

BUY-TO-LET INDEX

April 2017 data, May 2017 report

Stable rental market, with growth moving away from the capital



Fast Facts

- Rents in London fall for fifth successive month
- Wales and the East of England show fastest growth
- Average rent across England and Wales stands at £804
- Typical yield of 4.4% in April



Quick Quotes

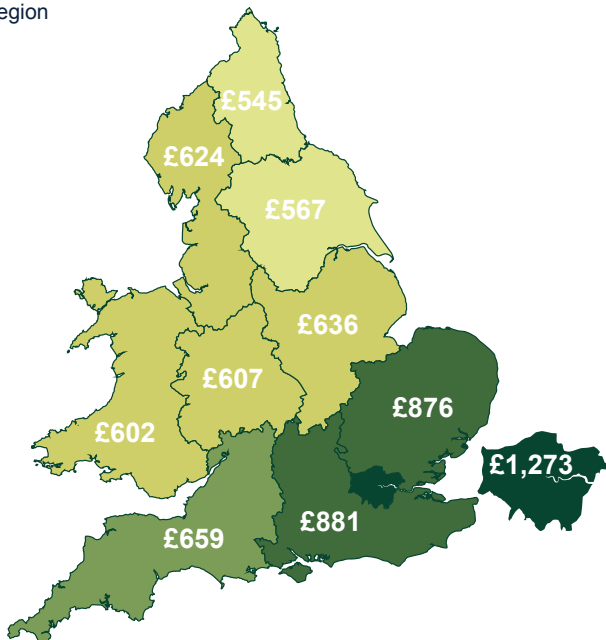
Valerie Bannister, Lettings Director, Your Move, comments:

- “Recent years have been characterised by rapidly rising rents in London, with the capital steaming ahead of the rest of the country. That’s no longer the case as prices in London are trending downwards while the rest of the country slowly catches up.”
- “Yet falling rents in London should be seen in a wider economic context, with uncertainty caused by the snap general election and the upcoming Brexit negotiations forcing the capital’s property market to take a pause for breath.”
- “The strongest performing areas are now Wales and the East of England, prices in these areas have risen faster than anywhere else in the last 12 months.”



Key findings at a glance

Monthly rents in April:
 By region



Key insights about the data

- Stability remains the watchword in the rental market as growth continued across much of the country in April 2017, the Your Move England & Wales Buy to Let Index found.
- The recent gentle decline in London rents has continued, with other areas of the country – such as Wales and the East of England – now the places to find the biggest rent rises.

Rental market growth moves away from London

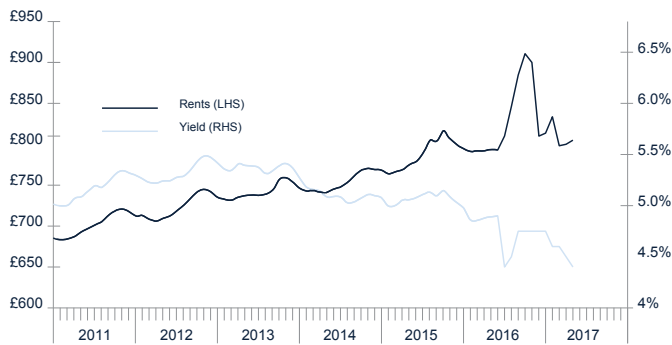
- Rents in London fell for the fifth successive month with growth in the rental market now being seen in those regions away from the capital, Your Move found.
- The average property in London was let for £1,273 in April 2017, 0.3% lower than last month and 1.8% down on the same point a year ago. Rents in the capital have been trending downwards since November 2016, when an average of £1,295 was recorded.
- Wales was home to the biggest rent rises in this survey, with prices increasing by 8.5% in the last year. The typical Welsh rental property is now let for £602 per calendar month. The next best growth was seen in the East of England where prices grew 6.1% year-on-year to stand at £876 per month.
- Other areas to boast strong performances in the last year were the South East, where rents grew by 2.7% to reach £881 a month. The East Midlands – where prices increased by 2.5% year-on-year – and the North West – which saw 2.1% growth – were the other top performers on a yearly basis.
- Apart from London, only two regions saw the average rent decrease in April – the South West and the North East. In the South East prices dropped 2.7% compared to last year while in the North East rents ticked down 0.1%.
- The North East remains the cheapest place to rent a property in England and Wales with the average property let for £545.
- Across England and Wales the average rent in April was £804, 1.3% higher than a month ago.

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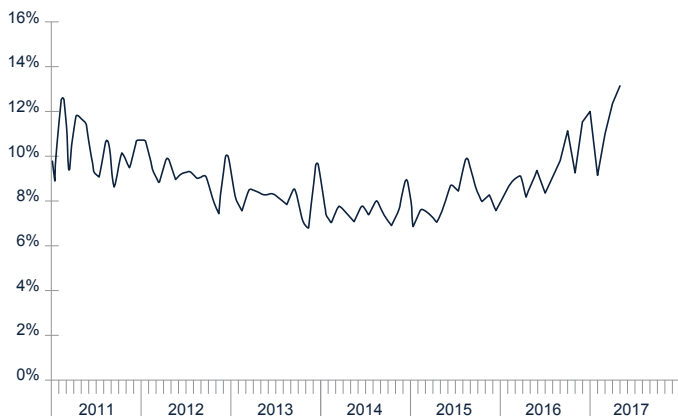
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Key findings at a glance

Total annual rent and yield from residential property



Proportion of all rent in arrears



Regional Breakdown

Region	Rents Mar (£) 2017	One month change	Yields Mar 2017
East Midlands	636	0.9%	4.1%
South East	881	4.2%	3.4%
North East	545	3.8%	5.2%
London	1,273	5.8%	3.2%
East of England	876	-0.7%	3.8%
Yorkshire & The Humber	567	0.9%	4.5%
West Midlands	607	-0.3%	4.1%
South West	659	-6.3%	3.3%
North West	624	0%	5.0%
Wales	602	-5.7%	4.8%
England & Wales	804	0.5%	4.4%

Key insights about the data

Yields remain strong despite market changes

- Landlords and property investors continued to see their yield levels squeezed in April, Your Move found. The average yield across all areas of England and Wales dropped month-on-month, falling to 4.4%.
- This compares to the 4.5% recorded in March and is further back from the average yield of 5% recorded in April 2016.
- The main reason for this decline has been a particular pressure on the market in the East Midlands. Here the average yield dropped from 4.4% to 4.1% between March and April, the biggest change recorded by the survey.
- The East of England was the only other area to see yields drop on a monthly basis, falling from 3.9% to 3.8%.
- Compared to April 2016, only one region did not see its yield levels deteriorate. This was Wales where the typical rental property returned 4.8% this month – exactly the same as a year ago.
- Once more the north/south divide continued to be apparent with properties located closest to London again seeing the smallest yields. The average property in the capital city returned 3.2% this month, less than anywhere else in the survey.
- The South West (3.3% yield) and the South East (3.4%) were close behind.
- At the other end of the scale only two regions saw yield levels remain at the 5% mark or higher. They were the North East – where the typical property returned 5.2% - and the North West, where the average landlord saw a yield of 5%. These figures are both down compared to the same point last year.

Second month of arrears increases

- The proportion of tenants across England and Wales in arrears increased for the second successive month, Your Move found. In April 2017 the percentage of households in arrears was 9.7%, higher than the 9.1% 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.

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.