

HomeLet Rental Index

Key headlines

- The average rental value in the UK (£901) has reduced by 0.3% compared to the same period last year (£904)
- The last time average rental values in the UK saw a reduction compared to the previous year was December 2009
- The average rental value in Greater London (£1,502) has reduced by 3.0% compared to the same period last year (£1,548)
- The average rental value in Greater London has seen a reduction in average rents for the last two months
- Five of the twelve regions in the UK have seen a reduction in average rents compared to the same period last year

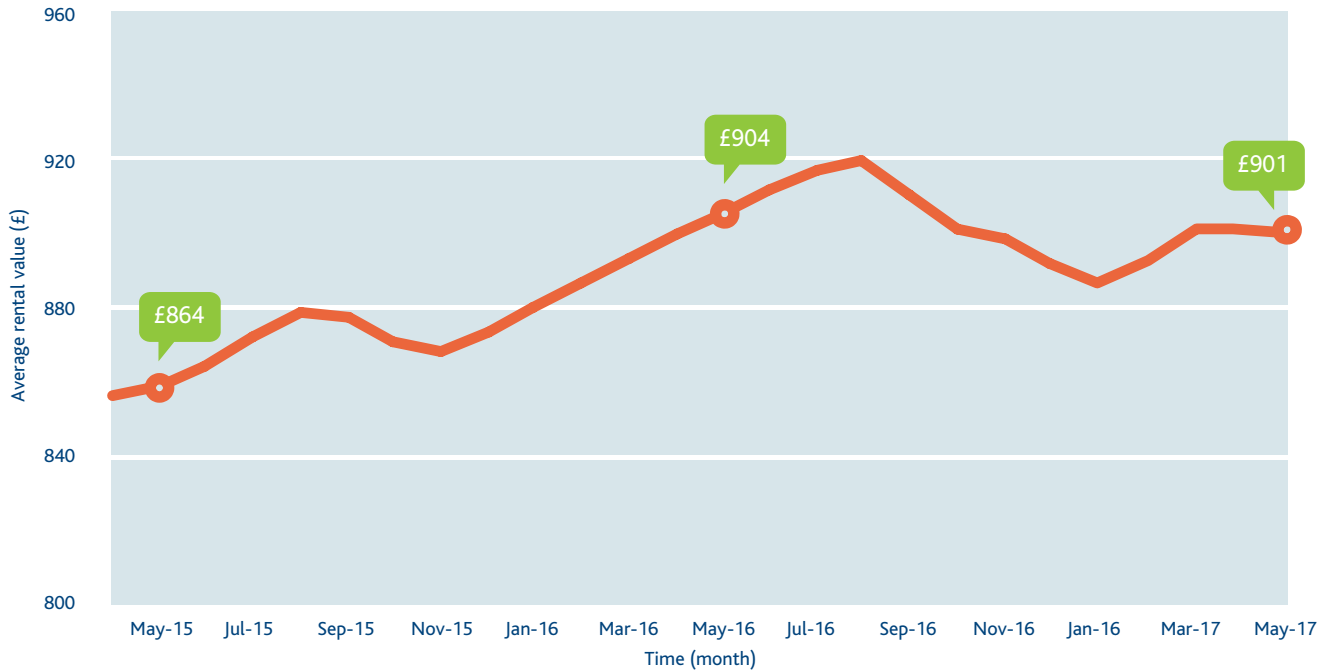


May 2017 edition

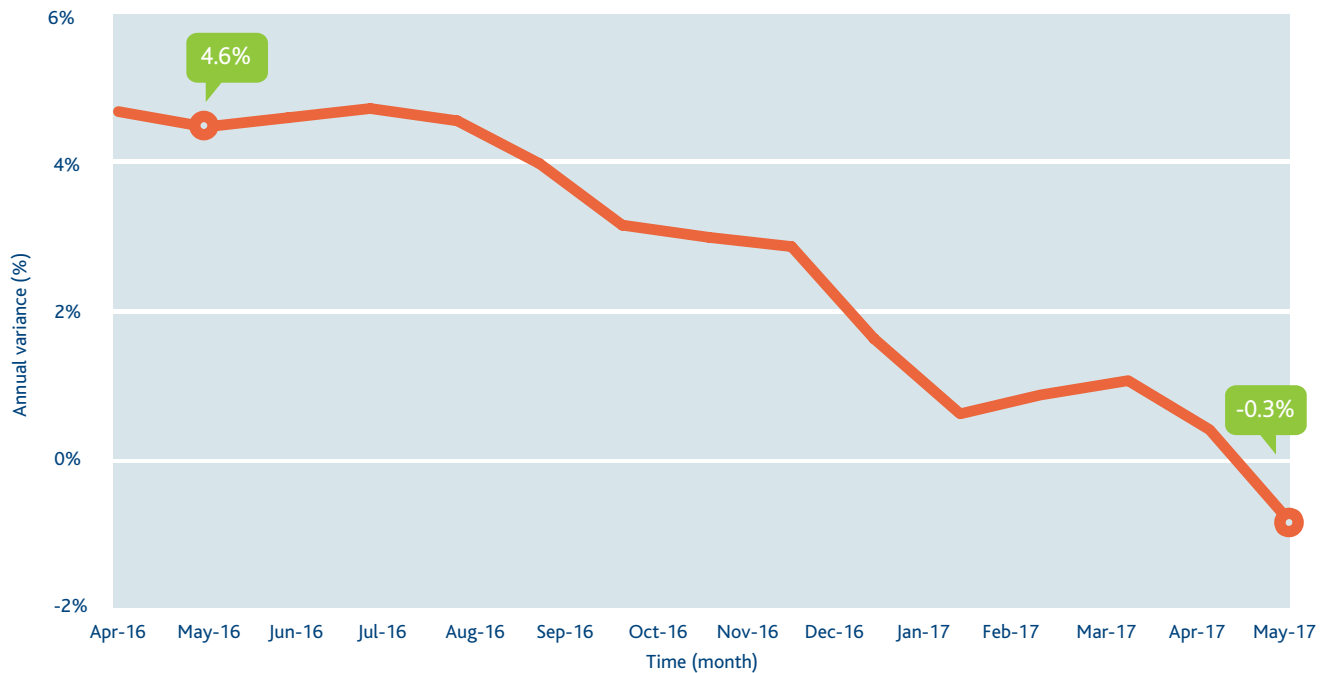
HomeLet Rental Index provides comprehensive and up to date data on new tenancies in the UK. Data is gathered from our tenant referencing service, including the rental amounts agreed, the number of tenants moving into the property together with the employment status, income and age of all tenants. The 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.

Average rental values in the UK

Average rental values



Annual variance in rental values



It's interesting to note...

- The average UK rental value was £901pcm - this is 0.3% lower than the same period last year (£904pcm) and a reduction in the rate of increase seen in May 2016 (4.6%)

Monthly variance in average rent in the UK



It's interesting to note...

- The UK average rental value has reduced by 0.3% since April 2017 - this is less than the monthly variance in May 2016 (0.4%) and comparable to May 2015 (0.3%)



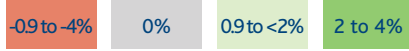
In detail...

