The mortgage works

Landlord Financials

Rental Income Analysis

Q3 2026



Overall gross rental income

Landlords report an average annual gross rental income of around £81,000. Based on an average portfolio of 8.0 properties in Q3 2026, this works out at approximately £845 per property per month.

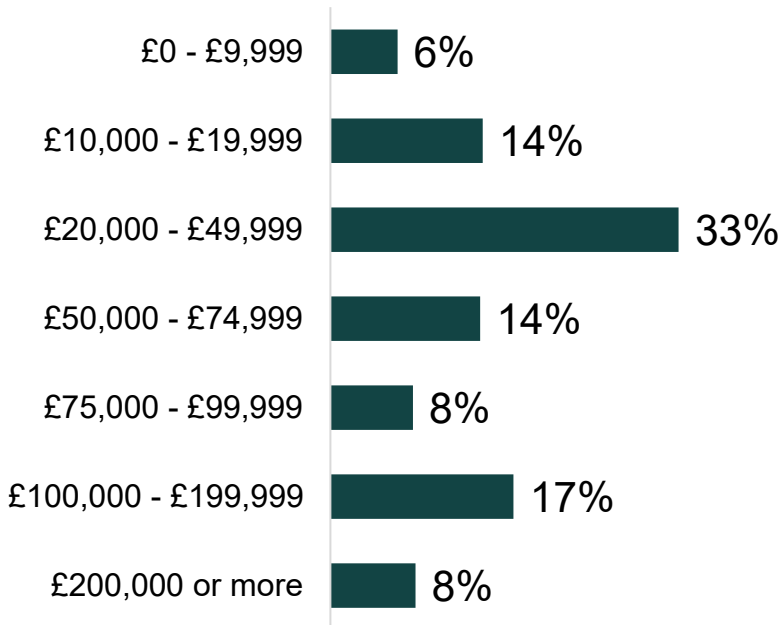
£81,000

Average annual gross rental income

£845

Monthly income per property

Annual gross rental income breakdown

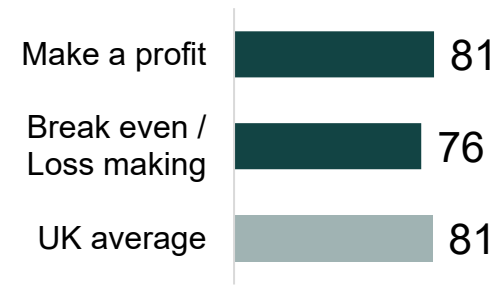


Gross rental income analysis

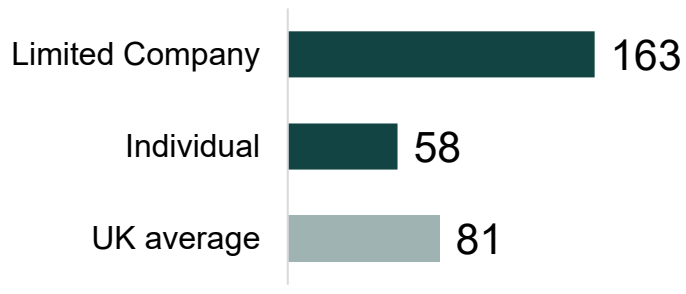
Landlords operating through limited companies earn considerably more in gross rental income, averaging £163,000 per year compared with £58,000 among individual landlords. Higher rental income is also evident among those with larger property portfolios, landlords with borrowing in place, and those reporting that their properties are profitable.

Average annual gross rental income by…

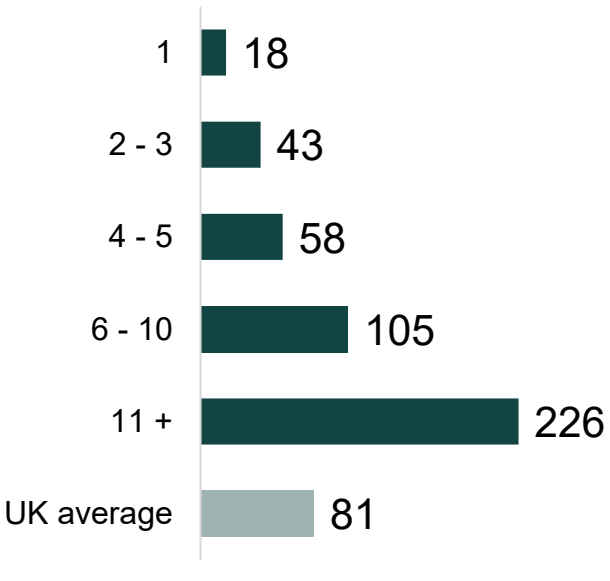
Profitability (£000s)



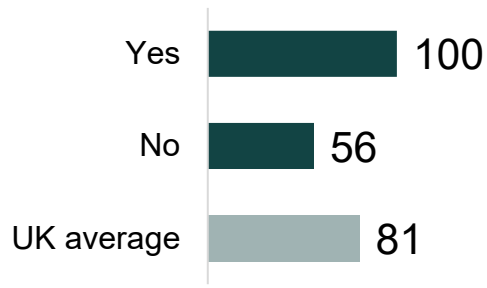
Ownership structure (£000s)



