BUSINESS OUTLOOK 2026

CHRISTIE & CO

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Global Managing Director's Statement

DARREN BOND
Global Managing Director

As we reflect on the activity across the markets over the past year, we are pleased to present our Business Outlook 2026. This report shares our thoughts on the trends shaping our business landscape and recent deal activity, along with our perspective on the markets for the year ahead.

In 2025, we celebrated our 90th anniversary and saw record activity across many of our sectors. Based on the transactions conducted by Christie & Co, we positively saw our average price index move forwards by 4.2% in the last 12 months.

Whilst the wider commercial property market was generally more subdued in 2025, with lower deal volumes, the sectors in which we operate continued to perform well and we experienced a very busy year of deal activity. Demand for business property from buyers outstripped supply, and we saw this across the majority of our specialist markets. Businesses adapted to the widespread increase in National Insurance contributions and found cost savings elsewhere to offset this. Whilst business distress has increased since 2024, it hasn't yet reached the peak level we expect to see.

KEY SECTOR THEMES

In 2025, sector performance was shaped by stabilising interest rates and renewed lender confidence, offset by persistent inflation and rising employment costs. Strategic restructuring and consolidation continued across most markets, with corporates divesting underperforming assets and entrepreneurial independents driving acquisition demand. This was seen in a number of significant corporate divestment projects where the shift back to private ownership has given the business a new lease of life. Across all sectors, operational resilience, succession planning, and targeted investment in talent, technology, and capital expenditure remain central to sustainable growth. There has also been an uptick in demand for valuation and advisory services, as the refinancing markets loosen up and owners have come through the pandemic recovery period.

DEAL COMPLETION INSIGHTS

Over the past year, deal activity was characterised by surprisingly high volumes, despite transaction times taking longer than ever before. We completed a significant number of transactions, reflecting strong market confidence and our ability to deliver complex solutions across multiple sectors.

Interestingly, the average time it takes for a transaction to go from instruction to completion has increased, much to the frustration of both buyers and sellers, who are often eager to complete sooner. Enhanced financial, legal, and property due diligence has added complexity, time, and cost to deals.

Over the last 12 months, we completed the sale of over 1,000 properties, with the average timeline from an offer being accepted to completion being around seven months.

There is disparity across our sectors with the fastest markets being Hospitality and Childcare at around five months, and regulated sectors such as Care, Dental and Pharmacy deals typically taking, on average, between seven and 10 months.

OUTLOOK FOR 2026

Looking ahead to 2026, we are optimistic about the market outlook for our specialist sectors. The visibility and pipeline of transactions anticipated to happen in the first half of the year are encouraging when compared with the same period a year ago. There is no doubt that cost pressures will continue to put a strain on businesses, and the economic environment will be more challenging in the year ahead. As long as demand remains at the current level, with bank funding readily available, then we see no reason why market sentiment shouldn't be maintained and even surpass the levels seen in 2025.

In 2025, we celebrated our 90th anniversary and saw record activity across many of our sectors.

For further insight and to read the full report, please scan the QR code

INTEREST RATES

We anticipate that interest rates will remain relatively stable over the next 12 months, with the possibility of modest reductions should inflationary pressures continue to ease. The Bank of England has signalled a more cautious approach, prioritising economic stability as the UK navigates post-pandemic recovery and ongoing global uncertainties. This environment should support borrowing and investment activity, encouraging continued market confidence and providing a solid foundation for business growth in our specialist sectors.

INFLATION

Inflation in the UK has moderated from recent peaks, with the current level moving closer to the Bank of England's target range, though it remains above pre-pandemic norms. Over the next 12 months, expectations are for inflationary pressures to gradually subside, particularly if global supply chains continue to recover and energy prices stabilise.

However, the persistence of elevated employment costs and ongoing geopolitical uncertainties may result in inflation fluctuating within a slightly higher band than historical averages. Overall, the outlook points to a slow but steady easing, providing a more predictable environment for businesses and investors as they plan for the year ahead.

COST PRESSURES

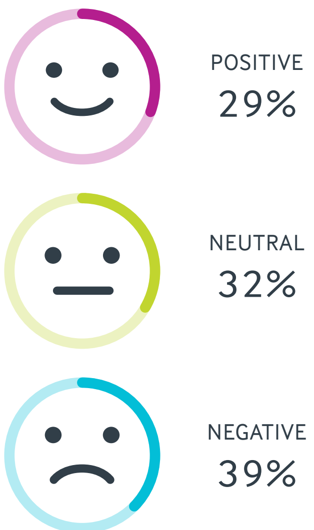
In the coming 12 months, cost pressures are expected to remain a significant challenge across our markets. Rising employment costs, changes to business rates, and fluctuating energy prices will likely drive operating expenses up. Additionally, regulatory compliance demands and increased due diligence requirements may add to transaction costs. These factors, combined with persistent inflation, could squeeze margins and affect overall profitability, making efficient cost management crucial for sustaining business growth in the year ahead.

Based on the transactions conducted by Christie & Co, we saw our average price index move forwards by 4.2% in the last 12 months.

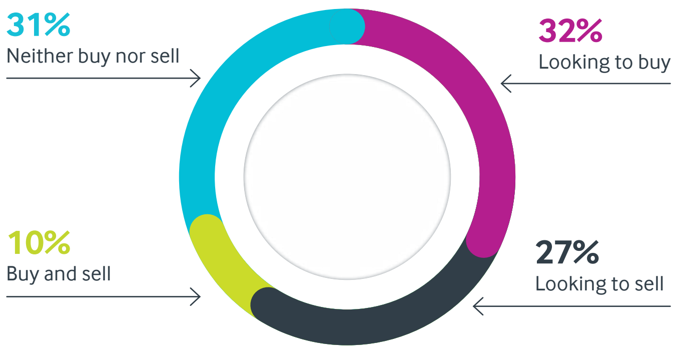
Sentiment Survey

We anonymously asked professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

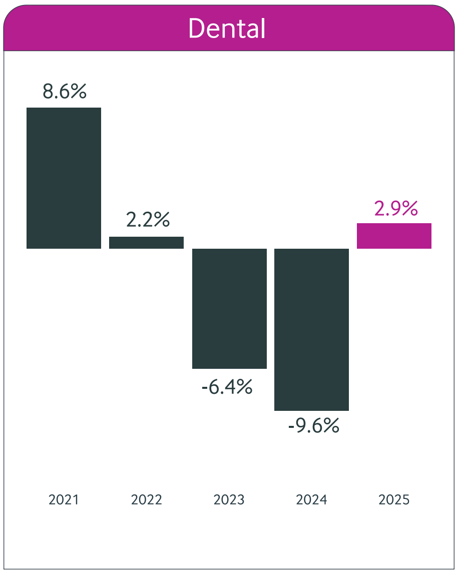


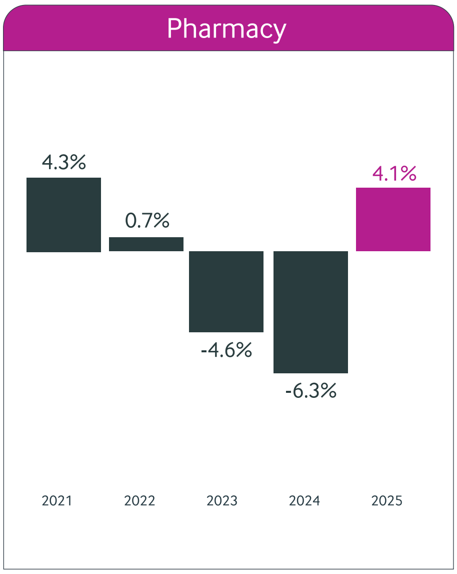
When asked about their sale and acquisition plans in 2026

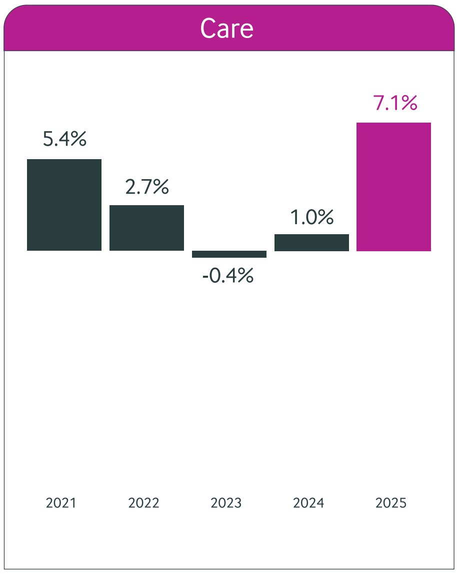


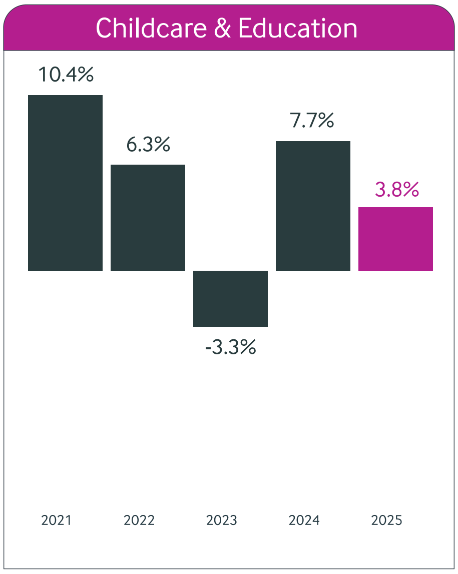
Price Index - Sector Overview

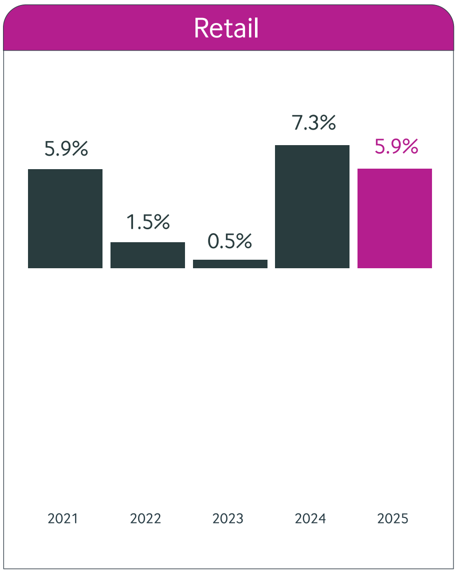
Movement in the average price of assets sold, year-on-year.

