

Yields Cheat sheet

UK Update Nov 2020



With the stamp duty holiday in progress until the **31st March 2021** and a new increase of 2% on stamp duty for overseas buyers coming into effect from the **1st April 2021**, it has never been a better time for UK buyers to invest in UK housing.

If you are thinking of taking advantage of the current situation but are unsure of where to buy to get the best return for your money, the below should help you decide what is right for you. Our BDM team will then help to process your case quickly and efficiently.

The UK's best investment areas for buy-to-let are the North East of England with 6.6% yields and Scotland with yields of 7.3%. Thirds place goes to Wales with a 6% yield.

Meanwhile, Yorkshire and The Humber and the West Midlands follow closely behind, with yields of 5.5% and 5.4%.

With two bedroom properties the most popular when purchasing a property to let the table below can be very useful when deciding the area you want to invest in:

District	Gross yield (%)	2 bed rent (Median, EPCM)	2 bed capital value
Middlesbrough	7.7%	£450	£69,950
East Ayrshire	7.7%	£450	£69,995
North Ayrshire	7.7%	£450	£70,000
Inverclyde	7.7%	£476	£74,500
Glasgow	7.6%	£792	£125,000
Stirling	7.5%	£749	£120,000
Sunderland	7.4%	£493	£80,000
County Durham	7.4%	£428	£69,500
Nottingham	7.3%	£792	£130,000
Hartlepool	7.3%	£424	£69,950

In UK areas with the highest average monthly income, the average rental yield is currently just 3.4%. This average yield then increases consistently as the average net salary starts to drop. In areas where the average monthly earnings are just £20,000-£25,000, the average rental yield is the highest of all at 5.1%.



The North East of England posted the top rental yield regional figure for the quarter, up 2% year-on-year to 8.8%



What about London?

East is the winner. Barking and Dagenham topping the capital when it comes to yields, offering the highest at 5.3%. With Newham and Havering coming in close behind, with an average yield of 4.9%.

Rather surprisingly, the city of London has an average yield of 3.1%, due to the higher house prices – which directly effects the rental yields. The outskirts of London nudge this up quite significantly, bringing a higher yield with an above-average UK yield of 5.2%.

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