

Prime Yield Guide – March 2026

Knight Frank Intelligence

Based on rack rented properties and disregards bond type transactions

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and was prepared on 03 March 2026.



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	SECTOR		MAR-25	NOV-25	DEC-25	JAN-26	FEB-26	MAR-26	CHANGE	SENTIMENT
	High Street Retail (institutional lot sizes)	Bond Street	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%		POSITIVE
		Oxford Street	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		POSITIVE
		Prime Towns	6.50%	6.50%	6.50%	6.50%	6.25%	6.25%		STABLE
		Regional Cities	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%		STABLE
		Good Secondary	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		STABLE
	Shopping Centres (sustainable income)	Regional Scheme	7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25% - 7.50%	7.25%	-0.25%	POSITIVE
		Sub-Regional Scheme	9.00%	8.50% - 9.00%	8.50% - 9.00%	8.50% - 9.00%	8.50% - 9.00%	8.50%	-0.25%	POSITIVE
		Local Scheme (successful)	10.00%	9.50% - 10.00%	9.50% - 10.00%	9.50% - 10.00%	9.50% - 10.00%	9.50%	-0.25%	POSITIVE
		Neighbourhood Scheme (assumes <25% of income from supermarket)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%		POSITIVE
	Out of Town Retail	Open A1 Parks	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%		STABLE
		Good Secondary Open A1 Parks	6.50% - 7.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%		STABLE
		Bulky Goods Parks	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%		STABLE
		Good Secondary Bulky Goods Parks	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%	6.50% - 6.75%		STABLE
		Solus Open A1 (15 year income)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		STABLE
		Solus Bulky (15 year income)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		STABLE
	Foodstores	Annual RPI Increases [NIY] (20 year income)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		POSITIVE
		Open Market Reviews (20 year lease, 5 yearly reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%		POSITIVE
		Discounters (20 years, 5 yearly indexation)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		POSITIVE
	Leisure	Prime Leisure Parks	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		STABLE
		Good Secondary Leisure Parks	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%		STABLE

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SECTOR		MAR-25	NOV-25	DEC-25	JAN-26	FEB-26	MAR-26	CHANGE	SENTIMENT
 Offices	City Prime (10 years)	5.25% - 5.50%	5.25%	5.25%	5.25%	5.25%	5.25%		POSITIVE
	West End: Prime Core (Mayfair & St James's)	4.00%	4.00%	4.00%	3.75% - 4.00%	3.75% - 4.00%	3.75% - 4.00%		POSITIVE
	West End: Non-core (Soho & Fitzrovia)	4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%		POSITIVE
	Major Regional Cities (10 years)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%		STABLE
	Major Regional Cities (5 years)	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%		STABLE
	Secondary, Regional Cities	11.00% +	11.00% +	11.00% +	11.00% +	11.00% +	11.00% +		NEGATIVE
	South East Towns (10 years)	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		STABLE
	South East Towns (5 years)	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%		STABLE
	Secondary, South East Towns	11.50% +	11.50% +	11.50% +	11.50% +	11.50% +	11.50% +		NEGATIVE
	South East Business Parks (10 years)	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +		NEGATIVE
	South East Business Parks (5 years)	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +	10.50% +		NEGATIVE
 Warehouse & Industrial	Prime Distribution / Warehousing (20 years [NIY], higher OMV/index)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	Prime Distribution / Warehousing (15 years, OMRRs)	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		STABLE
	Secondary Distribution (10 years, OMRRs)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		STABLE
	Greater London Estates	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		STABLE
	South East Estates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	Good Modern Rest of UK Estates	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
	Good Secondary Estates	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%		STABLE
 Specialist Sectors	Car Showrooms (20 years with indexed uplifts & dealer covenant)	6.00%	6.00%	6.00%	6.00%	6.00%	6.25%	+0.25%	STABLE
	Budget Hotels London (20 years, 5 yearly indexed reviews)	4.50 - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%		STABLE
	Budget Hotels Regional (20 years, 5 yearly indexed reviews)	5.00 - 5.25%	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +		STABLE
	Student Accommodation Prime London (25 years, Annual indexation)	4.00%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +		STABLE
	Student Accommodation Prime Regional (25 years, Annual indexation)	4.25%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +		STABLE
	Healthcare (Not for Profit Operator, 30 years, Annual indexed reviews)	4.50%	4.50%	4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%		STABLE
	Healthcare (SPV credit, 30 years, Annual indexed reviews)	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%		STABLE
	Data Centres (Leased, 15 years, Annual indexation)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	Life Sciences (15 years)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		STABLE
	Income Strips (50 years, Annual RPI / CPIH+1% RRs, Annuity Grade)	4.00%	4.00% +	4.00% +	4.00% +	4.00%	4.00%	-	STABLE
Ground Rents (125 years, Annual RPI / CPIH+1% RRs, <15% EBITDA cover, Vacant Possession cover <40%)	3.50%	3.50% +	3.50% +	3.50% +	3.50%	3.50%	-	STABLE	

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LEADING INDICATORS

UK PMIs signal firm Q1 growth. Chancellor Rachel Reeves delivers the Spring Statement today with an estimated £22bn of headroom, largely driven by tax receipts since the Budget. For markets, the importance lies not in the headline figure but more what it signals. Borrowing is below expectations, shaping expectations for lower gilt supply and greater credibility to the government’s fiscal rule.

Retail sales point to stronger consumer demand. The FT reports that major investment banks now forecast around £247bn of gilt sales in the fiscal year to March 2027, a 20% drop on this year. If delivered, it would be the first annual fall in 4 years and the lowest level in 3. After several years of heavy gilt supply, a lower issuance should relieve pressure on the market and help contain borrowing costs, providing a more supportive rates backdrop for UK CRE.

What are the key concerns for UK businesses? UK gilts have continued to rally since the Autumn Budget. Ten-year yields, which briefly rose above 4.9% last year, have fallen back to just above 4.3%. The swaps market mirrors this, indicating that leveraged CRE buyers are facing more favourable conditions.

DEBT MARKET – 2 March 2026

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

BONDS & RATES	MAR 2025	JAN 2025	FEB 2026	02 MAR 2026
Bank of England Base Rate	4.50%	3.75%	3.75%	3.75%
5-year SONIA Swap Rate	4.04%	3.61%	3.76%	3.62%
10-year Gilt Redemption Yield	4.69%	4.44%	4.58%	4.39%
10-year Indexed Gilt Yield	1.19%	1.48%	1.48%	1.26%

ESG



From ethics to earnings: is ESG for real estate just risk and reward?

Intelligence Lab



How Ecommerce, Defence, Power and Sustainability Are Reshaping UK Logistics

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KEY RESEARCH



Future Gazing

Exploring the importance of cubic capacity, increasing height trends and how they influence rents, capital values, and vacancy rates.

Knight Frank V&A

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- Income Strips
- Ground Rents
- Trading assets
- Expert Witness
- IPOs

KEY CONTACTS

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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