

YIELD GUIDE OCTOBER 2018



Sector	Oct-17	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Monthly Change	Market Sentiment
High Street Retail									
Bond Street	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.25%	2.25%	2.25%		STABLE
Oxford Street	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%		STABLE
Prime Shops	4.00%	4.00%+	4.25%	4.25%	4.50%	4.50%	4.50% +		NEGATIVE
Regional Cities	4.25%	4.50%+	4.75%	4.75%	5.00%	5.00%	5.00%+	+	NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.00%	6.00%	6.00%	6.00%	6.25%	6.25%	6.25% +	+	NEGATIVE
Secondary / Tertiary	10.00%+ +	10.00%+ +	10.00%+ +	10.00%+ +	10.00%+ +	10.00%+ +	10.00%+ +		NEGATIVE
Shopping Centres									
Regionally Dominant (£200+ psf Zone A)	4.25%	4.50%+	4.75%	4.75%+	4.75%+	4.75%+	4.75%+		NEGATIVE
Dominant Prime	5.25%	6.00% +	6.25%	6.25%	6.25%	6.25%	6.50%	+0.25%	NEGATIVE
Town Dominant	7.25%	7.75% +	8.00%	8.00%+	8.00%+	8.00%+	8.25% +	+0.25%	NEGATIVE
Secondary	9.50% + +	9.50%+ +	10.00% + +	10.00% + +	10.00% + +	10.00% + +	10.00% + +		NEGATIVE
Out of Town Retail									
Open A1/Fashion Parks	4.50% +	4.50% +	4.75%	4.75%	4.75%	4.75%	5.00%	+0.25%	NEGATIVE
Secondary Open A1 Parks	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		NEGATIVE
Bulky Goods Parks	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%		NEGATIVE
Secondary Bulky Goods Parks	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		NEGATIVE
Solus Open A1	5.00%	4.75% -	4.75% -	4.75% -	4.75% -	4.75% -	4.75%	+	STABLE
Solus Bulky (c.50,000 sq ft let to strong covenant)	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
Leisure									
Leisure Parks	5.00%	4.75%	5.00%	5.00%	5.00%	5.00%	5.00% +	+	NEGATIVE
Specialist Sectors									
Dept. Stores Prime (with fixed uplifts IY)	5.25%	5.75%	5.75%	6.00%	6.25%	6.50% +	6.75%	+0.25%	NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & manufacturer covenant)	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%		STABLE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.50%	-0.25%	STABLE
Budget Hotels London(Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
Budget Hotels Regional (Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%		STABLE
Student Accommodation (Prime London - Direct Let)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25% -	-	POSITIVE
Student Accommodation (Prime Regional - Direct Let)	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25% -	-	POSITIVE
Student Accommodation (Prime London - 25 yr lease Annual RPI)	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
Student Accommodation (Prime Regional - 25 yr lease Annual RPI)	4.50%	4.00%	4.00%	4.00%	4.00%	3.75%	3.75%		STABLE
Healthcare (Elderly Care 30 yrs indexed linked reviews)	4.50%	4.00%	4.00% -	4.00% -	4.00% -	3.75%	3.75%		POSITIVE
Foodstores									
Annual RPI increases (IY) (25 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%		STABLE
Open market reviews	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		STABLE
Warehouse & Industrial Space									
Prime Distribution/Warehousing (20 year income (with fixed uplifts IY)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		POSITIVE
Prime Distribution/Warehousing (15 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%		POSITIVE
Secondary Distribution (10 year income)	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		POSITIVE
SE Estate (exc London & Heathrow)	4.25%	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%		POSITIVE
Good Modern RoUK Estate	5.00%-	4.75%	4.75% -	4.50%	4.50%	4.50%	4.50%		POSITIVE
Secondary Estates	6.25%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%		POSITIVE
Offices									
City Prime	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
West End Prime	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
Major Regional Cities	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%		POSITIVE
SE Towns	5.00%	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -		POSITIVE
SE Business Parks	5.00%	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -		POSITIVE
Bonds & Rates									
Libor 3 mth (03/10/2018)	0.34%	0.68%	0.62%	0.68%	0.81%	0.80%	0.80%		
Base rate (03/10/2018)	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%		
5 year swap rates (03/10/2018)	1.09%	1.36%	1.35%	1.28%	1.37%	1.31%	1.44%		
10 yr qltts redemption yield (03/10/2018)	1.40%	1.44%	1.40%	1.29%	1.32%	1.41%	1.59%		

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only and was prepared on 03 October 2018

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