The mortgage works

Landlord Financials
Rental Income Analysis

Q2 2026

Overall gross rental income

The typical landlord generates approximately £87,000 in gross rental income annually. With an average portfolio size of 7.2 properties in Q2 2026, this equates to roughly £1,000 per month in rental income for each property.

£87,000
Average annual gross rental income

£1,000
Monthly income per property

Annual gross rental income breakdown

£0 - £9,999	7%
£10,000 - £19,999	12%
£20,000 - £49,999	29%
£50,000 - £74,999	18%
£75,000 - £99,999	8%
£100,000 - £199,999	16%
£200,000 or more	10%

Gross rental income analysis

The typical profit-making landlord generates annual rental income of £91,000, almost double the £46,000 reported by landlords who are breaking even or making a loss. Gross rental incomes are also significantly above average among landlords with larger portfolios, those who borrow, and those who hold at least one property within a Limited Company structure.

Average annual gross rental income by…

Profitability (£000s)

Make a profit	91
Break even / Loss making	46
UK average	87

Ownership structure (£000s)

Limited Company	170
Individual	64
UK average	87

Portfolio size (£000s)

1	17
2 - 3	40
4 - 5	62
6 - 10	106
11 +	244
UK average	87

Buy to let leveraging (£000s)

Yes	110
No	60
UK average	87

Rental yield analysis

The average achieved rental yield remains high at 6.4% in Q2 2026, just 0.2% below the 10-year high recorded in Q3 2025. Regionally, landlords operating in the East of England and East Midlands achieved the highest yields on average (7.3%), whilst landlords with property in Central London recorded the lowest (5.3%).

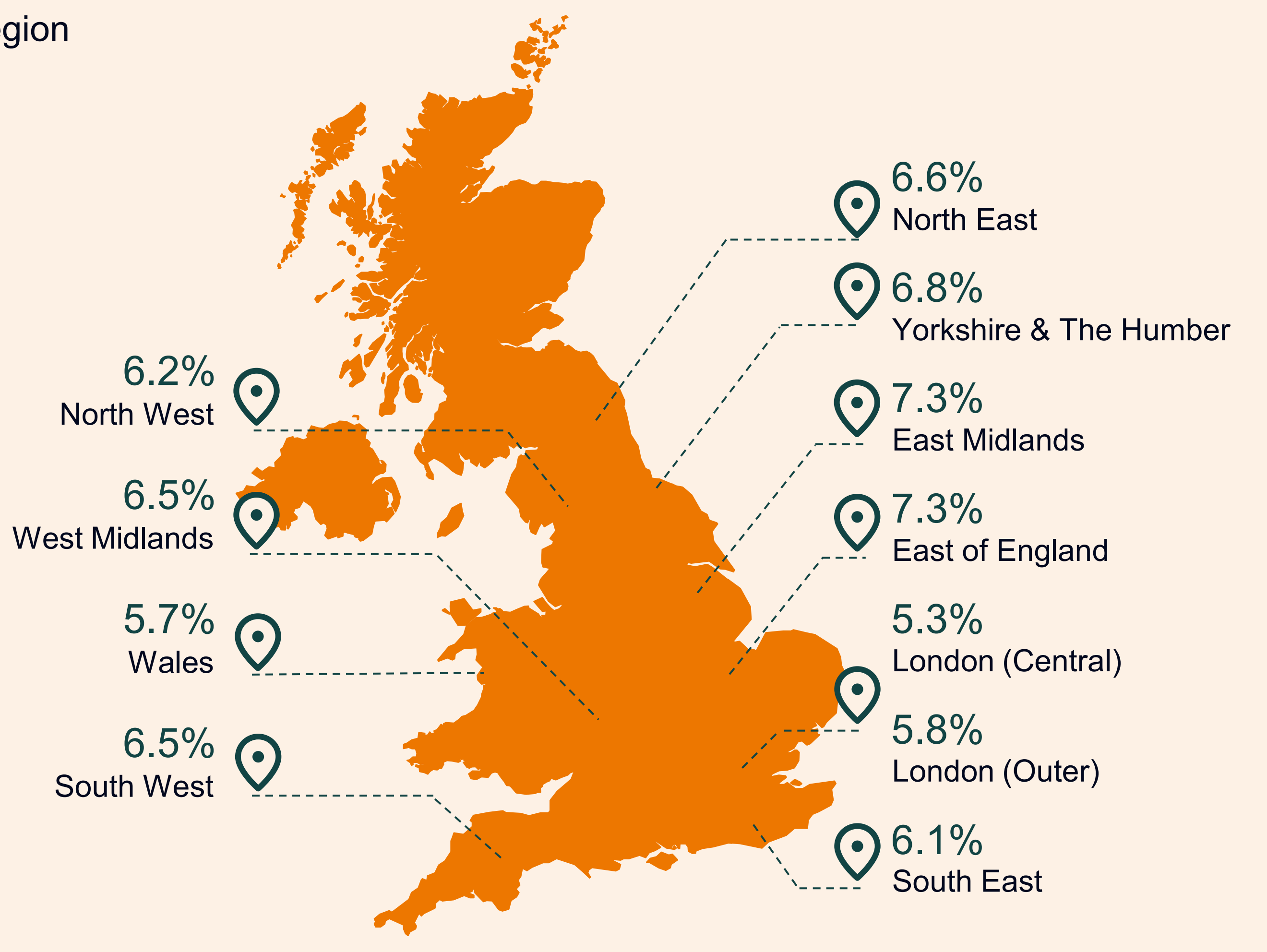
6.4%
Average rental yield

Rental yield over time

Q2 '22	Q2 '23	Q2 '24	Q2 '25	Q2 '26
5.7	5.2	6.3	6.5	6.4

Average rental yield by…

Region



Profitability

Make a profit	6.7%
Break even / Loss making	4.3%
UK average	6.4%

Ownership structure

Limited Company	6.5%
Individual	6.5%
UK average	6.4%

Landlord profitability

The vast majority of landlords (86%) report making a profit from their lettings activity, including 18% generating a large profit and 69% a small profit. Just 9% are breaking even and 5% are making a loss. However, landlords with borrowing are less likely to be profitable than their unleveraged counterparts (81% vs. 92%).

9%
Break Even

5%
Make a loss

86%
Make a profit

81% of buy to let borrowers make a profit

92% of unleveraged landlords make a profit

Market dynamics

While rent increases remain common, their prevalence has declined more recently. The share of landlords increasing rents in the past 12 months is down 6% year-on-year and 11% from two years ago. Despite this, rental decreases remain rare at just 2%, with more opting to keep rents unchanged (32%).

63% increased rents in the last 12 months

2% decreased rents in the last 12 months

Rental trend over time (%)

	Q2 '22	Q2 '23	Q2 '24	Q2 '25	Q2 '26
Rents increasing	57	65	74	69	63
No change	40	33	24	29	32
Rents decreasing	2	1	1	1	2

Source: Pegasus Insight Landlord Trends Research Q2 2026 (fieldwork took place 21 June 2026 – 10 July 2026)

Pegasus Insight

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