The full regional breakdown can be seen on the next page



UK regional breakdown

% Annual variance in average rent



North East	
Average rent May 2017	£522
Average rent April 2017	£525
Monthly variance	-0.7%
Average rent May 2016	£534
Annual variance	-2.3%

UK	
Average rent May 2017	£901
Average rent April 2017	£904
Monthly variance	-0.3%
Average rent May 2016	£904
Annual variance	-0.3%

Scotland	
Average rent May 2017	£622
Average rent April 2017	£632
Monthly variance	-1.6%
Average rent May 2016	£634
Annual variance	-1.9%

Yorkshire & Humberside	
Average rent May 2017	£614
Average rent April 2017	£619
Monthly variance	-0.7%
Average rent May 2016	£618
Annual variance	-0.6%

North West	
Average rent May 2017	£679
Average rent April 2017	£677
Monthly variance	0.2%
Average rent May 2016	£664
Annual variance	2.2%

East Midlands	
Average rent May 2017	£614
Average rent April 2017	£604
Monthly variance	1.6%
Average rent May 2016	£595
Annual variance	3.3%

West Midlands	
Average rent May 2017	£658
Average rent April 2017	£661
Monthly variance	-0.5%
Average rent May 2016	£656
Annual variance	0.3%

East of England	
Average rent May 2017	£909
Average rent April 2017	£904
Monthly variance	0.5%
Average rent May 2016	£904
Annual variance	0.6%

Wales	
Average rent May 2017	£605
Average rent April 2017	£610
Monthly variance	-0.8%
Average rent May 2016	£594
Annual variance	1.8%

Greater London	
Average rent May 2017	£1,502
Average rent April 2017	£1,519
Monthly variance	-1.1%
Average rent May 2016	£1,548
Annual variance	-3.0%

Northern Ireland	
Average rent May 2017	£609
Average rent April 2017	£614
Monthly variance	-0.9%
Average rent May 2016	£606
Annual variance	0.4%

