

Prime Yield Guide – October 2026

Knight Frank Intelligence

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only
and was prepared on 06 October 2026.



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	SECTOR		OCT-25	JUN-26	JUL-26	AUG-26	SEP-26	OCT-26	CHANGE	SENTIMENT
	Offices	City Prime (10 years, Sub £50m lot size)	5.25% - 5.50%	5.25%	5.25%	5.25%	5.25%	5.25% - 5.50%	+0.25%	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)	4.50 - 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% - 6.75%	6.75% - 7.00%	+0.25%	STABLE
		Major Regional Cities (5 years)	7.50%	7.50%	7.50%	7.50%	7.50%	7.50% - 7.75%	+0.25%	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%	7.50%	+0.25%	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% +	8.25% +	+0.25%	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%	5.25%	5.25%	5.25%	5.25%	5.25% - 5.50%	+0.25%	STABLE
		Prime Distribution / Warehousing (15 years, OMRRs)	5.25%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.50%	+	STABLE
		Secondary Distribution (10 years, OMRRs)	6.00%	6.00% - 6.25%	6.00% - 6.25%	6.00% - 6.25%	6.00% - 6.50%	6.00% - 6.50%		STABLE
		Greater London Estates	4.75%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	5.00%	5.00% - 5.25%	+0.25%	STABLE
		South East Estates	5.00%	5.25%	5.25%	5.25%	5.25%	5.25%		STABLE
		Good Modern Rest of UK Estates	5.00% - 5.25%	5.25%	5.25%	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%	4.75%	4.75% +	4.75% +	4.75%	4.75%		STABLE
		Budget Hotels Regional (20 years, 5 yearly indexed reviews)	5.25% +	5.25% - 5.50%	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% +	4.25% +	4.25% - 4.50%	4.25% - 4.50%	4.50% - 4.75%	4.75%	+	NEGATIVE
		Student Accommodation Prime Regional (25 years, Annual indexation)	4.25% +	4.50% +	4.50% - 4.75%	4.50% - 4.75%	5.00%	5.25%	+0.25%	NEGATIVE
		Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews)	4.50%	4.50% +	4.75%	4.75%	4.75%	4.75%		STABLE
		Healthcare (SPV credit, 30 years, Annual indexed reviews)	5.75%	5.75%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%	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%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.25% +	5.50%	+0.25%	STABLE
		Income Strips (50 years, Annual RPI / CPIH+1% RRs, Annuity Grade)	4.00% +	4.25%	4.25%	4.25% +	4.25% - 4.50%	4.25% - 4.50%		STABLE
		Ground Rents (100 years, Annual RPI / CPIH+1% RRs, <20% FRITDA cover, Vacant Possession cover <40%)	3.50% +	3.75%	3.75%	3.75% +	3.75% - 4.00%	4.00% - 4.25%	+0.25%	STABLE

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LEADING INDICATORS

Persistent Middle East tensions have tipped the balance towards a rate hike. Persistent tensions in the Middle East have triggered a rise in energy prices, adding to inflationary pressures. Economists now expect a +25bp hike in November, taking rates to 4.00% by year-end, though we believe markets are overpricing a move to 4.75%. Continued labour-market weakness should limit domestic inflation persistence, supporting rate cuts from late 2027 or 2028.

Increasing global bond yields put pressure on fiscal headroom. Global bond yields remain elevated amid a broad sell-off across developed markets. US 30-year treasury yields have topped 5.3% in recent weeks, while UK 10-year gilt yields are around 5.4%. Although higher oil prices and Budget-related fiscal risks could keep yields elevated.

The market's reaction to the budget will take on greater importance. The UK is expected to deliver an ambitious fiscal consolidation in the upcoming with forecasts showing the deficit narrowing to 1.6% of GDP by 2031. With the BoE's next policy decision following a week later, any resulting move in government borrowing costs could influence the outlook for monetary policy.

DEBT MARKET – 29 September 2026

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

BONDS & RATES	OCT 2025	AUG 2026	SEP 2026	06 OCT 2026
Bank of England Base Rate	4.00%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	3.85%	4.23%	4.49%	4.74%
10-year Gilt Redemption Yield	4.79%	4.99%	5.17%	5.42%
10-year Indexed Gilt Yield	1.70%	1.82%	1.82%	2.02%

ESG



Energy Insights Quarterly

Intelligence Lab



Industrial Outdoor Storage (IOS) and the Defence sector

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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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