

January
2024

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

Overview

Go to
page 3

Average
rents and
change
in rents

Go to
page 8

London
focus

Go to
page 12

Affordability

Go to
page 15

Regional
focus



Average rents and change in rents



Average
rent

£1,260

The UK rental market continues to slow with rents dropping slightly to £1,260 in January, £1,059 outside London.



Change
monthly

-0.6%

Average rents fell for the third month in a row in January with the largest falls in Northern Ireland and Greater London.



Change
annual

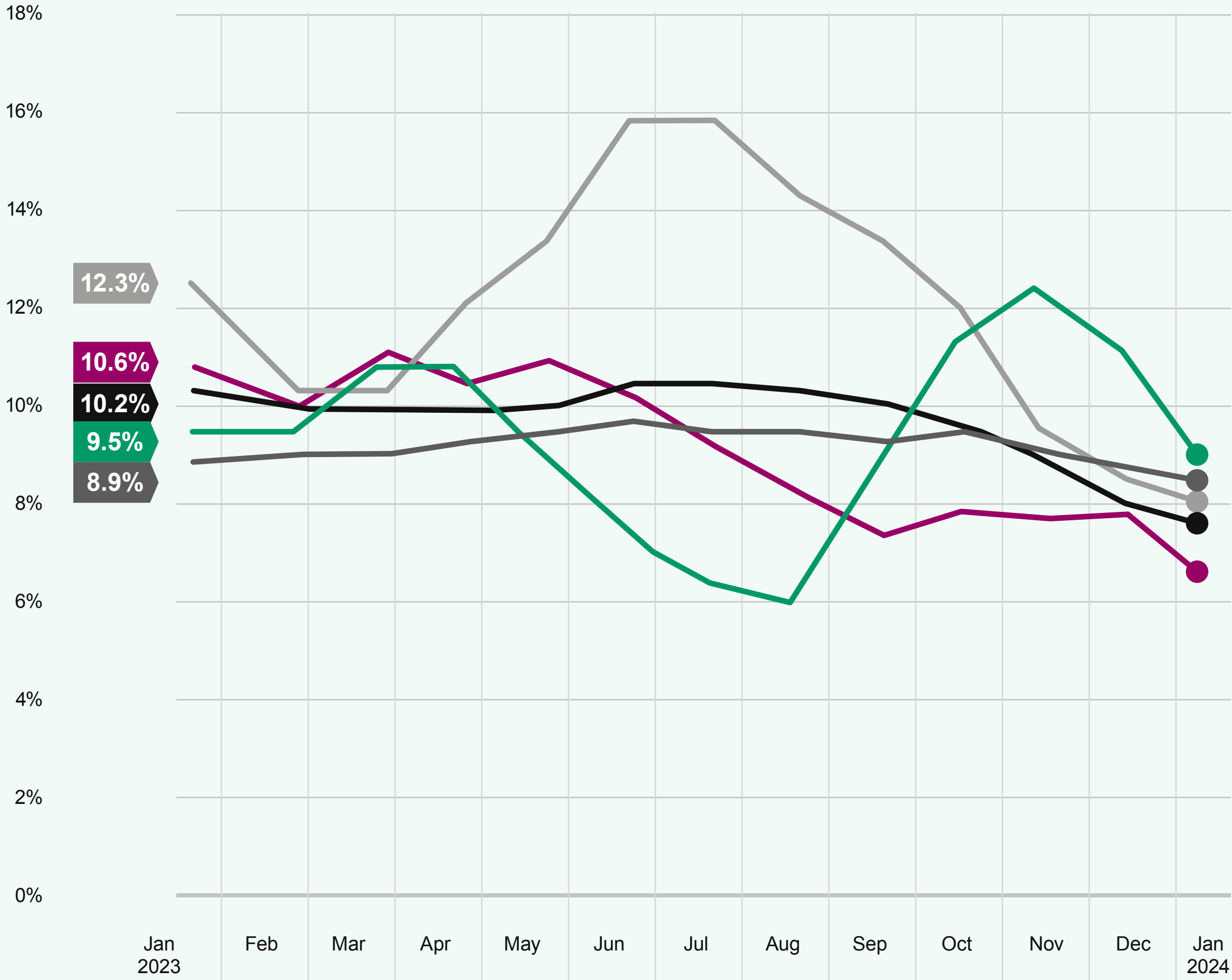
+7.5%

Despite the slight falls, rents are 7.5% higher than a year ago and 18% higher than two years ago.



