HomeLet Rental Index

Key headlines

• In the three months to December 2014, average rental values for new tenancies in the UK were 7.6% higher than the same period last year.

• The annual growth in average rental values for the three months to December 2014 (7.6%) was higher than 2013 (3.8%), 2012 (3.5%) and 2011 (3.5%).

• In the three months to December 2014, average tenant incomes were 7.1% higher than in 2013.

• Average rents for new tenancies in London have reduced by 1.1% since last month but are still 12% higher than the same period last year.

• Average rental values for new tenancies in London (£1,393pcm) were £149 more expensive per month when compared to average rental values in December 2013 (£1,244pcm).

• When London is excluded, the average UK rental value was £694pcm - this is 1.5% higher than last year (£684pcm).

December 2014 edition

HomeLet Rental Index provides comprehensive and up to date data on new tenancies in the UK. As part of the referencing process for around 350,000 prospective tenants each year, HomeLet processes information including the rental amounts agreed, the number of tenants moving into the property, together with the employment status, income and age of all tenants. The trends reported within the HomeLet Rental Index are brand new tenancies which were arranged in the most recent period, giving the most relevant insight into changes in the Private Rented Sector.
Change in UK average rental prices

Monthly change in UK rental prices for new tenancies

The figures also show...

- The average UK rent for tenancies starting in December 2014 was £867pcm, this is 6.6% higher than December 2013 (£813pcm)
- When London is excluded, the average UK rental value was £694pcm - this is 1.5% higher than last year (£684pcm)
- Most regions saw an increase in average rental values, compared to last year, particularly Greater London (12%) and Scotland (9%) and North East (6.2%)
- Greater London, South East and South West have seen a continued increase in rental values over the last year
- Average rents dropped by 2.7% in East Anglia, when compared to last year; this is the first time in 13 months. Other regions to see reductions when compared to last year are the North West by 4.6% and Wales by 3.7%

In detail...
The full regional breakdown can be seen on page four
Rental values and tenant incomes in the three months to December

Average UK rental amounts over the last three months, with annual comparisons

The figures also show...

- In the three months to December, average rental values for new tenancies were 7.6% higher than the same period last year (£873 compared to £811)
- The annual growth in average rental values for the three months to December 2014 (7.6%) was higher than 2013 (3.8%), 2012 (3.5%) and 2011 (3.5%)
- In the three months to December 2014, average tenant incomes were 7.1% higher than 2013
Greater London v. the rest of the UK

Difference between Greater London and UK rents

Monthly variation between Greater London rental prices and the UK average (excluding Greater London)

The figures also show…

• From November to December, average rental values in the capital have decreased by 1.1%, this is a typical seasonal reduction
• Rents in London were 12% higher in December 2014, compared to last year
• Average rental values for new tenancies in London (£1,393pcm) were £149 more expensive per month, when compared to average rental values in December 2013 (£1,244pcm)
UK Regional breakdown

Scotland
- Average rent Dec 2014: £616
- Average rent Nov 2014: £638
- Monthly variance: -3.4%
- Average rent Dec 2013: £565
- Annual variance: 9%

North East
- Average rent Dec 2014: £532
- Average rent Nov 2014: £506
- Monthly variance: 5.1%
- Average rent Dec 2013: £501
- Annual variance: 6.2%

North West
- Average rent Dec 2014: £645
- Average rent Nov 2014: £635
- Monthly variance: 1.6%
- Average rent Dec 2013: £676
- Annual variance: -4.6%

West Midlands
- Average rent Dec 2014: £642
- Average rent Nov 2014: £651
- Monthly variance: -1.4%
- Average rent Dec 2013: £628
- Annual variance: 2.2%

Wales
- Average rent Dec 2014: £573
- Average rent Nov 2014: £581
- Monthly variance: -1.4%
- Average rent Dec 2013: £595
- Annual variance: -3.7%

Northern Ireland
- Average rent Dec 2014: £559
- Average rent Nov 2014: £570
- Monthly variance: -1.9%
- Average rent Dec 2013: £541
- Annual variance: 3.3%

South West
- Average rent Dec 2014: £802
- Average rent Nov 2014: £798
- Monthly variance: 0.5%
- Average rent Dec 2013: £765
- Annual variance: 4.8%

South East
- Average rent Dec 2014: £867
- Average rent Nov 2014: £865
- Monthly variance: 0.2%
- Average rent Dec 2013: £832
- Annual variance: 4.2%

Yorkshire and Humber
- Average rent Dec 2014: £594
- Average rent Nov 2014: £603
- Monthly variance: -1.5%
- Average rent Dec 2013: £578
- Annual variance: 2.8%

East Midlands
- Average rent Dec 2014: £581
- Average rent Nov 2014: £614
- Monthly variance: -5.4%
- Average rent Dec 2013: £573
- Annual variance: 1.4%

East Anglia
- Average rent Dec 2014: £726
- Average rent Nov 2014: £748
- Monthly variance: -2.9%
- Average rent Dec 2013: £746
- Annual variance: -2.7%

Greater London
- Average rent Dec 2014: £1,393
- Average rent Nov 2014: £1,408
- Monthly variance: -1.1%
- Average rent Dec 2013: £1,244
- Annual variance: 12%
About the HomeLet Rental Index

As well as information on rental amounts, the HomeLet Rental Index also provides information on tenant demographics, such as their average age, income, previous residential status and the property type they’re applying to live in.

In addition, we gather data on how many people share rented properties – so we’re able to gain an insight into the lifestyle of tenants, and see how external factors, such as the lack of mortgage availability, plus supply of, and demand for, rented homes are affecting how and where people live.

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. We reference up to 1,700 applicants every day – so information in the report is comprehensive, accurate and up to date.

About HomeLet

With more than 20 years in the industry, HomeLet is one of the leading sources of support for the UK’s vibrant private rented sector. Part of the Barbon Insurance Group, we’re based in Lincoln, with more than 300 members of staff working hard every day to support letting agents, landlords and tenants.

Visit:

homelet.co.uk/rental-index

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