

Sector	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Market Sentiment
London - Zone 1 (gross yields reported)														
Prime Central London (GIY)*	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	3.00%-3.25%	STABLE
Zone 1 Prime (GIY) (Outside PCL)*	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	3.75%-4.00%	STABLE
London and South East														
Zone 2 Prime (NIY)	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%	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	STABLE
Zones 3-4 Prime (NIY)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	POSITIVE
Greater London Prime (NIY)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	POSITIVE
South East Prime (NIY)	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%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	POSITIVE
Prime Regional Cities														
Prime assets (NIY)	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%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	STABLE
Birmingham (NIY) (prime assets)	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%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	STABLE
Bristol (NIY) (prime assets)	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%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	4.00%-4.25%	STABLE
Leeds (NIY) (prime assets)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	POSITIVE
Manchester (NIY) (prime assets)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
Secondary Regional Cities														
Prime assets (NIY)	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	5.00%-5.25%	4.75%-5.00%	4.75%-5.00%	POSITIVE
Ground Rents														
10 Year RPI Uplifts	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.25%-3.50%	3.50%	3.50%	CAUTIOUS
25 Year Doubling Reviews	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%	3.50%-3.75%	3.50%-3.75%	3.50%-3.75%	4.00%	4.00%	CAUTIOUS
Bonds & Rates														
Libor 3 mth	0.89%	0.91%	0.88%	0.85%	0.84%	0.81%	0.80%	0.78%	0.77%	0.77%	0.76%	0.80%	0.78%	
Base rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	
5 year swap rates	1.36%	1.24%	1.20%	1.31%	1.06%	1.15%	0.97%	0.89%	0.63%	0.69%	0.57%	0.86%	0.88%	
10 yr gilts redemption yield	1.35%	1.22%	1.23%	1.26%	1.06%	1.20%	0.99%	0.89%	0.52%	0.53%	0.37%	0.71%	0.69%	

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 7 January 2020.

*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.