

UK Rental Yields Reach Their Highest Level in More Than a Decade

UK rental yields have hit a staggering 6.93% - the highest in 13 years, according to Paragon Bank's rental yield report.

MANCHESTER, GREATER MANCHESTER, UNITED KINGDOM, July 27, 2026 /EINPresswire.com/ -- Recent data from Paragon Bank highlights that average UK rental yields have reached their highest level in more than 13 years, reflecting continued strength in the private rental sector and ongoing demand for rental accommodation across many parts of the country.

Rental Yields Continue to Improve

According to Paragon Bank's latest Rental Yield Report, average rental yields increased to 6.93%, driven largely by rental growth continuing to outpace house price growth in many regions of the UK.

The report also identifies several areas where yields remain particularly strong. The North West recorded average yields of 7.84%, while Wales reached 8.09%. Houses in Multiple Occupation (HMOs) achieved average yields of 8.4%, demonstrating the continued appeal of specialist investment strategies for experienced landlords.

Strong Rental Demand Supports the Market

The UK rental market continues to benefit from sustained tenant demand alongside a limited supply of available rental properties. Industry reports have consistently highlighted that rental stock remains below pre-pandemic levels, contributing to upward pressure on rents across many regions.

Paragon Bank also reports that tenant demand has increased significantly over recent years, while Rightmove has noted that rental enquiries remain substantially higher than before the pandemic. Together, these trends continue to support the performance of the UK's private rented sector.

Opportunities for Overseas Investors

For UK expats and overseas buyers considering investment in British property, strong rental

yields remain an important factor when assessing potential returns. Regional markets offering relatively affordable property prices alongside robust tenant demand may provide attractive opportunities, depending on individual investment objectives and circumstances.

Specialist mortgage brokers can assist overseas buyers in accessing lending solutions designed specifically for expats and foreign national investors, helping them navigate the UK mortgage market while considering factors such as rental income, financing costs and long-term investment goals.

As with any property investment, prospective buyers should seek professional financial and mortgage advice before making purchasing decisions.

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