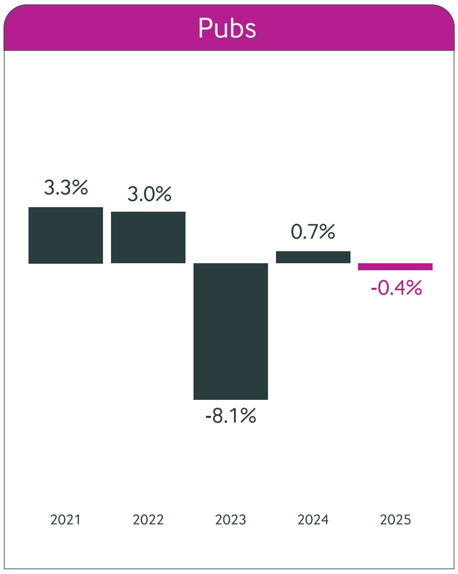


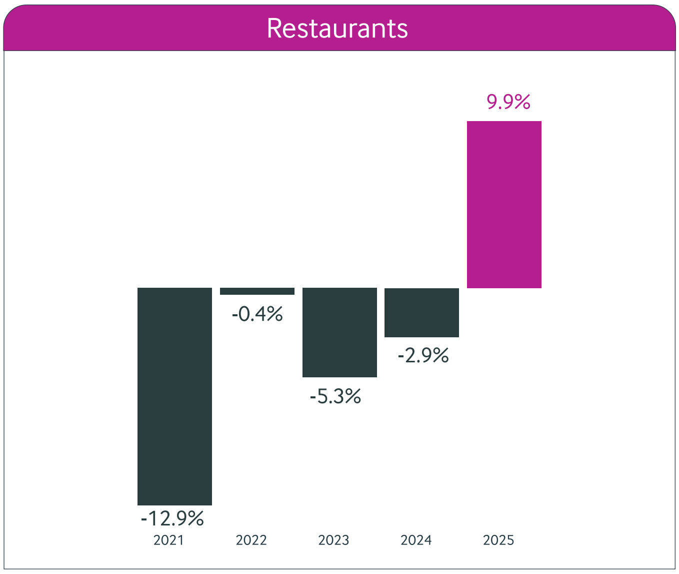


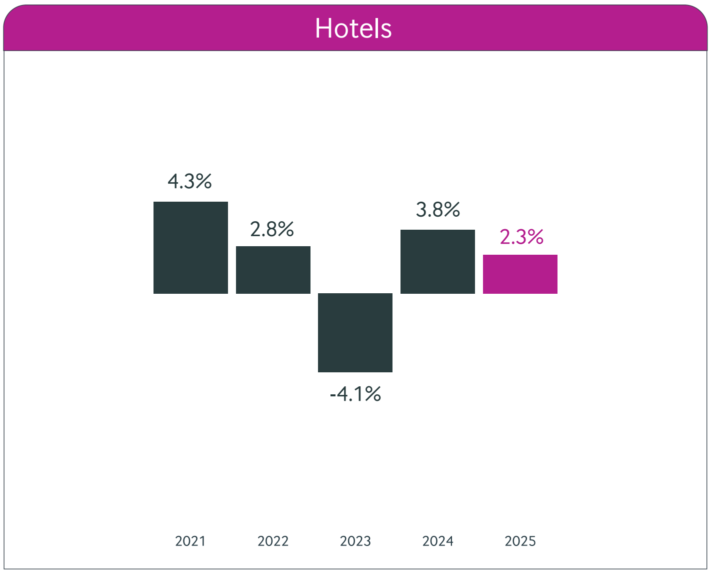






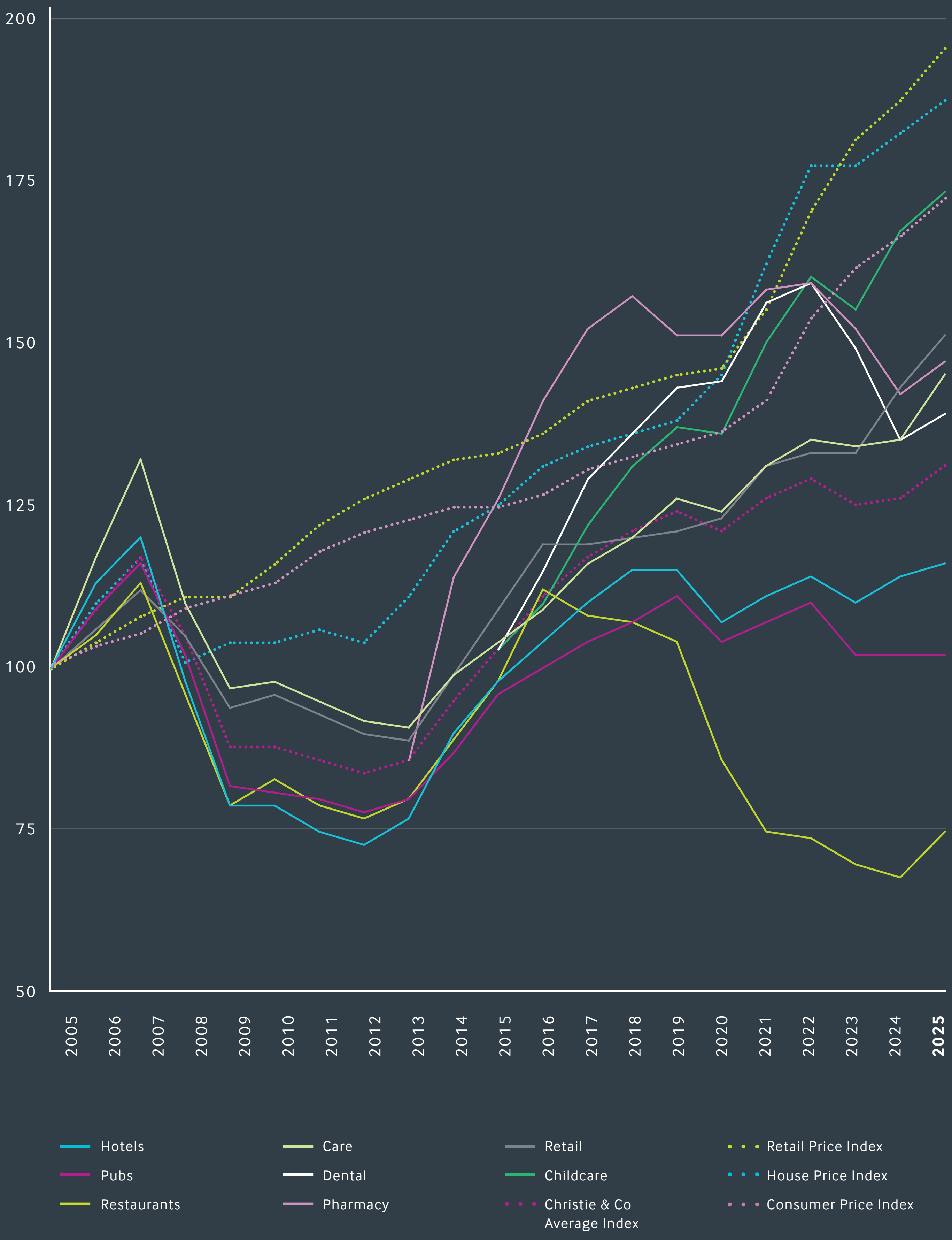






Price Index - Sector Overview

Index based on average sale prices (from a base of 100 in 2005)



Bank Support & Business Recovery

For further insight and to read the full report, scan the QR code:

2025 marked a year of increased activity in the number of distressed operational real estate cases we dealt with, resulting in a material rise in the number of businesses we were instructed to sell. Our distressed sale mandates were 22% up compared with 2024 and exceeded the pre-pandemic level of 2019 by 12%.

Company insolvencies accounted for 40% of all our distressed sale mandates - a main driver for this was a rise in creditor action - and an increasing number of cases we dealt with were due to HMRC pursuing debt and issuing winding up petitions. Another factor has been the willingness of alternative funders, who in recent years have increased their share of lending into the markets we operate in, being quicker than their mainstream peers to appoint administrators or receivers to enforce their security and sell assets to recover their loans.

A rise in loan defaults, covenant breaches, and loans not being paid at maturity drove activity in both the refinance and operational real estate sale markets. The availability of alternative debt enabled some distressed businesses to refinance, albeit often at materially higher interest rates. Where refinancing was not viable, exit by sale was the alternative, and this factor contributed to a rise in our debt funder-led instructions.

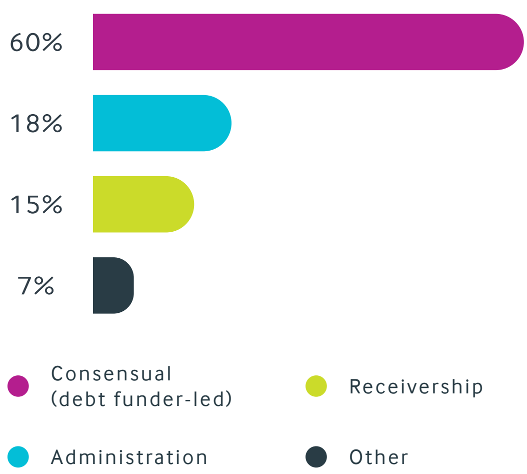
Enduring financial challenges, principally inflation, employment costs and the cost of servicing debt persisted into 2025, impacting the operational viability of the weakest businesses. Moreover, operators in the sectors led by discretionary spend were additionally impacted by muted consumer confidence due to the cost-of-living crisis.

The Labour Government's Spring Statement further increased employment costs and introduced higher taxes for business owners, of which we are yet to see the full impact. The Autumm Budget further raised employment costs, with above-inflation National Minimum Wage increases being implemented in April 2026.

