

REAL ESTATE MARKET SENTIMENT SURVEY 2025

Rising confidence despite macro challenges

UKREiif in partnership with Holistic Insight

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FOREWORD



Nathan Spencer
Managing Director of UKREiif

In today's fast-evolving market, staying attuned to industry sentiment is essential. As property professionals navigating a fluctuating market, you know better than most how quickly confidence can shift, and how those shifts ripple across investment decisions, development pipelines, and long-term planning. That is why this year the UK's Real Estate Investment & Infrastructure Forum (UKREiif) partnered with research specialist Holistic Insight to launch one of the largest sentiment surveys ever conducted across the UK's real estate sector.

This report is built on the industry's voices – over 10,800 of them. Developers, investors, funders, contractors, consultants, architects, occupiers and the public sector have shared their views not just about market confidence and positivity but also about the challenges they face. If you are a property professional navigating investment uncertainty, shifting policy landscapes, or evolving ESG or regulatory requirements, we hope these insights help you benchmark, plan, and adapt.



Nicola Hanser
Director of Holistic Insight

In partnership with UKREiif, we have taken a snapshot of industry sentiment. In this report, you'll find insights into where confidence is rising or falling, what's driving caution, and how views differ across regions, professions and roles.

Our goal isn't just to reflect the current mood, but to provide a clear, data-driven view of where confidence is building — as well as where and why it's under pressure. We hope it helps the property industry cut through the noise, validate instincts, and spark the kind of conversations that lead to stronger, more informed decisions.

Thank you to everyone who has shared their perspective. Your insight makes this report a valuable resource for the entire UK real estate community.

EXECUTIVE SUMMARY

The Real Estate Market Sentiment Survey 2025 has been undertaken by UKREiIF in partnership with Holistic Insight to provide a comprehensive snapshot of current attitudes and priorities within the UK's built environment and infrastructure sectors.

UKREiIF is the UK's largest real estate and infrastructure forum, held this year from 19-22 May in Leeds, and attracting over 16,000 delegates, exhibitors and sponsors. Holistic Insight brings expertise as a leading B2B research consultancy with a deep specialism in the built environment.

The survey was carried out online and captures data from 10,874 UKREiIF attendees between 7 March and 7 May 2025, making it one of the largest sentiment surveys of its kind. It explores market confidence for the year ahead and how this compares to 12 months ago. It also identifies key challenges facing the sector.

Respondents comprised representatives from across the built environment and infrastructure industry, including investors, developers, funders, occupiers, housebuilders, contractors, architects, professional consultants, service providers and the public sector.

The results of the survey point to a decisive shift in mood. Positive sentiment has risen from 52% to 70% in the last 12 months and negative sentiment has dropped from 17% to just 6%. Neutral views have also declined from 31% to 24% – indicating a more confident industry outlook.

Across every region of the UK, positivity has increased, a trend seen among the key protagonists in the property industry too, with developers, consultants and architects all showing an 18 percentage point uplift in confidence, and contractors a 14 percentage point rise.

However, while confidence has risen, there remain a number of key challenges facing the sector. The top five of these include geopolitical instability, inflation and increasing costs, the UK planning system, the UK political landscape and the cost and availability of finance, all of which the sector will need to navigate or overcome.

SURVEY RESULTS

Key takeaways

- 70% of professionals now have a positive outlook for the year ahead – up 18 percentage points year on year
- Negative sentiment has dropped from 17% to just 6%
- Every UK region recorded a significant increase in positive sentiment, with particularly strong gains in Scotland, the South West, the South East and Wales. London saw a marked uplift, matched by Yorkshire, the Midlands and the North West
- Declines in negative sentiment were also recorded across the board. The South East and North West showed the sharpest reductions
- The top five key challenges currently faced by the industry include geopolitical instability, inflation and increasing costs, the UK planning system, the UK political landscape and the cost and availability of finance

UK MARKET SENTIMENT

The survey examined shifts in positive, neutral and negative real estate market sentiment, from 12 months ago and for the year ahead. All respondents were asked to rate whether they were positive, negative or neutral about the real estate market a year ago, and for the year ahead.

