

# Residential Investment Yield Guide

Q2 2022



## Q2 MARKET SENTIMENT



STUDENT  
STABLE



CO-LIVING  
STABLE



BUILD TO RENT  
STABLE



SENIORS HOUSING  
STABLE

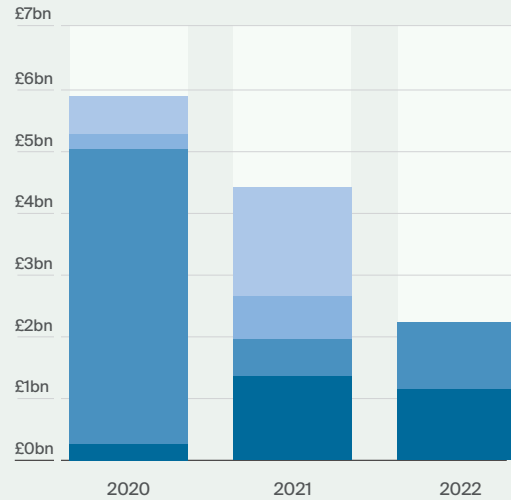


| SECTOR   | JUN-21      | SEP-21      | DEC-21      | MAR-22      | JUN-22      | QTR CHANGE | MARKET SENTIMENT |
|--|-------------|-------------|-------------|-------------|-------------|------------|------------------|
| <b>STUDENT PROPERTY</b>                          |             |             |             |             |             |            |                  |
| Prime London - Direct Let                        | 3.75%-4.00% | 3.75%       | 3.75%       | 3.75%       | 3.50%       | ▼          | STABLE           |
| Prime Regional - Direct Let                      | 5.00%-5.25% | 5.00%-5.25% | 5.00%       | 5.00%       | 4.75%-5.00% | ▼          | STABLE           |
| Prime London - 25 yr lease, Annual RPI           | 3.50%       | 3.50%       | 3.25%       | 3.00%       | 3.00%       | ◀▶         | STABLE           |
| Prime Regional - 25 yr lease, Annual RPI         | 3.75%       | 3.75%       | 3.50%       | 3.25%       | 3.25%       | ◀▶         | STABLE           |
| <b>CO-LIVING</b>                                 |             |             |             |             |             |            |                  |
| Prime London                                     | 4.00%-4.25% | 4.00%-4.25% | 4.00%-4.25% | 3.75%-4.00% | 3.75%-4.00% | ◀▶         | STABLE           |
| Prime Regional                                   | 4.75%-5.00% | 4.75%-5.00% | 4.75%-5.00% | 4.50%-4.75% | 4.50%-4.75% | ◀▶         | STABLE           |
| <b>BUILD TO RENT<br/>London &amp; South East</b> |             |             |             |             |             |            |                  |
| Zone 1 Prime                                     | 3.00%-3.25% | 3.00%-3.25% | 3.00%-3.25% | 3.00%-3.25% | 3.00%-3.25% | ◀▶         | STABLE           |
| Zone 2 Prime                                     | 3.25%       | 3.25%       | 3.25%       | 3.25%       | 3.25%       | ◀▶         | STABLE           |
| Zones 3-4 Prime                                  | 3.50%       | 3.50%       | 3.25%-3.50% | 3.25%-3.50% | 3.25%-3.50% | ◀▶         | STABLE           |
| Greater London Prime                             | 3.50%-3.75% | 3.50%-3.75% | 3.50%-3.75% | 3.50%-3.75% | 3.50%-3.75% | ◀▶         | STABLE           |
| South East Prime                                 | 3.75%-4.00% | 3.75%-4.00% | 3.75%       | 3.50%-3.75% | 3.50%-3.75% | ◀▶         | STABLE           |
| <b>Regional Cities</b>                           |             |             |             |             |             |            |                  |
| Tier 1   | 4.00%       | 4.00%       | 4.00%       | 3.75%       | 3.75%       | ◀▶         | STABLE           |
| Tier 2   | 4.25%-4.75% | 4.25%-4.75% | 4.25%-4.50% | 4.25%       | 4.25%       | ◀▶         | STABLE           |
| <b>Single Family Housing</b>                     |             |             |             |             |             |            |                  |
| South East                                       | 3.75%       | 3.75%       | 3.75%       | 3.75%       | 3.75%       | ◀▶         | STABLE           |
| Regional   | 4.00%-4.25% | 4.00%-4.25% | 4.00%-4.25% | 4.00%-4.25% | 4.00%-4.25% | ◀▶         | STABLE           |
| <b>SENIORS HOUSING</b>                           |             |             |             |             |             |            |                  |
| Prime South East                                 | -           | -           | 5.00%-5.25% | 5.00%-5.25% | 5.00%-5.25% | ◀▶         | STABLE           |

