

Sector	Aug-19	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Change	Market Sentiment
High Street Retail										
Bond Street	2.50% - 2.75%	2.50% - 2.75%	2.75% +	2.75% +	2.75% +	2.75% +	2.75% +	2.75% +		NEGATIVE
Oxford Street	2.75% - 3.00%	2.75% - 3.00%	3.00% +	3.00% +	3.00% - 3.25%	3.00% - 3.25%	3.00% - 3.25%	3.00% - 3.25%		NEGATIVE
Prime Shops (Bath, Brighton, Cambridge, Glasgow, Oxford)	5.00% +	5.50%	5.75% - 6.00%	6.00% - 6.25%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Regional Cities (Birmingham, Manchester)	5.50% +	5.50% - 5.75%	5.75% - 6.00%	6.00% - 6.25%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	7.00%	7.50%	8.00%	8.25% +	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	5.50%	6.00%	6.25% - 6.50%	6.50% - 6.75% +	7.00% +	7.00% +	7.00% +	7.00% +		NEGATIVE
Sub-Regional Scheme	6.75%	7.25%	7.50% - 7.75%	7.75% - 8.00% +	8.25% +	8.25% +	8.25% +	8.25% +		NEGATIVE
Local Scheme (successful)	8.50% +	8.75%	9.00% - 9.25%	9.00% - 9.25%	9.50% +	9.50% +	9.50% +	9.50% +		NEGATIVE
Local Scheme (challenged)	10.50%	11.50%	12.00% +	12.00% +	12.50% +	12.50% +	12.50% +	12.50% +		NEGATIVE
Neighbourhood Scheme (assumes <25% of income from supermarket)	8.50%	9.00%	9.00% - 9.25% +	9.00% - 9.25% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +		NEGATIVE
Out of Town Retail										
Open A1/Fashion Parks	6.25%	6.50%	6.75% - 7.00%	6.75% - 7.00%	7.00% +	7.00% +	7.00% +	7.00% +		NEGATIVE
Secondary Open A1 Parks	7.75%	8.00%	8.50%	8.50%	8.75%	8.75%	8.75%	8.75%		NEGATIVE
Bulky Goods Parks	6.25%	6.50%	6.75%	6.75%	7.00%	7.00%	7.00%	7.00%		STABLE
Secondary Bulky Goods Parks	7.75%	8.00%	8.25% - 8.50%	8.25% - 8.50%	8.50% +	8.50% +	8.50% +	8.50% +		NEGATIVE
Solus Open A1 (15 yrs)	5.50%	6.00%	6.25% - 6.50%	6.25% - 6.50%	6.50%	6.50%	6.50%	6.50%		STABLE
Solus Bulky (c.50,000 sq ft let to strong covenant for 15 yrs)	6.00%	6.50%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%		STABLE
Leisure										
Prime Leisure Parks	5.25% +	5.25% +	5.50% - 5.75%	6.00% +	6.25% - 6.50%	6.50% +	6.50% +	6.50% +		NEGATIVE
Good Secondary Leisure Parks	6.25%	6.25%	6.50% - 6.75%	7.00% +	7.25% - 7.50%	7.50% +	7.50% +	7.50% +		NEGATIVE
Secondary / Tertiary Leisure Parks	7.25%	7.75%	8.00% - 8.25%	9.00% +	9.25% - 9.50%	9.50% +	9.50% +	9.50% +		NEGATIVE
Specialist Sectors										
Dept. Stores Prime (with fixed uplifts IY) [exc John Lewis]	8.00%	9.00%	10.00%	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	4.50%	4.00%	5.00% +	5.25% +	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%	3.50%	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% -		POSITIVE
Prime Distribution/Warehousing (15 year income)	4.25%	4.25%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +		POSITIVE
Secondary Distribution (10 year income)	5.00%	5.00%	5.25%	5.25% +	5.50%	5.50% +	5.50% +	5.50%		STABLE
SE Estate (exc London & Heathrow)	4.00%	4.00%	4.00% - 4.25%	4.00% - 4.25%	4.25% +	4.25%	4.25%	4.25%		POSITIVE
Good Modern RoUK Estate	4.50%	4.50%	4.50% - 4.75%	4.50% - 4.75%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%		POSITIVE
Secondary Estates	6.00% +	6.00% +	6.25%	6.25% +	6.25% +	6.25% +	6.25% +	6.25% +		NEGATIVE
Offices										
City Prime	4.00% - 4.25%	4.00%	4.00%	4.00% - 4.25%	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% - 5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		NEGATIVE
SE Towns	5.00%	5.00%	5.00% - 5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		NEGATIVE
SE Business Parks	5.00%	5.00%	5.00% - 5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +		NEGATIVE
Bonds & Rates										
Libor 3 mth (14/09/2020)	0.77%	0.38%	0.65%	0.36%	0.22%	0.09%	0.07%	0.06%		
Base rate (14/09/2020)	0.75%	0.25%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%		
5 year swap rates (14/09/2020)	0.69%	0.51%	0.51%	0.40%	0.37%	0.21%	0.17%	0.16%		
10 yr gilts redemption yield (14/09/2020)	0.53%	0.23%	0.28%	0.26%	0.34%	0.19%	0.17%	0.20%		

Based on rack rented properties and disregards bond type transactions.
 This yield guide is for indicative purposes only and was prepared on 14 September 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 having experienced lower levels of transactional activity and liquidity. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, some property markets have started to function again, with transaction volumes and other relevant evidence returning to adequate levels and on 9 September 2020 the Material Valuation Uncertainty Clause was lifted from all UK real estate excluding some assets valued with reference to trading potential. A valuation of such a property may therefore still be reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards; consequently, less certainty - and a higher degree of caution - should be attached to the valuations of these assets 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.