There has been a notable positive shift. Compared to a year ago, positive sentiment has risen sharply – from 52% to 70%, an 18 percentage point increase. Meanwhile, negativity has dropped from 17% to 6%, and neutral sentiment has also fallen from 31% to 24%.



SENTIMENT BY PROFESSION

The survey captured the views of multiple professions and service providers working across the real estate sector, including:

- Developer
- Investor/Funder
- End User/Occupier
- Asset/Property Manager
- Housebuilder
- Public sector/Government
- Accountancy
- Consultancy Services
- Architectural/Design Practice
- Contractor
- Data Analytics
- Recruitment
- Institute/Association
- Law Practice
- PropTech
- Utilities/Energy
- PR/Marketing Agency
- Media/Press
- Supplier

Investors, developers, end users/occupiers, councils and Government, the industry leaders who are at the forefront of development, regeneration and infrastructure projects, saw a significant positive sentiment shift.



Negative sentiment also dropped sharply among this group.



The survey also showed that optimism for the year ahead across the entire industry at leadership and executive levels increased significantly from 12 months ago, rising from 50% to 69%, consistent with the findings overall. Negative sentiment dropped from 18% to 7% and neutral sentiment from 32% to 24%.

The increased confidence and optimism in the industry at investor, client and public sector level as well as in executive leadership has been mirrored by changes in sentiment across the supply chain.

Real estate supply chain by positive outlook



■ Positive percentage – next 12 months

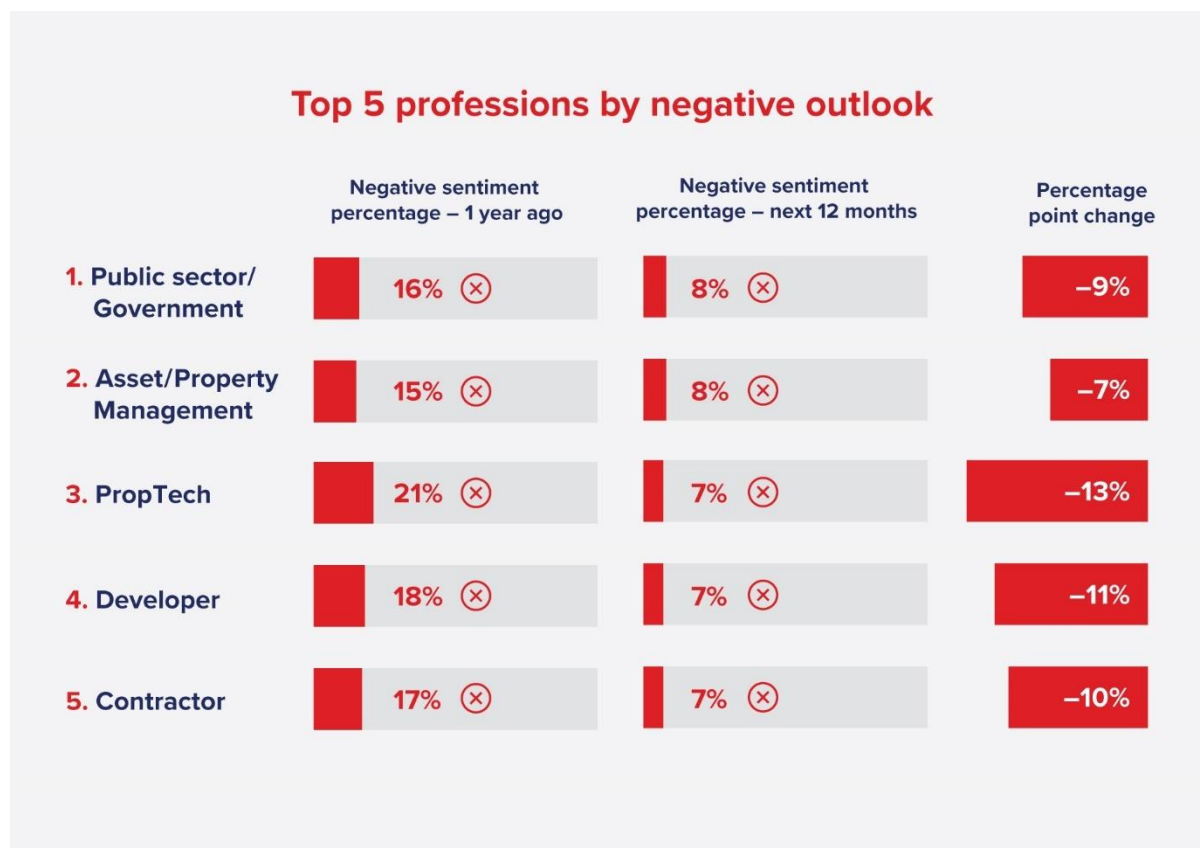
The greatest shifts in positivity of those professions advising and servicing the real estate sector, are shown below:



