June
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

Industry insight

> **UK rental prices are now averaging £1,229 PCM, with Scotland seeing a 5.5% monthly swing, showcasing an all-time high average rental price of £940.**

Andy Halstead
Group CEO
HomeLet and Let Alliance

Rapid growth

With another increase, it is clear that there is a continued risk for tenants and landlords, with a very real likelihood that tenants up and down the country might struggle with paying their rent. We again urge landlords to consider rent guarantee insurance to protect themselves if they have not invested already.

More rises in London

The capital shows no signs of slowing down either, with yet another record price for Greater London. It is not so long ago that we were talking about London breaking the £2,000 PCM barrier for the very first time – a big leap to £2,077 PCM is a sign of how a lack of available rental properties is pushing prices up for tenants and making the private rental market more unstable for tenants and landlords alike.

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Average rents and change in rents

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Average rent

£1,229

There seems to be no sign of a slowdown in the continued growth of rents across the UK.

Change monthly

+1.3%

Another 1.3% rise in the month took rents to a new high of £1,229. A 1.1% increase outside of London saw rents rise to £1,027.

Change annual

+10.4%

Scotland continued its strong run with a 5.5% rise in the month. Only the North East saw a slight fall in the month of -1.1%.

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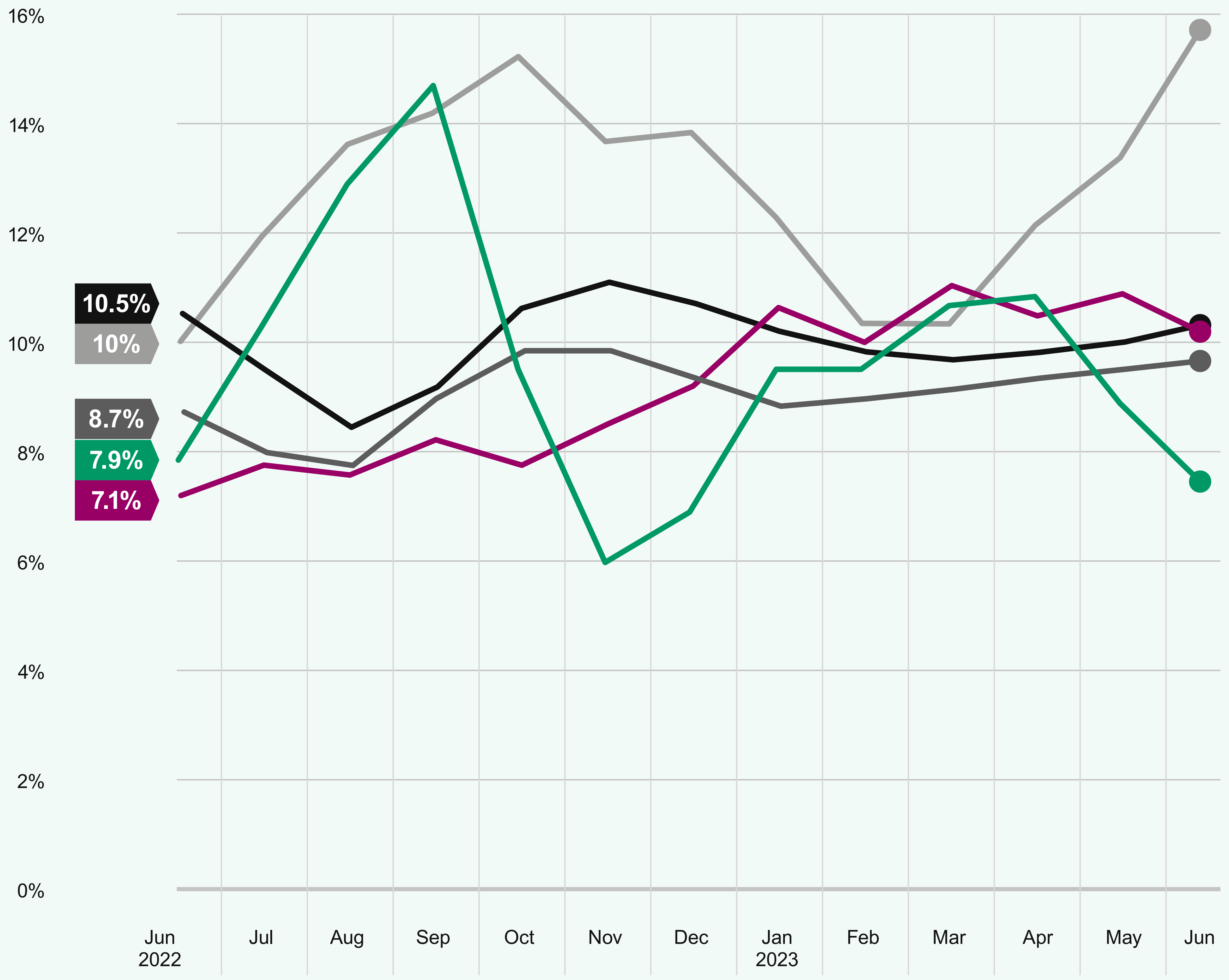
Next UK and home nations ⟫

UK and home nations

Annual change June 2022 to June 2023



15.8%	Scotland
10.4%	UK
10.1%	Wales
9.7%	UK excluding London
7.4%	Northern Ireland

