

Brexit's legacy

A decade after the UK voted to leave the European Union, real estate leaders find its impact difficult to unpick from every other crisis the country has faced since

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On 23 June 2016, voters in the UK delivered a shock to the system, choosing in a referendum to end the country's 47-year long membership of the European Union. Leaders across the real estate sector had, overall, supported remaining in the EU. Landsec boss Rob Noel predicted that a vote for Brexit would be "very painful" for property. Then-M7 Real Estate chief executive Richard Croft said that "as a nation we would not make any new friends, while antagonising our existing ones, and that cannot be a positive thing for our industry".

Ten years and six prime ministers later – with the stage now set for a seventh – real estate figures looking back at the vote acknowledge the difficulties in pinpointing the effects of Brexit. After all, UK real estate has had to handle seemingly non-stop political turmoil at home, as well as the Covid-19 pandemic, trade wars and real wars following the referendum. "We haven't stopped having hand grenades

chucked into the room since," said Graham Barnes, head of corporate finance at agency Avison Young.

Or, as Jonathan Vandermolen, founder of agency Vandermolen Real Estate, put it: "The saying 'time flies when you're having fun' is not necessarily how you would describe the property market on the 10-year anniversary of Brexit."

Knock-on effects

Jason Tann, head of real estate investment and a partner at law firm Howard Kennedy, said it is difficult to "single out" Brexit's impact on the country's real estate investment market. "The Bank of England has released data that it suggests shows Brexit reducing the UK economy by 6%. If correct, that alone will have a knock-on effect on the real estate investment market, with reduced end-user demand for real estate and less available capital to deploy," Tann said. "However, it is easier to see the impact of other events on the market, including the response to Covid and subsequent

seismic shift in how we work, and the inflationary effect of the war in Ukraine.

"Legislative impacts such as the implementation of the Building Safety Act have also had a seismic impact on the market and increased regulatory and tax burdens have particularly affected private investors and sectors such as hospitality and residential. Changes in technology and consumer behaviour have also played their part in altering the market over the last 10 years, particularly in logistics, data centres and life sciences."

According to research from CBRE, other than a dip in 2020, European real estate investment volumes rose steadily from 2016 to a peak of €378bn in 2021. That was followed by a "sharp" correction to €173bn in 2023, the agency said, the lowest point in the decade. Recovery since then has been uneven.

The share of UK investment in total European volumes fell from 32% in 2015 to 24% in 2016, CBRE found. The triggering of Article 50 in March 2017 and three subsequent years of negotiations

then saw the UK's share of investment continuing to decline, reaching 19% by 2019. "Despite this, the UK's market share had recovered to pre-Brexit levels by 2023," said Steven Devaney, senior director at CBRE Research.

The UK's share of European cross-border investment fell from 33% in 2015 to 18% by 2019 before recovering and reaching 35% in 2023, its highest level over the last 10 years. The share has remained at pre-Brexit levels over the last two years, Devaney said, and stood at 32% in 2025.

At Savills, James Emans, joint head of UK investment, said the UK is "holding its own" when compared with other European markets.

"Investor sentiment in the UK property market remains cautious, which is unsurprising given we have had a pandemic, change of government, high inflation and three major global conflicts that have changed the macro-economic pressures since the Brexit vote," Emans added. "However, almost every other geography across Europe has also

experienced all of these issues over that same period.

"The fundamentals of the UK market remain some of the most compelling in the region. London is a great world city, that will always attract talent, and the UK remains a global leader in innovation and academia, so the property demand that derives from this has and will continue."

Market moving

Many of the fears over what Brexit could mean economically – and for its real estate – centred on the capital, and specifically on whether London would lose its standing as a financial services hub. If financial institutions lost the right to 'passport' their services across the EU, the warnings went, big banks and other financial firms could move thousands of jobs outside of the UK. That, in turn, would mean a lessening of space requirements from the sector.

Ten years on, as JPMorgan works up plans for London's largest office building, the reality seems different.

"The Brexit job loss narrative has long overstated the reality," said Annabel Singh, a former officer at the City of London Corporation who now runs The Inward Group, a business concierge that advises international companies setting up shop in London. "Around 7,500 roles were lost or relocated but tens of thousands of new jobs created across fintech have made that largely insignificant in the City's broader story."

Using ONS data, Avison Young's director of market intelligence, James Roberts, has tracked the changes. The number of finance and insurance jobs in London rose by 17% between the referendum and the end of 2025, to 458,283. Professional, scientific and technical jobs in the capital were up by 14% over the same period, at 915,360, while information and communication roles shot up by almost 80% to 626,733.

"We were worried because London was part of the single market for financial services across the European Union and we still viewed finance as being the dominant industry in the London economy," Roberts said. "[But] it's actually coincided with a switch over a 20-year period away from finance within our economy to information and communication."

Other real estate leaders also point to shifts in the economic make-up of the country – and their subsequent effect on real estate asset classes.

"The structural pivot in UK real estate post-Brexit is nowhere more evident than

in the science and innovation sectors," said James Sheppard, executive director for commercial strategy and business development at Kadans Science Partner. "While traditional retail and prime office spaces bore the brunt of macroeconomic headwinds and changing work patterns, science and innovation real estate acted as the market's counterweight."

Sheppard added: "We saw a dramatic capital flight toward quality. Landlords aggressively repurposed vacant urban offices into highly specialised R&D labs, particularly across the Golden Triangle. As we navigate 2026, the challenge has shifted from attracting capital to managing absorption. Success now depends on ensuring that venture capital and occupier demand keep pace with this influx of supply, preventing a post-Brexit boom from turning into an oversupply."

Too many to mention

As real estate now weighs the likelihood of a new prime minister in the guise of Andy Burnham, some industry figures now downplay the impact of the 2016 referendum vote.

"All the more hyperbolic stuff, both from the downside of 'it's going to be a catastrophe' to 'we're going to leap free to the sunlit uplands' – none of that has actually come to pass," said Avison Young's Barnes.

And whatever effect leaving the EU has had, it is now just one of the challenges real estate has had to overcome in a tumultuous decade.

"If I think back to the period between when I entered the City in 1994 and December 2006, there were only about three major economic shocks that happened," said Avison Young's Roberts. "You have the Russia/Asia crises in 1998, the tech crash in 2000 and then the war on terror in 2001 to 2003. If you think about what's happening now, we have about three major economic shocks per year."

He added: "We expected [Brexit] to [have] a very big impact, but the economy is shaped by a great many things. Brexit was just one of many factors that were weighing upon London's diverse, great, cosmopolitan economy."

Vandermolen echoed the sentiment. "There was a time when there was one major world-changing event per decade, but in the last 10 years there have been too many to mention, which would make any part of the economy unstable," he said. "Stability would be my wish for the next decade. But in this world, you never know what's around the corner."