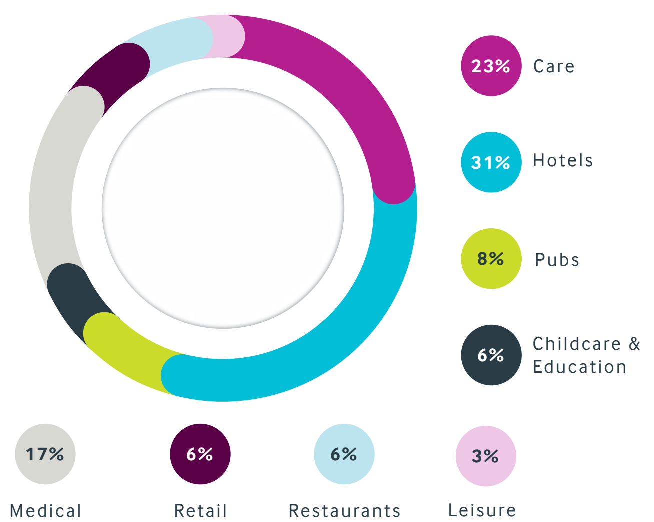
The knock-on effect will be decreasing creditor serviceability, leading to increased demand for restructuring and insolvency services from both debt funders and directors. Those who take early action will have more options, time, and resources for recovery rather than waiting until a crisis point, which will significantly limit the potential for a successful turnaround.

The challenging macroeconomic landscape in 2025 is likely to continue into 2026, and more non-performing operational real estate coming to the market is an inevitable consequence.

Distressed Asset Instructions for Disposal by Appointment Type in 2025



Distressed Assets Sold by Sector in 2025



Market Predictions for 2026

- Decreasing creditor serviceability for businesses operating on the thinnest of margins will lead to higher demand for restructuring and insolvency services from both debt funders and directors.
- Employment costs and higher taxes will continue to influence consumer spending and business investment, impacting growth.
- Demand from well-funded and experienced operators and speculative investors for non-performing operational real estate coming to market will drive deal activity.
- Lenders will extend loan facilities where trading values have declined and there is no appetite to crystalise losses through forced sales or foreclosure, kicking the can down the road.

Capital Markets

For further insight and to read the full report, scan the QR code:

Investor appetite for operational real estate in 2025 was strong.

UK healthcare has been a standout sector, with 2025 being a record year for investment volume. This was fuelled by significant investment from US REITs led by Welltower who concluded a series of major transactions in Q4, including Barchester Healthcare for circa £5.2 billion and HC-One for £1.2 billion. These, and other transactions, have been undertaken using management contract/RIDEA structures, in comparison to the more traditional FRI/triple net structures seen in the UK market.

Within the healthcare sector, we have also seen M&A or merger activity between a number of REITs. These include the US REITs, Care Trust, acquiring Care REITs (formerly Impact) and Aedifica and Cofinimmo, two major European REITs agreeing a merger. In the primary care space, Primary Health Properties successfully acquired Assura. These deals should be positive for market activity in 2026.

In contrast, the UK hotel market came into 2025 on the back of a very strong 2024, with deal volumes of just under £7 billion, anchored by significant portfolio transactions. In 2025, the absence of large portfolio deals led to a much lower headline figure despite strong single asset activity. Whilst US investor activity has been dominant in healthcare, it softened in hotels, with a notable uptick in activity from domestic investors. A good level of liquidity remains in the market, and there are a number of reasons for optimism in 2026.

During 2025, we notably stepped up our investment activity in the volume end of the market across childcare, medical and retail/leisure. In comparison to hotels and healthcare, lot sizes have been smaller - typically in the range of £500,000 to £5 million.

Buyers include funds/institutional capital for modern assets let to the strongest covenants, together with a large number of private investors and entrepreneurs, many of whom are operators within Christie & Co's sectors.

We were particularly active in brokering investment deals within the early years childcare and medical sectors during 2025, where there is strong demand from a wide range of buyers, particularly in the 7% to 10% yield spectrum. We expect this to continue in 2026 with a number of new projects in the pipeline.

Case Study

OMEGA'S ACQUISITION OF THE REMAINING FOUR SEASONS PORTFOLIO

We were pleased to advise Omega REIT on its acquisition of a portfolio of 45 care homes previously operated by Four Seasons Health Care Group (FSHCG). The acquisition completed in April 2025. As a US-based group, Omega approached the FSHCG deal in line with its existing investment in UK care homes, which further diversifies its asset classes and funding streams. The portfolio was sold off a valuation of £241,750,000.

Market Predictions for 2026

Whilst there are some macroeconomic and geopolitical factors to navigate, we are positive about the prospects for the year ahead, with the following key predictions:

- OPRE will continue to be a key area of focus for institutional investors, and we expect to see more capital looking to deploy across the sectors which represent Christie & Co's core markets.
- Whilst the 'mega deals' seen in the UK healthcare sector last year will be hard to replicate, we expect to see good demand from an increasing range of capital for sale and leaseback or manage back type deals involving good quality mid-market stock and strong regional operators.
- We expect to see increased focus and investor activity in continental Europe, particularly within the 'living' sectors of hotels and healthcare.
- Strong demand will remain for good quality investment opportunities in the £500,000 to £5 million segment of our core markets.
- The focus on sustainable investment/ESG will continue to evolve.

Dental

For further insight and to read the full report, scan the QR code:

The UK dental market in 2025 showed clear signs of recovery and renewed confidence after a market correction in 2023 and a cautious 2024.

First-time buyers who previously focused on mid-market practices (circa £750,000 to £1 million) actively pursued higher-value opportunities, encouraged by favourable lending conditions. As terms have become more accessible, we are seeing younger clinicians enter practice ownership earlier than they had anticipated, adding further competition within the independent market.

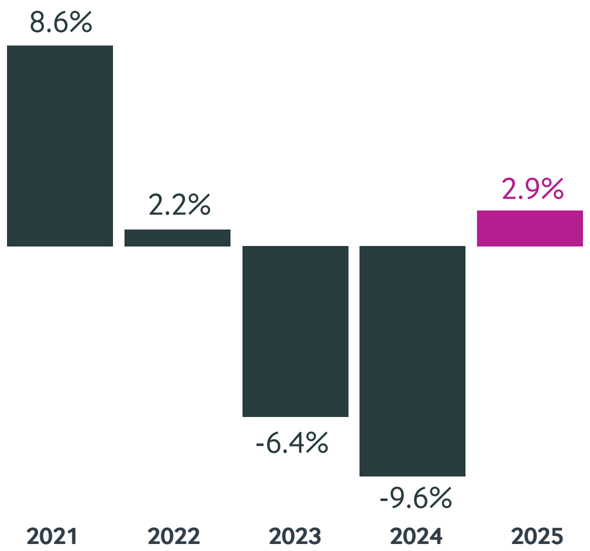
Inflationary pressures remain a challenge, particularly around staffing and materials. Rising employers' National Insurance contributions and increases to the National Minimum Wage have added cost pressures for all operators.

These pressures are felt most acutely within NHS practices, which often operate under tighter margins due to fixed contract values. Despite this, NHS practices continue to play a vital role in the UK's healthcare infrastructure, and many have demonstrated remarkable resilience amid workforce and financial constraints. In response to economic pressures, more practices are developing robust mixed-income models to create long-term sustainability while still maintaining crucial NHS access for patients.

Workforce shortages exacerbated by changes to immigration rules and the NHS graduate tie-in have intensified operational strain, particularly for NHS providers, and have in some cases limited their ability to fulfil contractual requirements. Practices with strong private income streams and stable, well-supported teams continue to command premium values, reflecting buyer preference for resilience and consistent profitability.

Price Index

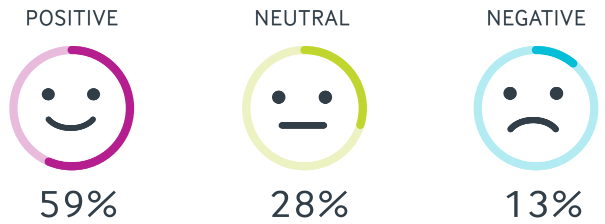
After a period of price correction and stabilising multiples through 2022 to 2024, confidence in NHS dentistry has notably strengthened, and goodwill values followed suit. Corporate buyers have returned to the market and to our processes, helping to create a more buoyant transactional environment and driving increased competitive tension. At the same time, lenders are offering attractive rates and demonstrating a more proactive appetite to fund deals, opening greater opportunities for SMEs and independent operators.



Sentiment Survey

We anonymously surveyed dental professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



When asked about their sale and acquisition plans in 2026

Market Predictions for 2026

- While independents will remain dominant, we expect renewed appetite from corporate groups, especially for private practices with strong EBITDA.
- High-value NHS practices will return to the forefront of acquisitive activity from some corporates and independent groups.
- Buyers will prioritise mixed-model practices, values will remain stronger for private practices, and NHS practices will attract cautious bids underpinned by more scrutiny on performance levels.
- AI, CRM, and digital workflows will be standard by 2026.

Pharmacy

For further insight and to read the full report, scan the QR code:

Throughout 2025, as we predicted, pharmacy transaction volumes remained relatively high, with a number of larger groups and multiples continuing to divest underperforming or non-core branches as part of strategic reviews.

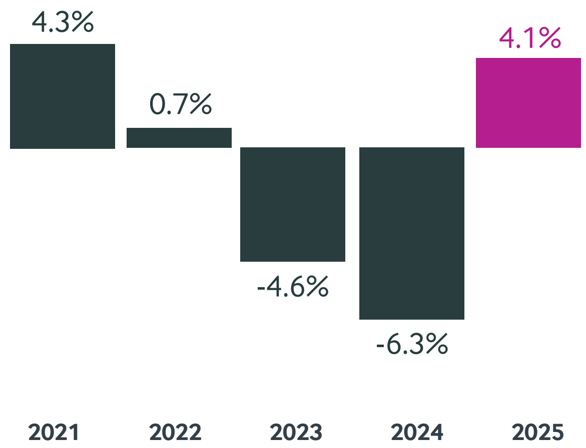
Many smaller, independently owned groups also adopted similar approaches. Ongoing financial pressures across the sector contributed to a noticeable rise in bank-driven or administrator-led sales, further increasing the number of opportunities available to the market. These attracted interest from buyers keen to turn around and add value to these potentially struggling businesses.