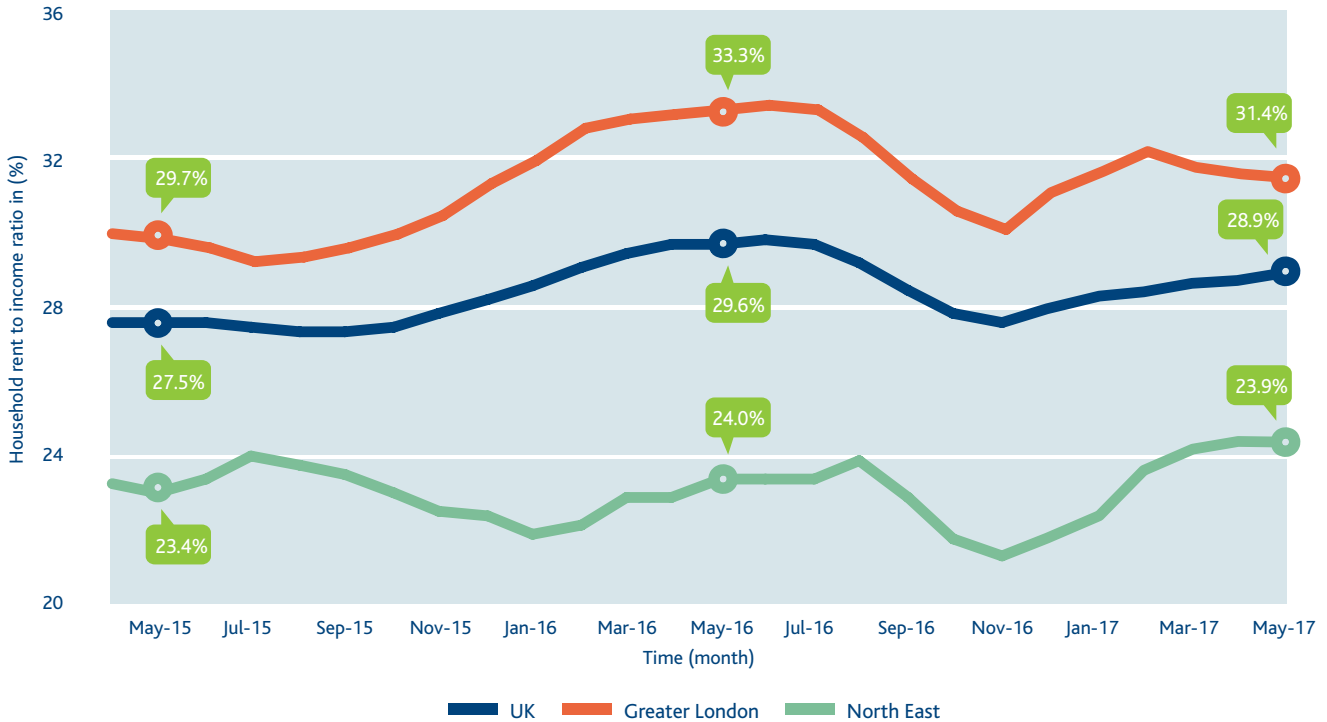
South West	
Average rent May 2017	£803
Average rent April 2017	£802
Monthly variance	0.2%
Average rent May 2016	£787
Annual variance	2.1%

South East	
Average rent May 2017	£998
Average rent April 2017	£1,003
Monthly variance	-0.4%
Average rent May 2016	£1,014
Annual variance	-1.5%

Household rent to income ratio in the UK

The data displayed below looks at the average gross household income per property against the average total rental value per property.

