

Sept
2023

HomeLet rental index report

The HomeLet Rental Index represents the largest, most insightful, and up-to-date view on the UK's private rented sector. With data qualified through high-quality tenant referencing, conducted on behalf of over 4,500 UK letting agents, the trends reported within the Index are based on brand new tenancies and agreed rents, giving the most relevant insight into changes in the Private Rented Sector.

In conjunction with Dataloft, a PriceHubble company

HomeLetTM
THE RENTAL INDEX

Industry insight

“
Excluding Scotland and the West Midlands, monthly rent has increased month-on-month across the UK yet again – painting a bleak picture for many tenants.



Andy Halstead
Group CEO
HomeLet and Let Alliance



Affordability stretched

In Northern Ireland alone, we've witnessed a 4.16% month-on-month increase in rental prices compared to August, pushing the average monthly rental price up to £876pcm. Clearly, this cannot be sustained, but it's just one example of the chaos caused when governments intervene without fully understanding the market. In short, a solution needs to be found – and quickly, I do not have much hope.

A turning point?

Interestingly, there has been a reduction in month-on-month rents in two regions. In Scotland and the West Midlands monthly rent has decreased for the first time since January 2023, -0.81% and -0.53% respectively. The first change in the market for a long time, let's watch this space.

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Average rents and change in rents



**Average
rent**

£1,276

Average monthly rents across the UK have increased by £117 over the past year to £1,276 per month.



**Change
monthly**

+1.2%

Average rents in Scotland and the West Midlands saw a small fall in the month. However, in all other regions rents rose once again.



**Change
annual**

+10.1%

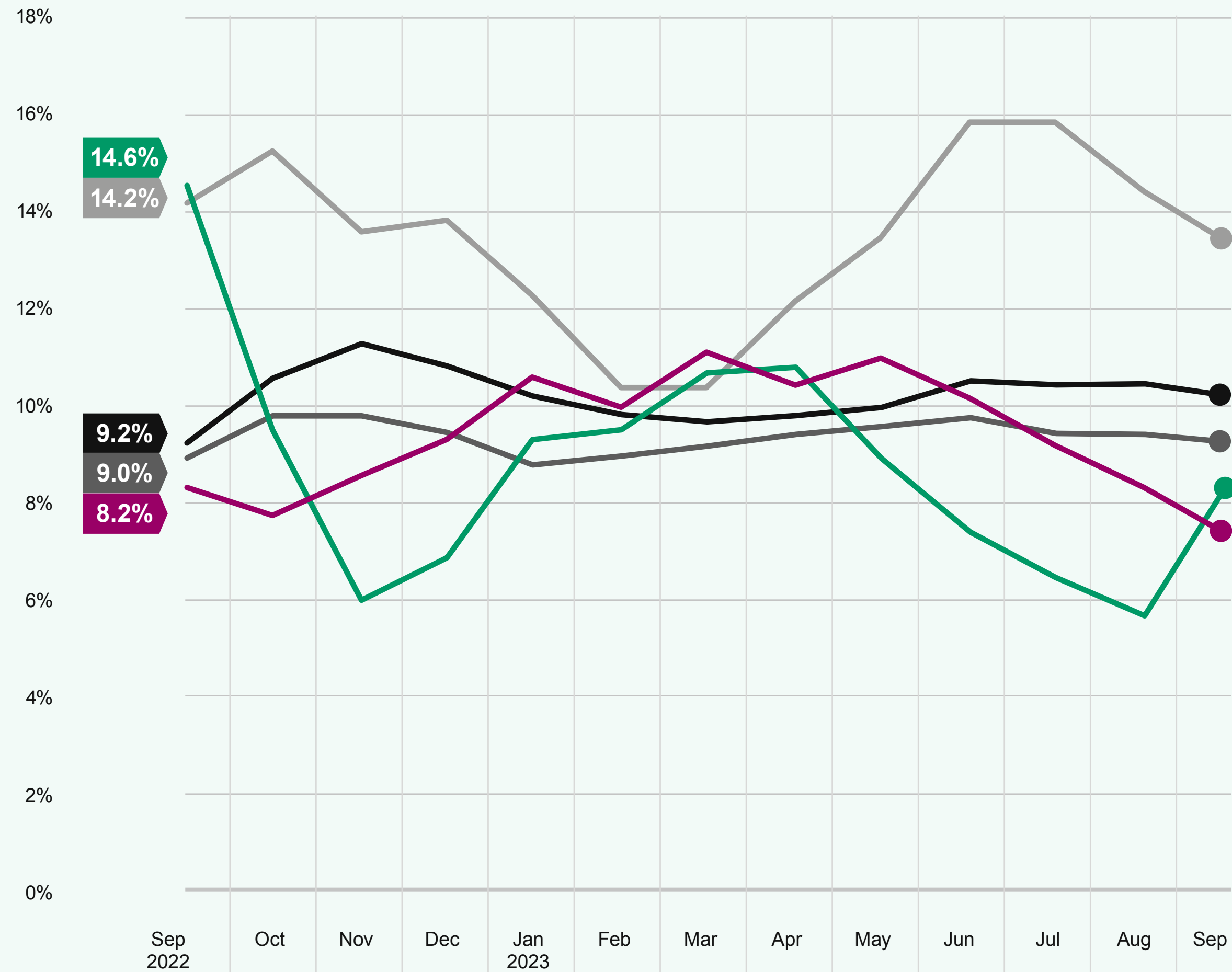
Outside of London, average rents increased by 1% to £1,061 per month.

UK and home nations



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Annual change Sept 2022 to Sept 2023



- 13.3% Scotland
- 10.1% UK
- 9.3% UK excluding London
- 8.4% Northern Ireland
- 7.3% Wales

Showing annual change in rents, Sept 2023 vs Sept 2022. Average rents are based on agreed rents for tenancies started in each month.

