



What is a Good Rental Yield?

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A rental yield is the percentage of return on investment that a property investor receives through rental income. A property rental yield tells you how much money you will make from your investment. That's why rental yields are used to determine potential buy to let income.

Rental yields can be assured for one year or more depending on the developer. Investors will usually pay a lot of attention to rental yields, and put a lot of time into their search. Some investors will search for the best rental yields in the world, while others will focus on the UK for a property with the best buy to let yield. Researching areas is key to finding the best yield on property investment.

So why are rental yields considered so important when buying an investment property? The main reason so many people invest in real estate is to enjoy a cash flow of rental returns. Ensuring that you generate a high rental return is crucial if you want to maximise income.

However, while they are important, rental yields aren't the be-all and end-all of a buy to let investment. The best buy to let investment strategies combine a good rental yield with capital appreciation and tenant demand.



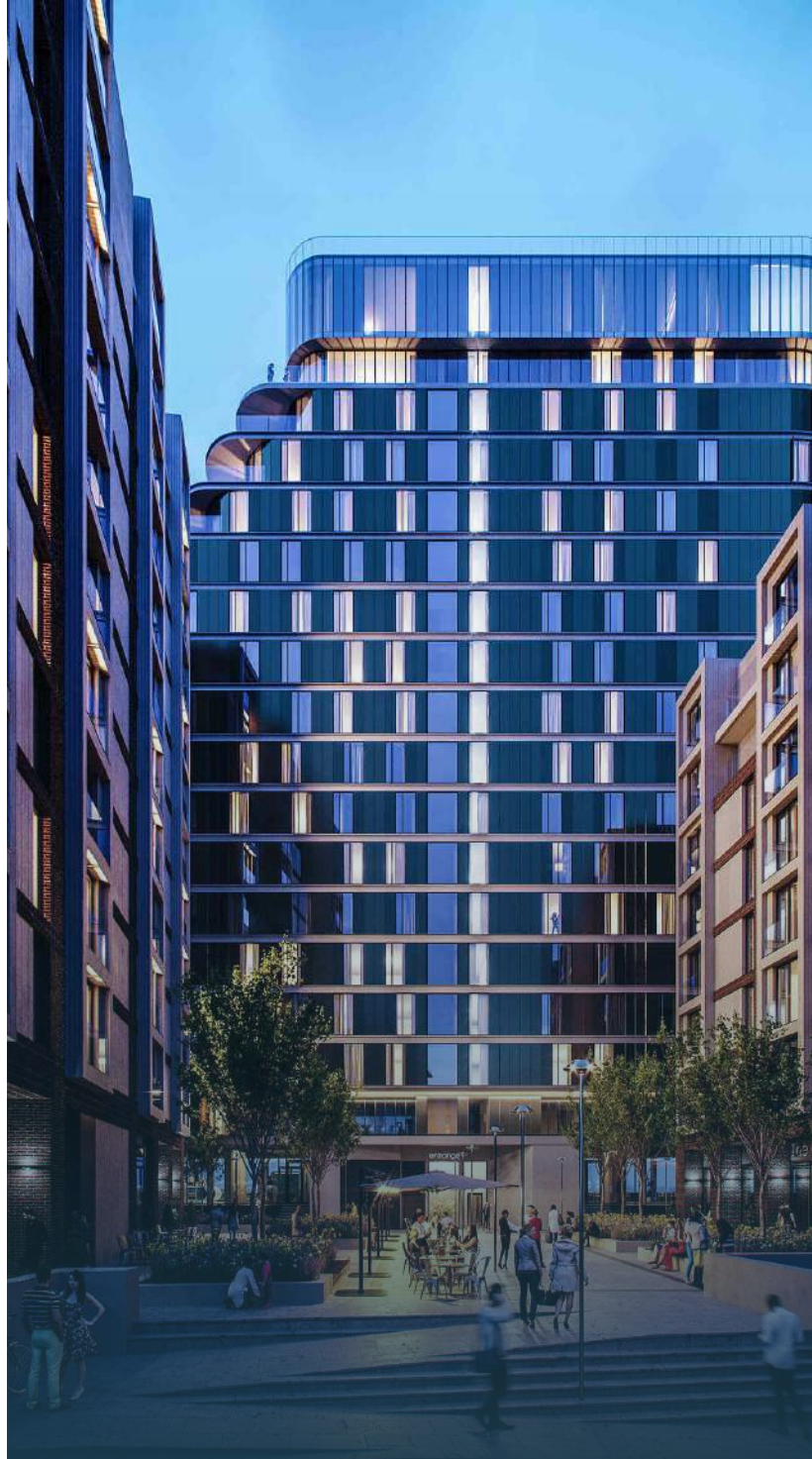
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Best UK Areas for Rental Yields