UK and home nations

Annual change January 2023 to January 2024

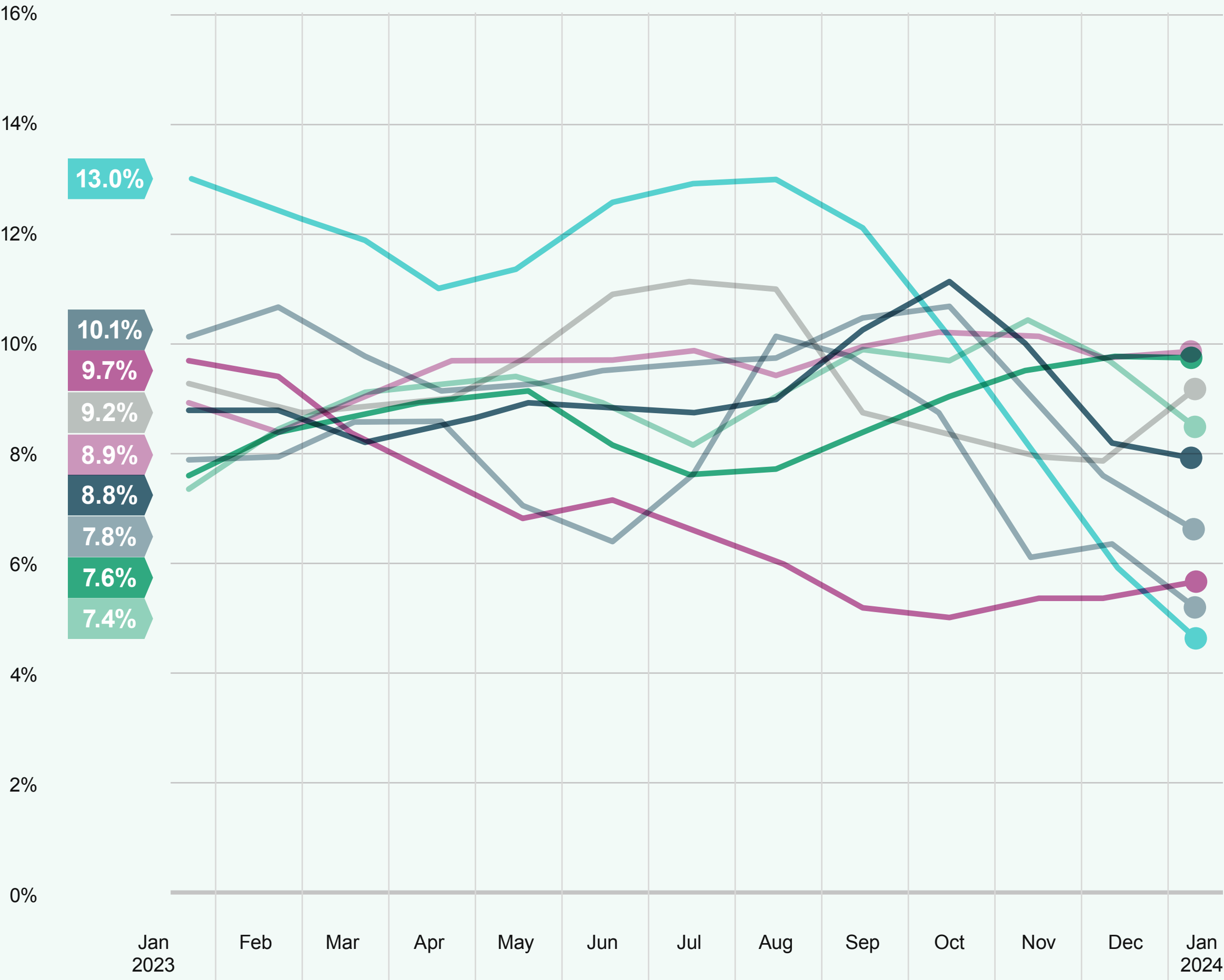


- 8.9% Northern Ireland
- 8.4% UK excluding London
- 8.0% Scotland
- 7.5% UK
- 6.5% Wales

Showing annual change in rents,
January 2024 vs January 2023.
Average rents are based on
agreed rents for tenancies
started in each month.



Annual change January 2023 to January 2024



- 9.9% South East
- 9.7% East Midlands
- 9.2% West Midlands
- 8.4% East of England
- 7.8% Yorkshire and the Humber
- 6.5% North West
- 5.6% South West
- 5.1% North East
- 4.6% Greater London

Showing annual change in rents, January 2024 vs January 2023. Average rents are based on tenancies started in each month.

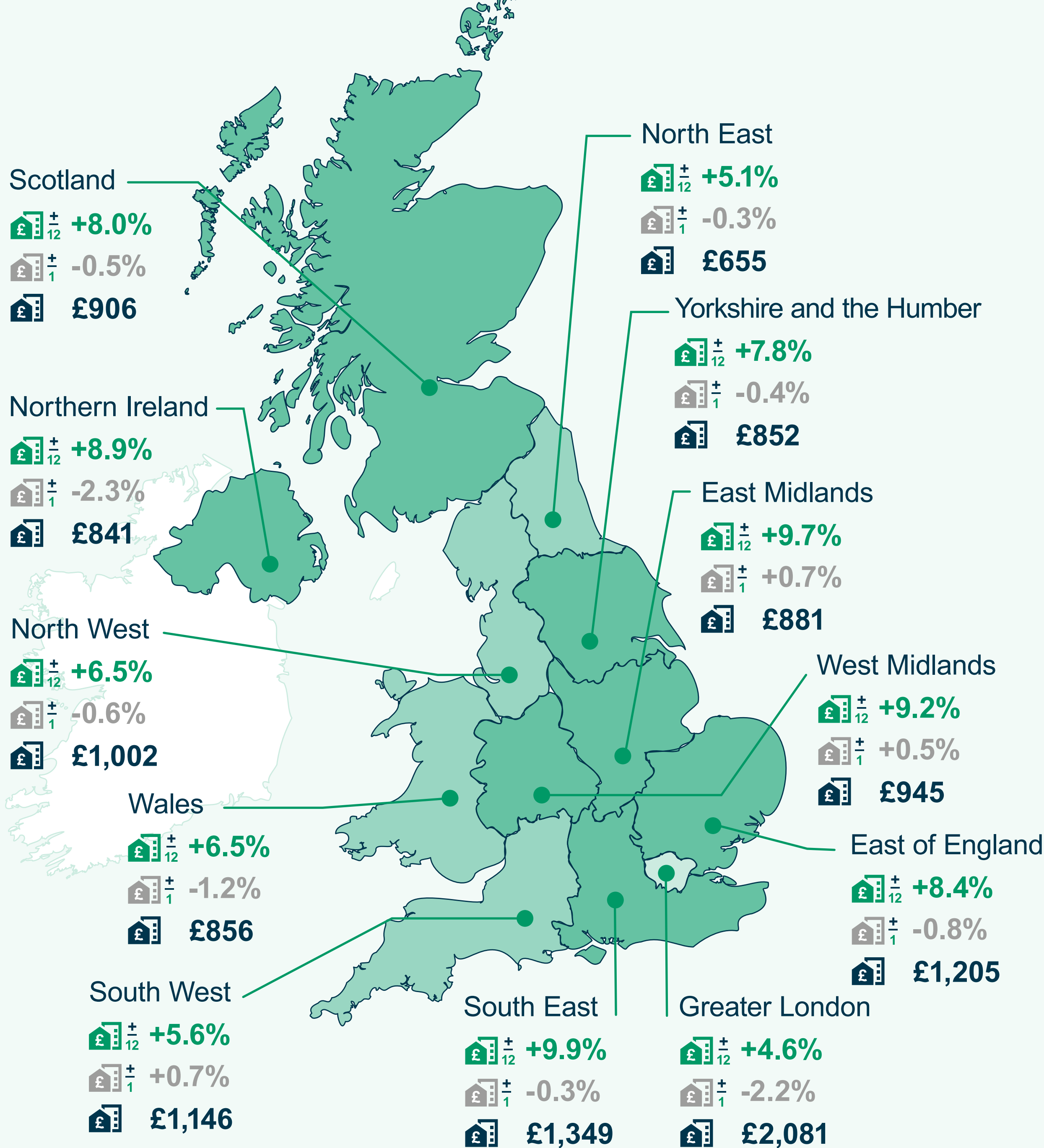


Regional
snapshot



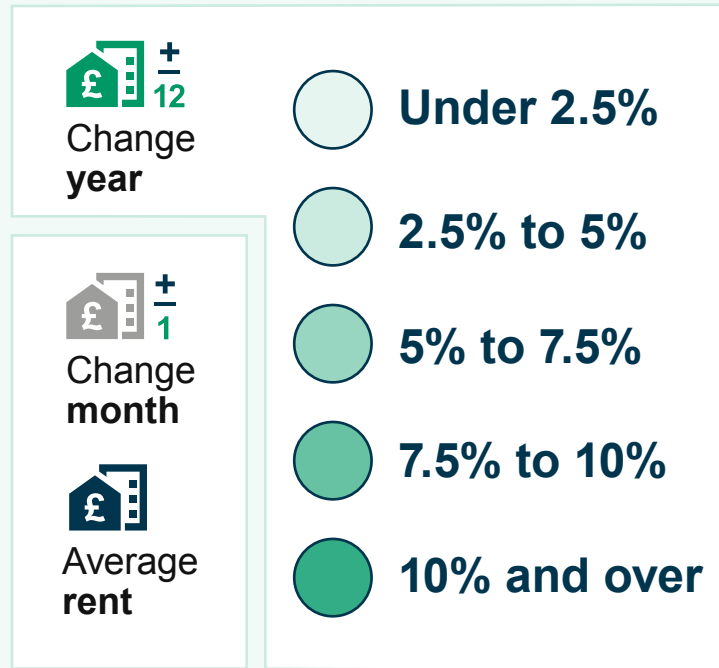
In conjunction with Dataloft,
a PriceHubble company