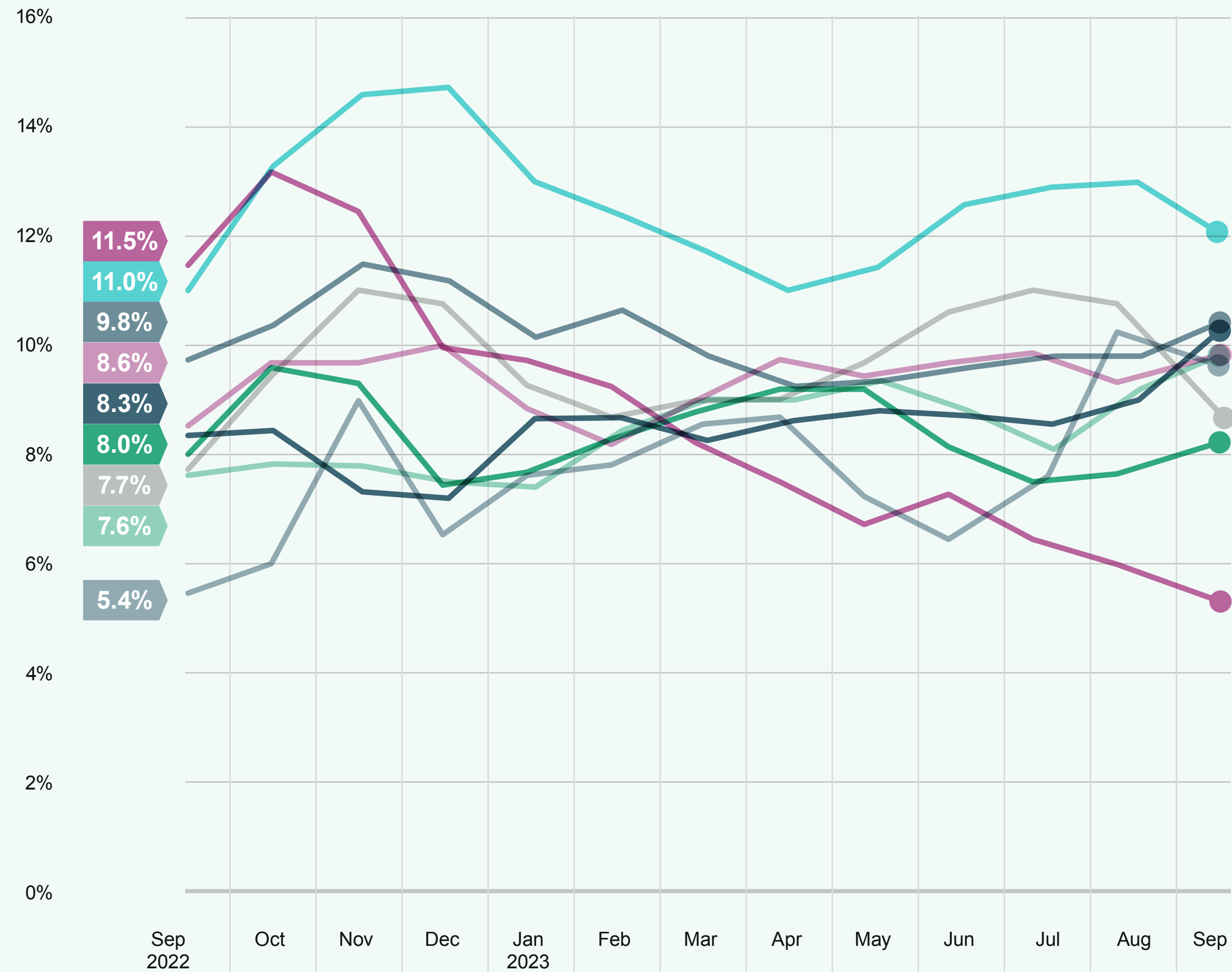
England by region



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Annual change Sept 2022 to Sept 2023



- 12.0% Greater London
- 10.4% North West
- 10.3% Yorkshire and the Humber
- 9.9% East of England
- 9.9% South East
- 9.7% North East
- 8.7% West Midlands
- 8.2% East Midlands
- 5.2% South West

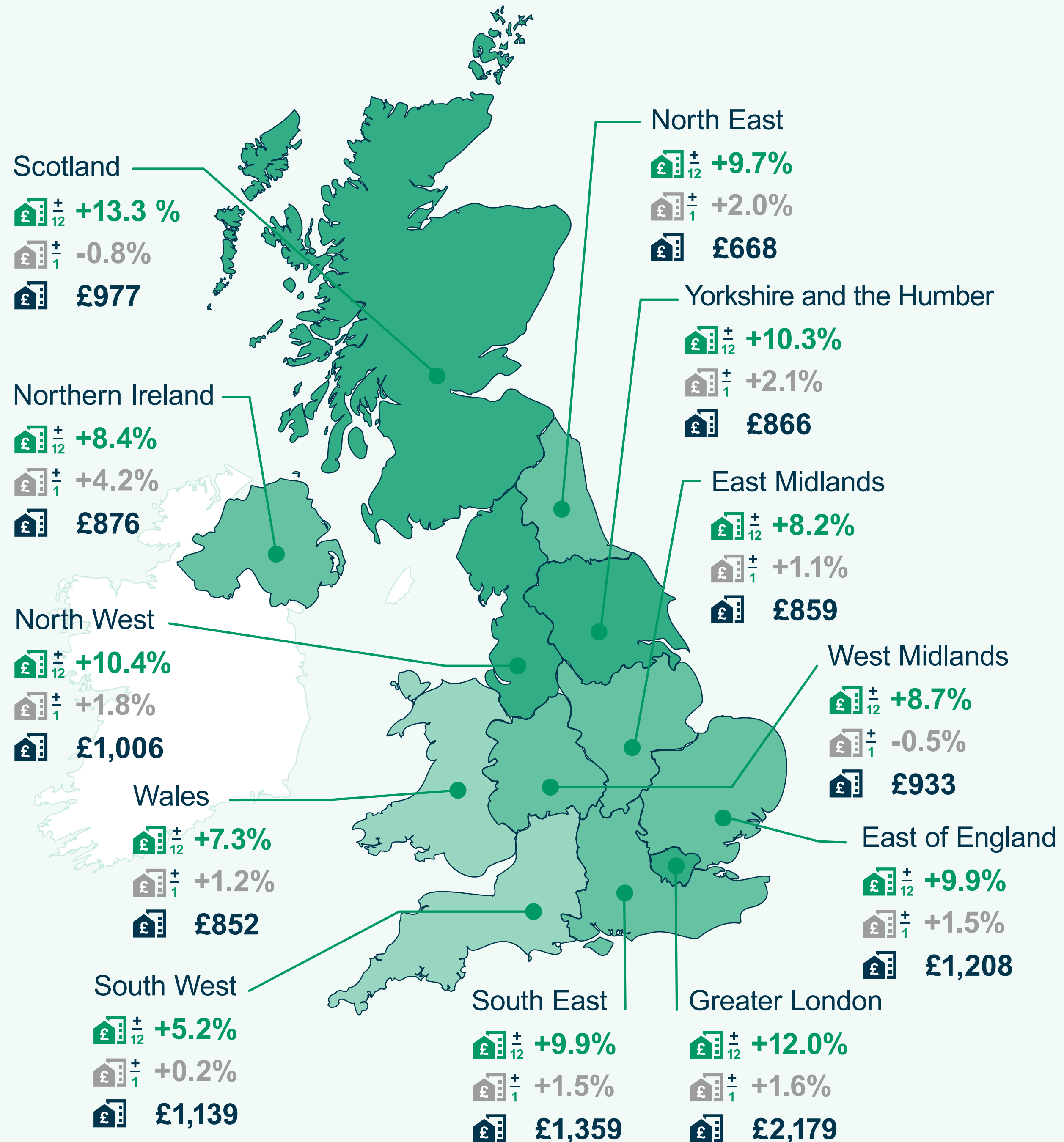
Showing annual change in rents, Sept 2023 vs Sept 2022. Average rents are based on agreed rents for tenancies started in each month.