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

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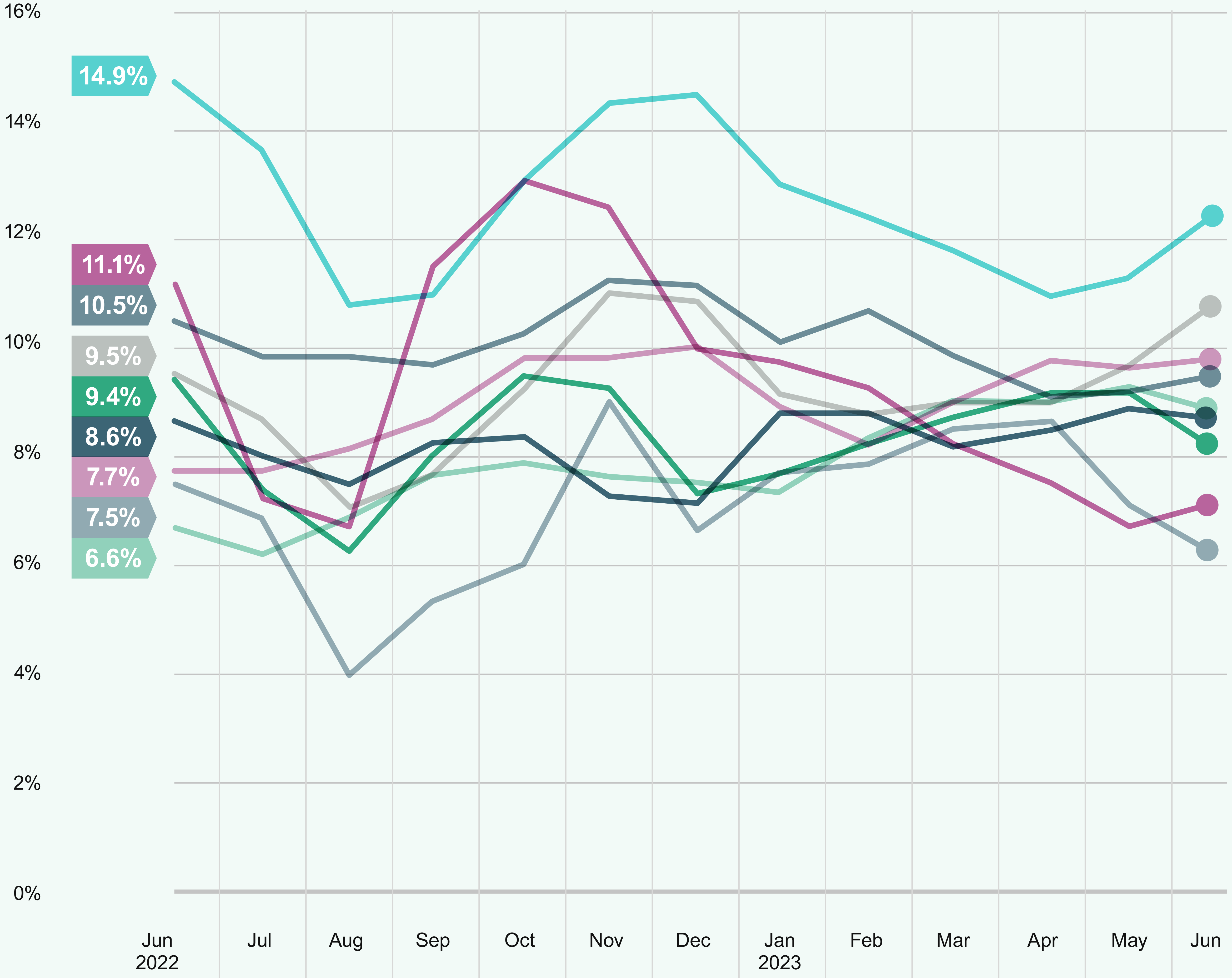
Next England by region ⟫

England by region

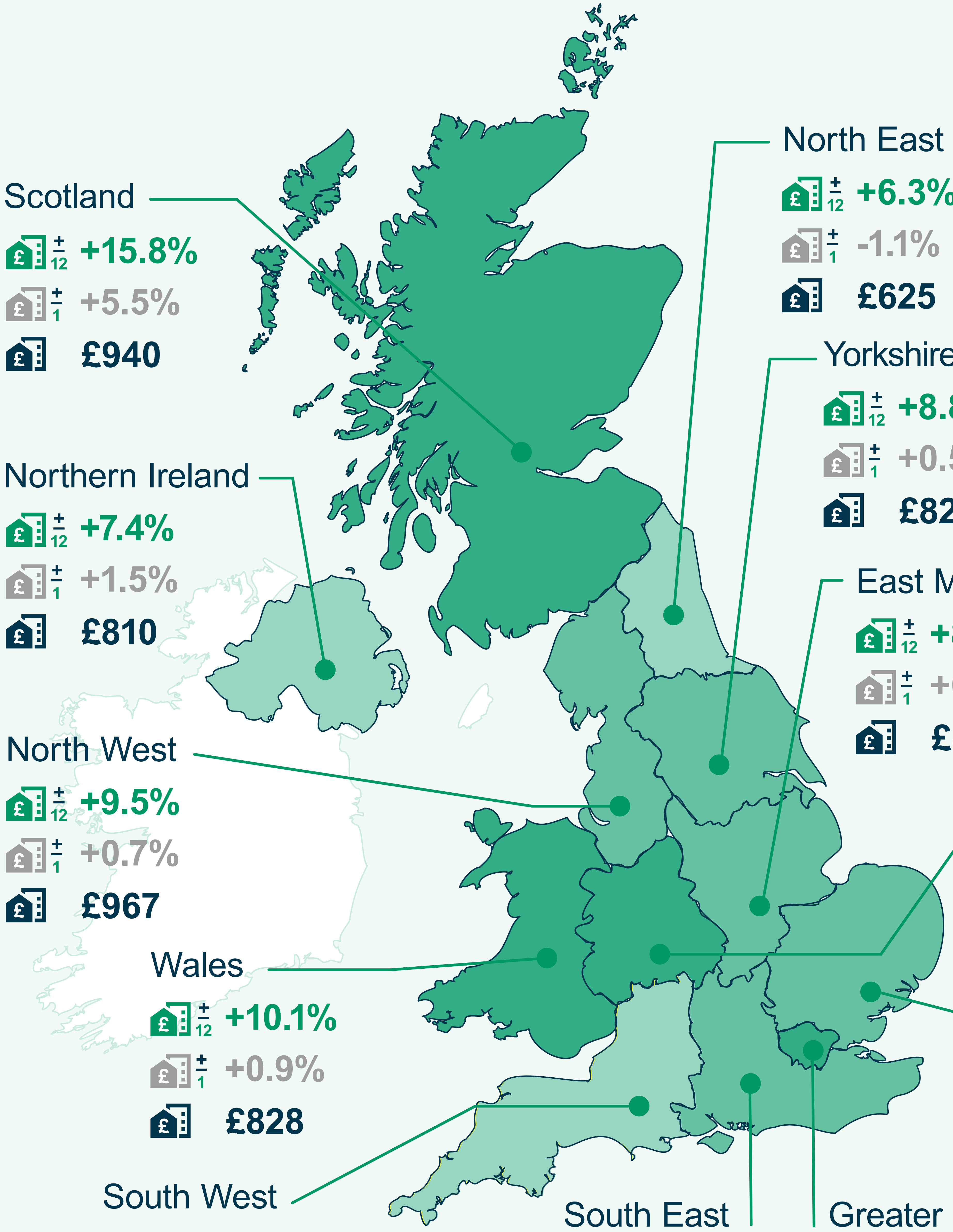
Annual change June 2022 to June 2023



12.5%	Greater London
10.8%	West Midlands
9.7%	South East
9.5%	North West
8.9%	East of England
8.8%	Yorkshire and the Humber
8.1%	East Midlands
7.1%	South West
6.3%	North East