The graph below shows the professions with the greatest downward trend in negativity. These also rank among the top 40% of all professions with the sharpest increase in positive sentiment, indicating a strong link between declining pessimism and rising optimism.



The top 5 with the highest levels of negative sentiment.



However, as illustrated by the chart, all these groups were less negative about the year ahead than they were 12 months ago.

When assessing the top five most negative professions against the key challenges they identified, geopolitical instability ranked highest for asset/property managers, PropTech and the public sector, which also all cited inflation/increase in costs as a close second. Planning issues topped the list for over half of the developers who responded, and the UK political landscape featured highest for contractors.

REGIONAL VARIATION

The data included responses from key regions across the UK including:

- England: London, North East, North West, Yorkshire, Midlands, South East, East of England and South West
- Northern Ireland
- Scotland
- Wales

Positive sentiment year-on-year

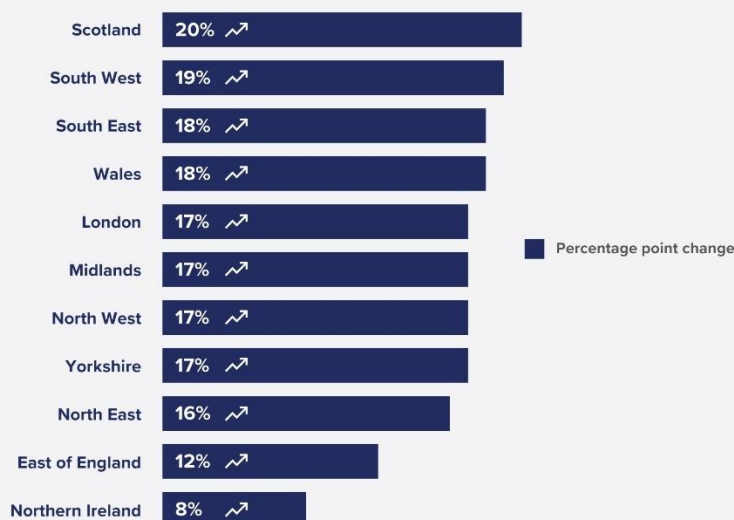
Across all regions, positive sentiment has increased.