Portfolio size (£000s)



Buy to let leveraging (£000s)



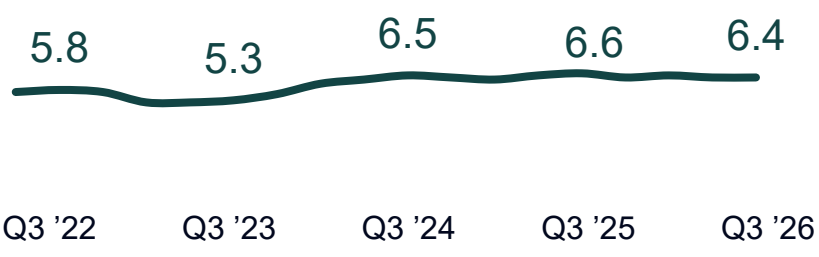
Rental yield analysis

Average achieved rental yields stood at 6.4% in Q3 2026, remaining broadly stable year on year against 6.6% in Q3 2025. There are regional differences, with the East Midlands delivering the strongest average yield at 6.9%, compared with the lowest yield of 5.5% among landlords with properties in Central London.

6.4%

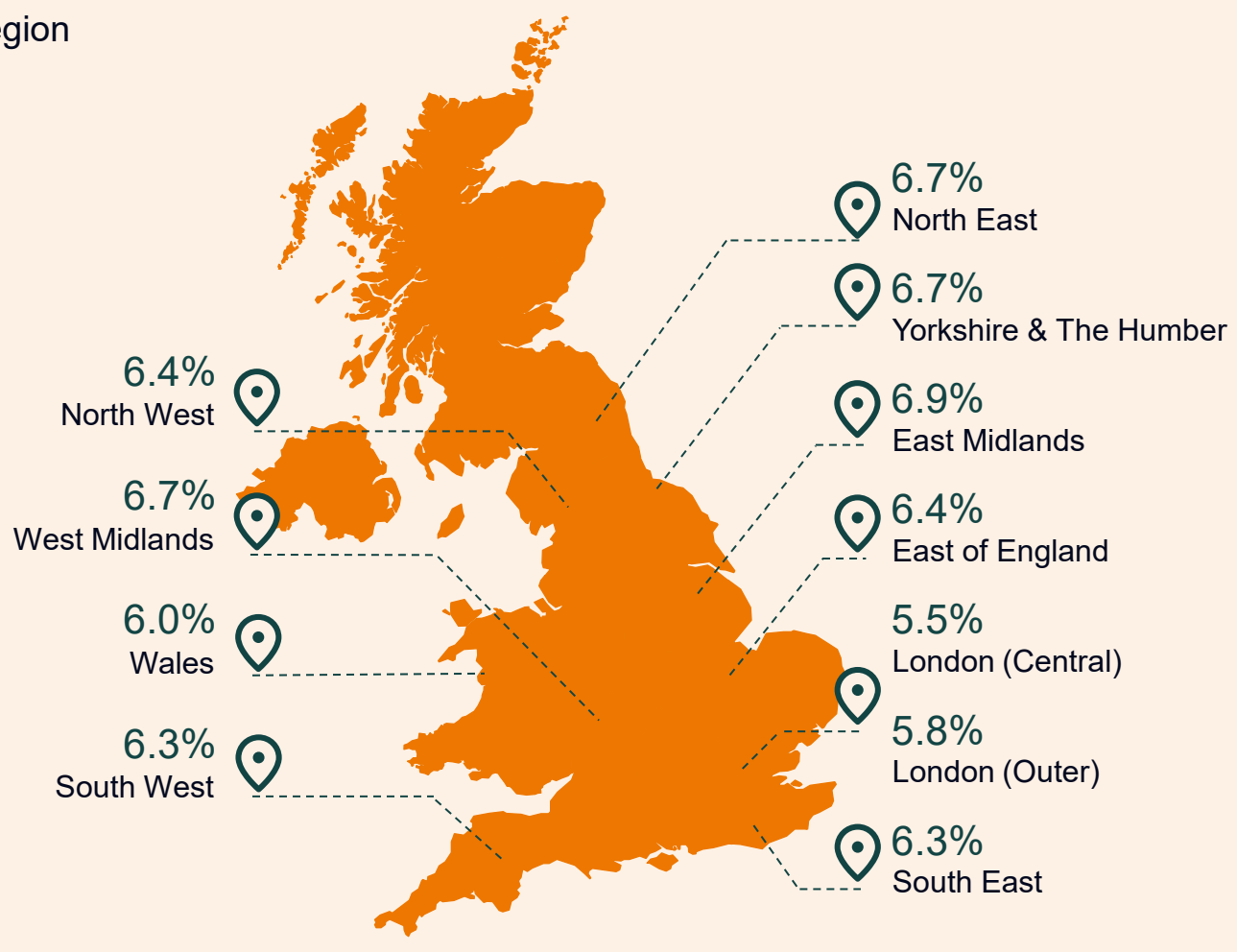
Average rental yield

Rental yield over time

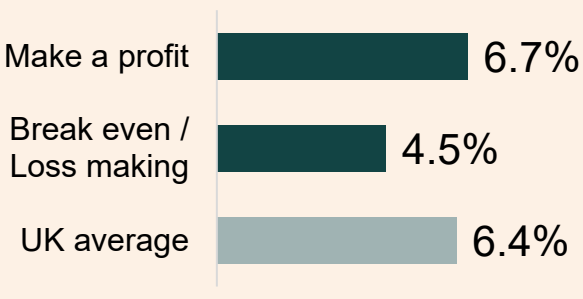


Average rental yield by…

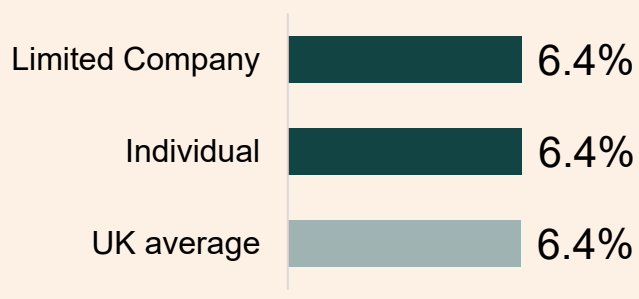
Region



Profitability

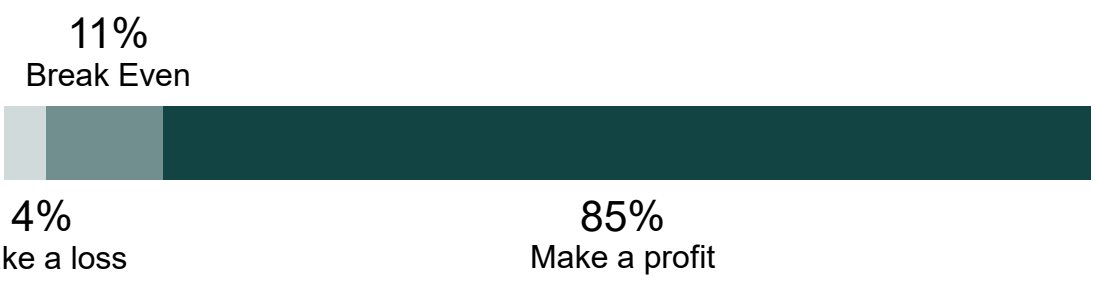


Ownership structure



Landlord profitability

Most landlords continue to operate profitably, with 85% reporting that their lettings activity generates a profit. This includes 17% who make a large profit and 