

HomeLet Rental Index

Key headlines

- Rents in the UK rose by 2.0% in May compared to the same month a year ago; the average monthly rent now stands at £919 a month
- Rents in London increased by 5.6% in May this year compared to May 2017; the average monthly rent in the capital now stands at £1,586 a month
- When London is excluded, the average UK rental value was £763 in May 2018, this is up 1.3% on last year
- HomeLet's May Rental Index reveals that rents rose in 11 of the 12 UK regions covered in the research

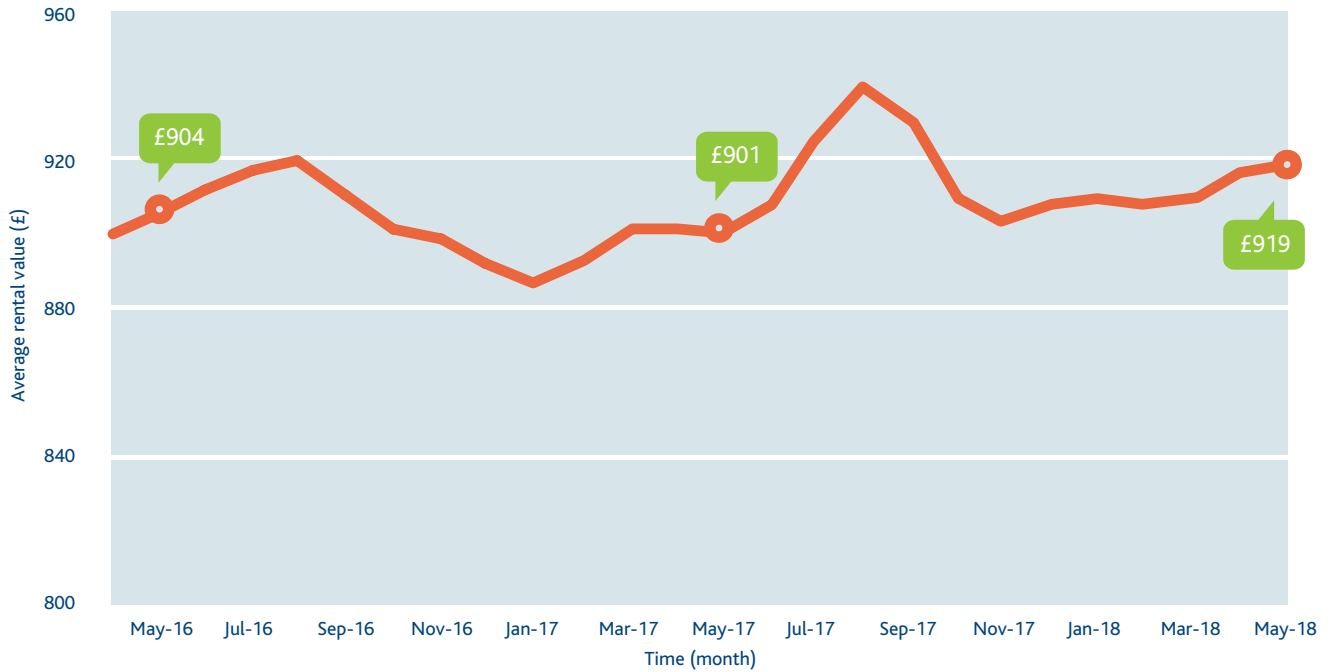


May 2018 edition

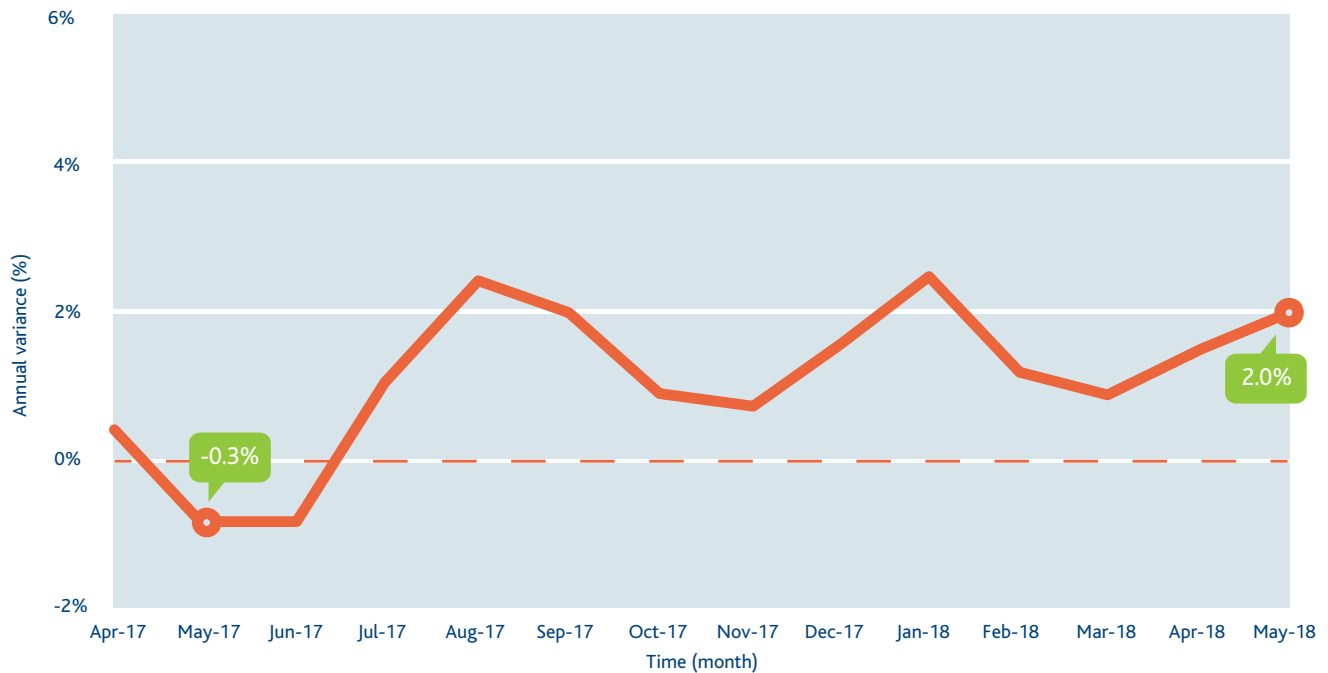
HomeLet Rental Index provides comprehensive and up to date data on new tenancies in the UK. Data is gathered from our tenant referencing service, including the rental amounts agreed, the number of tenants moving into the property together with the employment status, income and age of all tenants. The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

