

April
2022

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

HomeLetTM
THE RENTAL INDEX

Industry insight

“

The cost-of-living crisis has been widely publicised, and energy price rises and extra expenses in other areas will make it harder for tenants to pay their rent every month.



Andy Halstead
Group CEO
HomeLet and Let Alliance

“

Protecting landlords from fraud remains vital

Considering the increasing difficulty for tenants to pay rent and the fact that our internal data shows that fraud is on the rise, it's impossible to escape the conclusion that agents need to protect their landlords and keep a strong relationship with them by using high quality referencing checks and a water-tight rent guarantee product.

Supply issues continue to cause price rises

A broader analysis of the Rental Index data confirms that the demand for rental properties is continuing to outweigh supply massively, which will surely lead to continued price rises to differing extents across the country. Finally, we can see that London has well and truly bounced back from a lull during the height of the pandemic, with a strong performance in the capital reinforced by another price rise.

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Regional focus

Average rents and change in rents



**Average
rent**

£1,091

Average rents have risen for the last 6 months. Excluding London, average monthly rents were £920, 1.1% higher than in March.



**Change
monthly**

+1.2%

Nationally, April saw the strongest monthly increase in rents this year. At a regional level, Greater London saw the strongest monthly increase in rents at 1.9%.



**Change
annual**

+9.5%

This strong increase in rents has pushed London beyond Scotland to be the strongest performing region on an annual basis. Rents have risen by 14.2% over the past year.

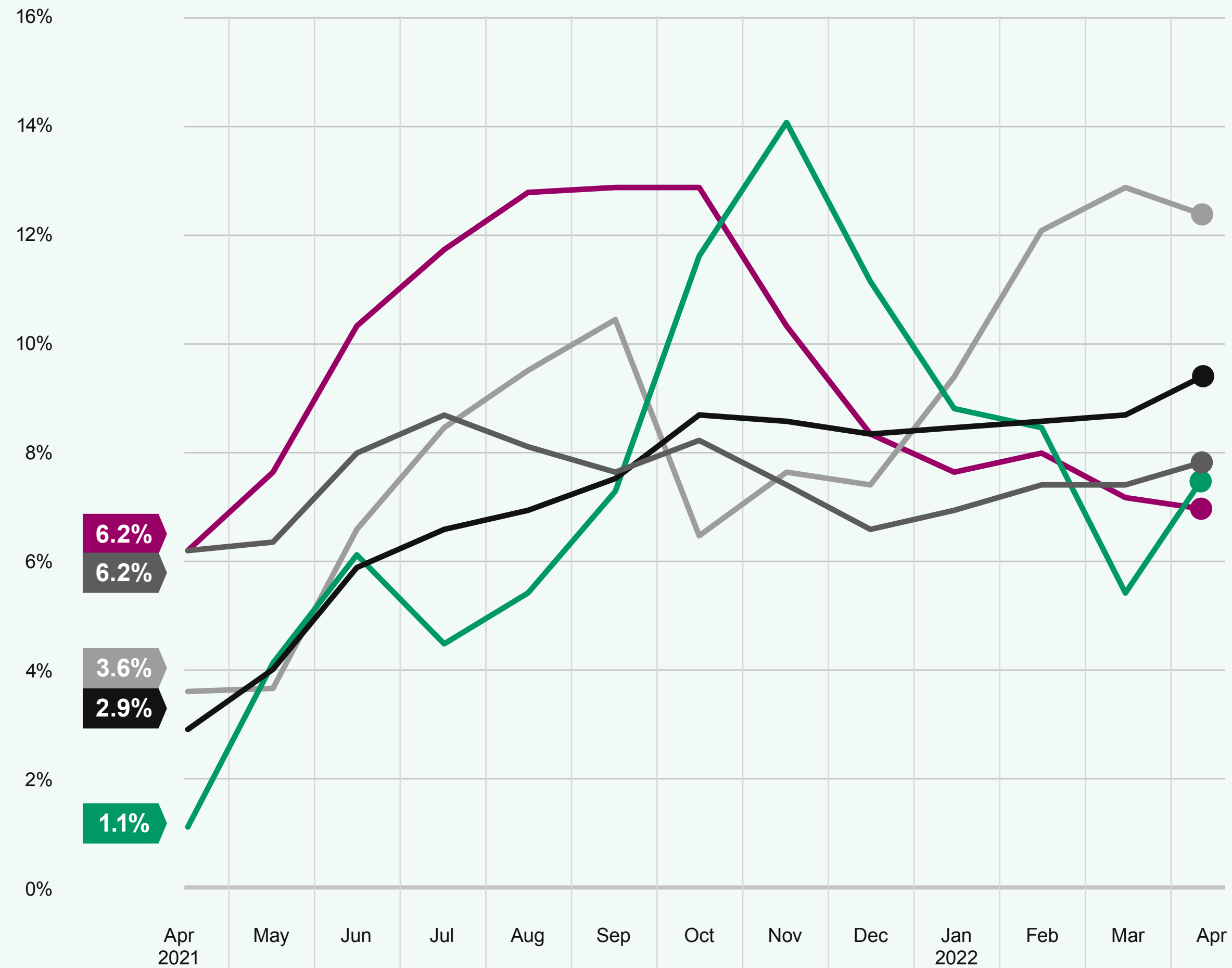
UK and home nations



In conjunction with Dataloft

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Annual change April 2021 to April 2022



- 12.3% Scotland
- 9.5% UK
- 7.9% UK excluding London
- 7.6% Northern Ireland
- 7.0% Wales

Showing annual change in rents, April 2022 vs April 2021. Average rents are based on agreed rents for tenancies started in each month.

Next England by region »

