

BUY-TO-LET INDEX

January 2017 data, February 2017 report

Rental market has strong start to 2017



Fast Facts

- Rental market has strong start to 2017
- Average rent in England and Wales was £798 in January
- Region with fastest rising rents over the year was East of England
- London properties continue to attract highest rents



Quick Quotes

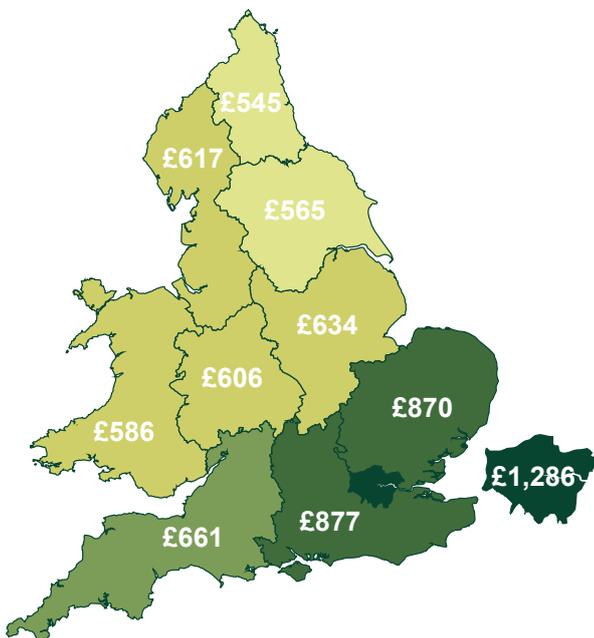
Valerie Bannister, Lettings Director, Your Move, comments:

- “The start of a new year brought renewed confidence for the rental market in England and Wales.”
- “Rents in nearly every region surveyed have increased compared to the same point last year.”
- “Yields continue to be squeezed in most areas of England and Wales, with all regions recording lower returns than at the same point a year ago.”



Key findings at a glance

Monthly rents in January:
 By region



Key insights about the data

- Rents grew in all-but-one region in the year to January 2017 as landlords enjoyed a good start to the year, the Your Move England & Wales Buy to Let Index found.
- Across the whole of England and Wales rents increased by 1% in the last 12 months, despite dropping back slightly between December and January. The average property let for £798 in the first month of 2017. This compares to a figure of £790 at the same point a year ago.

East of England continues to power rental scene

- The rental market performed strongly across England and Wales this month with rents rising in eight of the nine regions surveyed, Your Move found.
- The East of England was home to the fastest rising rents in the last year. Prices in this area increased by 6.9% in the year to January 2017 and now stand at £870 per month. This region also saw the fastest growth month-on-month with rents ticking up 0.7% between December and January.
- Prices in this area may have been buoyed by people living in London looking beyond the capital city in order to meet their housing aspirations.
- Other areas to see strong growth included Wales – where prices increased by 6.5%, in the past 12 months to reach £586 - and the East Midlands, which saw a 4.5% uplift compared to a year ago. The average property in this region – which includes major cities such as Derby, Leicester and Nottingham – now lets for £634 per calendar month.
- The South West was the only area to see a fall in rents in the last year. Prices in this region dropped by 1.6% in the year to January 2017 and now stand at £661. Rents did increase slightly between December and January, however.
- Just two areas saw prices fall month-on-month. They were London (-0.4%), and the North West (-0.1%). Despite this setback, London continues to have the most expensive properties in this survey, with the average rent standing at £1,286 in the capital city.
- Across the whole of England and Wales the average rent stood at £798 in January 2017. Last month this figure was £811 while at the same point in 2016 it was £790.

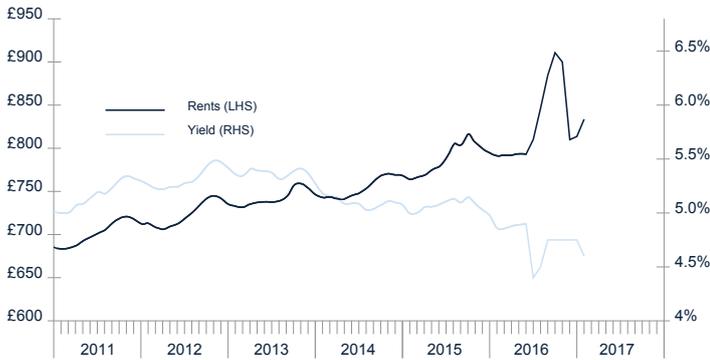
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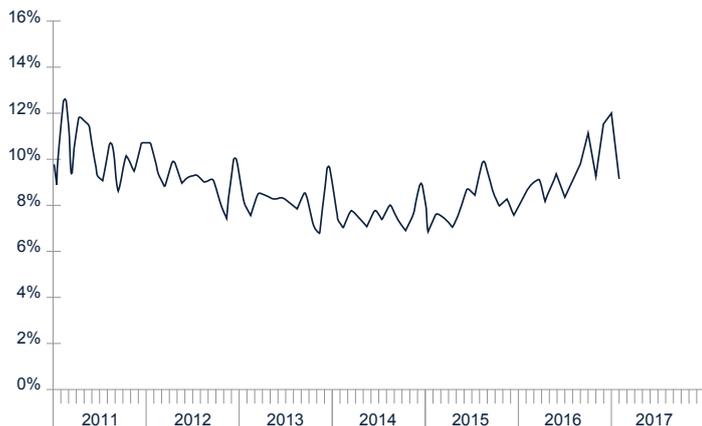


Key findings at a glance

Total annual rent and yield from residential property



Proportion of all rent in arrears



Regional Breakdown

Region	Rents Jan (£) 2017	One month change	Yields Jan 2017
East Midlands	634	0.16%	4.4%
South East	877	0%	3.4%
North East	545	0.37%	5.3%
London	1,286	-0.39%	3.2%
East of England	870	0.7%	4.0%
Yorkshire & The Humber	565	0.18%	4.6%
West Midlands	606	0%	4.1%
South West	661	0.15%	3.4%
North West	617	-0.16%	5.0%
Wales	586	0.34%	4.7%
England & Wales	832	0.12%	4.6%



Key insights about the data

Yield levels continue to vary considerably across the regions

- Across England and Wales the typical property returned 4.6% during January, slightly down on the 4.7% recorded during the previous month. This figure is also below the 5.1% yield seen in January 2016.
- Yields continue to vary from region to region. Areas with lower initial purchase costs generate the largest percentage return. The North East continues to lead the way in this respect with the average property generating a 5.3% yield – the same as last month.
- Houses in the North West typically gave landlords a 5% return on investment and those in Wales were also above the national average, recording 4.7% during the month. Yields in the Yorkshire and The Humber area were exactly in line with the national average at 4.6%.
- London continues to have the smallest yields as properties in the capital returned 3.2% to investors in January. This is a fraction down on the 3.3% seen in December and reflects the continued high cost of housing stock in the Greater London area.
- The South East and the South West had the next lowest yields, with properties in both areas returning 3.4% during the month of January. Both are flat compared to the previous month.

Tenant finances worsen slightly

- The financial situation of tenants worsened slightly between December and January. The percentage of tenancies with arrears of a day or more reached 9.1% in January. This is higher than the 8.7% found in December but may be down to seasonal factors such as Christmas.
- On an absolute basis, the number of households in serious arrears – defined as two months or more – was 29,158 in January 2017. This is above the 21,080 cases recorded in the previous month.

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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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.