HomeLet Rental Index

Key headlines

- Average rental values for new tenancies in the UK were 8.5% higher than the same period last year
- The annual growth in average rental (8.5%) was the same as 2014 (8.5%) and higher than 2013 (4.9%)
- Average tenant incomes were 2.5% higher than the same period last year
- Average rents for new tenancies in London are 6.6% higher than the same period last year
- Average rental values for new tenancies in London (£1,555pcm) were £96 more expensive per month when compared to average rental values in the same period in 2014 (£1,459pcm)
- When London is excluded, the average UK rental value was £762pcm - this is 4.6% higher than the same period last year (£729pcm)
- Average rental values have increased in nine out of twelve regions in the UK

HomeLet Rental Index provides a 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. All rental and income amounts are an average taken over the three months preceding September. The annual change is calculated as an average for the latest three months compared with the same period a year earlier.
Change in UK average rental prices

It’s interesting to note...

• The average UK rent for tenancies was £995pcm, this is 8.5% higher than the same period last year (£917pcm)
• When London is excluded, the average UK rental value was £762pcm - this is 4.6% higher than last year (£729pcm)
• Average rental values have dropped in the North West (-4.6%), East Anglia (-2.2%) and Northern Ireland (-1.4%)
Rental values and tenant incomes

Average UK rental amounts with annual comparisons

Annual UK tenant income with annual comparisons

The figures also show...

- The annual growth in average rental values in the UK (8.5%) was equal to 2014 (8.5%) and higher than 2013 (4.9%)
- Average tenant incomes in the UK were 2.5% higher than 2014
Greater London v. the rest of the UK

Annual variance in average rent for Greater London and the UK (excluding Greater London)

The figures also show...

- Average rental values for the UK excluding London are increasing at a similar rate to Greater London
- The rate of growth for rental values in the UK has slowed down
- Rents in London were 6.6% higher compared to the same period last year
- Rents in the UK excluding London were 4.6% higher compared to the same period last year
- Average rental values in London (£1,555) were 104% higher than the rest of the UK (£762)
UK Regional breakdown

All rental amounts are an average taken over the three months preceding the date shown.

- **Yorkshire and Humber**
  - Average rent to Sept 2015: £631
  - Average rent to Aug 2015: £635
  - Monthly variance: -0.6%
  - Average rent to Sept 2014: £610
  - Annual variance: 3.5%

- **Scotland**
  - Average rent to Sept 2015: £678
  - Average rent to Aug 2015: £670
  - Monthly variance: 1.2%
  - Average rent to Sept 2014: £625
  - Annual variance: 8.4%

- **North East**
  - Average rent to Sept 2015: £541
  - Average rent to Aug 2015: £554
  - Monthly variance: -2.3%
  - Average rent to Sept 2014: £514
  - Annual variance: 5.2%

- **Overall UK Average**
  - Average rent to Sept 2015: £995
  - Average rent to Aug 2015: £992
  - Monthly variance: 0.2%
  - Average rent to Sept 2014: £917
  - Annual variance: 8.5%

- **South West**
  - Average rent to Sept 2015: £902
  - Average rent to Aug 2015: £924
  - Monthly variance: -2.4%
  - Average rent to Sept 2014: £856
  - Annual variance: 5.3%

- **West Midlands**
  - Average rent to Sept 2015: £674
  - Average rent to Aug 2015: £657
  - Monthly variance: -2.2%
  - Average rent to Sept 2014: £674
  - Annual variance: -4.6%

- **East Midlands**
  - Average rent to Sept 2015: £636
  - Average rent to Aug 2015: £628
  - Monthly variance: 1.4%
  - Average rent to Sept 2014: £591
  - Annual variance: 7.7%

- **East Anglia**
  - Average rent to Sept 2015: £816
  - Average rent to Aug 2015: £823
  - Monthly variance: -0.9%
  - Average rent to Sept 2014: £834
  - Annual variance: -2.2%

- **Greater London**
  - Average rent to Sept 2015: £1,555
  - Average rent to Aug 2015: £1,558
  - Monthly variance: -0.2%
  - Average rent to Sept 2014: £1,459
  - Annual variance: 6.6%

- **South East**
  - Average rent to Sept 2015: £959
  - Average rent to Aug 2015: £962
  - Monthly variance: -0.3%
  - Average rent to Sept 2014: £912
  - Annual variance: 5.2%

- **Wales**
  - Average rent to Sept 2015: £618
  - Average rent to Aug 2015: £621
  - Monthly variance: -0.5%
  - Average rent to Sept 2014: £612
  - Annual variance: 1.0%

- **Northern Ireland**
  - Average rent to Sept 2015: £594
  - Average rent to Aug 2015: £596
  - Monthly variance: -0.2%
  - Average rent to Sept 2014: £603
  - Annual variance: -1.4%

- **South West**
  - Average rent to Sept 2015: £902
  - Average rent to Aug 2015: £924
  - Monthly variance: -2.4%
  - Average rent to Sept 2014: £856
  - Annual variance: 5.3%

- **South East**
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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.

The data used in the HomeLet Rental Index is aggregated to local authority, county, city and regional level only. This ensures that all property or individual records remain strictly anonymous.

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 250 members of staff working hard every day to support letting agents, landlords and tenants.

Visit:

homelet.co.uk/homelet-rental-index