

Prime Yield Guide – December 2025

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 08 December 2025.



[Click here to view previous data](#)

	SECTOR		DEC-24	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	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%		POSITIVE
		Oxford Street	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		POSITIVE
		Prime Towns	6.75%	6.50%	6.50%	6.50%	6.50%	6.50%		STABLE
		Regional Cities	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%		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% - 7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25% - 7.50%		POSITIVE
		Sub-Regional Scheme	9.00%	8.75% - 9.00%	8.75% - 9.00%	8.75% - 9.00%	8.50% - 9.00%	8.50% - 9.00%		POSITIVE
		Local Scheme (successful)	10.00%	9.75% - 10.00%	9.75% - 10.00%	9.75% - 10.00%	9.50% - 10.00%	9.50% - 10.00%		POSITIVE
		Neighbourhood Scheme (assumes <25% of income from supermarket)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		POSITIVE
	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	6.75% - 7.00%	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	6.75% - 7.00%	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% - 5.00%	4.75%	4.75%	4.75%	4.75%	4.75%		POSITIVE
		Open Market Reviews (20 year lease, 5 yearly reviews)	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%		POSITIVE
		Discounters (20 years, 5 yearly indexation)	4.75%	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%		STABLE
		Good Secondary Leisure Parks	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%		STABLE

Prime Yield Guide – December 2025




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 08 December 2025.



[Click here to view previous data](#)

SECTOR		DEC-24	AUG-25	SEP-25	OCT-25	NOV-25	DEC-25	CHANGE	SENTIMENT
 Offices	City Prime (10 years)	5.25% - 5.50%	5.25%	5.25%	5.25%	5.25%	5.25%		POSITIVE
	West End: Prime Core (Mayfair & St James's)	4.00%	4.00%	4.00%	4.00%	4.00%	3.75% - 4.00%	-0.25%	POSITIVE
	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%		POSITIVE
	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% +		NEGATIVE
	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% +		NEGATIVE
	South East Business Parks (10 years)	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +		NEGATIVE
	South East Business Parks (5 years)	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +		NEGATIVE
 Warehouse & Industrial	Prime Distribution / Warehousing (20 years [NIY], higher OMV/index)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	Prime Distribution / Warehousing (15 years, OMRRs)	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		STABLE
	Secondary Distribution (10 years, OMRRs)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		STABLE
	Greater London Estates	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		STABLE
	South East Estates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	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%		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%	6.00%	6.00%	6.00%	6.00%	6.00%		STABLE
	Budget Hotels London (20 years, 5 yearly indexed reviews)	4.75% -	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%		STABLE
	Budget Hotels Regional (20 years, 5 yearly indexed reviews)	5.25% -	5.00% - 5.25%	5.25% +	5.25% +	5.25% +	5.25% +		STABLE
	Student Accommodation Prime London (25 years, Annual indexation)	4.25%	4.00%	4.00%	4.00% +	4.00% +	4.00% +		STABLE
	Student Accommodation Prime Regional (25 years, Annual indexation)	4.50%	4.25%	4.25%	4.25% +	4.25% +	4.25% +		STABLE
	Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews)	4.75%	4.50%	4.50%	4.50%	4.50%	4.25% - 4.50%	-0.25%	STABLE
	Healthcare (SPV credit, 30 years, Annual indexed reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%		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%	4.75%	4.75%		STABLE
	Income Strips (50 years, Annual RPI / CPIH+1% RRs, Annuity Grade)	3.75%	4.00%	4.00%	4.00% +	4.00% +	4.00% +		NEGATIVE
Ground Rents (125 years, Annual RPI / CPIH+1% RRs, <15% EBITDA cover, Vacant Possession cover <40%)	3.25%	3.50%	3.50%	3.50% +	3.50% +	3.50% +		NEGATIVE	

Prime Yield Guide – December 2025

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 08 December 2025.



