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Looking to increase your property rental yield?

Practical tips to help landlords boost their income and keep reliable tenants

Maximising rental yield is a key priority for any buy-to-let investor. Whether you're an experienced landlord or new to the market, understanding how to calculate and improve your yield is essential to long-term success.

Rental yield, expressed as a percentage, is a simple yet effective way to assess the profitability of your property investment. While gross yield gives a quick snapshot, considering net yield, which subtracts expenses like maintenance, mortgage payments, and insurance, offers a more precise view of your actual returns.

Boost your returns and optimise your buy-to-let investment

Rental yield is your annual rental income divided by your total property investment, expressed as a percentage. Generally, a return of 5% to 8% is regarded as a good yield. To calculate your gross yield, simply divide your yearly rental income by the property's purchase price and multiply by 100.

However, you also need to consider your net yield. These factors, including running costs such as maintenance, letting fees, mortgage repayments and insurance premiums, give a much clearer picture of your real profit.

Review your costs and invest wisely

The simplest way to boost your returns is to cut your expenses. Regularly review your fixed costs and compare prices for your buy-to-let mortgage or buildings insurance. If you're aiming to grow your portfolio, investigate emerging towns with planned regeneration or major infrastructure projects. University cities also present excellent opportunities for higher yields through Houses in Multiple Occupation (HMOs), although you should expect a higher turnover of tenants.

Enhance your property appeal

Making smart upgrades to your property can easily justify a rent increase while attracting high-quality tenants. Simple refurbishments, such as a fresh coat of paint, new carpets, or a kitchen update, show tenants you care about their home. You should also consider improving the property's energy efficiency. A warmer, cheaper-to-run home is a major selling point. If you have the budget and space, you could even explore extending the property or converting an attic to add another rentable bedroom.

Secure long-term, happy tenants

One of the most effective ways to maintain a strong yield is by retaining tenants for as long as possible. High tenant turnover results in void periods and costly letting fees. Building a good relationship and keeping the property well-maintained are encouraged to retain renters.

You might also consider allowing pets. With pet-friendly rentals in short supply, prospective tenants are often willing to pay a premium rent to keep their furry companions. Finally, regularly reassess your rent with a local agent to ensure you are charging a fair, competitive market rate. ■

Looking for buy-to-let mortgage advice?
If you're a landlord looking for advice on securing the right mortgage deal or maximising your property investments, we're here to assist.