



Press Release

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Hamptons International Monthly Lettings Index – April 2019

Landlords selling up made £79,770 average gross gain in 2018
Yet landlords selling in London made an average gross gain of nearly £250k

- The average landlord in England and Wales sold their buy-to-let in 2018 for £79,770 more than they paid for it (before tax), having owned the property for 9.6 years on average.
- In 2018, 85% of landlords sold their buy-to-let for more than they paid for it, with 15% making a loss.
- Landlords selling up in London made a £248,120 average gross gain last year, 3.1 times more than the average gain in England and Wales.
- Rental growth rose to 2.1% in Great Britain, the highest rate since January 2018, as the cost of a new let increased to £972 pcm.

The average landlord who sold their buy-to-let in England and Wales last year did so for £79,770 more than they paid for it (before tax – i.e gross), having owned the property for 9.6 years on average (table 1). This is £3,660 (-4.4%) less than the £83,430 average gross gain landlords made in 2017. In 2018, 85% of landlords sold their buy-to-let for more than they paid for it, with 15% making a loss (table 1).

Landlords who sold up in London last year made the biggest gain at £248,120 having owned their property for 9.6 years. This was 3.1 times more than the average landlord in England and Wales. Yet London landlords selling up last year made £24,000 less than those who sold in the capital in 2017 (table 1).

The average pre-tax profit earned by a landlord who sold up fell in five out of 10 regions between 2018 and 2017 as house price growth slowed. Landlords who sold their buy-to-let in the North East made the smallest average gain of £11,810, £4,270 less than in 2017 (table 1). Meanwhile average gains increased between 2017 and 2018 in the South West (£3,460), East Midlands (£2,020), North West (£400), Yorkshire & the Humber (£4,490) and Wales (£5,340).

Landlords selling up in London and the South East were most likely to sell their buy-to-let for more than they paid for it, with 96% of landlords making a profit in 2018. Meanwhile, landlords selling up in the North East were least likely to make a gain, with 56% selling their buy-to-lets at a profit and therefore 44% making a loss (table 1).

There were four local authorities in England and Wales where landlords were more likely to sell their buy-to-let for less than they paid for it last year - South Tyneside (49%), Sunderland (48%), Darlington (45%) and Middlesbrough (43%). /...

With the highest house prices and strongest price growth over the last 10 years, the top 10 local authorities where landlords made the largest gains in 2018 were in London. Landlords selling in Kensington and Chelsea made the biggest pre-tax profit, averaging £1,072,880, having owned their property for 10.6 years (table 2). South Bucks was the region outside of the capital with the highest average gain of £278,310.

Rental Growth

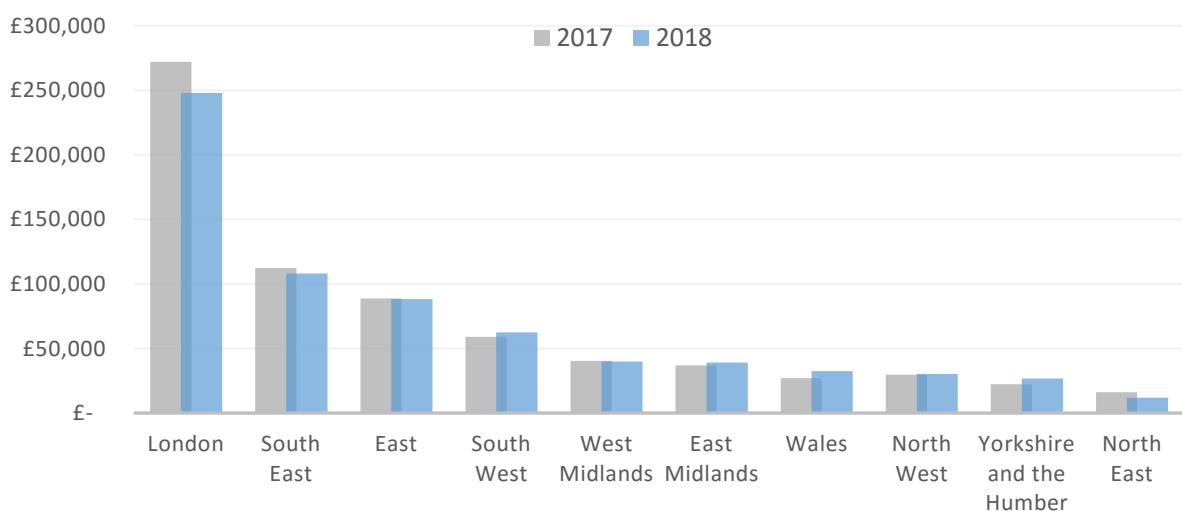
Rental growth rose to 2.1% in Great Britain, the highest rate since January 2018, as the cost of a new let increased to £972 pcm (table 3). Rents rose in every region across Great Britain. London had the highest rental growth with average rents rising 3.9% year-on-year, followed by the South West (1.8%) and the Midlands (1.6%) (table 3).