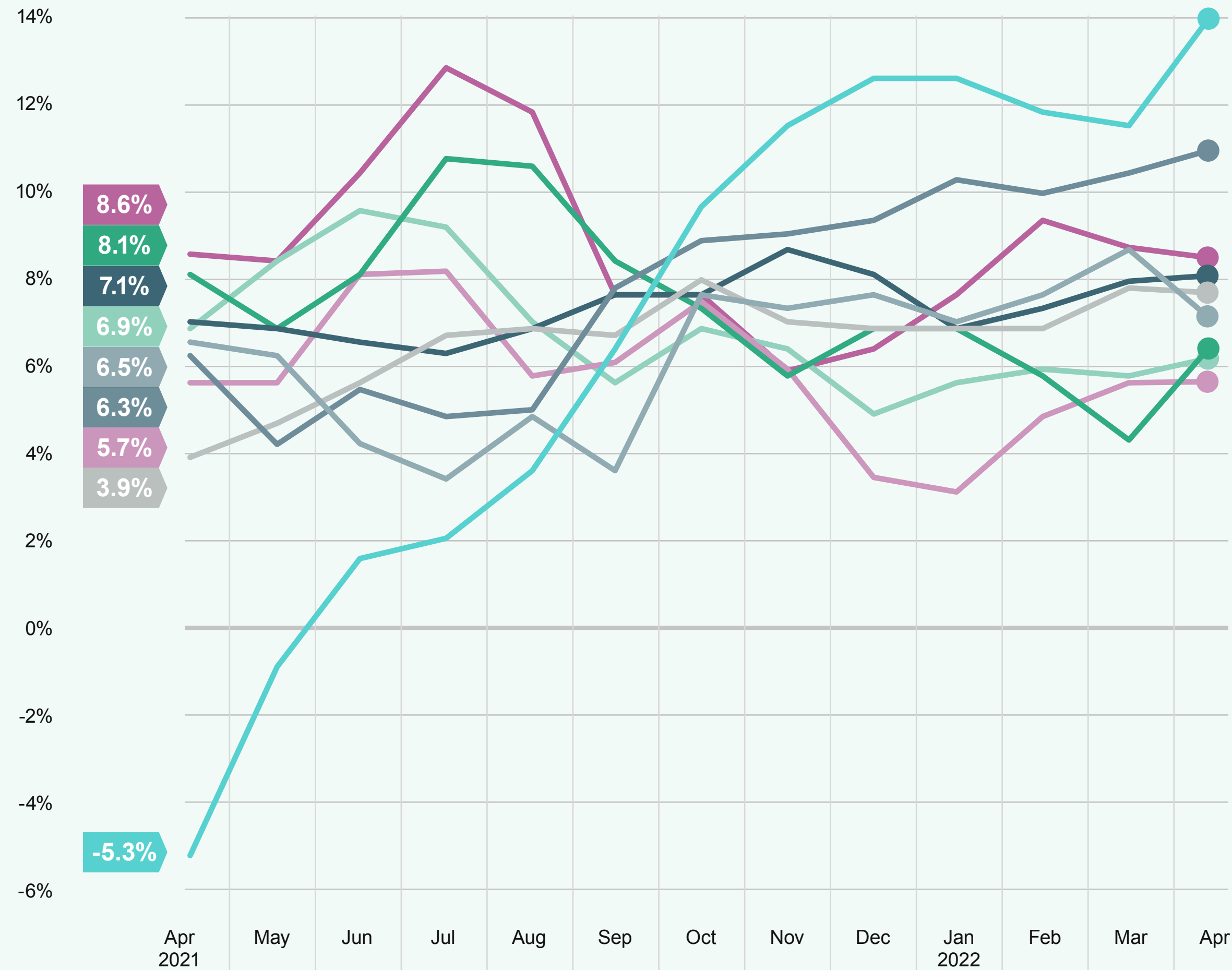
England by region



In conjunction with Dataloft

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Annual change April 2021 to April 2022



- 14.2% Greater London
- 11.0% North West
- 8.4% South West
- 8.1% Yorkshire and the Humber
- 7.7% West Midlands
- 7.0% North East
- 6.5% East Midlands
- 6.2% East of England
- 5.6% South East

Showing annual change in rents, April 2022 vs April 2021. Average rents are based on agreed rents for tenancies started in each month.

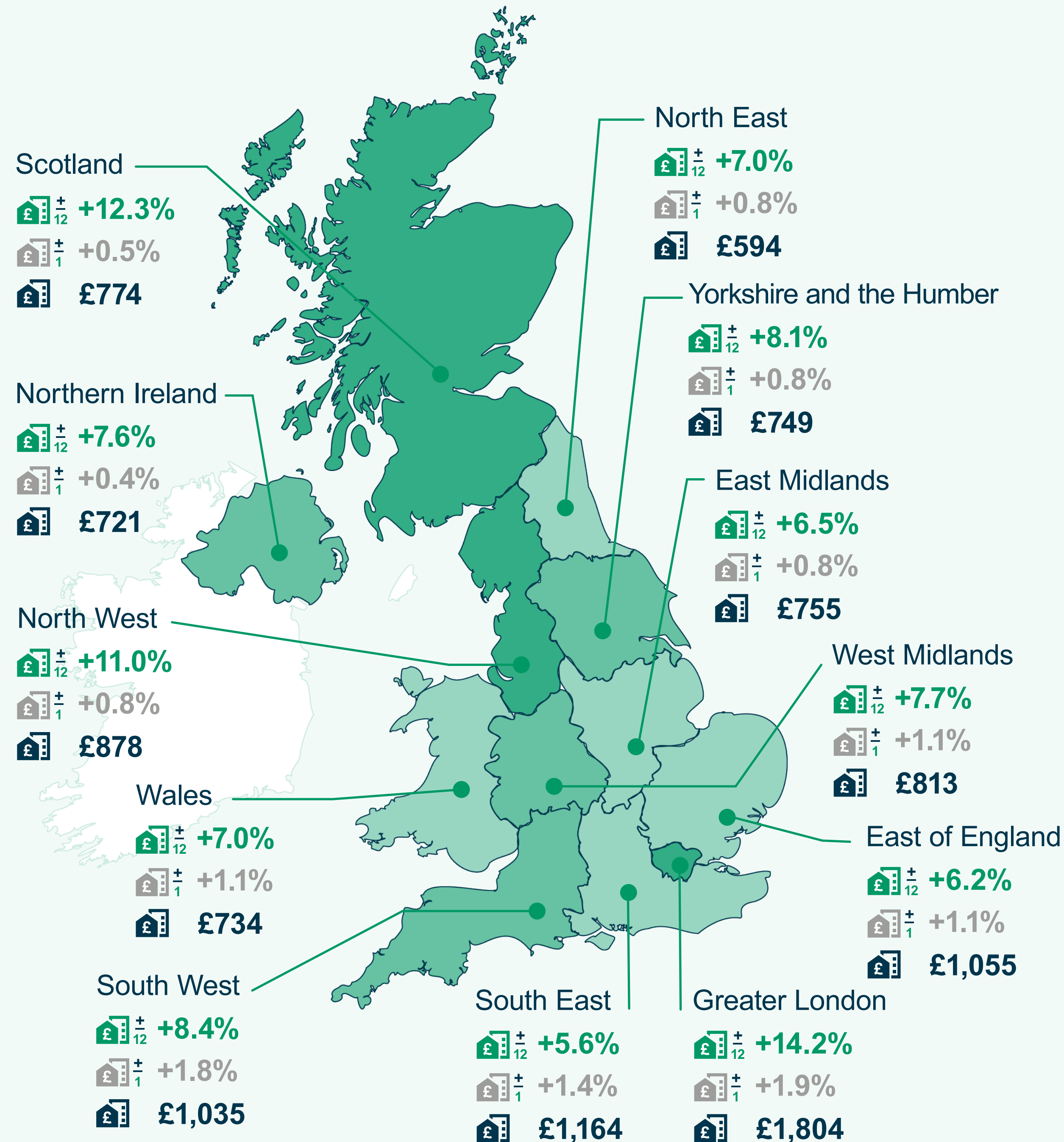
Next Regional snapshot »

