

Buy-to-let optimism as rental yields rise

2024 showed the resilience of the buy-to-let sector, and landlords' continued appetite for investment in spades, with the latest figures to come out of [IMLA](#) revealing that gross mortgage lending had increased from £30bn to £33bn, with an anticipation of further improvement over this year, £38bn, and then in 2026, £42bn.

Much of that growth is grounded in the strong fundamentals the private rental sector continues to offer, and each quarter Fleet Mortgages produces our Rental Barometer Index which shows why landlords continue to grow their portfolios.

Our latest [Rental Barometer for Q4 2024](#) was published in January and it details rental yield figures across England and Wales, plus information on average product rates, rental cover, loan sizes, business splits, borrower types, and more, providing you with the insights you need to guide your clients effectively.



Q4 2024 Key Insights

- **Increased Rental Yields:** Rental yields across England and Wales have continued to improve on a yearly basis, up to 7.4% from 6.8% on the same quarter in 2023. Northern regions continue to lead the way in terms of their rental yield, with the North East at 9.3%, Yorkshire & Humberside at 8.6% and the North West at 8.3%.
- **Higher Property Purchase Numbers:** Despite a narrative which suggests landlords are not purchasing in the same numbers, Fleet's percentage of purchase business at application continues to rise. In Q4 this had moved up to 44% showing a growing level of purchase activity.
- **Falling Rates:** Average rates on Fleet products also continued to fall and outperform the market average. Average rates on our 75% LTV two-year fixed-rates were down at 4.71%, while five-year fixed-rates were down at 5.11%.
- **Continued Dominance of Limited Companies:** 79% of our applications came from limited company landlords, compared to just 21% from private investors, showing how limited company buy-to-let has now become the default way to purchase and hold investment property.
- **Consistent Portfolio Sizes:** The average landlord portfolio has also increased, showing the continued professionalisation of the market. Each landlord now holds on average 12 properties.
- **The return of the first-time landlord:** Despite the increase in the stamp duty surcharge, announced at last year's Budget, to 5%, it would seem that new investors are not being put off. We saw a slight increase in the number of first-time landlords applying for our products in the quarter – up from 10% to 11% on the previous three-month period.

Fleet Mortgages: Specialists in buy-to-let lending

At Fleet, we offer a range of product options tailored to meet the needs of professional and portfolio landlords. Our expertise can help advisers navigate the complexities of the market so you can continue to provide exceptional advice to your landlord clients.

Everything starts with a good conversation. Get in touch with our team today to discuss how we can support your business.

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