Commenting Aneisha Beveridge, Head of Research at Hamptons International, said:

“The average landlord who sold their buy-to-let last year did so for nearly £80,000 more than they paid for it. Over the 9.6 years that the average landlord has owned their buy-to-let, house price growth has driven their gains, with prices having risen around 30% over the period. But given lower expected future house price growth and tighter mortgage regulation, more investors are shifting their focus from capital gains to yields.

“Rental growth accelerated to 2.1% in Great Britain last month, the highest level since January 2018. This was driven by a 3.9% year-on-year increase in London rents.”

Chart 1 – Average landlord gain (before tax)



Source: Hamptons International

Table 1 – Average landlord gain (before tax)

Region	Average landlord gain 2018	YoY change in average gain	Average ownership (years)	% making gain 2018
London	£248,120	-£ 24,000	9.6	96%
South East	£108,220	-£ 4,080	9.3	96%
East	£88,410	-£ 380	9.3	95%
South West	£62,540	£ 3,460	9.1	91%
West Midlands	£39,970	-£ 480	9.7	84%
East Midlands	£39,090	£ 2,020	9.5	86%
Wales	£32,410	£ 5,340	10.1	76%
North West	£30,160	£ 400	9.9	74%
Yorks & the Humber	£26,870	£ 4,490	10.0	74%
North East	£11,810	-£ 4,270	9.6	56%
England & Wales	£79,770	-£ 3,660	9.6	85%

Source: Hamptons International

Table 2 – Top 10 local authorities with highest average landlord seller gain (before tax)

Local Authority	Region	Average gain £	% making a gain	Average ownership
KENSINGTON AND CHELSEA	London	£ 1,072,880	91%	10.6
CITY OF WESTMINSTER	London	£ 557,380	91%	11.1
CAMDEN	London	£ 433,560	95%	9.3
HAMMERSMITH AND FULHAM	London	£ 432,150	96%	10.1
RICHMOND UPON THAMES	London	£ 325,100	96%	10.1
WANDSWORTH	London	£ 317,820	96%	10.0
ISLINGTON	London	£ 296,300	96%	9.3
HACKNEY	London	£ 289,650	98%	8.9
HARINGEY	London	£ 278,410	95%	9.3
SOUTH BUCKS	South East	£ 278,310	98%	9.3

Source: Hamptons International

Table 3 – New lets (pcm)

	Apr-19	Apr-18	YoY
Greater London	£ 1,738	£ 1,672	3.9%
Inner London	£ 2,663	£ 2,596	2.6%
Outer London	£ 1,563	£ 1,497	4.4%
South East	£ 1,039	£ 1,033	0.6%
South West	£ 801	£ 786	1.8%
East	£ 954	£ 946	0.9%
Midlands	£ 682	£ 671	1.6%
North	£ 628	£ 621	1.1%
Wales	£ 660	£ 655	0.8%
Scotland	£ 631	£ 628	0.3%
Great Britain	£ 972	£ 952	2.1%

Source: Hamptons International

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Please note the Hamptons International Monthly Lettings Index for May will be released on Friday 14 June 2019, embargoed for 00.01 hours Monday 17 June 2019.

Ends

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About the Hamptons International Monthly Lettings Index

In May 2018, the Countrywide Lettings Index was re-branded the Hamptons International Monthly Lettings Index. Hamptons International, part of the Countrywide Group, continues to run the index. The methodology and time series remain the same. The index has been running since 2012. From May 2018 the index has included an inner and outer London split.

In June 2017, the methodology was changed to reduce the impact of seasonality and volatility in the rental market. The index is a mix adjusted series, rent and rental growth figures for each month are based on a three month rolling average. The most expensive decile of homes let are excluded to reduce volatility and the mix includes the most recently published government stock statistics.

The Hamptons International Lettings Index uses data from the Countrywide Group, Great Britain's largest letting agent, to track changes to the cost of renting. The index is based on the 90,000 homes let and managed by Countrywide in each year, adjusting for their location and type. It is based on achieved rather than advertised rents and the published monthly rental figures are an average of the new lets and renewals of tenancies over a rolling three-month period.

About Hamptons International

Hamptons International is a leading residential estate agent and property services company, operating in London and the South of the UK.

Hamptons International offers a wealth of award-winning services including UK and international Sales, Lettings, Property Management, Corporate Services, Residential Development, Development Land, Valuation Property Finance, and is a subsidiary of Countrywide, the UK's largest estate agency and property services group.

Hamptons International celebrates 150th Anniversary

In 2019 Hamptons International celebrates its 150th birthday. The estate agency business, headed by George Hampton, opened its doors in 1869 with an office in Pall Mall and eight members of staff. 150 years on and Hamptons International has a network of over 90 offices in London and the South of the UK employing over 1,000 members of staff.