Regional snapshot

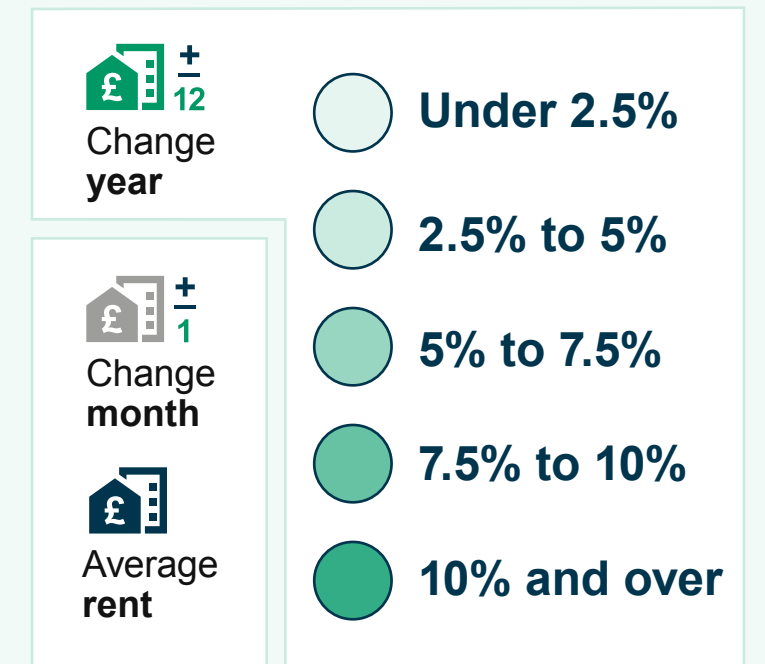


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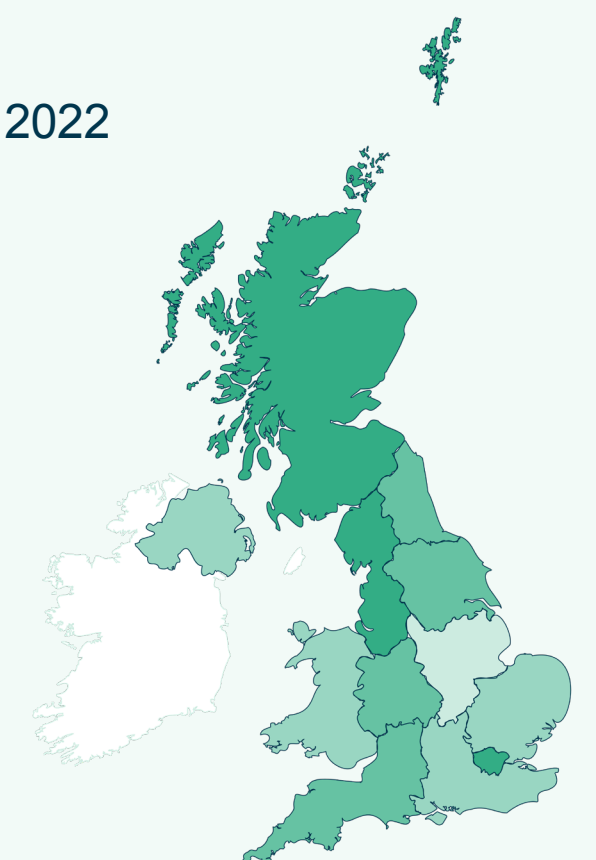
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Annual change
April 2021 to April 2022



March 2021 to 2022



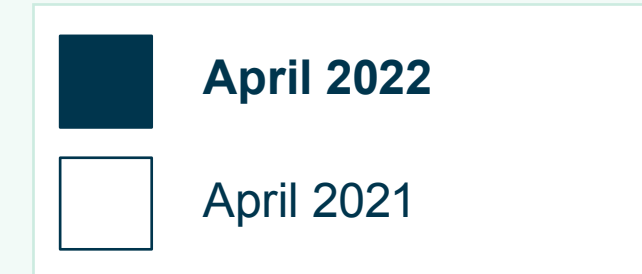
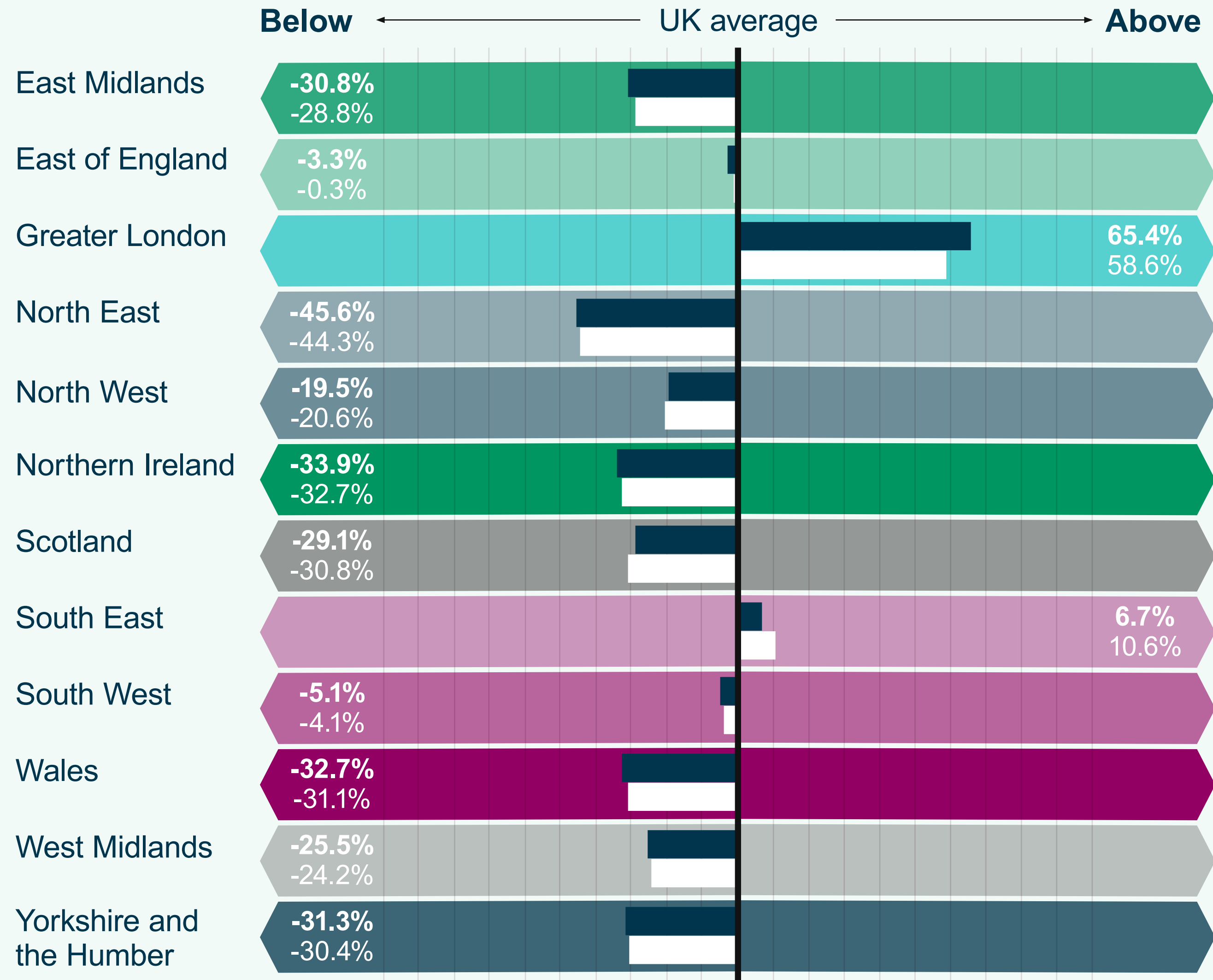
» Next Regional discount / premium

Regional discount / premium to UK average



In conjunction with Dataloft

Comparison with UK average April 2021 to April 2022



Showing how regional rents compared to the UK average in April 2022 and a year earlier, i.e., average rents in the East Midlands in April 2022 were 30.8% below the national average. However, in April 2021 they were 28.8% below the national average.

London focus



Average rent

£1,804

London saw a strong rise in rents in April with a 1.9% increase during the month.



Change annual

+14.2%

This pushed the annual growth in rents to 14.2%, making London the strongest performing region across the UK.



Strongest performer

+33.1%

Westminster

Average rents in Westminster have risen by almost a third over the past year, with a strong rebound from their Pandemic drop.



