



CoStar Data Shows Office Yield Gap Narrowing Between London and the Big Six

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LONDON--(BUSINESS WIRE)--May 22, 2026-- Improving investor sentiment narrows the office yield gap between London and major regional markets, according to data from [CoStar](#), a global leading provider of online real estate marketplaces, information and analytics in the property markets.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20260522576099/en/>



Based on a three-quarter trailing average, London's transaction-based office yield rose 50 basis points to 6.5% in Q1 2026, up from 6% in Q4 2025 and a recent low of 5.8% in Q3 2025.

Softening pricing in London as office yield spread with the regions narrows

"Average office yields outside London fell slightly after reaching a 12-year high at the end of 2025, with regional yields declining by 30 basis points in Q1 2026, though remaining elevated at 10.3%," said Mark Stansfield, senior director of market analytics at CoStar Europe. "The yield spread between London and the regions narrowed to 370 basis points, from 480 basis points two quarters ago, but remains historically wide."

Average central London office yields rose by 30 basis points to 5.7%, while Big Six office yields compressed by 30 basis points to 8.8%.

"The yield spread between central London and the Big Six narrowed to 310 basis points," said Stansfield. "This is down from 430 basis points two quarters ago, when the gap reached its widest this century."

Retail yields held at 7.1%, while industrial yields compressed by 20 basis points to 6.9%, halting the increases seen throughout 2025.

The full analysis can be found [here](#).

For more information about the company and its products and services, please visit www.costargroup.com.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 131 million average monthly unique visitors in the first quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

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