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

Regional snapshot



Scotland	+15.8%	+5.5%	£940
Northern Ireland	+7.4%	+1.5%	£810
North West	+9.5%	+0.7%	£967
Wales	+10.1%	+0.9%	£828
South West	+7.1%	+0.6%	£1,128
South East	+9.7%	+0.9%	£1,306
Greater London	+12.5%	+1.9%	£2,077
East of England	+8.9%	+0.4%	£1,166
West Midlands	+10.8%	+1.9%	£915
East Midlands	+8.1%	+0.2%	£832
Yorkshire and the Humber	+8.8%	+0.5%	£828
North East	+6.3%	-1.1%	£625

Annual change

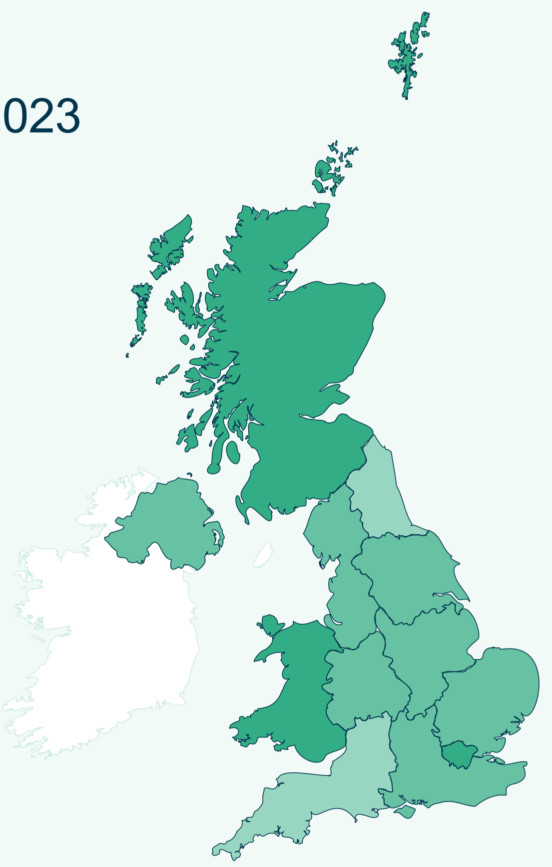
June 2022 to June 2023

Change year

Change month

Average rent

- ○ Under 2.5%
- ● 2.5% to 5%
- ● 5% to 7.5%
- ● 7.5% to 10%
- ● 10% and over



May
2022 to 2023

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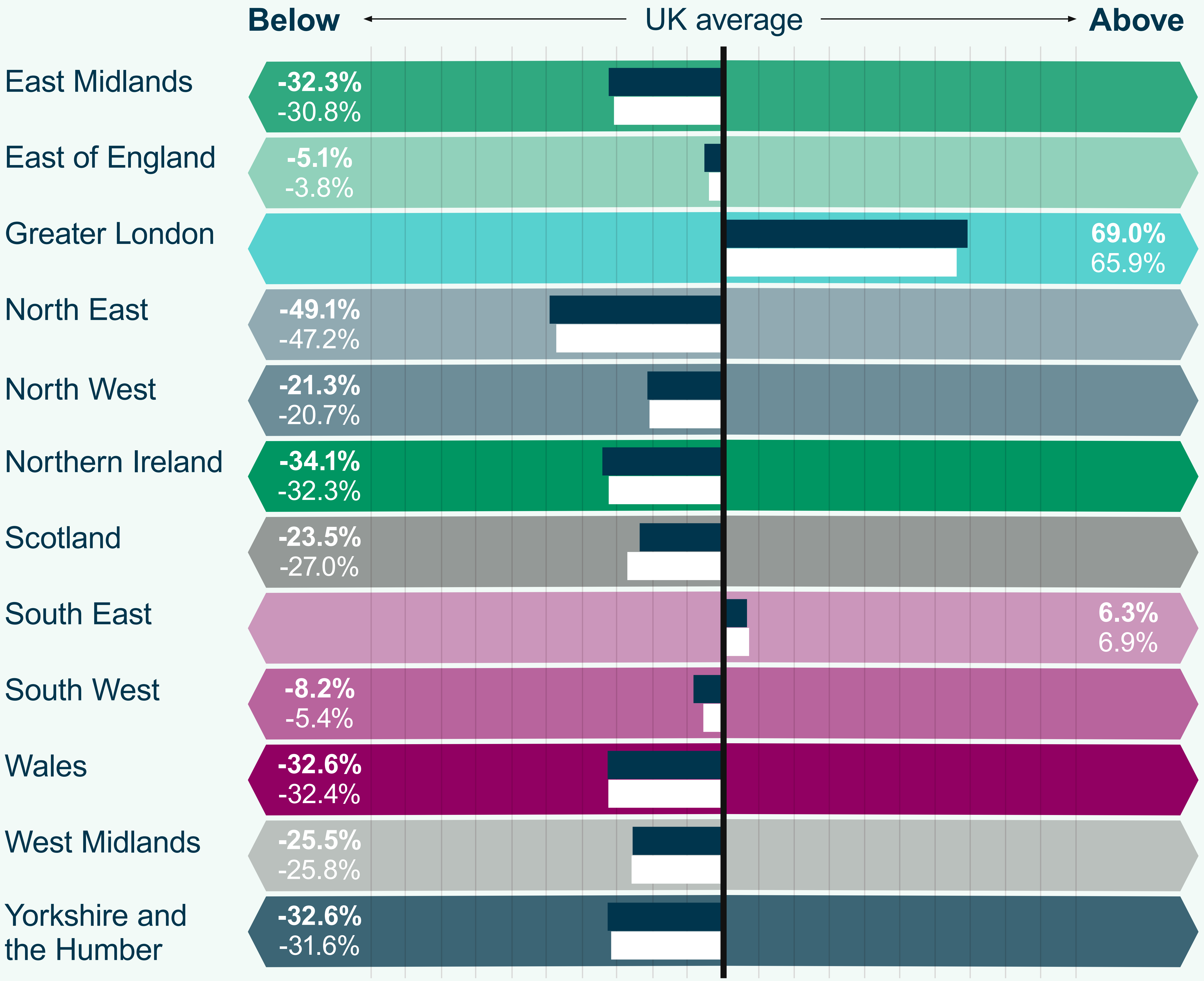
Next Regional discount / premium ⟫

Regional discount / premium to UK average

Comparison with UK average June 2022 to June 2023



■ **June 2023**
□ June 2022

Showing how regional rents compared to the UK average in June 2023 and a year earlier, i.e., average rents in the East Midlands in June 2023 were 32.3% below the national average. However, in June 2022 they were 30.8% below the national average.