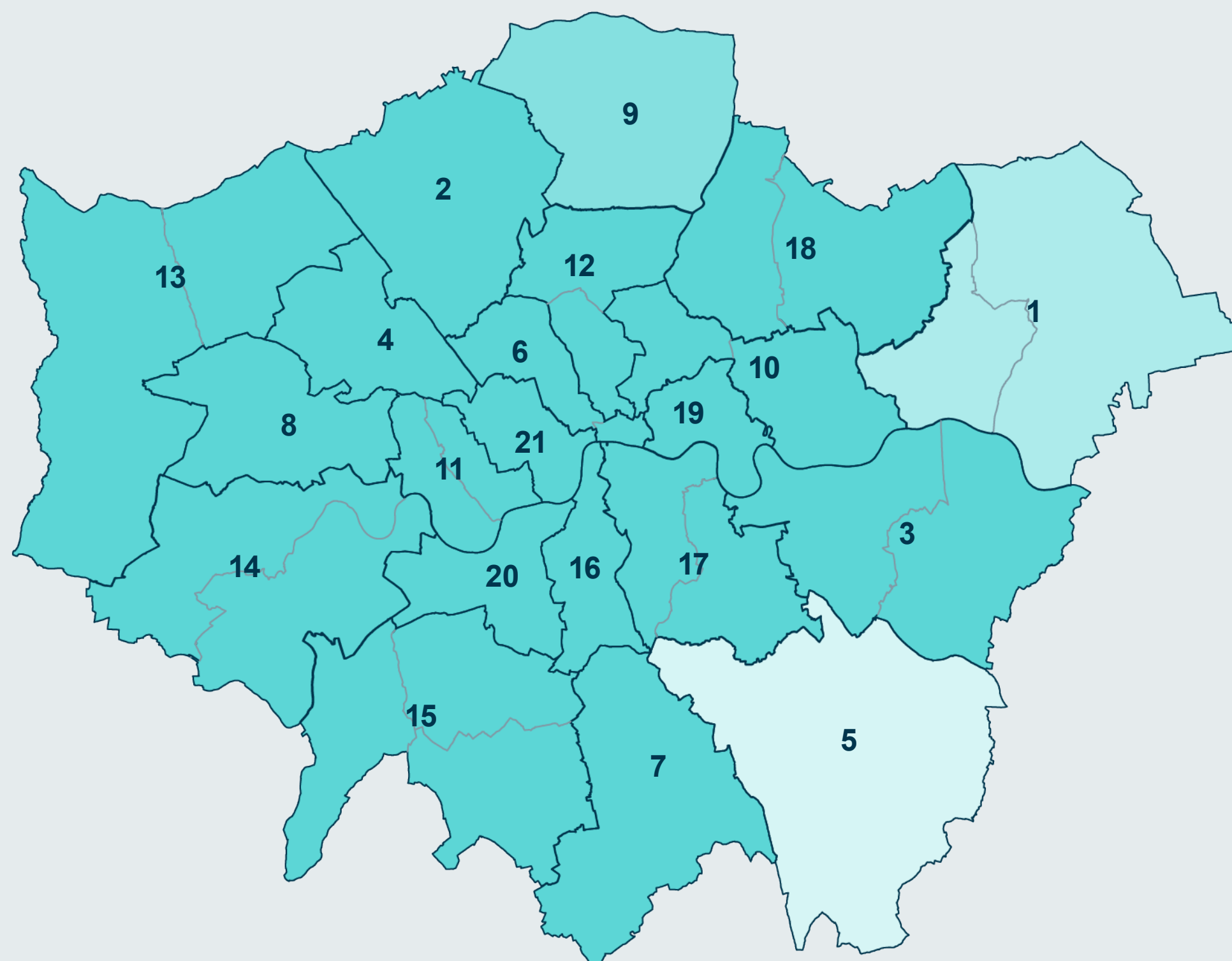
Annual change April 2021 to April 2022



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	+3.6%	£1,376
2	Barnet	+10.7%	£1,735
3	Bexley and Greenwich	+7.9%	£1,485
4	Brent	+13.9%	£1,770
5	Bromley	+0.8%	£1,556
6	Camden, City of London	+22.8%	£2,206
7	Croydon	+11.1%	£1,246
8	Ealing	+9.2%	£1,647
9	Enfield	+4.6%	£1,598
10	Hackney and Newham	+17.5%	£1,672
11	Hammersmith, Fulham, Kensington and Chelsea	+23.3%	£2,322
12	Haringey and Islington	+14.0%	£1,829
13	Harrow and Hillingdon	+6.5%	£1,473
14	Hounslow and Richmond	+10.3%	£1,636
15	Merton, Kingston upon Thames and Sutton	+17.5%	£1,622
16	Lambeth	+7.6%	£2,203
17	Lewisham and Southwark	+14.5%	£1,789
18	Redbridge and Waltham Forest	+6.3%	£1,386
19	Tower Hamlets	+18.1%	£1,870
20	Wandsworth	+14.4%	£2,116
21	Westminster	+33.1%	£2,889

By borough



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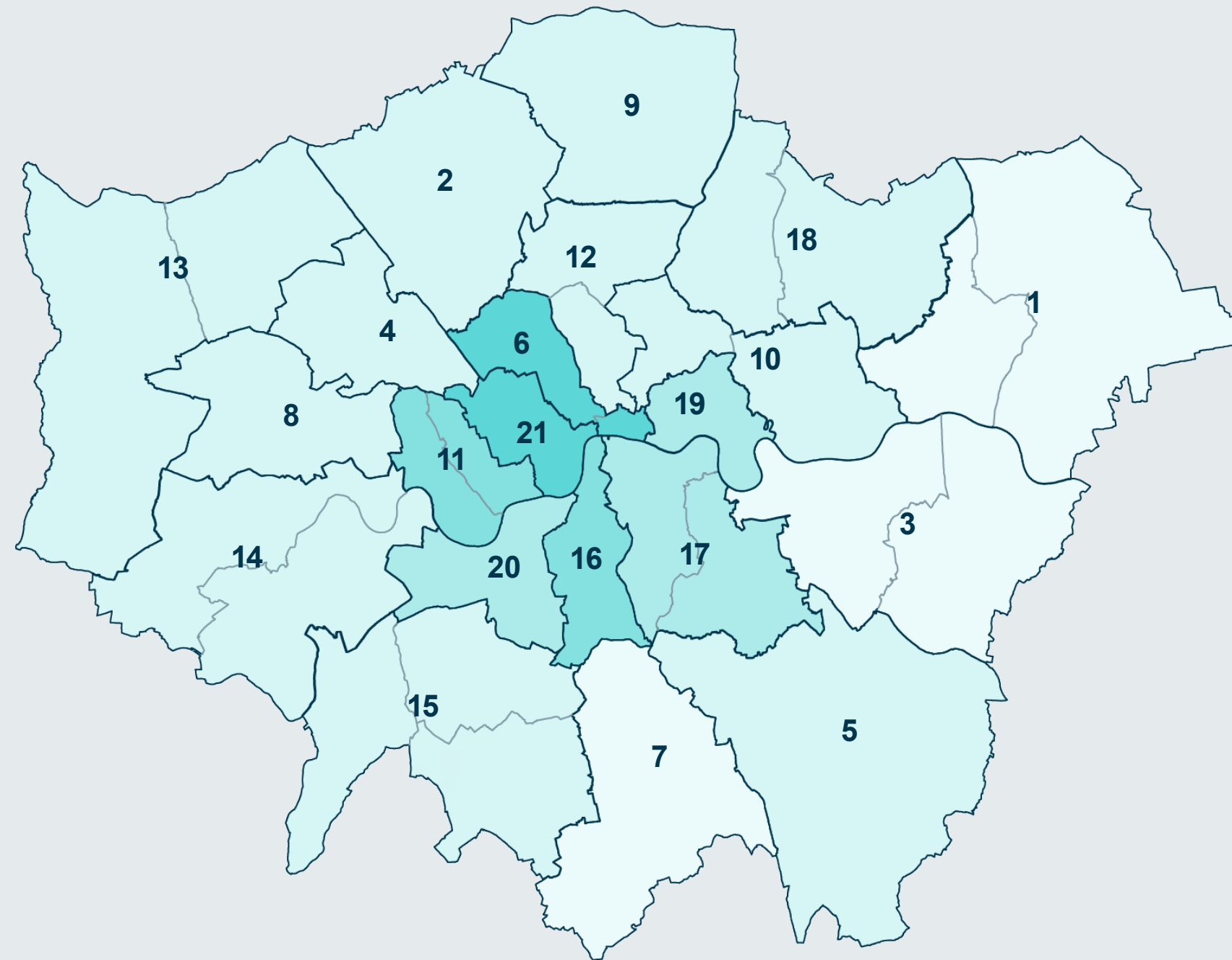


