

An aerial photograph of a residential neighborhood, likely in the UK, showing a mix of brick and white houses, green lawns, and a river with a bridge in the background. The image is split into two halves by a diagonal white line. The left half is brightly lit, showing the details of the houses and trees. The right half is dark and semi-transparent, serving as a background for the text.

July
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

HomeLetTM
THE RENTAL INDEX

Industry insight

“

Every UK region sees a month-on-month increase in average rental prices in July 2023, with the average UK rental price now at £1,243 PCM.



Andy Halstead
Group CEO
HomeLet and Let Alliance

“

North-East rental prices hike

Typically the North-East is the cheapest rental area in the UK, over recent months we have not seen the same price increases in this area as we have seen in others. However, July 2023 has seen even the North-East rise 1.8% to £636 PCM, clearly there are no winners as rents sky rocket.

Everyone is losing

The madness continues as July's average rental price has now hit an astonishing £1,243, the highest average yet. July 2023 sees a month-on-month price increase across every region creating concern for both tenants and landlords. We're now edging towards a situation where a large proportion of tenants are simply unable to afford to live. This should not be mistaken for all time margins for landlords, as they are unable to rely on rental income.

Overview

Go to
page 4

Average
rents and
change
in rents

Go to
page 9

London
focus

Go to
page 13

Affordability

Go to
page 16

Regional
focus

Average rents and change in rents



**Average
rent**

£1,243

Average rents across the UK continue to rise. Outside of London an increase of 1.0% in the month took average rents to £1,037.



**Change
monthly**

+1.1%

Rents rose in July in all UK regions. Scotland, Northern Ireland and the North East saw the highest monthly levels of growth.