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Next London focus ⟫

London focus

Average rent

£2,077

London was the second most strongly performing region in June, after Scotland, with another 1.9% increase in average rents.

Change annual

+12.5%

Average rents increased in the month in all except two London areas.

Strongest performer

+17.9%

Barking, Dagenham and Havering

Annual rental growth in some places is now only a few percentage points away from 20%.

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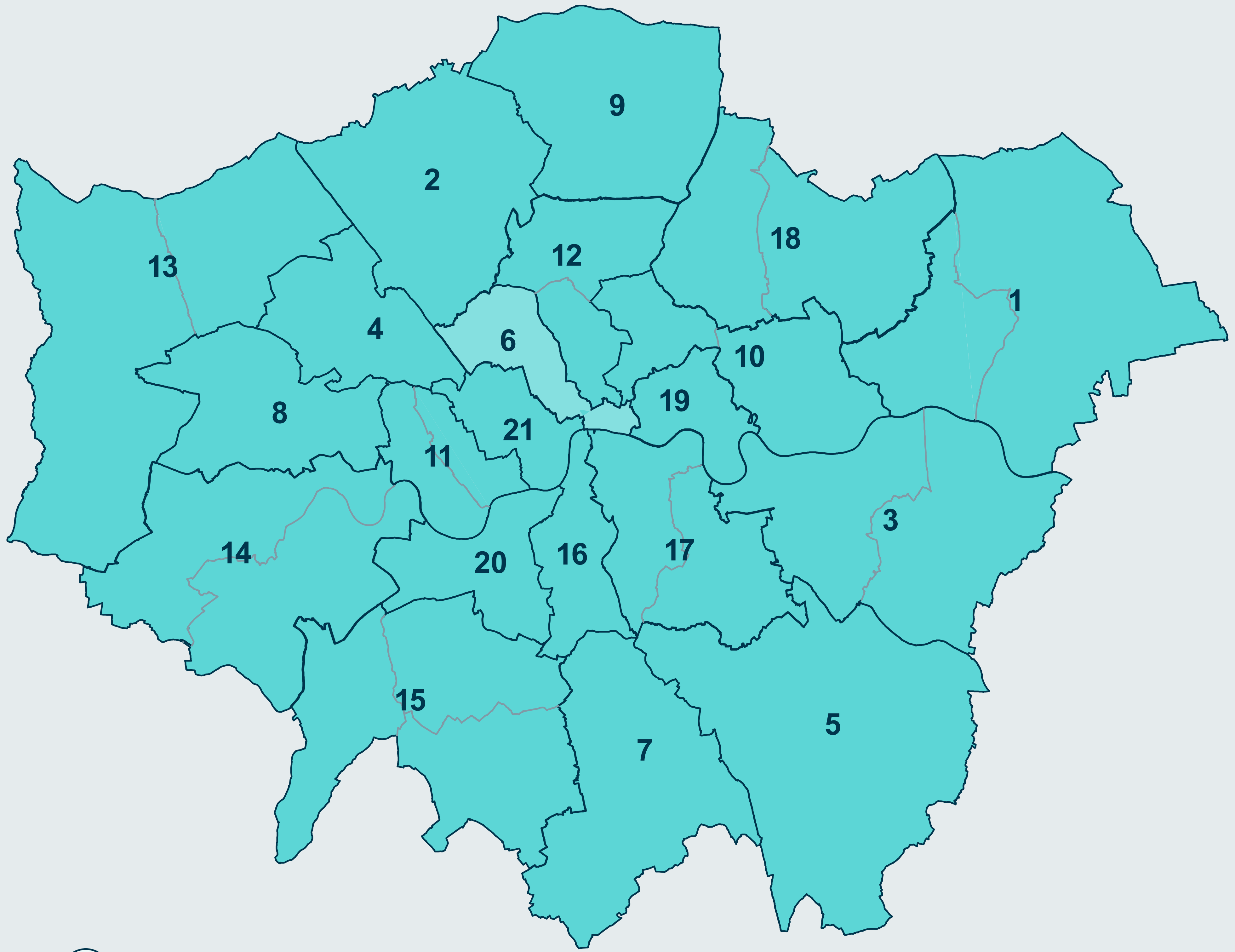
By borough

Annual change June 2022 to June 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	14.8%	£1,577
2	Barnet	12.2%	£1,980
3	Bexley and Greenwich	16.9%	£1,753
4	Brent	10.2%	£2,001
5	Bromley	16.1%	£1,796
6	Camden, City of London	4.8%	£2,318
7	Croydon	12.7%	£1,409
8	Ealing	13.8%	£1,916
9	Enfield	7.6%	£1,762
10	Hackney and Newham	16.7%	£1,951
11	Hammersmith, Fulham, Kensington and Chelsea	8.9%	£2,584
12	Haringey and Islington	9.9%	£2,060
13	Harrow and Hillingdon	11.6%	£1,678
14	Hounslow and Richmond	6.3%	£1,767
15	Merton, Kingston upon Thames and Sutton	8.2%	£1,769
16	Lambeth	12.6%	£2,551
17	Lewisham and Southwark	13.4%	£2,029
18	Redbridge and Waltham Forest	13.6%	£1,591
19	Tower Hamlets	10.6%	£2,122
20	Wandsworth	11.2%	£2,371
21	Westminster	6.4%	£3,174

