

Sector	Jan-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Change	Market Sentiment
<b>High Street Retail</b>										
Bond Street	2.50% - 2.75%	2.75% +	2.75% +	2.75% +	2.75% +	2.75%	2.75%	2.75%		STABLE
Oxford Street	2.75% - 3.00%	3.00% - 3.25%	3.00% - 3.25%	3.00% - 3.25%	3.00% - 3.25%	3.25%	3.25%	3.25%		NEGATIVE
Prime Shops (Bath, Brighton, Cambridge, Glasgow, Oxford)	5.25%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Regional Cities (Birmingham, Manchester)	5.50% - 5.75%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%	6.25% - 6.50%		NEGATIVE
Good Secondary (Truro, Leamington Spa, Colchester etc)	7.50%	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +		NEGATIVE
Secondary / Tertiary	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
<b>Shopping Centres</b>										
Regional Scheme	5.75%	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +		NEGATIVE
Sub-Regional Scheme	7.00%	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +	8.25% +		NEGATIVE
Local Scheme (successful)	8.75%	9.50% +	9.50% +	9.50% +	9.50% +	9.50% +	9.50% +	9.50% +		NEGATIVE
Local Scheme (challenged)	11.00%	12.50% +	12.50% +	12.50% +	12.50% +	12.50% +	12.50% +	12.50% +		NEGATIVE
Neighbourhood Scheme (assumes <25% of income from supermarket)	8.75%	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +	9.50% - 9.75% +		NEGATIVE
<b>Out of Town Retail</b>										
Open A1/Fashion Parks	6.50%	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +	7.00% +		NEGATIVE
Secondary Open A1 Parks	8.00%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%		NEGATIVE
Bulky Goods Parks	6.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		STABLE
Secondary Bulky Goods Parks	8.00%	8.50% +	8.50% +	8.50% +	8.50% +	8.50% +	8.50% +	8.50% +		NEGATIVE
Solus Open A1 (15 year income)	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%		STABLE
Solus Bulky (15 year income)	6.50%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%		STABLE
<b>Leisure</b>										
Prime Leisure Parks	5.25% +	6.50% +	6.50% +	6.50% +	6.75% - 7.00%	7.00% +	7.00% +	7.00% +		NEGATIVE
Good Secondary Leisure Parks	6.25% +	7.50% +	7.50% +	7.50% +	7.75% - 8.00%	8.00% +	8.00% +	8.00% +		NEGATIVE
Secondary / Tertiary Leisure Parks	7.25% +	9.50% +	9.50% +	9.50% +	9.75% - 10.00%	10.00% +	10.00% +	10.00% +		NEGATIVE
<b>Specialist Sectors</b>										
Dept. Stores Prime (with fixed uplifts [NIY])	8.50%	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++	10.00% ++		NEGATIVE
Car Showrooms (20 yrs with fixed uplifts & dealer covenant)	4.75%	5.25% +	5.25% +	5.25% +	5.25% +	5.50%	5.50%	5.50%		NEGATIVE
Budget Hotels London (Fixed / RPI uplifts 20 yr+ term, strong covenant)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		NEGATIVE
Budget Hotels Regional (Fixed / RPI uplifts 20 yr+ term, strong covenant)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		NEGATIVE
Student Accommodation (Prime London - Direct Let)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		NEGATIVE
Student Accommodation (Prime Regional - Direct Let)	5.25% -	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		NEGATIVE
Student Accommodation (Prime London - 25 yr lease, Annual RPI)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
Student Accommodation (Prime Regional - 25 yr lease, Annual RPI)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%		STABLE
Healthcare (Elderly Care, 30 yr term, indexed linked reviews)	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		STABLE
<b>Foodstores</b>										
Annual RPI increases [NIY] (25 year income)	4.25% -	4.25% -	4.25% -	4.25% -	4.25% -	4.00% - 4.25%	4.00%	4.00%		POSITIVE
Open market reviews	4.75% -	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	-	POSITIVE
<b>Warehouse &amp; Industrial Space</b>										
Prime Distribution/Warehousing (20 year income [NIY] with fixed uplifts)	4.00%	4.00% -	4.00% -	4.00% -	4.00% -	3.75%	3.50%	3.50%		POSITIVE
Prime Distribution/Warehousing (15 year income)	4.25%	4.25% +	4.25% +	4.25%	4.25%	4.00%	4.00%	4.00%		POSITIVE
Secondary Distribution (10 year income)	5.00%	5.50% +	5.50% +	5.50% +	5.50%	5.50%	5.00% - 5.25%	5.00% - 5.25%		POSITIVE
SE Estate (exc London & Heathrow)	4.00%	4.25%	4.25%	4.25%	4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%		POSITIVE
Good Modern RoUK Estate	4.50%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	4.50% - 4.75%	4.50% - 4.75%		POSITIVE
Secondary Estates	6.00% +	6.25% +	6.25% +	6.25% +	6.25% +	6.25% +	6.00%	6.00%		STABLE
<b>Offices</b>										
City Prime	4.00%	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 (Mayfair & St James's)	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%	3.50% - 3.75%		STABLE
West End: Non-core (Soho & Fitzrovia)	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
Major Regional Cities (Single let, 15 years)	4.75%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		NEGATIVE
Major Regional Cities (Multi-let, 5 year WAULT)	5.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.75%	5.75%		NEGATIVE
SE Towns (Single let, 15 years)	5.00% +	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		STABLE
SE Towns (Multi-let, 5 year WAULT)	5.50%	5.75%	5.75%	5.75%	5.75% - 6.00%	6.00%	6.00%	6.00% +	+	NEGATIVE
SE Business Parks (Single let, 15 years)	5.00% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25% +	5.25%	-	STABLE
SE Business Parks (Multi-let, 5 year WAULT)	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50% +	+	NEGATIVE
<b>Bonds &amp; Rates</b>										
Libor 3 mth (11/01/2021)	0.80%	0.09%	0.07%	0.06%	0.05%	0.04%	0.03%	0.03%		
Base rate (11/01/2021)	0.75%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%		
5 year swap rates (11/01/2021)	0.86%	0.21%	0.17%	0.16%	0.18%	0.22%	0.23%	0.25%		
10 yr gilts redemption yield (11/01/2021)	0.72%	0.19%	0.17%	0.20%	0.17%	0.27%	0.28%	0.31%		

Based on rack rented properties and disregards bond type transactions. This yield guide is for indicative purposes only and was prepared on 11 January 2021.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has and continues to impact many aspects of daily life and the global economy - with some real estate markets having experienced lower levels of transactional activity and liquidity. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. On 9 September 2020 the Material Valuation Uncertainty Clause was lifted from all UK real estate excluding some assets valued with reference to trading potential. A valuation of such a property may therefore still be reported as being subject to "material valuation uncertainty" as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards; consequently, less certainty - and a higher degree of caution - should be attached to the valuations of these assets than would normally be the case. Travel, movement and operational restrictions have been implemented again by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend keeping valuations under regular review.