

The North East Rent Map

What houses actually let for across the North East, and the highest price that rent can carry - every postcode district we screened, measured against three different buyers. Two-bed and three-bed priced separately.

32

postcode districts, from live
rents

246

properties screened

0

districts clear 8% at the
asking price

6

clear 5.5%

The live version of this map, and the district-by-district detail behind it:

mikebells.co.uk/the-north-east-rent-map

The most expensive mistake in buy-to-let is not the wrong house

It is the wrong brief.

Almost everyone is told to look for the same three numbers: 8% yield, £250 a month left over, and 15% back on the cash they put in. They are good numbers to aim at - and in the North East, at the asking price, they are very close to impossible. We screened 246 houses this week and six of them clear that bar.

That does not mean there is nothing here. It means the number you start with decides everything that follows: the areas you look in, the prices that work, how many houses you will see, and how often one comes good. Get it right and this is one of the best markets in the country. Get it wrong and you will spend a year telling people there is nothing to buy.

What is in here. Every North East district we screened, at two-bedroom and three-bedroom rents separately, and the highest price that rent can carry at 8%, 7% and 5.5%. Then three worked examples, the method behind the sold figures, a plain-English glossary, and a five-step screen you can use on any deal yourself.

How to read it

- Find your budget in the tables and your target return along the top. Green means the district already works at that price.
- Buying a two-bed? Read the two-bed pages. Buying a three-bed? Read those. They are different markets, priced differently.
- Where a district is missing, we did not have enough comparables to price it honestly. A gap is better than a guess.

And two promises about the figures. Everything is measured rather than estimated: every rent is the lower of the five nearest comparable lettings and the whole mile around the property. And where the evidence is thin we say so - these are asking rents, so where we find a sitting tenant's actual rent, that always replaces the estimate, and it is usually lower.

Two minutes with this will save you months of looking at the wrong thing.

The one question a buy-to-let comes down to

What does a house here actually let for, and what is the most anyone can pay for it? Agents rarely answer it, because it is not in their interest to. This document answers it for every district in the North East, from live rents rather than guesswork.

Read it as a gap

Each row shows what comparable houses in that district are advertised at and the highest price that rent can carry. Where the asking price sits above the ceiling, the buyer needs either a bigger discount or a lower expectation. Nothing else about the property changes.

Why two-bed and three-bed are separate

Because they are different markets. In DL14 a two-bedroom house lets for about £509 a month and a three-bedroom for about £670. A single "median rent" for that district describes neither of them, and would have you valuing a three-bed with a two-bed's number. Every figure in the tables that follow is for the bedroom count stated on that page.

The three tests

Every ceiling clears three things at once. Miss one and the deal does not work, however good the other two look.

- **Gross yield** - the annual rent against the purchase price.
- **Return on the money down** - what the investor actually puts in: deposit, stamp duty, legal, survey and sourcing fee.
- **Monthly cash left** - after a 12% management fee, insurance, maintenance and the mortgage interest.

How the rents are worked out

- From **advertised rents of comparable houses** - same bedrooms, same property type, nearest first. We take the lower of the five nearest lettings and the whole mile around the property, because a rent is not a fact until you know which street it came from.
- Asking prices are the median of the properties we actually screened, not an average of everything listed.
- Flats, retirement housing, auctions and anything needing more than decoration are excluded.
- Figures assume a 25% deposit, 5.5% interest-only mortgage, 12% management, £40 insurance, £50 maintenance, 5% stamp duty, £1,200 legal, £1,000 survey and a £3,600 sourcing fee.

One honest caveat. These are asking rents, so they are the optimistic end of the evidence. Where we find a sitting tenant's actual rent, that always replaces the estimate - and it is usually lower. In one week three properties that looked like good deals died for exactly that reason.

