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An Alternatives View 2026

Insights into the UK's alternative assets

Health, Science, Education and Sport

Index

Executive Summary

Four chapters of this year's Alternatives View: Vets, Dentists, Life Sciences/Laboratories, and Sport, sit alongside our Education update to tell a story that will feel familiar to anyone tracking the UK's alternative real estate sectors in 2026: regulatory and political intervention is no longer a background risk to be footnoted, it is the single biggest driver of investment decisions.

Start with the Competition and Markets Authority. Having closed the most extensive review of veterinary services in a generation this March, the CMA opted for transparency over structural break-up with price caps, mandatory ownership disclosure and a national comparison website over forced divestment. The effect on real estate has been immediate: large-platform M&A has cooled, a new generation of smaller, disciplined consolidators has stepped into the gap, and thousands of practices now face a fit-out and rebranding obligation as ownership disclosure becomes mandatory. Dentistry is watching this playbook closely, because it is now living it too. The CMA's market study into private dental services, launched the same month, is expected to introduce a similar period of valuation caution before growth resumes. This is a pattern investors in both sectors would do well to plan around rather than wait out.

Life Sciences tells a more hopeful regulatory story. After 18 months in which rising Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) rebate rates threatened to choke UK pharmaceutical investment, April's US-UK pricing agreement, capping rebates at 15% in exchange for tariff-free export access, has done more to restore sentiment than any single Golden Triangle transaction could. AstraZeneca reversing withdrawn investment, UCB committing £500 million to Surrey, and British Land's acquisition of Life Sciences REIT all point the same way: capital is returning, cautiously, to a sector that spent much of 2024-25 waiting for policy certainty. The watch-point now shifts from pricing to supply. 3.3 million sq ft of lab space is under construction across the Golden Triangle, and the pipeline will need sustained take-up if we are to avoid the vacancy pressures now familiar in Boston and other US clusters.

Sport shows a similar polarisation but is driven by planning and litigation rather than a single regulator. At the elite end, flagship schemes remain hostage to process: the AELTC's Wimbledon Park Project faces a Court of Appeal hearing before the year-end alongside separate covenant litigation, while Manchester United's £2 billion New Trafford Stadium remains unfunded against a backdrop of record club debt. Everton's completed Hill Dickinson Stadium at Bramley-Moore Dock is the counterpoint, demonstrating the placemaking dividend a well-executed scheme delivers once actually built. Below that, grassroots and community leisure tell a far more straightforward growth story: sustained Government facilities funding and an explosive padel boom (courts up from 870 to 1,553 in little over a year) are creating some of the most immediately investable conversion opportunities in the whole Alternatives suite, principally through reuse of retail and industrial space.

Education, meanwhile, demonstrates what happens when policy change lands without the phased implementation that the CMA has built into its Veterinary and Dental remedies. The 20% VAT on independent school fees has already produced more than double the Government's forecast rate of school closures, and displaced over 11,000 pupils into the state sector with its own capacity constraints. For our clients, the property consequence is a genuine consolidation dividend:

Executive Summary

former school sites, often well-connected and generously proportioned, are attracting serious interest from care, SEND, nursery and residential operators. Layered onto that is the slower-burning but larger issue of PFI expiry. This is seeing up to £4 billion in unplanned maintenance liabilities as roughly 200 contracts wind down over the next decade, and is a process our building surveying teams are increasingly supporting clients through, precisely because leaving it "until the eleventh hour" is where the costliest disputes arise.

What connects all four sectors is a simple observation: regulatory and planning change is creating real estate opportunity, but only for those positioned to move as the picture clarifies, not before. In Vets and Dentistry, the disciplined operators working below the CMA's radar are securing premises now. In Life Sciences, it is investors prepared to recapitalise and hold through 2026-27 who stand to benefit as the pricing recovery feeds through. In Sport, grassroots and racket-sports conversions are delivering today, while elite venues remain a longer game of patience through the courts and the planning system. And in Education, the advisers who help schools and universities plan their estates ahead of closure or PFI handback, rather than reacting to it, will capture the most value for their clients.

Across Health, Science, Education and Sport, the message from Rapleys' specialists is consistent: get ahead of the cycle, and the property opportunity follows.

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Dentists

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£12bn
UK dental practices market size, 2026

8.2%
of NHS contract value now mandated for urgent/ unscheduled care from Apr 2026

£8.4bn
private-pay dentistry - highest share of market value since 2007

The UK dental market enters 2026 in a striking position having grown at a CAGR of 4.9% between 2020 and 2025, yet the headline figure masks two increasingly divergent tracks: a private sector setting fresh records, and an NHS system that independent reviewers have concluded is still failing.

Private dentistry has continued to power the sector, reaching around £8.4 billion, the highest share of total market value recorded since 2007. NHS-funded provision, by contrast, stands at just £3.78 billion. This divergence has been reinforced by the National Audit Office, which concluded in February 2026 that the Government's 2024 Dental Recovery Plan "largely did not meet its stated aims": new NHS patient numbers per working day fell 5% in 2024-25 (adult new patients down 8%), prompting the Public Accounts Committee to warn that the country is "years deep in an avalanche of harrowing stories" about NHS dentistry's system failures.