Now that you understand what rental yields are, how to work out rental yield, and the difference between net and gross rental yield, it's time to look at rental yields by city in the UK. When you explore buy to let yields by postcode, you'll find that certain UK areas can differ quite dramatically in their average property yields. So where can you find the best rental yields?

In the UK, cities up North currently boast some of the best buy to let yields while the South offers disappointing rental returns in comparison. Based on Zoopla data, the average rental yield London offers is just 3.64%. This low figure is down to the excessive costs of properties in the area paired with dwindling rental price growth. A typical rental yield for a residential apartment in South Kensington's SW7 postcode will bring in a rental yield of 4.61%. In comparison, this rental yield is more than half of the 10% average rental yield in Liverpool's L1 postcode. The best rental yields in London can be found in the E12 postcode with 6.04% yields on average.

For those who want to secure the best rental yields possible for their investment, it's important to learn more about good rental yield areas. Let's take a look at some of the top choices for the best place to invest in property in the UK for those who want to find the best rental yields available.



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with RWinvest and
earn up to 8%
NET returns**

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Liverpool Rental Yields

Located in the North West, Liverpool is one of the UK's top buy to let cities and boasts some of the best rental yields in the country. Not only does Liverpool have a high rate of property growth, but the city is also home to the UK's top rental yield postcode for 2020. In L1, a Liverpool city centre postcode, rental yields reach 10% which resulted in the top position within Totally Money's buy to let guide.

Average rental yields in Liverpool stand at around 5.48% based on recent Zoopla data. Some of the best rental yields by postcode in Liverpool are all based in the city centre. This includes L1 with 10% yields, L6 with potential yields of 8.1%, and L2 which generates yields of 7.56%. Average rental yields in this city even outrank many countries with the best rental yields in the world for 2018. For example, Germany offers an average rental yield of just 3.99%.



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SQUARE

Liverpool

Prices from **£104,950**

7% NET Rental Return

Cherry Pick **New Units**

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Manchester Rental Yields

Like Liverpool, Manchester has demand and affordability on its side when it comes to buy to let. Property prices in Manchester average around £240,919 based on current Zoopla property value statistics, with a huge 5.76% average rental price increase. With a famous business scene and a student population of over 90,000, the number of young professionals and students looking for rental accommodation in the city is high, which has allowed rental values to rise.

The average rent in Manchester, according to Zoopla, is £1,059 per calendar month. Rental costs can vary depending on the area, and spots like Manchester city centre and Salford tend to be more expensive to live in. The average monthly cost for a one bed flat in Manchester city centre is £874, while the Salford average for a one bed flat is a little lower at £782. Both these areas are massively popular with young professionals due to the high number of businesses in the area. Salford, in particular, is home to MediaCityUK – a huge regeneration project which houses multiple big business names such as BBC and Kelloggs. Tenants working in the area drive demand for accommodation which is close to their workplace, local amenities, and transport links. Our new Merchant's Wharf property, based in between Manchester city centre and Salford Quays, ticks these boxes and offers up to 6.5% projected rental yields.

NEW LAUNCH

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MERCHANT'S WHARF
ORDSALL LANE, MANCHESTER

Manchester

Prices from **£149,950**

UP to 6.5% Projected Rental Return

55% Below Market Value

Find Out More



How Can I Maximise Rental Yield on a Property?

