

# Prime Yield Guide – June 2026

Knight Frank Intelligence

Based on rack rented properties and disregards bond type transactions

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and was prepared on 04 June 2026.



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	SECTOR		JUN-25	FEB-26	MAR-26	APR-26	MAY-26	JUN-26	CHANGE
	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%	
		Oxford Street	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
		Prime Towns	6.50%	6.25%	6.25%	6.25%	6.25%	6.25%	
		Regional Cities	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%	
		Good Secondary	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
	Shopping Centres (sustainable income)	Regional Scheme	7.50%	7.25% - 7.50%	7.25%	7.25%	7.25%	7.25%	
		Sub-Regional Scheme	9.00% -	8.50% - 9.00%	8.50%	8.50%	8.50%	8.50%	
		Local Scheme (successful)	10.00% -	9.50% - 10.00%	9.50%	9.50%	9.50%	9.50%	
		Neighbourhood Scheme (assumes <25% of income from supermarket)	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -	10.00% -	
	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%	
		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%	
		Bulky Goods Parks	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
		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%	
		Solus Open A1 (15 year income)	6.00% -	6.00% -	6.00% -	6.00%	6.00%	6.00%	
		Solus Bulky (15 year income)	6.00% -	6.00% -	6.00% -	6.00%	6.00%	6.00%	
	Foodstores	Annual RPI Increases [NIY] (20 year income)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	
		Open Market Reviews (20 year lease, 5 yearly reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.50% - 5.75%	-
		Discounters (20 years, 5 yearly indexation)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
	Leisure	Prime Leisure Parks	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
		Good Secondary Leisure Parks	9.00%	9.00%	9.00%	9.00%	9.00%	9.50%	+0.50%

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

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## LEADING INDICATORS

**Labour market loosening suggests the current inflation uptick will be short-lived.** Labour market indicators are weakening, pointing to softer demand despite inflation risks. PAYE employment fell by 100,000 in April, leaving payrolls -0.7% lower year-on-year. Although headline earnings rose to 4.1%, bonus effects mask softer underlying growth, with pay excluding bonuses easing to 3.4%.

**Household energy costs not as high as initially expected.** Energy price expectations have shifted higher, but not as sharply as first feared. The Ofgem cap is now projected to rise +13% in Q3, broadly in line with April 2025 levels. Despite a 60% increase in gas prices, the more modest pass-through tempers the inflation outlook at the margin. Coupled with the signalling of a cautious approach to rate cuts, this reinforces a view of policy remaining restrictive even as growth risks build.

**UK CRE returns hold firm through early volatility.** UK commercial property delivered an annualised total return of +6.33% in April 2026. The period is beginning to reflect some early effects from the Middle East conflict, yet largely remained resilient. Looking ahead, returns are likely to be driven more by income and rental growth than capital appreciation.

## DEBT MARKET – 26 May 2026



Source: Macrobond, ICAP

BONDS & RATES	JUN 2025	APR 2026	MAY 2026	04 JUN 2026
Bank of England Base Rate	4.25%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	3.83%	4.21%	4.36%	4.23%
10-year Gilt Redemption Yield	4.62%	4.95%	5.14%	4.97%
10-year Indexed Gilt Yield	1.43%	1.42%	1.60%	1.58%

## ESG



**From Real Estate to Real Assets: Infrastructure in the spotlight**

## Intelligence Lab



**UK Logistics Market Dashboard**

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## KEY RESEARCH



### South East & Greater London Offices

A quarterly report providing comprehensive information for occupiers, developers and investors. The report provides an overview of the development of the office market alongside quarterly supply and demand data and local market commentary.

## Knight Frank V&A

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- 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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