« Back

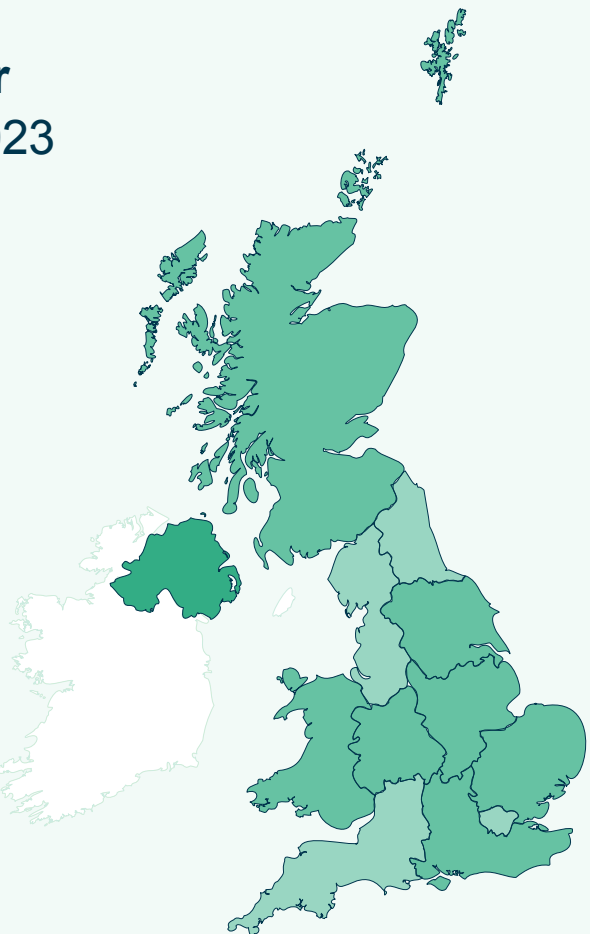


Annual change

January 2023 to
January 2024



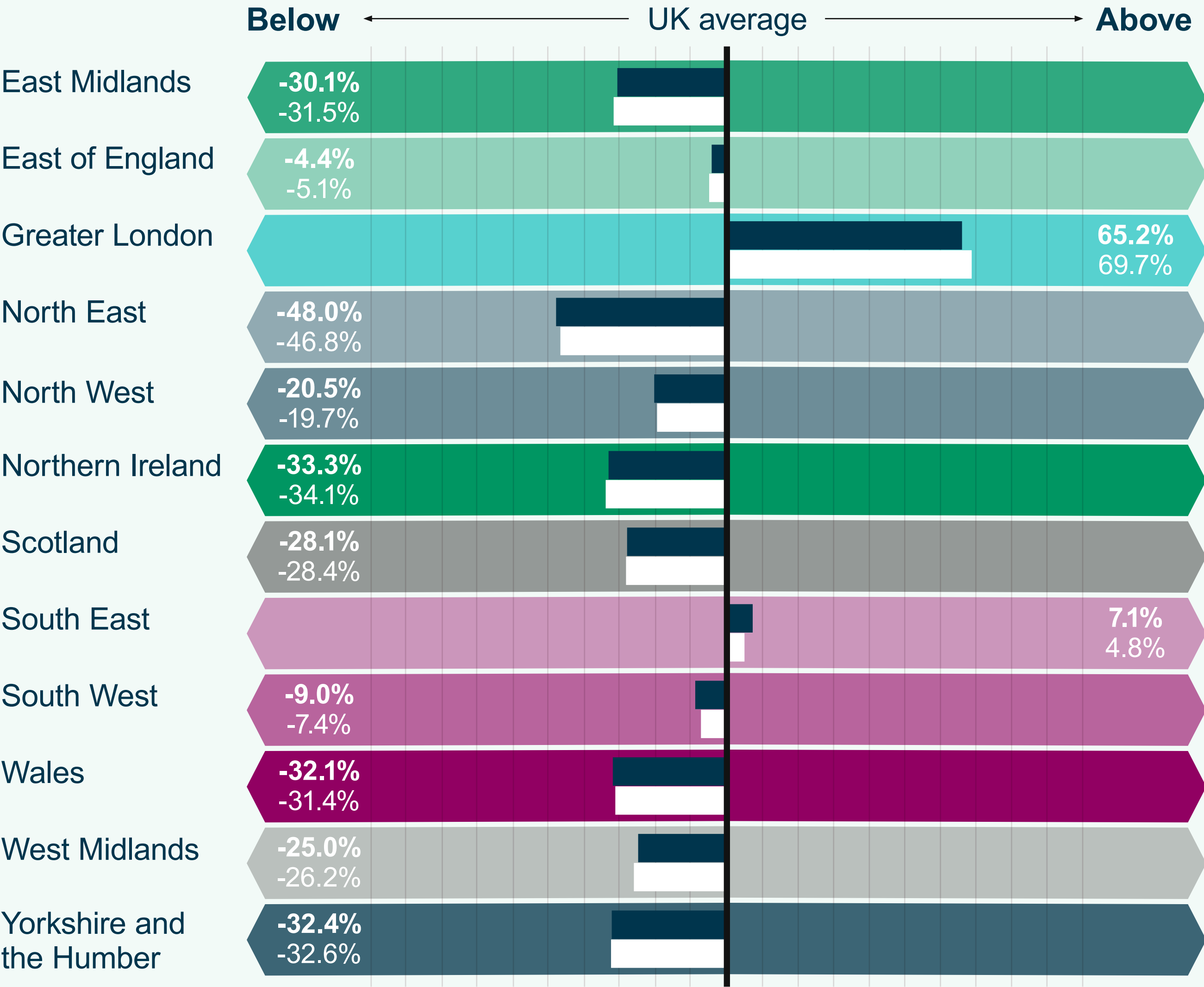
December
2022 to 2023



Next Regional discount / premium



Comparison with UK average January 2023 to January 2024



January 2024

January 2023

Showing how regional rents compared to the UK average in January 2024 and a year earlier, i.e., average rents in the East Midlands in January 2024 were 30.1% below the national average. However, in January 2023 they were 31.5% below the national average.

Regional
discount /
premium
to UK
average



London focus



Average rent

£2,081

After a sustained period of strong growth in the last few years, London's rental market has slowed considerably in recent months.



Change annual

+4.6%

A further 2.2% fall in average rents in January means that rents have fallen by 5.1% since October 2023.



Strongest performer

+12.2%

Barking, Dagenham and Havering

While still 4.6% higher than a year ago, the annual rate of growth is far slower than the double-digit rates of growth seen over much of 2022 and 2023.