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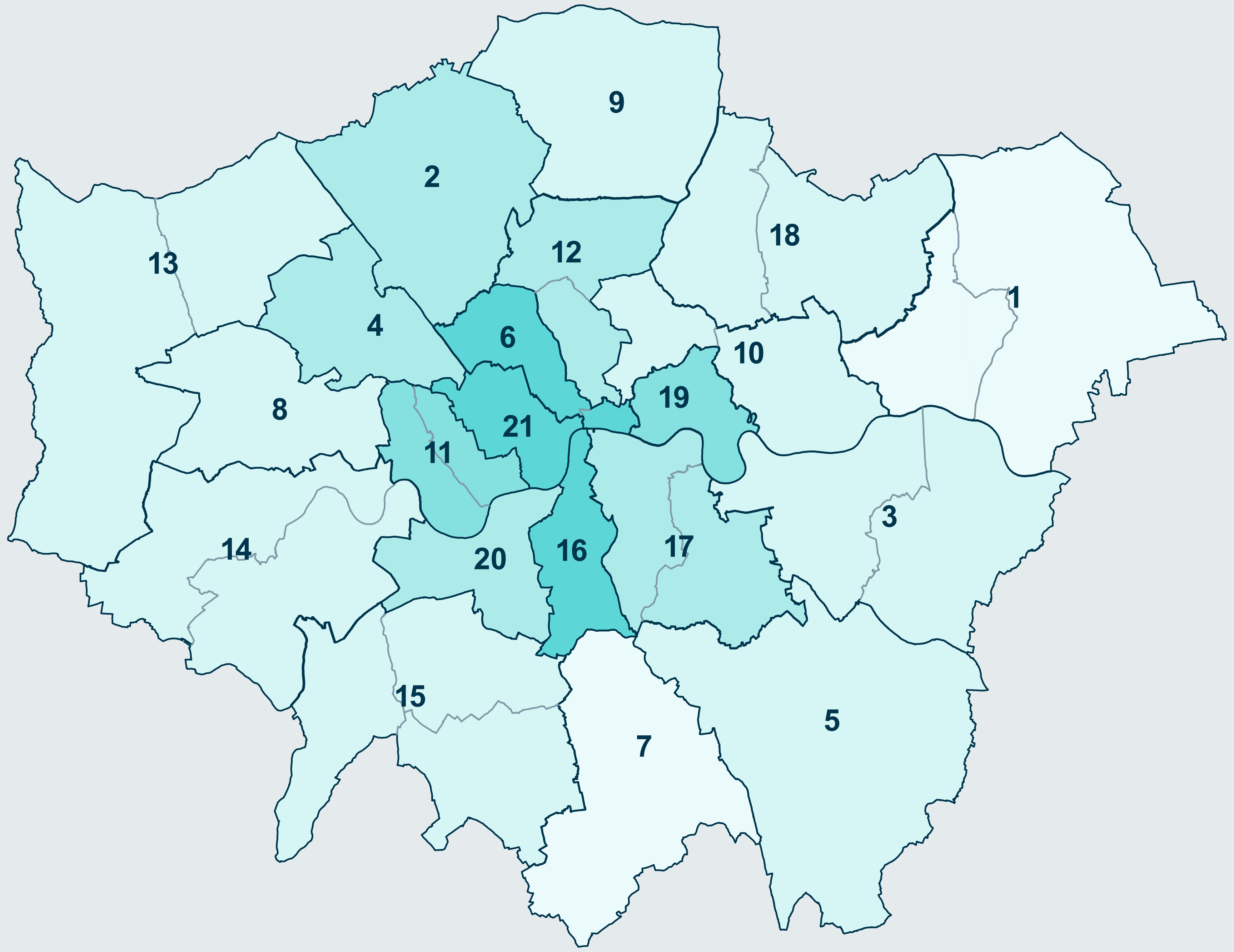
Next Five-year snapshot ⟫

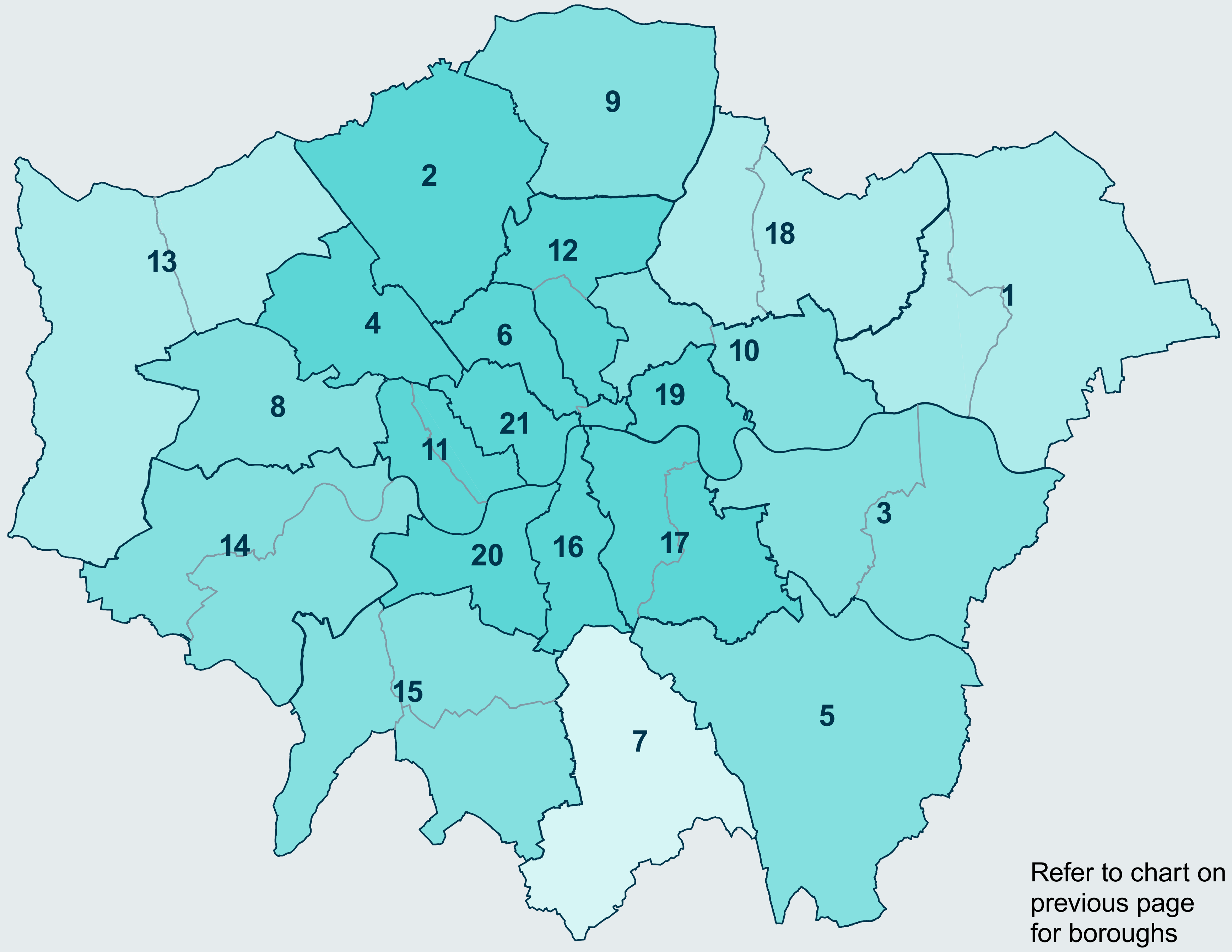
Five-year snapshot

5
YR

Average rent June 2018



Average rent June 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 **+48.1%** **Westminster**