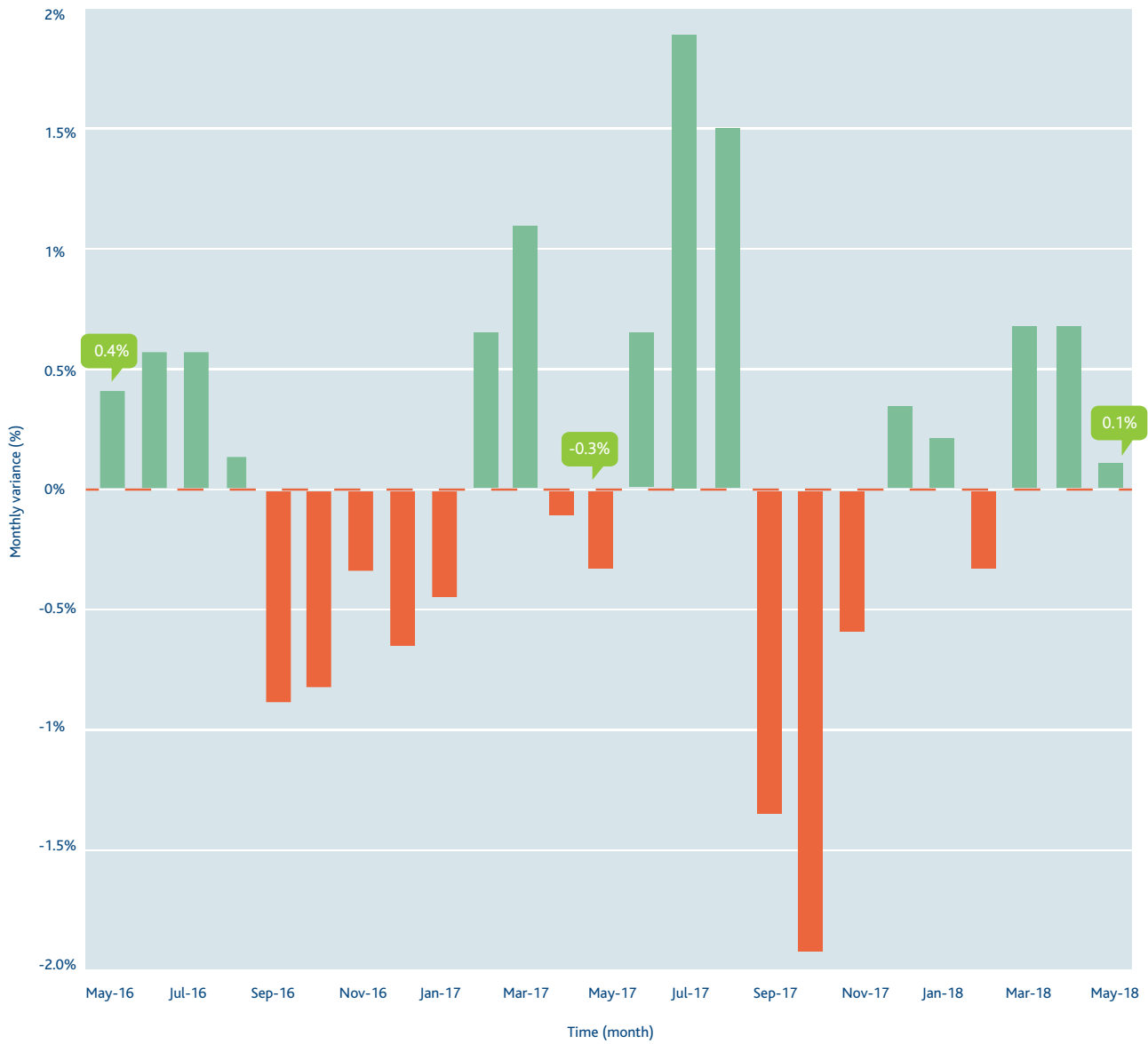


Annual variance in rental values



- When London is excluded, the average UK rental value was £763 in May 2018, this is up 1.3% on last year

Monthly variance in average rent in the UK



- The UK average rental value increased by 0.1% between April and May 2018



In detail...