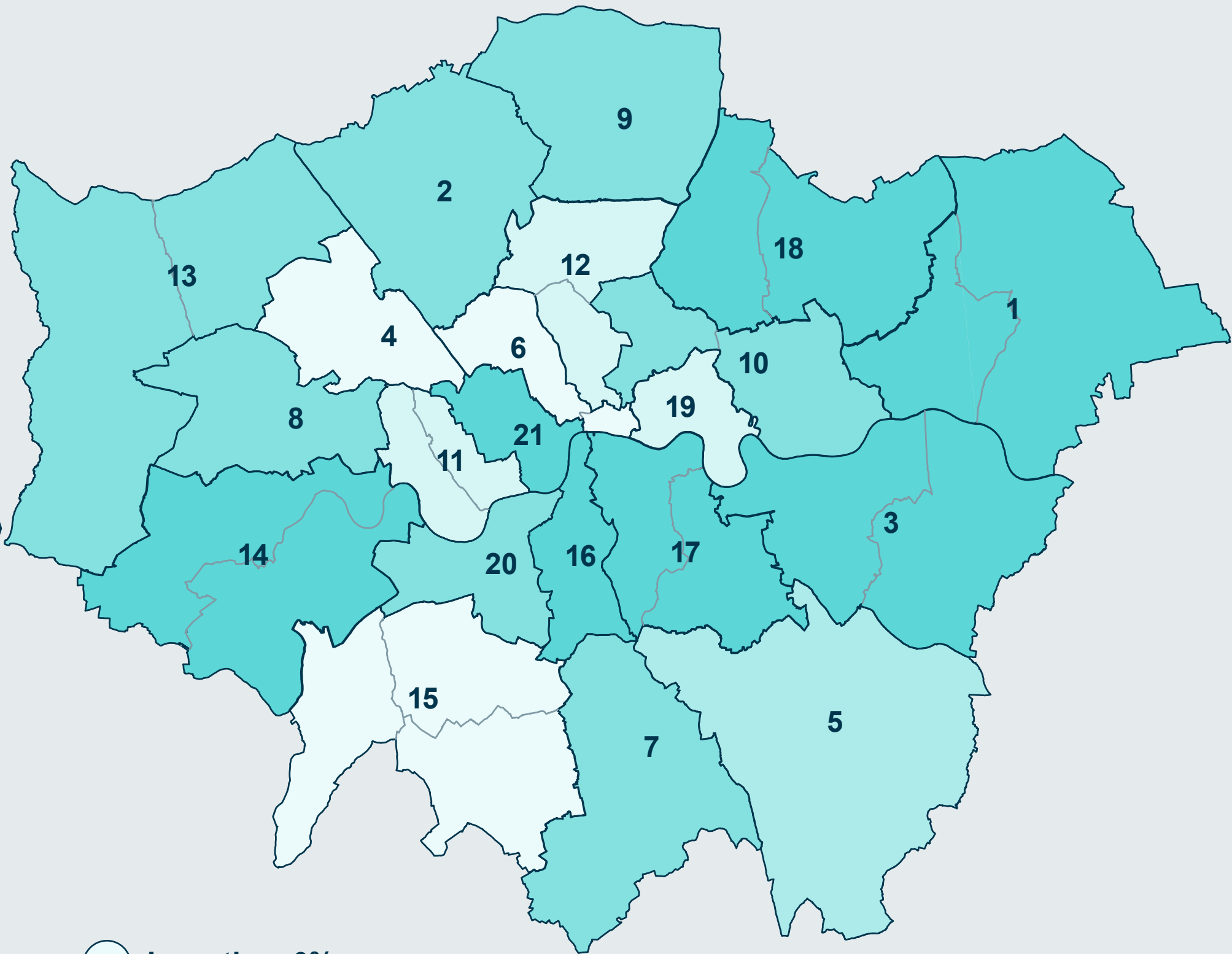
Annual change January 2023 to January 2024



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.

1	Barking, Dagenham and Havering	12.2%	£1,742
2	Barnet	4.6%	£1,975
3	Bexley and Greenwich	7.8%	£1,762
4	Brent	-0.4%	£1,980
5	Bromley	3.2%	£1,806
6	Camden, City of London	-3.3%	£2,294
7	Croydon	5.8%	£1,449
8	Ealing	4.9%	£1,953
9	Enfield	4.0%	£1,835
10	Hackney and Newham	5.7%	£1,956
11	Hammersmith, Fulham, Kensington and Chelsea	0.9%	£2,595
12	Haringey and Islington	1.5%	£1,994
13	Harrow and Hillingdon	4.6%	£1,694
14	Hounslow and Richmond	7.9%	£1,880
15	Merton, Kingston upon Thames and Sutton	-0.6%	£1,727
16	Lambeth	11.4%	£2,609
17	Lewisham and Southwark	9.4%	£2,132
18	Redbridge and Waltham Forest	7.5%	£1,661
19	Tower Hamlets	0.8%	£2,121
20	Wandsworth	4.0%	£2,339
21	Westminster	9.0%	£3,585

