

BUY-TO-LET INDEX

September 2017 data, October 2017 report

The North West is home to fastest rising rents in the UK



Fast Facts

- Average rent rises in most areas of England and Wales
- North West is home to fastest growth
- Significant improvement in tenant finances
- Yield levels have stabilised across the country



Quick Quotes

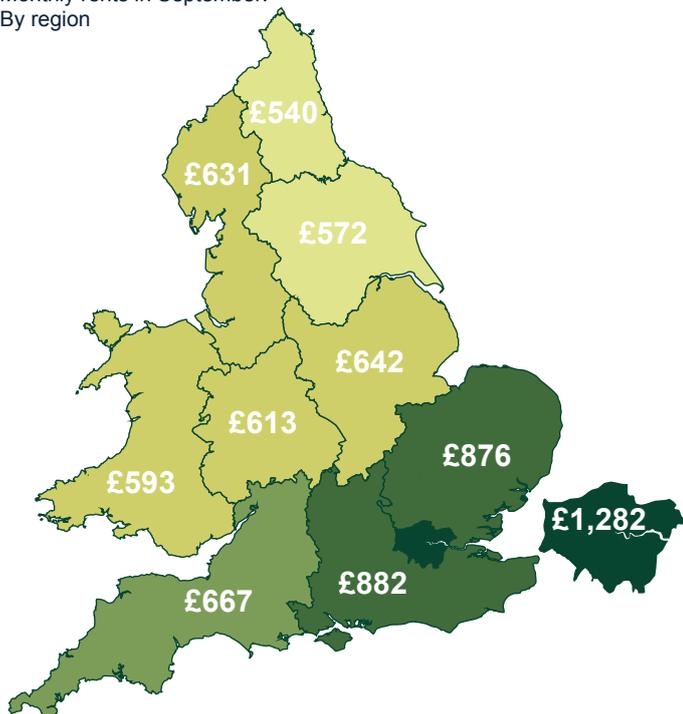
Martyn Alderton, National Lettings Director for letting agents Your Move and Reeds Rain, comments:

- “Once again the strongest rent growth was found in the areas away from London and the South East. As activity in the capital slows, prices and activity have risen in the north.
- “There was a stellar performance in the North West, with rents increasing by 3.6% over the year and landlords seeing a high yield rate of 5%.”
- “Yield levels have started to stabilise across surveyed areas after being squeezed at the start of the year. This is good news for landlords and demonstrates the resilience of the sector.”



Key findings at a glance

Monthly rents in September:
By region




Key insights about the data

- Most areas of England and Wales have seen rental price growth over the last year, although the best performances continue to be seen in the regions away from London.
- On a non-seasonally adjusted basis, the average rent charged to tenants was £938 in September, the Your Move England & Wales Buy to Let Index found.
- On a seasonally adjusted basis, the average rent was £843 in September, higher than the £841 recorded last month and 3.2% up on the same point in 2016.

Average London rents in September:
By Underground Zones



Strongest rent growth away from London

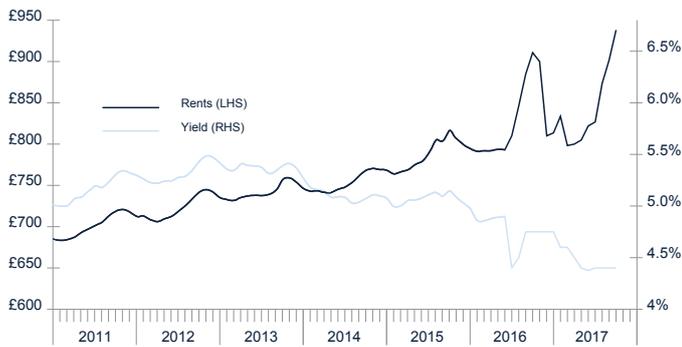
- Prices in London and the South East continued to rise at a slower rate than elsewhere, Your Move found.
- On a yearly basis, rents increased in the North West by 3.6% to reach an average of £633. This made it the fastest growing area surveyed.
- Close behind was the East Midlands where prices have grown to £646 per calendar month in September, a rise of 3.4% compared to last year.
- The East of England rounded off the top three with prices having increased by 2.9% in the 12 months to September. The average rent in this region now costs £880 per month.
- By contrast, prices in the South West have fallen by 2.2% and in the North East they have dropped by 0.3%. These were the only two regions to post a year-on-year fall.
- As of September, the average price in the South West was £669 while in the North East it was £536, the cheapest region in the survey.
- London rents are the highest in the country, with an average of £1,280 recorded during September. However, this headline figure continues to mask vast differences across the capital. Cont...