During the year, 31% of our pharmacy transactions were to first-time buyers, demonstrating that the smaller and more local buyers see opportunities in the marketplace, and we see no reason for this not to continue for the foreseeable future.

As we begin 2026, there is cautious optimism that the sector is finally being recognised for its critical role in delivering accessible, community-based healthcare. The challenge now lies in ensuring that this momentum is sustained and translated into long-term structural support for pharmacy teams across the UK.

Price Index

Over the last 12 months, we have seen a shift in the amount of higher-value pharmacies being sold, along with fewer low-value corporate disposals. As the level of interest in the businesses on the market remained positive, we witnessed an increase in the average value of what we have sold, up from last year's 6.3% decline. The funding announcement in March 2025 injected some much-needed income into pharmacy operations and has gone some way to help stabilise goodwill values.



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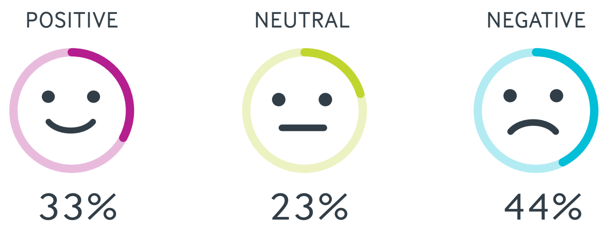
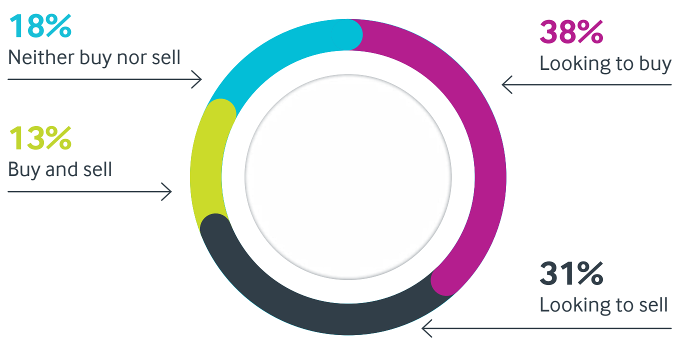


When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- Cost pressures will remain a key issue in pharmacy despite the recent increase in funding.
- We expect the rationalisation of non-performing corporate assets to continue.
- We expect to see the continued increase in demand for private services within pharmacy.
- Opportunities will remain for agile and forward-thinking operators.
- We will continue to see a number of bank-driven or administrator-led sales.

Care - UK

For further insight and to read the full report, scan the QR code:

The UK care home investment market continues to attract significant interest, particularly from US-based funds, and a notable trend is the emergence of management contracts under the RIDEA structure.

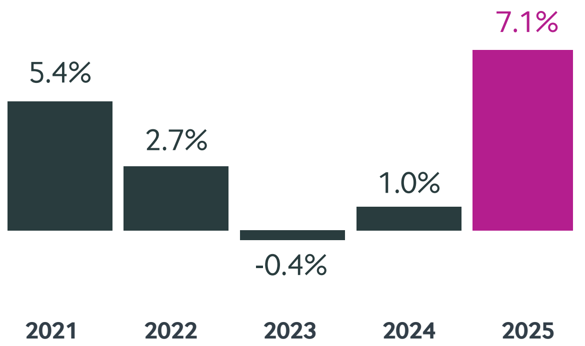
Despite these structural shifts, yields have remained relatively stable, ranging between 6% and 10%. At the same time, international investors are showing increased appetite for exposure to the UK market, reinforcing its position as a key sector for global capital.

The pace of new care home developments continues to lag behind market demand, largely due to a drawn-out planning process and the limited appeal of certain areas where private pay is scarce. In the past year, there has been a larger number of beds created by extending existing care facilities, with an additional 6,551 beds being built via the extension of 156 existing care homes. Although construction costs remain high in many regions, there were signs of this easing during the second half of 2025.

Transactional activity heightened across assets of all sizes last year, and many operators are now seeking opportunities to expand, even as the number of care homes coming to market has fallen by approximately 15%. Bank appetite for lending within the sector remains positive, and there is a notable emergence of a strong first-time buyer market.

Price Index

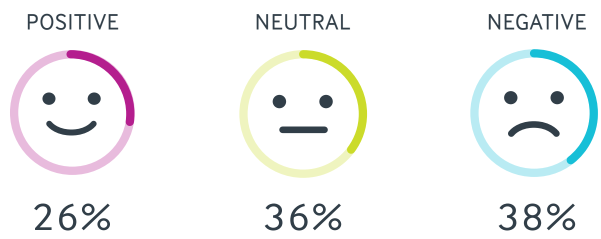
Occupancy rates are now generally exceeding pre-pandemic levels, and staff costs are under control. The sector is benefiting from foreign sponsorship licenses, which have led to a decline in agency costs over the past couple of years. Despite some press indicating otherwise, the majority of providers are showing improved profits as a result. This, combined with the limited supply of stock entering the market, is leading to competitive bidding and driving prices upwards. Many lenders are also turning on the tap once again, and the industry continues to attract new investors seeking a more defensive-oriented market.



Sentiment Survey

We anonymously surveyed care providers across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



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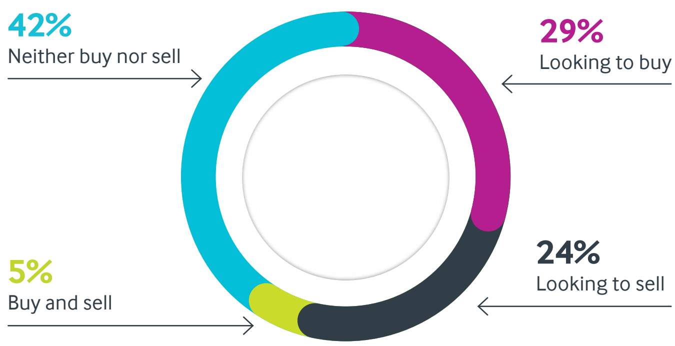


Market Predictions for 2026

- Momentum in the transactional market will continue as the cost of debt eases.
- Healthcare will remain an attractive asset class for both UK and international investors, with REITs acquiring portfolios, either with traditional lease models or with management agreements in place.
- We will see the continued emergence of new entrants providing a going concern exit route for smaller care home owners.
- An ongoing shortage of new-build openings will limit new bed supply, and occupancy levels will remain strong.

Care - Germany

For further insight and to read the full report, scan the QR code:

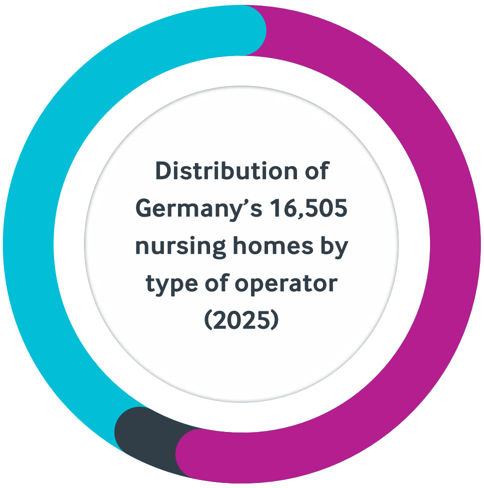
2025 marked a year of consolidation and strategic repositioning for the German healthcare real estate market.

Demographic shifts and rising life expectancy continue to drive stable demand for care and housing solutions for older adults. The supply landscape is evolving accordingly, and while the number of fully inpatient facilities is slightly declining, assisted living continues to expand. The operator landscape is characterised by a mix of established non-profit providers, regionally rooted family-run businesses and increasingly active private operators expanding their footprint through growth and consolidation.

Financing conditions remained tight. Rising interest rates and construction costs led to a noticeable slowdown in new developments. At the same time, ESG compliance and operator quality became more central to investor decision-making. Lenders were cautious, favouring projects with clear regional demand, long-term demographic stability, and sound economic fundamentals.

The transactional market showed resilient demand for existing assets with stable cash flows, and care homes remain a cornerstone of the system. Investors are focusing on facilities with professional operator structures, high occupancy, and sustainable building quality. Prime yield for care homes stands at 5.2%. The transaction volume in the German healthcare real estate market was estimated at €1.1 billion in 2025.

Assisted living continues to gain traction across Germany. Demand is driven by older adults seeking autonomy, safety, and social inclusion, while institutional interest is rising due to favourable regulatory conditions and the segment's integration potential into mixed-use developments. As of 2025, Germany has approximately 8,200 assisted living facilities. Around 62% of these facilities are operated by non-profit organisations, reflecting the sector's deep social anchoring and long-standing community relevance.



Non-profit operator 53%

Public operator 4%

Private operator 43%

This distribution reflects a structural shift in the sector: private entities are gaining ground due to their agility in expanding, access to capital, and ability to adapt to regulatory and operational pressures. Non-profit providers, traditionally backed by welfare organisations, continue to play a stabilising role, especially in rural and underserved regions.

Source: Federal Statistical Office (Destatis)

Market Predictions for 2026

- Workforce strategies and digitalisation will enhance resilience. Care staff will become a key resource as innovative recruitment, retention, and digital tools strengthen operational stability and future viability.
- Integrated community concepts will gain relevance as care is embedded into holistic living environments, and new synergies emerge between healthcare, housing, and public infrastructure.
- Capital strategies will diversify across the market as investors and operators pursue core-plus models with stable structures, or value-add approaches through refurbishment, repositioning or operator change.
- ESG-compliant new developments will grow in appeal as investors favour future-proof concepts with long-term operator partnerships and sustainable building standards.
- Assisted living will outpace market growth as demand for flexible housing with care options rises. Operators will expand offerings along the continuum of care.

Care - France

For further insight and to read the full report, scan the QR code:

The French healthcare real estate market in 2025 confirmed its resilience and lasting attractiveness. The first three quarters of 2025 recorded a volume of around €365 million, and projections based on on-going deals suggest an annual total of €1.1 billion, considerably above the €600 million registered in 2024.