Next Five-year snapshot

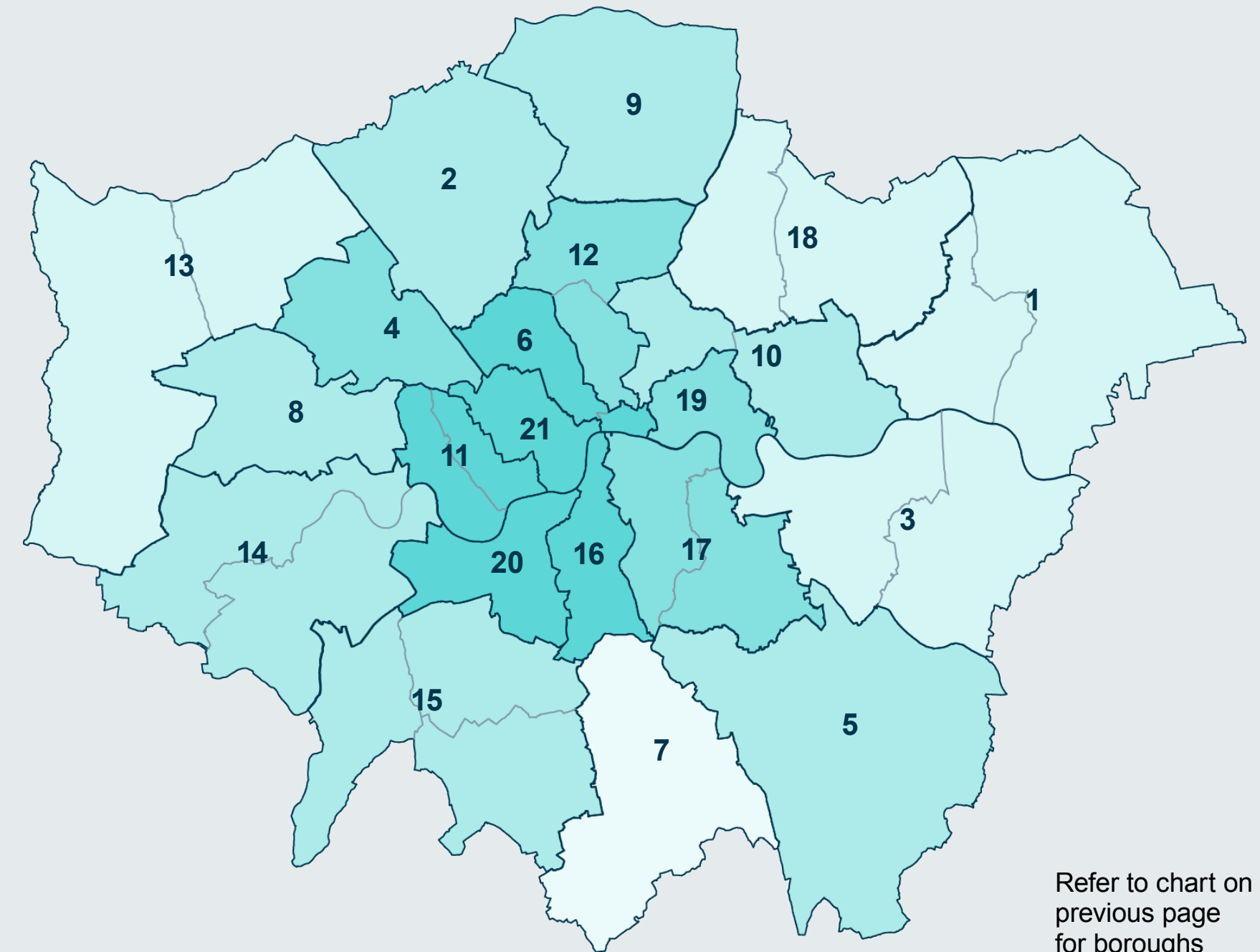




Average rent April 2017



Average rent April 2022



Refer to chart on previous page for boroughs

Five-year snapshot



In conjunction with Dataloft

- 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
 +37.9%
Westminster

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Next Strongest / weakest performers »

