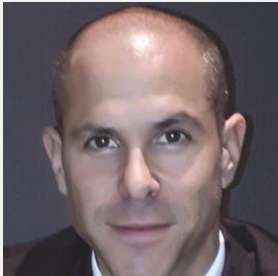


Predictions for 2022: Brace yourself (part twenty-one)

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After two years of unprecedented challenges faced by real estate, experts share their predictions for 2022.



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Rising inflation was the talk of 2021, prompting increased investment in property as an inflationary hedge. A buoyant market across a breadth of asset classes has seen build-to-rent lead the way, particularly with regional schemes of private family accommodation.

The repurposing of retail has offered strong opportunities, including student accommodation, but resilient brands that survived the pandemic are also underpinning retail investment. Offices bounced back strongly with demand for higher-quality space. Similarly, hotels were bolstered by a VAT reduction and a pent-up demand following the return to international travel. Life sciences broke records, with the pandemic focusing investor interest in the sector, and soaring online shopping growth saw investment in warehousing reach new heights and underpin land values on well-located large sites.

I think we will see further growth and more institutional money flowing into alternatives in 2022. This will create increased competition, tighter pricing and therefore lower returns.