

# Prime Yield Guide – July 2024

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 02<sup>nd</sup> July 2024.



Yields are reflective of income-focussed transactions of prime, stabilised institutional-grade assets. Yields are provided on a Net Initial Yield (NIY) basis assuming a rack rented property.

SECTOR		JUL-23	FEB-24	MAR-24	APR-24	MAY-24	JUN-24	JUL-24	1 MONTH CHANGE	MARKET SENTIMENT
	Student Property	Prime London - Direct Let	4.00% +	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	STABLE
		Prime Regional - Direct Let	5.00% - 5.25%	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
		Prime London - 25 yr lease, Annual RPI	4.00%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE
		Prime Regional - 25 yr lease, Annual RPI	4.25%	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	STABLE
	Co-Living	Prime London	4.00% +	4.25%	4.25%	4.25%	4.25% +	4.25% +	4.25% +	STABLE
		Prime Regional	4.75%	5.00%	5.00%	5.00%	5.00% +	5.00% +	5.00% +	STABLE
	Build to Rent	Zone 1 London Prime	3.50% +	3.90%	3.90%	3.90%	3.90% +	3.90% +	3.90% +	STABLE
		Zone 2 London Prime	3.70%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	STABLE
		Zones 3-4 London Prime	3.80%	4.15% +	4.15% +	4.15% +	4.15% +	4.15% +	4.15% +	STABLE
		Greater London Prime	4.00%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE
		South East Prime	4.00%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE
		Tier 1 Regional Cities	4.10%	4.50%	4.50%	4.50%	4.50% +	4.50% +	4.50% +	STABLE
		Tier 2 Regional Cities	4.25% - 4.50%	4.75% +	4.75% +	4.75% +	4.75% +	4.75% +	4.75% +	STABLE
		South East – Single Family Housing	3.75% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	POSITIVE
Regional – Single Family Housing	4.00% - 4.25%	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	4.50% +	POSITIVE		
	Seniors Housing	Prime South East	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	STABLE

Your partners in property.

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## KEY RESEARCH

### UK Student Market Update

Q1 2024

Investment was robust in the first quarter of 2024. Activity will pick up further once interest rates start to come down and as cost inflation continues to ease, but politics and policy will be key this year.

**Key findings:**

- Investment in the private health sector continued to grow in Q1 2024, following a period of stagnation in the rest of the year. In total, it has completed a combined value of nearly £2B within the first quarter of 2024, following a period of stagnation in the rest of the year. It is expected to continue to grow over the next 12 months, with a total value of over £2B.
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### UK BTR market update

Q1 2024

Record first quarter for BTR investment

UK BTR investment in Q1 2024 was £1.1 billion, up 10% on the £1 billion invested in the first quarter of 2023. This was supported by a combination of factors, including a strong pipeline of deals, a focus on high-quality assets, and a continued focus on the build-to-rent sector.

**Key findings:**

- Record first quarter for BTR investment
- UK BTR investment in Q1 2024 was £1.1 billion, up 10% on the £1 billion invested in the first quarter of 2023.

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Knight Frank Research looks at the latest investment and development trends in the UK Student & BTR sector in Q1 2024

## KEY CONTACTS VALUATIONS / RESEARCH

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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## Knight Frank V&A

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

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