ft letting at Worcester Six, which is imminent if not already concluded. Total space transacted was two and a half times the county average, highlighting the region's scale advantage and continued appeal.

Total Take-up freehold and leasehold (ft²)

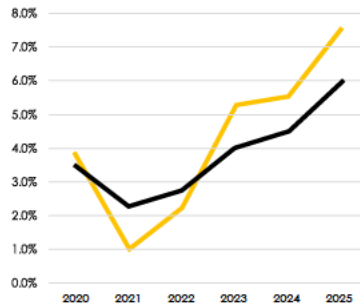
354,262



Vacancy Rate (%)

7.6

Region Worcestershire



Average Deal Size (ft²)

16,103

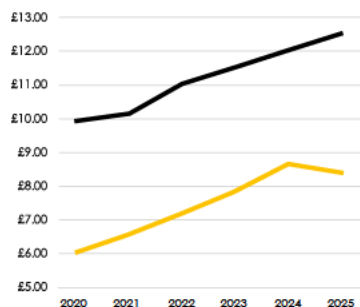
Average Deal Size over a 10-year period

11,621

Headline Rent ignoring incentives (£ per ft²)

12.50

Headline Average



Wyre Forest

Wyre Forest



The Wyre Forest district is being regenerated through local authority-led industrial and office schemes. This investment is delivering tangible results, with improving performance and increasing interest from investors and business owners.

Demand

Take-up in the Wyre Forest sub-market recorded the largest year-on-year increase of any sub-market, with 2.6 times more space transacted than in the previous year. However, these figures are somewhat misleading, as only nine transactions were recorded - joint lowest since 2009 (matching 2024).

Four transactions exceeded 10,000 sq ft, including a freehold sale at Edwin Avenue on Hoo Farm Industrial Estate. Alongside three lettings over 10,000 sq ft - including the 31,185 sq ft letting at Long Bank, Bewdley - these larger deals had a significant positive impact on overall performance, given the limited market stock.

Supply

Vacancy rates in Wyre Forest have increased sharply to 8.7%, the highest in the county. A key contributor is the delivery of space at the former Brintons Carpet Factory, now known as Britannia Business Park. This should be viewed positively, as redundant manufacturing space is being repurposed for modern occupiers.

The developer has subdivided the site and refurbished all units to a modern specification. As a result, lettings at Britannia Business Park are expected to positively influence market performance over the next 12 months.

Rental and Capital Values

Headline rents softened to £9.25 per sq ft, reflecting fewer lettings of high-quality new-build units, which remain fully occupied - such as Forest Industrial Park, delivered by WFDC. Average rents remained stable, supported by successful lettings at estates including Wilden Industrial Estate and Coppice Trading Estate.

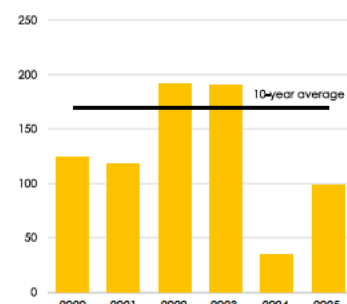
The only recorded sale was the large transaction at Hoo Farm Industrial Estate. Due to scale, the achieved rate was circa £88 per sq ft, below the previous year's average of over £100 per sq ft.

Outlook

Following a weak performance in the prior year, the Wyre Forest market improved in 2025, demonstrating sustained occupier demand. With significant volumes of former manufacturing space suitable for modernisation, improving economic conditions should present opportunities to attract further developer and investor interest and maintain momentum.

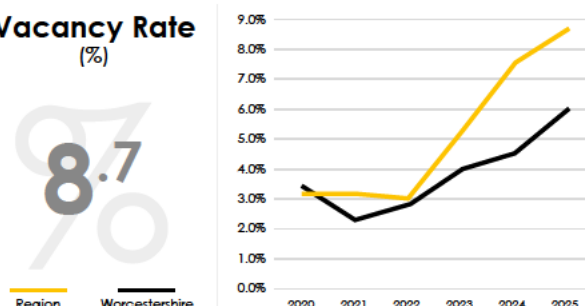
Total Take-up freehold and leasehold (ft²)

99,056



Vacancy Rate (%)

8.7



Average Deal Size (ft²)

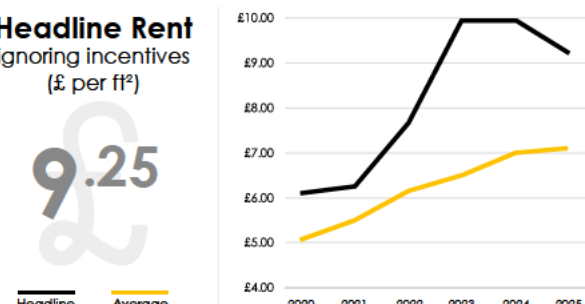
11,006

Average Deal Size over a 10-year period

9,946

Headline Rent ignoring incentives (£ per ft²)

9.25





RICS Red Book Valuation requirements for commercial property owners, purchasers, and investors

- *Valuing commercial property accurately is essential for investment, lending, taxation, and legal purposes. While informal or market-based valuations may provide an initial indication of value, there are circumstances where a RICS Red Book valuation is required to ensure independence, consistency, and compliance with professional and regulatory standards.*

What is a Red Book Valuation?

A Red Book valuation is a fully researched, independent assessment, (with supporting evidence) of a property's value conducted in accordance with the RICS Valuation - Global Standards.