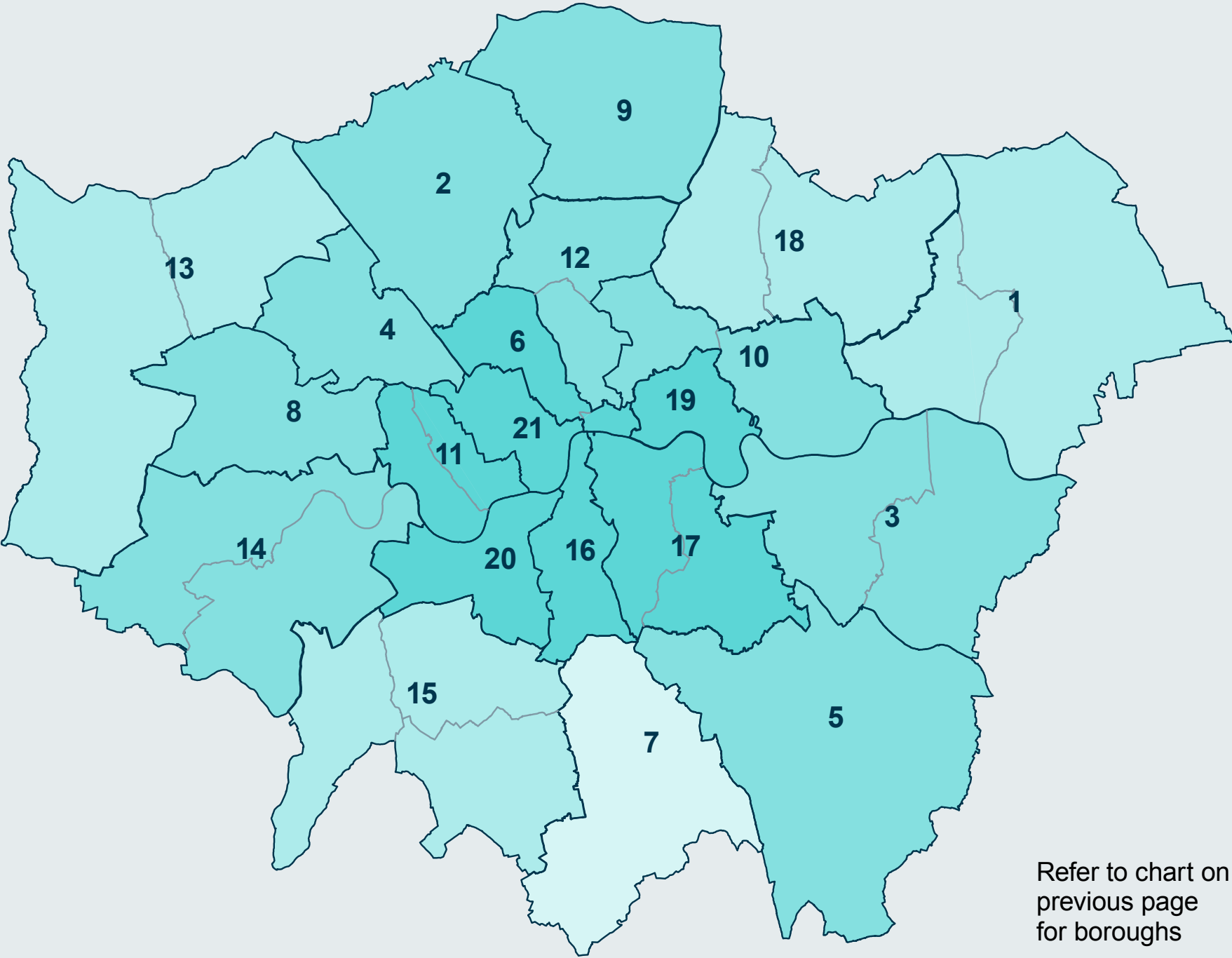
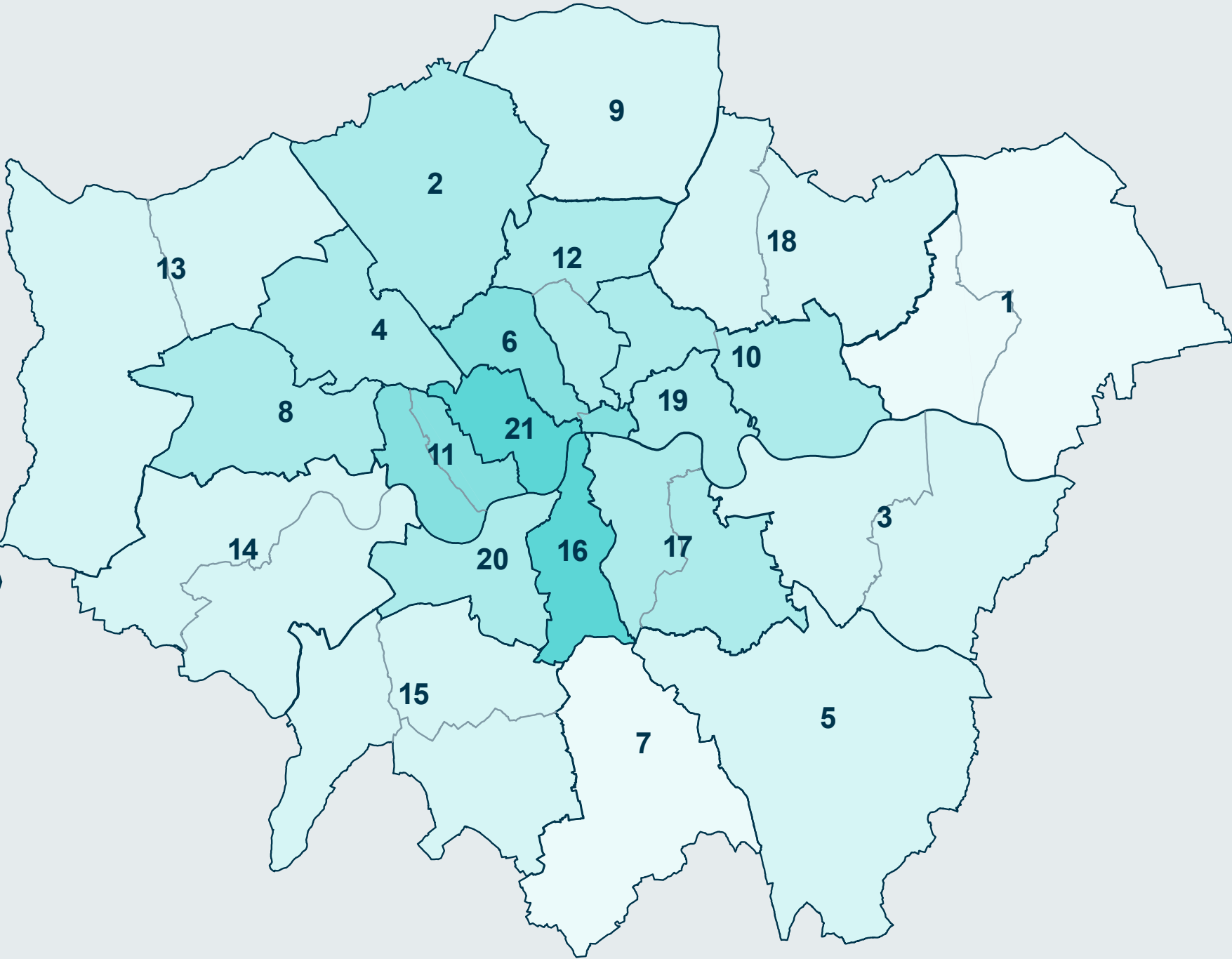