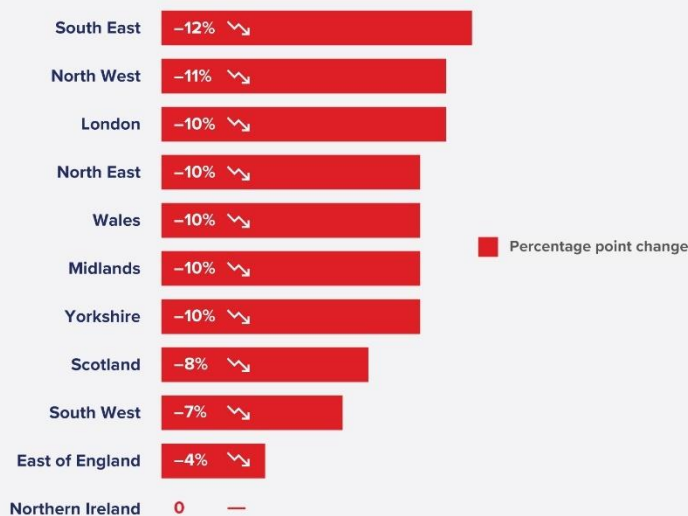
Sentiment shifts by region

Examining the shift in sentiment in more detail, the charts below show the positive and negative sentiment shift across the regions. Scotland has a 20 percentage point increase in positivity, followed by the South West and the South East and Wales at 19 and 18 percentage points respectively. Negative sentiment was low across all regions, below 12%, with the South East and North West showing the largest drop in negative sentiment, 12 and 11 percentage points respectively.

Positive sentiment shift 2024 to 2025 by region



Negative sentiment shift 2024 to 2025 by region



Positive sentiment for the year ahead

Looking at positivity for the year ahead, the results show some variation across the UK, illustrated by the graphic below, however there is a difference of only 8% between the most and least positive. Positivity levels for the next 12 months are all above 65%.

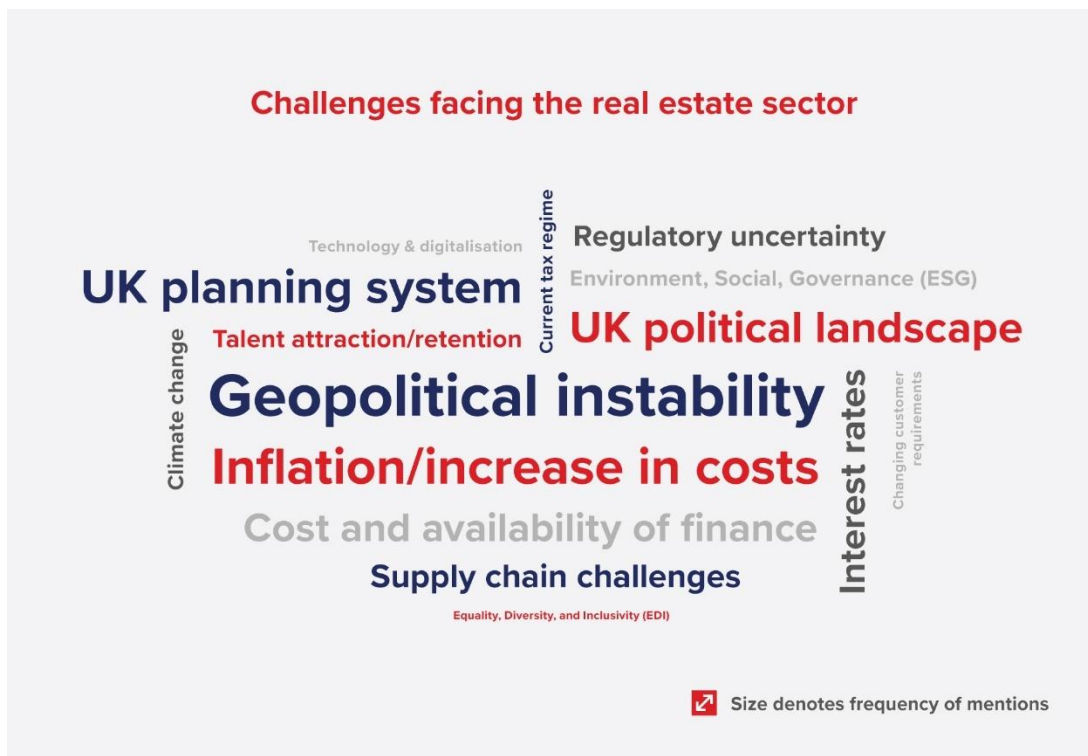


MARKET CHALLENGES

In terms of the challenges facing the industry, political instability and financial volatility factors dominate concerns. Below are the top 5 challenges cited by respondents.