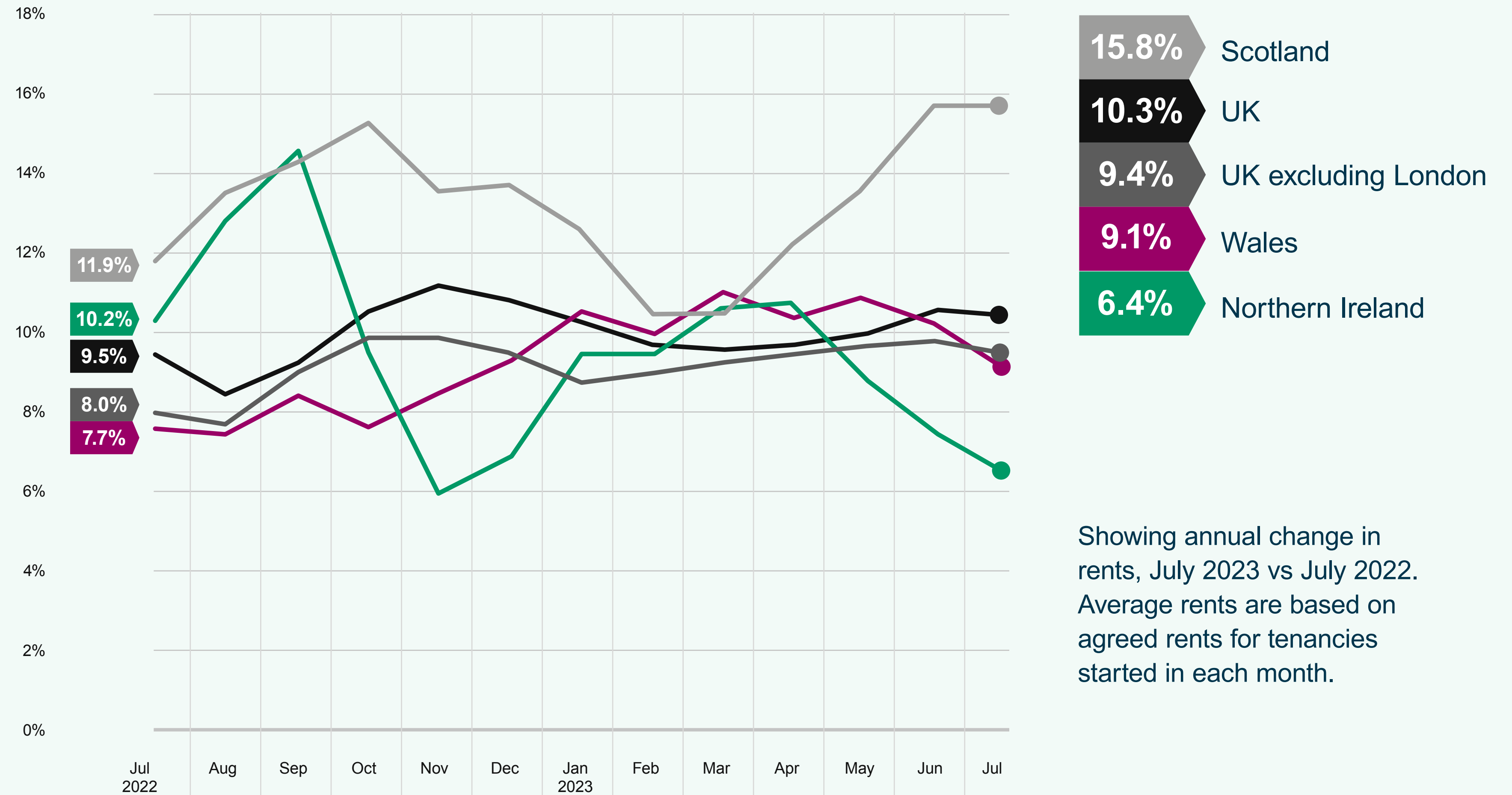


**Change
annual**

+10.3%

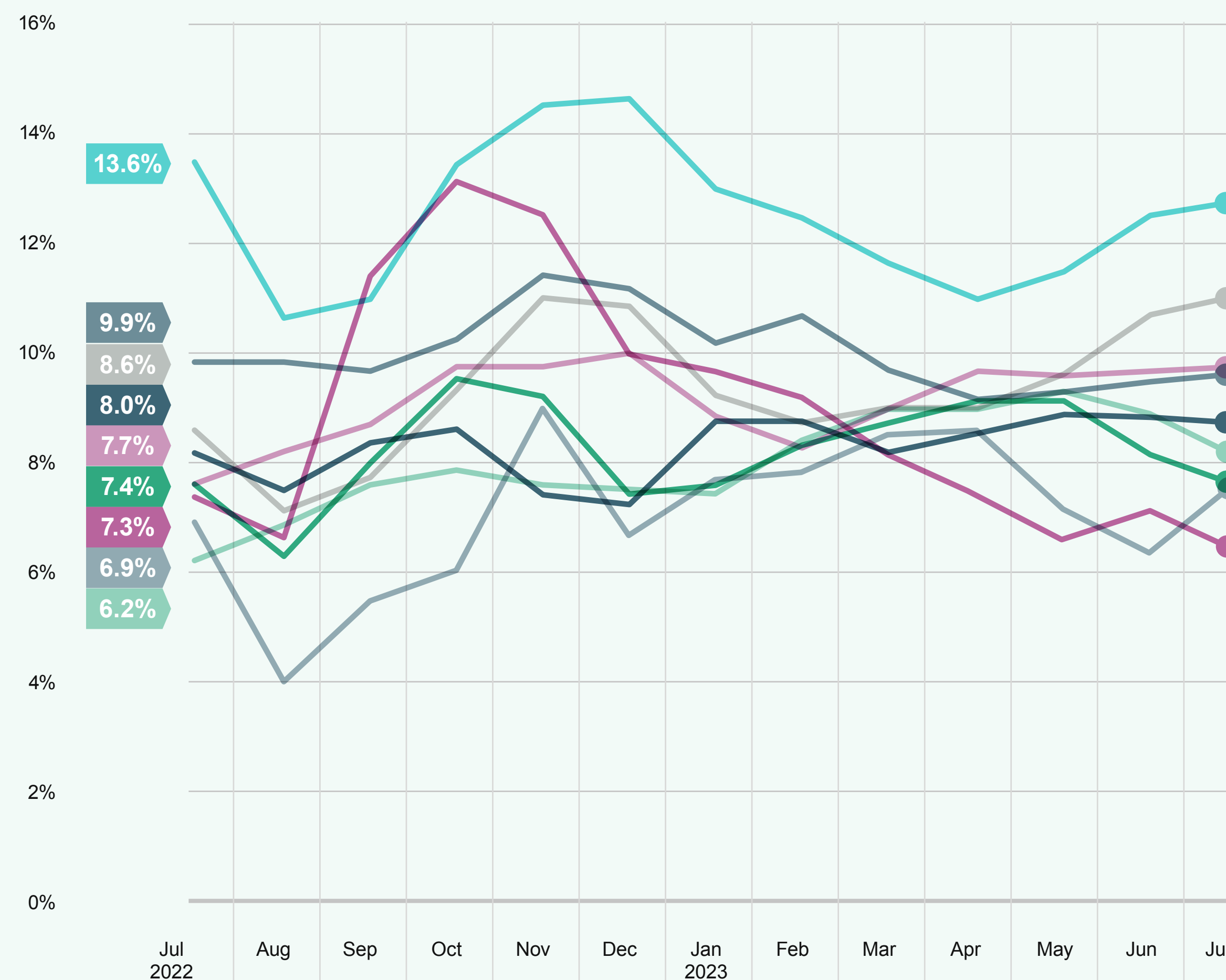
Compared to a year ago, Scotland has seen the highest increase in rents (15.8%), followed by London (12.9%).

Annual change July 2022 to July 2023



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

Annual change July 2022 to July 2023



| | |
|-------|--------------------------|
| 12.9% | Greater London |
| 11.0% | West Midlands |
| 9.8% | South East |
| 9.7% | North West |
| 8.7% | Yorkshire and the Humber |
| 8.1% | East of England |
| 7.6% | East Midlands |
| 7.6% | North East |
| 6.5% | South West |

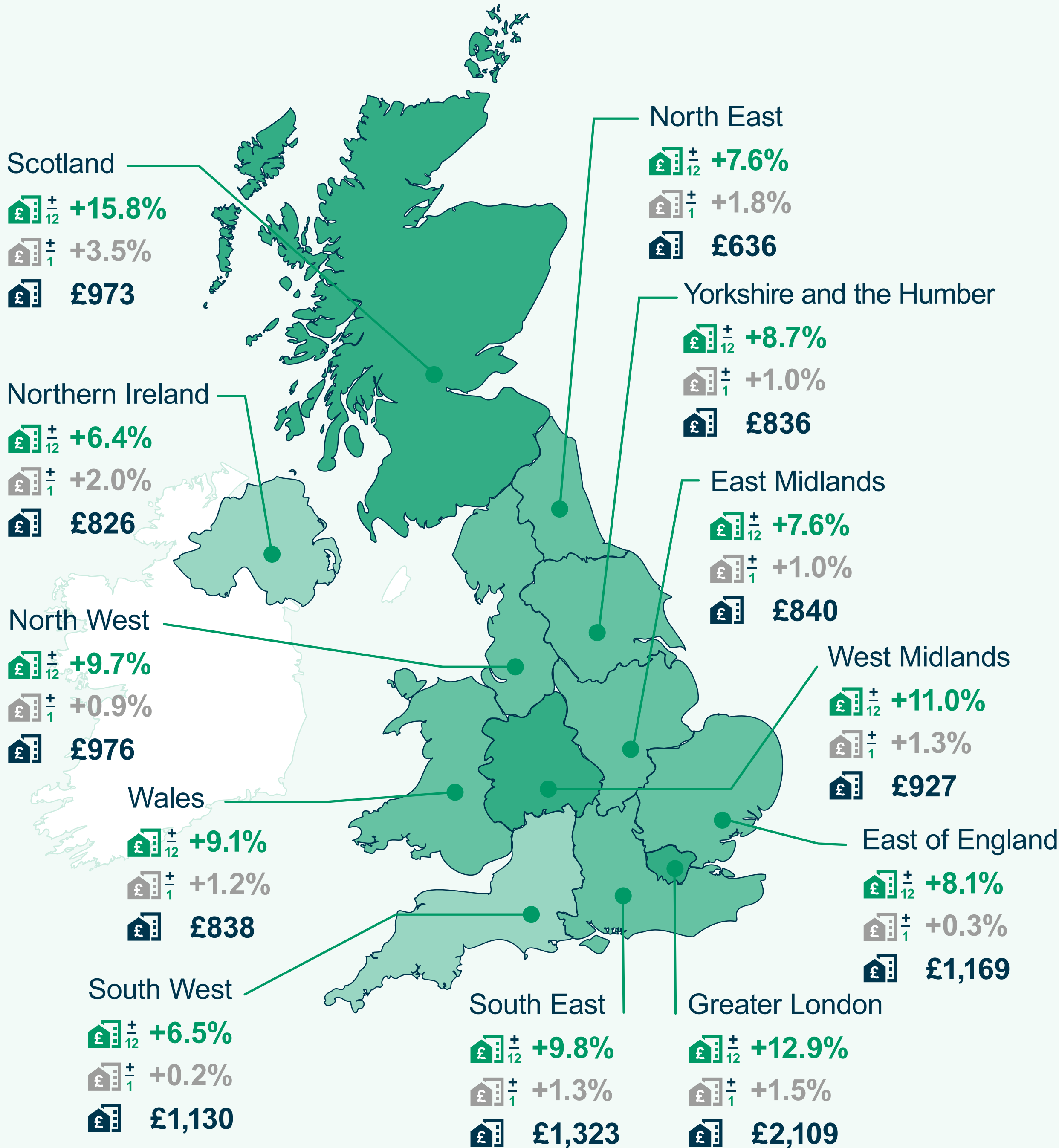
Showing annual change in rents, July 2023 vs July 2022. Average rents are based on agreed rents for tenancies started in each month.