The full regional breakdown can be seen on the next page



UK regional breakdown

% Annual variance in average rent



North East		UK	
Average rent May 2018	£533	Average rent May 2018	£919
Average rent April 2018	£523	Average rent April 2018	£918
Monthly variance	1.9%	Monthly variance	0.1%
Average rent May 2017	£522	Average rent May 2017	£901
Annual variance	2.1%	Annual variance	2.0%

Scotland	
Average rent May 2018	£650
Average rent April 2018	£653
Monthly variance	-0.5%
Average rent May 2017	£622
Annual variance	4.5%

Yorkshire & Humberside	
Average rent May 2018	£628
Average rent April 2018	£625
Monthly variance	0.5%
Average rent May 2017	£614
Annual variance	2.3%

North West	
Average rent May 2018	£692
Average rent April 2018	£692
Monthly variance	0.0%
Average rent May 2017	£679
Annual variance	1.9%

East Midlands	
Average rent May 2018	£617
Average rent April 2018	£619
Monthly variance	-0.3%
Average rent May 2017	£614
Annual variance	0.5%

West Midlands	
Average rent May 2018	£678
Average rent April 2018	£679
Monthly variance	0.1%
Average rent May 2017	£658
Annual variance	3.0%

East of England	
Average rent May 2018	£911
Average rent April 2018	£907
Monthly variance	0.4%
Average rent May 2017	£909
Annual variance	0.2%

Wales	
Average rent May 2018	£604
Average rent April 2018	£597
Monthly variance	1.2%
Average rent May 2017	£605
Annual variance	-0.2%

Greater London	
Average rent May 2018	£1,586
Average rent April 2018	£1,588
Monthly variance	-0.1%
Average rent May 2017	£1,502
Annual variance	5.6%

Northern Ireland	
Average rent May 2018	£634
Average rent April 2018	£628
Monthly variance	1.0%
Average rent May 2017	£609
Annual variance	4.1%

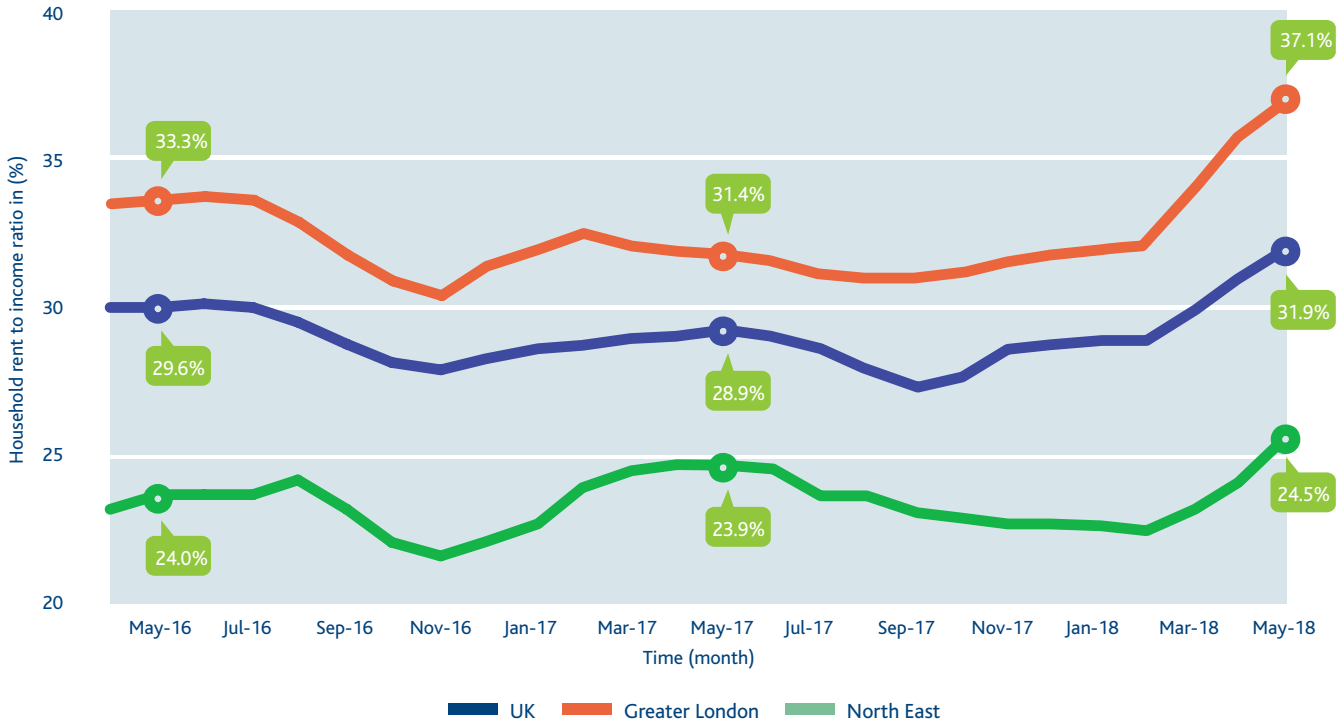
South West	
Average rent May 2018	£805
Average rent April 2018	£808
Monthly variance	-0.4%
Average rent May 2017	£803
Annual variance	0.2%

