UK REITs: while M&A grabs the headlines, new issuance is the emerging story

The UK Real Estate Investment Trust (REIT) sector is set to lose a few familiar names to M&A this year. At the same time, activist investors have been making headlines with public campaigns at other companies.

Read in isolation, that narrative could easily be mistaken for a sector in retreat. Look more closely, however, and a third, quieter story is unfolding alongside it.

Matthew Norris, manager of the TM Gravis UK Listed Property (PAIF) Fund, discusses the resurgence in new issuance as REITs return to the equity market to fund future growth. "The listed real-estate sector is being reinvigorated," he says.

The deals reshaping the sector

M&A has undoubtedly been a feature of 2026. We began the year with LifeScience REIT's acquisition by British Land. Since then, LondonMetric and Schroder REIT have moved to acquire Picton Property Income, Prologis has bid for SEGRO and, although not a REIT, Peel Group has launched a hostile cash offer for Harworth, one of the UK's largest land and property regeneration companies.

It is worth noting that several of the largest deals have been public-to-public in structure. That's good news for investors because it means exposure to these quality portfolios has not disappeared from the listed market, it has just been consolidated into other listed vehicles.

Despite the deal activity, the universe remains large. There are around 60 listed real estate companies in the UK, including relevant real-estate-adjacent listed names such as Whitbread, the owner and operator of Premier Inn hotels and the aforementioned Harworth.

Why activist investors are circling UK REITs

Alongside the M&A activity, activist investors have become more vocal. Saba has been pressing its case at Workspace, and holds public stakes in Grainger and Unite Group, although its specific intentions for the latter two are not yet public. Separately, Corvex has built a stake of around 7% in Whitbread, owner of Premier Inn.

Activist campaigns can be disruptive, but their intent is to unlock shareholder value. Their presence across several names is, if anything, a signal of the value activists see on offer in the sector and reinforces rather than undermines the broader investment case.

New equity issuance reaches £710 million

What has attracted less attention is the return of primary equity issuance. Hammerson tested the market in 2025 with a £135mn raise, but 2026 has seen activity accelerate meaningfully. Year to date, the sector has raised £710 million to fund growth - equivalent to a new mid-cap REIT's worth of equity.

- **February 2026:** Sirius Real Estate raised approximately £75 million in net proceeds which it used to acquire two defence-logistics-related assets in Germany. The issue was priced in line with net asset value (NAV).

- **July 2026:** Supermarket Income REIT raised approximately £100 million in net proceeds to acquire a small portfolio of supermarkets. A few weeks later, Hammerson raised £185 million in net proceeds to part-fund the acquisition of the Arndale shopping centre in Manchester.

- **Early August 2026:** Tritax Big Box announced an equity raise of approximately £350 million to finance new data-centre developments and acquisitions.

There's more to come too. Prologis has committed to seek a secondary listing in London as part of its acquisition of SEGRO, which is an encouraging development for the London Stock Exchange at a time when the direction of listing activity has often been the other way.

We participated in the Tritax Big Box raise. We do not currently hold Hammerson or Supermarket Income REIT, and did not participate in the Sirius raise, but we continue to assess new issuance as it comes to market, subject to available cash within the Fund. We expect further issuance as the year progresses.

UK REIT NAV discounts narrow from 29% to 21%

The clearest evidence that other investors are backing this comeback is in the discounts. UK REITs started 2026 trading at a 29% discount to NAV. By the end of July, that had narrowed to 21%. That's a meaningful re-rating for a sector that has spent much of the last three years out of favour.

It is worth caveating that roughly half of that narrowing may be attributable to the SEGRO bid alone, given SEGRO represented around 20% of the index. Strip that out and the underlying re-rating is more modest. But it is still real and still moving in the right direction.

What UK REIT issuance means for investors in 2026

M&A, activism and new issuance are, on the surface, three separate stories. Together, however, they describe an undervalued sector working through a period of consolidation while simultaneously demonstrating its capacity to raise capital and fund growth. After a prolonged period of wide discounts and takeover speculation, we believe UK REITland is quietly becoming one of the more dynamic areas of the London market.

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