Regional
snapshot

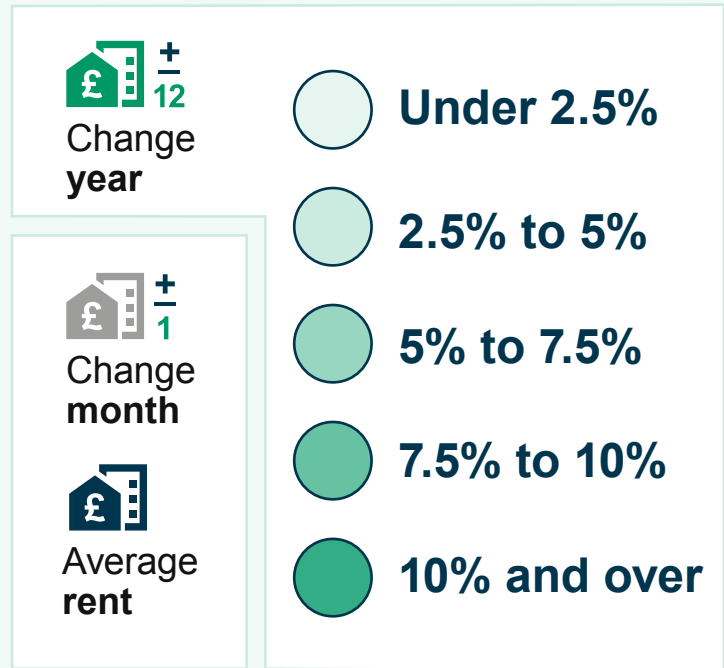


In conjunction
with Dataloft

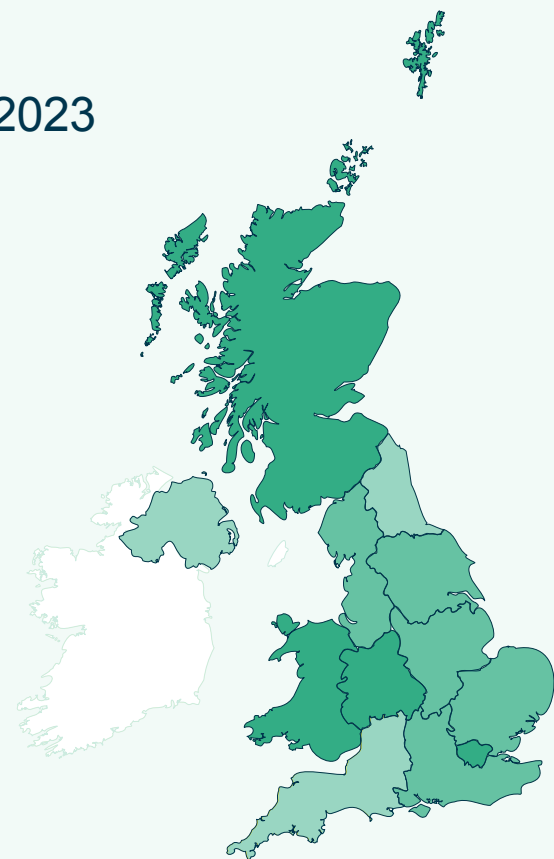
« Back



Annual change
July 2022 to July 2023



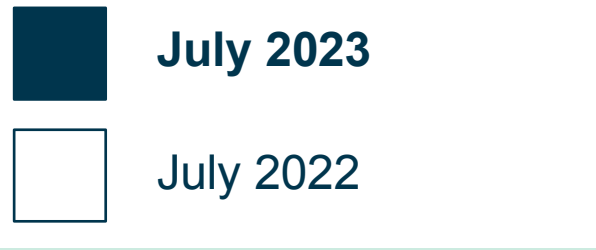
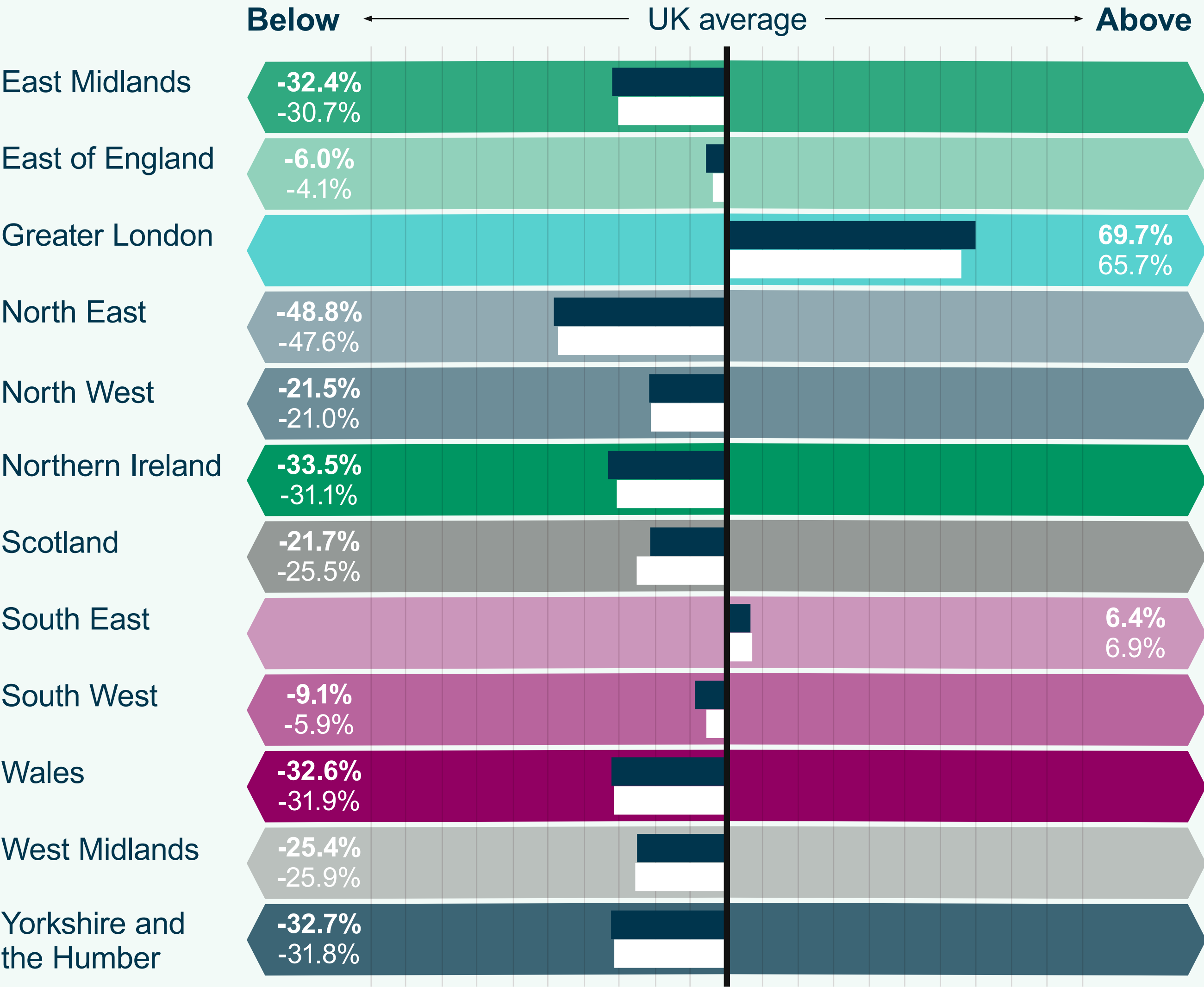
June
2022 to 2023



Next Regional discount / premium

»

Comparison with UK average July 2022 to July 2023



Showing how regional rents compared to the UK average in July 2023 and a year earlier, i.e., average rents in the East Midlands in July 2023 were 32.4% below the national average. However, in July 2022 they were 30.7% below the national average.