To maximise your properties rental yield, you need to increase monthly rental costs. But how do you do this? Here are four simple tips on how to maximise rental yield in your buy to let property.

1. Raise Monthly Rent Costs With a Rental Valuation

To maximise your properties rental yield, the obvious step to take would be increasing the monthly rental costs before you find your next tenant. Hire a surveyor to do a rent review, where they'll assess the current rental market and work out the current value of the property. You could find that in line with market growth, your rental property is worth more than you think.

2. Update the Property to Add Market Value

If you're not generating a high enough property yield, it could be that your rental property is in need of an update. Have a look at the current rental price of properties in the area, and pay attention to any features that they might have which your property doesn't. Properties with modern kitchens and bathrooms, up-to-date décor, and some kind of outdoor space like a garden, yard, or balcony all tend to have higher rental value.

3. Offer Competitive Qualities

There are certain things you could offer tenants that may make your property more appealing. One example could be to include stylish furniture for tenants to use, along with state-of-the-art white goods and fixtures. Another idea could be to make your property pet-friendly. Small things like this can go a long way in boosting the rental value of the property.

4. Look for the Best Units

If you haven't bought an investment property yet, or you're looking for a new investment to add to your property portfolio, keep quality in mind when searching for your next purchase. With off-plan developments, you will often be able to cherry-pick the best units. Apartments with balconies, spacious layouts, and modern designs tend to make a good investment as they generate the best rental yields.





**Raise Monthly
Rent Costs With
a Rental Valuation**

**Updated the
Property to Add
Market Value**

**Offer Competitive
Quotes**

**Look for the
Best Units**

Rental Yield Calculator

Now that you've found a possible investment property, you need to work out your potential rental yield.

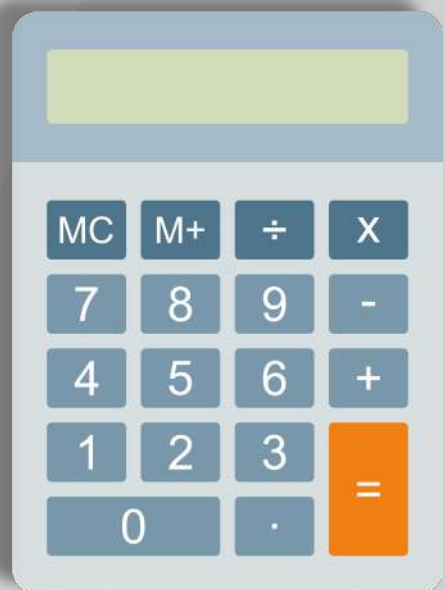
Recap: How to Work Out Rental Yields

Yearly rental income divided by property price multiplied by 100 = rental yield.

When you need to work out rental yield, a calculator can help, or you could create your own property yield formula. Research the rental value of the property or those in the area, take the listed property price, and consider any added annual costs. You can then input these into a net rental yield calculator to get a better idea of your potential rental yield.

Try our **FREE Rental Yield Calculator Today**

TRY IT NOW



Invest with RWinvest

You can pay for our properties through fantastic payment structures to make them ideal for investment. For instance, the deposit needed for buy to let luxury Manchester property, Merchant's Wharf, only requires a 20% deposit.

The buy to let deposit required can change per property, with some deposits as low as 15%! Fewer investors are using buy to let mortgages now, and with such great deals on off-plan property, it's easy to see why.

Mortgage and property can be complicated, but it doesn't have to be with us.

Start your investment journey today with RWinvest. We specialise in residential and student property, with prices from only £92,950 and massive yields of up to 8%. Enquire today and view your latest options.



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City Terraces, Liverpool



View Our Track Record

When we founded RWinvest in 2004, our mission was to help investors like you succeed, matching you with carefully vetted opportunities that offer excellent growth prospects. Our focus has always been on transparency, reliability and quality, bringing investors together with the best developers and management companies in the UK.

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