

Prime Yield Guide – July 2026

Knight Frank Intelligence

*This yield guide is for indicative purposes only
and was prepared on 30th July 2026.*



Yields are reflective of an optimum sized income-focussed transactions of prime, stabilised institutional-grade assets. Yields are provided on a Net Initial Yield (NIY) basis assuming a rack rented property.

	SECTOR		JUL-25	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	JUL-26
	Student Property	Prime London - Direct Let	4.25%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
		Prime Regional - Direct Let	5.00% - 5.25%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%
		Prime London - 25 yr lease, Annual RPI	4.00%	4.00%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%
		Prime Regional - 25 yr lease, Annual RPI	4.25%	4.25%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%
	Co-Living	Prime London	4.25% +	4.25% +	4.25% - 4.50%	4.25% - 4.50%	4.50%	4.50%	4.50%
		Prime Regional	5.00% +	5.00% +	5.00% - 5.25%	5.00% - 5.25%	5.25%	5.25%	5.25%
	Build to Rent	Zone 1 London Prime	3.90% +	3.90% +	3.90% - 4.00%	3.90% - 4.00%	4.00% - 4.10%	4.00% - 4.10%	4.00% - 4.10%
		Zone 2 London Prime	4.00% +	4.00% +	4.00% - 4.15%	4.00% - 4.15%	4.15% - 4.30%	4.15% - 4.30%	4.15% - 4.30%
		Zones 3-4 London Prime	4.15% +	4.15% +	4.15% - 4.30%	4.15% - 4.30%	4.30% - 4.50%	4.30% - 4.50%	4.30% - 4.50%
		Greater London Prime	4.25% +	4.25% +	4.25% - 4.50%	4.25% - 4.50%	4.50%	4.50%	4.50%
		South East Prime	4.25% +	4.25% +	4.25% - 4.50%	4.25% - 4.50%	4.50%	4.50%	4.50%
		Tier 1 Regional Cities	4.50%	4.50%	4.50%	4.50%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%
		Tier 2 Regional Cities	4.75% +	4.75% +	4.75% - 5.00%	4.75% - 5.00%	4.90% - 5.00%	4.90% - 5.00%	4.90% - 5.00%
		South East – Single Family Housing	4.00% +	4.00% +	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%
	Seniors Housing	Regional – Single Family Housing	4.50% +	4.50% +	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%
		Prime South East	5.25% +	5.50% +	5.50% +	5.50% +	5.75%	5.75%	5.75%

The Yield Guide is valid as at the date of publication and has been prepared during a period of heightened geopolitical tension stemming from the Middle East conflict. As a result, investor sentiment may change rapidly. Our current assessment is that investors remain cautious, with sentiment subject to swift shifts amid the evolving market environment.

Your partners in property.

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KEY RESEARCH

UK Student Market Update

Q2 2026

Investment sentiment towards the sector remains positive, despite quarterly volumes being low.

Student activity

Investment activity in UK student properties has remained strong in the second quarter of 2026, with the sector showing a positive trend in the first half of the year. While the sector has seen a decline in the number of properties for sale, the number of properties under construction has increased, indicating a strong pipeline of new supply. The sector is also seeing a shift in the type of properties being developed, with a focus on high-quality, modern accommodation. This is driven by the growing demand for student accommodation from international students, particularly from China and India. The sector is also seeing a shift in the type of properties being developed, with a focus on high-quality, modern accommodation. This is driven by the growing demand for student accommodation from international students, particularly from China and India.

Capital commitment

Investment activity in UK student properties has remained strong in the second quarter of 2026, with the sector showing a positive trend in the first half of the year. While the sector has seen a decline in the number of properties for sale, the number of properties under construction has increased, indicating a strong pipeline of new supply. The sector is also seeing a shift in the type of properties being developed, with a focus on high-quality, modern accommodation. This is driven by the growing demand for student accommodation from international students, particularly from China and India.

UK BTR market update

Q2 2026

More than £2 billion was invested in the second quarter.

Recent volumes, selective activity

UK BTR investment volume reached £2 billion in the second quarter of 2026, marking a significant increase on the £1.2 billion invested in the same period of 2025. The sector has seen a strong pipeline of new supply, with a focus on high-quality, modern accommodation. This is driven by the growing demand for student accommodation from international students, particularly from China and India.

Capital commitment

Investment activity in UK BTR properties has remained strong in the second quarter of 2026, with the sector showing a positive trend in the first half of the year. While the sector has seen a decline in the number of properties for sale, the number of properties under construction has increased, indicating a strong pipeline of new supply. The sector is also seeing a shift in the type of properties being developed, with a focus on high-quality, modern accommodation. This is driven by the growing demand for student accommodation from international students, particularly from China and India.

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Knight Frank Research looks at the latest investment and development trends in the UK Living sectors

Knight Frank V&A

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

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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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