Prime Yield Guide – April 2026

Knight Frank Intelligence

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SECTOR		APR-25	DEC-25	JAN-26	FEB-26	MAR-26	APR-26	CHANGE
High Street Retail (institutional lot sizes)	Bond Street	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	
	Oxford Street	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
	Prime Towns	6.50%	6.50%	6.50%	6.25%	6.25%	6.25%	
	Regional Cities	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	
	Good Secondary	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Shopping Centres (sustainable income)	Regional Scheme	7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25%	7.25%	
	Sub-Regional Scheme	9.00% -	8.50% - 9.00%	8.50% - 9.00%	8.50% - 9.00%	8.50%	8.50%	
	Local Scheme (successful)	10.00% -	9.50% - 10.00%	9.50% - 10.00%	9.50% - 10.00%	9.50%	9.50%	
	Neighbourhood Scheme (assumes <25% of income from supermarket)	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -	
Out of Town Retail	Open A1 Parks	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	
	Good Secondary Open A1 Parks	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	
	Bulky Goods Parks	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
	Good Secondary Bulky Goods Parks	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	
	Solus Open A1 (15 year income)	6.00% -	6.00% -	6.00% -	6.00% -	6.00% -	6.00%	
	Solus Bulky (15 year income)	6.00% -	6.00% -	6.00% -	6.00% -	6.00% -	6.00%	
Foodstores	Annual RPI Increases [NIY] (20 year income)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	
	Open Market Reviews (20 year lease, 5 yearly reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	
	Discounters (20 years, 5 yearly indexation)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
Leisure	Prime Leisure Parks	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
	Good Secondary Leisure Parks	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	

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Offices	City Prime (10 years)	5.25% - 5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	
	West End: Prime Core (Mayfair & St James's)	4.00%	4.00%	3.75% - 4.00%	3.75% - 4.00%	3.75% - 4.00%	3.75% - 4.00%	
	West End: Non-core (Soho & Fitzrovia)	4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	
	Major Regional Cities (10 years)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
	Major Regional Cities (5 years)	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Secondary, Regional Cities	11.00% +	11.00% +	11.00% +	11.00% +	11.00% +	11.00% +	
	South East Towns (10 years)	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
	South East Towns (5 years)	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	
	Secondary, South East Towns	11.50% +	11.50% +	11.50% +	11.50% +	11.50% +	11.50% +	
	South East Business Parks (10 years)	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	
	South East Business Parks (5 years)	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +	
Warehouse & Industrial	Prime Distribution / Warehousing (20 years [NIY], higher OMV/index)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00% - 5.25%	+
	Prime Distribution / Warehousing (15 years, OMRRs)	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	
	Secondary Distribution (10 years, OMRRs)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
	Greater London Estates	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	
	South East Estates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
	Good Modern Rest of UK Estates	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	
	Good Secondary Estates	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	
Specialist Sectors	Car Showrooms (20 years with indexed uplifts & dealer covenant)	6.00%	6.00%	6.00%	6.00%	6.25%	6.25%	
	Budget Hotels London (20 years, 5 yearly indexed reviews)	4.50 - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.75%	**+ 0.25%**
	Budget Hotels Regional (20 years, 5 yearly indexed reviews)	5.00 - 5.25%	5.25% +	5.25% +	5.25% +	5.25% +	5.25% - 5.50%	+
	Student Accommodation Prime London (25 years, Annual indexation)	4.00%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% - 4.25%	+
	Student Accommodation Prime Regional (25 years, Annual indexation)	4.25%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% - 4.50%	+
	Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews)	4.50%	4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.50% +	**+ 0.25%**
	Healthcare (SPV credit, 30 years, Annual indexed reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	
	Data Centres (Leased, 15 years, Annual indexation)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
	Life Sciences (15 years)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	
	Income Strips (50 years, Annual RPI / CPIH+1% RRs, Annuity Grade)	4.00%	4.00% +	4.00% +	4.00%	4.00% -	4.00% +	+
	Ground Rents (125 years, Annual RPI / CPIH+1% RRs, <15% EBITDA cover, Vacant Possession cover <40%)	3.50%	3.50% +	3.50% +	3.50%	3.50% -	3.50% +	+

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LEADING INDICATORS

Bond markets remain volatile, but the real risk lies in how long the conflict persists. Global bond yields have moved sharply higher as the Middle East conflict pushes energy prices up and markets brace for inflation. The UK 10y gilt yield initially rose above 5% reflecting expectations that central banks may keep policy tighter for longer, with the same pattern unfolding across global bond markets.

Limited swap repricing vs. previous energy-driven shocks. Global swap rates continue to edge higher, with 5-year SONIA at 4.21% (+16bps YoY), vs c.+40bps in 5-year Euribor. However, the move remains modest relative to past shocks. Even so, most economists do not expect the BoE to raise rates this year. While market pricing has moved higher, expectations of 3 additional hikes appear overdone, with broader data still pointing to gradual cooling rather than re-acceleration.

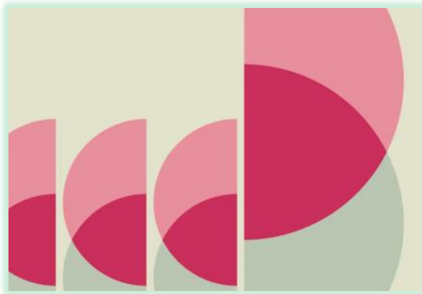
UK PMIs point to gradual cooling as economy absorbs shock. March's PMI data suggests the UK economy is already adjusting to higher energy costs, with both the UK Manufacturing PMI (51.4) and the UK Services PMI (51.2) still in expansion but showing a loss of momentum. The recent energy shock is unlikely to have been fully anticipated by businesses, pointing to a period of softer activity.

DEBT MARKET –7 April 2026

Source: Macrobond, ICAP

BONDS & RATES	APR 2025	FEB 2026	MAR 2026	07 APR 2026
Bank of England Base Rate	4.50%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	3.73%	3.62%	3.62%	4.21%
10-year Gilt Redemption Yield	4.45%	4.39%	4.39%	4.95%
10-year Indexed Gilt Yield	1.16%	1.26%	1.26%	1.42%

ESG



Building low-carbon power for UK properties

Intelligence Lab

UK Logistics Market Update – March 2026

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KEY RESEARCH

Data Centres Global Report 2026

The global data centre market has entered its most aggressive investment and build-out phase in its history.

Knight Frank V&A

Did you know

In addition to valuing assets in the main property sectors and having award winning teams in the Healthcare, Student and Automotive sectors, Knight Frank also has expertise in :

- Waste and Energy
- Infrastructure
- Garden Centres
- Film Studios
- Serviced Offices
- Data Centres
- Life Sciences
- Income Strips
- Ground Rents
- Trading assets
- Expert Witness
- IPOs

KEY CONTACTS

We like questions. If you would like some property advice , or want more information about our research, we would love to hear from you.

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