

YIELD GUIDE AUGUST 2019



Sector	Aug-18	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Monthly Change	Market Sentiment
High Street Retail										
Bond Street	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50% - 2.75%	+0.25%	NEGATIVE
Oxford Street	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75% +	2.75% - 3.00%	+0.25%	NEGATIVE
Prime Shops	4.50%	4.50% +	4.50% - 4.75%	4.75%	4.75% +	5.00%	5.00%	5.00%		NEGATIVE
Regional Cities	5.00%	5.00% +	5.00% - 5.25%	5.25%	5.25% +	5.50%	5.50% +	5.50% +		NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.25%	6.50% +	6.50% +	6.50% +	6.50% +	6.50% +	6.75%	6.75-7.00%	+0.25%	NEGATIVE
Secondary / Tertiary	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Shopping Centres										
Regional Scheme	4.50%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		NEGATIVE
Sub-Regional Scheme	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%		NEGATIVE
Local Scheme (successful)	7.75%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%		NEGATIVE
Local Scheme (challenged)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		NEGATIVE
Neighbourhood Scheme (assumes <25% of income from supermarket)	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		NEGATIVE
Out of Town Retail										
Open A1/Fashion Parks	4.75%	5.50% +	5.50% +	5.50% +	5.50% +	5.75%	6.00%	6.00%		NEGATIVE
Secondary Open A1 Parks	6.00%	6.75% +	6.75% +	6.75% +	6.75% +	7.00%	7.25%	7.50%	+0.25%	NEGATIVE
Bulky Goods Parks	5.75%	6.00% +	6.00% +	6.00% +	6.00% +	6.00% +	6.00% +	6.00% +		NEGATIVE
Secondary Bulky Goods Parks	7.00%	7.50% +	7.50% +	7.50% +	7.50% +	7.50% +	7.50% +	7.50% +		NEGATIVE
Solus Open A1 (15 yrs)	4.75% -	5.00%	5.00% +	5.00% +	5.00% +	5.00% +	5.25%	5.25% - 5.50%	+0.25%	NEGATIVE
Solus Bulky (c.50,000 sq ft let to strong covenant for 15 yrs)	5.00%	5.25%	5.50%	5.50%	5.50%	5.50%	5.75%	5.75% - 6.00%	+0.25%	NEGATIVE
Leisure										
Leisure Parks	5.00%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		STABLE
Specialist Sectors										
Dept. Stores Prime (with fixed uplifts 1Y) [exc John Lewis]	6.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		STABLE
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%		STABLE
Budget Hotels Regional (Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		STABLE
Student Accommodation (Prime London - Direct Let)	4.25%	4.25% -	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		POSITIVE
Student Accommodation (Prime Regional - Direct Let)	5.25%	5.25% -	5.25% -	5.25% -	5.25% -	5.25% -	5.25% -	5.25% -		POSITIVE
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)	4.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%		STABLE
Healthcare (Elderly Care 30 yrs indexed linked reviews)	4.00% -	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%		POSITIVE
Foodstores										
Annual RPI increases (1Y) (25 year income)	4.25%	4.25%	4.25% -	4.25% -	4.25% -	4.25% -	4.25% -	4.25% -		POSITIVE
Open market reviews	5.00%	4.75%	4.75% -	4.75% -	4.75% -	4.75% -	4.75% -	4.75% -		POSITIVE
Warehouse & Industrial Space										
Prime Distribution/Warehousing (20 year income (with fixed uplifts 1Y))	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%		STABLE
Secondary Distribution (10 year income)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		NEGATIVE
SE Estate (exc London & Heathrow)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		STABLE
Good Modern RoUK Estate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		STABLE
Secondary Estates	5.75%	5.75%	5.75% +	6.00%	6.00%	6.00%	6.00% +	6.00% +		STABLE
Offices										
City Prime	4.00% - 4.25%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25%	-0.25%	STABLE
West End: Prime (Mayfair & St James's)	3.50%	3.50% +	3.50% +	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%	4.00% - 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%	4.75%	4.75%	4.75%	4.75%	4.75%		STABLE
SE Towns	5.00% -	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
SE Business Parks	5.00% -	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
Bonds & Rates										
Libor 3 mth (08/08/2019)	0.81%	0.88%	0.85%	0.84%	0.81%	0.80%	0.76%	0.77%		
Base rate (08/08/2019)	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%		
5 year swap rates (08/08/2019)	1.37%	1.20%	1.31%	1.06%	1.15%	0.92%	0.76%	0.63%		
10 yr gilts redemption yield (08/08/2019)	1.32%	1.23%	1.26%	1.06%	1.12%	0.86%	0.68%	0.52%		

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only and was prepared on 08 August 2019

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