

Yields for “Best in Class” Rack-Rented Properties

SECTOR	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Direction
	%	%	%	%	%	
Retail						
Prime Shops:	6.25-6.50	6.75	6.50-6.75	6.50-6.75	6.75-7.00	⚖️
Secondary Shops	8.00-9.00	9.00+	8.00-9.00	8.00-9.00	8.00-9.00	⚖️
Auction Cross Sector Average Yield	6.75	10.25	8.00	9.00	9.00	⚖️
Retail Warehouse						
Prime Open A1 – Parks	5.00	5.75-6.00	5.75	5.5-5.75	6.00	📉
Prime Bulky Goods Parks	5.00	5.75-6.00	5.75	5.75	6.00	📉
Prime Open A1 & Bulky - Solus (10 yrs) (30,000 -50,000 sqft units)	5.25-5.50	6.50	6.50	6.25	6.50-6.75	📉
Secondary Open A1 – Parks	6.75-7.00	7.25	7.25	7.25	7.50	📉
Alternatives						
Leisure Parks - Prime Parks	7.25-7.75	7.75-8.00+	8.00	8.00	8.00	📉
Leisure Parks - Secondary Park	8.25-8.75	9.00+	10.00+	10.00+	10.00+	📉
Supermarkets - Large stores (indexed)	4.00-4.25	4.75-5.25	5.00-5.25	5.25	5.25-5.50	📉
Hotels - Greater London	4.50-4.75	4.50-4.75	4.75-5.00	4.75-5.00	4.75-5.00	📉
Hotels - Outside London	4.50-4.75	5.25-5.50	5.75-6.00	5.75-6.00	5.25-5.75	📉
Student Accommodation	3.25-3.50	4.00-4.25	4.25+	4.25	4.25	⚖️
Industrial						
Prime Distribution Sheds (5 yearly index)	3.75	4.75-5.00	4.75-5.25	4.75-5.25	4.75-5.25	⚖️
Prime Distribution Sheds (market RR))	4.00-4.25	4.75-5.00	5.25-5.50	5.25-5.50	5.25-5.50	⚖️
Secondary Distribution Sheds	4.75-5.00	6.00	6.25	6.00	6.00	⚖️
Prime Industrial within M25	3.25-3.50	4.25+	4.50-4.75	4.50-4.75	4.50-4.75	⚖️
Prime Outside Greater London – SE	3.75	4.75-5.00	5.00-5.25	5.00-5.25	5.00-5.25	⚖️
Prime Outside Greater London – Regions	4.00	5.25-5.50	5.50-6.00	5.50-6.00	5.50-6.00	⚖️
Office						
City: Prime Location	4.00-4.25	4.50-4.75	4.75	5.00	5.00-5.75+	📉
City Fringe	4.25-4.50	4.75-5.25	4.75-5.00	5.25-5.50	5.75-6.25+	📉
West End: Prime Location	3.50	3.75	4.00-4.25	4.00-4.25	4.00-4.25	⚖️
M25/Thames Valley: Prime Location (10yrs income)	5.75	6.50	6.50	7-7.25	7.25-7.50	📉
Major & Provincial cities: Regional Prime *(add+0.75% for multi-let) **(add+0.50% for multi-let)	*5.00	**5.75	5.75	5.75-6.00	6.00-6.25	📉
Major & Provincial cities: Regional Secondary	8.00+	9.00	9.00-10.00	10.00+	10.00++	📉

Notes:

- Prime yields are only appropriate to a narrow band of assets where characteristics such as to location, design, tenant, lease terms and other relevant factors are fully met.
- Yields are based on ‘Rack Rented’ assets.
- By and large the majority of assets will fall outside the ‘prime’ category and hence softer/weaker yields will apply.
- Views on sentiment reflect investor sentiment towards the sector over a short term.
- West End Prime office yield excludes freehold assets in ‘Garden Squares’ and ‘Trophy’ buildings.