**Important note:** This yield guide is provided for indicative purposes only and was prepared on 30 June 2022. 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.

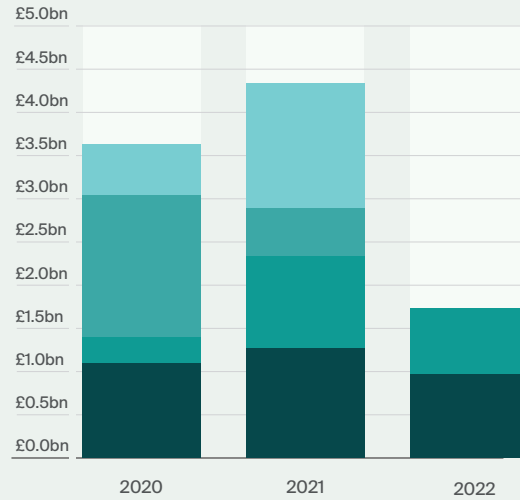
### PBSA investment volumes

■ Q1 ■ Q2 ■ Q3 ■ Q4



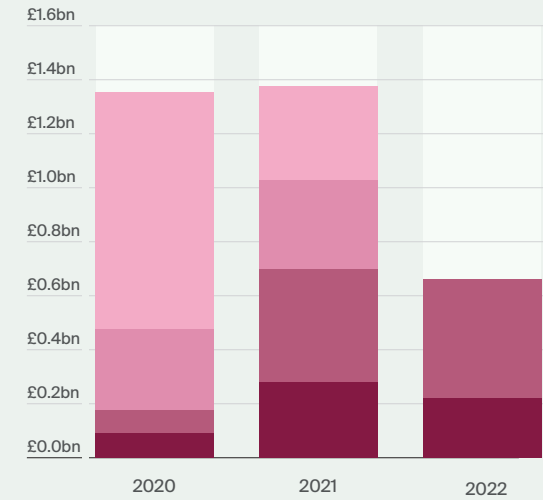
### Build to rent investment volumes

■ Q1 ■ Q2 ■ Q3 ■ Q4



### Seniors housing investment volumes

■ Q1 ■ Q2 ■ Q3 ■ Q4



Source: Knight Frank Research

[knightfrank.com/research](https://knightfrank.com/research)



#### Research

**Oliver Knight**

Head of Residential Development Research

+44 20 7861 5134

[oliver.knight@knightfrank.com](mailto:oliver.knight@knightfrank.com)

#### Student property

**Neil Armstrong**

Head of Student Property and Valuations

+44 20 7861 5332

[neil.armstrong@knightfrank.com](mailto:neil.armstrong@knightfrank.com)

#### Build to Rent

**John-Paul Stichbury**

Partner

+44 20 3866 8036

[john-paul.stichbury@knightfrank.com](mailto:john-paul.stichbury@knightfrank.com)

#### Seniors housing

**Peter Youngs**

Head of seniors housing valuation

+44 20 7861 1656

[peter.youngs@knightfrank.com](mailto:peter.youngs@knightfrank.com)

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