Household rent to income ratio in the UK, London and the North East

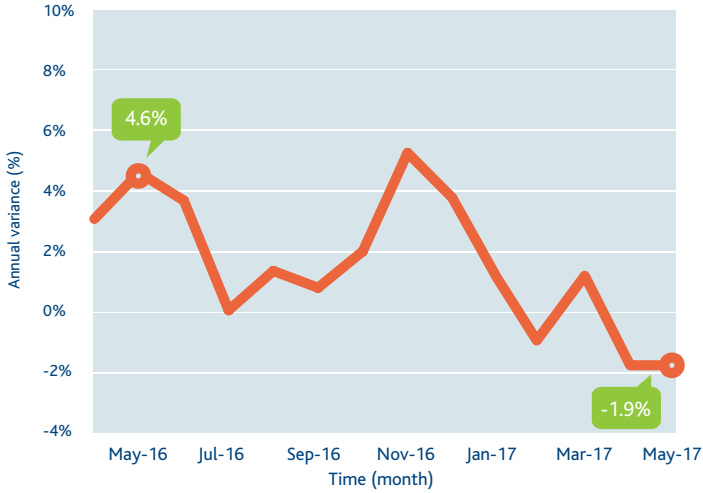


Household rent to income ratio by region

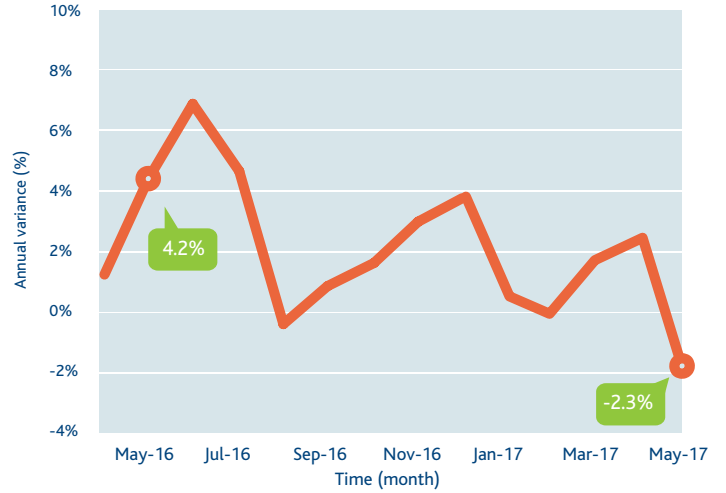
Region	May 2017	May 2016	Variance (percentage points)
Greater London	31.4%	33.3%	-1.8%
South West	30.5%	31.5%	-1.0%
South East	29.8%	30.4%	-0.5%
East of England	29.1%	30.0%	-1.0%
Wales	29.0%	29.2%	-0.2%
East Midlands	28.2%	27.7%	+0.5%
Northern Ireland	27.3%	27.1%	+0.2%
North West	26.9%	28.1%	-1.3%
West Midlands	26.5%	27.1%	-0.5%
Scotland	26.3%	26.2%	+0.1%
Yorkshire and The Humber	25.5%	25.5%	0.0%
North East	23.9%	24.0%	-0.1%
UK	28.9%	29.6%	-0.8%
UK excluding Greater London	28.2%	28.6%	-0.5%

