

Prime Yield Guide – September 2026

Knight Frank Intelligence

This yield guide is for indicative purposes only
and was prepared on 22nd September 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		AUG-25	APR-26	MAY-26	JUN-26	JUL-26	AUG-26	SEPT-26	SENTIMENT
	Student Property	Prime London - Direct Let	4.25%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%	NEGATIVE
		Prime Regional - Direct Let	5.00% - 5.25%	5.25% - 5.50%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	NEGATIVE
		Prime London - 25 yr lease, Annual RPI	4.00%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	NEGATIVE
		Prime Regional - 25 yr lease, Annual RPI	4.25%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	NEGATIVE
	Co-Living	Prime London	4.25% +	4.25% - 4.50%	4.50%	4.50%	4.50%	4.50%	4.50% +	STABLE
		Prime Regional	5.00% +	5.00% - 5.25%	5.25%	5.25%	5.25%	5.25%	5.25% +	STABLE
	Build to Rent	Zone 1 London Prime	3.90% +	3.90% - 4.00%	4.00% - 4.10%	4.00% - 4.10%	4.00% - 4.10%	4.00% - 4.10%	4.00% - 4.25%	STABLE
		Zone 2 London Prime	4.00% +	4.00% - 4.15%	4.15% - 4.30%	4.15% - 4.30%	4.15% - 4.30%	4.15% - 4.30%	4.25% - 4.35%	STABLE
		Zones 3-4 London Prime	4.15% +	4.15% - 4.30%	4.30% - 4.50%	4.30% - 4.50%	4.30% - 4.50%	4.30% - 4.50%	4.40% - 4.50%	STABLE
		Greater London Prime	4.25% +	4.25% - 4.50%	4.50%	4.50%	4.50%	4.50%	4.50% - 4.65%	STABLE
		South East Prime	4.25% +	4.25% - 4.50%	4.50%	4.50%	4.50%	4.50%	4.50% - 4.65%	STABLE
		Tier 1 Regional Cities	4.50%	4.50%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.65% - 4.75%	STABLE
		Tier 2 Regional Cities	4.75% +	4.75% - 5.00%	4.90% - 5.00%	4.90% - 5.00%	4.90% - 5.00%	4.90% - 5.00%	5.00%	STABLE
		South East – Single Family Housing	4.00% +	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	STABLE
	Seniors Housing	Regional – Single Family Housing	4.50% +	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	STABLE
		Prime South East	5.25% +	5.50% +	5.75%	5.75%	5.75%	5.75%	5.75%	NEGATIVE

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 in student properties has remained strong in Q2, with a number of high-profile transactions completed. This is reflected in the number of properties sold, which has increased by 10% on a year-on-year basis. A number of transactions completed during the quarter, including the sale of a large portfolio of properties in the south-east of England, and a number of smaller-scale transactions in the north and south-west. The market remains active, with a number of properties being sold at a premium to their asking price. This is due to a number of factors, including the strong demand for student properties, and the fact that many properties are being sold by institutional investors who are looking for long-term returns. The market is expected to remain strong in the coming months, with a number of new properties being developed and a number of existing properties being refurbished. This is expected to create a number of new opportunities for investors, and the market is expected to continue to grow in the coming years.

Capital expenditure

Investment in student properties has remained strong in Q2, with a number of high-profile transactions completed. This is reflected in the number of properties sold, which has increased by 10% on a year-on-year basis. A number of transactions completed during the quarter, including the sale of a large portfolio of properties in the south-east of England, and a number of smaller-scale transactions in the north and south-west. The market remains active, with a number of properties being sold at a premium to their asking price. This is due to a number of factors, including the strong demand for student properties, and the fact that many properties are being sold by institutional investors who are looking for long-term returns. The market is expected to remain strong in the coming months, with a number of new properties being developed and a number of existing properties being refurbished. This is expected to create a number of new opportunities for investors, and the market is expected to continue to grow in the coming years.

UK BTR market update

Q2 2026

More than £2 billion was invested in the second quarter, reflecting a strong market for build-to-rent properties.

Recent volumes, selective activity

UK BTR investment volume reached £2 billion in the second quarter of 2026, reflecting a strong market for build-to-rent properties. This is a significant increase on the £1.5 billion invested in the first quarter, and is the highest quarterly volume since the first quarter of 2025. The increase in investment is driven by a number of factors, including the strong demand for build-to-rent properties, and the fact that many properties are being sold by institutional investors who are looking for long-term returns. The market is expected to remain strong in the coming months, with a number of new properties being developed and a number of existing properties being refurbished. This is expected to create a number of new opportunities for investors, and the market is expected to continue to grow in the coming years.

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Knight Frank V&A

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- Infrastructure
- Garden Centres
- Film Studios
- 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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