Access remains the defining issue: only around 40% of adults and 56% of children have accessed NHS dental care in recent months, with roughly 14 million adults in England thought to be unable to access NHS treatment at all. In response, NHS England introduced a first wave of 'quality and payment' contract reforms from 1 April 2026, followed by a second wave from 23 June 2026. These retain the Units of Dental Activity (UDA) system rather than replacing it, but mandate that practices with contracts of 100 UDAs or more deliver 8.2% of contract value as urgent/unscheduled care (roughly 11 courses of treatment per £10,000 of contract value), introduce new ‘complex care pathways’ for higher-needs patients, add a voluntary quality-improvement payment of £3,400 per practice, and fund annual appraisals for associates and hygienists at £213 each. The British Dental Association has welcomed the direction of travel but has been explicit that these are “interim changes intended to buy time” rather than the fundamental reform still promised for this Parliament. Wales, by contrast, abolished the UDA model entirely from the same date, moving to needs-based assessment with patient charges capped at £384: a live alternative model the English sector will be watching closely, whether as a template or cautionary tale.

Layered onto contract reform is the Competition & Markets Authority’s (CMA) market study into private dental services, launched in March 2026, examining competition following recent consolidation, potential overpayment on prescriptions and treatment plans, and the wider regulatory framework. For real estate purposes, the review is unlikely to derail M&A activity outright but is expected to sharpen scrutiny of pricing transparency and treatment-plan governance within due diligence.

Transactions remain buoyant but have rebalanced. For the last 18 months the largest corporates focused on internal optimisation including the merger of Rodericks with Dental Partners, the Portman/Dentex tie-up, and Bridgepoint’s move to a majority stake in mydentist. A broader group of mid-market acquisitive platforms, including Envisage Dental, DeNovo Dental Partners, Todays Dental, Damira, Dental Mosaic and TDMP, have however driven deal volume. Valuations remain robust for the right assets: solo general practices typically trade at 4.2x–5.1x EBITDA, premium multi-surgery private practices at 8x–11x, and multi-site groups at 12x or more, with the best-located assets (examples in Manchester have reportedly attracted more than 25 offers in a single process) commanding strong competitive tension. Buyers continue to price NHS-heavy practices cautiously given ongoing contract uncertainty, while private and mixed practices are increasingly favoured for their perceived stability and autonomy.

On property fundamentals, demand for well-located practice premises, typically at around 2,000 sq ft, remains strong, sustained by the ongoing conversion of former retail units. This trend is being reinforced by the High Street Rental Auction (HSRA) regime, in force since December 2024 and expanding across a widening pool of pilot local authorities, which is helping bring long-vacant units back into active, occupier-led use, including for healthcare occupiers such as dentists. Care Quality Commission (CQC) compliance continues to be central to valuation, with modern, well-invested premises commanding a premium and poorly compliant assets facing significant ‘day one’ capex deductions in negotiations.

Workforce and demographics remain a structural swing factor: England has around 42 dentists per 100,000 population, an ageing population of practice-owning dentists approaching retirement continues to feed the pipeline of deals, and the ability to recruit and retain associates remains one of the clearest differentiators of asset quality for investors.

Looking ahead for real estate specifically, we expect continued, though more disciplined, investor and occupier appetite for dental premises over the next 12-18 months, underpinned by private-market growth that shows little sign of slowing. Locations with strong car parking, high footfall and proximity to affluent catchments will remain the most sought-after, particularly for cosmetic and high-end private practices willing to pay a premium for visibility. However, the CMA study is likely to introduce a period of valuation caution for practices most exposed to potential remedies: those with opaque pricing, high treatment-plan-driven revenue, or

significant reliance on NHS contracts. This will mirror the pattern seen in vets, where valuations plateaued through the investigation before an anticipated resumption of growth once the regulatory picture clears.

Investors and landlords negotiating leases or acquisitions before March 2027 should build in flexibility for potential CMA-driven changes to pricing transparency and disclosure requirements, much as the veterinary sector is now doing. Sale-and-leaseback and conversion activity is expected to continue regardless, given the sheer weight of pent-up demand for private dental capacity across the country, but the sharpest capital growth is likely to be deferred until the study concludes and the sector has certainty on its long-term regulatory shape.

TOP CHALLENGES

- NHS contract reforms (Apr & Jun 2026) widely viewed by the profession as “managed decline” rather than fundamental reform
- CMA market study into private dentistry (launched March 2026) adding scrutiny on pricing and treatment-plan governance
- Persistent inflation in materials, utilities, staffing and lab costs continues to squeeze margins
- Recruitment and retention of associates remains a key differentiator of asset quality for buyers
- Valuation caution continues around practices with high NHS-contract dependency

TOP OPPORTUNITIES

- Private-pay dentistry at a record £8.4 billion share of the total market and still growing
- Broader base of mid-market consolidators (Envisage, DeNovo, Damira, TDMP and others) creating a deeper buyer pool for independents
- High Street Rental Auctions and retail conversions widening the supply of accessible, well-located premises
- Ageing population of practice-owning dentists approaching retirement, sustaining deal flow
- Resilient demand for cosmetic and complex private treatment supports rental growth for premium sites

OUTLOOK

Capital values

Rental values

Planning applications

Education

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The independent school sector is living through its most disruptive period in a generation. The Labour Government's decision to impose 20% VAT on private school fees, introduced under the Finance Act 2025 from 1 January 2025, was forecast to raise approximately £1.5-1.8 billion annually and fund 6,500 new state teachers. However, 12 months on, the effects on the sector have been sharper and more immediate than Government modelling anticipated.