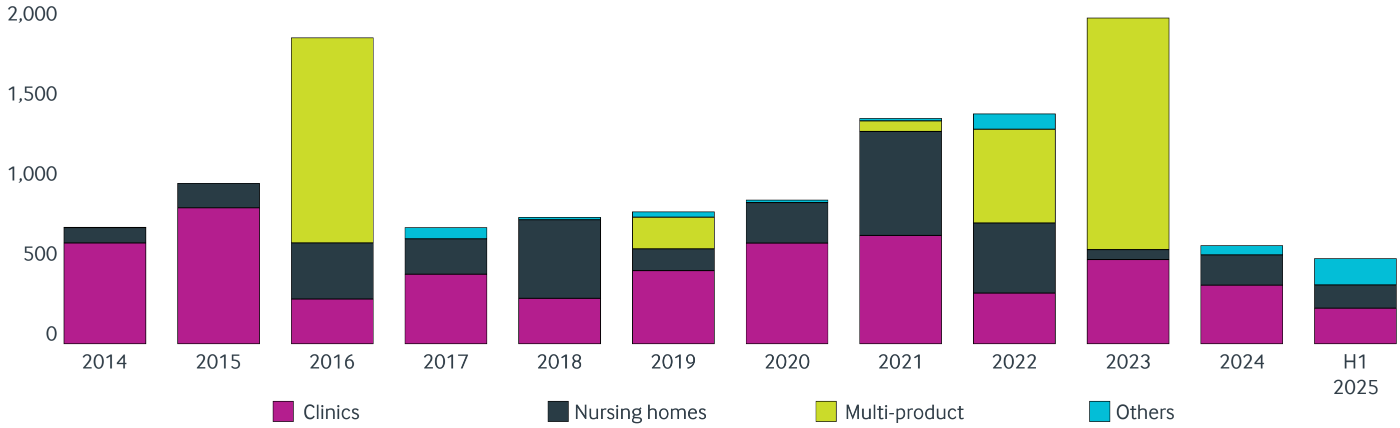
This volume is in line with the average for the past 10 years thanks to a renewed appetite driven by the emergence of new investor profiles.

International investors and new entrants continue to take advantage of the situation to make major acquisitions, strengthening the sector's appeal.

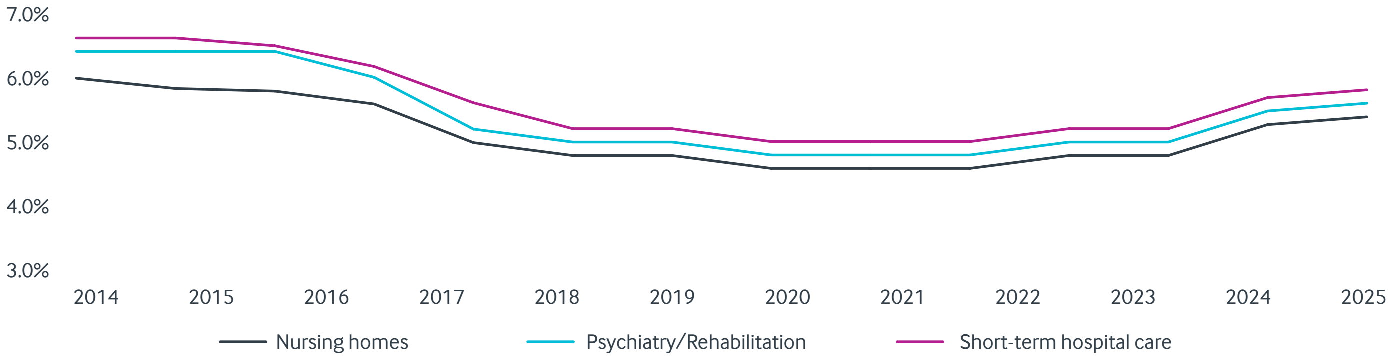
These movements have helped stabilise yields and rekindle interest in healthcare real estate.

Operators, facing tight financing conditions and inflation are resorting to sale and leaseback transactions to restructure their activities. French nursing home group emeis successfully surpassed its disposal target, giving the market a positive signal. In the context of a scarcity of attractive real estate products, healthcare real estate is showing signs of recovery.

REAL ESTATE INVESTMENT VOLUME BY HEALTHCARE ASSET TYPES



REAL ESTATE INVESTMENT YIELDS BY HEALTHCARE SECTOR



Market Predictions for 2026

- After a steady recovery in 2024 and 2025, investment volumes in healthcare real estate are expected to exceed €600-800 million in 2026, driven by renewed confidence and increased liquidity from institutional investors.
- Yields are likely to stabilise or slightly compress, reflecting strong demand for prime assets and a limited supply of high-quality properties.
- Operators facing financial constraints and inflationary pressures will continue to leverage sale and leaseback transactions, creating attractive opportunities for investors seeking long-term, secure income streams.
- Foreign investors, particularly from Europe and North America, are expected to increase their presence, attracted by France's demographic fundamentals and regulatory stability.
- Healthcare real estate will remain a key diversification strategy, supported by structural trends such as an ageing population, the prevalence of chronic diseases, and the need for accessible care infrastructure.
- Sustainability and energy efficiency will remain critical investment criteria, with operators and investors prioritising green certifications and compliance with EU taxonomy standards.

Childcare & Education

For further insight and to read the full report, scan the QR code:

2025 was a year of transformational change across the UK's childcare and education sectors.

We experienced an incredibly active market, which was largely fuelled by an increase in longer-established businesses with solid earnings being put up for sale for the first time – a common trend that we have seen emerge due to recent tax reforms, which have prompted owners to sell.

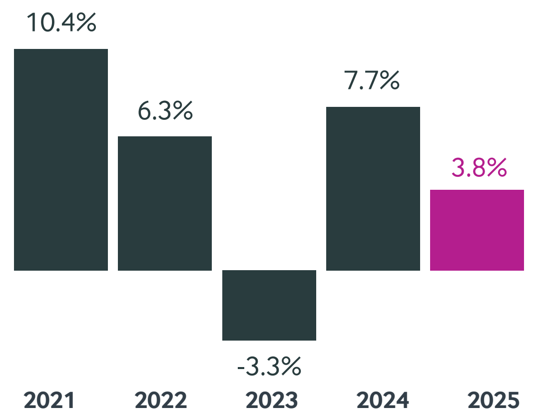
Activity was seen across all corners of the UK and from a range of buyer types – from new entrants through to small and medium-sized regional groups.

Larger corporate buyers mostly engaged in very competitive bidding for the most sought-after acquisition opportunities.

Despite wider geopolitical and economic considerations, the sector continues to draw interest from international trade buyers and investors. With these businesses offering scope for further innovation and consolidation, teamed with the appeal of their ESG credentials, buyer and investor appetite has remained strong for high-quality businesses that evidence solid and stable earnings.

Price Index

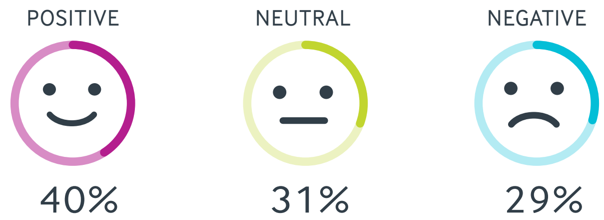
The market has been very active, fuelled by long-established businesses with solid earnings being put up for sale. Interest has come from corporates to independents with competitive bidding driving price increases.



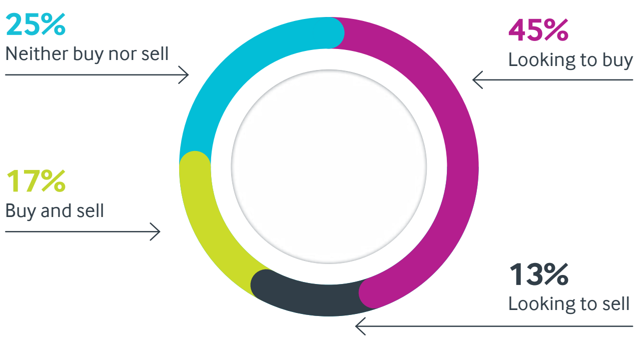
Sentiment Survey

We anonymously surveyed childcare & education professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

CHILDREN'S DAY NURSERIES

- We expect to see continued demand for both freehold and leasehold settings across the whole of the UK.
- Legislative changes and shifts in policy direction are expected to fuel market activity.
- We expect to see some of the UK's larger corporate groups transact and change ownership.

SEND SCHOOLS

- We will see continued interest from buyers for freehold and leasehold SEND schools, alternative provision, therapeutic education services, and further education for students aged 19 to 25.
- There will be an ongoing demand for properties that offer development potential for SEND use.
- Buyers are likely to become increasingly diligent in their competitive environment and fee sensitivity analysis when acquiring both operational entities and SEND school development sites.

INDEPENDENT SCHOOLS

- We expect fewer school closures in 2026.
- Current student numbers are largely expected to stabilise, albeit new enrolments could remain at a much lower level for some schools than we have seen in prior years.
- We expect to see continued market activity - comprising disposals, acquisitions and mergers - and the continued acquisition of closed independent schools by SEND operators.

CHILDREN'S SOCIAL CARE

- Assets with strong quality metrics, robust workforce models, and transparent finances should attract strong buyer interest.
- We expect to see measured growth in regulated capacity and selective capital deployment.
- Value-add strategies will focus on new home openings, registration transitions, and demonstrable improvements in outcomes.

Leisure

For further insight and to read the full report, scan the QR code:

UK leisure has had mixed fortunes depending on the sub-sector, amid a complex economic and regulatory landscape. While consumer appetite for experiences remained strong, operators faced a mixture of headwinds and opportunities as they navigated 2025.

Consumer spending on leisure activities rebounded post-pandemic, with holiday parks, marinas, and active leisure venues seeing growth driven by demand for short breaks and wellness experiences. However, investment volumes in leisure property remained subdued, with concerns over occupier credit ratings and uneven recovery across sub-sectors.

