

Sector	Jul-15	Feb-16	Mar-16	Apr-16	May-16	Jun-16	6th July 2016	15th July 2016	Market Sentiment
High Street Retail									
Bond Street	2.25%	2.00 - 2.25%	2.00 - 2.25%	2.00 - 2.25%	2.00 - 2.25%	2.00 - 2.25%	2.00 - 2.25%	2.00 - 2.25%	STABLE
Oxford Street	2.50% -	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	STABLE
Prime Shops	4.25%	4.15%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	STABLE
Regional Cities	5.50%	4.50% - 4.75%	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
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	NEGATIVE
Secondary / Tertiary	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	NEGATIVE
Shopping Centres									
Regionally Dominant (£200+ psf Zone A)	4.15%	4.00%	4.00%	4.00%	4.00%	4.00%	4.25%	4.25%	STABLE
Dominant Prime	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	5.00%	NEGATIVE
Town Dominant	6.00% -	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.50%	NEGATIVE
Secondary	8.00% -	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	NEGATIVE
Out of Town Retail									
Open A1/Fashion Parks	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.50% +	NEGATIVE
Secondary Open A1 Parks	5.50% -	5.75%	5.75%	5.75%	5.75%	5.75%	6.00% +	6.00% +	NEGATIVE
Bulky Goods Parks	5.50%	5.50% +	5.50% +	5.50% +	5.50% +	5.50% +	5.50% +	5.75% +	NEGATIVE
Secondary Bulky Goods Parks	6.00%	6.25%	6.25%	6.25%	6.50%	6.50%	6.75% +	6.75% +	NEGATIVE
Solus Open A1	4.75%	4.75% -	4.75% -	4.75% -	4.75% -	4.75% -	4.75%	4.75%	NEGATIVE
Solus Bulky (c.50,000 sq ft let to strong covenant)	5.75%	5.75% -	5.75% -	5.75% -	5.75% -	5.75% -	5.75%	5.75%	NEGATIVE
Leisure									
Leisure Parks	5.50% -	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	STABLE
Specialist Sectors									
Dept. Stores Prime (with fixed uplifts IY)	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
Car Showrooms (20 yrs with fixed uplifts & manufacturer covenant)	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	STABLE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	STABLE
Budget Hotels (Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	STABLE
Student Accommodation (Prime London - Direct Let)	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	NEGATIVE
Student Accommodation (Prime Regional - Direct Let)	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	NEGATIVE
Student Accommodation (Prime London - 25 yr lease Annual RPI)	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	STABLE
Student Accommodation (Prime Regional - 25 yr lease Annual RPI)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
Healthcare (Elderly Care 30 yrs indexed linked reviews)	5.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	STABLE
Foodstores									
Annual RPI increases (IY) (25 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
Open market reviews	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.85%	5.00%	NEGATIVE
Warehouse & Industrial Space									
Prime Distribution/Warehousing (20 year income (with fixed uplifts IY))	4.25% -	4.25% -	4.25% -	4.25% -	4.25% -	4.25% -	4.25%	4.25%	STABLE
Prime Distribution/Warehousing (15 year income)	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00%	5.00%	STABLE
Secondary Distribution (10 year income)	6.25% -	6.25% -	6.25% -	6.25% -	6.25% -	6.25% -	6.25%	6.25%	NEGATIVE
SE Estate (exc London & Heathrow)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	STABLE
Good Modern RoUK Estate	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	STABLE
Secondary Estates	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	NEGATIVE
Offices									
City Prime	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.25%	4.25%	NEGATIVE
West End Prime	3.25% - 3.50%	3.25% - 3.50%	3.25% - 3.50%	3.25% - 3.50%	3.25% - 3.50%	3.25% - 3.50%	3.50%	3.50%	NEGATIVE
Major Regional Cities	5.00% -	4.75%	4.75%	4.75%	4.75%	4.75%	5.00%	5.00%	NEGATIVE
SE Towns	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%+	5.25%+	NEGATIVE
SE Business Parks	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%+	5.35%+	NEGATIVE
Bonds & Rates									
Libor 3 mth (13 July 2016)	0.58%	0.59%	0.59%	0.59%	0.59%	0.59%	0.52%	0.50%	
Base rate (13 July 2016)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
5 year swap rates (13 July 2016)	1.66%	1.15%	1.00%	1.00%	1.07%	0.95%	0.54%	0.56%	
10 yr gilts redemption yield (13 July 2016)	2.12%	1.61%	1.46%	1.51%	1.61%	1.39%	0.96%	0.87%	

The result of the EU Referendum, held on 23rd June, has had significant impact on the property investment market. We continue to monitor market activity closely whilst investors react to the changing status quo. During this period, more judgement than usual will be required in the preparation of this yield guide and, given the unusual circumstances, further interim guides may be distributed to clients as required.

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only and was prepared on 15 July 2016