Annual variance in average rental values by region

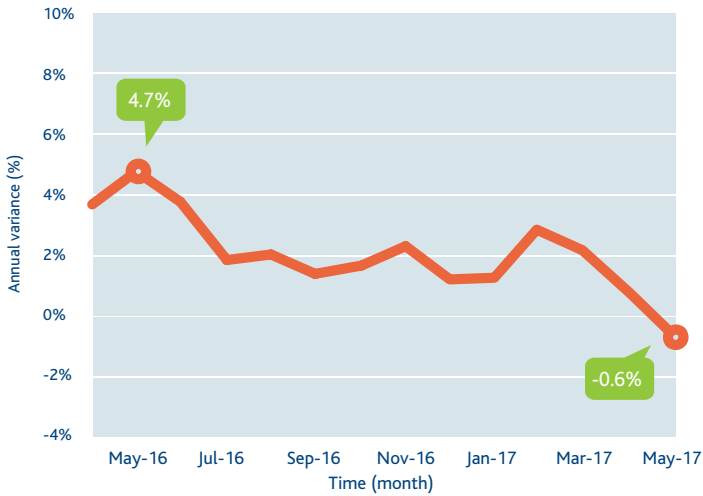
Scotland



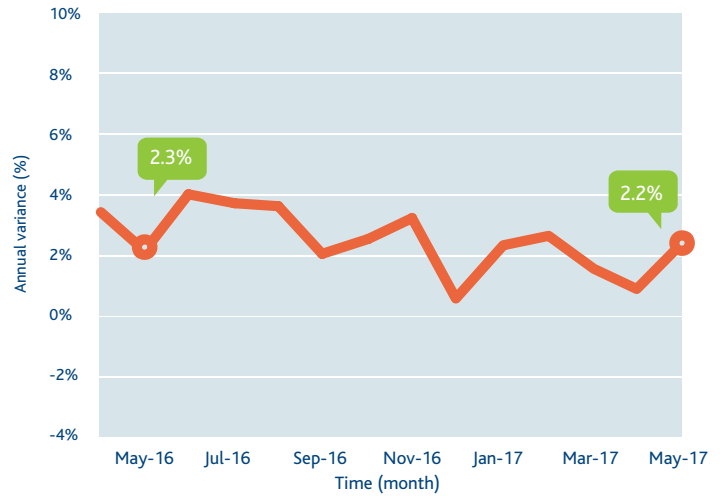
North East



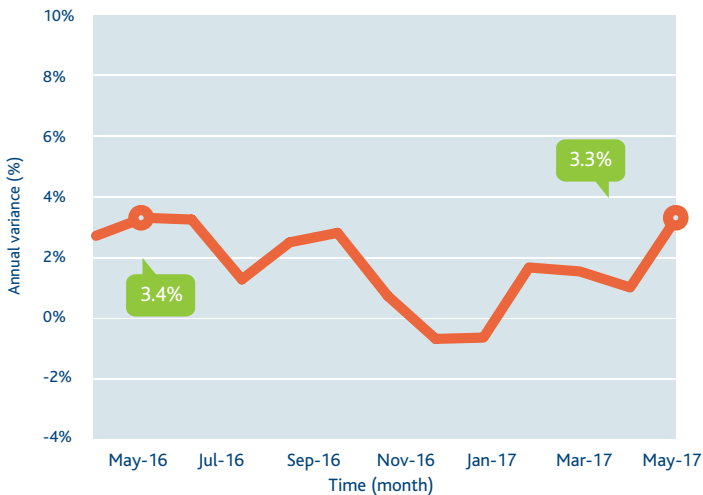
Yorkshire and the Humber



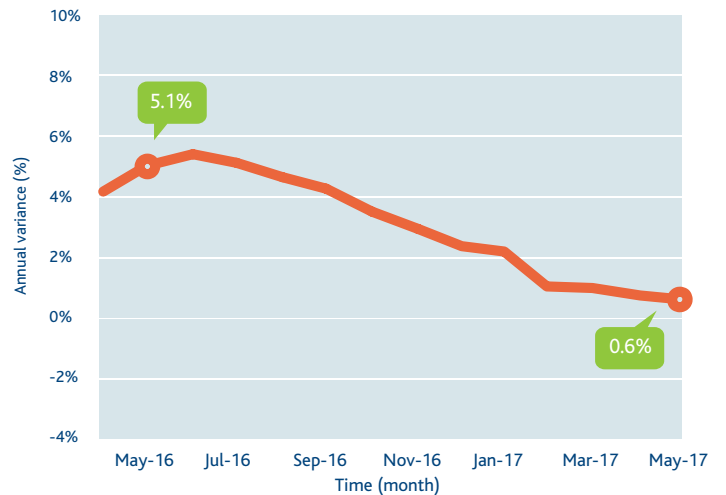
North West



East Midlands

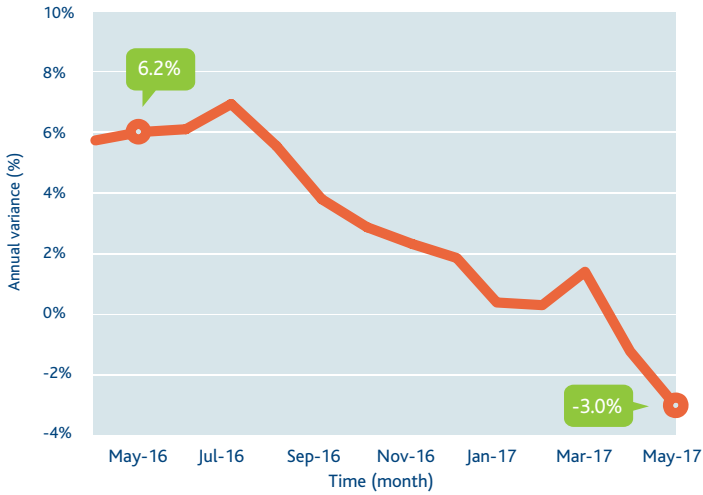


East of England

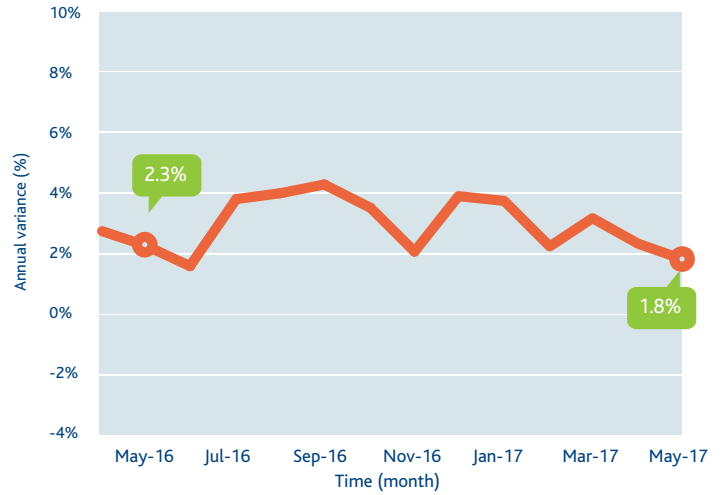


Annual variance in average rental values by region

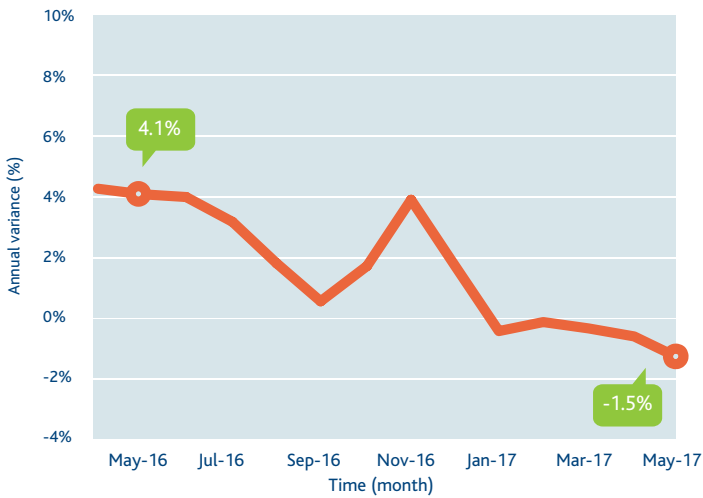
Greater London



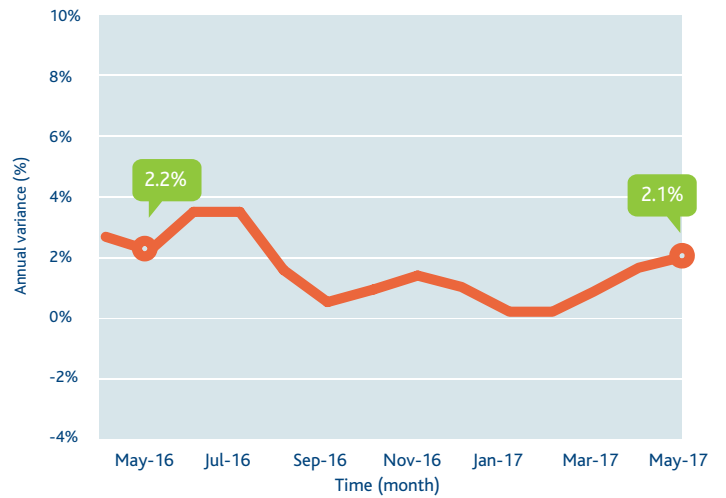
Wales



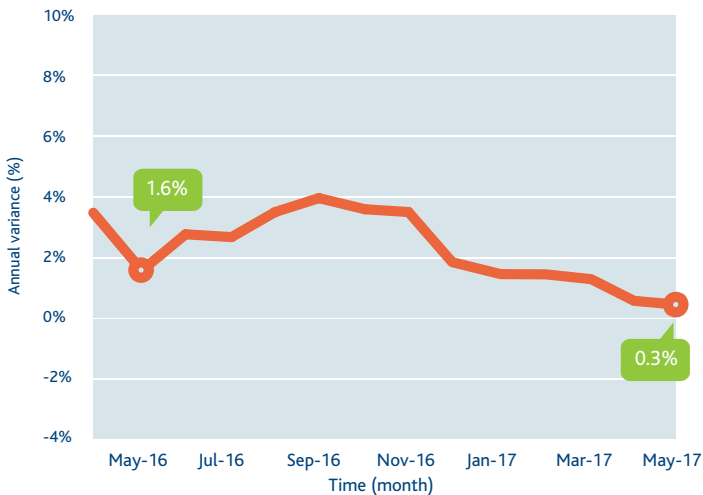
South East



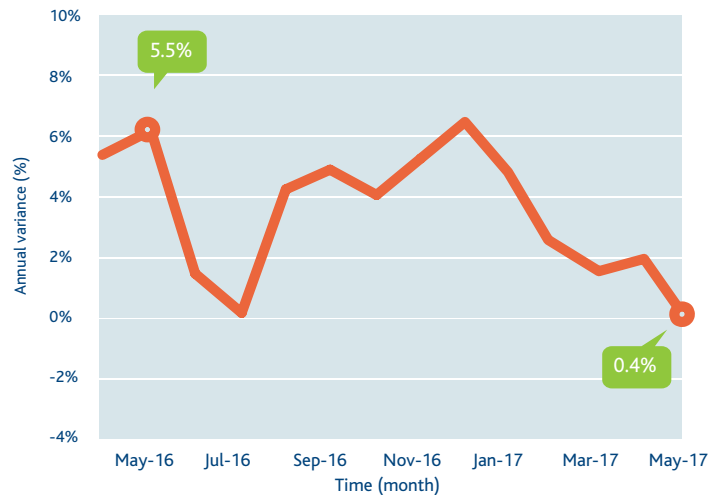
South West



West Midlands

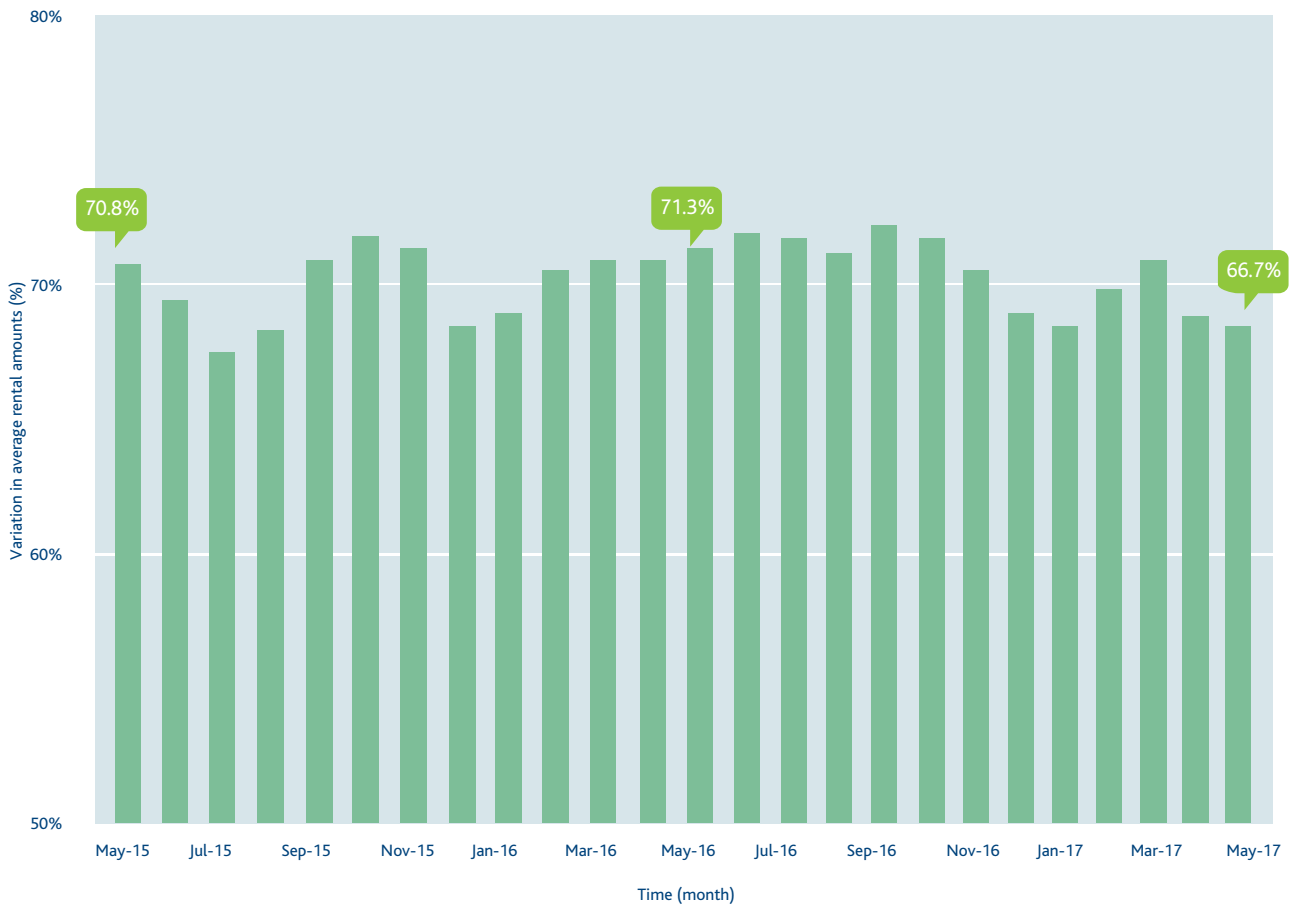


Northern Ireland



Greater London vs. the UK

Monthly variation between Greater London rental prices and the UK average

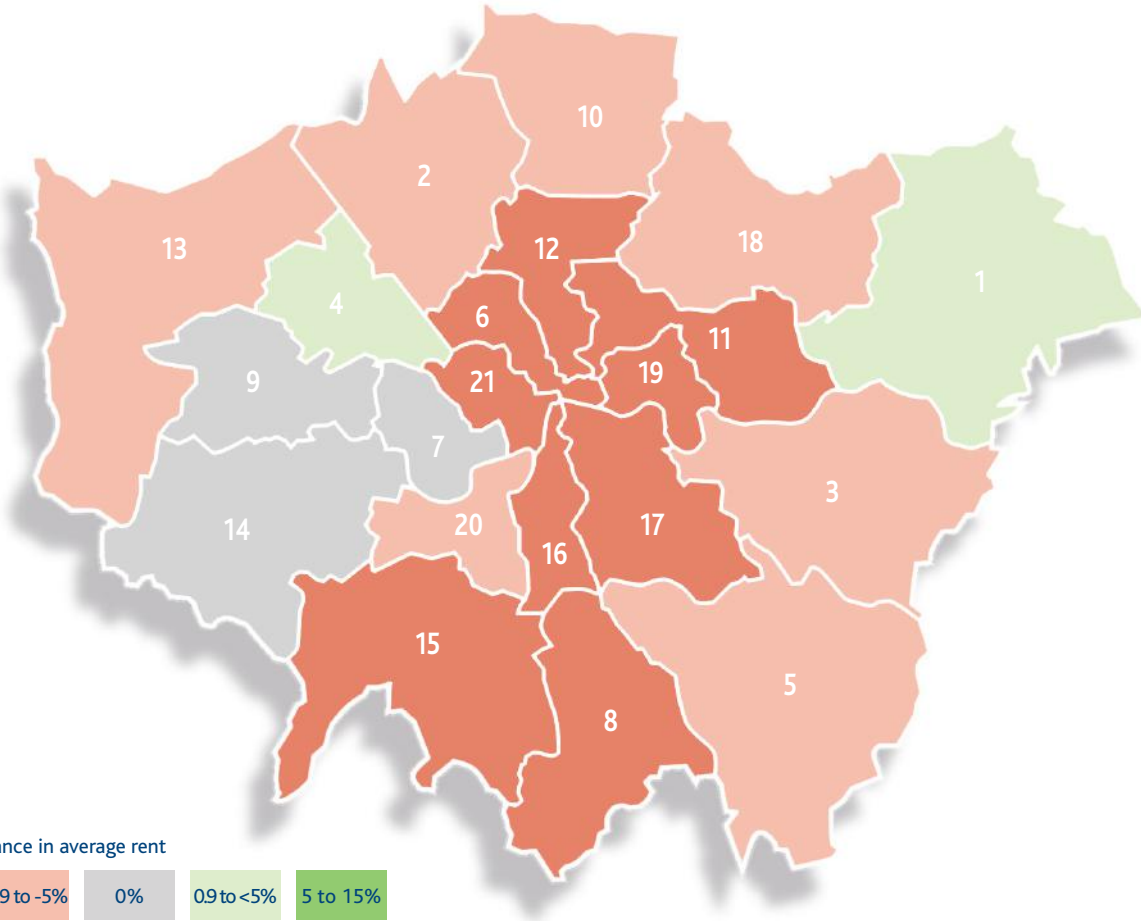


The figures also show...

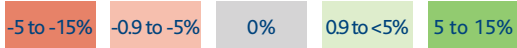
- In May 2017, average rental values in London (£1,502) were 66.7% higher than the UK (£901)