69% who report a small profit, while 11% break even and 4% make a loss. Profitability is lower among landlords with borrowing, at 79%, compared with 93% of those without borrowing.



79% of buy to let borrowers make a profit

93% of unleveraged landlords make a profit

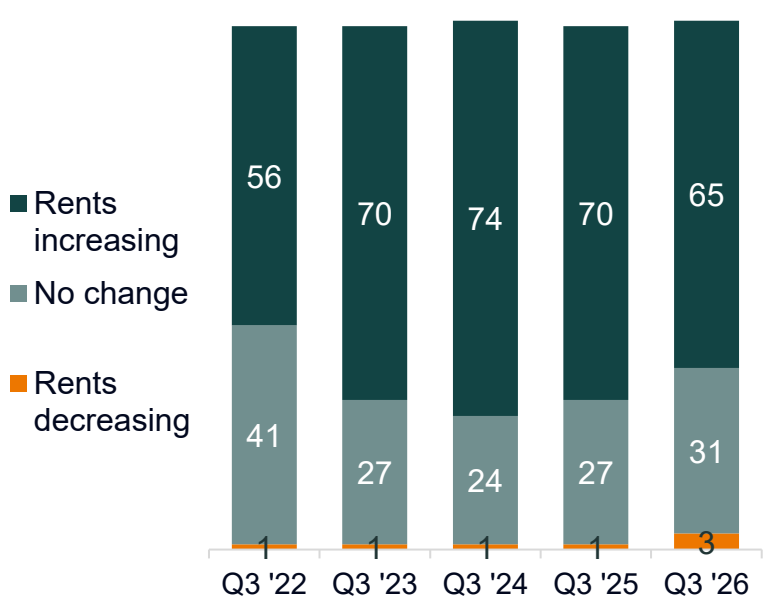
Market dynamics

Although rent rises remain the more common trend, fewer landlords have increased rents over the past year, with the proportion falling by 5% year-on-year and 9% compared with two years ago. Rent reductions are still uncommon, reported by just 3% of landlords, while 31% have kept rents at the same level.

65% increased rents in the last 12 months

3% decreased rents in the last 12 months

Rental trend over time (%)



Source: Pegasus Insight Landlord Trends Research Q3 2026 (fieldwork took place 20 Sep 2026 – 10 Oct 2026)
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Pegasus Insight