Regional
discount /
premium
to UK
average



London focus



Average rent

£2,109

A further 1.5% growth in rents in July took average rents in London to a new high of £2,109.



Change annual

+12.9%

Annual rental growth in London has now been in double-digits since November 2021 with little sign of a slow down.



Strongest performer

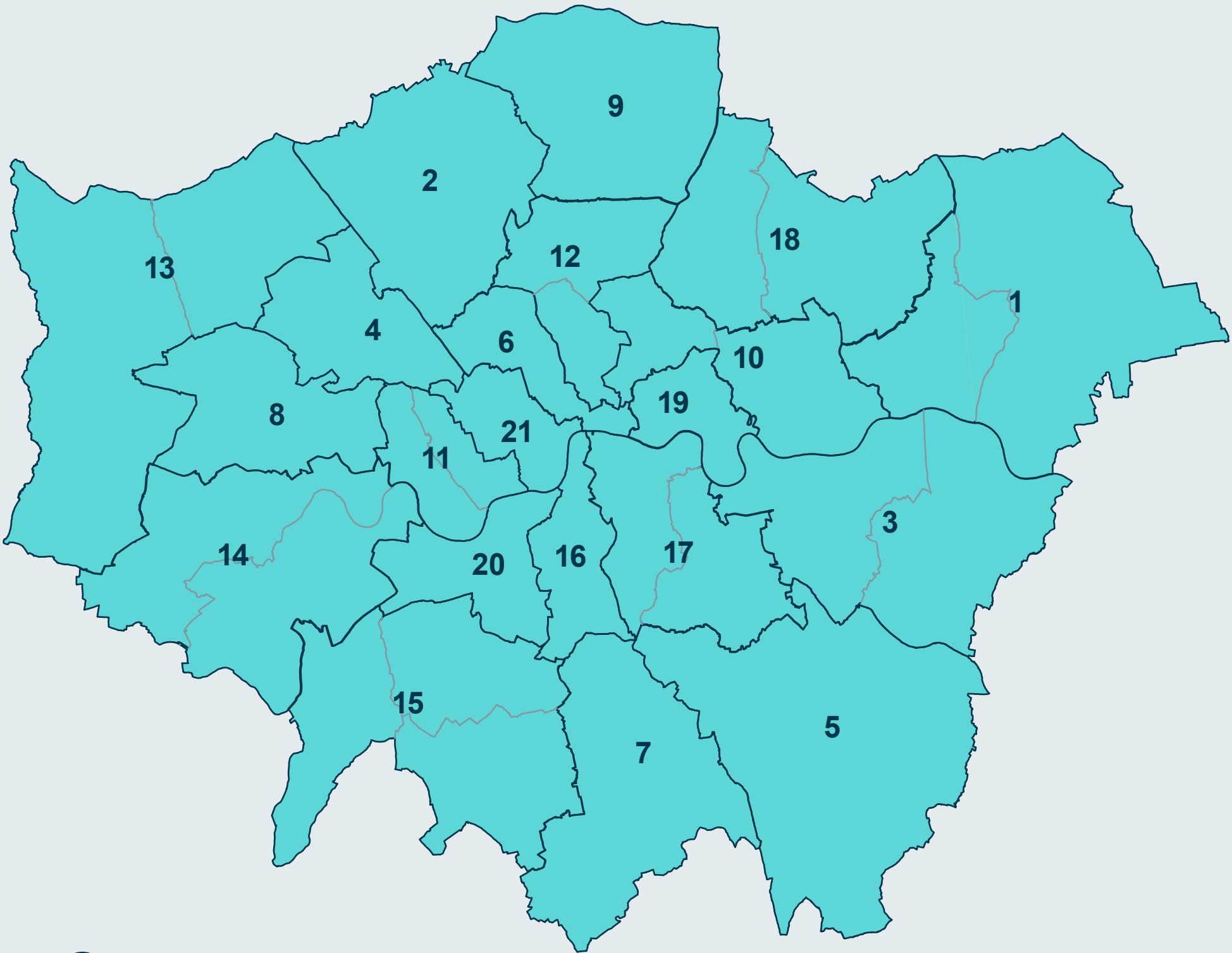
+21.2%

Barking, Dagenham and Havering

Rents in London are now around 70% higher than the UK average.



