

BUY-TO-LET INDEX

May 2017 data, June 2017 report

Seven UK regions see rents rise on annual basis



Fast Facts

- Average rent across England and Wales is £814
- Calling of snap election has no noticeable effect on prices
- Yields remain stable at 4.4%
- London rents nudge upwards but are still 5% lower than in May 2016
- London boroughs which share Zone 3 and 4 see lowest rents



Quick Quotes

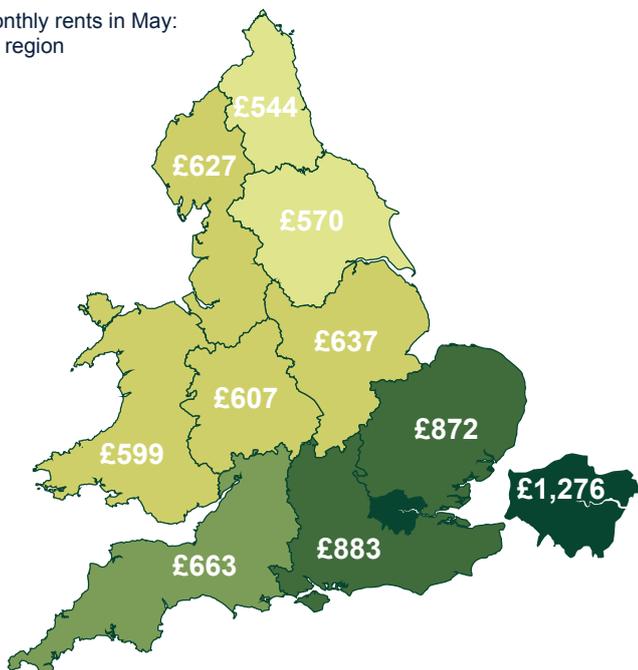
Valerie Bannister, Lettings Director, Your Move, comments:

- “Strong and stable was the catchphrase of the election and this was demonstrated in real terms by the rental sector.”
- “The majority of England and Wales saw rents increase between Theresa May’s election announcement in April and this survey being conducted in May.”
- “Even London, which had seen prices fall in recent months, has returned to growth. Prices in the capital grew on a monthly basis for the first time since November 2016.”
- “While landlords have seen yields squeezed in recent times, there are signs this could be stabilising. Returns this month were 4.4%, the same as in April.”



Key findings at a glance

Monthly rents in May:
By region




Key insights about the data

- The build up to a general election and the political uncertainty that brings have had no appreciable impact on the rental market, the Your Move England & Wales Buy to Let Index found.
- Seven of the 10 regions covered by this survey saw rents rise between the election announcement in April and May. Rents in London also grew month-on-month, the first time this has happened in six months.

Average London rents in May:
By Underground Zones



Rents in London start to rise again

- The average rent in London increased month-on-month for the first time since November 2016, Your Move found.
- Rents in the capital nudged up 0.2% between April and May to reach an average of £1,276. However, rents are still 1.5% lower than in May 2016, when the typical property cost £1,295 a month.
- Only one region saw rents fall faster than London year-on-year - the South West. The average price here fell by 2.2% in the 12 months to May and now stands at £663.
- The average rent in London Zone 2 reached £1,618, almost £300 more than the average rent in Zone 3 (£1,361). The lowest rents in London were at £1,064 in boroughs that share the Zone 3 and 4 boundary, with further reaching Zones such as 6 reaching £1,253 in May.

10 regions see year on year increases

- However, seven of the 10 regions surveyed posted rent increases in the last year - with Wales leading the way.
 - The average Welsh rental property was let for £599 in May 2017, 7.1% higher than the year before. The East of England was home to the next best growth, with prices rising 4.1% in the last 12 months to reach £872.
 - The South East (2.6%), North West (2.5%), East Midlands (2.2%) and the Yorkshire and the Humber (2%) were the other regions to post annual growth of 2% or more.
- Cont...