Labour shortages continued to affect the sector, especially in skilled roles across fitness, entertainment and tourism, and operators have responded with increased automation and flexible staffing models. ESG considerations are also increasingly shaping investment and operational decisions.

We are seeing leisure operators respond with energy efficiency, biodiversity and community engagement initiatives.

Investor appetite remains strong, and we have seen a rise in high-net-worth individuals and family offices investing in the sector, while mixed-use developments incorporating leisure elements are gaining traction, particularly where they contribute to placemaking and community value.

Overall, the sector is cautiously optimistic heading into 2026. Our leisure team remains active, servicing significant mandates across holiday parks, marinas, and visitor attractions, and we have seen strong buyer interest from occupier cohorts and a notable rise in enquiries from financial institutions targeting residential and holiday park assets. However, it is a 'buyer's market' with pricing very much dependent on creating a competitive process to drive demand.

Case Study

FARNDON MARINA, NOTTINGHAMSHIRE

Owned by the Ainsworth family since 1966, the marina was sold to Tingdene Group, adding over 300 berths to the company's growing national portfolio.

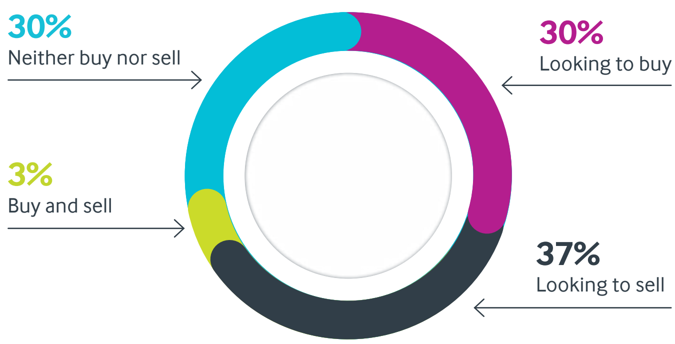
Sentiment Survey

We anonymously surveyed leisure professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
29%	32%	39%

When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- Continued growth in experiential and active leisure, fuelled by shifting consumer preferences.
- Integration of AI and automation, primarily in customer service, dynamic pricing, and predictive maintenance.
- ESG will remain a competitive differentiator and core investment criteria.
- Staffing pressures will drive workforce innovation, as labour shortages persist.
- Cost pressures will remain, causing selective expansion, as energy and insurance costs remain volatile.
- Interest rates, though expected to slowly fall, will keep financing comparatively expensive.

Retail

For further insight and to read the full report, scan the QR code:

Despite challenging conditions for high street retail, the forecourt and convenience store sectors thrived in 2025, attracting strong demand from operators and investors.

The second half of the year also saw a surge in real estate deals, driven by the resilience of convenience and grocery, which remain needs-based. Independent entrepreneurs value this stability, while investors are drawn to secure tenants with robust trading fundamentals.

Fuel retailers have faced criticism over pole pricing. Increased taxes and enforced operational cost burdens following Budget measures have impacted profitability, and it is not surprising that private operators are trying to maintain profitability in a competitive market.

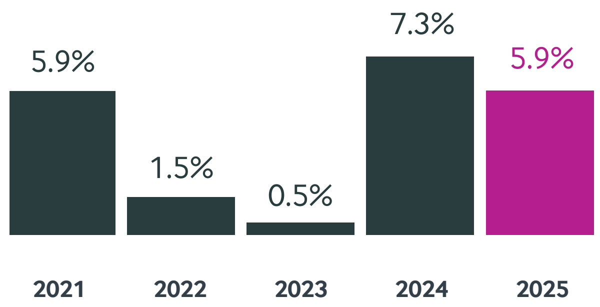
Meanwhile, slow EV adoption due to limited incentives and consumer constraints has extended the forecourt investment horizon. This has spurred renewed private equity interest and significant backing from clearing banks, whose ESG stance appears more flexible.

Our garden centre team had a record year, completing more sales than in 2024, including major mandates amid restructuring at Dobbies. Favourable spring weather supported trading, though macroeconomic pressures on distribution and manufacturing could influence the choice of product ranges.

For now, the outlook remains positive, with strong investor appetite and resilient consumer demand shaping opportunities across these sectors.

Price Index

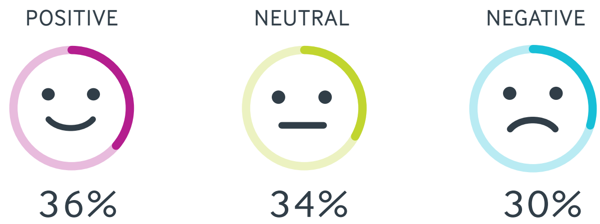
After a record 2024, we entered 2025 with a strong pipeline. Somewhat against general economic trends in the UK, 2025 was another record year, not only through the sale of more businesses than the previous year but with stronger pricing. The average price of retail businesses sold by Christie & Co increased by 5.9%.



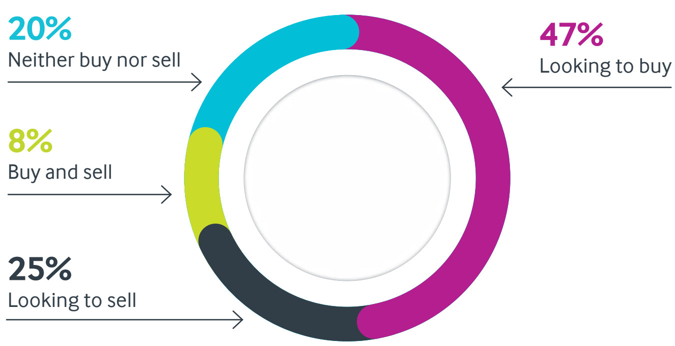
Sentiment Survey

We anonymously surveyed retail professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- Convenience retailers will continue to embrace hybrid formats that blend traditional convenience with on-the-go tailored service, and target younger customers through technology and social media.
- Strategic divestment by corporate operators will continue.
- Banks will continue to show confidence in lending in the sector and borrowing costs will stabilise.
- Demand will continue to be greater than supply, creating a 'seller's market'.
- EV adoption will be slow due to limited incentives, recently announced tax, consumer constraints and lack of infrastructure.
- Momentum will continue in the garden centre market, with transaction volumes remaining high.

Pubs

For further insight and to read the full report, scan the QR code:

Despite a challenging economic backdrop, the pub market has shown resilience throughout 2025.

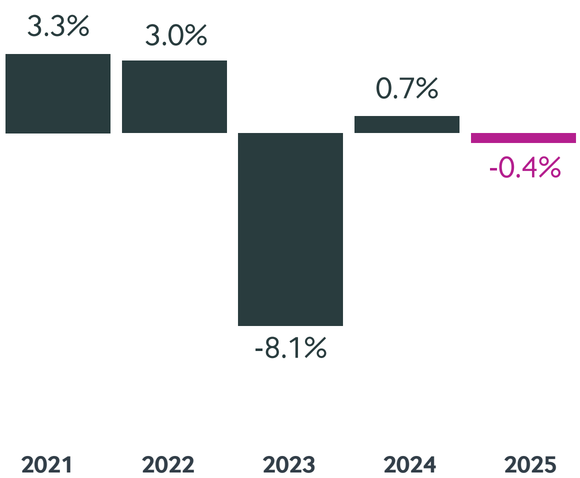
After the disappointing 2024 Autumn Budget introduced higher employer National Insurance contributions, wage increases, and reduced business rate relief, operators adapted quickly, and summer trading this year was buoyed for many by good weather, with pubs offering attractive outdoor spaces seeing strong performance. Headline turnover remained healthy, however profitability pressures persisted, and many businesses responded by adjusting trading hours, often closing early in the week.

The Autumn Budget in November 2025 offered little cheer. Lower business rate multiples were welcomed but offset by increased valuations and rising payroll costs from further wage increases. Maintaining wage differentials will squeeze margins, prompting higher menu prices and shorter hours. Operators also fear tax hikes may dampen consumer confidence and discretionary spending.

Looking ahead, the market will remain polarised. Well-invested pubs with strong offerings should stay resilient, and demand will persist at the top and bottom ends of the market, while the mid-market remains more challenging. Larger pub companies are expected to accelerate estate churn and reinvest to stay competitive as consumers become more discerning. Consolidation could help spread costs, and we anticipate increased M&A activity.

Price Index

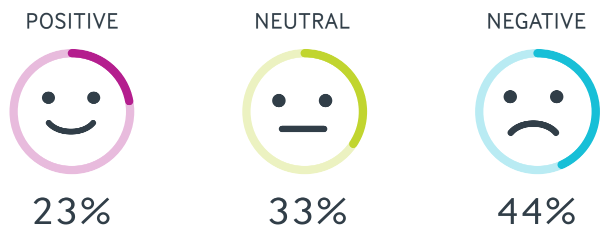
Headline trading performance has been steady, with improved revenue, but increased cost pressures have resulted in a fairly flat market value. Many pub companies who would have traditionally been expected to buy in 2025 have not acquired new sites this year, instead focusing on running their existing estate amid cost pressures.



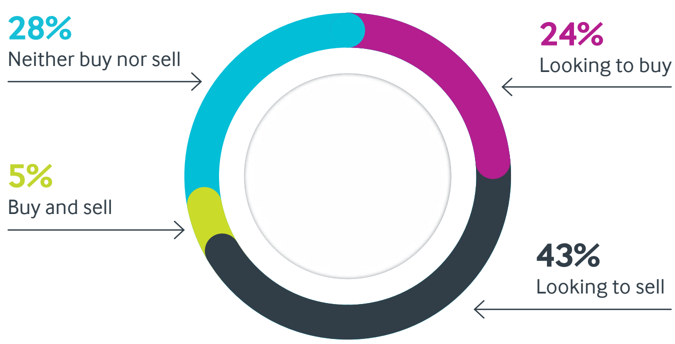
Sentiment Survey

We anonymously surveyed pub professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- The market will remain polarised, with most activity seen at the bottom and top ends of the market.
- We will see increased M&A activity as operators seek consolidation to spread costs or through churning their estates.
- There may be an increase in distress as cost pressures continue to bite, alongside a potentially more cautious consumer.
- Pub companies will continue to expand their managed partnership portfolios from both their managed and tenanted estates as well as through the acquisition of new sites.
- Lower interest rates may help tempt buyers seeking decent returns back into the market.

