

Sector	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Market Sentiment
London - Zone 1 (gross yields reported)									
Prime Central London (GIY)*	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%-3.00%	2.75%-3.00%	STABLE
Zone 1 Prime (GIY) (Outside PCL)*	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%-3.75%	3.50%-3.75%	STABLE
London and South East									
Zone 2 Prime (NIY)	3.75%	4.00%	4.00%	4.00%	4.00%	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	STABLE
Zones 3-4 Prime (NIY)	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%	3.75%	3.75%	STABLE
Greater London Prime (NIY)	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	POSITIVE
South East Prime (NIY)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Prime Regional Cities									
Prime assets	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	4.25%	4.25%	4.25%	4.00-4.25%	STABLE
Birmingham (NIY) (prime assets)	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.25%	STABLE
Bristol (NIY) (prime assets)	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	4.25%-4.50%	4.25%	4.25%	4.25%	4.00-4.25%	STABLE
Leeds (NIY) (prime assets)	5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%	5.00%	4.75%-5.00%	4.50-4.75%	POSITIVE
Manchester (NIY) (prime assets)	4.75%	4.50%	4.50%	4.50%	4.25%-4.50%	4.25%	4.25%	4.25%	STABLE
Secondary Regional Cities									
Prime assets	5.50%-6.00%	5.50%-6.00%	5.25%-5.75%	5.25%-5.75%	5.00%-5.50%	5.00%-5.50%	5.00%-5.50%	5.00%-5.50%	POSITIVE
Ground Rents									
10 Year RPI Uplifts	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	STABLE
25 Year Doubling Reviews	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	STABLE
Bonds & Rates									
Libor 3 mth	0.56%	0.57%	0.58%	0.57%	0.59%	0.59%	0.38%	0.38%	
Base rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%	0.25%	
5 year swap rates	1.57%	1.54%	1.56%	1.47%	1.00%	0.95%	0.49%	0.95%	
10 yr gilts redemption yield	1.92%	2.04%	1.92%	1.91%	1.46%	1.39%	0.70%	1.44%	

Based on rack rented properties and disregards bond type transactions.

NIY - Where reported we have assumed an appropriate discount for operating costs.

This yield guide is for indicative purposes only and was prepared on 18 January 2017.

*Our PCL yield is based on tenanted blocks with a minimum of 6 units, covering locations such as Mayfair, Knightsbridge, Kensington etc, situated within Knight Frank's definition of Prime Central London. Yields in the PCL and Zone 1 Prime categories are reported gross in line with market practice and no allowance has been made for operating costs within this yield guide.

Yields in the London and South East categories are reflective of income-focused transactions of institutional assets.

Regional locations: We have provided an indication of yields in respect of a number of example locations, illustrating the spread of yields in this classification.

These yields are reported in respect of institutional quality, stabilised assets.