

Sector	Apr-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	Change	Market Sentiment
High Street Retail										
Bond Street	2.25%	2.50% - 2.75%	2.50% - 2.75%	2.50% - 2.75%	2.50% - 2.75%	2.50% - 2.75%	2.50% - 2.75%	2.75% +	+	NEGATIVE
Oxford Street	2.50%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	3.00% +	+	NEGATIVE
Prime Shops (Bath, Brighton, Cambridge, Glasgow, Oxford)	4.75%	5.00% - 5.25%	5.25%	5.25%	5.25%	5.50%	5.50%	5.75% - 6.00%	+0.25% +	NEGATIVE
Regional Cities	5.25%	5.50% +	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	5.50% - 5.75%	5.75% - 6.00%	+0.25% +	NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.50% +	7.00%	7.25%	7.50%	7.50%	7.50%	7.50%	8.00%	0.50%	NEGATIVE
Secondary / Tertiary	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Shopping Centres										
Regional Scheme	5.25%	5.50%	5.50%	5.75%	5.75%	6.00%	6.00%	6.25% - 6.50%	+0.25% +	NEGATIVE
Sub-Regional Scheme	6.50%	6.75%	6.75%	7.00%	7.00%	7.25%	7.25%	7.50% - 7.75%	+0.25% +	NEGATIVE
Local Scheme (successful)	8.50%	8.50% +	8.50% +	8.75%	8.75%	8.75%	8.75%	9.00% - 9.25%	+0.25% +	NEGATIVE
Local Scheme (challenged)	10.00%	10.50%	10.50%	11.00%	11.00%	11.50%	11.50%	12.00% +	+0.50% +	NEGATIVE
Neighbourhood Scheme (assumes <25% of income from supermarket)	8.00%	8.50%	8.50%	8.75%	8.75%	9.00%	9.00%	9.00% - 9.25% +	+0.25% +	NEGATIVE
Out of Town Retail										
Open A1/Fashion Parks	5.50% +	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75% - 7.00%	+0.25% +	NEGATIVE
Secondary Open A1 Parks	6.75% +	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	+0.50%	NEGATIVE
Bulky Goods Parks	6.00% +	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75%	+0.25%	NEGATIVE
Secondary Bulky Goods Parks	7.50% +	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%	8.25% - 8.50%	+0.25% +	NEGATIVE
Solus Open A1 (15 yrs)	5.00% +	5.75%	6.00%	6.00%	6.00%	6.00%	6.00%	6.25% - 6.50%	+0.25% +	NEGATIVE
Solus Bulky (c.50,000 sq ft let to strong covenant for 15 yrs)	5.50%	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75%	+0.25%	NEGATIVE
Leisure										
Leisure Parks	5.25%	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.50% - 5.75%	+0.25% +	NEGATIVE
Good Secondary Leisure Parks	6.25%	6.25% +	6.25% +	6.25% +	6.25% +	6.25% +	6.25% +	6.50% - 6.75%	+0.25% +	NEGATIVE
Secondary Leisure Parks	7.25%	7.25% +	7.25% +	7.25% +	7.25% +	7.25% +	7.75%	8.00% - 8.25%	+0.25% +	NEGATIVE
Specialist Sectors										
Dept. Stores Prime (with fixed uplifts [Y] [exc John Lewis])	8.00%	8.50%	8.50%	8.50%	8.50%	9.00%	9.00%	10.00%	+1.00%	NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	5.00% +	+0.25% +	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%	3.75%	3.75%	3.75%	3.75%	3.75%	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% -		POSITIVE
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%		STABLE
Prime Distribution/Warehousing (15 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25% +	+	NEGATIVE
Secondary Distribution (10 year income)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.25%	+0.25%	NEGATIVE
SE Estate (exc London & Heathrow)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00% - 4.25%	+	NEGATIVE
Good Modern RoUK Estate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50% - 4.75%	+	NEGATIVE
Secondary Estates	6.00%	6.00% +	6.00% +	6.00% +	6.00% +	6.00% +	6.00% +	6.25%	+0.25%	NEGATIVE
Offices										
City Prime	4.25% - 4.50%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00%	4.00%	4.00%	4.00%		NEGATIVE
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%		NEGATIVE
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%		NEGATIVE
Major Regional Cities	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75% - 5.00%	+	NEGATIVE
SE Towns	5.00%	5.00% +	5.00% +	5.00% +	5.00% +	5.00% +	5.00% +	5.00% - 5.25%	+	NEGATIVE
SE Business Parks	5.00%	5.00% +	5.00% +	5.00% +	5.00% +	5.00% +	5.00%	5.00% - 5.25% +	+	NEGATIVE
Bonds & Rates										
Libor 3 mth (06/04/2020)	0.84%	0.76%	0.80%	0.78%	0.80%	0.76%	0.38%	0.65%		
Base rate (06/04/2020)	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.25%	0.10%	-0.15%	
5 year swap rates (06/04/2020)	1.06%	0.57%	0.86%	0.88%	0.86%	0.70%	0.51%	0.51%		
10 yr gilts redemption yield (06/04/2020)	1.06%	0.37%	0.71%	0.69%	0.72%	0.50%	0.23%	0.28%		

Based on rack rented properties and disregards bond type transactions.

This yield guide is for indicative purposes only and was prepared on 6 April 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 global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors. As at the publication date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Valuations are therefore being reported on the basis of "material valuation uncertainty" per YPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend valuations are kept under frequent review. Despite Material Uncertainty affecting all sectors, as stated above, government income streams and government funded tenants are likely to be less impacted by current market conditions but we also recommend these valuations are kept under regular review.