Average rent January 2019



Average rent January 2024



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

+52.1% **Westminster**



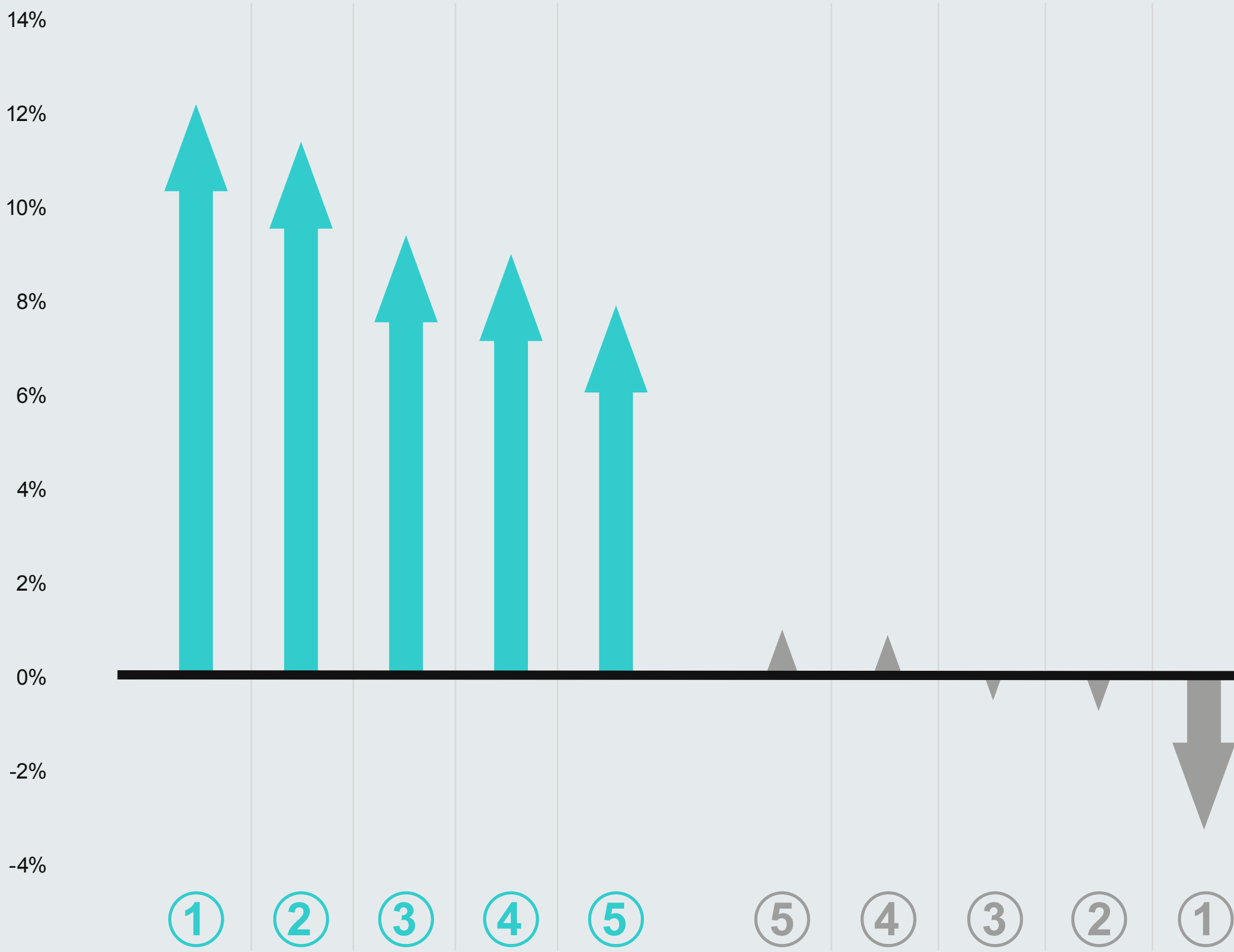
Strongest and weakest performers



Strongest January 2024



Weakest January 2024



Based on annual change to January 2024

1	+12.2%	Barking, Dagenham and Havering
2	+11.4%	Lambeth
3	+9.4%	Lewisham and Southwark
4	+9.0%	Westminster
5	+7.9%	Hounslow and Richmond upon Thames
5	+0.9%	Hammersmith, Fulham, Kensington and Chelsea
4	+0.8%	Tower Hamlets
3	-0.4%	Brent
2	-0.6%	Merton, Kingston upon Thames and Sutton
1	-3.3%	Camden, City of London

Affordability



% income
spent on rent

33.5%

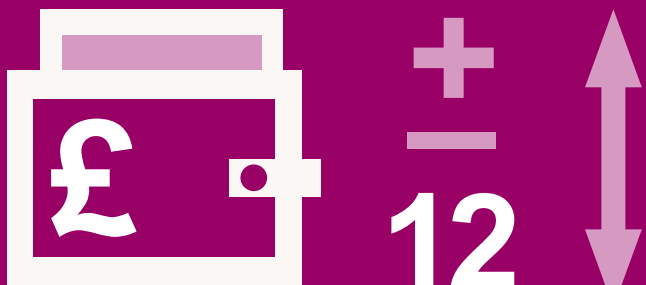
In January renters paid, on average, 33.5% of their income on rent. This is more than a year ago.



Change
annual*

-2.2%

Renter affordability has weakened in all parts of the UK, with renters in all regions paying a higher proportion of their income on rent than they did a year ago.



Greatest
change

-3.9%

London

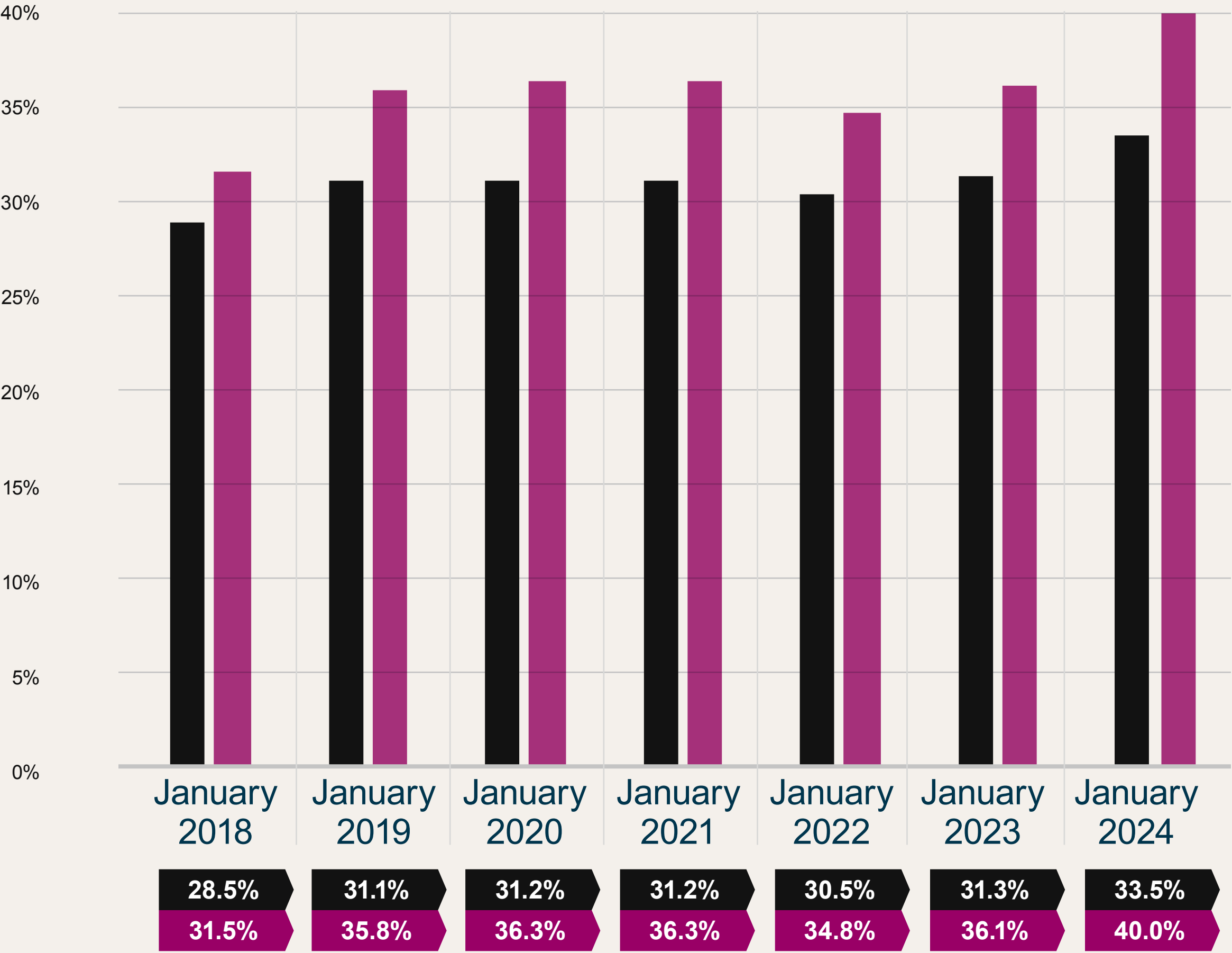
We expect renter affordability to improve over the course of 2024 as rents continue to moderate.