South East	
Average rent May 2018	£1,008
Average rent April 2018	£999
Monthly variance	0.9%
Average rent May 2017	£998
Annual variance	1.0%

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

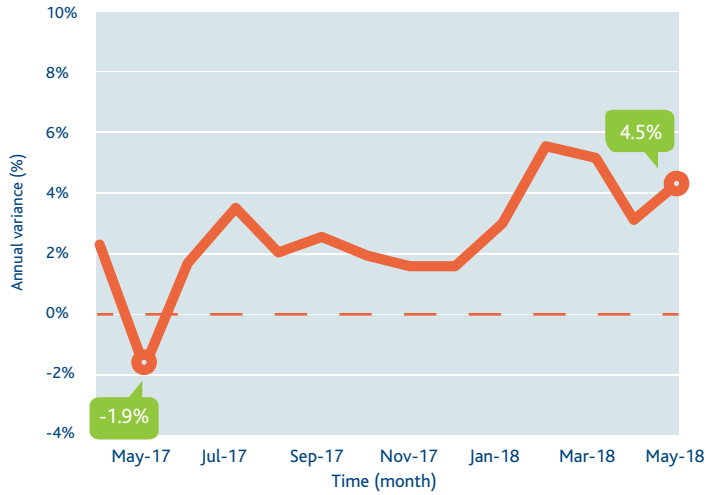


Household rent to income ratio by region

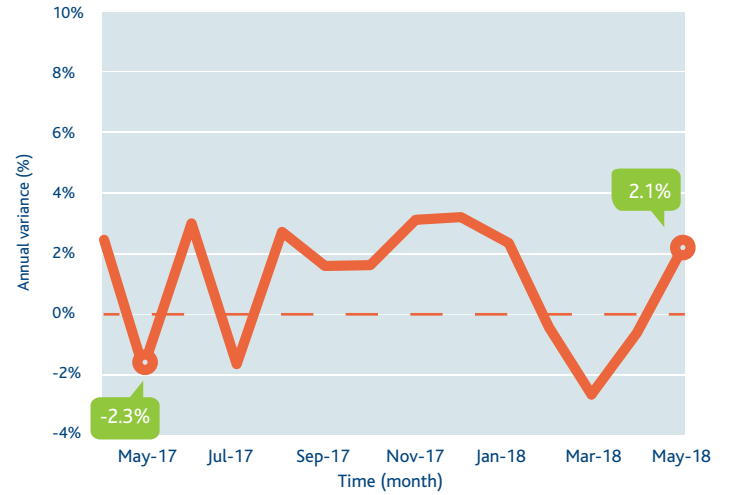
Region	May 2017	May 2018	Variance (percentage points)
North East	23.9%	24.5%	0.6%
North West	27.3%	28.7%	1.4%
Yorkshire and The Humber	25.5%	26.3%	0.8%
East Midlands	28.2%	29.6%	1.4%
Wales	29.0%	30.5%	1.5%
South West	30.5%	33.2%	2.7%
South East	29.8%	33.1%	3.3%
London	31.5%	37.1%	5.6%
East Of England	29.1%	31.7%	2.6%
West Midlands	26.5%	29.6%	3.1%
Scotland	26.4%	27.8%	1.4%
Northern Ireland	26.9%	27.5%	0.6%
UK	28.9%	31.9%	3.0%
UK Ex London	28.2%	30.3%	2.1%