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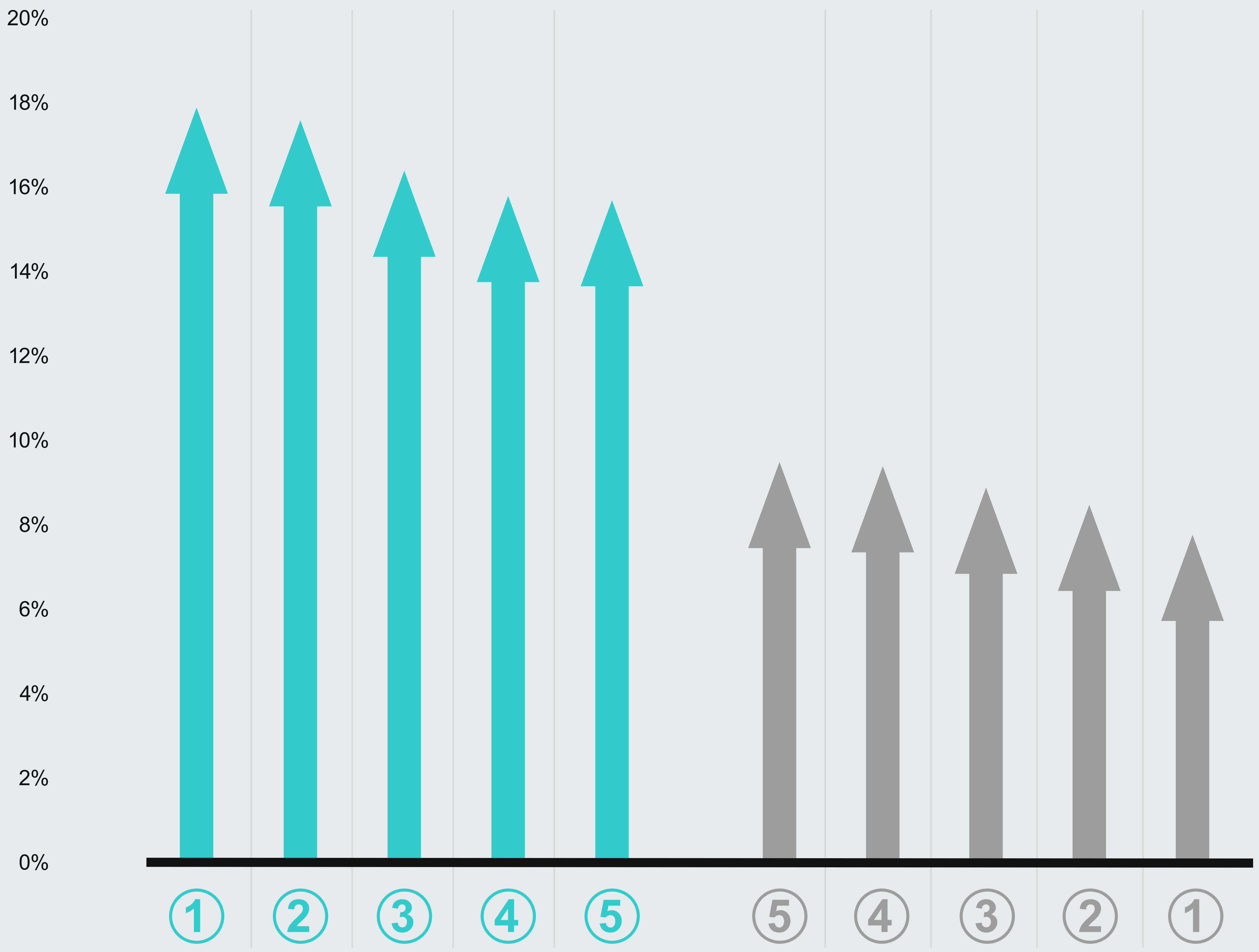
Next Strongest / weakest performers ⟫

Strongest and weakest performers

Strongest June 2023

Weakest June 2023



Based on annual change to June 2023

①	+17.9%	Barking, Dagenham and Havering
②	+17.6%	Croydon
③	+16.4%	Lewisham and Southwark
④	+15.8%	Hackney and Newham
⑤	+15.7%	Lambeth
⑤	+9.3%	Hammersmith, Fulham, Kensington and Chelsea
④	+9.2%	Haringey and Islington
③	+8.7%	Hounslow and Richmond upon Thames
②	+8.3%	Enfield
①	+7.6%	Camden, City of London

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Next Affordability ⟫

Affordability

% income spent on rent

31.9%

With strong rises in rents, it is little surprise that renters are spending an increased proportion of their income on rent.

Change annual*

-1.4%

Renter affordability, having weakened over the past year, has reached its highest level since June 2018.

Greatest change

-3.3%

London

The only regions where renters continue to pay less of their income on rent than they did a year ago are the North East and Scotland.

