GRAVIS
UK
LISTED
PROPERTY

Introducing our fifth mega trend: The Experience Economy



The TM Gravis UK Listed Property (PAIF) Fund has added a fifth mega trend to its investment framework: the experience economy. It joins ageing population, digitalisation, generation rent and urbanisation, and already accounts for around 8% of the portfolio*.

Manager Matthew Norris, and senior research analyst James Peel, explain why.



Since its launch in 2019, the Fund has invested in what we call next-generation real estate: listed property businesses positioned to benefit from long-term structural change rather than the economic cycle. That thematic approach has defined the strategy, and it is why the Fund has been built around a small number of high-conviction mega trends.

Themes are not static, however. Consumer behaviour has shifted decisively towards spending on shared experiences, and a group of listed landlords and operators has repositioned its assets to capture that demand. We believe the opportunity is now large and distinct enough to stand as a mega trend in its own right.

Five mega trends, one framework

The four original megatrends remain the core of the portfolio. Each is underpinned by durable demographic, technological or social change, and each maps onto specialist listed property owners. The experience economy now sits alongside them.

Mega trend	Structural driver	Example holdings	Approx. weight*
Digitalisation	Growth in e-commerce, data and AI, requiring modern logistics warehouses, data centres and other digital infrastructure	Tritax Big Box, Sirius Real Estate	41%
Urbanisation	Over 80% of the UK population lives in urban areas; a flight to quality towards modern, sustainable space	Derwent London, Big Yellow	18%
Ageing population	The over-85s are the UK's fastest-growing cohort, driving demand for GP surgeries and care homes	PHP, Target Healthcare	16%
16%Generation rent	Rising demand for professionally managed rented homes and student accommodation; rents linked to wage growth	Grainger, Unite Group	16%
Experience economy (new)	Consumer spending shifting towards dining out, travel, shows and live events	Whitbread, Hammerson	8%

**Source: Gravis, 31 October 2026*

What is the experience economy?

The experience economy describes the places where people stay, play and spend. It covers hotels, leisure, hospitality and destination retail: assets whose value depends on drawing people in, rather than simply housing goods or occupiers.

The evidence for the shift is clear. Consumers are directing a growing share of spending towards shared experiences such as dining out, travelling, going to shows and attending live events. The trend is particularly pronounced among younger generations, who favour experiences over material goods.



Destination assets: where spending turns into rent

Landlords have adapted their assets to play a central role in this shift. The best-in-class shopping centre, or a West End estate such as Covent Garden or Carnaby Street, is now a destination in its own right: a place people choose to visit for food, entertainment and atmosphere as much as for shopping.

That footfall is important because it feeds through to occupier performance and, ultimately, to the rent landlords can achieve. In our view, the strongest destination assets are owned by a small number of listed specialists, the thematic real asset champions this mega trend allows us to back.

The timing is also attractive. Over much of the last decade, retail property was more cyclical than other sectors, held back by the twin headwinds of e-commerce and the pandemic. The sector has since repriced, and today offers a combination of healthy property fundamentals and attractive valuations.

How the Fund accesses the theme

The Fund's quality bias carries through to this mega trend. We look for owner-operators of branded, next-generation real estate with strong balance sheets and growth pipelines. Three holdings illustrate the approach.

Whitbread	Added to the portfolio in the first quarter of this year, Whitbread is best known as the owner of Premier Inn, the UK's largest hotel brand, with around 850 locations nationwide. It is not technically a REIT (real estate investment trust), but it ticks most of the boxes we look for in a listed property business: it owns and operates branded real estate and has a large development pipeline. Unlike most hoteliers, Whitbread owns around half the freeholds across its estate, strengthening its balance sheet and giving flexibility when buildings need upgrading. Its recent interim results showed better-than-expected profits and progress on exiting its standalone food and beverage offering to become a pure-play hotel business.
Hammerson	Also a new addition this year, Hammerson is very different from the diversified real estate company of the early 2000s. It is now best characterised as a concentrated portfolio of flagship destinations, including the Bullring in Birmingham and The Oracle in Reading. It has also recently acquired a 50% stake in Manchester Arndale shopping centre.
Shaftesbury Capital	The owner of Covent Garden, Chinatown and Carnaby Street, Shaftesbury Capital holds some of London's best-known destination estates, where visitor spending underpins occupier demand. It reported healthy like-for-like rental growth in the first half of 2026, contributing to a 9% increase in EPS and a 16% increase in the dividend. There remains plenty of reversionary potential in the portfolio and Shaftesbury's balance sheet remains a source of strength.

Looking ahead

The experience economy already represents around 8%* of the portfolio, and we see scope for it to play a larger role over time. It complements the existing mega trends: it diversifies the Fund's income sources while staying true to the same discipline of owning best-in-class, next-generation real estate.

The wider backdrop is also supportive. UK listed real estate continues to attract international capital, drawn by valuation discounts, quality assets and strong operating platforms. Over the seven years the Fund has been running, it has been on the receiving end of 16 takeover approaches for its holdings, which we see as validation of its focus on quality.

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The Authorised Fund Manager of TM Gravis Real Assets ICVC is Thesis Unit Trust Management Limited (TUTMAN), Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. TUTMAN is authorised and regulated by the Financial Conduct Authority. GAL is the investment manager of the Fund.

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