Next Regional snapshot »

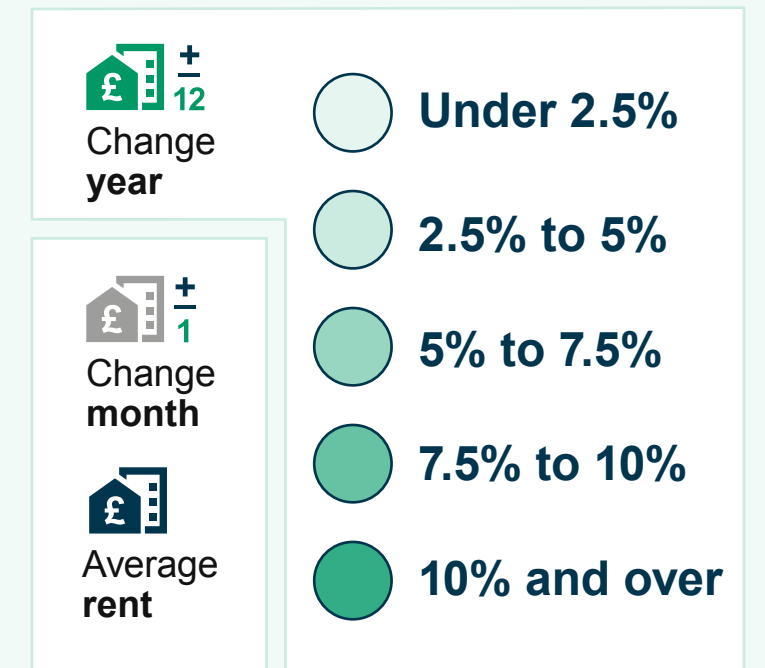
Regional snapshot



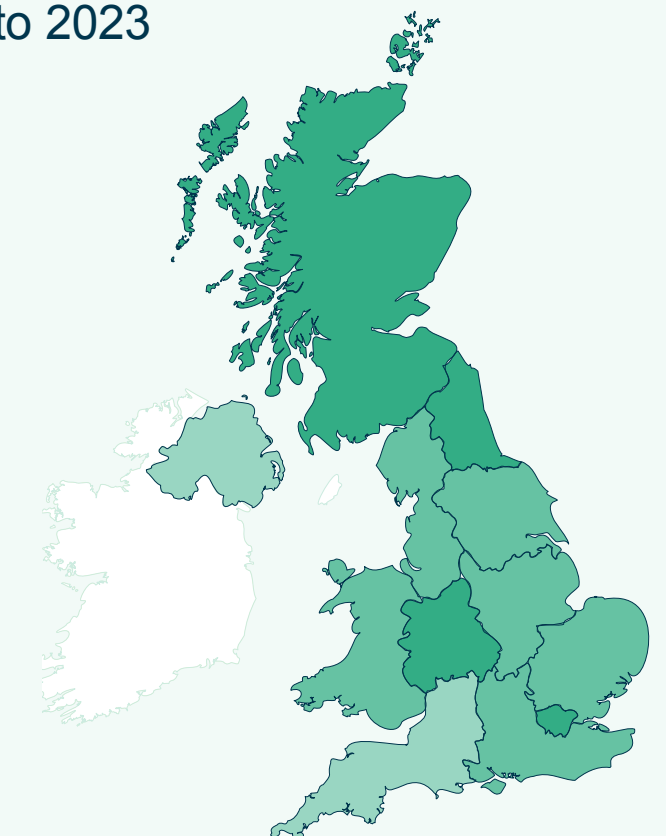
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Annual change
Sept 2022 to Sept 2023



August 2022 to 2023



Next Regional discount / premium

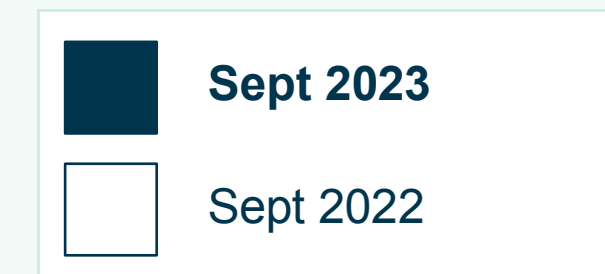
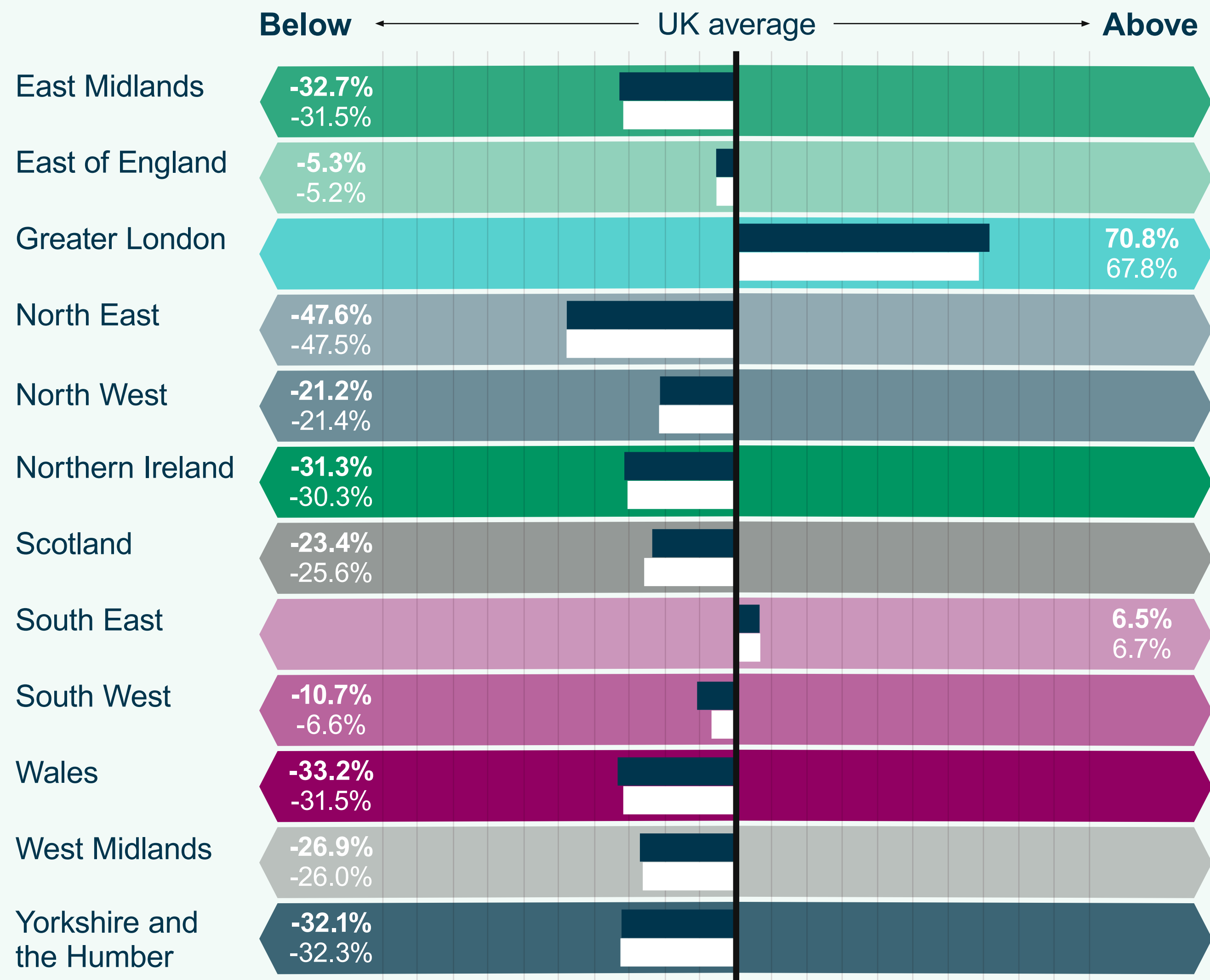


Regional discount / premium to UK average



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Comparison with UK average Sept 2022 to Sept 2023



Showing how regional rents compared to the UK average in Sept 2023 and a year earlier, i.e., average rents in the East Midlands in Sept 2023 were 32.7% below the national average. However, in Sept 2022 they were 31.5% below the national average.