Strongest and weakest performers

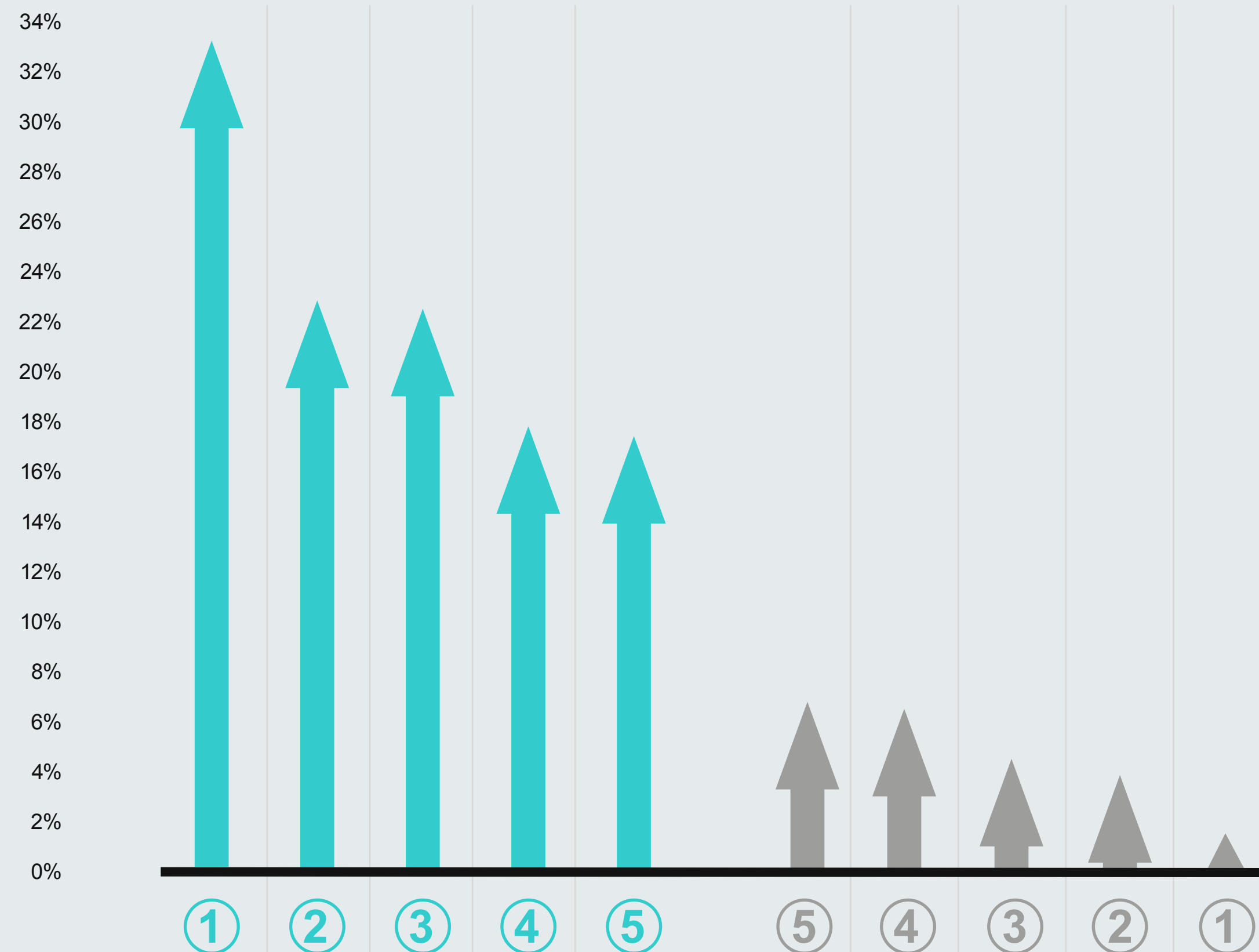


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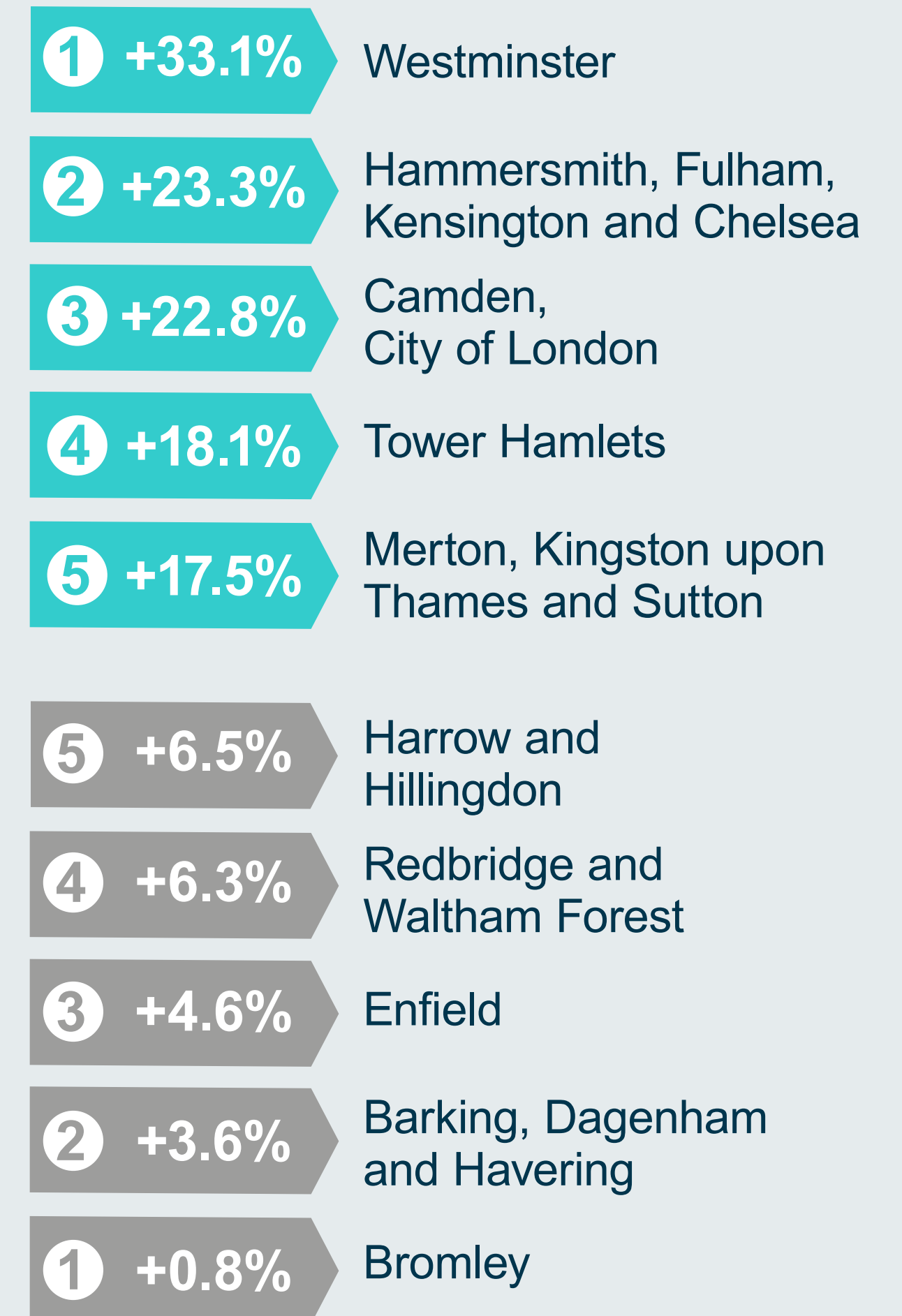
Strongest April 2022



Based on annual change to April 2022



Weakest April 2022



Next Affordability »

Affordability



**% income
spent on rent**

30.4%

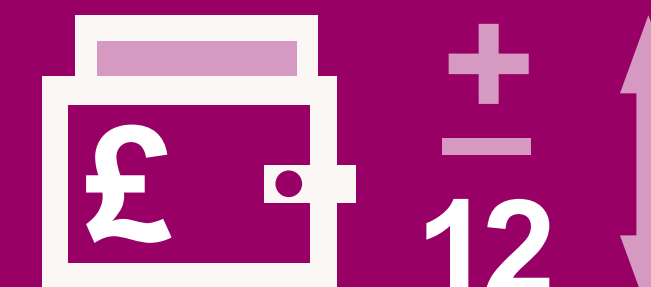
Renters spent an average of 30.4% of their gross income on rent in April, fractionally lower than the 30.5% they spent in March.



**Change
annual***

-0.1%

Affordability is largely similar to a year ago where renters spent an average of 30.3% of their income on rent.



