

Landlord Financials

Rental Income Analysis

Q4 2025



Overall gross rental income

The average landlord generates approximately £75,000 in gross rental income annually. With an average portfolio of 6.6 properties in Q4 2025, working out at roughly £947 per property per month.

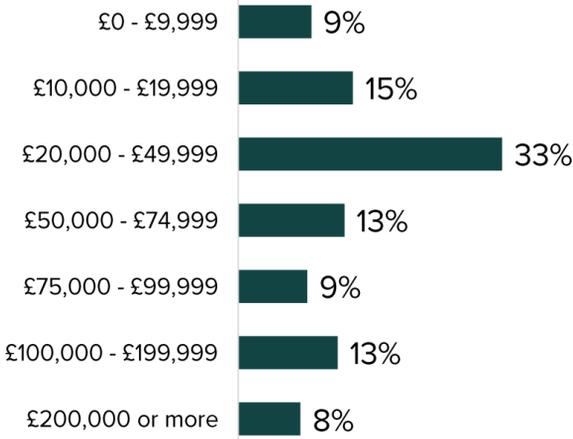
£75,000

Average annual gross rental income



Monthly income per property

Annual gross rental income breakdown



Gross rental income analysis

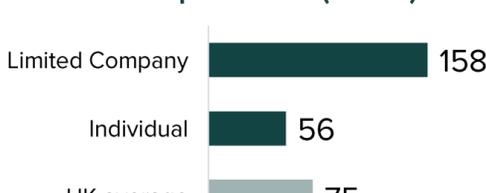
Limited company landlords earn substantially more than the UK average, generating around £158,000 in annual gross rental income, compared with £75,000 across all landlords. Higher earnings are also more common among those with larger portfolios and landlords holding at least one buy to let mortgage.

Average annual gross rental income by...

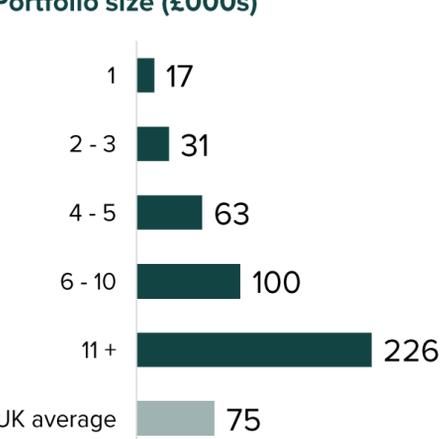
Profitability (£000s)



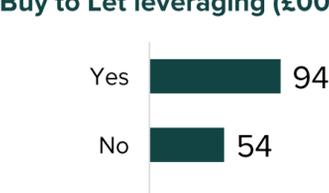
Ownership structure (£000s)



Portfolio size (£000s)



Buy to Let leveraging (£000s)



Rental yield analysis

The average rental yield remains largely unchanged from last year, standing at 6.4%. HMO owners achieved higher yields of 7.3%, while at a regional level, properties in Central London had the greatest yields at 7.2%, and properties in Outer London generated the lowest yields at 5.1%.

6.4%

Average rental yield

Rental yield over time

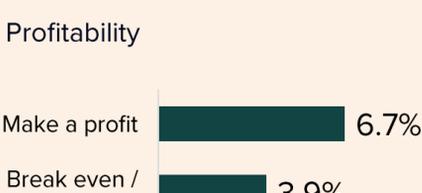


Average rental yield by...

Region



Profitability



Ownership structure



Landlord profitability

Around 85% of landlords make a profit from their lettings, with 16% reporting a 'large' profit and 69% a 'small' one. Only 6% report operating at a loss. Profitability is higher among unleveraged landlords (90%) than those who use borrowing (81%).



81% of buy to let borrowers make a profit

90% of unleveraged landlords make a profit

Market dynamics

Although rent increases remain common, the share of landlords who have raised rents in the past 12 months has dropped by 8%pts year-on-year. More landlords are keeping rents unchanged (33%), while those reducing rents remain rare, at just 1%.



65% increased rents in the last 12 months



1% decreased rents in the last 12 months

Rental trend over time (%)