London focus



Average rent

£2,179

Average rents in London continued to rise in September, with a further 1.6% increase in the month.



Change annual

+12.0%

This takes rents to a new high. The annual rate of growth has not dropped beneath 10% since October 2021.



Strongest performer

+19.0%

Barking, Dagenham and Havering

Rents are rising across all London boroughs, to varying degrees, from 3.5% in Bexley and Greenwich to 19% in Barking, Dagenham and Havering.



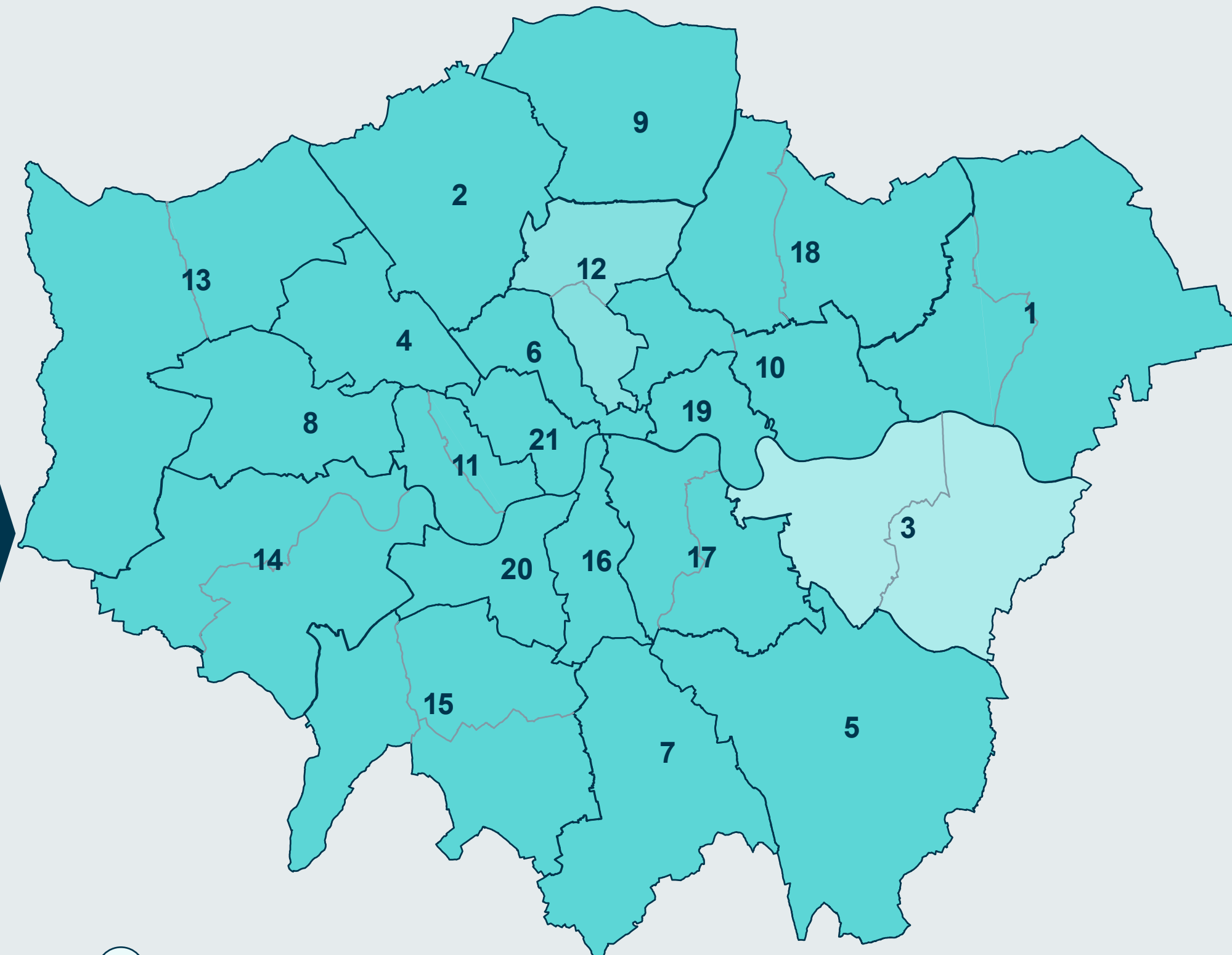
Annual change Sept 2022 to Sept 2023



Annual change



Average rent



- Less than 0%
- 0% to 2%
- 2% to 4%
- 4% to 6%
- 6% and over

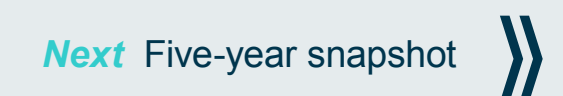
Aggregations of London Boroughs are based on the NUTS2 statistical classification model.

		Annual change	Average rent
1	Barking, Dagenham and Havering	+19.0%	£1,700
2	Barnet	+13.5%	£2,093
3	Bexley and Greenwich	+3.5%	£1,730
4	Brent	+13.7%	£2,086
5	Bromley	+8.7%	£1,825
6	Camden, City of London	+13.2%	£2,684
7	Croydon	+8.4%	£1,441
8	Ealing	+11.8%	£2,105
9	Enfield	+8.7%	£1,827
10	Hackney and Newham	+11.7%	£1,992
11	Hammersmith, Fulham, Kensington and Chelsea	+16.9%	£2,804
12	Haringey and Islington	+4.3%	£2,173
13	Harrow and Hillingdon	+9.4%	£1,727
14	Hounslow and Richmond	+8.8%	£1,982
15	Merton, Kingston upon Thames and Sutton	+8.5%	£1,866
16	Lambeth	+16.5%	£2,885
17	Lewisham and Southwark	+15.1%	£2,183
18	Redbridge and Waltham Forest	+6.5%	£1,592
19	Tower Hamlets	+11.7%	£2,428
20	Wandsworth	+14.0%	£2,483
21	Westminster	+13.4%	£3,497