By January 2026, over 100 independent schools in England and Wales had closed since the policy took effect: more than double the Government's initial forecast of broadly normal closure rates of around 50 per year. Pupil numbers at Independent Schools Council (ISC) member schools fell by more than 11,000 year-on-year, against a Government prediction of approximately 3,000. Average fees surged 23% in the period January 2024 to January 2025 - reflecting both the VAT charge and the simultaneous removal of charitable business rates relief - and rose a further 17.6% for the September 2025 intake, the largest year-on-year increase on record. A High Court challenge to the policy was dismissed, and a Court of Appeal ruling on 27 February 2026 confirmed the policy is lawful. Unless overturned by the Supreme Court, or a radical change in Government which overturns the policy, 20% VAT on private school fees will remain a permanent fixture with ongoing implications.

The impact is not uniform. Well-resourced, oversubscribed schools, particularly selective and boarding schools in London and the Southeast, have absorbed fee increases with limited effect on pupil numbers. The schools most at risk are smaller, non-selective independents serving families for whom fees represented a genuine financial sacrifice. The Government's projected VAT revenue is already falling short of expectations given the faster-than-anticipated withdrawal of pupils from the sector.

The sector is consolidating rapidly in response. Mergers are multiplying. This restructuring is driven by the need to share resources, stabilise finances, and maintain quality, but it also carries property implications. Merged schools often create surplus estate, releasing buildings for alternative use. Former school sites, frequently in well-connected suburban or rural locations with generous grounds, are attracting interest from care homes, nursery operators, residential developers and SEND providers. These opportunities require specialist planning and property advice. Former school sites are being carefully considered by residential developers and alternative users. The planning landscape is challenging but interest is strong for the “right” sites. At the same time, no new independent schools have been set up in the UK in the last 24 months, with Europe the main focus for international, well-funded educational investors.

At the same time, the pressure on grammar schools and high-performing state schools has intensified. Applications for grammar school places have risen markedly since the VAT announcement, and catchment house prices around outstanding state schools are responding accordingly. The state sector faces its own capacity and funding challenges, however, and the displacement of 11,000-plus pupils from private to state schools is putting real strain on some local authority areas, particularly in counties like Kent, where nearly 100 state school enquiries were received in 48 hours after one private school's closure was announced.

It's not all about fees however, the Private Finance Initiative (PFI), the mechanism through which over 700 public infrastructure contracts were signed from the 1990s onwards covering roads, hospitals and schools, is now entering a critical period of mass expiry. Around 200 contracts are due to expire within the next decade, with the wave accelerating since 2025. In the 2025-26 financial year alone, several PFI funding streams within the schools National Funding Formula have reached their contractual conclusion.

The consequences for school buildings could be severe. A parliamentary analysis estimated that the end of PFI contracts could land schools, trusts and local councils with up to £4bn in unplanned maintenance costs as assets are handed back. The concern is well-founded: PFI investors who minimise maintenance expenditure in the final years of a contract, often to maximise dividends, can hand back assets that fall short of the 'good condition' standard required by the contract. Disputes are already erupting. In Stoke-on-Trent, home to one of England's largest education PFI contracts, a council was locked in dispute over nearly 3,000 outstanding building issues just months before the contract's scheduled end, and had to inject £3.5m of its own money to fill a funding shortfall on vital works.

Rapleys is working on a large number of educational facilities to help guide them through this process and ensure that PFI expiry planning is not left 'until the 11th hour', which creates a high-risk situation where last-minute disputes with PFI companies leave public bodies exposed to large rectification bills. The DfE published guidance on PFI expiry checks as part of its Education Estates Strategy (February 2026), but the practical knowledge and internal capacity to challenge PFI companies effectively is unevenly distributed across the education sector. Those with lean teams and business-as-usual responsibilities are particularly vulnerable.

For expert building surveyors in the sector, PFI expiry is a growing source of work: condition surveys, dilapidations assessments, negotiation

support, transition planning for new FM and energy procurement contracts, and in some cases identification of surplus or disposable estate that emerges as PFI structures dissolve.

Reinforced Autoclaved Aerated Concrete (RAAC) still remains a live safety issue in the school estate. RAAC has a safe design life of approximately 30 years and is susceptible to sudden structural failure when exposed to moisture, offering little visible warning before collapse. Following three sudden roof collapses in 2022, 237 schools were identified as containing RAAC, and 104 had buildings partially or fully closed in the subsequent months. Rapleys has led the campaign on this issue, offering advice to those potentially affected.

Compounding the RAAC problem is still the presence of asbestos, which was used in the same construction era. The Government's own estimates suggest that over 80% of UK school buildings contain some quantity of asbestos-containing materials. The DfE was still 'unsighted' on asbestos in approximately 1,000 schools as of 2023: a figure that has since improved but remains unacceptably high. To compound the issue, RAAC remediation works will frequently disturb asbestos-containing materials in the same structures, meaning the two issues cannot be addressed in isolation. The total estimated cost of removing asbestos from all schools and colleges in England has been put at £11.6 billion: a sum the Government has not committed to as yet but could even be higher without full surveys carried out.