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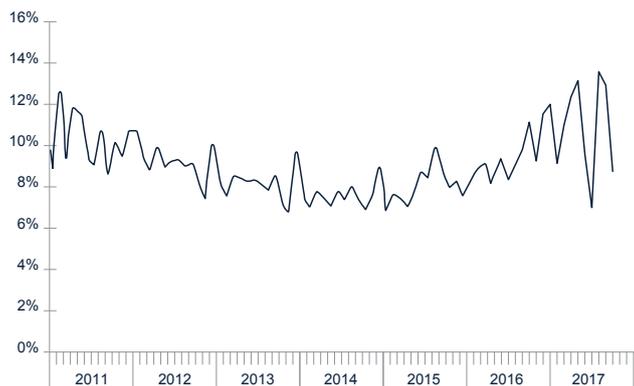
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Key findings at a glance

Total annual rent and yield from residential property



Proportion of all rent in arrears



Regional Breakdown (12 month moving average)

Region	Rents Sept (£) 2017	One month change	Yields Sept 2017
North West	£633	0.38%	5.0%
South East	£879	0.29%	3.3%
East Midlands	£646	0.14%	4.0%
Yorkshire and The Humber	£573	0.40%	4.5%
West Midlands	£616	0.04%	4.1%
North East	£536	-0.05%	5.1%
Wales	£590	-0.49%	4.7%
London	£1,280	0.23%	3.2%
East of England	£880	-0.46%	3.8%
South West	£669	0.49%	3.3%
England & Wales	£843	0.22%	4.4%

Key insights about the data

- The average property in London Travelcard Zone 2, the area closest to the city centre, costs £1,998 a month on average. Yet by moving further out into Zone 3, the average rent drops substantially - to £1,298.
- The most affordable rents are on the boundary of Zone 4 and 5, where the price per calendar month is £1,084.
- Across all areas of London, the average price has fallen by 0.1% month-on-month. Yet, it was not the only region to see such a fall since last month. The North East (down 0.7%), Wales (-0.5%) and the South East (-0.3%) were the other regions to do so, and at a faster rate than the capital.
- At the other end of the scale, prices in the East Midlands grew faster than anywhere else between August and September. This region, encompassing major cities such as Derby, Leicester and Nottingham, saw prices nudge up 0.6% month-on-month.

Landlords enjoy stable returns in September

- The yields achieved by property investors across England and Wales in September remained broadly similar to last month, Your Move found.
- The South East was the only region to see returns fall month-on-month, with the average landlord here getting a return of 3.3% in September versus 3.4% a month ago. All other regions offered the same yields as in August but are down compared to last year.
- Across all surveyed areas, the average yield in England and Wales remained at 4.4% for a sixth successive month. But despite this stability, yields are still lower than a year ago. In September 2016 the average return was 4.8%.
- Properties in northern areas continue to offer better returns than other areas. This month the average property in the North East had a yield of 5.1%, higher than any other area in the country. The North West was the only other region to post a similar return, it had a yield rate of 5% this month.

Sharp fall in the number of struggling tenants

- The proportion of tenants in arrears continued to fall this month as the financial state of tenants improved once again. Your Move found the percentage of households in England and Wales in arrears was 8.7% in September 2017. This is well below the 12.8% recorded in August 2017 and the 13.7% found in July.
- The proportion of tenants in arrears remains 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.