Every district, ranked by the gap to the asking price

District	Checked	Median rent	Median asking	Max at 8%	at 7%	at 5.5%
TS26	9	£475	£75,000	£22,691	£37,236	£51,985
TS5	3	£550	£85,000	£41,891	£50,641	£64,123
DL15	6	£550	£91,750	£41,891	£50,641	£64,123
DL17	9	£487	£70,000	£25,763	£40,308	£53,927
TS24	5	£481	£69,950	£24,227	£38,772	£52,956
SR7	5	£550	£80,000	£41,891	£50,641	£64,123
TS10	3	£625	£89,950	£52,174	£60,893	£76,261
TS3	9	£595	£85,000	£48,501	£56,792	£71,405
TS6	8	£597	£83,975	£48,746	£57,066	£71,729
DH6	10	£575	£83,725	£46,052	£54,058	£68,169
TS12	6	£575	£82,500	£46,052	£54,058	£68,169
SR8	17	£525	£82,500	£35,491	£47,223	£60,077
DH5	4	£550	£79,950	£41,891	£50,641	£64,123
TS1	18	£556	£79,950	£43,427	£51,461	£65,094
DL3	9	£600	£82,500	£49,113	£57,476	£72,215
DH9	11	£550	£75,000	£41,891	£50,641	£64,123
DL16	4	£550	£80,000	£41,891	£50,641	£64,123

Max price is the highest purchase price that still clears all three tests, at the two-bedroom rent for that district.

15 districts

District	Checked	Median rent	Median asking	Max at 8%	at 7%	at 5.5%
DH3	3	£595	£80,000	£48,501	£56,792	£71,405
TS25	10	£500	£79,975	£29,091	£43,636	£56,031
DL4	3	£495	£80,000	£27,811	£42,356	£55,221
TS20	3	£600	£80,000	£49,113	£57,476	£72,215
DL1	9	£625	£85,000	£52,174	£60,893	£76,261
TS27	5	£525	£69,999	£35,491	£47,223	£60,077
TS28	4	£562	£78,000	£44,461	£52,281	£66,065
TS21	3	£700	£79,950	£61,357	£71,146	£88,398
TS18	4	£580	£72,500	£46,664	£54,742	£68,978
DH7	9	£625	£75,000	£52,174	£60,893	£76,261
NE63	3	£595	£66,000	£48,501	£56,792	£71,405
DL14	10	£509	£62,500	£31,395	£45,036	£57,487
SR5	3	£685	£75,000	£59,520	£69,095	£85,971
DH2	7	£560	£70,000	£44,216	£52,008	£65,741
NE17	5	£575	£60,000	£46,052	£54,058	£68,169

Green ceilings mean the district's median asking price already works at that yield. Red means it is well short.

Every district, at the three-bedroom rent

District	Checked	Median rent	Median asking	Max at 8%	at 7%	at 5.5%
TS26	9	£594	£75,000	£48,378	£56,656	£71,244
DL15	6	£650	£91,750	£55,235	£64,311	£80,307
DL17	9	£568	£70,000	£45,195	£53,101	£67,036
TS24	5	£575	£69,950	£46,052	£54,058	£68,169
SR7	5	£645	£80,000	£54,623	£63,627	£79,497
TS10	3	£850	£89,950	£79,722	£91,650	£112,674
TS3	9	£650	£85,000	£55,235	£64,311	£80,307
TS6	8	£617	£83,975	£51,194	£59,800	£74,966
DH6	10	£600	£83,725	£49,113	£57,476	£72,215
TS12	6	£675	£82,500	£58,296	£67,728	£84,352
SR8	17	£650	£82,500	£55,235	£64,311	£80,307
DH5	4	£750	£79,950	£67,478	£77,981	£96,490
TS1	18	£650	£79,950	£55,235	£64,311	£80,307
DH9	11	£650	£75,000	£55,235	£64,311	£80,307
DL16	4	£660	£80,000	£56,459	£65,678	£81,925
TS25	10	£600	£79,975	£49,113	£57,476	£72,215
DL4	3	£600	£80,000	£49,113	£57,476	£72,215

Three-bedrooms let for more, so every ceiling here is higher than the two-bedroom equivalent - but so is the asking price.