* calculated by subtracting the January 2024 figure from January 2023. A negative figure reflects worsening affordability.





Affordability over time January 2018 to January 2024



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.

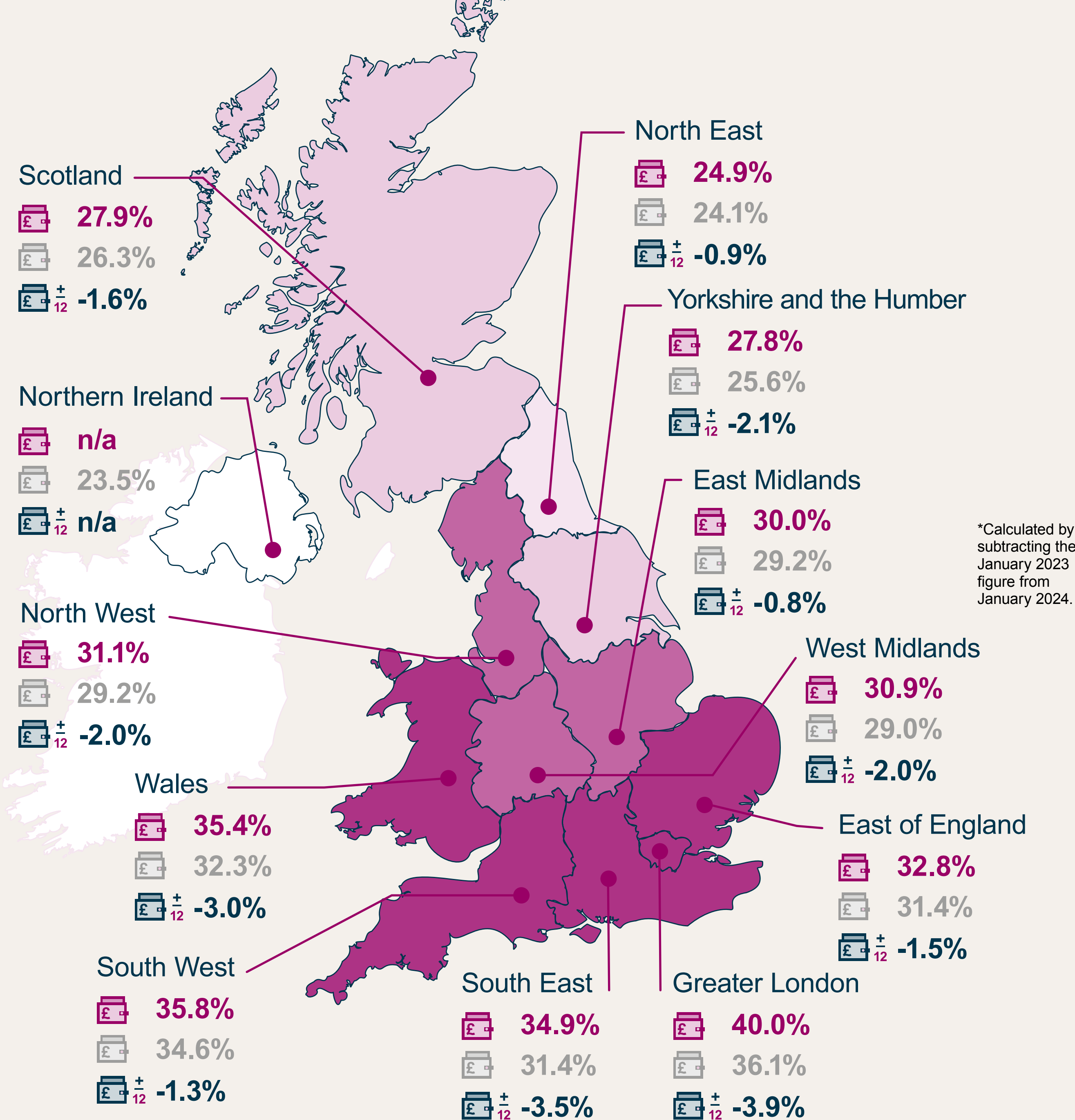


Regional
snapshot

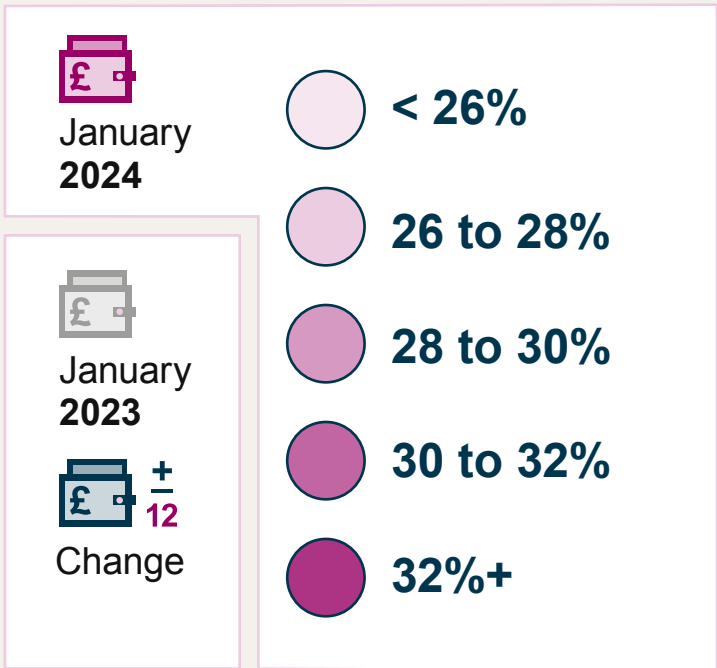


In conjunction with Dataloft,
a PriceHubble company

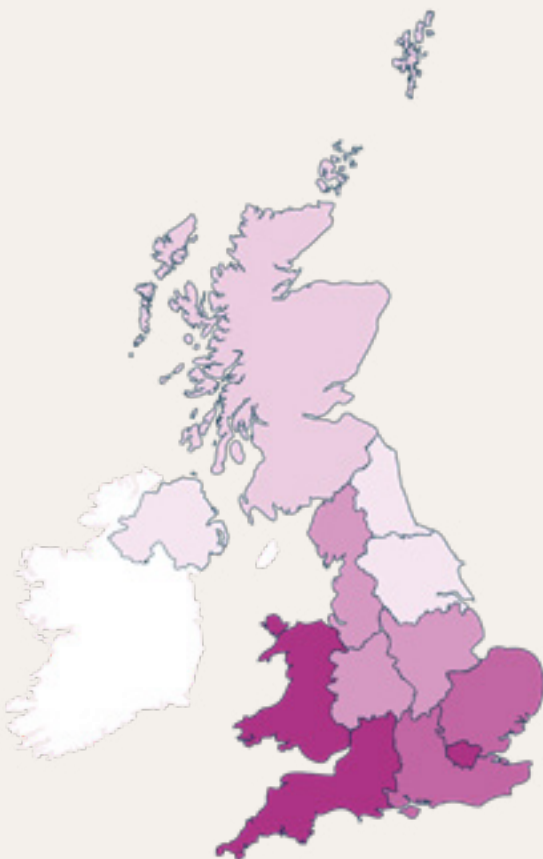
« Back



% income
spent on rent
January 2024

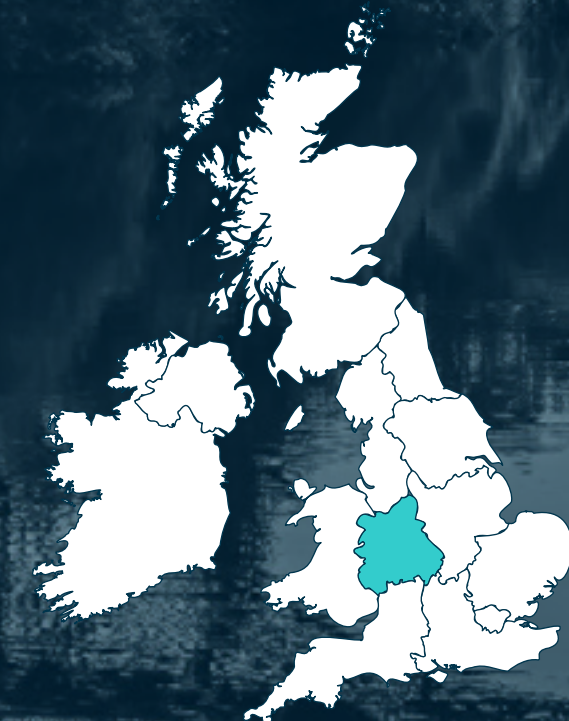


January
2023



Next Regional focus »

West Midlands



Median tenant
gross income*

£28,002

£30,297



Average % tenant
income spent on rent

30.9%

33.5%



Predominant
age group

20–29

20–29



Predominant
rental band

£750–£1000

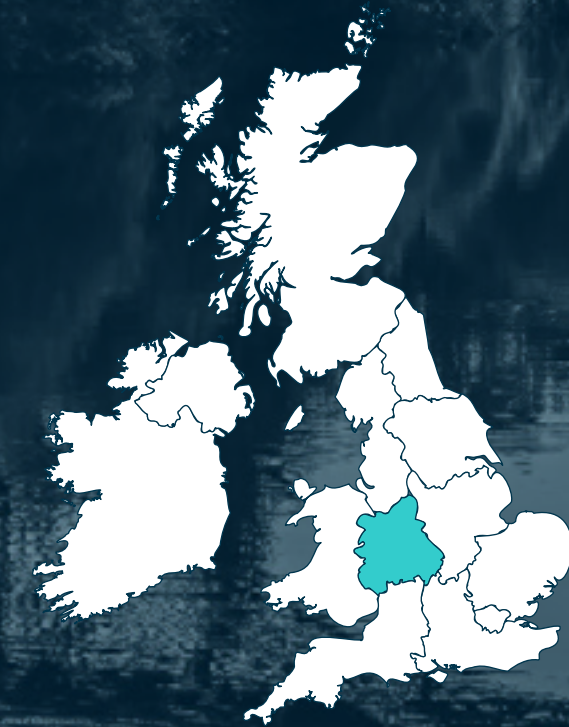
£750–£1000 per month

Key
Shows regional average
Shows UK average

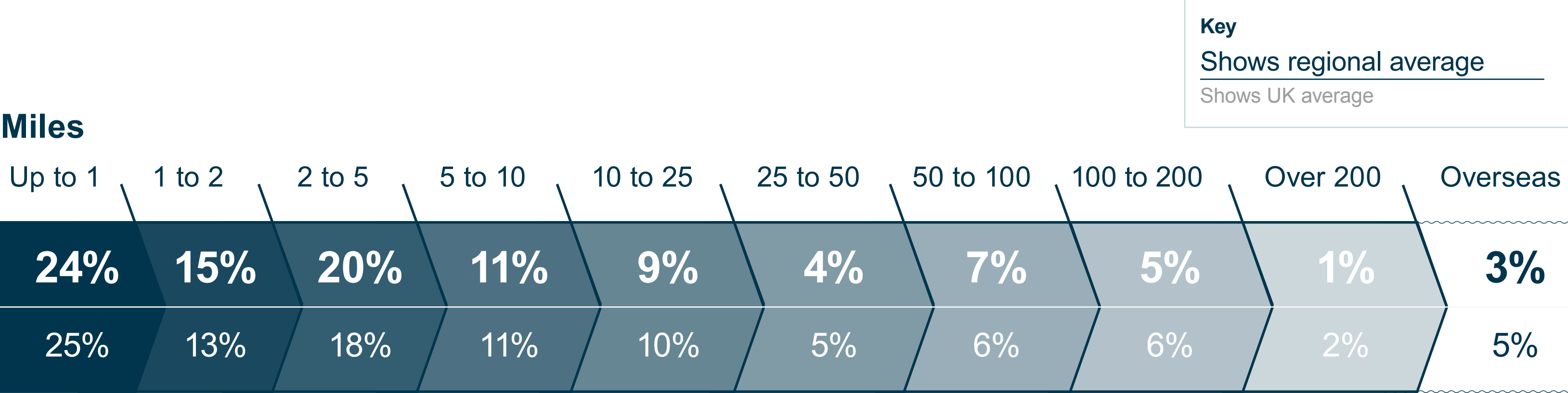
Delving deeper into the data we are able to provide tenant demographic and market profiling at a local level. Each month, we provide a snapshot of the profile of tenants across different UK regions based on data for the last 12 months. This month's focus is on West Midlands.