By borough

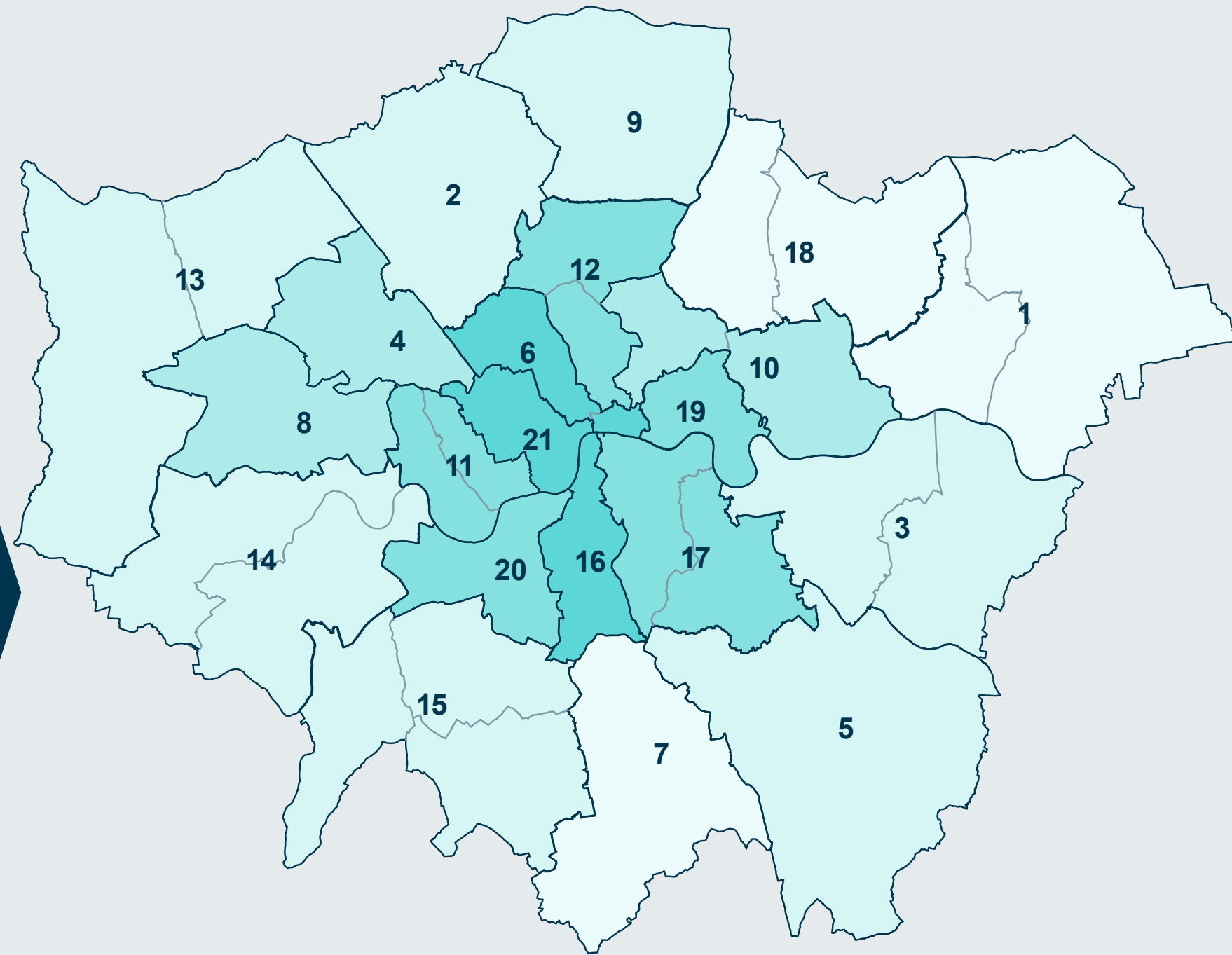


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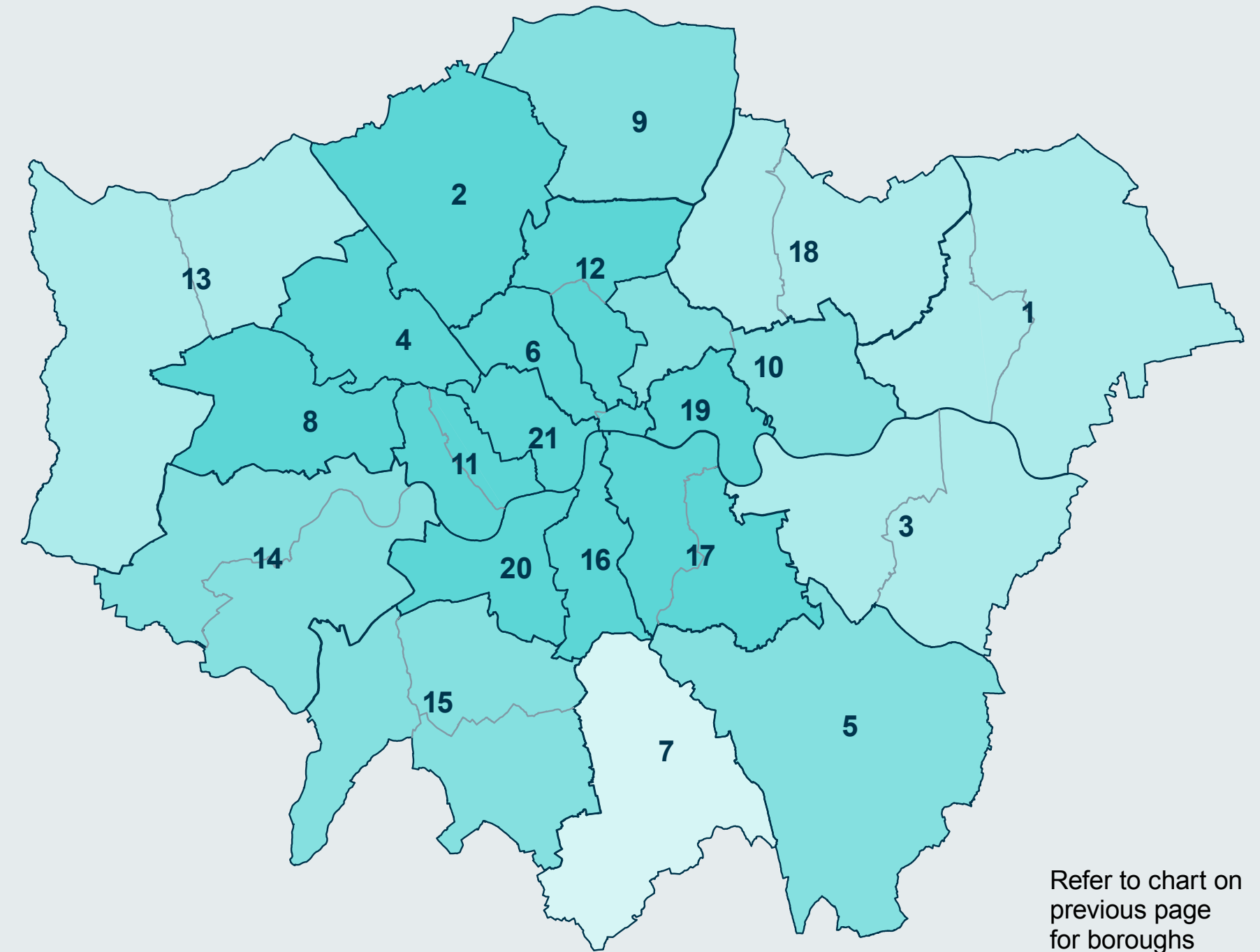




Average rent Sept 2018



Average rent Sept 2023



Refer to chart on previous page for boroughs

- Less than £1,250
- £1,250 to £1,500
- £1,500 to £1,750
- £1,750 to £2,000
- Over £2,000