Restaurants

For further insight and to read the full report, scan the QR code:

Following several years of adjustments, cost-cutting, and site rationalisation, it was promising to see that the UK's Top 100 restaurant groups had delivered double-digit growth in sales and profit by mid-2025. This however may be a temporary position following the Autumn Budget in November 2025, with higher wages and rates bills likely to bring many back with a bump.

Independent operators, representing around 80% of the market, face greater challenges from food inflation and limited access to investment, yet they excel at loyalty, local sourcing, flexible menus, and personalised social media: key factors for attracting experience-driven diners.

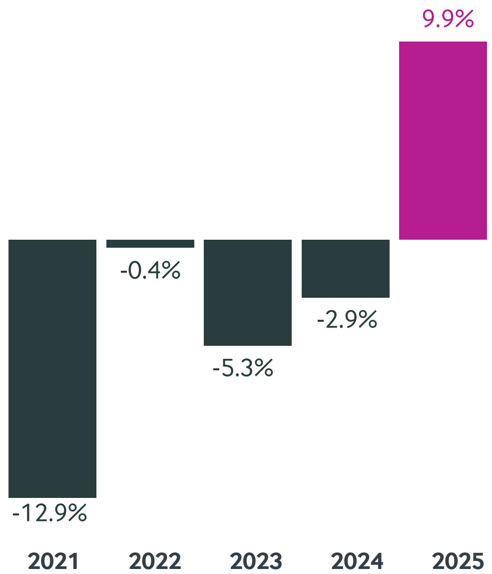
Customer retention strategies such as loyalty schemes now influence around a third of repeat visits, while legacy brands are under pressure to innovate or risk decline. Operators are increasingly leveraging technology and AI to improve efficiency both front of house and behind the scenes.

Headwinds remain, with food inflation above RPI, utilities up 10%, wage pressures, and staff shortages impacting service. Supermarket 'grab-and-go' options add competition, and discretionary spend is shifting to fewer but higher-value occasions.

Still, optimism persists. Prospective restaurateurs remain active, and those who execute well are seeing positive KPIs, with cautious expansion underway. The QSR sector and associated franchising is growing, and lifestyle businesses remain attractive, supported by freehold value.

Price Index

Restaurant prices are nowhere near where they once were, but we have seen more people buy and be prepared to pay a premium. From a reduction of around 40% post-pandemic, we have seen a recovery of around 10% for 2025, with more freehold restaurant transactions and a more competitive transactional market.



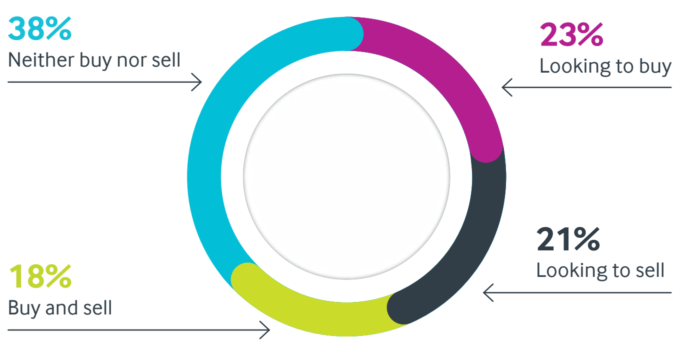
Sentiment Survey

We anonymously surveyed restaurant professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
10%	28%	62%

When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- Demand for dining out experiences will remain, with the overall food service market set to grow until 2030 with a CAGR of 6.6%.
- Technology will aid efficiency, productivity and enhance the consumer experience at all levels, from staff rotas and stock management to bookings and personalised offers.
- QSR will continue to expand and innovate with new food offerings - however, oversaturation may stall the growth of some brands.
- Sustainability and ethical values may start to become more of a consideration for many diners.
- Franchising remains a popular avenue for hospitality entrepreneurs - this is likely to continue, with many franchisees taking up multiple brands to de-risk further.

Hotels - UK

For further insight and to read the full report, scan the QR code:

Following a record-breaking 2024 - the strongest year since 2018 with hotel transaction volumes around £6.7 billion - 2025 experienced a marked slowdown, with deal volume being halved to around £3.5 billion (based on preliminary year-end figures, excluding development sites).

This contraction was driven primarily by a shift in deal composition: while 2024 was dominated by large-scale M&A activity, 2025 was primarily characterised by single-asset transactions, a complete reversal of the previous year. The most notable transaction of the year was the acquisition of Dalata Hotel Group by Pandox AB and Eiendomsspar AS.

In contrast to 2024, domestic investors dominated as cross-border capital softened amid geopolitical uncertainty and limited M&A activity.

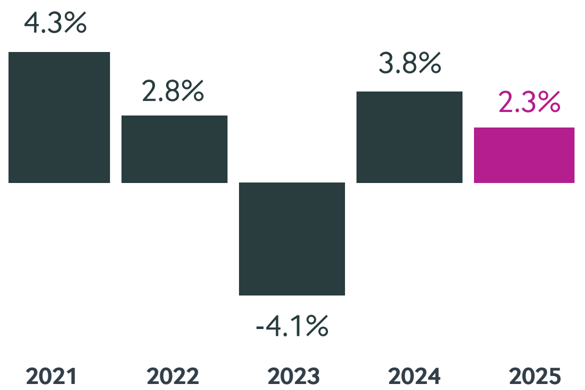
Private capital and high-net-worths grew more active, while institutional investors remained cautious, focusing on operational real estate and value-add opportunities.

Operational headwinds such as rising labour costs, inflation, and margin pressure led to GOPPAR declines and increased insolvencies, though easing utility costs offered some relief. Despite challenges, liquidity persists: more quality stock is emerging, financing conditions have improved, and we completed over 90 exchanges in 2025.

In summary, 2025 was a year of recalibration, with fewer large-scale deals, more granular activity, and heightened focus on operational resilience. Despite the slowdown, the market remained active and selective, and recent announcements from the Budget in November are likely to accelerate decision-making for hotel owners at the start of 2026.

Price Index

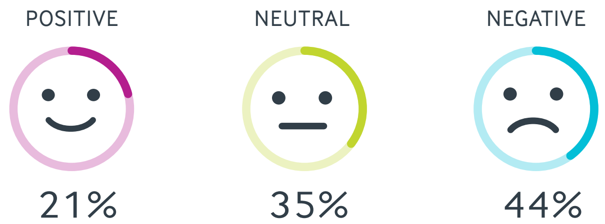
In terms of transactional volume, we saw a significant drop between 2024 and 2025, primarily due to the vast majority of transactions being single-asset deals. As a result of cost headwinds, margins have been impacted which, coupled with a minor compression of yields, resulted in a moderate increase in the price index.



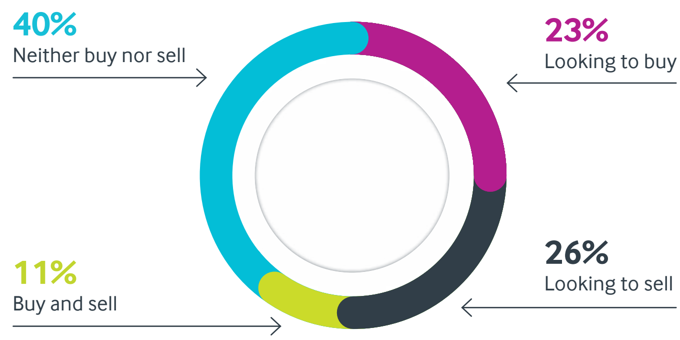
Sentiment Survey

We anonymously surveyed hotel professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026



When asked about their sale and acquisition plans in 2026



Market Predictions for 2026

- The downgraded economic forecast and supply pressures in certain markets call for cautious short-term trading and suggests further market polarisation into 2026.
- The phasing out of government contracts will return mid-market inventory to supply, creating a potential CapEx bubble: some owners may opt out, leading to additional investment opportunities.
- Following the Budget, operational resilience through heightened cost control and tech-driven efficiencies will be critical to offset rising wage costs.
- The market is expected to remain dominated by single-asset transactions, alongside further rationalisation of non-core assets from large portfolios.

Hotels - Austria

For further insight and to read the full report, scan the QR code:

The recovery of the Austrian hotel investment market continued throughout 2025, although institutional-grade products remained scarce. This was primarily due to the limited supply of newly-developed hotel assets and pricing expectations that proved challenging for both buyers and sellers to reconcile.

Nevertheless, the market witnessed several landmark transactions, particularly in Vienna. Notable deals included the Vienna Marriott Hotel and The Ritz-Carlton, which together accounted for over €200 million, representing more than 50% of the year-to-date (YTD December 2025) transaction volume of €370 million. We expect the overall investment volume to reach approximately €600 million, which would be the highest figure since 2019.

Investor profiles show a clear segmentation: large-scale assets tend to attract significant interest from high-net-worth individuals and international buyers, while smaller hotels located outside Vienna primarily generate demand from local investors as well as German buyers.

This trend underscores Vienna's continued position as the most sought-after market for international capital, while regional properties remain largely in the hands of domestic and neighbouring-country investors.

Greenfield development remains challenging due to high equity requirements for financing, elevated construction costs, and lease expectations from developers that often fail to align with economically feasible conditions for hotel operators.

Christie & Co once again played a leading role in the Austrian market in 2025, successfully advising on the sale of corporate landmarks such as the Vienna Marriott Hotel, as well as provincial hotels including the Meininger Hotel Salzburg and Hotel Brennerspitz in Tyrol, among others. In addition, we completed numerous successful operator search mandates across the country, reinforcing our position as the go-to advisor for hotel transactions and operator solutions.

