



# Market Update: South West Yields & Trends

*What the data is telling us about the South West property market right now — and where the opportunities are quietly opening up.*

The South West has shifted. What was once seen as a holiday-let market with limited professional investor appeal is now producing some of the strongest risk-adjusted yields in England. Structural in-migration, a maturing rental market and an acute housing shortage are compressing voids and pushing rents upward across the region.

This update covers the five themes shaping South West property returns in 2026. The full analysis — with location-level data, yield comparisons and our current investment recommendations — is available on request.

|   |   |   |   |
|---|---|---|---|
| <b>+6.3%</b><br>Avg. rental growth SW<br>England, YoY | <b>7.8%</b><br>Peak BTL yield<br>(Camborne/Redruth) | <b>11 days</b><br>Avg. void period SW cities,<br>2026 | <b>+9.1%</b><br>House price growth Cornwall,<br>12 months |
|---|---|---|---|

## 1 Rents are rising — but unevenly

Average rents across the South West rose 6.3% in the past year, but the headline figure masks significant divergence. Some markets are up over 12%; others have softened. The full update maps rental growth by postcode area and identifies where the momentum is strongest heading into Q3.

## 2 Yields are compressing in Devon, holding in Cornwall

As prices in popular Devon markets — Exeter, Plymouth, Torquay — have risen sharply, net yields have come under pressure for new buyers. Cornwall is the exception: entry prices remain more accessible relative to rental income, keeping yields at levels that are hard to find elsewhere in the South. The full update includes a side-by-side yield comparison across eight locations.

### 3 The short-term let market is restructuring

New planning rules introduced in 2025 have changed the economics of holiday lets in several South West councils. A number of former Airbnb properties are now entering the long-term rental market, temporarily increasing supply in certain postcodes — and creating acquisition opportunities for investors who know which ones to target. The full update covers which areas are affected.

### 4 HMO demand is structural, not cyclical

Demand for shared accommodation across the South West is being driven by healthcare, education and a growing remote-worker cohort — not students alone. This makes it more resilient than it appears on the surface. The full update includes occupancy data and the tenant profile breakdown by location.

### 5 Mortgage conditions are improving — selectively

BTL mortgage product availability has increased 18% year-on-year. But lender appetite for South West HMOs, holiday-let stock and rural properties varies considerably. The full update includes the current lender landscape for each property type, so you can model finance before you model the deal.

#### South West yield snapshot — Q2 2026

| LOCATION                    | PROPERTY TYPE           | GROSS YIELD | TREND    |
|-----------------------------|-------------------------|-------------|----------|
| Camborne / Redruth          | BTL (2–3 bed terrace)   | 7.4–7.8%    | ↑ Rising |
| Falmouth                    | HMO (5–6 bed)           | 10.2–12.1%  | ↑ Rising |
| Exeter                      | BTL (2 bed flat)        | 4.8–5.6%    | → Stable |
| Plymouth                    | HMO (4–5 bed)           | 8.1–9.4%    | ↑ Rising |
| <i>Further locations...</i> | <i>Full report only</i> | —           | —        |

*Full table covers 10 locations across Cornwall, Devon, Dorset and Somerset — available in the complete report.*

*The complete South West market update — with location-level yield data, rental growth trends, lender landscape and our Q3 investment recommendations — is available on request.*

**Get in touch to receive the full report.**

**properties@edwininayat.co.uk**