

BUY-TO-LET INDEX

August 2017 data, September 2017 report

Rents rise across much of England and Wales



Fast Facts

- Average rent across England and Wales is £904 this month
- Nine out of ten regions saw prices increase year-on-year
- Many areas see demand outstrip supply as tenant numbers rise
- Improvement in tenant finances



Quick Quotes

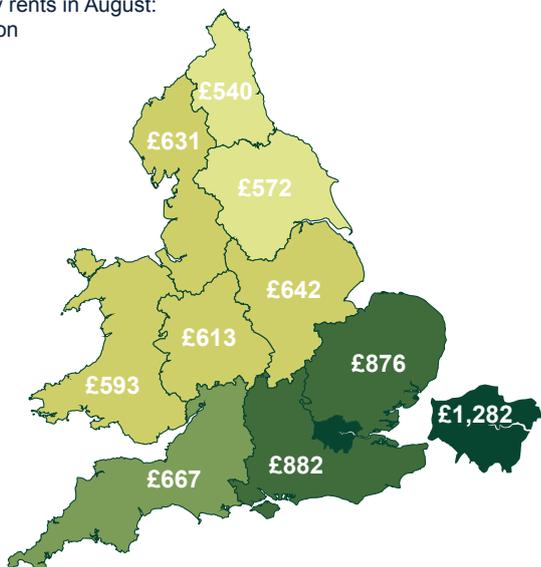
Richard Waind, Director, Your Move, comments:

- “The strongest price growth continues to take place outside of London and the South East, with the East of England and the North West among the regions to grow faster in the last year.”
- “However, despite rising rents, the yields achieved by landlords continue to be squeezed.”
- “Following a drop off in new tenant enquiries after the Brexit vote last year and a resulting decrease in EU migration figures, we have started to see a resurgence in tenants coming to the market in recent months, particularly in London. Figures are returning to the levels that we would expect around this time of year, with August and September being the busiest months for lettings as students, graduates and families working in the education sector look for new properties.”
- “This recovery in tenant enquiries, combined with continued subdued supply of new listings in the wake of recent tax changes affecting landlords, has been a key reason for price increases in the last year and could push rents up further in the coming months”



Key findings at a glance

Monthly rents in August:
By region




Key insights about the data

- A rising numbers of tenants and the ongoing demand for more properties to rent means the average rent paid has continued to increase across most of England and Wales.
- On a non-seasonally adjusted basis, the average rent charged to tenants was £904 in August, the Your Move England & Wales Buy to Let Index found.
- On a seasonally adjusted basis, the average rent was £841 this month.

Average London rents in August:
By Underground Zones



East of England and North West boast strongest price growth

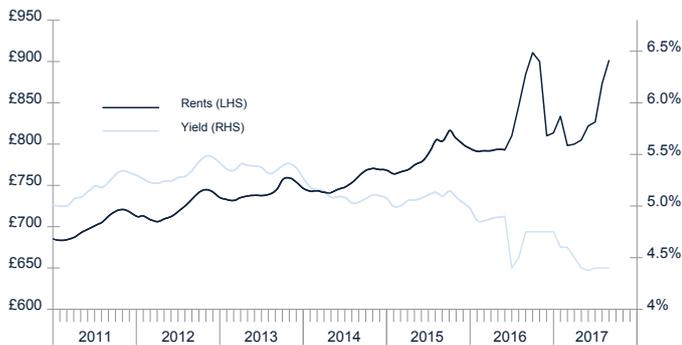
- Rents in both the East of England and the North West rose faster than any other region during August, Your Move found.
- Both areas have seen the average monthly rent increase by 3.2% in the last 12 months.
- In the East of England the average property is now let for £876 while in the North West the average price is £631 per calendar month.
- Close behind was the South East, where prices have grown by 3% year-on-year to stand at £882 per month.
- Rising demand for rental properties and insufficient housing stock have once again forced rents upwards in most areas of England and Wales.
- The South West was the only region to see a price fall in the last year. The average rent today is 2.7% lower than a year ago and stands at £667.
- However, rents in the North East remain the lowest in this survey. The typical rental property costs £540 per month, lower than the rest of England and Wales.
- London continues to be the region with the highest average rent. In August the typical property let for £1,282 per calendar month, this follows a 1.5% price rise in the last year. However, this headline figure masks large differences across the capital. Cont...

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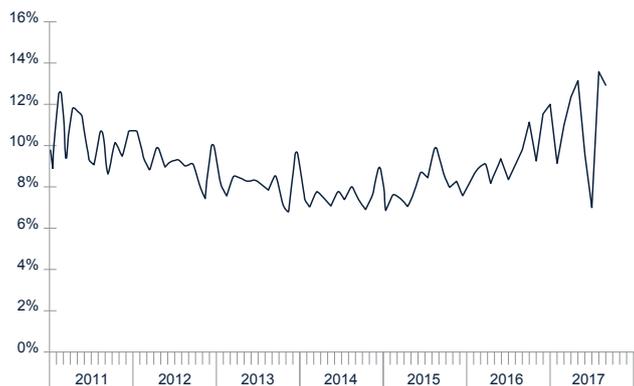
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Key findings at a glance

Total annual rent and yield from residential property



Proportion of all rent in arrears



Regional Breakdown (12 month moving average)

Region	Rents August (£) 2017	One month change	Yields August 2017
East Midlands	642	0.14%	4.0%
South East	882	0.29%	3.4%
North East	540	-0.05%	5.1%
London	1,282	0.23%	3.2%
East of England	876	-0.46%	3.8%
Yorkshire & The Humber	572	0.40%	4.5%
West Midlands	613	0.04%	4.1%
South West	667	0.49%	3.3%
North West	631	0.38%	5.0%
Wales	593	-0.49%	4.7%
England & Wales	841	0.22%	4.4%

Key insights about the data

- The average property in London Travelcard Zone 2 is £1,952, significantly higher than areas further from the city centre. By comparison the average property in Zone 4 costs £1,176 month and in Zone 5 the monthly rent is £1,132.
- New tenant registrations have risen by around a quarter in London in the last year. Your Move reported a drop off in activity in the wake of the Brexit vote last summer, but the market has now returned to its usual activity levels.
- On a monthly basis, no region saw significant growth. The best performance came from both the South West and Yorkshire and The Humber, in each region prices grew by 0.4% between July and August.
- Three regions saw rents fall month-on-month, they are East of England (0.5% fall), Wales (0.5% fall) and the North East (0.1% fall)

North East continues to offer best returns

- Yield levels remained flat in most areas of England and Wales during August, Your Move found.
- The North East was the only region to see yields fall month-on-month, dropping from 5.2% to 5.1%.
- However, landlords and property investors in the North East continue to enjoy higher returns than any other region.
- The North West - where the average yield was 5% during August - was the only other area to post a return of 5% or more. In London the average yield was 3.2% in August, the lowest in the survey. However, this return has remained steady throughout 2017.
- Apart from the North East, each of the nine other regions saw yields remain level between July and August.
- The average yield across England and Wales now stands at 4.4%, the same as last month. However, this is down on the 4.9% recorded at this point a year ago.
- On a yearly basis, each of the regions in this survey recorded lower yields than 12 months ago.

Improvement in tenants' finances

- The proportion of tenants in arrears declined this month as the overall financial picture of the rental market improved. Your Move found the percentage of households in England and Wales in arrears was 12.8% in August 2017, lower than the 13.7% recorded a month ago.
- 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.