For commercial property owners, investors, trustees, purchasers, and lenders, Red Book compliance ensures valuations are accurate, reliable, and legally defensible, protecting financial, regulatory, and legal interests. Understanding when such a valuation is necessary is crucial.

Common situations a Red Book valuation is required include:

Lending and refinancing Commercial lenders and pension trustees require Red Book valuations before approving commercial mortgages, development finance, bridging loans and refinancing.

SIPP and SSAS pension reporting Where commercial property is held within a Self-Invested Personal Pension (SIPP) or Small Self-Administered Scheme (SSAS), Red Book valuations are typically required for annual fund valuations, trustee reporting and scheme accounts, transfers into or out of pension schemes, property acquisitions, disposals or refinancing, and to ensure compliance with the pension provider and HMRC requirements.

Financial reporting Companies holding commercial property as an asset often require Red Book valuations for annual accounts, audits, and balance sheet reporting.

Taxation HMRC recognises Red Book valuations for capital gains tax purposes, inheritance tax / probate for estates with commercial assets, stamp duty, land tax disputes and corporation tax assessments involving property.

Property acquisition or disposal Institutional investors, funds, corporations and tenants rely on RICS Red Book valuations for the purchase or sale of commercial assets, portfolio valuations, and mergers and acquisitions due diligence, ensuring informed decision-making and stakeholder confidence.

Legal disputes Courts, tribunals, and solicitors rely on Red Book compliant valuations for commercial property disputes, lease renewals or rent reviews, partnership dissolutions or shareholder disputes and compulsory purchase compensation claims.

Why Red Book Compliance Matters

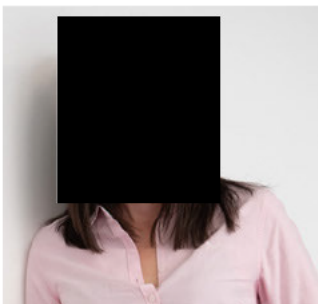
Red Book valuations offer:

- **Independence** - an objective, unbiased assessment
- **Evidence-based methodology** - transparent & defensible analysis
- **Professional accountability** - clear legal and professional responsibility
- **Consistency** - a standardised approach recognised globally

For commercial property, where decisions often involve significant capital, these protections are essential.

Our Experience

GJS Dillon regularly provide Red Book valuations for bank lending and refinancing, SIPP and SSAS pension schemes, Capital Gains Tax and Inheritance Tax, court proceedings, property disputes, and rent reviews and lease renewals, for both landlords and tenants.



ADVICE

Anneka Wilks
Director,
GJS Dillon

Anneka is a fully-qualified Chartered Surveyor with over 20 years' experience in the commercial property market. Anneka specialises in commercial valuation work across the Midlands, with particular focus on Worcestershire, Shropshire and Herefordshire. She is highly-skilled in providing accurate and RICS-compliant property valuations across a wide range of commercial asset classes. Anneka also acts for both landlords and tenants on commercial rent reviews and lease renewals.

For further information contact Anneka and her team on [REDACTED] or email [REDACTED]

Helping you buy your dream home with confidence

RICS Home Surveys & Valuations

Buying a home is one of the biggest financial commitments you will ever make. It is easy to believe you can skip the home survey and save a little money during an already costly process. But research shows this could be one of the riskiest decisions a buyer can make. A home survey is one of the most valuable steps in any property purchase - yet shockingly few buyers do it.

Believe you can buy without a Survey? Think again.

New figures highlight that persuading homebuyers to invest in a home survey remains difficult, despite the negotiating edge these surveys can provide.

- ▶ **Just 15% of homebuyers instructed a home survey in Q1 2025**
- ▶ **Only 45% of homeowners have ever paid for a survey at any point in their property buying history***

(*Source: Compare My Move, May 2025)

This lack of engagement suggests a widespread misunderstanding about what surveys do - and how they can save buyers in the long-term.

Potential savings

According to the Royal Institution of Chartered Surveyors (RICS), buyers who did not get a survey faced an average of £5,750 worth of unexpected repairs once they moved in, with 17% paying over £12,000 on average.

Among buyers who *did* get a survey, **40% used the findings to negotiate**, through price reductions or agreed repairs, ranging from 5%-10%. We have experienced this with a £40,000 saving being made on undertaking a Level 2 home survey, so in many cases, a survey pays for itself several times over.



Experienced and professional RICS Chartered surveyors

A RICS surveyor undertakes years of study and hands-on training, backed by strict regulation and professional indemnity insurance - meaning buyers can trust the findings. Their report gives you peace of mind that the property is in good condition or identifies hidden defects to allow you to make a more informed decision.

Investing in one of the biggest purchases of your life should come with confidence - and a professional home survey is one of the most reliable ways to get it.



GJS | Dillon

The House Surveyors

t: [REDACTED]

www.thehousesurveyors.co.uk

In addition to Level 2, 3 and Level 3 Bespoke Home Surveys, The House Surveyors also carry out valuations for Purchase, Matrimonial, Inheritance Tax, Probate, Insurance Reinstatement and Help to Buy purposes throughout Worcestershire, Herefordshire, Welsh Borders, Gloucestershire, Warwickshire and the Cotswolds.

We pride ourselves on our local knowledge, experience, value for money and excellent customer service.

GJS | Dillon

The Commercial Property Consultants

Let us guide you through the commercial property maze

Sales, Lettings & Acquisitions



Valuations, Rent Reviews & Lease Renewals



Property Asset Management



Building Surveying & Project Consultancy



Get in touch

www.gjsdillon.co.uk

info@gjsdillon.co.uk



RICS

WINNER

