

Prime Yield Guide – March 2026

Knight Frank Intelligence

Based on rack rented properties and disregards bond type transactions

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and was prepared on 03 March 2026.



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| | SECTOR | | MAR-25 | NOV-25 | DEC-25 | JAN-26 | FEB-26 | MAR-26 | 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 | 6.50% | 6.50% | 6.50% | 6.50% | 6.25% | 6.25% | | STABLE |
| | | Regional Cities | 7.00% | 7.00% | 7.00% | 7.00% | 6.75% | 6.75% | | 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% | - | POSITIVE |
| | | Sub-Regional Scheme | 9.00% - | 8.50% - 9.00% | 8.50% - 9.00% | 8.50% - 9.00% | 8.50% - 9.00% | 8.50% | - | POSITIVE |
| | | Local Scheme (successful) | 10.00% - | 9.50% - 10.00% | 9.50% - 10.00% | 9.50% - 10.00% | 9.50% - 10.00% | 9.50% | - | 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 | 6.50% - 6.75% | 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 | 6.50% - 6.75% | 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% | 4.75% | 4.75% | 4.75% | 4.75% | 4.75% | | POSITIVE |
| | | Open Market Reviews (20 year lease, 5 yearly reviews) | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% | | POSITIVE |
| | | Discounters (20 years, 5 yearly indexation) | 4.50% | 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 |

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|--|--|---------------|---------------|---------------|---------------|---------------|---------------|--------|-----------|
|  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% | 3.75% - 4.00% | 3.75% - 4.00% | 3.75% - 4.00% | | 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% | 6.25% | +0.25% | STABLE |
| | Budget Hotels London (20 years, 5 yearly indexed reviews) | 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 |
| | Budget Hotels Regional (20 years, 5 yearly indexed reviews) | 5.00 - 5.25% | 5.25% + | 5.25% + | 5.25% + | 5.25% + | 5.25% + | | STABLE |
| | Student Accommodation Prime London (25 years, Annual indexation) | 4.00% | 4.00% + | 4.00% + | 4.00% + | 4.00% + | 4.00% + | | STABLE |
| | Student Accommodation Prime Regional (25 years, Annual indexation) | 4.25% | 4.25% + | 4.25% + | 4.25% + | 4.25% + | 4.25% + | | STABLE |
| | Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews) | 4.50% | 4.50% | 4.50% | 4.25% - 4.50% | 4.25% - 4.50% | 4.25% - 4.50% | | 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) | 4.00% | 4.00% + | 4.00% + | 4.00% + | 4.00% | 4.00% | - | STABLE |
| Ground Rents (125 years, Annual RPI / CPIH+1% RRs, <15% EBITDA cover, Vacant Possession cover <40%) | 3.50% | 3.50% + | 3.50% + | 3.50% + | 3.50% | 3.50% | - | STABLE | |

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LEADING INDICATORS

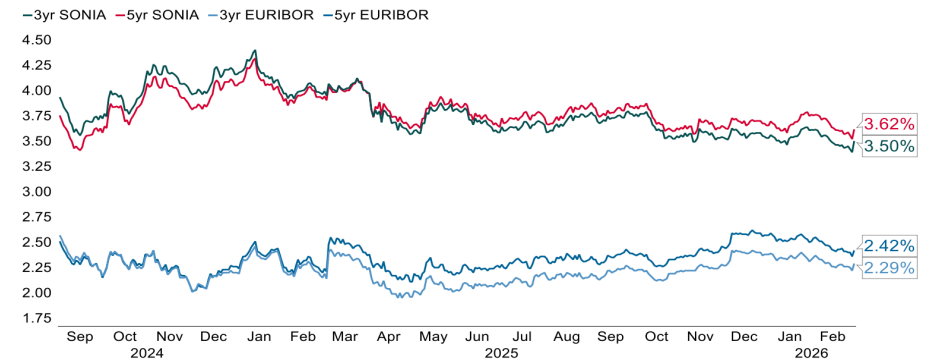
UK PMIs signal firm Q1 growth. Chancellor Rachel Reeves delivers the Spring Statement today with an estimated £22bn of headroom, largely driven by tax receipts since the Budget. For markets, the importance lies not in the headline figure but more what it signals. Borrowing is below expectations, shaping expectations for lower gilt supply and greater credibility to the government’s fiscal rule.

Retail sales point to stronger consumer demand. The FT reports that major investment banks now forecast around £247bn of gilt sales in the fiscal year to March 2027, a 20% drop on this year. If delivered, it would be the first annual fall in 4 years and the lowest level in 3. After several years of heavy gilt supply, a lower issuance should relieve pressure on the market and help contain borrowing costs, providing a more supportive rates backdrop for UK CRE.

What are the key concerns for UK businesses? UK gilts have continued to rally since the Autumn Budget. Ten-year yields, which briefly rose above 4.9% last year, have fallen back to just above 4.3%. The swaps market mirrors this, indicating that leveraged CRE buyers are facing more favourable conditions.

DEBT MARKET – 2 March 2026

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

| BONDS & RATES | MAR 2025 | JAN 2025 | FEB 2026 | 02 MAR 2026 |
|-------------------------------|----------|----------|----------|-------------|
| Bank of England Base Rate | 4.50% | 3.75% | 3.75% | 3.75% |
| 5-year SONIA Swap Rate | 4.04% | 3.61% | 3.76% | 3.62% |
| 10-year Gilt Redemption Yield | 4.69% | 4.44% | 4.58% | 4.39% |
| 10-year Indexed Gilt Yield | 1.19% | 1.48% | 1.48% | 1.26% |

ESG



From ethics to earnings: is ESG for real estate just risk and reward?

Intelligence Lab



How Ecommerce, Defence, Power and Sustainability Are Reshaping UK Logistics

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KEY RESEARCH



Future Gazing

Exploring the importance of cubic capacity, increasing height trends and how they influence rents, capital values, and vacancy rates.

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 :

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- 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

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