Annual change July 2022 to July 2023



- 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

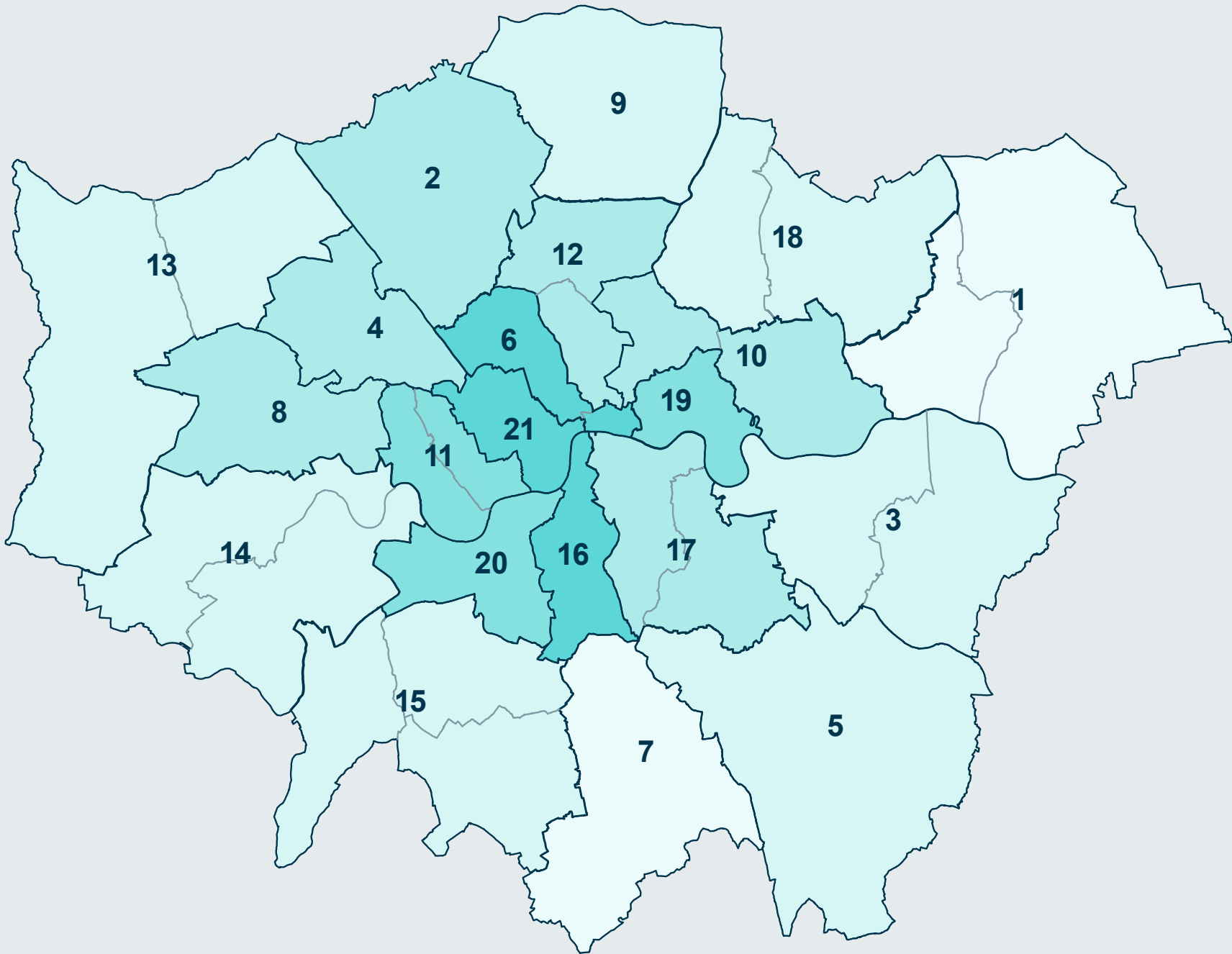


Average
rent

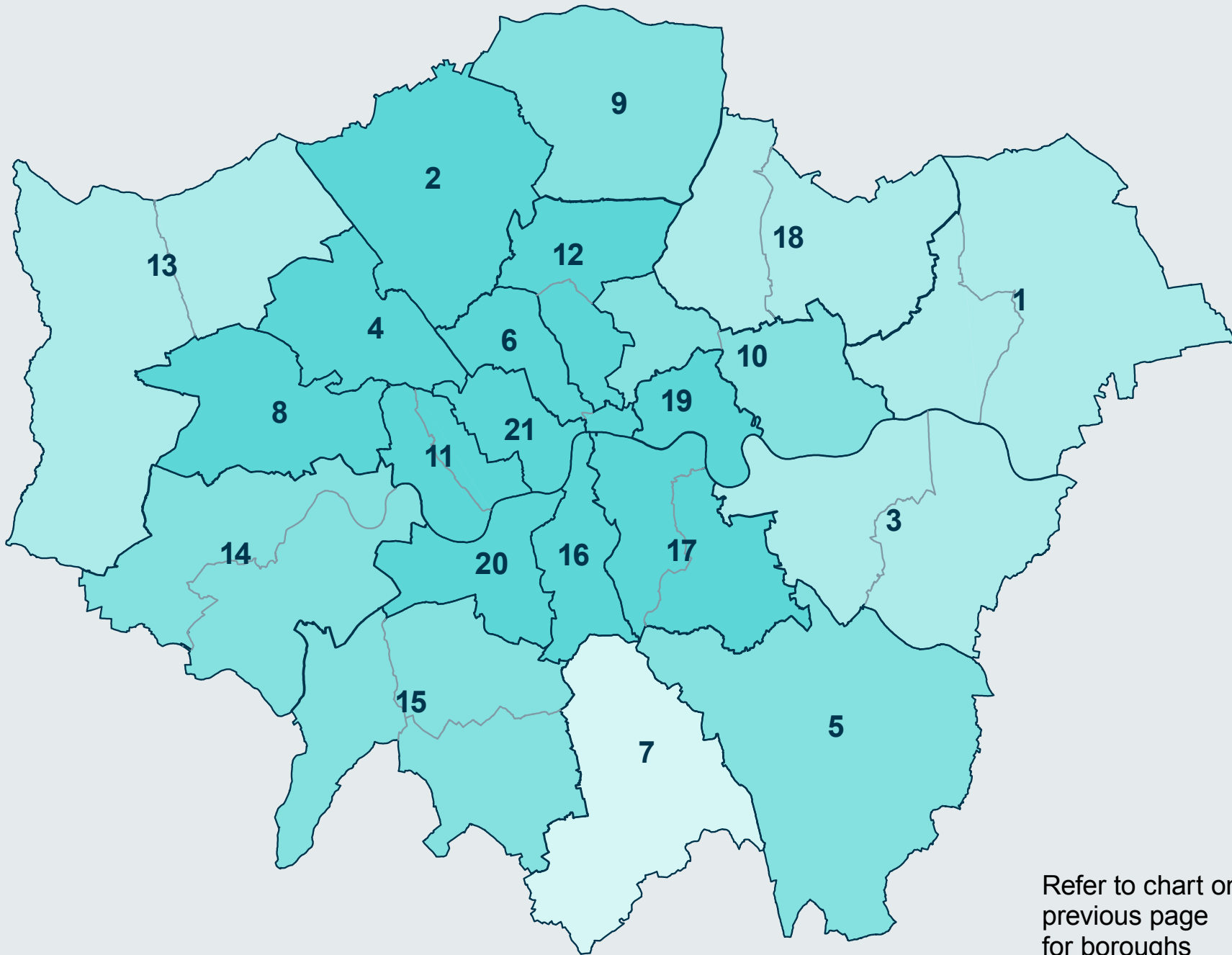
| | | | |
|----|---|-------|--------|
| 1 | Barking, Dagenham and Havering | 21.2% | £1,679 |
| 2 | Barnet | 10.2% | £2,027 |
| 3 | Bexley and Greenwich | 8.0% | £1,726 |
| 4 | Brent | 12.1% | £2,033 |
| 5 | Bromley | 12.9% | £1,837 |
| 6 | Camden, City of London | 12.0% | £2,478 |
| 7 | Croydon | 17.1% | £1,471 |
| 8 | Ealing | 17.0% | £2,038 |
| 9 | Enfield | 9.0% | £1,813 |
| 10 | Hackney and Newham | 14.2% | £1,936 |
| 11 | Hammersmith, Fulham, Kensington and Chelsea | 9.9% | £2,653 |
| 12 | Haringey and Islington | 9.6% | £2,105 |
| 13 | Harrow and Hillingdon | 11.9% | £1,748 |
| 14 | Hounslow and Richmond | 7.6% | £1,920 |
| 15 | Merton, Kingston upon Thames and Sutton | 15.4% | £1,852 |
| 16 | Lambeth | 15.6% | £2,663 |
| 17 | Lewisham and Southwark | 18.4% | £2,106 |
| 18 | Redbridge and Waltham Forest | 11.7% | £1,590 |
| 19 | Tower Hamlets | 11.4% | £2,250 |
| 20 | Wandsworth | 14.0% | £2,415 |
| 21 | Westminster | 12.5% | £3,360 |