5 YR Greatest change over five years

+56.3% **Westminster**

Five-year snapshot



Strongest and weakest performers



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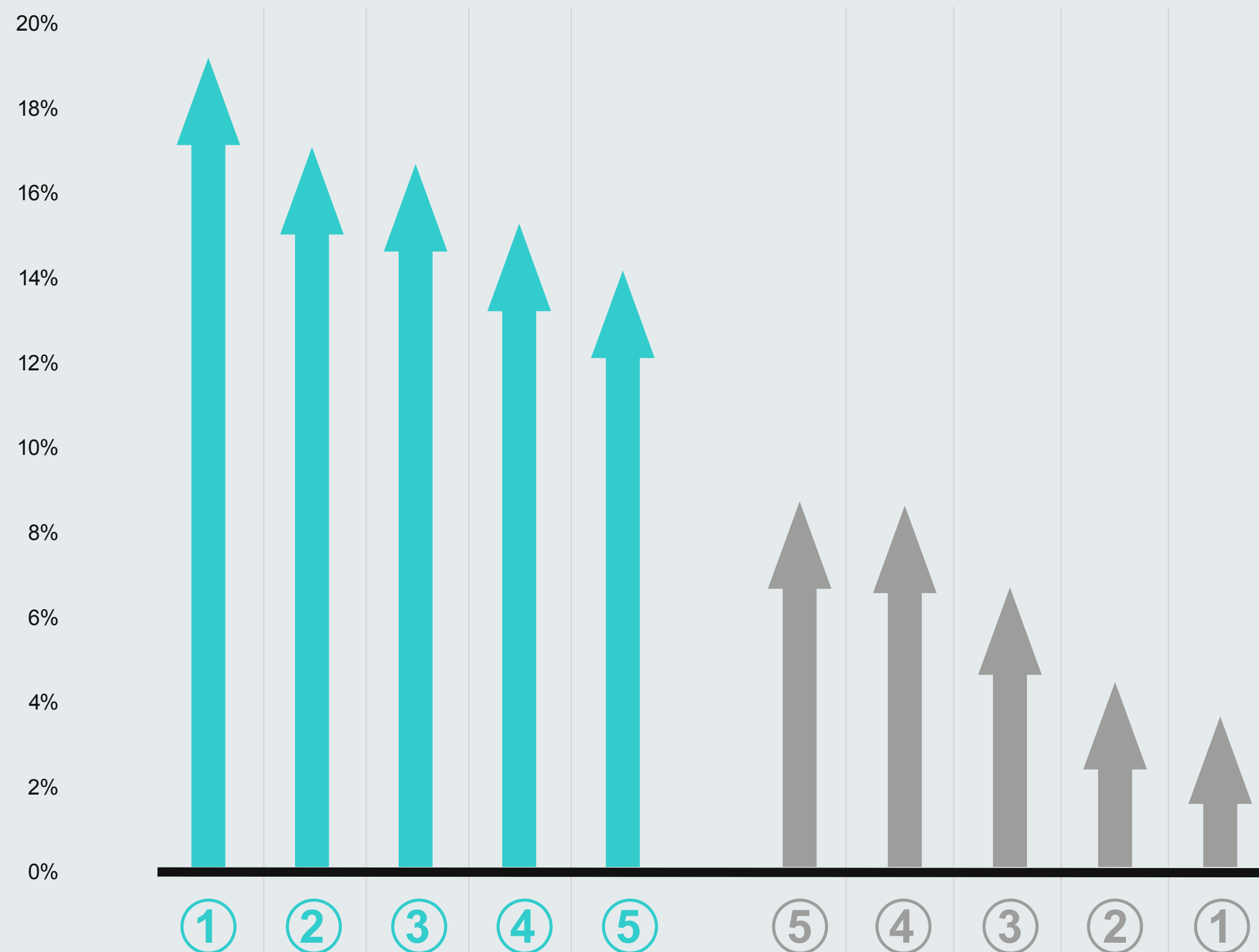
Next Affordability »



Strongest Sept 2023



Weakest Sept 2023



Based on annual change to Sept 2023

- 1** +19.0% Barking, Dagenham and Havering
- 2** +16.9% Hammersmith, Fulham, Kensington and Chelsea
- 3** +16.5% Lambeth
- 4** +15.1% Lewisham and Southwark
- 5** +14.0% Wandsworth
- 5** 8.5% Merton, Kingston upon Thames and Sutton
- 4** 8.4% Croydon
- 3** 6.5% Redbridge and Waltham Forest
- 2** 4.3% Haringey and Islington
- 1** 3.5% Bexley and Greenwich

Affordability



**% income
spent on rent**

32.5%

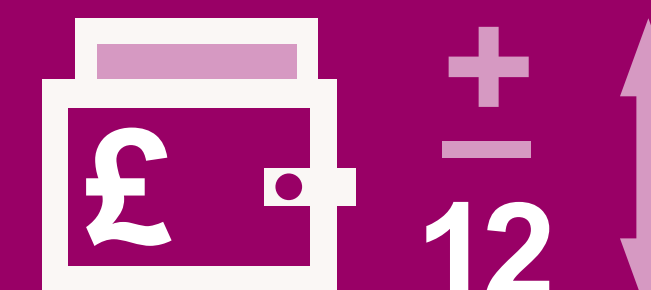
Rental affordability weakened again in September with renters spending a higher proportion of their income on rent.



**Change
annual***

-2.2%

An affordability level of 32.5% is 2.2% more than was being spent a year ago when the level was 30.3%.