Against this backdrop, the National Audit Office published a damning assessment last year, identifying a maintenance backlog of £13.8 billion in English schools, representing 28% of the Government's total public services maintenance backlog of £49 billion. The NAO noted that insufficient government data meant the true figure 'cannot be estimated' and is likely higher. Capital spending by the DfE fell 48% in real terms between 2009-10 and 2024-25. Planned capital spending for 2025-26 rises to approximately £6.8 billion, a 17% real-terms increase on the prior year, but many of us in the sector agree this remains far short of what is required to address the accumulated backlog alongside ongoing RAAC remediation.

The School Rebuilding Programme (SRP) targeting the most critical 500 schools continues, with a further 250 schools to be selected within the next two years. New School Estate Management Standards were published in April 2025, requiring responsible bodies to hold strategic asset management plans, use digital tools and maintain climate action plans. The scale of the challenge, however, still far outstrips the pace of the response and condition surveys, dilapidations work, capital project management, strategic estate disposal and change of use advice for schools considering consolidation or closure will require specialist building expertise from trusted, professional advisers.

If a school is facing closure, timing for seeking help and advice is critical. It is better to have a property estate and title in order so that they are protected in the event that the worst becomes reality. A compromised title can have a negative effect on the value of a property estate.

It is recommended to be prepared and have an understanding of what the property estate is worth. Identifying opportunities for surplus land ahead of time can help stakeholders out of a tight spot down the line.

Being aware of potential title issues can give provide the chance to resolve them without the pressure of a crisis.

For UK higher education there is also a varying state of crisis. The Office for Students warned that as many as 72% of universities in England will be

operating at a deficit in 2025-26, with approximately one in six facing fewer than 30 days' liquidity. Universities UK analysis puts the cumulative impact of Government policy decisions, from the tuition fee freeze to NIC increases, at a £3.7 billion reduction in HE funding between 2024-25 and 2029-30 and this does not include the unclear immigration policy. The DfE's guidance on PFI now explicitly includes Universities, reflecting the scale of the challenge.

Despite the challenges facing education, there are specialists who can limit the risk and cost associated with early engagement and this will be key to the future of the sector from a real estate perspective. For those schools that are considering their position, enlisting support early on as to what elements of their estate hold most value is equally critical to ensure a more positive exit.

TOP CHALLENGES

- 100+ independent school closures since VAT introduction; 11,000 fewer pupils; sector consolidation accelerating
- £4bn potential unplanned maintenance liability as 200 PFI contracts expire over next decade from 2025
- £13.8bn school maintenance backlog; RAAC removal deadline extended to 2029; asbestos in 80%+ of school buildings
- 72% of universities forecast in deficit in 2025-26; £3.7bn cumulative HE funding reduction to 2029-30
- Capital spending on schools down 48% in real terms since 2009-10, creating compounding backlog

TOP OPPORTUNITIES

- Closed/merged private school sites releasing well-connected properties and/or surplus land for care, residential, SEND and nursery conversion
- PFI expiry advisory work: condition surveys, dilapidations, transition planning and estate disposal
- School Rebuilding Programme – 500 schools targeted; further 250 to be selected in next two years
- Blue-light course funding boosting targeted universities and creating PBSA/accommodation demand in new locations
- University estate disposals and sale-and-leaseback structures creating investor acquisition opportunities

OUTLOOK

Capital values
(independent schools)

State school capital investment

Education estate disposal

Planning applications
(school conversions)

Life Sciences/ Laboratories

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The UK Life Sciences sector heads into the second half of 2026 on notably firmer footing than 18 months ago. Venture capital investment closed 2025 at £3.37 billion, down 12% on the previous year but still comfortably above the long-term historical average, while a series of Government interventions through the year has begun to address the pricing and funding uncertainty that had unsettled investors and occupiers alike.

The centrepiece of that intervention was July 2025's Life Sciences Sector Plan, part of the Government's modern Industrial Strategy and backed by more than £2 billion of investment. Alongside the Wellcome Trust, the Government has committed up to £600 million to a new Health Data Research Service, targeted a reduction in commercial clinical trial set-up times to under 150 days by March 2026 (via the O'Shaughnessy reforms, with a goal of doubling trial participants by 2026 and again by 2029), and established the £520 million Life Sciences Innovative Manufacturing Fund (LSIMF) to attract globally mobile manufacturing investment. The Fund has already backed three pharma manufacturing projects totalling more than £80 million including Accord's expansion in Barnstaple, a biomanufacturing facility in Birmingham led by the Precision Health Technologies Accelerator, and Codis' spray-drying facility in Haverhill. This signals that manufacturing-led demand is beginning to extend well beyond the core Golden Triangle cluster.

The single biggest shift for sentiment, however, has been on pricing. The Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) had seen rebate rates rise as high as 35.6% of UK sales revenue, prompting warnings from the ABPI that nearly a fifth of member companies were planning to cut UK R&D spend as a result. Following the US-UK Economic Prosperity Deal and an April 2026 agreement on pharmaceutical trade and pricing, the Government has committed to capping the VPAG rebate at 15% for newer medicines and raising the NICE cost-effectiveness (QALY) threshold, in exchange for a three-year tariff-free arrangement for UK pharmaceutical exports to the US.

