

YIELD GUIDE SEPTEMBER 2018



Sector	Sep-17	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Market Sentiment
High Street Retail										
Bond Street	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.00% - 2.25%	2.25%	2.25%	STABLE
Oxford Street	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%	STABLE
Prime Shops	4.00%	4.00%	4.00%+	4.00%+	4.00%+	4.25%	4.25%	4.50%	4.50%	NEGATIVE
Regional Cities	4.25%	4.25%	4.50%+	4.50%+	4.50%+	4.75%	4.75%	5.00%	5.00%	NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.25%	6.25%	NEGATIVE
Secondary / Tertiary	10.00%++	10.00%++	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%+	4.50%+	4.50%+	4.50%+	4.75%	4.75%+	4.75%+	4.75%+	NEGATIVE
Dominant Prime	5.00% +	5.75% +	5.75% +	6.00% +	6.00% +	6.25%	6.25%	6.25%	6.25%	NEGATIVE
Town Dominant	7.00% +	7.75% +	7.75% +	7.75% +	7.75% +	8.00% +	8.00%+	8.00%+	8.00%+	NEGATIVE
Secondary	9.50% ++	9.50%++	9.50%++	9.50%++	9.50%++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	NEGATIVE
Out of Town Retail										
Open A1/Fashion Parks	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	4.75%	4.75%	4.75%	4.75%	NEGATIVE
Secondary Open A1 Parks	6.00%	5.75%	5.75%	5.75%	5.75%	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%	5.75%	5.75%	NEGATIVE
Secondary Bulky Goods Parks	7.00%	7.00%	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%	4.75%	4.75%	POSITIVE
Solus Bulky (c.50,000 sq ft let to strong covenant)	6.00%	5.75%	5.75%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	POSITIVE
Leisure										
Leisure Parks	5.00%	4.75%	4.75%	4.75%	4.75%	5.00%	5.00%	5.00%	5.00%	NEGATIVE
Specialist Sectors										
Dept. Stores Prime (with fixed uplifts 1Y)	5.25%	5.50%	5.50%	5.50%	5.75%	5.75%	6.00%	6.25%	6.50% +	NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & manufacturer covenant)	4.50%	4.50%	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%	4.75%	4.75%	4.75%	POSITIVE
Budget Hotels (Fixed/RPI uplifts 20 yr+ term, Strong Covenant)	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.00%	STABLE
Student Accommodation (Prime London - Direct Let)	4.50%	4.25%	4.25%	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%	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%	3.50%	3.50%	POSITIVE
Student Accommodation (Prime Regional - 25 yr lease Annual RPI)	4.50%	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.75%	STABLE
Healthcare (Elderly Care 30 yrs indexed linked reviews)	4.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.75%	STABLE
Foodstores										
Annual RPI increases (1Y) (25 year income)	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Open market reviews	5.00%	5.00%	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 1Y)	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	POSITIVE
Prime Distribution/Warehousing (15 year income)	4.75%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	POSITIVE
Secondary Distribution (10 year income)	5.75%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	STABLE
SE Estate (exc London & Heathrow)	4.50% -	4.25%	4.25%	4.25%	4.25%	4.00%	4.00%	4.00%	4.00%	POSITIVE
Good Modern RoUK Estate	5.00%	5.00%-	5.00%-	4.75%	4.75%	4.75%	4.50%	4.50%	4.50%	POSITIVE
Secondary Estates	6.50%	5.75%	5.75%	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%	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%	3.50%	3.50%	STABLE
Major Regional Cities	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	POSITIVE
SE Towns	5.25% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	POSITIVE
SE Business Parks	5.35% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	5.00% -	POSITIVE
Bonds & Rates										
Libor 3 mth (06/09/2018)	0.27%	0.53%	0.58%	0.76%	0.68%	0.62%	0.68%	0.81%	0.80%	
Base rate (06/09/2018)	0.25%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	
5 year swap rates (06/09/2018)	0.82%	1.31%	1.24%	1.37%	1.36%	1.35%	1.28%	1.37%	1.31%	
10 yr gilts redemption yield (06/09/2018)	1.10%	1.51%	1.53%	1.38%	1.44%	1.40%	1.29%	1.32%	1.41%	

Based on rack rented properties and disregards bond type transactions

This yield guide is for indicative purposes only and was prepared on 06 September 2018

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