**Greatest
change**

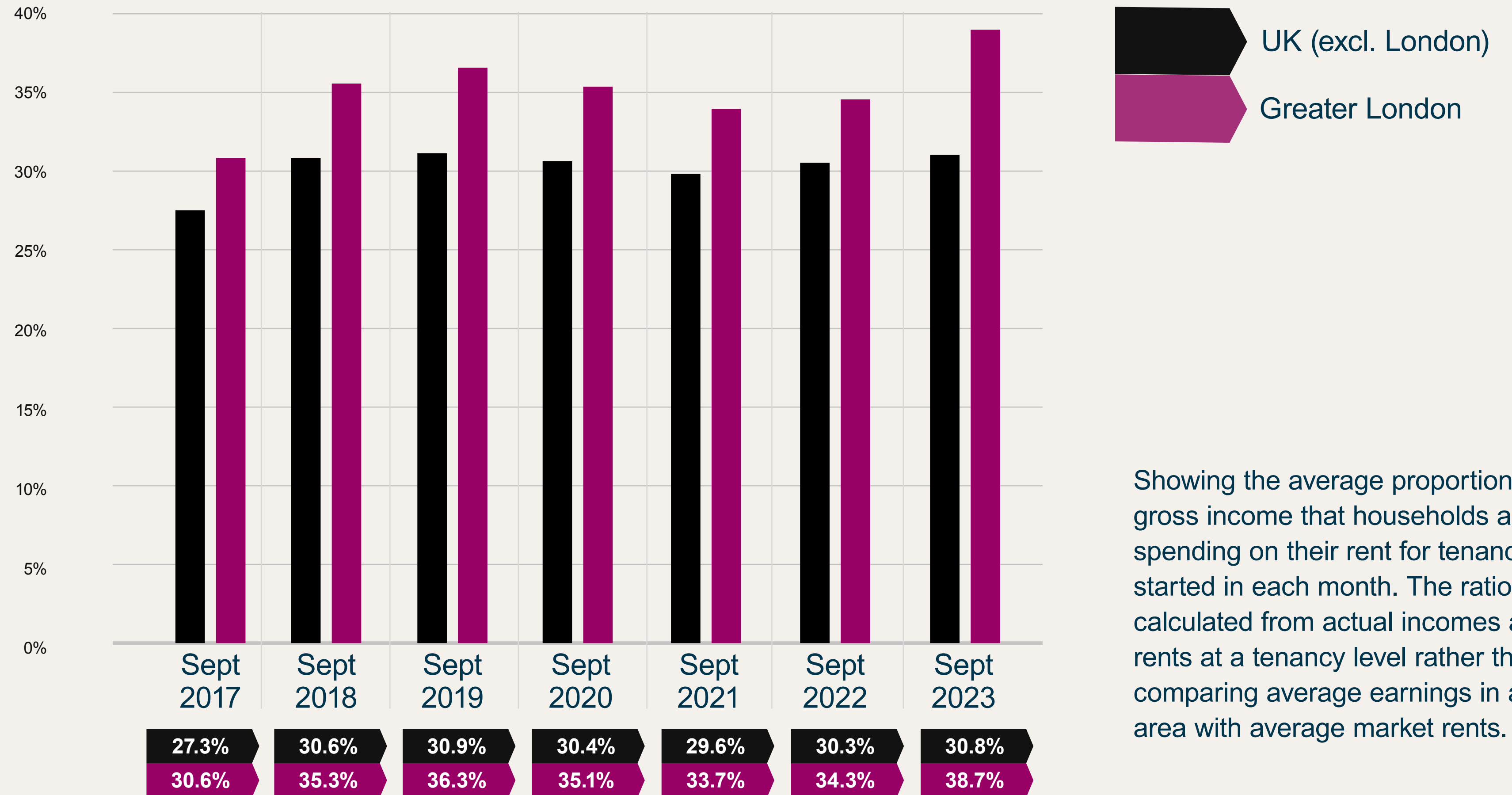
-4.4%

London

Affordability has weakened most notably in London, but also in the East of England and Wales.



Affordability over time Sept 2017 to Sept 2023



Showing the average proportion of gross income that households are spending on their rent for tenancies started in each month. The ratio is calculated from actual incomes and rents at a tenancy level rather than comparing average earnings in an area with average market rents.

UK and London

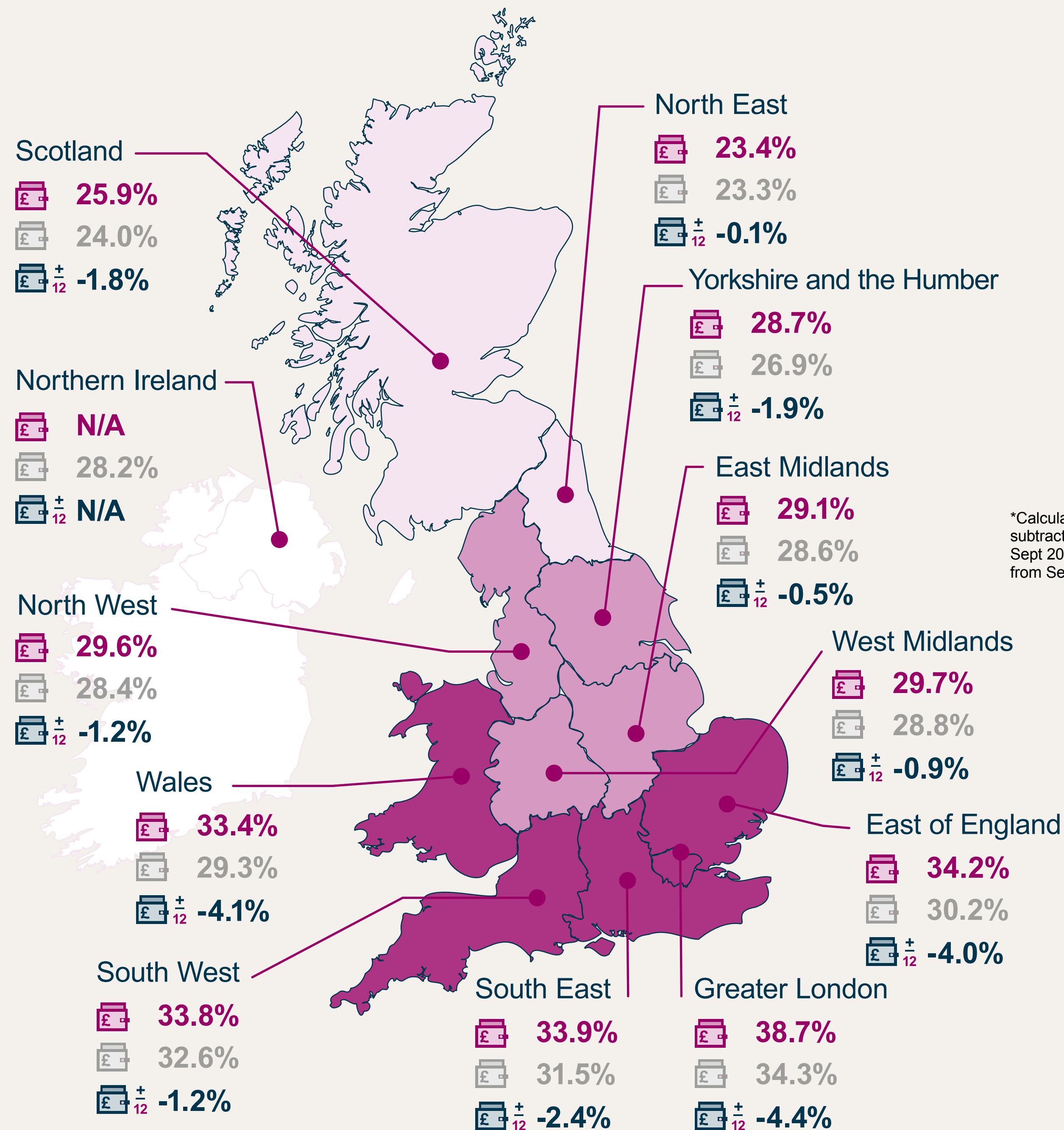


Regional snapshot



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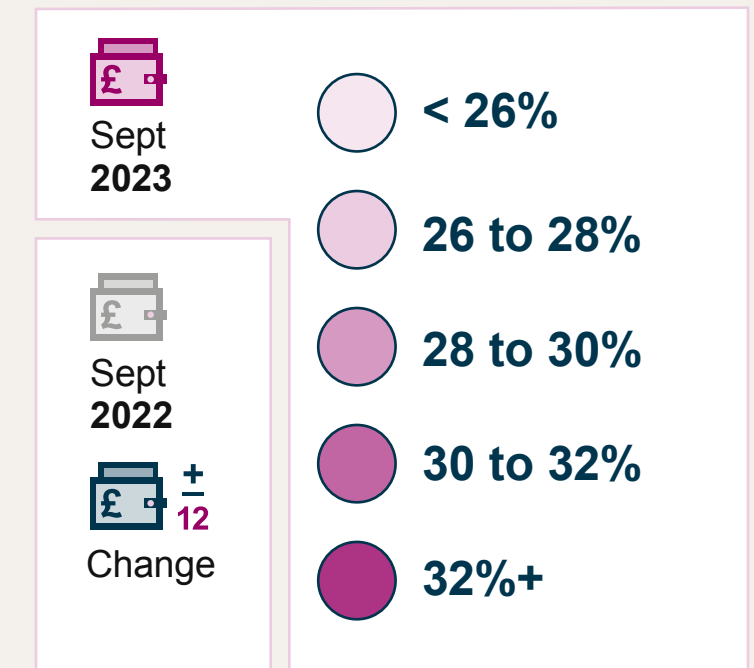


*Calculated by subtracting the Sept 2022 figure from Sept 2023.