- The gap between London and the rest of the UK was lower than May 2016 (71.3%) and comparable to May 2015 (70.8%)

Greater London by borough

This section looks at the average rental values for new tenancies for the boroughs of London. The annual variance compares May 2016 with May 2017.



% Annual variance in average rent



1 Barking, Dagenham & Havering	2 Barnet	3 Bexley & Greenwich	4 Brent	5 Bromley
Avg rent May 17 £1,180	Avg rent May 17 £1,472	Avg rent May 17 £1,244	Avg rent May 17 £1,544	Avg rent May 17 £1,333
Annual variance 1.2%	Annual variance -3.1%	Annual variance -4.0%	Annual variance 2.2%	Annual variance -2.8%
6 Camden & City of London	7 Chelsea, Fulham, Hammersmith & Kensington	8 Croydon	9 Ealing	10 Enfield
Avg rent May 17 £1,884	Avg rent May 17 £1,804	Avg rent May 17 £1,033	Avg rent May 17 £1,432	Avg rent May 17 £1,319
Annual variance -6.9%	Annual variance 0.2%	Annual variance -11.8%	Annual variance -0.7%	Annual variance -3.1%
11 Hackney & Newham	12 Haringey & Islington	13 Harrow & Hillingdon	14 Hounslow & Richmond upon Thames	15 Kingston upon Thames, Merton & Sutton
Avg rent May 17 £1,427	Avg rent May 17 £1,463	Avg rent May 17 £1,308	Avg rent May 17 £1,390	Avg rent May 17 £1,303
Annual variance -5.4%	Annual variance -6.5%	Annual variance -4.0%	Annual variance 0.1%	Annual variance -6.5%
16 Lambeth	17 Lewisham & Southwark	18 Redbridge & Waltham Forest	19 Tower Hamlets	20 Wandsworth
Avg rent May 17 £1,864	Avg rent May 17 £1,550	Avg rent May 17 £1,207	Avg rent May 17 £1,663	Avg rent May 17 £1,603
Annual variance -9.8%	Annual variance -5.3%	Annual variance -4.9%	Annual variance -5.6%	Annual variance -1.3%
21 Westminster				
Avg rent May 17 £2,042				
Annual variance -5.5%				

Greater London ranked by borough

Five London boroughs with the highest average rent

London borough	Average rent May 2017
Westminster	£2,042
Camden, City of London	£1,884
Lambeth	£1,864
Chelsea, Fulham, Hammersmith and Kensington	£1,804
Tower Hamlets	£1,663

Five London boroughs with the lowest average rent

London borough	Average rent May 2017
Croydon	£1,033
Barking, Dagenham and Havering	£1,180
Redbridge and Waltham Forest	£1,207
Bexley and Greenwich	£1,244
Kingston upon Thames, Merton and Sutton	£1,303

Four London boroughs with the highest annual variance in average rent

London borough	Annual variance
Brent	2.2%
Barking, Dagenham and Havering	1.2%
Chelsea, Fulham, Hammersmith and Kensington	0.2%
Hounslow and Richmond upon Thames	0.1%

Five London boroughs with the lowest annual variance in average rent

London borough	Annual variance
Croydon	-11.8%
Lambeth	-9.8%
Camden, City of London	-6.9%
Haringey and Islington	-6.5%
Kingston upon Thames, Merton and Sutton	-6.5%

About HomeLet

With 25 years supporting 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.

About the HomeLet Rental Index

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.

For more information on the HomeLet Rental Index please visit

homelet.co.uk/homelet-rental-index