Average rent July 2018



Average rent July 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

+45.6% Westminster



Five-year
snapshot

Strongest and weakest performers

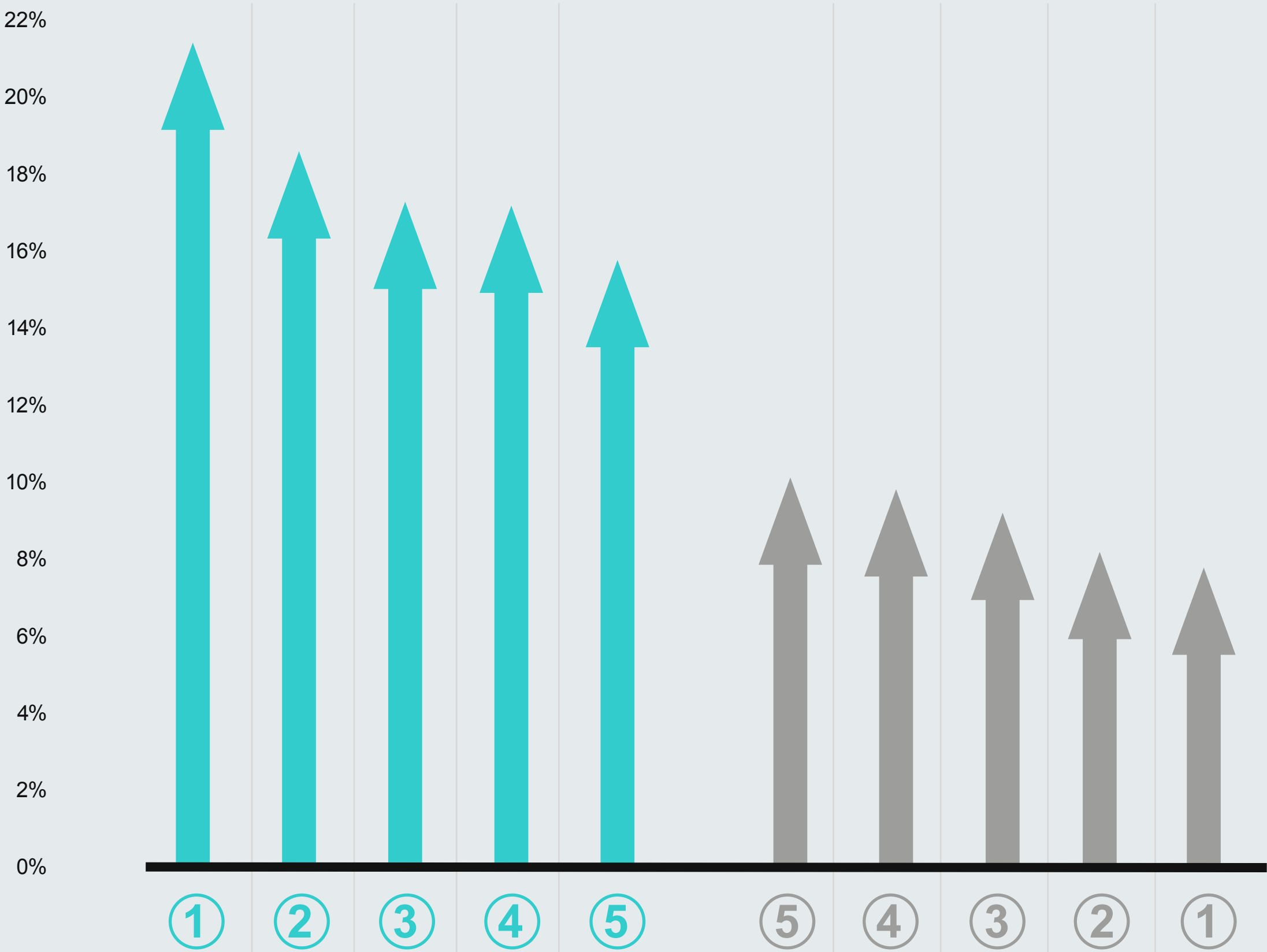


In conjunction
with Dataloft

« Back



Strongest July 2023



Based on annual change to July 2023



Weakest July 2023

- 1 +21.2% Barking, Dagenham and Havering
- 2 +18.4% Lewisham and Southwark
- 3 +17.1% Croydon
- 4 +17.0% Ealing
- 5 +15.6% Lambeth
- 5 +9.9% Hammersmith, Fulham, Kensington and Chelsea
- 4 +9.6% Haringey and Islington
- 3 +9.0% Enfield
- 2 +8.0% Bexley and Greenwich
- 1 +7.6% Hounslow and Richmond upon Thames

Next Affordability »

Affordability



% income
spent on rent

32.1%

Affordability for renters is weakening. In July, renters spent, on average, 32.1% of their income on their rent, up from 30.2% a year ago.

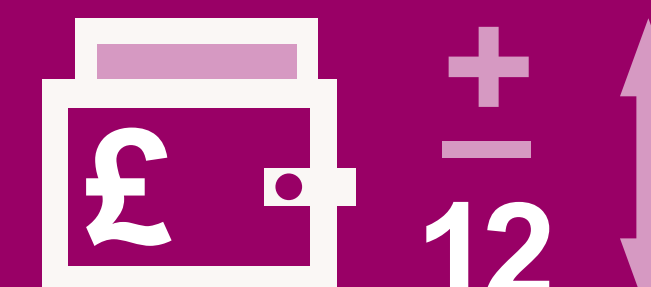


Change
annual*

-1.9%

Only in the North East and Scotland are renters spending less of their income on rent than they did a year ago.