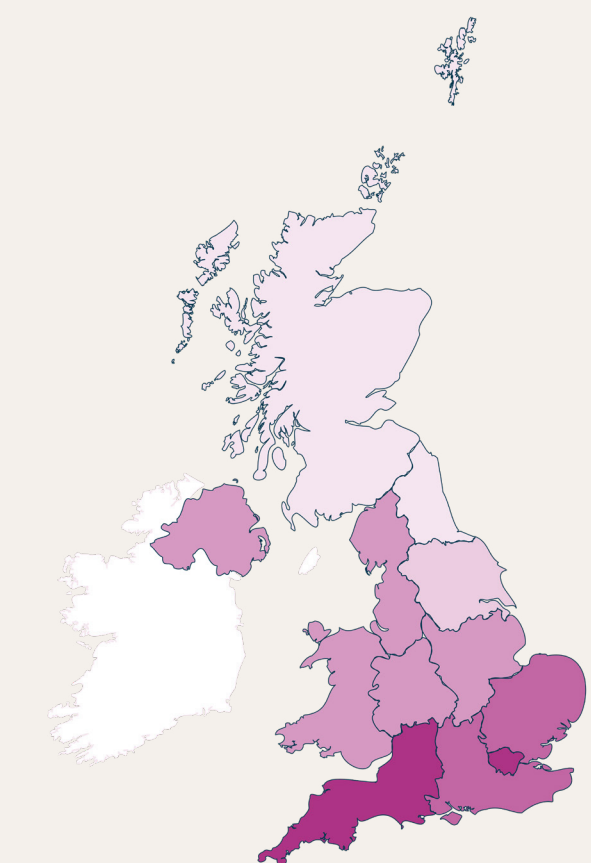


% income spent on rent

Sept 2023



Sept 2022



Next Regional focus »

East of England



Median tenant gross income*

£30,000

£30,470



Predominant age group

20–29

20–29



Average % tenant income spent on rent

34.2%

32.5%



Predominant rental band

£750–£1,000

£750–£1,000 per month

Key
Shows regional average
Shows UK average

Delving deeper into the data we are able to provide tenant demographic and market profiling at a local level. Each month, we provide a snapshot of the profile of tenants across different UK regions based on data for the last 12 months. This month's focus is on East of England.

*Excludes below £10k and over £500k



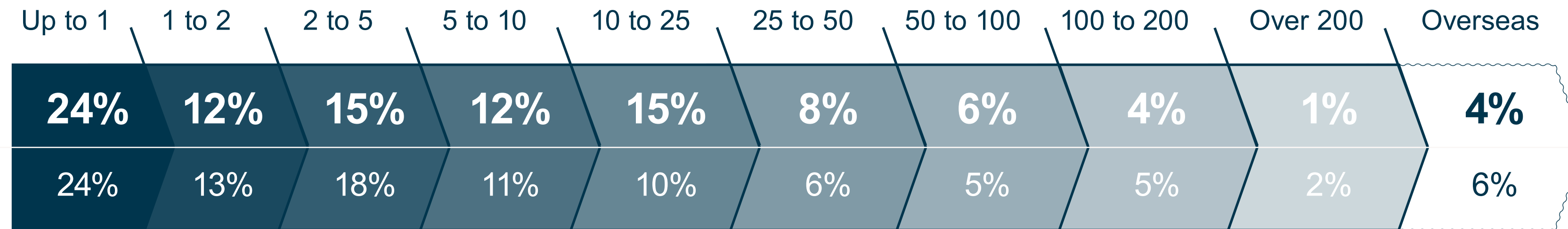
East of England



Distance moved last 12 months

Key
Shows regional average
Shows UK average

Miles



Profile of properties let Last 12 months

Number of bedrooms

Flats



6%

5%



17%

19%



21%

23%



2%

7%

Houses



22%

18%

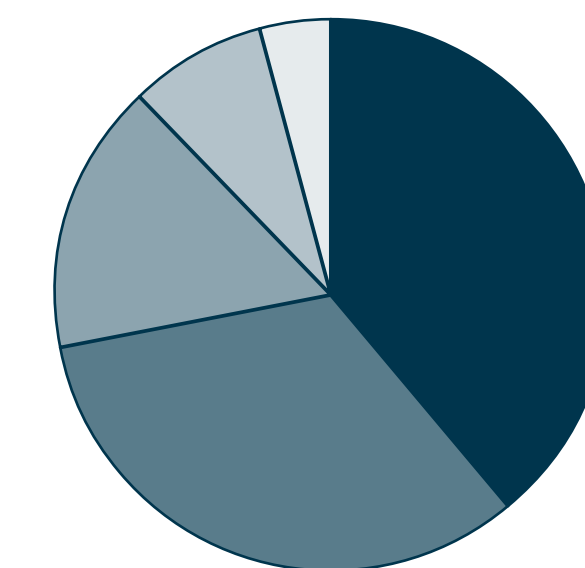


31%

28%

Age breakdown Last 12 months

Tenants age



39% ● Under 29
33% ● 30 to 39
16% ● 40 to 49
8% ● 50 to 59
4% ● 60+



With over 30 years of experience, we're the UK's leading tenant referencing and specialist protection supplier for the private rented sector. We've got a team of over 300 co-workers dedicated to providing market-leading support to our letting agents, helping them to grow and develop their business.

We always strive to exceed our customers' expectations. Our expertise combined with our innovative approach drives a continual development of our proposition – and the value that we provide for our customers.

In conjunction with Dataloft

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A PriceHubble company

About the HomeLet rental index report

The index and average prices are produced using HomeLet's mix adjusted rental index methodology. This helps to track the representative rental values over time, which factor in changes in the mix of property types and locations of rented properties. Data is gathered from our tenant referencing service, and our rental amounts are based on actual achieved rental prices with accurate tenancy start dates in a reported month, rather than advertised costs. The data used in the HomeLet Rental Index is aggregated to regional, county and city level only. This ensures that all property or individual records remain strictly anonymous.

The HomeLet Rental Index is prepared from information that we consider is collated with careful attention, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue this report. The HomeLet Rental Index may not be used for commercial purposes; we shall not be liable for any decisions made or action taken in reliance upon the published data.

About Dataloft

Dataloft provides data-driven analytics and insights on housing markets as part of PriceHubble, a global data and technology and business. Dataloft aggregates data from Barbon and other companies to create Dataloft Rental Market Analytics (DRMA), the largest and most comprehensive single source of achieved rents and renter demographics for the UK. Their team of analysts and data scientists produce the evidence needed by clients for marketing strategies, investment decisions and planning submissions.

[dataloft.co.uk](https://www.dataloft.co.uk)

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