Annual variance in average rental values by region

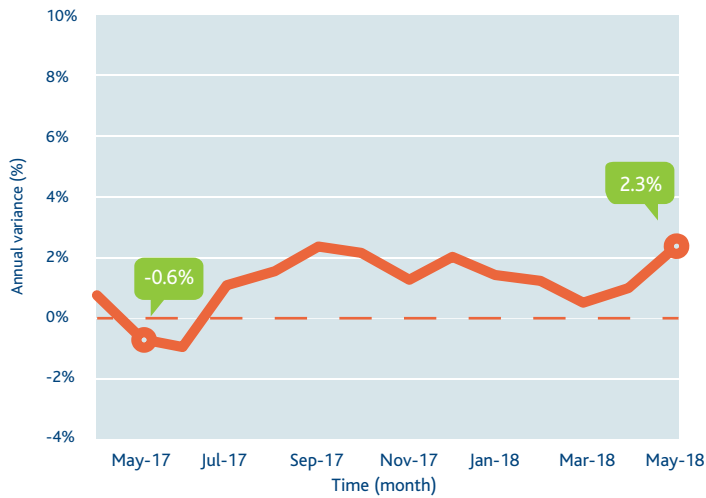
Scotland



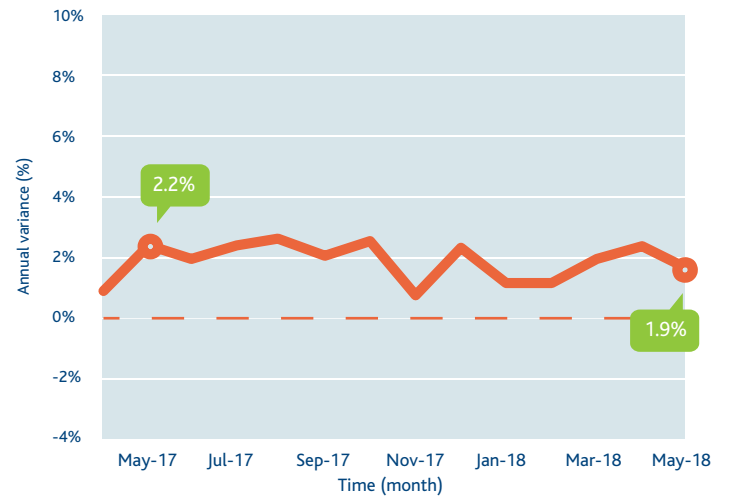
North East



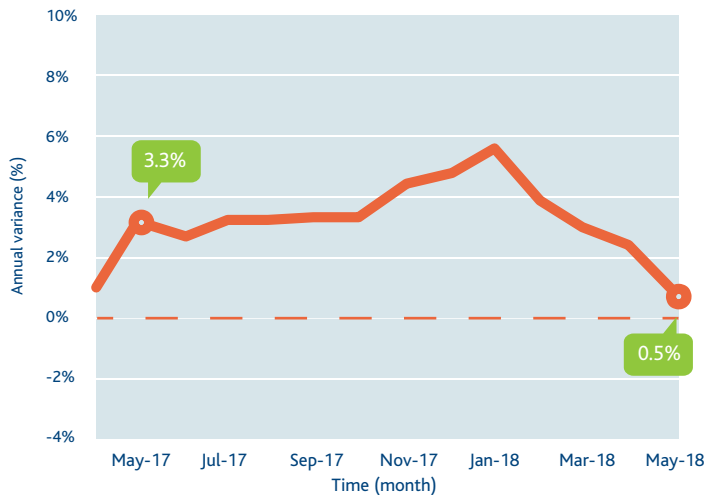
Yorkshire and the Humber



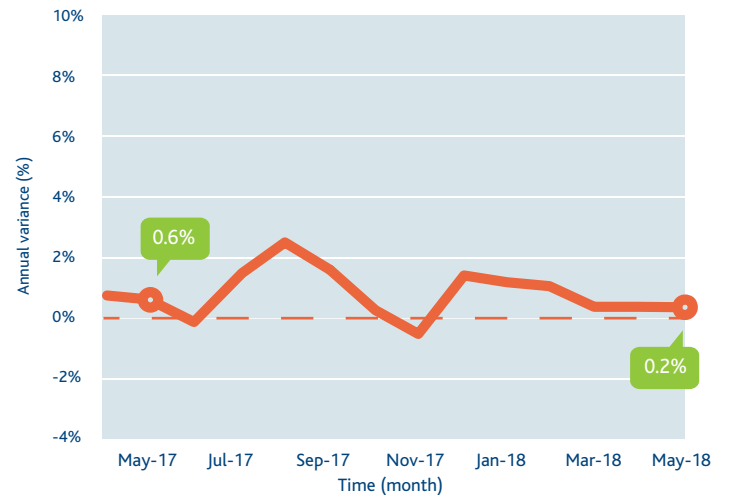
North West



East Midlands

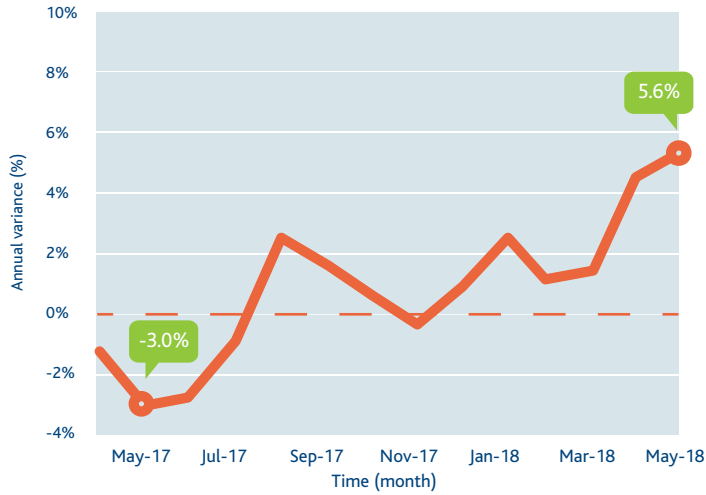


East of England

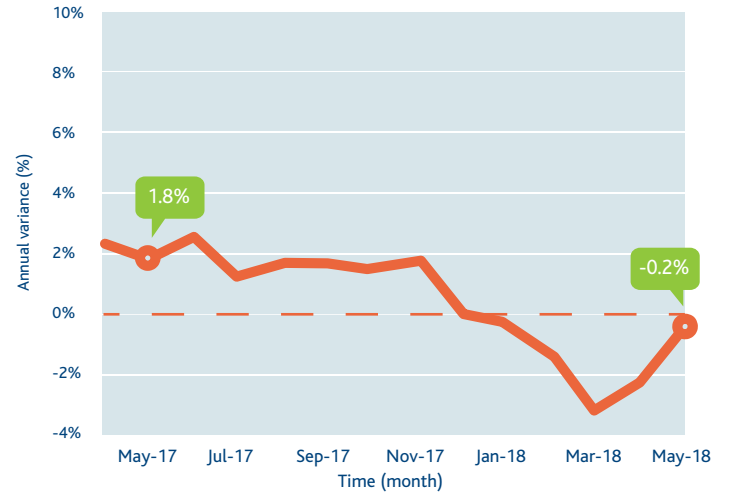


Annual variance in average rental values by region

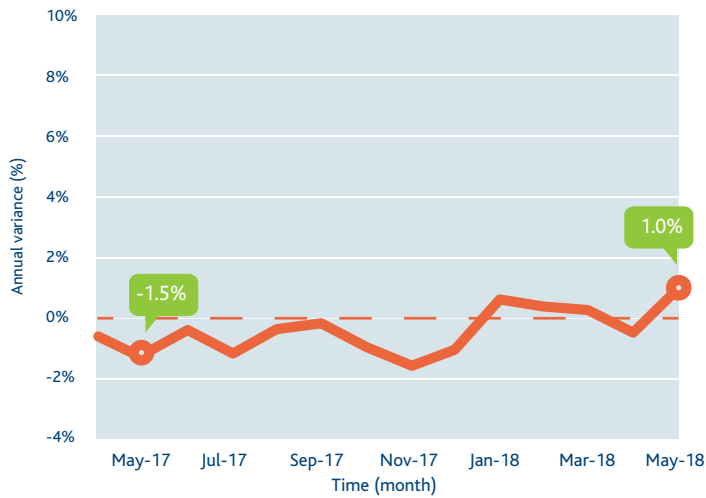
Greater London



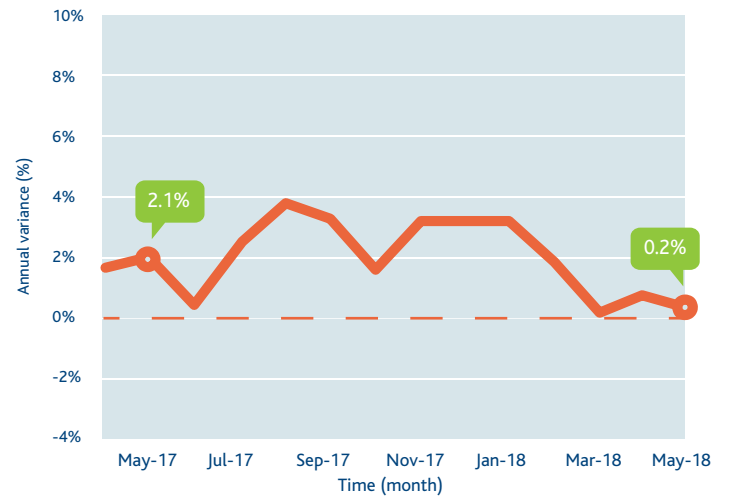
Wales



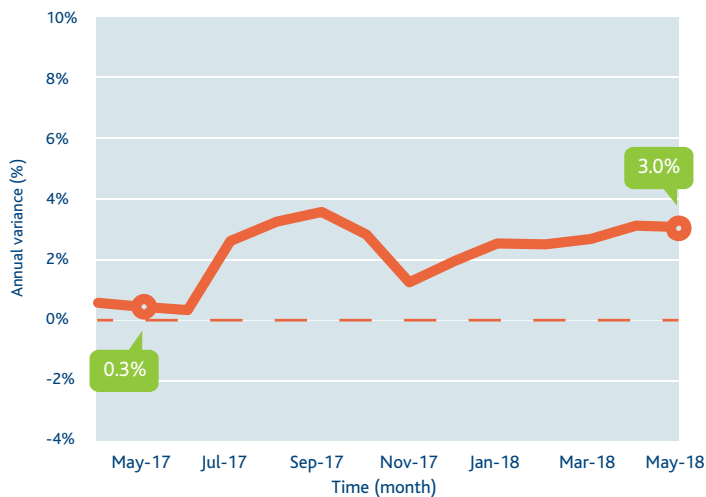
South East



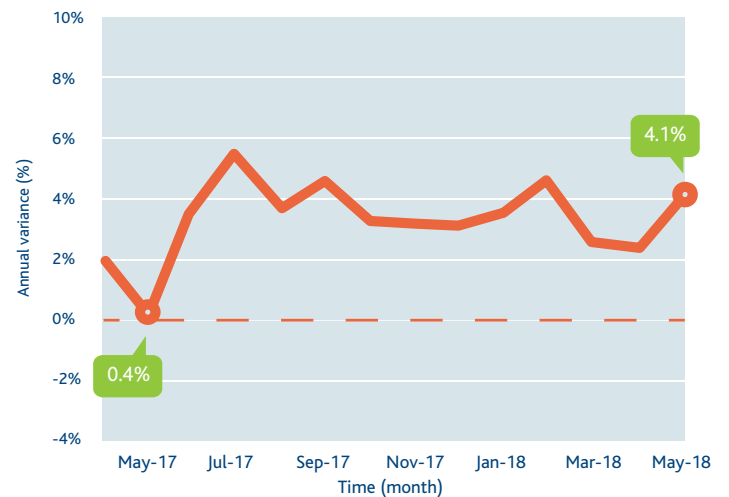
South West



West Midlands

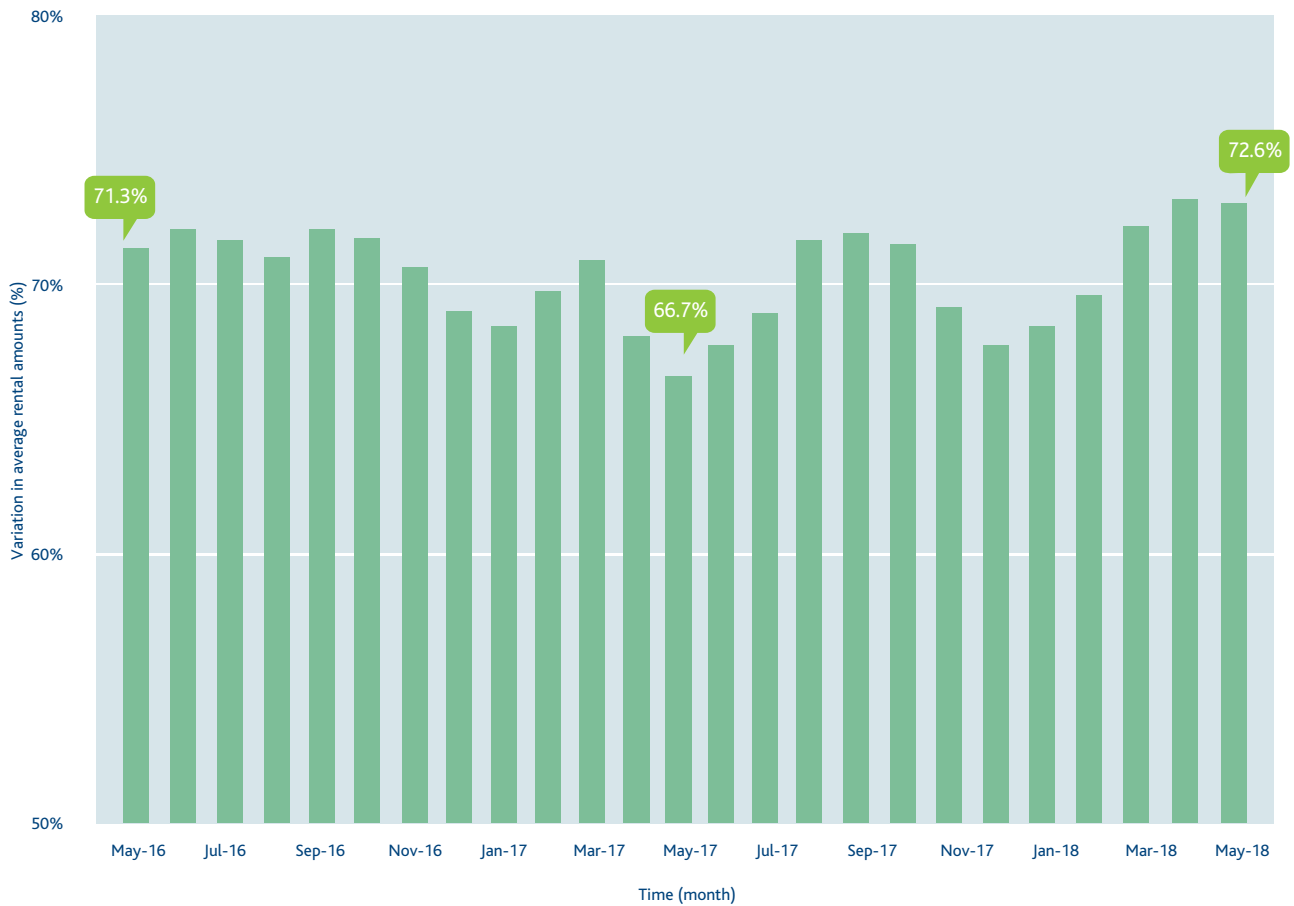


Northern Ireland



Greater London vs. the UK

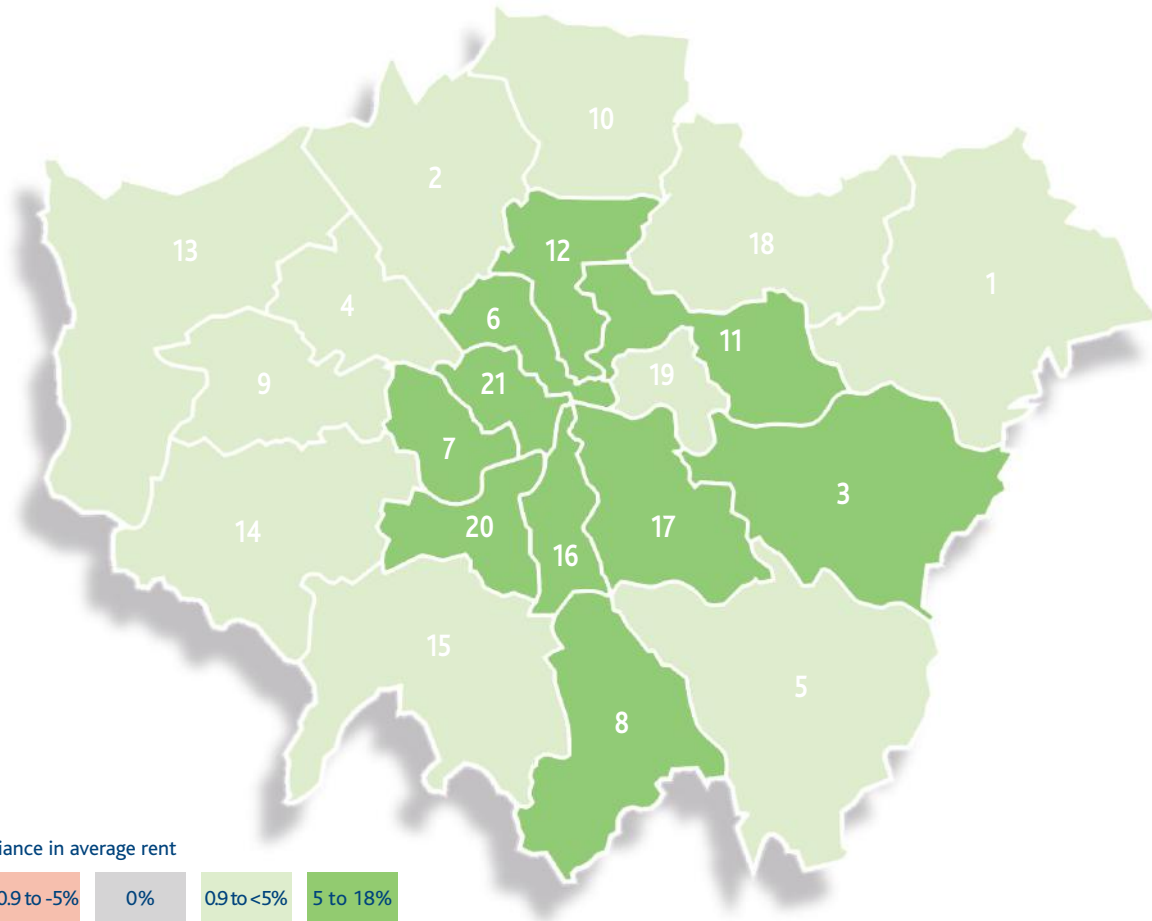
Monthly variation between Greater London rental prices and the UK average