£3.37bn
UK life sciences VC investment, 2025

15%
capped VPAG rebate rate for newer medicines from 2026

3.3m sq ft
lab space under construction across the Golden Triangle

Early responses have been encouraging: AstraZeneca has reversed its previously withdrawn investment plans and is advancing a research, development and manufacturing facility at Cambridge Biomedical Campus alongside a £100 million upgrade at its Macclesfield plant; UCB has committed £500 million to R&D and manufacturing in Surrey; and Bristol Myers Squibb has signalled more than $500 million of UK investment over the next five years.

For real estate, this has translated into a tentative recovery in investment activity. It is estimated that close to £200 million has been transacted across Golden Triangle Life Sciences real estate so far in 2026 across just three deals: most notably British Land's acquisition of Life Sciences REIT, bringing five projects across Cambridge, London and Oxford totalling 694,300 sq ft into its portfolio. Elsewhere, XLB and Brydell Partners have acquired a former Esso research site in Abingdon for a 400,000 sq ft research, development and logistics scheme, while Investec Realis and Wrenbridge have secured a three-acre development opportunity in North Cambridge. Prime quoting rents held firm through Q1 2026 at £140 per sq ft in London, £77 in Cambridge and £70 in Oxford, and Golden Triangle take-up reached 242,200 sq ft in the quarter, 33% above the five-year quarterly average, albeit boosted by mid-tech leasing rather than traditional wet-lab occupiers.

The supply picture remains the key watch-point. A further 3.3m sq ft of lab space is estimated to be currently under construction across the Golden Triangle, with 6.5m sq ft holding planning consent and more in early-stage proposals. This is a pipeline that will need sustained take-up, particularly in Cambridge where several deferred occupier requirements are expected to crystallise in 2026, to avoid the vacancy pressures seen in comparable US clusters such as Boston.

Capital markets are responding cautiously: 2026 is expected to mark the start of a recapitalisation phase, with owners extending hold periods and bringing in new equity partners rather than pursuing speculative development or outright disposal. Structurally, the market is also broadening. Growth in adjacent fields such as AI-driven drug discovery, quantum technologies, advanced materials and synthetic biology, is shifting occupier requirements toward more flexible, hybrid R&D space blending office, engineering and lab-enabled environments, rather than pure wet-lab specification. This should widen the pool of viable occupiers for both new development and adaptive reuse schemes over the medium term, even as reform of university spinout equity stakes, intended to unlock faster-growing early-stage companies by reducing the typical ~24.5% institutional stake toward 10%, continues to progress more slowly than the sector had hoped.

Looking ahead for real estate specifically, we expect the Golden Triangle to remain the UK's primary life sciences hub through 2026-27, but with more selective, income-focused capital deployment than during the 2021 boom. Prime, well-connected space in Cambridge and Oxford, particularly buildings capable of servicing the broader science and technology occupier base, not just biotech, should see the strongest rental growth, while some secondary and less well-specified stock is likely to face longer void periods as the construction pipeline continues to land.

Investors should watch for further recapitalisation and portfolio consolidation activity, in the mould of the British Land/Life Science REIT deal, as owners who bought at the top of the market look to refinance or bring in new capital.

The improved pharma pricing and tariff backdrop should support continued occupier expansion from 2026 investment announcements onward, but given typical lab lead-in times, we would expect the resulting uplift in direct real estate demand to build through 2027 rather than materialise immediately.

This should have a knock-on effect on disciplines like building consultancy and planning where adaptive reuse, in particular, builds further in popularity as development viability continues to be restricted.

TOP CHALLENGES

- Development pipeline (3.3m sq ft under construction, 6.5m sq ft consented) risks outpacing take-up if occupier demand does not keep step
- VC investment, though resilient, remains 12% below 2024 levels and short of the 2021 peak
- University spinout equity reform has progressed more slowly than hoped, still constraining faster-growing early-stage occupiers
- Skills and visa uncertainty, including threats to Level 7 apprenticeship routes, risk undermining workforce pipelines
- Financing costs remain elevated versus the 2021 cycle, slowing speculative development and pushing owners towards recapitalisation rather than disposal

TOP OPPORTUNITIES

- April 2026 US-UK pharma pricing deal caps VPAG rebates at 15% and lifts the NICE QALY threshold, materially improving investor sentiment
- Life Sciences Innovative Manufacturing Fund (up to £520 million) is already backing new facilities in Barnstaple, Birmingham and Haverhill, widening demand beyond the core Golden Triangle
- Renewed owner-occupier commitments (AstraZeneca's Cambridge Biomedical Campus reinvestment, UCB's £500 million Surrey commitment, BMS's $500 million UK pledge) signal restored confidence
- Institutional capital returning to the sector, exemplified by British Land's acquisition of Life Sciences REIT's five-project Golden Triangle portfolio
- Market broadening into AI-driven drug discovery, quantum technology and synthetic biology is creating demand for flexible, hybrid R&D space beyond traditional wet labs

OUTLOOK

Capital values
Core Golden Triangle assets

Rental values
Prime, well-located space

Rental values
Secondary / speculative space

Planning applications

Sport

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The polarisation we flagged in Sport property 12 months ago has, if anything, sharpened. At the top of the market, marquee stadium projects continue to move, slowly, expensively, and not always predictably, through planning, litigation and financing. At grassroots level, sustained Government investment and the continuing padel and racket-sports boom are reshaping demand for community leisure real estate at a pace few could have predicted three years ago.

