

YIELD GUIDE MAY 2018



Sector	May-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Market Sentiment
High Street Retail								
Bond Street	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	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	STABLE
Prime Shops	3.75%	4.00%	4.00%	4.00%	4.00%+	4.00%+	4.00%+	NEGATIVE
Regional Cities	4.25%	4.25%	4.25%	4.25%	4.50%+	4.50%+	4.50%+	STABLE
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	STABLE
Secondary / Tertiary	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	NEGATIVE
Shopping Centres								
Regionally Dominant (£200+ psf Zone A)	4.25%	4.50%	4.50%	4.50%+	4.50%+	4.50%+	4.50%+	NEGATIVE
Dominant Prime	5.00% +	5.50%	5.50%	5.75% +	5.75% +	6.00% +	6.00% +	NEGATIVE
Town Dominant	7.00% +	7.50%	7.50%	7.75% +	7.75% +	7.75% +	7.75% +	NEGATIVE
Secondary	9.00% ++	9.50% ++	9.50% ++	9.50% ++	9.50% ++	9.50% ++	9.50% ++	NEGATIVE
Out of Town Retail								
Open A1/Fashion Parks	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	STABLE
Secondary Open A1 Parks	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	6.00%	NEGATIVE
Bulky Goods Parks	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	STABLE
Secondary Bulky Goods Parks	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	NEGATIVE
Solus Open A1	5.00%	4.75%	4.75%	4.75%	4.75%	4.75% -	4.75% -	POSITIVE
Solus Bulky (c.50,000 sq ft let to strong covenant)	6.00%	5.75%	5.75%	5.75%	5.75%	5.25%	5.00%	POSITIVE
Leisure								
Leisure Parks	5.00%	5.00%	5.00%	4.75%	4.75%	4.75%	4.75%	NEGATIVE
Specialist Sectors								
Dept. Stores Prime (with fixed uplifts IY)	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.75%	NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & manufacturer covenant)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	STABLE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	POSITIVE
Budget Hotels (Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	4.75%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Student Accommodation (Prime London - Direct Let)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Student Accommodation (Prime Regional - Direct Let)	5.50%	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	POSITIVE
Student Accommodation (Prime London - 25 yr lease Annual RPI)	4.00%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	POSITIVE
Student Accommodation (Prime Regional - 25 yr lease Annual RPI)	4.75%	4.50%	4.25%	4.25%	4.00%	4.00%	4.00%	POSITIVE
Healthcare (Elderly Care 30 yrs indexed linked reviews)	4.50%	4.25%	4.25%	4.00%	4.00%	4.00%	4.00%	POSITIVE
Foodstores								
Annual RPI increases (IY) (25 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Open market reviews	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
Warehouse & Industrial Space								
Prime Distribution/Warehousing (20 year income (with fixed uplifts IY))	4.25% - 4.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	POSITIVE
Prime Distribution/Warehousing (15 year income)	5.00%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
Secondary Distribution (10 year income)	6.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
SE Estate (exc London & Heathrow)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Good Modern RoUK Estate	5.25%	5.00%-	5.00%-	5.00%-	5.00%-	4.75%	4.75%	POSITIVE
Secondary Estates	6.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	POSITIVE
Offices								
City Prime	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
West End Prime	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	POSITIVE
Major Regional Cities	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	POSITIVE
SE Towns	5.25% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	POSITIVE
SE Business Parks	5.35% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	POSITIVE
Bonds & Rates								
Libor 3 mth (09/05/2018)	0.32%	0.52%	0.52%	0.53%	0.58%	0.76%	0.68%	
Base rate (09/05/2018)	0.25%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
5 year swap rates (09/05/2018)	0.91%	1.12%	1.17%	1.31%	1.24%	1.37%	1.36%	
10 yr gilts redemption yield (08/05/2018)	1.22%	1.26%	1.34%	1.51%	1.53%	1.38%	1.44%	

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only and was prepared on 10 May 2018

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