*Excludes below £10k and over £500k

West Midlands



Distance moved last 12 months



Profile of properties let Last 12 months

Number of bedrooms

Flats



5%

6%



18%

20%



15%

21%



3%

7%

Houses



23%

17%

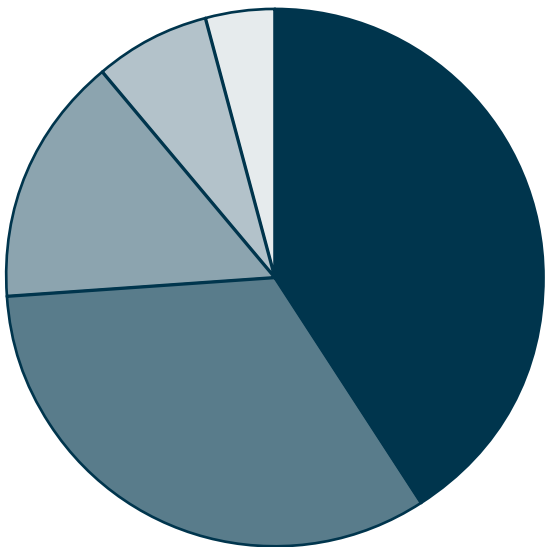


36%

29%

Age breakdown Last 12 months

Tenants age



41% Under 29
33% 30 to 39
15% 40 to 49
7% 50 to 59
4% 60+

January
2024



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
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 creates data-driven insight on UK housing markets as part of PriceHubble, the leading provider of residential data, valuations and insights across Europe. 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

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: January 2024

Source: HomeLet.

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

Photography cover: ChrisHepburn/iStock

Photography pages 15 & 16: Nicola Pulman/Shutterstock