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

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UK and London

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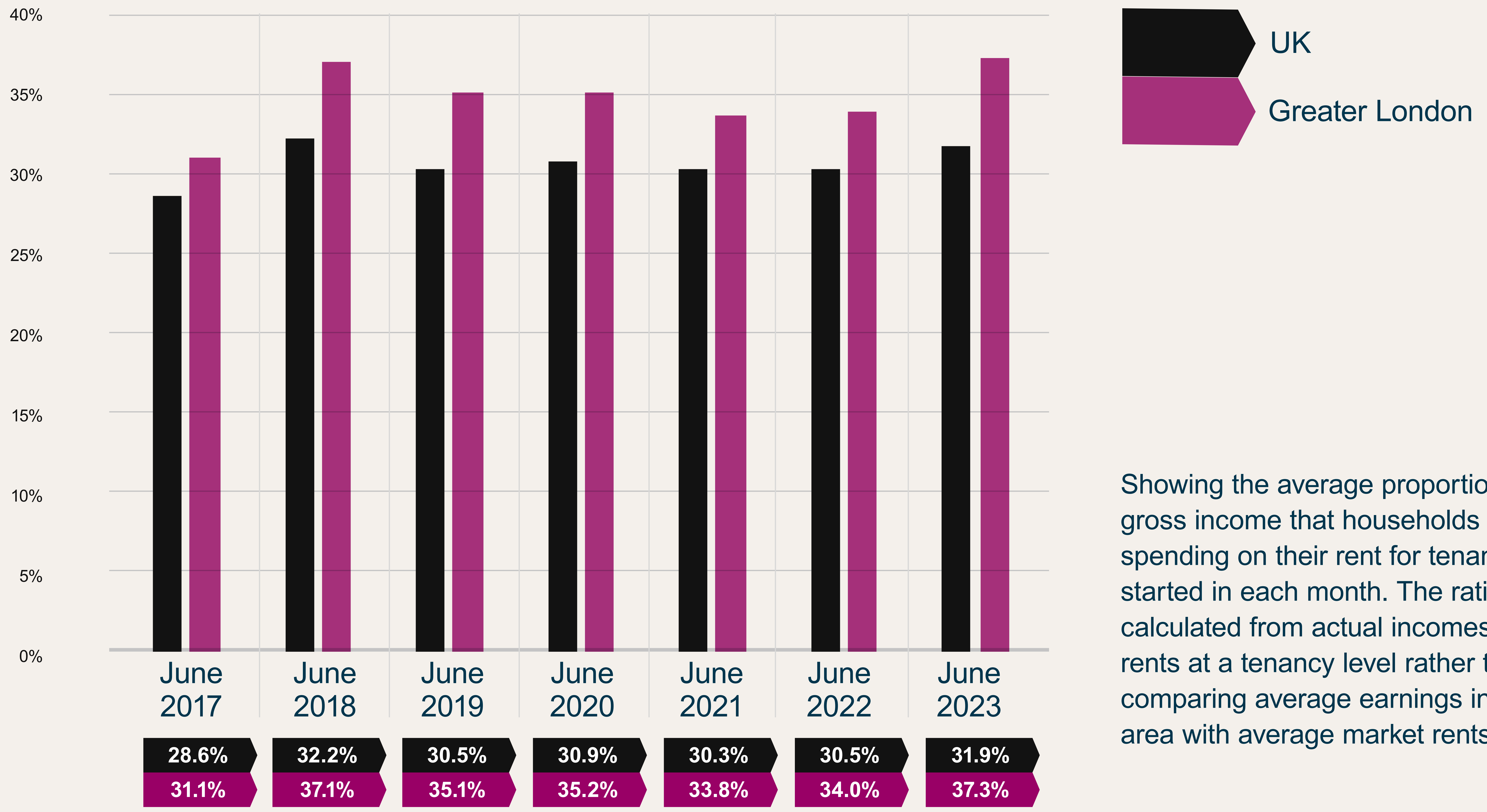
YR

Affordability over time June 2017 to June 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.

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Next Regional snapshot ⟫

Regional snapshot

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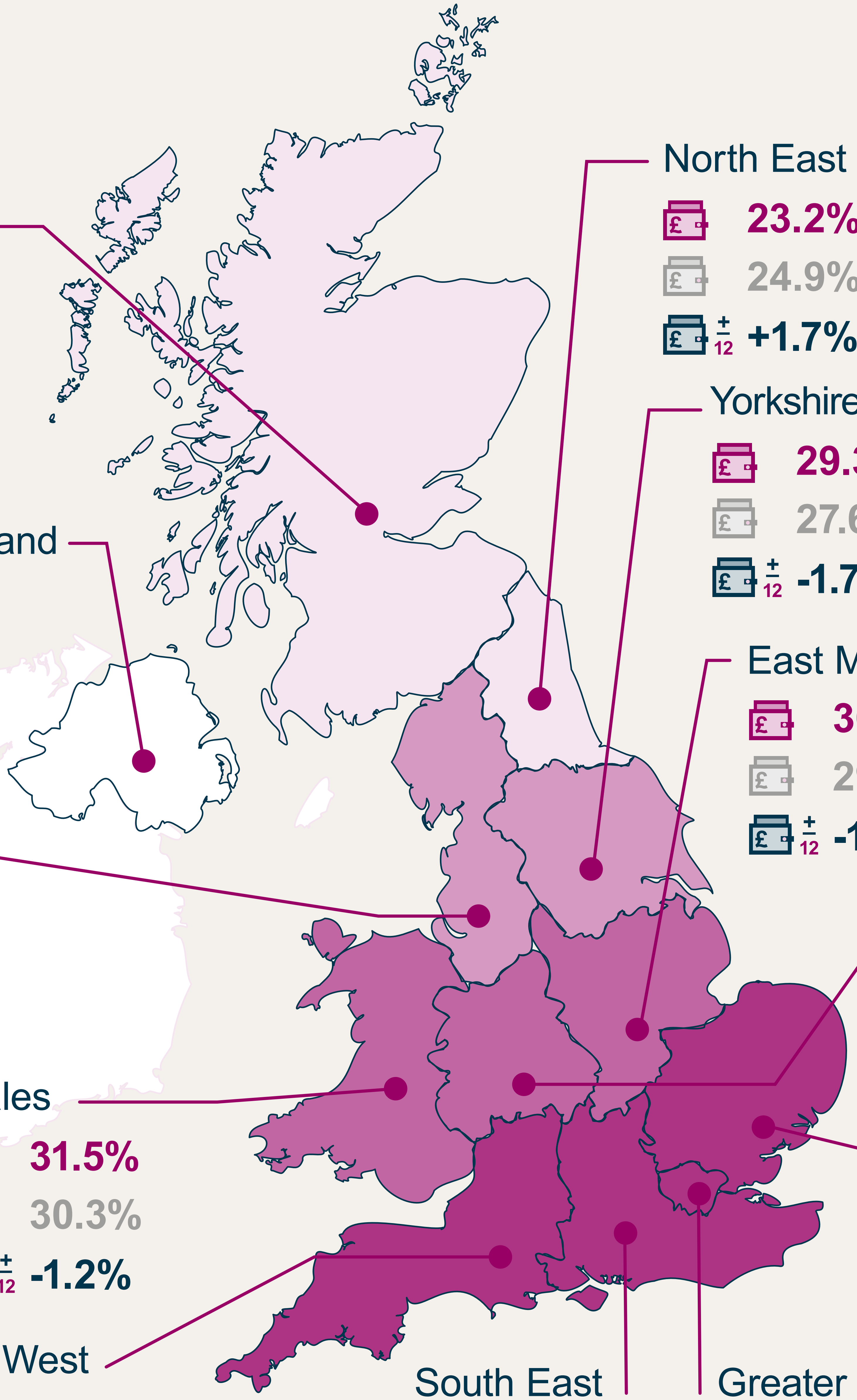


