

Buy-to-Let Index Quarterly Report

07 November 2016



Luton claims top spot in new LendInvest Buy-to-Let Index

- Luton coupled high growth in property prices, with improved rental prices.
- South-east dominates list of top towns for buy-to-let
- Postcode areas given score based on capital values, transaction volumes, yield and rental price growth

The top 10 buy-to-let postcodes

Postcode	Yield	Capital gains	Rental price growth	Transaction volume growth
Luton	4.81%	13.63%	9.58%	-4.71%
Stevenage	4.31%	14.78%	8.95%	-9.81%
Enfield	4.76%	17.36%	2.21%	-4.35%
Northampton	4.87%	8.11%	8.33%	4.38%
Dartford	4.78%	13.02%	7.98%	-10.22%
Southend-on-Sea	4.56%	11.79%	5.95%	-4.63%
Romford	5.26%	13.47%	2.48%	-1.55%
Chelmsford	4.26%	12.15%	5.29%	-3.96%
Southall	4.88%	14.01%	3.97%	-10.36%
Twickenham	4.48%	15.49%	2.34%	-9.16%

Top spot: Luton

Luton tops the list having ranked highly for both capital gains and rental price growth. In fact, Luton saw the highest level of growth in rental prices across all markets. The relatively high yield coupled with the strong growth experienced in the other key metrics makes Luton a particularly desirable market.

Second place: Stevenage

Stevenage follows shortly behind in second place with capital gains and rental prices growing at a comparative rate to Luton. The yield in Stevenage remains competitive, and although transaction volumes have fallen over the past 12 months, the growth in values suggest continued activity within the market.

Third place: Enfield

Enfield comes in at third on the list as the market that has seen the highest growth in capital gains. This is coupled with a relatively high yield. Enfield also experienced some rental price growth over the year.

Runners-up

The remaining postcodes in the top 10 all experienced strong growth in pricing, despite falls in activity, suggesting demand in those markets remains high. With competitive yields in each of these markets it is easy to see why. Strong rental growth over the past year is also indicative of a healthy rental market.

The top postcodes for capital gains

Postcode	Yield	Capital gains	Rental price growth	Transaction volume growth
Enfield	4.80%	17.40%	2.20%	-4.30%
Twickenham	4.50%	15.50%	2.30%	-9.20%
Stevenage	4.30%	14.80%	8.90%	-9.80%
Ilford	4.70%	14.30%	0.00%	-7.40%
Southall	4.90%	14.00%	4.00%	-10.40%
East London	5.20%	13.60%	2.60%	-15.30%
Luton	4.80%	13.60%	9.60%	-4.70%
Romford	5.30%	13.50%	2.50%	-1.50%
Dartford	4.80%	13.00%	8.00%	-10.20%
North London	4.00%	12.70%	1.50%	-11.80%

The top postcodes for rental price growth

Postcode	Yield	Capital gains	Rental price growth	Transaction volume growth
Luton	4.80%	13.60%	9.60%	-4.70%
Stevenage	4.30%	14.80%	8.90%	-9.80%
Northampton	4.90%	8.10%	8.30%	4.40%
Dartford	4.80%	13.00%	8.00%	-10.20%
Coventry	5.10%	5.70%	6.80%	-4.30%
Watford	4.30%	11.90%	6.20%	-10.90%
Southend-on-Sea	4.60%	11.80%	5.90%	-4.60%
Milton Keynes	4.30%	5.60%	5.90%	-3.20%
Llandrindod Wells	3.70%	1.60%	5.70%	-8.70%
Chelmsford	4.30%	12.20%	5.30%	-4.00%

Methodology

All postcodes are given a score based on the following metrics: yield, capital gains, rental price growth and transaction volumes.

The data used in compiling this report comes from the Land Registry and Zoopla. Data was aggregated on the postcode area level.