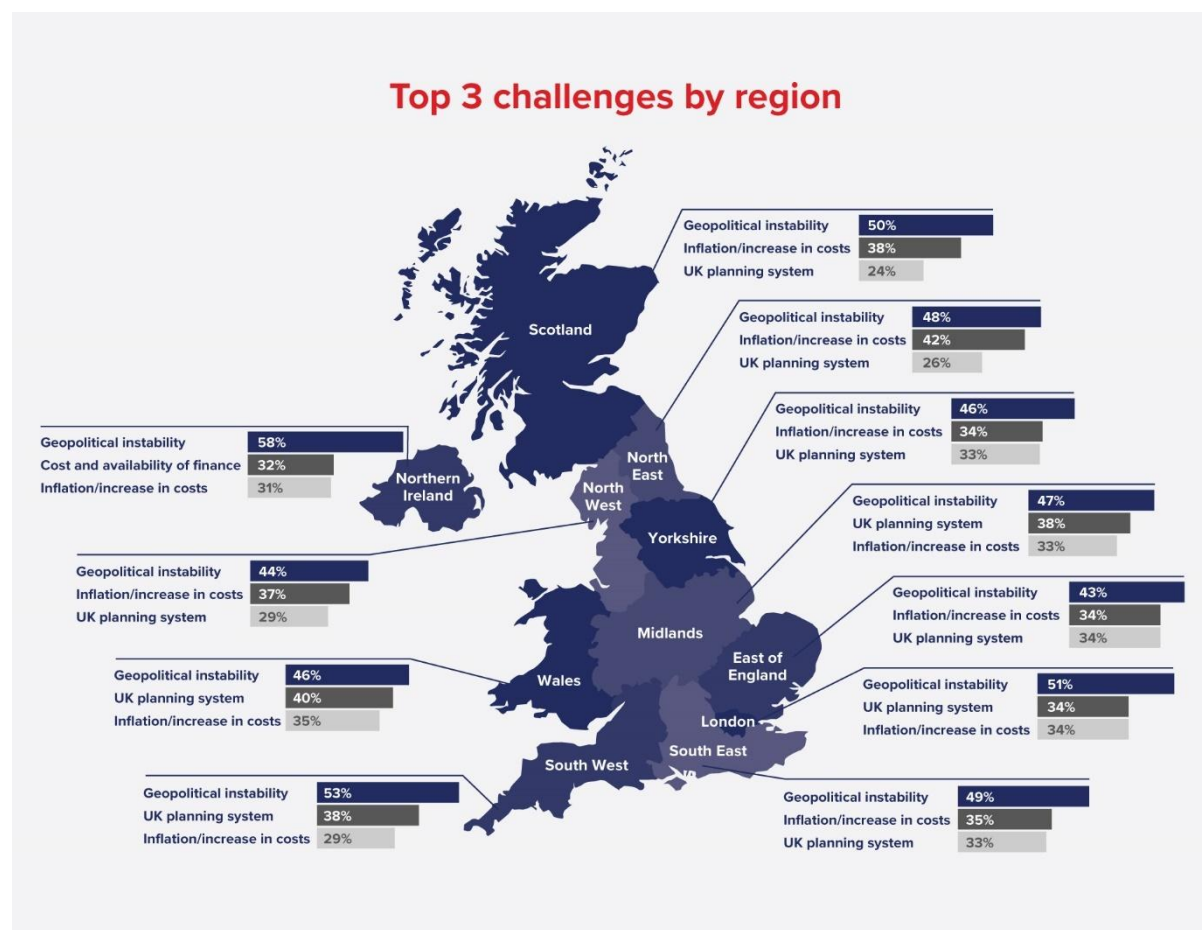


Additional challenges were also highlighted, illustrated below.