11 districts

District	Checked	Median rent	Median asking	Max at 8%	at 7%	at 5.5%
TS20	3	£675	£80,000	£58,296	£67,728	£84,352
DL1	9	£731	£85,000	£65,152	£75,383	£93,415
TS27	5	£575	£69,999	£46,052	£54,058	£68,169
TS28	4	£650	£78,000	£55,235	£64,311	£80,307
TS21	3	£633	£79,950	£53,153	£61,987	£77,555
TS18	4	£656	£72,500	£55,969	£65,131	£81,278
DH7	9	£555	£75,000	£43,171	£51,324	£64,932
NE63	3	£643	£66,000	£54,378	£63,354	£79,174
DL14	10	£670	£62,500	£57,683	£67,045	£83,543
DH2	7	£650	£70,000	£55,235	£64,311	£80,307
NE17	5	£750	£60,000	£67,478	£77,981	£96,490

Where a district does not appear on this page, we did not have three three-bedroom comparables to price it from, and a guess would be worse than a gap.

The same three numbers, three different answers

One that fails - and most do

A three-bedroom terrace in Sunderland, asking **£77,000**, sold with a tenant in place. My rent model read the surrounding streets at £987 a month, which would have cleared every test with room to spare. Then I read the vendor's own advert: "*currently achieving £650 PCM*".

At £650 the house has to be bought at **£55,235**. The asking price is £21,765 too high, and no amount of negotiation gets a vendor to move by that much on a tenanted house. **It died on a fact, not on a feeling.**

One that passes - and why we did not buy it

A two-bedroom terrace in Chopwell, asking **£45,000**. The agent's own figure: "*once the property has been updated, you would be looking to achieve approximately £550-£575 PCM*". At £575 the ceiling is **£46,052**, so it works - just. Two thousand pounds of headroom.

But read her sentence again: *once the property has been updated*. That is not turnkey, it is a project, and two thousand pounds of room does not pay for one. **A pass on the numbers is not a yes.**

One that is marginal, and what to do about it

A two-bedroom terrace in Stanley, asking **£50,000**, at a rent of about £550. It misses an 8% brief by £8,110. Run the same house past a **7% / 12% return / £200 a month** buyer and the ceiling is £50,641 - the asking price works.

Identical house, identical tenant, identical condition. The only thing that changed was the brief. **That is why we ask what return you need before we show you anything.**

Not one district clears 8% at its asking price

Across 32 districts, using the rent comparable houses actually advertise at, **not one clears an 8% yield at its median asking price**. Not one clears 7% either. Six clear 5.5%.

That is not a story about a bad market. It is a story about asking prices and rents being out of proportion: the price reflects what somebody paid next door, not what somebody will pay to live in it.

THE NORTH EAST RENT MAP · 24 SEPTEMBER 2026

What the rent carries, and what the market asks.

Every dot is a postcode district, priced from the rent that comparable houses there actually advertise. Where a district sits above a line, the asking price is too high for that buyer.



Not one district in the North East clears an 8% yield at its median asking price — nor at 7%. At 5.5% it works in 3 of these 16. The eleven unlabelled dots in the middle are districts asking £75,000–£92,000 against rents of £550–£646.

The same pound of rent, three different prices. A house letting at £650 a month can be bought for £55,234 by an 8% buyer, £64,310 by a 7% buyer, and £80,306 by one who will take 5.5%. Identical house, identical tenant. The only thing that changes is the brief.

A rent is half of it. The other half is what it sold for.

Every yield figure in this document is only as good as the sold evidence behind it. Getting a rent right and a value wrong produces a deal that falls over at the lender's valuation - and by then you have paid for searches, a survey and eight weeks of your life.

The rule we work to

- **Three sold comparables minimum** - same property type, same number of bedrooms, sold within the last twelve months.
- **Same street first.** If there is nothing on the street, widen to a quarter of a mile. Half a mile is the absolute maximum, because prices move street by street in the North East.
- **Size-adjusted.** $\text{Comp price} \times \text{subject floor area} / \text{comp floor area}$. A four square metre difference is a room, not a rounding error.
- **We report the spread.** If the highest comparable is more than about 1.6 times the lowest, the median is weak and we require an agent's written valuation as well.
- **We exclude "additional price paid" entries** - repossessions, portfolio transfers and company sales are not open-market prices, and treating them as if they were is how you talk yourself into a bad deal.

