Prime Yield Guide – July 2026

Knight Frank Intelligence

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SECTOR		JUL-25	MAR-26	APR-26	MAY-26	JUN-26	JUL-26	CHANGE	SENTIMENT
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%		STABLE
	Oxford Street	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		STABLE
	Prime Towns	6.50%	6.25%	6.25%	6.25%	6.25%	6.25%		STABLE
	Regional Cities	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%		STABLE
	Good Secondary	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		STABLE
Shopping Centres (sustainable income)	Regional Scheme	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%		STABLE
	Sub-Regional Scheme	9.00% -	8.50%	8.50%	8.50%	8.50%	8.50%		STABLE
	Local Scheme (successful)	10.00% -	9.50%	9.50%	9.50%	9.50%	9.50%		STABLE
	Neighbourhood Scheme (assumes <25% of income from supermarket)	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -		STABLE
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%		STABLE
	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%		STABLE
	Bulky Goods Parks	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%		STABLE
	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%		STABLE
	Solus Open A1 (15 year income)	6.00% -	6.00% -	6.00%	6.00%	6.00%	6.00%		STABLE
	Solus Bulky (15 year income)	6.00% -	6.00% -	6.00%	6.00%	6.00%	6.00%		STABLE
Foodstores	Annual RPI Increases [NIY] (20 year income)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		POSITIVE
	Open Market Reviews (20 year lease, 5 yearly reviews)	5.75%	5.75%	5.75%	5.75%	5.50% - 5.75%	5.50% - 5.75%		POSITIVE
	Discounters (20 years, 5 yearly indexation)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		POSITIVE
Leisure	Prime Leisure Parks	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		NEGATIVE
	Good Secondary Leisure Parks	9.00%	9.00%	9.00%	9.00%	9.50%	9.50%		NEGATIVE

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

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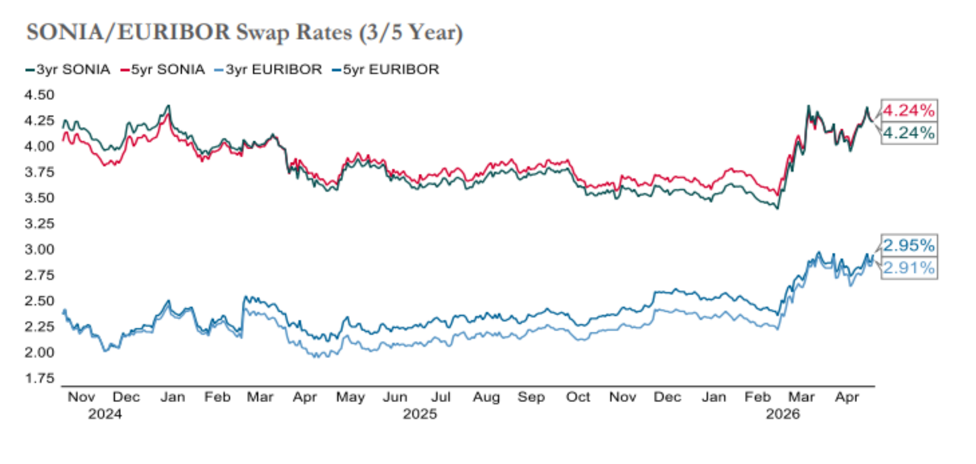
LEADING INDICATORS

Swap rates remain stable as inflation risks recede. Swap rates remain relatively stable, suggesting only a modest level of risk remains embedded within markets. Notably, Oxford Economics' baseline scenario had already assumed a resolution to the conflict by September. With tensions easing sooner than expected, it has revised down its inflation outlook from the height of the conflict.

Oil back to pre-war levels. With supply flows through the Strait of Hormuz returning to normal, oil markets have quickly retraced their conflict-driven spike. Citi Research now expects Brent crude to drift towards $60-65 per barrel by year-end, due to weaker demand and improving supply. For UK CRE, the easing of inflationary pressures, could provide a modest tailwind for property values and demand.

London's strength as premier tech hub reflects robust occupier market. London remains a global powerhouse for startups, ranking #3 worldwide, according to the latest Global Startup Ecosystem Report. Valued at $438 billion, its ecosystem is by far the largest in Europe, generating more than 2.5 times the value of Paris and almost five times that of Berlin. With 72 active unicorns (startups valued at $1B+), and a robust funding pipeline, London is poised for continued growth in high-value tech sectors.

DEBT MARKET – 29 June 2026



Source: Macrobond, ICAP

BONDS & RATES	JUL 2025	MAY 2026	JUN 2026	06 JUL 2026
Bank of England Base Rate	4.25%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	3.68%	4.36%	4.23%	4.08%
10-year Gilt Redemption Yield	4.55%	5.14%	4.97%	4.86%
10-year Indexed Gilt Yield	1.49%	1.60%	1.58%	1.75%

ESG

Business Rates and EPCs: A new area of value adjustment?

Intelligence Lab

Data Centre Atlas

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KEY RESEARCH

Retail Renaissance: Store wars - a new hope

The high street force awakens: retailers are going back to basics in a way we've not seen for a number of years.

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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