Analysis by region

The map below shows the top three challenges by region. While weightings vary, there are many similarities.



Analysis by profession

Geopolitical instability is in the top three for nearly all professions, particularly those with a more negative outlook over the next 12 months. Across the different professions, there are however some variations.

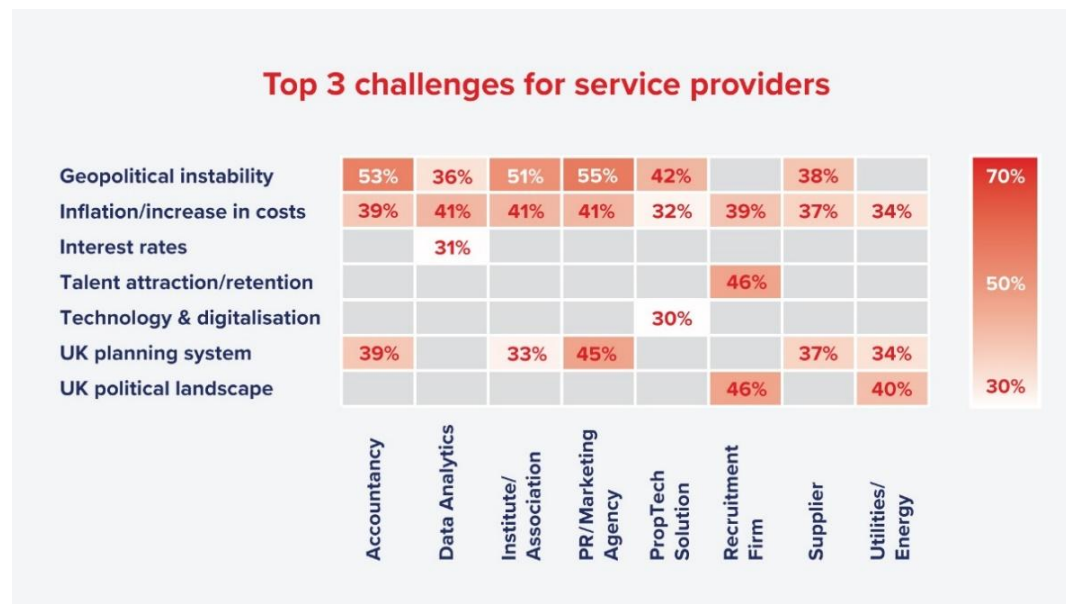
When analysing property or infrastructure development client groups in the industry, including investors, developers, end users/occupiers, housebuilders and Government, the graph below shows the variations in top three challenges faced by each group.



Below is an analysis of the top three challenges categorised by professions that make up the wider project teams, including asset/property manager, architectural/design practices, consultants, contractors and law practices.



When examining the top three challenges for service providers, inflation/increase in costs featured highest, along with geopolitical instability and the UK planning system. Additional challenges such as technology & digitalisation and talent attraction/retention also featured.



CONCLUSION

In the largest survey of its kind, engaging over 10,800 professionals from across the real estate and infrastructure sectors, we have unearthed insights about both market sentiment and the real challenges affecting the industry.

As the organiser of UKREiif, the largest real estate forum of its kind in the UK, and with the support of research consultants at Holistic Insight and PR experts at Holistic, we have embraced the unique opportunity to share a much-needed snapshot of market sentiment at a time of volatility and instability across the world.

With a more positive outlook over the next 12 months across the industry, we hope this report provides valuable context as you plan for the year ahead.

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Technical note: Respondents represent professionals and service providers to the real estate and infrastructure industry, all of whom registered to attend UKREiif 2025. Sample sizes range from 9,855 to 10,874. Data is unweighted. Percentages have been rounded to whole numbers.