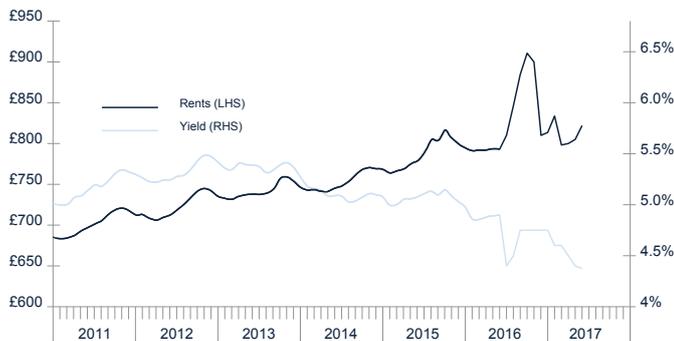
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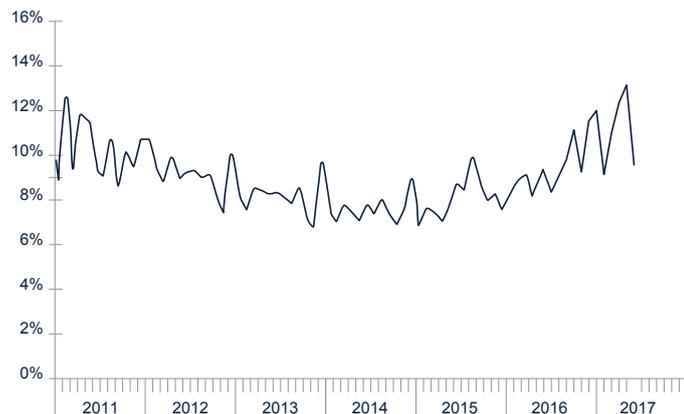


Key findings at a glance

Total annual rent and yield from residential property



Proportion of all rent in arrears



Regional Breakdown

Region	Rents May (£) 2017	One month change	Yields May 2017
East Midlands	637	0.14%	4.1%
South East	883	0.29%	3.4%
North East	544	-0.05%	5.2%
London	1,276	0.23%	3.2%
East of England	872	-0.46%	3.8%
Yorkshire & The Humber	570	0.40%	4.5%
West Midlands	607	-0.04%	4.1%
South West	663	0.49%	3.3%
North West	627	0.38%	5.0%
Wales	599	-0.49%	4.8%
England & Wales	814	0.22%	4.4%



Key insights about the data

- This was the last full month before the UK general election but it appears political turbulence had little direct impact on rental prices. On a monthly basis seven regions saw rents rise or hold steady.
- Only Wales (-0.5%), the East of England (-0.4%) and the North East (-0.1%) saw rental prices drop between April and May.
- This means the North East remains the cheapest place to rent a property in England and Wales at £544 per month.
- Across England and Wales the average rent in April was £814, 1.3% higher than a month ago and 2.8% up year-on-year.

Yields hold steady

- The recent decline in yields came to an end in May, with every region in this survey offering landlords the same return as a month ago.
- Your Move found the average yield across all areas of England and Wales was 4.4% in May, exactly the same as in April.
- Northern areas continue to boast the highest returns with the North East once again leading the pack. Landlords saw an average of 5.2% on their investment in this part of the country, just ahead of the North West where the average yield was 5%.
- These were the only two regions to deliver yields of 5% of above.
- At the other end of the scale, London continued to offer the smallest percentage return. Landlords in the capital city saw a 3.2% return in the year to May 2017, smaller than the South West (3.3%) and the South East (3.4%).
- However, all regions have seen a decline in yields in the past 12 months. In May 2016 the average England and Wales yield was 5%, well above today's figure.
- Landlords in the East of England have been particularly squeezed with the average yield falling to 3.8% from its previous level of 4.4%. Wales was the only area surveyed to see rental yields remain intact in the past 12 months. Here the average property returned 4.8% in May 2017, exactly the same as a year ago.

Tenant finances improve in May

- The proportion of tenants across England and Wales in arrears decreased this month, Your Move found. The percentage of households in arrears was 9.6% in May 2017, down slightly on the 9.7% recorded a month ago.
- Despite this short-term increase, market trends continue to be encouraging. The proportion of tenants in arrears remains well below the all-time high of 14.6%, recorded in February 2010.
- This survey and its underlying methodology is created and reviewed in partnership with Cebr. It is based on analysis of approximately 20,000 Your Move properties across England and Wales.

Links, Downloads & Images

For more information, images, downloads including the full report, visit:
<https://www.your-move.co.uk/media-centre>

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