Scotland
£ 24.2%
£ 25.3%
£ ±12 +1.1%

Northern Ireland
£ n/a
£ 26.0%
£ ±12 n/a

North West
£ 29.7%
£ 29.1%
£ ±12 -0.6%

Wales
£ 31.5%
£ 30.3%
£ ±12 -1.2%

South West
£ 33.9%
£ 32.5%
£ ±12 -1.4%

South East
£ 32.3%
£ 31.3%
£ ±12 -0.9%

Greater London
£ 37.3%
£ 34.0%
£ ±12 -3.3%

North East
£ 23.2%
£ 24.9%
£ ±12 +1.7%

Yorkshire and the Humber
£ 29.3%
£ 27.6%
£ ±12 -1.7%

East Midlands
£ 30.0%
£ 29.0%
£ ±12 -1.0%

West Midlands
£ 30.3%
£ 28.8%
£ ±12 -1.5%

East of England
£ 33.2%
£ 30.7%
£ ±12 -2.5%

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

% income spent on rent

June 2023

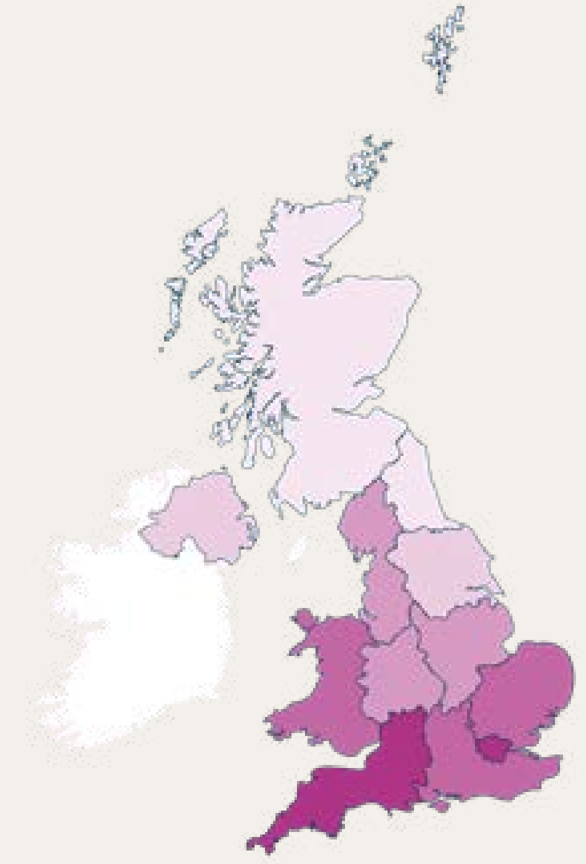
£ June **2023**

£ June **2022**

£ ±12 Change

- ○ < 26%
- ● 26 to 28%
- ● 28 to 30%
- ● 30 to 32%
- ● 32%+

June
2022



North West

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Median tenant **gross income***

£27,000

£30,010

Predominant **age group**

20–29

20–29

Average % tenant **income spent on rent**

29.7%

31.9%

Predominant **rental band**

£750–£1000

£750–£1000 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 North West.

*Excludes below £10k and over £500k

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Next Regional focus ⟫

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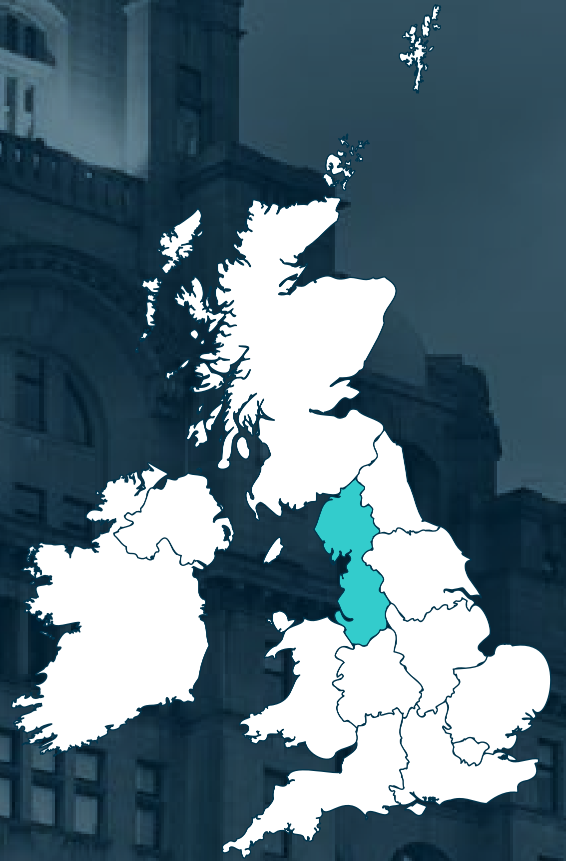
North West



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Distance moved last 12 months

Key
Shows regional average
Shows UK average

Miles

	Up to 1	1 to 2	2 to 5	5 to 10	10 to 25	25 to 50	50 to 100	100 to 200	Over 200	Overseas
Shows regional average	**25%**	**14%**	**18%**	**10%**	**9%**	**6%**	**5%**	**9%**	**1%**	**4%**
Shows UK average	24%	13%	18%	11%	10%	6%	6%	6%	2%	6%

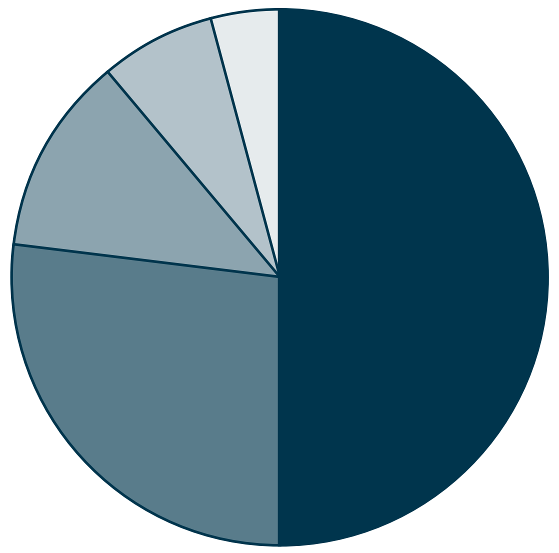
Profile of properties let Last 12 months

Number of bedrooms

	Flats				Houses	
	0	1	2	3+	1–2	3+
Shows regional average	**5%**	**15%**	**23%**	**5%**	**21%**	**32%**
Shows UK average	6%	20%	24%	7%	17%	27%

Age breakdown Last 12 months

Tenants age



50%	●	**Under 29**
27%	●	**30 to 39**
12%	●	**40 to 49**
7%	●	**50 to 59**
4%	○	**60+**

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June
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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

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