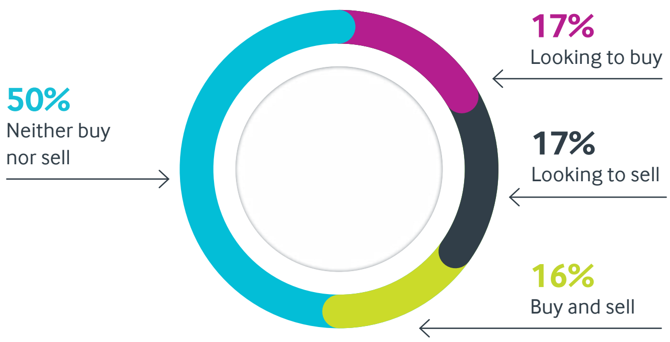
Sentiment Survey

We anonymously surveyed hotel professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
47%	39%	14%

When asked about their sale and acquisition plans in 2026



Case Study

VIENNA MARRIOTT HOTEL

We advised S IMMO AG/CPI on the sale of the Vienna Marriott Hotel, a landmark upper-upscale property with 328 rooms in a prime city centre location. Our team provided comprehensive transaction support, helping to structure and execute one of Austria's most prominent hotel deals of the year.

Market Predictions for 2026

- We expect to see continued consolidation among operators as hotel groups are merging to strengthen market position and achieve economies of scale.
- Generational shift will drive asset sales in leisure regions as older owners are selling properties and younger generations seek different investment priorities.
- More distressed assets will enter the market as financial pressures and rising costs are pushing more hotels into forced sales.
- ESG and sustainability will become mainstream for corporate investors as environmental and social criteria are now central to investment strategies in hospitality.

Hotels - Spain

For further insight and to read the full report, scan the QR code:

As we enter 2026, Spain's hotel market continues to display remarkable performances, consolidating its position as one of Europe's most dynamic hospitality markets.

Despite a year marked by global economic uncertainty and shifting macroeconomic conditions, the fundamentals of the Spanish market remain strong, underpinned by robust domestic demand, easing interest rates, and the unquestionable strength of the tourism sector.

Tourism performance in 2025 was solid, with overnight stays reaching 254.2 million by August, confirming the market's stabilisation after the exceptional highs of 2024. While growth has naturally moderated, RevPAR rose by 6.6%, driven by continued investment in product quality and a focus on value-added guest experiences. Resort destinations, particularly the Canary Islands, Balearic Islands, and Costa del Sol, led the way, benefiting from strong international demand and Spain's reputation as a safe, accessible, and high-quality destination.

On the supply side, 2025 saw over 50 new hotel openings, adding approximately 4,000 rooms, with a clear focus on upper-tier segments and urban destinations. The development pipeline remains robust, with 4- and 5-star hotels hotels accounting for over 60% of future supply. Interestingly, independent hotels have regained prominence, particularly in urban areas, reflecting a growing demand for authenticity and local character.

From an investment perspective, Spain once again proved its strength and positioned itself as one of the most dynamic investment markets, with the €3 billion mark easily surpassed for the fourth consecutive year.

Looking ahead, the outlook for 2026 is positive. With a more stable macroeconomic environment, continued tourism demand, and a maturing investment landscape, Spain's hotel sector is well-positioned for further growth. The market continues to offer compelling opportunities for investors, developers, and operators alike.

Sentiment Survey

We anonymously surveyed hotel professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
65%	31%	4%

When asked about their sale and acquisition plans in 2026

Case Study

CONFIDENTIAL HOTEL IN TENERIFE

Representing the owner of a 210+ room hotel in northern Tenerife, we successfully identified a buyer for the asset. Notably, the buyer, an international client, completed their first hotel acquisition in Spain, underscoring the strength of our global network and cross-border capabilities.

Market Predictions for 2026

- RevPAR growth will moderate but remain positive, supported by price increase rather than occupancy.
- Secondary destinations will continue to see a rise in tourism and will benefit from a displacement of the local demand.
- International brands will continue to increase their presence in key markets.
- Spain will once again surpass €3 billion in hotel investment in 2026.
- Spanish operators will continue to be key players in the investment market.

Hotels - France

For further insight and to read the full report, scan the QR code:

In 2025, the French market performed well in terms of the number of transactions, with an estimated volume of €2.7 billion.

The hotel sector remains particularly attractive to investors compared to the office or residential sectors. There is still liquidity, particularly in top locations such as Paris, Nice and Lyon, as well as in key mountain and seaside resorts. Nevertheless, all locations are potentially interesting due to high levels of demand and the limited number of hotels in France.

All segments of the market are positive except the economy sector due to a lack of interest from investors, and operationally the numbers are generally negative, especially across corporate clients and real estate development.

Regarding the institutional sector, those exclusively positioned in brick assets are still experiencing difficulties with the yields, especially REITs. The most active buyers are operators, investors, family offices and private equity firms.

Politically, France is in an unstable situation due to the lack of a parliamentary majority. This has led to an increase in the OAT (French government bonds) interest rate, and a lack of visibility on the budget and reforms. There has also been a downgrade by rating agencies. However, the good news is that inflation is stabilising at 2%.

In 2025, we had a record year in turnover and number of transactions, completing around 50 transactions in France. We conducted the break-up sale of 35 hotels across the country in the record time of a year, demonstrating our ability to execute deals anywhere and the strength of our hotels team across France. We also handled the sale of the Radisson Blu hotel in Toulouse Airport, the Caron Beaumarchais hotel in the Marais area in Paris, and a 5-star luxury hotel near Chamonix.

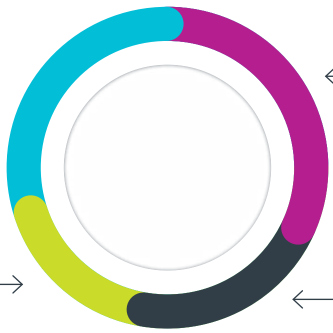
Sentiment Survey

We anonymously surveyed hotel professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
17%	53%	30%

When asked about their sale and acquisition plans in 2026



32% Looking to buy

30% Neither buy nor sell

17% Buy and sell

21% Looking to sell

Case Study

RADISSON TOULOUSE, BLAGNAC

Our Bordeaux team acted as the exclusive agent for the sale of the premises and business of the Radisson Blu Toulouse Airport, an iconic 4-star establishment in Blagnac with 201 rooms, including 24 suites, making it the largest hotel in the airport area.

Market Predictions for 2026

- Demand should stabilise due to increased international arrivals, particularly from Asia as well as Brazil and India, boosted by the long-term effect of the successful Olympic and Paralympic Games in 2024.
- The 'upscaling' trend will continue, maintaining low room growth as small, underperforming properties close or undergo renovations, thereby contributing to stabilised occupancy.
- Institutional investors will continue to invest in the hotel sector, while owner-operators will continue their positive investment trajectory, seeking operational leverage.
- There will be caution around potential market distress.
- Within the corporate segment, the global economic and political situation in France will be a cause for concern, and the economical segment is under pressure with the construction market crisis.

Hotels - Germany

For further insight and to read the full report, scan the QR code:

The German hotel investment landscape is showing strong signs of recovery and renewed dynamism as we move into 2026. Overall, hotel investment volume surged by over 205% year-on-year, driven by a strengthening in demand.

Year-to-date figures as of September 2025 highlight Berlin (€615 million) and Munich (€457 million) as the top-performing cities in terms of transaction volume, underscoring their continued appeal to investors.

While international investors have re-discovered the German hotel market, private investors and owner-operators continue to dominate transaction activity. These groups are leveraging repositioning opportunities and focusing on long-term value creation, particularly considering constrained new supply. Germany's diverse market composition - from major urban centres to niche leisure destinations - continues to attract a wide range of investor profiles. Elevated construction and financing costs have limited new developments, creating favourable conditions for value-add strategies and asset repositioning.

Hotel chains are actively expanding across luxury, economy, and extended-stay segments, responding to evolving traveller preferences and demographic shifts. At the same time, digitalisation and AI-powered guest experience tools are being deployed to mitigate cost pressures and address labour shortages.

Our team reported a steady uptick in asset valuations, alongside heightened demand for feasibility and project development studies. This reflects growing investor interest in both existing assets and new developments, particularly those aligned with established operational models.

Sentiment Survey

We anonymously surveyed hotel professionals across the country to gather their views on the year ahead.

When asked about their sentiment for 2026

POSITIVE	NEUTRAL	NEGATIVE
36%	37%	27%

When asked about their sale and acquisition plans in 2026

Case Study

CAMPANILE DUISBURG CITY

We were exclusively mandated by Austrian developer Soravia to sell the 169-key Campanile Duisburg City, operated by Louvre Hotel Group. The asset was acquired by French investor Atland Voisin.

Market Predictions for 2026

- Transaction momentum will accelerate as interest rates stabilise and institutional buyers return, driving a further increase in hotel investment volumes.
- ESG standards and sustainability will be non-negotiable for financing; properties lacking certifications will struggle to access capital and attract buyers.
- Economy, limited-service and extended-stay segments will see the highest investor demand, as both leisure and corporate travel are showing steady growth rates.
- Digitalisation, AI and smart-room technology will become essential to address rising costs, staff shortages, and evolving guest expectations.

Christie Group

Christie Finance has over 40 years' experience in financing businesses in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers.

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Christie Insurance has over 40 years' experience arranging business insurance in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.

christieinsurance.com

Venners is the leading supplier of stocktaking, inventory, consultancy & compliance services and related stock management systems to the hospitality sector. Consultancy and compliance services include control audits and 'live' event stocktaking. Bespoke software and systems enable real-time management reporting to customers using the best available technologies. Venners is the largest and longest established stock audit company in the sector in the UK.

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Charity Activity

Since summer 2025, we have been supporting PAPYRUS as our company charity.

PAPYRUS is a UK-based charity dedicated to the prevention of young suicide, founded in 1997 by bereaved parents.

The charity aims to prevent suicide and promote positive mental health and emotional wellbeing among young people. Their work includes a 24/7 suicide prevention hotline for those in crisis, advice and support, and education and training for workplaces and schools.

Our staff have been busy raising money through a number of initiatives, led by our Charities Committee, and we look forward to supporting the charity into 2026.

PAPYRUS
PREVENTION OF YOUNG SUICIDE

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