Why it matters more than the yield

A lender's valuer will run their own three comparables. If they reach a lower number than you did, the mortgage does not complete, and a deal that looked excellent in a spreadsheet is worth nothing. Every property we put in front of a client carries three size-adjusted sold comparables and a rent before it goes anywhere.

The words that get used to sell you things

Gross yield - the annual rent divided by the purchase price. It ignores every cost, which is why a property can show 9% and still lose you money.

ROI (return on investment) - the annual profit as a percentage of the money you actually put in: deposit, stamp duty, legal, survey and fee.

GDV - gross development value, what a property is worth once the work is finished. Only meaningful with comparables behind it.

LTV - loan to value. A 75% LTV mortgage on a £50,000 house means borrowing £37,500 and finding £12,500.

Net cash flow - what is left of the rent each month after management, insurance, maintenance and the mortgage interest. This is the number that pays you.

ROCE (return on capital employed) - the same calculation but counting the borrowed money as if it were yours. It flatters a deal, which is why we do not use it.

BMV - below market value, the gap between what you pay and what the property is worth. It is a measure of the purchase, not of the investment.

Let agreed - a tenant has signed but not yet moved in. Good evidence of what a street achieves; useless if it never completes.

And the phrase to treat with most suspicion

"Offers potential." In an estate agent's advert that means new carpets and decoration, usually a kitchen or bathroom, and eight weeks of work. In this market that is £10,000 to £20,000 - which is one to three years of the cash flow you were buying the property for.

Screen any deal in five steps

You do not need us to do this. You need us when the answer survives all five and you want someone to go and get it at the right price.

1. What does it let for?

Find the nearest comparable lettings - same bedrooms, same type - then check the whole mile around it. Take the lower of the two. If the only comparable is on a new-build estate half a mile away, you do not have a comparable.

2. What does that rent carry?

At an 8% yield the price can be no more than **150 times the monthly rent**. Once you allow for costs and the return on your cash, it is nearer **122 times**. So a house letting at £600 supports about £73,000 on yield alone, and about £49,000 on the full test.

3. What did it sell for?

Three comparables, same type and size, within half a mile, size-adjusted. Look at the spread, not just the middle.

4. What condition is it in?

From the photographs and the advert, not from the word "turnkey". Dark decoration, lifting flooring and a dated bathroom are not turnkey, whatever the listing says.

5. Where does it stop working?

Write the number down *before* you negotiate. A deal that cannot survive being written down cannot survive an investor reading it.

Do all five and you have screened a deal better than most agents will. Do them two hundred times a week and you have our job.

Source through us

Tell me your budget, the area, and the return you need. I will tell you honestly whether it exists right now - and if it does not, what return your money can actually get.

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Five things you can do this week

1. Decide the number first

Write down the return you would genuinely accept - not the one that sounds impressive. Everything else follows from it.

2. Cross off the districts that do not work

Take your budget and your return to the tables and rule out everything that fails. Most people find the list is shorter than they expected, and far more useful.

3. Read the three worked examples

One fails, one passes on paper and still should not be bought, one is marginal. That is the shape of most real deals - rarely a clean yes.

4. Check the value of anything you are already looking at

Three sold comparables, same type and size, within half a mile, size-adjusted. If the spread is wide, get an agent's written valuation before you spend a penny on legals.

5. Write down where each deal stops working

Before you negotiate, not after. A deal that cannot survive being written down will not survive a lender's valuer.

If you would like help with the rest

Tell us your budget, your area and the return you need. We screen every live listing in that range, check the rent, the condition and the comparables, and bring you only the properties that pass - with the rent evidence, the arithmetic, and the price where it stops working.

Our fee is £3,600 to £7,500 depending on the deal, and it is included in every calculation in this document. We would rather send you nothing than filler: at an 8% brief we find roughly one property in 250, and at 7% about one in fifteen.

The North East is a good market to be buying in. It rewards people who know their numbers - and now you do.

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