The AELTC's Wimbledon Park Project remains the clearest illustration of how contested large-scale sports development has become. The £200 million scheme – an 8,000-seat Parkland Show Court, 39 new grass courts, and 27 acres of new public parkland on the former Wimbledon Park Golf Club site – was approved by the Greater London Authority in 2024. Save Wimbledon Park's judicial review was dismissed by the High Court in 2025, though the Court of Appeal has since granted permission to appeal, with a hearing due by the end of 2026. A separate Chancery Division ruling in early 2026 largely favoured AELTC on the land's statutory trust status, though covenant issues with Merton Council remain unresolved. Scheme supporters also pursued a legislative route to override open-space protections, an amendment that failed once amid opposition before passing in April 2026 as part of the English Devolution and Community Empowerment Act. Subject to the outstanding litigation, the AELTC expects qualifying courts operational by 2029 and the Parkland Show Court complete by the early 2030s.

Manchester United's ambitions have proved similarly complex. A year ago, it unveiled Foster + Partners' 100,000-seat "New Trafford Stadium" intended to replace Old Trafford at a cost of around £2 billion. However, no construction has begun and no funding has been secured, despite Sir Jim Ratcliffe's description of the scheme as "eminently financeable." The club did secure a significant milestone in June 2026, agreeing terms with Blackstone-owned logistics operator Indurent, for a 10-hectare site to the north-west of Old Trafford, after talks with neighbouring Freightliner stalled. The newly formed Old Trafford Regeneration Mayoral Development Corporation, which held its inaugural meeting in early 2026, and holds compulsory purchase powers, provides a further mechanism to assemble land for the wider regeneration district, even if the former Greater Manchester's mayor has downplayed its imminent use. With the club's net football debt reaching a record £1.047 billion as of December 2025, financing options including further borrowing, new equity, or external investors taking a stake in the stadium itself all carry trade-offs, and a construction start before 2027 now looks unlikely.

£2bn
estimated cost of Manchester United's proposed 100,000-seat stadium

£400m
four-year Government grassroots facilities investment from 2025/26

1,553
padel courts now open across the UK (April 2026), up from 870 at end-2024

By contrast, Everton's Hill Dickinson Stadium at Bramley-Moore Dock shows what a completed large-scale project delivers. The 52,769-capacity stadium opened for the 2025/26 season, and has already hosted Premier League, WSL and Rugby League Ashes fixtures. It was named Project of the Year at TheStadiumBusiness Design & Development Awards 2025 and is confirmed as a Euro 2028 host venue. The wider Bramley-Moore Dock regeneration, including restored heritage dock assets and the newly opened Everton Way public route, continues alongside the football operation, illustrating the placemaking dividend that well-executed stadium schemes can deliver for surrounding real estate.

At grassroots level, momentum has been sustained by continued Government backing. The £400 million, four-year grassroots facilities programme announced in June 2025 delivered £98 million in 2025/26 across 991 projects UK-wide (883 in England via the Football Foundation, 64 in Wales and 36 in Scotland), with £85 million allocated for 2026/27 and a further £10 million earmarked for new delivery models. This includes at least £2.5 million to the LTA for covered tennis and padel courts and £2.5 million to the England and Wales Cricket Board for covered multi-sport domes, alongside a £5 million NBA-matched investment in basketball facilities. Premier League Kicks marked its 20th anniversary in 2025/26, having reached more than 600,000 young people, and the Government's new 'Team Up' campaign is using sports facilities to tackle male loneliness. Both reinforce the case for continued capital investment in community sports real estate.

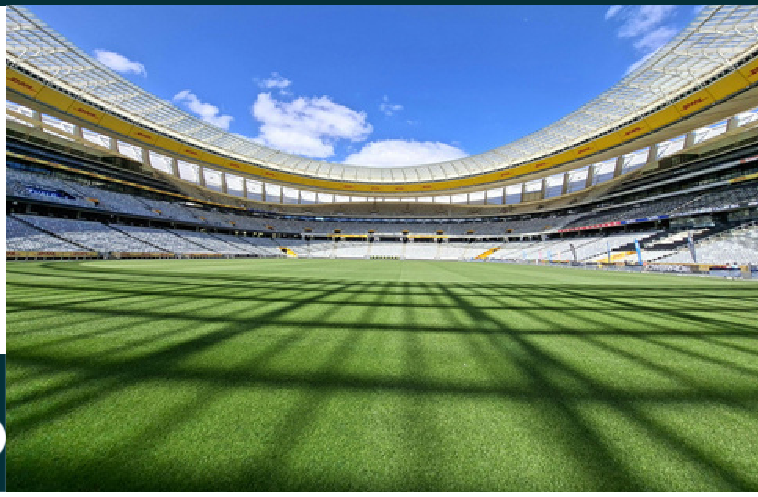
Nowhere is demand outpacing supply more visibly than in padel. UK court numbers reached 1,553 across 559 venues by April 2026, up from 870 at the end of 2024, with the LTA targeting around 2,000 courts by the end of the year and industry forecasts of 7,000–8,000 courts over the next decade. Participation has kept pace: the LTA recorded 860,000 players in 2025, against more than 10 million expressing an interest in trying the sport. The operator landscape is consolidating fast: David Lloyd Leisure remains the largest single operator (66 courts across 26 clubs), the top ten operators collectively control 37% of all UK courts, and new entrants including Frasers Group-backed Slazenger Padel Clubs (11 venues planned for 2026) and Powerleague (76 courts by end-2026) are accelerating supply, often via conversion of retail and industrial space and even farm buildings. This is a route that typically requires reclassification from retail to leisure use. Planning objections centred on noise remain the most commonly cited barrier to delivery, alongside the capital intensity of indoor and covered courts, which increasingly command a premium over open-air facilities to secure year-round utilisation.

