

Sector	Aug-19	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Change	Market Sentiment
High Street Retail										
Bond Street	2.50% - 2.75%	2.50% - 2.75%	2.50% - 2.75%	2.75% +	2.75% +	2.75% +	2.75% +	2.75% +		NEGATIVE
Oxford Street	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	3.00% +	3.00% +	3.00% - 3.25%	3.00% - 3.25%	3.00% - 3.25%		NEGATIVE
Prime Shops (Bath, Brighton, Cambridge, Glasgow, Oxford)	5.00%	5.50%	5.50%	5.75% - 6.00%	6.00% - 6.25%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Regional Cities (Birmingham, Manchester)	5.50% +	5.50% - 5.75%	5.50% - 5.75%	5.75% - 6.00%	6.00% - 6.25%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	7.75% - 7.00%	7.50%	7.50%	8.00%	8.25% +	8.25% +	8.25% +	8.25% +		NEGATIVE
Secondary / Tertiary	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Shopping Centres										
Regional Scheme	5.25%	6.00%	6.00%	6.25% - 6.50%	6.50% - 6.75% +	7.00% +	7.00% +	7.00% +		NEGATIVE
Sub-Regional Scheme	6.50%	7.25%	7.25%	7.50% - 7.75%	7.75% - 8.00% +	8.25% +	8.25% +	8.25% +		NEGATIVE
Local Scheme (successful)	8.50%	8.75%	8.75%	9.00%	9.00% - 9.25%	9.50% +	9.50% +	9.50% +		NEGATIVE
Local Scheme (challenged)	10.00%	11.50%	11.50%	12.00% +	12.00% +	12.50% +	12.50% +	12.50% +		NEGATIVE
Neighbourhood Scheme (assumes <25% of income from supermarket)	8.00%	9.00%	9.00%	9.00% - 9.25% +	9.00% - 9.25% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +		NEGATIVE
Out of Town Retail										
Open A1/Fashion Parks	6.00%	6.50%	6.50%	6.75% - 7.00%	6.75% - 7.00%	7.00% +	7.00% +	7.00% +		NEGATIVE
Secondary Open A1 Parks	7.50%	8.00%	8.00%	8.50%	8.50%	8.75%	8.75%	8.75%		NEGATIVE
Bulky Goods Parks	6.00% +	6.50%	6.50%	6.75%	6.75%	7.00%	7.00%	7.00%		NEGATIVE
Secondary Bulky Goods Parks	7.50% +	8.00%	8.00%	8.25% - 8.50%	8.25% - 8.50%	8.50% +	8.50% +	8.50% +		NEGATIVE
Solus Open A1 (15 yrs)	5.25% - 5.50%	6.00%	6.00%	6.25% - 6.50%	6.25% - 6.50%	6.50%	6.50%	6.50%		NEGATIVE
Solus Bulky (c.50,000 sq ft let to strong covenant for 15 yrs)	5.75% - 6.00%	6.50%	6.50%	6.75%	6.75%	6.75%	6.75%	6.75%		NEGATIVE
Leisure										
Prime Leisure Parks	5.25%	5.25% +	5.25% +	5.50% - 5.75%	6.00% +	6.25% - 6.50%	6.50% +	6.50% +		NEGATIVE
Good Secondary Leisure Parks	6.25%	6.25% +	6.25%	6.50% - 6.75%	7.00% +	7.25% - 7.50%	7.50% +	7.50% +		NEGATIVE
Secondary / Tertiary Leisure Parks	7.25%	7.25% +	7.75%	8.00% - 8.25%	9.00% +	9.25% - 9.50%	9.50% +	9.50% +		NEGATIVE
Specialist Sectors										
Dept. Stores Prime (with fixed uplifts IY) [exc John Lewis]	8.00%	9.00%	9.00%	10.00%	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	4.50%	4.00%	4.75%	5.00% +	5.25% +	5.25% +	5.25% +	5.25% +		NEGATIVE
Budget Hotels London (Fixed / RPI uplifts 20 yr+ term, Strong Covenant)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		NEGATIVE
Budget Hotels Regional (Fixed / RPI uplifts 20 yr+ term, Strong Covenant)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		NEGATIVE
Student Accommodation (Prime London - Direct Let)	4.00%	4.00% -	4.00% -	4.00%	4.00%	4.00%	4.00%	4.00%		NEGATIVE
Student Accommodation (Prime Regional - Direct Let)	5.25% -	5.25% -	5.25% -	5.25%	5.25%	5.25%	5.25%	5.25%		NEGATIVE
Student Accommodation (Prime London - 25 yr lease, Annual RPI)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
Student Accommodation (Prime Regional - 25 yr lease, Annual RPI)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%		STABLE
Healthcare (Elderly Care, 30 yr term, indexed linked reviews)	3.75%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		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% -		POSITIVE
Open market reviews	4.75% -	4.75% -	4.75% -	4.75% -	4.75%	4.75%	4.75%	4.75%		STABLE
Warehouse & Industrial Space										
Prime Distribution/Warehousing (20 year income (NIY with fixed uplifts))	4.00%	4.00% -	4.00% -	4.00% -	4.00% -	4.00% -	4.00% -	4.00% -		STABLE
Prime Distribution/Warehousing (15 year income)	4.25%	4.25%	4.25%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +		STABLE
Secondary Distribution (10 year income)	5.00%	5.00%	5.00%	5.25%	5.25% +	5.50%	5.50% +	5.50% +		NEGATIVE
SE Estate (exc London & Heathrow)	4.00%	4.00%	4.00%	4.00% - 4.25%	4.00% - 4.25%	4.25% +	4.25%	4.25%		STABLE
Good Modern RoUK Estate	4.50%	4.50%	4.50%	4.50% - 4.75%	4.50% - 4.75%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%		STABLE
Secondary Estates	6.00% +	6.00% +	6.00% +	6.25%	6.25% +	6.25% +	6.25% +	6.25% +		NEGATIVE
Offices										
City Prime	4.25%	4.00%	4.00%	4.00%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%		STABLE
West End: Prime (Mayfair & St James's)	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%		STABLE
West End: Non-core (Soho & Fitzrovia)	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%		STABLE
Major Regional Cities	4.75%	4.75%	4.75%	4.75% - 5.00%	5.00%	5.00%	5.00%	5.00%		NEGATIVE
SE Towns	5.00%	5.00% +	5.00%	5.00% - 5.25%	5.25%	5.25%	5.25%	5.25%		NEGATIVE
SE Business Parks	5.00%	5.00% +	5.00%	5.00% - 5.25% +	5.25% +	5.25% +	5.25% +	5.25% +		NEGATIVE
Bonds & Rates										
Libor 3 mth (10/08/2020)	0.77%	0.76%	0.38%	0.65%	0.36%	0.22%	0.09%	0.07%		
Base rate (10/08/2020)	0.75%	0.75%	0.25%	0.10%	0.10%	0.10%	0.10%	0.10%		
5 year swap rates (10/08/2020)	0.63%	0.70%	0.51%	0.51%	0.40%	0.37%	0.21%	0.17%		
10 yr gilts redemption yield (10/08/2020)	0.52%	0.50%	0.23%	0.28%	0.26%	0.34%	0.19%	0.17%		

Based on rack rented properties and disregards bond type transactions.
 This yield guide is for indicative purposes only and was prepared on 10 August 2020.
 This yield guide was prepared during the COVID-19 (Coronavirus) pandemic

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted many aspects of daily life and the global economy - with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. If there is a shortage of market evidence for comparison purposes, on which to base a judgement, valuations are being reported on the basis of 'material valuation uncertainty' per VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend keeping valuations under regular review.