[Click here to view previous data](#)

LEADING INDICATORS

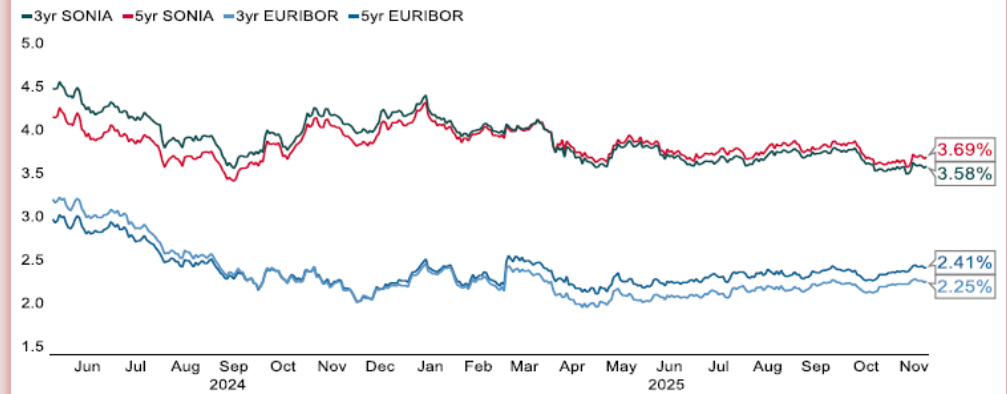
Interest Rates: what's next for 2026? As inflation trends lower, markets are increasingly focused on the depth of next year's rate cuts. Capital Economics expects 25bps cuts from both the BoE and the Fed in December. For 2026, they forecast 3 further BoE cuts, taking the base rate to 3.00% by Q4, while markets anticipate a more modest 50bps of easing and an end-year rate near 3.25%.

Global capital steps back into the UK. UK CRE investment remained resilient in 2025, with preliminary YTD volumes at £40.1bn. Full-year totals could finish close to last year. Cross-border capital has been central to activity, supported by renewed interest in core sectors, where volumes are up +3% YTD, largely supported by overseas inflows.

From turbulence to calm - geopolitical risk falls back. Geopolitical tensions were a defining headwind in H1 2025, with tariffs and trade disputes weighing on. Since mid-year, however, the backdrop has shifted. The Geopolitical Risk (GPR) Index fell -3.3% in November to its lowest level since February. For now, lower geopolitical stress supports future cross-border CRE investment.

DEBT MARKET – 24 November 2025

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

BONDS & RATES	DEC 2024	OCT 2025	NOV 2025	4 DEC 2025
Bank of England Base Rate	4.75%	4.00%	4.00%	4.00%
5-year SONIA Swap Rate	3.81%	3.85%	3.62%	3.62%
10-year Gilt Redemption Yield	4.20%	4.79%	4.47%	4.49%
10-year Indexed Gilt Yield	0.73%	1.70%	1.56%	1.49%

ESG



A sustainable budget? Key takeaways for energy & sustainability in real estate

Intelligence Lab



UK Logistics Market Dashboard

Prime Yield Guide – December 2025

Knight Frank Intelligence

*This yield guide is for indicative purposes only
and was prepared on 08 December 2025.*



KEY RESEARCH



UK Real Estate Navigator

The UK Real Estate Navigator outlines the key occupier and investment trends across the different sectors within commercial real estate.

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.



Emily Miller

Partner – Valuation & Advisory - Head of UK Fund Valuations
+44 20 7861 1483
Emily.Miller@KnightFrank.com



Jeremy Tham

Partner – Valuation & Advisory - Head of Real Estate Finance Valuations
+44 20 7861 1769
Jeremy.Tham@KnightFrank.com



Simon Gillespie

Partner – Valuation & Advisory - Head of Central London Valuations
+44 20 7861 1292
Simon.Gillespie@KnightFrank.com



Chris Galloway

Partner – Valuation & Advisory - Head of Business Development UK Fund Valuations
+44 20 7861 1297
Chris.Galloway@KnightFrank.com



Matthew Dichler

Partner – Valuation & Advisory – UK Fund Valuations
+44 20 7861 5224
Matthew.Dichler@KnightFrank.com



Will Matthews

Partner – Research - Head of Commercial
+44 20 3909 6842
William.Matthews@KnightFrank.com

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2025. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 6AN, where you may look at a list of members' names.

Knight Frank Research Reports are available at knightfrank.com/research

Your partners in property.