





# Prime Yield Guide – February 2024

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 19<sup>th</sup> February 2024.



Yields are reflective of income-focussed transactions of prime, stabilised institutional-grade assets. Yields are provided on a Net Initial Yield (NIY) basis assuming a rack rented property.

SECTOR		FEB-23	SEPT-23	OCT-23	NOV-23	DEC-23	JAN-24	FEB-24	1 MONTH CHANGE	MARKET SENTIMENT
	Student Property	Prime London - Direct Let	3.75% - 4.00%	4.00% - 4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
		Prime Regional - Direct Let	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%	STABLE
		Prime London - 25 yr lease, Annual RPI	4.00% - 4.25%	4.00% +	4.00% +	4.25%	4.25% +	4.25% +	4.25% +	NEGATIVE
		Prime Regional - 25 yr lease, Annual RPI	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.50%	4.50% +	4.50% +	4.50% +	NEGATIVE
	Co-Living	Prime London	4.00%	4.00% +	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
		Prime Regional	4.75%	4.75% +	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
	Build to Rent	Zone 1 London Prime	3.25% +	3.75%	3.75% +	3.90%	3.90%	3.90%	3.90%	STABLE
		Zone 2 London Prime	3.50%	3.90%	4.00%	4.00% +	4.00% +	4.00% +	4.00% +	STABLE
		Zones 3-4 London Prime	3.50% +	4.00%	4.00% +	4.15% +	4.15% +	4.15% +	4.15% +	STABLE
		Greater London Prime	3.75% +	4.10%	4.10% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE
		South East Prime	3.75% - 4.00%	4.10%	4.10% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE
		Tier 1 Regional Cities	4.00%	4.25%	4.35%	4.50% -	4.50%	4.50%	4.50%	STABLE
		Tier 2 Regional Cities	4.25% - 4.50%	4.50% +	4.65%	4.75% +	4.75% +	4.75% +	4.75% +	STABLE
		South East – Single Family Housing	3.75% +	4.00%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	STABLE
Regional – Single Family Housing	4.00% - 4.25%	4.50%	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	STABLE		
	Seniors Housing	Prime South East	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	STABLE

Your partners in property.

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## KEY RESEARCH

### UK Student Market Update

Q4 2023

A thriving development pipeline, strong rental growth and long term growth in student numbers will underpin a pick-up in investment volumes in 2024.

**Fig 1: UK Student investment volume (£m)**

### UK BTR market update

Q4 2023

Investment levels hit a new record last year, despite a volatile economic backdrop, boosted by an exceptionally strong final quarter. Single-family housing drove the market to new heights, with the push into suburban rental leading to a surge in regional transactions.

**Fig 2: UK BTR investment volume (£m)**

[CLICK TO DOWNLOAD PBSA](#)

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Knight Frank Research looks at the latest investment and development trends in the UK Student & BTR sector in Q4 2023

## KEY CONTACTS VALUATIONS / RESEARCH

We like questions. If you would like some property advice, or want more information about our research, we would love to hear from you.



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## Knight Frank V&A

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- Income Strips
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- Trading assets
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