**Greatest
change**

+4.1%

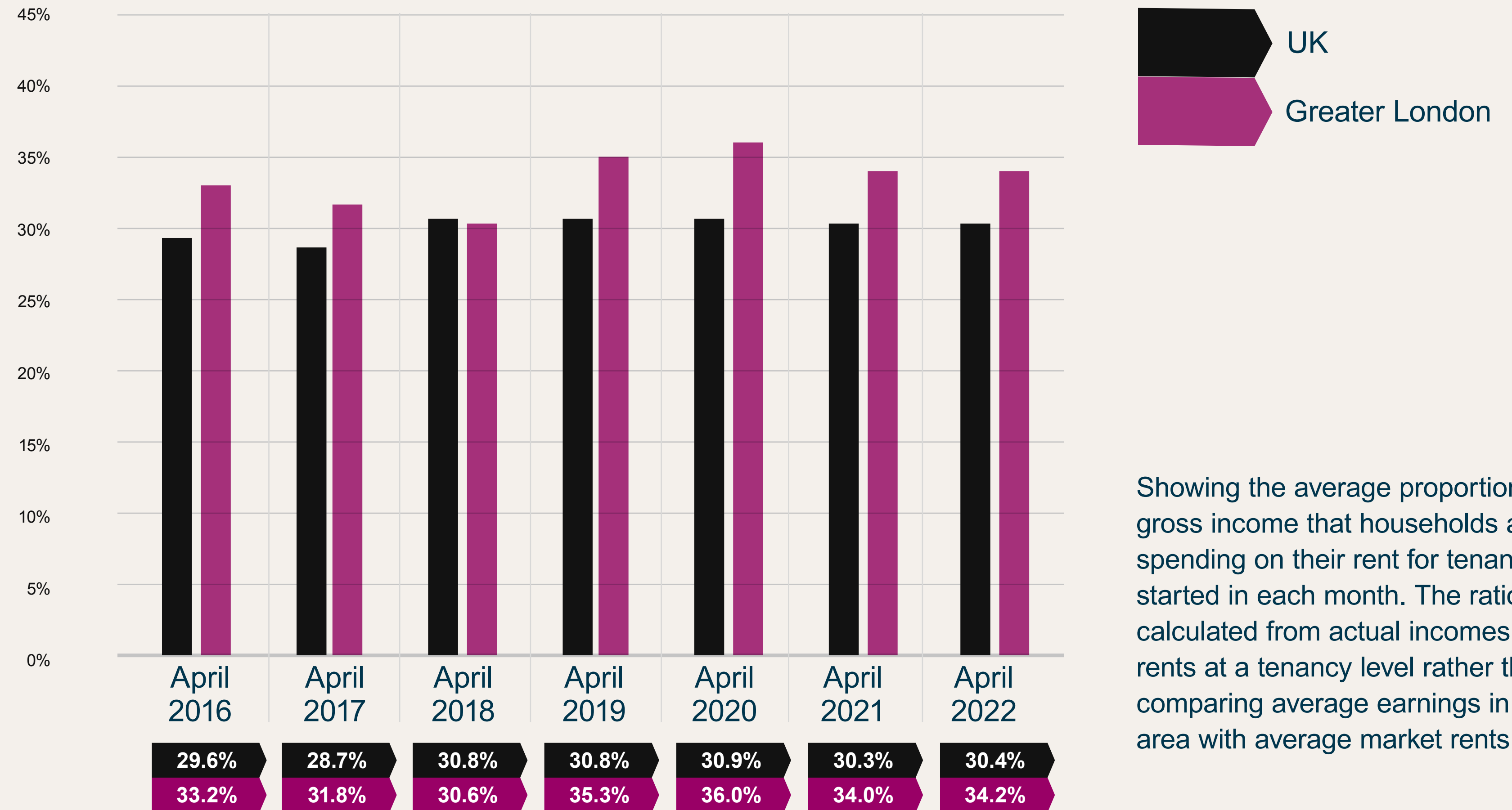
Northern Ireland

Rental affordability has improved in 6 out of 12 UK regions in the last 12 months, most notably in Northern Ireland.

* Calculated by subtracting the April 2022 figure from April 2021.



