

Prime Yield Guide – September 2024

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 24th September 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		SEPT-23	APR-24	MAY-24	JUN-24	JUL-24	AUG-24	SEPT-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%	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% +	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	3.75%	3.90%	3.90% +	3.90% +	3.90% +	3.90% +	3.90% +	STABLE	
		Zone 2 London Prime	3.90%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	STABLE	
		Zones 3-4 London Prime	4.00%	4.15% +	4.15% +	4.15% +	4.15% +	4.15% +	4.15% +	STABLE	
		Greater London Prime	4.10%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE	
		South East Prime	4.10%	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	4.25% +	STABLE	
		Tier 1 Regional Cities	4.25%	4.50%	4.50% +	4.50% +	4.50% +	4.50% +	4.50%	-	STABLE
		Tier 2 Regional Cities	4.50% +	4.75% +	4.75% +	4.75% +	4.75% +	4.75% +	4.75% +	4.75% +	STABLE
		South East – Single Family Housing	4.00%	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	4.00% +	POSITIVE
Regional – Single Family Housing	4.50%	4.50% +	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.

Prime Yield Guide – September 2024

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 24th September 2024.



KEY RESEARCH

UK Student Market Update

Q2 2024

Delivery of new PBSA beds remains subdued which has supported strong rental growth across the market.

Investment in the UK student build-out accelerated in Q2 2024, supported by a 14% rise in the annual quarter of 2024, the strongest quarter for investment since 2019. Investment returns were strong, supported by strong rental growth and higher margins in the UK student build-out. Although the deal pipeline remains quiet, the market is expected to see an increase in the UK sector value proposition in approximately 2025.

Investment in the UK student build-out accelerated in Q2 2024, supported by a 14% rise in the annual quarter of 2024, the strongest quarter for investment since 2019. Investment returns were strong, supported by strong rental growth and higher margins in the UK student build-out. Although the deal pipeline remains quiet, the market is expected to see an increase in the UK sector value proposition in approximately 2025.

UK BTR market update

Q2 2024

Strong IIG for investment supported by ongoing investor demand for single family housing.

Investment in the UK BTR market accelerated in Q2 2024, supported by a 14% rise in the annual quarter of 2024, the strongest quarter for investment since 2019. Investment returns were strong, supported by strong rental growth and higher margins in the UK BTR market. Although the deal pipeline remains quiet, the market is expected to see an increase in the UK BTR sector value proposition in approximately 2025.

[CLICK TO DOWNLOAD PBSA](#)

[CLICK TO DOWNLOAD BTR](#)

Knight Frank Research looks at the latest investment and development trends in the UK Student & BTR sector in Q2 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.



Kitty De Conto

Partner – Valuation & Advisory – Build to Rent
 +44 20 7861 1652
Kitty_DeConto@knightfrank.com



David Shapland

Partner – Valuation & Advisory - Head of Build to Rent
 +44 20 7861 5455
David.Shapland@KnightFrank.com



Neil Armstrong

Partner – Valuation & Advisory - Head of Student
 +44 20 7861 5332
Neil.Armstrong@KnightFrank.com



Sarah Jones

Partner – Valuation & Advisory – Student Property
 +44 20 7861 1277
Sarah.Jones@KnightFrank.com



Peter Youngs

Partner – Valuation & Advisory - Head of Seniors Housing
 +44 20 7861 1656
Peter.Youngs@KnightFrank.com



Oliver Knight

Partner – Research - Head of Residential Development
 +44 20 7861 5134
Oliver.Knight@KnightFrank.com

Knigh t Frank V & A

Did you know

In addition to valuing assets in the main property sectors and having award winning teams in the Healthcare, Student and Automotive sectors, Knight Frank also has expertise in :

- Waste and Energy
- Infrastructure
- Garden Centres
- Film Studios
- Serviced Offices
- Data Centres
- Life Sciences
- Income Strips
- Ground Rents
- Trading assets
- Expert Witness
- IPOs

KEY CONTACTS CAPITAL ADVISORY



Lisa Attenborough

Partner – KFCA - Head of Capital Advisory
 +44 20 3909 6846
Lisa.Attenborough@KnightFrank.com



Emma Winning

Partner – KFCA - Head of Equity Advisory
 +44 20 7861 1509
Emma.Winning@KnightFrank.com

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2024. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 6AN, where you may look at a list of members' names.

Knight Frank Research Reports are available at knightfrank.com/research