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



Greatest
change

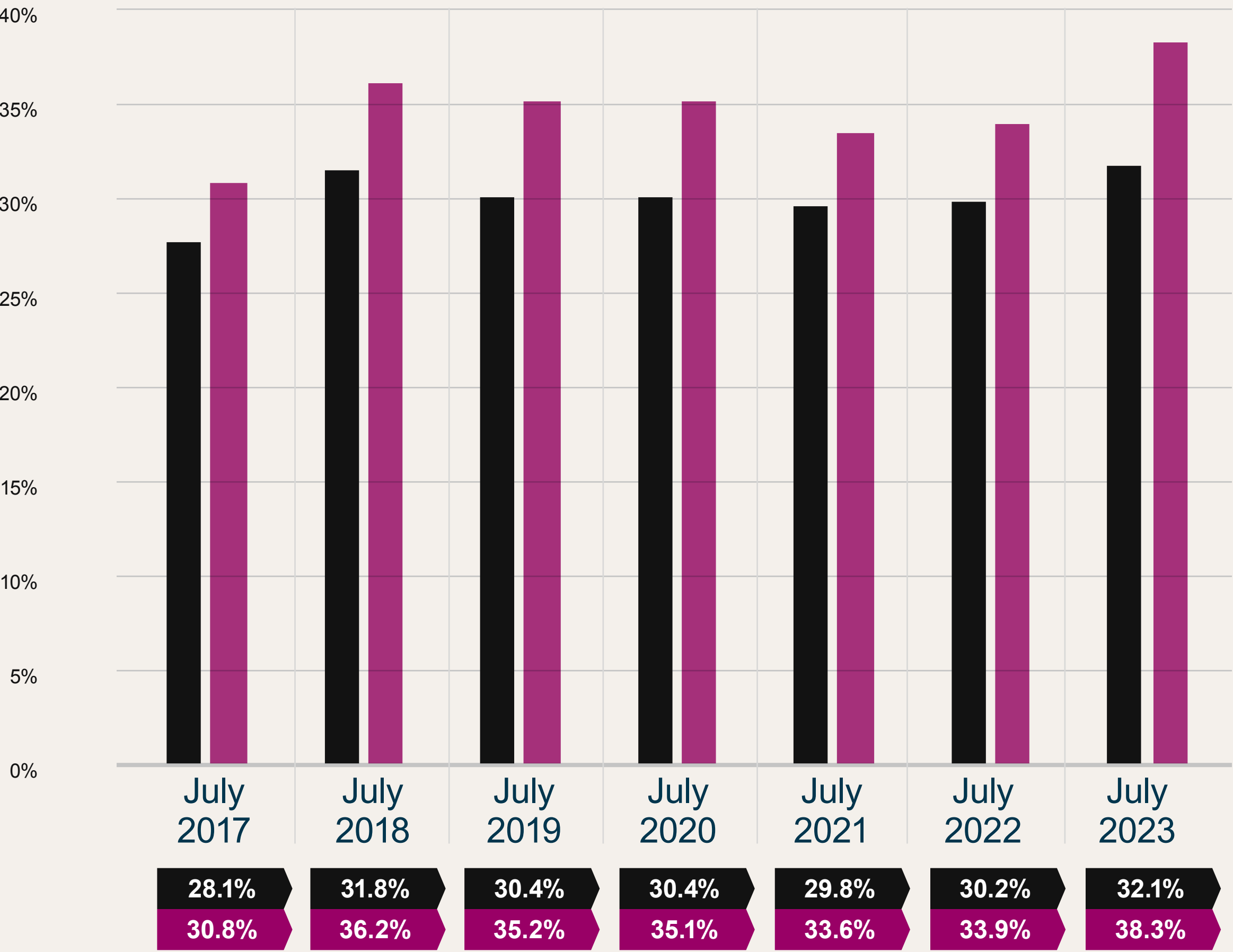
-4.3%

London

While just below the previous high seen in June 2018, the continued rise in rents means that the ratio will likely reach a new peak in coming months.



Affordability over time July 2017 to July 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.