Looking ahead for real estate specifically, we expect three distinct dynamics to play out. First, at the elite end, the Wimbledon Park and Old Trafford schemes underline how major stadium and venue projects are increasingly bundled with wider place-based regeneration. Landowners and investors near confirmed or emerging sports-led masterplans (Trafford Wharfside being the clearest current example) should expect land values and development interest in the surrounding area to firm up well ahead of occupation, even where the project itself carries residual planning or legal risk.

Second, the sustained scale of Government grassroots funding (£400 million to 2030, with an increasing emphasis on multi-sport and covered facilities,) should keep demand robust for fit-out, floodlighting and changing-facility contractors, and for landowners able to offer sites suited to 3G/4G pitches and covered courts, particularly in the most deprived areas prioritised for funding.

Third, and most immediately investable, the padel and, to a lesser extent pickleball, boom is driving a wave of conversion demand largely focused on

underused tennis courts, retail units, leisure centres and even industrial sheds. The Marlow decision is however a reminder that Green Belt and edge-of-settlement sites carry real planning risk even amid strong commercial demand, so early engagement with local planning policy remains essential for anyone bringing forward padel or pickleball sites.



TOP CHALLENGES

- The Wimbledon Park Project remains exposed to a pending Court of Appeal hearing (due before end-2026) and separate Chancery Division litigation over the 1993 statutory covenants
- Manchester United's £2bn New Trafford Stadium remains unfunded, with the club's net football debt at a record £1.047bn constraining financing options
- Planning and noise objections remain the single biggest constraint on new padel court delivery, further delaying lengthy 8–10 month approval timescales
- Rising build costs, business rates and decarbonisation requirements continue to strain grassroots and mid-market leisure operators
- Regional imbalance in facility provision – over 70% of UK padel courts sit in southern England – leaves large parts of the country under-served

TOP OPPORTUNITIES

- £400m, four-year Government grassroots programme (£98m delivered 2025/26, £85m allocated 2026/27) plus targeted funding for covered tennis/padel and multi-sport domes
- Explosive padel demand (courts nearly doubling since 2024) is creating strong conversion and new-build opportunities, particularly via retail and industrial reuse
- Everton's Hill Dickinson Stadium provides a completed, award-winning template for large-scale stadium delivery and wider dockside regeneration
- Euro 2028 hosting commitments are sustaining continued stadium investment and international profile across UK venues
- New Mayoral Development Corporation powers around Old Trafford could unlock wider land assembly and regeneration beyond the stadium itself

OUTLOOK

Capital values
Leisure and racket-sports assets

Rental values
Grassroots and padel/leisure

Rental values
Major stadium capital values

Planning applications

Vets

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The past 12 months have brought the long-awaited resolution, well in outline form, to the regulatory uncertainty that has weighed on the UK veterinary sector since 2023. On 24 March 2026, the Competition & Markets Authority (CMA) published its Final Report into veterinary services for household pets, closing what it called "the most extensive review of veterinary services in the UK in generations". The investigation drew a record 56,000 responses to its initial Call for Information, and over 450 responses to the consultation on its Provisional Decision, published in October 2025.

The sector itself remains fundamentally sound. Over 60% of UK households (around 18 million homes) own a pet in 2026, and ONS figures now value the veterinary and other pet services market at over £6.7 billion. Fee inflation, however, has been the trigger for the CMA's intervention: veterinary prices have risen an estimated 63% since 2016, comfortably outpacing general inflation, while corporate-owned practices have on average charged around 17% more than independents for comparable services.

The CMA has opted for a transparency and information-based package of 14 remedies, to be implemented via a legally binding CMA Order and Undertakings from the Royal College of Veterinary Surgeons (RCVS). Whilst some feared more structural break-up measures, there is no cap on ownership and no forced divestment of practices.

The key measures do include:

- Mandatory practice price lists, covering defined veterinary services and the most commonly sold pet parasiticides
- A cap on written prescription fees of £21 for the first medicine and £12.50 for each additional item
- A national price comparison website, to be run in association with the RCVS
- Mandatory disclosure of corporate/group ownership, including on signage, at the premises and online
- A formalised in-house complaints process, with mandatory mediation where disputes cannot be resolved internally
- An expanded monitoring and enforcement role for the RCVS, funded through a new levy on veterinary businesses scaled to the number of premises operated

The CMA has given itself six months from the Final Report to put Orders in place giving itself a deadline of 23 September 2026. Most remedies will then take effect over the following three to 12 months, and smaller independent practices generally will be given longer to comply than the larger corporate groups. In parallel, DEFRA has moved to reform the Veterinary Surgeons Act 1966, which currently regulates individual vets but not the businesses that employ them. A public consultation on this closed in late March 2026, and the outcome is awaited.

Notably, the CMA's parallel scrutiny of consolidation is not confined to vets. A market study into private dentistry was launched in March 2026, and the CMA is separately investigating Welltower's care home acquisitions, suggesting a wider regulatory appetite for scrutinising roll-up strategies across consumer-facing healthcare property sectors.

For real estate, the practical effect has been a marked slowdown in large-scale M&A. The 'Big Six' consolidators are IVC Evidensia, CVS, Vets4Pets/Pets at Home, VetPartners, MediVet and Linnaeus, who have pulled back from the aggressive buy-and-build activity that saw independent ownership fall from around 88% of practices in 2013 to roughly 40% by 2024. Deal execution risk and enhanced merger scrutiny have made large platforms cautious, even though the CMA stopped short of imposing formal ownership caps.

Into that gap has stepped a new cohort of smaller, private-equity-backed platforms operating below the threshold that attracts CMA attention. Kin Vet Community (backed by Perwyn) has built a 20-plus site portfolio through steady bolt-on acquisitions since 2023, while VetThing (the UK arm of Vetopia, backed by Axcel) entered the market in late 2025 pursuing a similar, more clinician-led model. For property investors and landlords, this points to continued, if more disciplined, demand for well-located practice premises, but with more rigorous due diligence around tenant covenant strength and future ownership structure than in the peak consolidation years.

The mandatory ownership-disclosure requirement is one of the more property-relevant remedies: practices will need to make clear, including via external signage, whether they are independent or part of a corporate group. This will require a fresh look at branding and shopfront treatments across thousands of premises over the next 12-18 months: a modest but sector-wide fit-out obligation that landlords and occupiers will need to plan for. This will go alongside the usual considerations around consulting rooms, radiation-shielded X-ray suites, and parking that make vet premises a specialist conversion job (fit-out costs have typically ranged from £1,500 to £3,000 per sqm).

Flexible Use Class E continues to support adaptive reuse into vet premises, from restaurants and warehouses to retail units and even former residential properties on the edge of town, provided catchment and parking work for the practice's client base. This trend is expected to continue as smaller and re-emerging independent operators look for premises, while some corporate groups pause new-site expansion pending clarity on the CMA's implementation timetable and the associated RCVS levy costs.

Overall, the fundamentals that have long underpinned investor interest in the sector remain intact: pet ownership, insurance penetration (UK pet insurance premiums exceeded £2 billion in the past year) and the humanisation of pet care continue to support demand. But 2026-27 will be a transitional

period as the sector absorbs compliance costs and the RCVS builds out its expanded regulatory role. We expect valuations to remain broadly stable rather than rising sharply in the short term, with clearer growth resuming once the framework beds in.

Looking further ahead, we expect vet property to remain a resilient, income-secure asset class for investors, but one that now demands more specialist underwriting than in the peak consolidation years. Once the CMA's Order and the reformed Veterinary Surgeons Act are both in place, likely to be from late 2026/early 2027, we anticipate a resumption of appetite from mid-market consolidators and sale-and-leaseback investors, as certainty returns and covenant strength becomes easier to assess against a standardised regulatory backdrop.

Independent and clinician-owned practices are likely to be the main source of new stock reaching the market in the interim, either through opportunistic disposals or owners seeking to release capital ahead of the levy and compliance costs landing. Locations offering genuine catchment strength, parking and scope for compliant, purpose-built fit-out will continue to command the greatest investor interest, while landlords holding older, harder-to-adapt premises should factor signage and disclosure works into near-term capex planning.

In short: a pause, not a retreat: the medium-term trajectory for vet real estate remains firmly upward, underpinned by demand that shows no sign of softening.

TOP CHALLENGES

- Compliance costs of CMA remedies and the new RCVS levy, phased in from September 2026
- Continued uncertainty pending VSA 1966 reform and DEFRA consultation outcome
- Slower M&A activity and more cautious lending/ valuation environment for larger platforms
- Mandatory signage/ ownership disclosure requiring fit-out and branding changes
- Affordability pressures on pet owners amid rising treatment and insurance costs

TOP OPPORTUNITIES

- Re-emergence of independent and clinician-led operators as Big Six activity slows
- New mid-market consolidators (e.g. Kin Vet Community, VetThing) seeking premises
- Adaptive reuse opportunities via Flexible Use Class E remain strong
- Long-term demand fundamentals intact — 17.2m pet-owning UK households
- Greater price transparency may support well-run, competitively priced independents

OUTLOOK

Capital values
Strong investor demand and constrained supply

Rental values
Stable with indexation-linked growth at lease renewal

Planning applications
Steady for NTI sites; EV provision increasingly standard

RAPLEYS

75 YEARS OF PROACTIVE PROPERTY ADVICE

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