- In May, average rental values in London (£1,586) were 72.6% higher than the UK (£919)
- When London is excluded the average rent in the UK was £763 in May, average rents in London (£1,586) were 107.8% higher than the rest of the UK.

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 2018 with May 2017.



1 Barking, Dagenham & Havering	2 Barnet	3 Bexley & Greenwich	4 Brent	5 Bromley
Avg rent May 18 £1,228	Avg rent May 18 £1,523	Avg rent May 18 £1,333	Avg rent May 18 £1,567	Avg rent May 18 £1,382
Annual variance 4.1%	Annual variance 3.5%	Annual variance 7.2%	Annual variance 1.5%	Annual variance 3.7%
6 Camden & City of London	7 Chelsea, Fulham, Hammersmith & Kensington	8 Croydon	9 Ealing	10 Enfield
Avg rent May 18 £2,224	Avg rent May 18 £1,930	Avg rent May 18 £1,091	Avg rent May 18 £1,482	Avg rent May 18 £1,370
Annual variance 18.0%	Annual variance 7.0%	Annual variance 5.6%	Annual variance 3.5%	Annual variance 3.9%
11 Hackney & Newham	12 Haringey & Islington	13 Harrow & Hillingdon	14 Hounslow & Richmond upon Thames	15 Kingston upon Thames, Merton & Sutton
Avg rent May 18 £1,521	Avg rent May 18 £1,620	Avg rent May 18 £1,359	Avg rent May 18 £1,419	Avg rent May 18 £1,323
Annual variance 6.6%	Annual variance 10.7%	Annual variance 3.9%	Annual variance 2.1%	Annual variance 1.5%
16 Lambeth	17 Lewisham & Southwark	18 Redbridge & Waltham Forest	19 Tower Hamlets	20 Wandsworth
Avg rent May 18 £2,001	Avg rent May 18 £1,653	Avg rent May 18 £1,259	Avg rent May 18 £1,736	Avg rent May 18 £1,719
Annual variance 7.3%	Annual variance 6.6%	Annual variance 4.3%	Annual variance 4.4%	Annual variance 7.2%
21 Westminster				
Avg rent May 18 £2,227				
Annual variance 9.1%				

Greater London ranked by borough

Five London boroughs with the highest average rent

London borough	Average rent May 2018
Westminster	£2,227
Camden, City of London	£2,224
Lambeth	£2,001
Chelsea, Fulham, Hammersmith and Kensington	£1,930
Tower Hamlets	£1,736

Five London boroughs with the lowest average rent

London borough	Average rent May 2018
Croydon	£1,091
Barking, Dagenham and Havering	£1,228
Redbridge and Waltham Forest	£1,259
Kingston upon Thames, Merton and Sutton	£1,323
Bexley and Greenwich	£1,333

Five London boroughs with the highest annual variance in average rent

London borough	Annual variance
Camden, City of London	18.0%
Haringey and Islington	10.7%
Westminster	9.1%
Lambeth	7.3%
Bexley and Greenwich	7.2%

Five London boroughs with the lowest annual variance in average rent

London borough	Annual variance
Kingston upon Thames, Merton and Sutton	1.5%
Brent	1.5%
Hounslow and Richmond upon Thames	2.1%
Ealing	3.5%
Barnet	3.5%

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