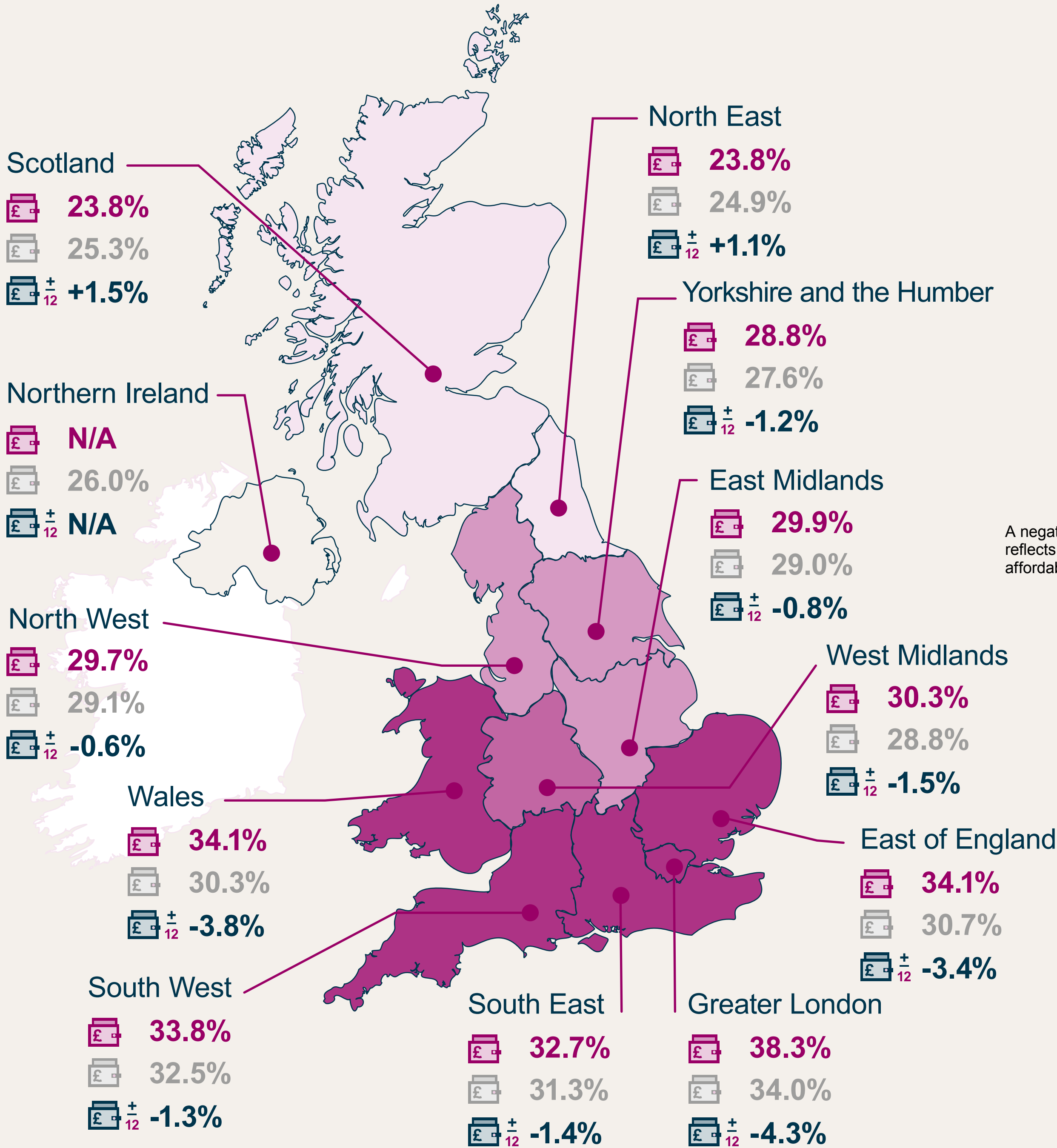


Regional
snapshot

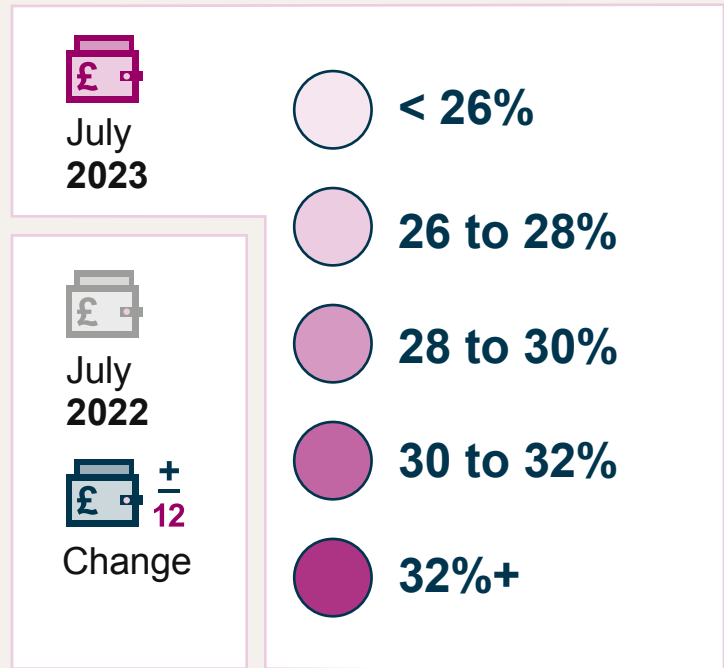


In conjunction
with Dataloft

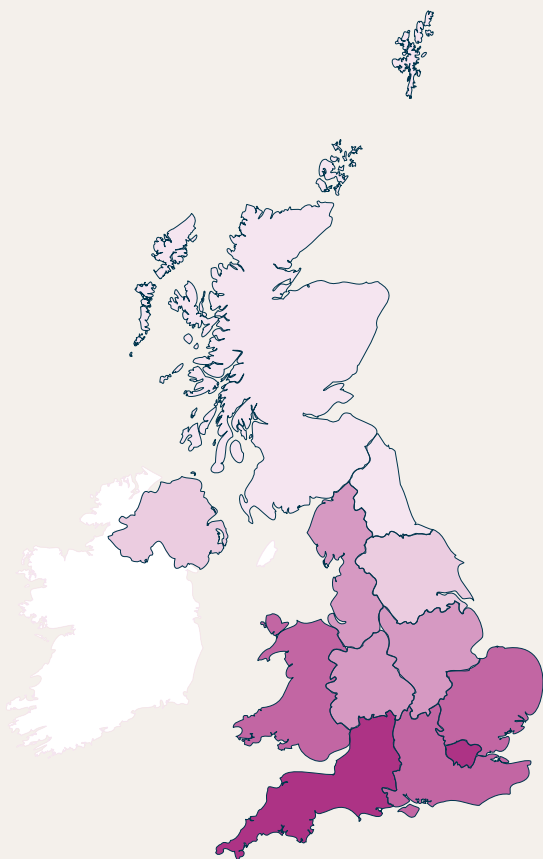
« Back



% income
spent on rent
July 2023



July
2022



Next Regional focus »

South West



Median tenant
gross income*

£28,029

£30,134



Predominant
age group

20–29

20–29

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 South West.

*Excludes below £10k and over £500k



Average % tenant
income spent on rent

33.8%

32.1%



Predominant
rental band

£750–£1000

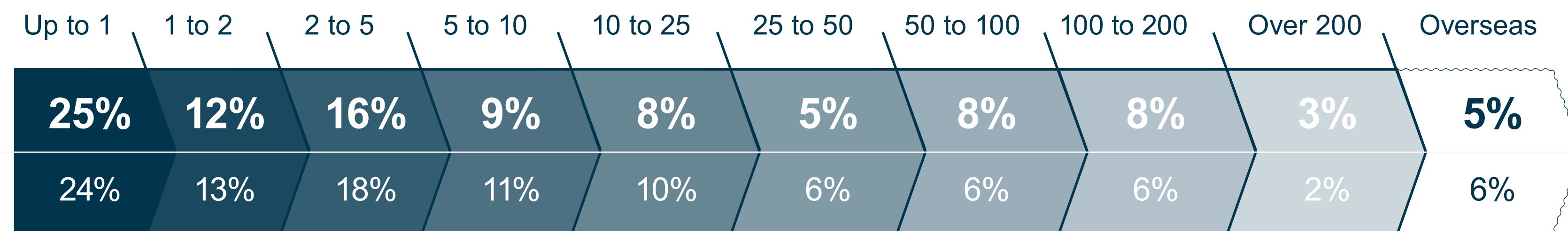
£750–£1000 per month

South West

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%

6%



18%

20%



23%

24%



4%

7%

Houses



21%

17%

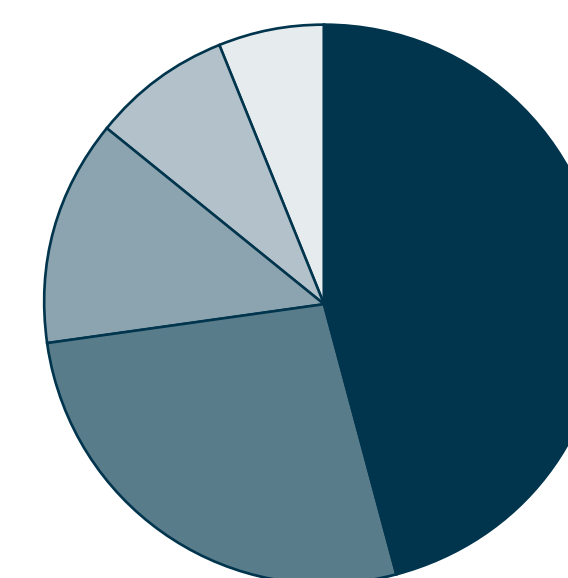


28%

27%

Age breakdown Last 12 months

Tenants age



46% Under 29
27% 30 to 39
13% 40 to 49
8% 50 to 59
6% 60+

July
2023



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

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)

Disclaimer: This report is produced for general information only. While every effort has been made to ensure the accuracy of this publication, Dataloft Ltd accepts no liability for any loss or damage of any nature arising from its use. At all times the content remains the property of Dataloft Ltd under copyright, and reproduction of all or part of it in any form is prohibited without written permission from Dataloft Ltd.

Date of publication: July 2023

Source: HomeLet.

Analysis, editorial, design, graphics and charts by Dataloft.

Photography cover: ChrisHepburn/iStock

Photography pages 15 & 16: