

Prime Yield Guide – May 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 07 May 2026.



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	SECTOR		MAY-25	JAN-26	FEB-26	MAR-26	APR-26	MAY-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%	6.50%	6.25%	6.25%	6.25%	6.25%	
		Regional Cities	7.00%	7.00%	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% - 7.50%	7.25%	7.25%	7.25%	
		Sub-Regional Scheme	9.00% -	8.50% - 9.00%	8.50% - 9.00%	8.50%	8.50%	8.50%	
		Local Scheme (successful)	10.00% -	9.50% - 10.00%	9.50% - 10.00%	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%	5.75%	
		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%	9.00%	

The Yield Guide is valid as at the date of publication and has been prepared during a period of heightened geopolitical tension stemming from the Middle East conflict. As a result, investor sentiment may change rapidly. Our current assessment is that investors remain cautious, with sentiment subject to swift shifts amid the evolving market environment.

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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%	5.00% - 5.25%	5.25%	+ 0.25%
		Prime Distribution / Warehousing (15 years, OMRRs)	5.25%	5.25%	5.25%	5.25%	5.25%	5.25% +	+
		Secondary Distribution (10 years, OMRRs)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00% - 6.25%	+
		Greater London Estates	4.75%	4.75%	4.75%	4.75%	4.75%	4.75% - 5.00%	+
		South East Estates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00% - 5.25%	+
		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%	5.00% - 5.25%	
		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%	6.00%	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%	4.50% - 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% +	5.25% - 5.50%	5.25% - 5.50%	
		Student Accommodation Prime London (25 years, Annual indexation)	4.00%	4.00% +	4.00% +	4.00% +	4.00% - 4.25%	4.00% - 4.25%	
		Student Accommodation Prime Regional (25 years, Annual indexation)	4.25%	4.25% +	4.25% +	4.25% +	4.25% - 4.50%	4.25% - 4.50%	
		Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews)	4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 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%	4.75%	
		Income Strips (50 years, Annual RPI / CPIH+1% RRs, Annuity Grade)	4.00%	4.00% +	4.00%	4.00%	4.00% +	4.25%	+ 0.25%
		Ground Rents (125 years, Annual RPI / CPIH+1% RRs, <15% EBITDA cover, Vacant Possession cover <40%)	3.50%	3.50% +	3.50%	3.50%	3.50% +	3.75%	+ 0.25%

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LEADING INDICATORS

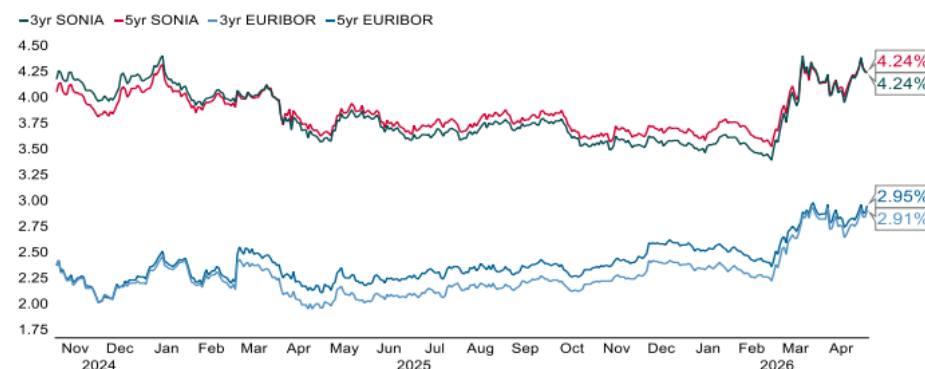
BoE hints softer labour market may limit inflation from energy shocks. The latest Monetary Policy Report suggests energy shocks are less likely to drive inflation as the labour market loosens. Historically, oil supply shocks have had a more lasting impact on CPI when labour markets are tight. This shock should be less inflationary at the margin, limiting effects as CPI is forecast to rise to +3.6%.

UK CRE lending activity continues positive run of signals. Net lending rose again in March, reaching £2.5bn, exceeding the previous two months and broadly in line with December. Activity was driven entirely by lending to standing investments (£2.5bn), showing that refinancing is likely to remain, with less lending for new acquisitions as transaction volumes slow.

Pension reforms to continue to attract LGPS capital to UK CRE. The final amendments cap as mandated by the Pension Schemes Bill, confirms that any mandated investment will be limited. With requirements at 10% of default auto-enrolment funds, with no more than 5% directed to UK assets. For UK CRE, this is supportive: pension capital can remain a patient, long-term source of domestic funding, with domestic pension fund investment rising +52% YoY in 2025, its highest level since 2018.

DEBT MARKET – 5 May 2026

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

BONDS & RATES	MAY 2025	MAR 2026	APR 2026	05 MAY 2026
Bank of England Base Rate	4.25%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	3.65%	3.62%	4.21%	4.36%
10-year Gilt Redemption Yield	4.51%	4.39%	4.95%	5.14%
10-year Indexed Gilt Yield	1.26%	1.26%	1.42%	1.60%

ESG



Routes to power: An update on the Corporate Power Purchase Agreement market

Intelligence Lab



London Offices Spotlight

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KEY RESEARCH



The Wealth Report, 2026

The Wealth Report's unique data, expert insights, thought-provoking interviews and future views help shed light on the key issues affecting how you live, work and invest.

Knight Frank V&A

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- 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.



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