Affordability over time April 2015 to April 2022



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

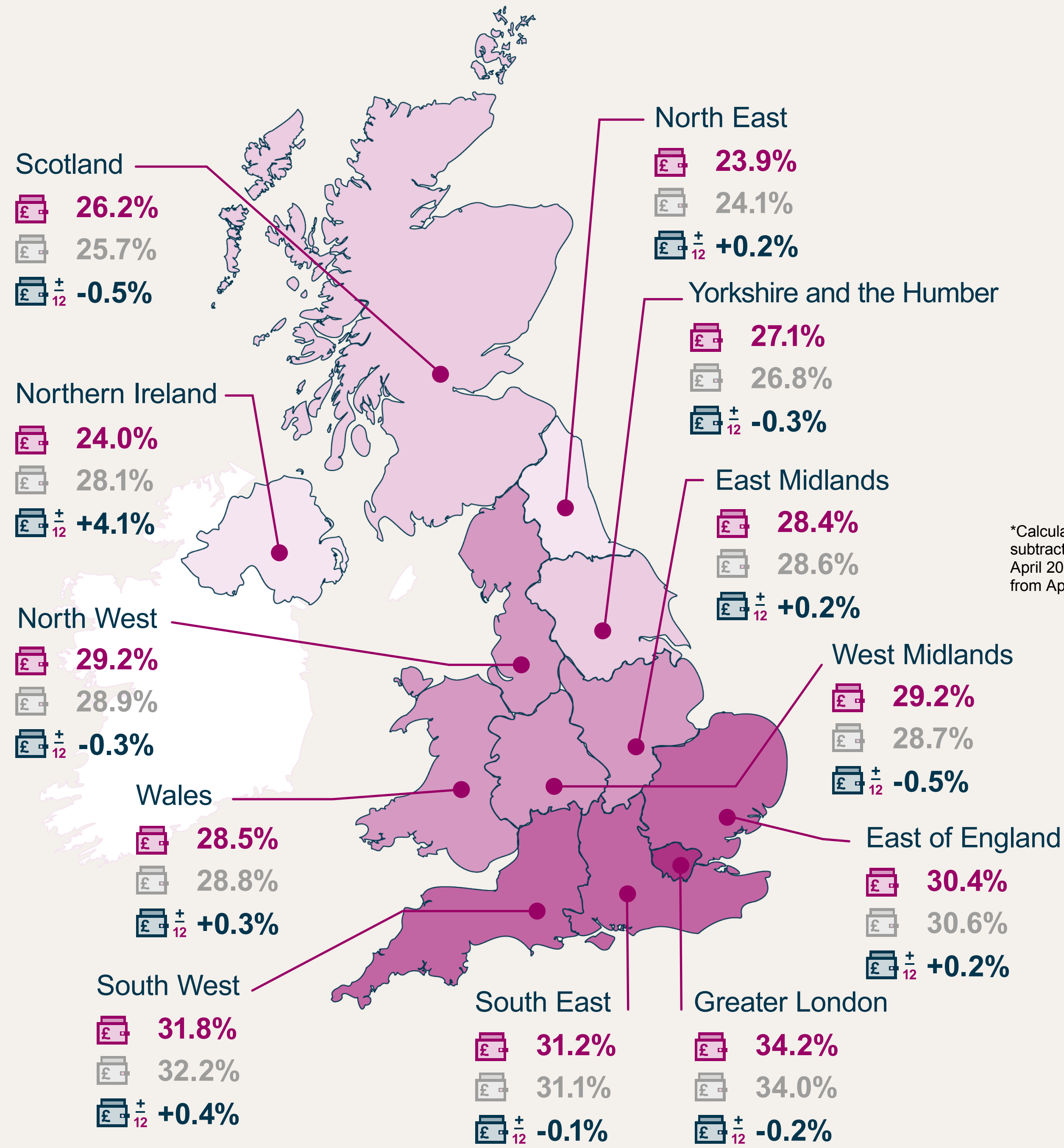


Regional snapshot



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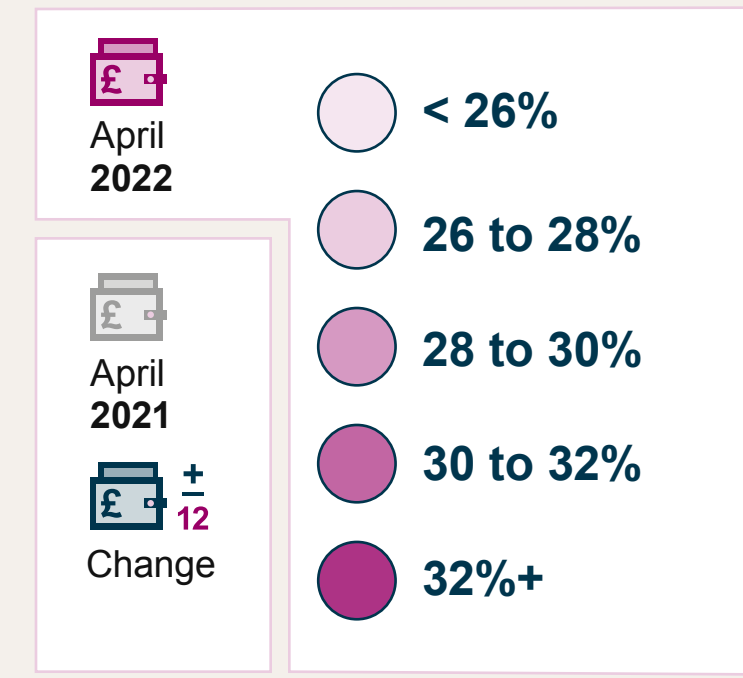


*Calculated by subtracting the April 2021 figure from April 2022.

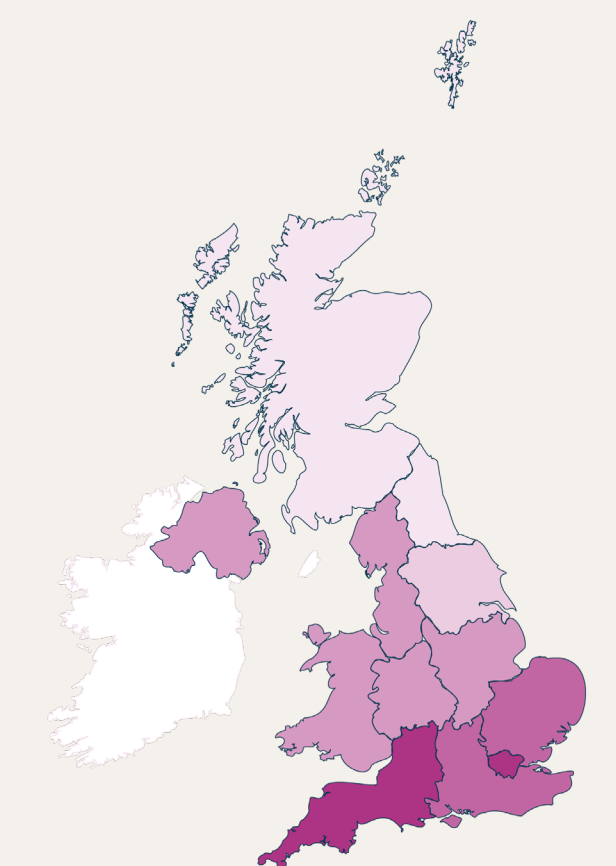


% income spent on rent

April 2022



April 2021



Next Regional focus »

East Midlands



Median tenant gross income*

£24,869

£28,965



Predominant age group

20–29

20–29



Average % tenant income spent on rent

28.4%

30.4%



Predominant rental band

£500–£750

£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 Midlands.

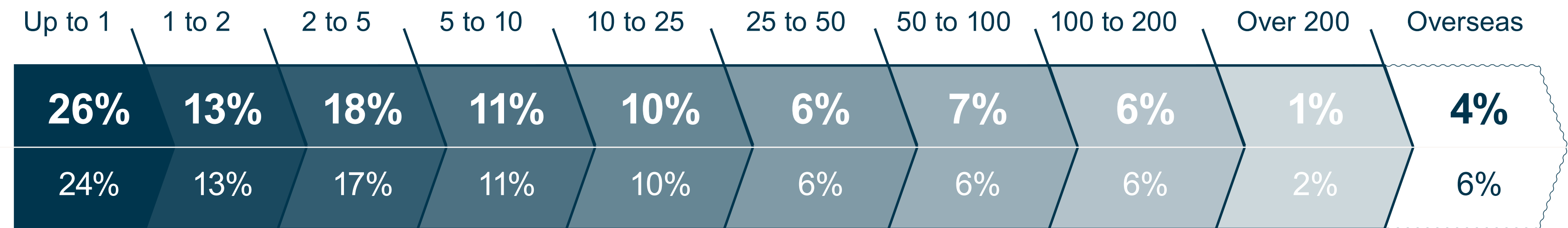
*Excludes below £10k and over £500k

East Midlands

Distance moved last 12 months

Key
 Shows regional average
 Shows UK average

Miles



Profile of properties let Last 12 months

Number of bedrooms

Flats



4% 12% 14% 2%

5% 20% 24% 6%

Houses

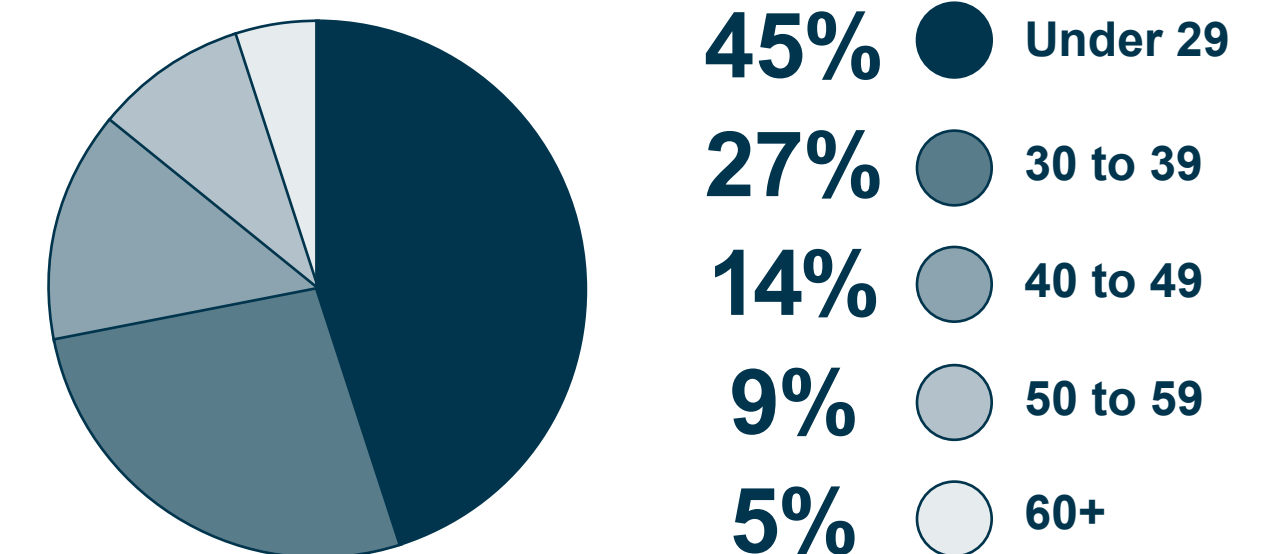


30% 38%

18% 26%

Age breakdown Last 12 months

Tenants age





With over 25 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

dataloft

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 is an established property market intelligence company with a long track record of analysing and reporting on local housing markets. Working alongside Barbon and other companies, Dataloft have compiled Dataloft Rental Market Analytics (DRMA), the largest and most comprehensive single source of achieved rents and tenant 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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