



## Rents show little sign of significant rises

### Q4 2014 Rental Market Analysis

We analyse property market information from a consumer and industry perspective. Our private rental sector analysis studies recent rental reports and surveys. We use the data to consider emerging trends from studying the statistics but also talking to agents, landlords and tenants. Rather than just producing stats, we look at the implications this has for agents, landlords, property investors and tenants.

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For more commentary on what's happening in the rental market and advice for tenants and landlords, contact **Kate Faulkner** on **07974 750562**.

## What’s happening to National Rental Trends?

Looking at the Belvoir Rental Index, which measures both existing and new rents, there have been some small increases over the last three months. The LSL figures indicate a slight rise, then slight fall in rental levels. In contrast, the Homelet index, which is an insurance index, is showing a decrease in rents from October through to December.

Rental Indices	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Homelet	£813	£800	£818	£824	£848	£846	£862	£900	£921	£918	£878	£874	£867
LSL	£745	£742	£743	£741	£741	£745	£747	£753	£761	£768	£770	n/a	£767
Belvoir	£683	£686	£687	£687	£688	£688	£691	£690	£693	£697	£702	£707	£714

The main indices we track monthly are [Homelet](#), [LSL](#) and [Belvoir](#). [Belvoir](#) and [Homelet](#) are national (ie include Northern Ireland, Wales and Scotland), while [LSL's](#) Buy to Let index covers England and Wales.

LSL show that residential property rents across England and Wales are now around 3% higher than December 2013, although rents reduced slightly in December 2014 from October and November.

**Adrian Gill**, director of estate agents **Reeds Rains** and **Your Move**, comments: *“Recent months have shown a divergence from usual seasonal norms. Historically, there is a tendency for rents to ease in the winter, particularly December. With fewer tenants willing to relocate in the festive period, landlords usually compete to fill empty properties and agreed rents tend to dip as a result. Last month that happened – and rents fell compared to November – but by much less than the usual extent.*

*“In particular a jobs boom across the eastern regions of England has seen a larger than usual number of people relocating in the winter months. This has pushed up rental prices in these regions even further.”*

Belvoir also report rental increases over the final three months of 2014, and indicates a year on year increase of 4.5% when comparing December 2014 with a year ago. These increases are mainly driven by London, the South East and South West.

Homelet suggest that for new tenancies, the average rent is 6.6% higher than in December 2013, which is also due to higher rents in London and the South East/West.

## What's happening to Regional Rental Trends?

Much the same as national property prices versus regional ones, rental trends vary for each area, even to postcode level, but not as much as property prices. For example, you might have 10 different prices for a two bed flats vs four for rent. In the regional indices chart, we include average monthly rents from [LSL](#), [Homelet](#) and [Belvoir](#) for Dec 14 vs Dec 13, compared to the [Move with Us](#) and [Countrywide](#) average monthly rent for Q4 14 vs Q4 13.

December 2014	LSL Average Monthly Rent Dec-13	LSL Average Monthly Rent Dec-14	LSL % Change YoY	Move with Us Average Monthly Rent Q4 13	Move with Us Average Monthly Rent Q4 14	Move with Us % Change YoY	Homelet Average Monthly Rent Dec-13	Homelet Average Monthly Rent Dec-14	Homelet % Change YoY	Belvoir Average Monthly Rent Dec-13	Belvoir Average Monthly Rent Dec-14	Belvoir % Change YoY	Countrywide Average Monthly Rent Dec-13	Countrywide Average Monthly Rent Dec-14	Countrywide % Change YoY
Scotland	n/a	n/a	n/a	£ 660	£ 732	10.9%	£ 565	£ 616	9.0%	n/a	n/a	n/a	£ 637	£ 636	-0.2%
Wales	£ 554	£ 566	2.2%	£ 686	£ 744	8.5%	£ 595	£ 573	-3.7%	£ 636	£ 660	3.8%	£ 632	£ 615	-2.7%
North East	£ 525	£ 514	-2.1%	£ 706	£ 704	-0.3%	£ 501	£ 532	6.2%	n/a	n/a	n/a	£ 600	£ 606	1.0%
North West	£ 582	£ 593	1.9%	£ 630	£ 647	2.7%	£ 676	£ 645	-4.6%	£ 606	£ 596	-1.7%	£ 622	£ 625	0.5%
Yorkshire & The Humber	£ 530	£ 548	3.4%	£ 626	£ 683	9.1%	£ 578	£ 594	2.8%	£ 610	£ 606	-0.7%	£ 619	£ 631	1.9%
East Midlands	£ 547	£ 581	6.2%	£ 650	£ 684	5.2%	£ 573	£ 581	1.4%	£ 570	£ 572	0.4%	£ 585	£ 597	2.1%
West Midlands	£ 550	£ 559	1.6%	£ 668	£ 724	8.4%	£ 628	£ 642	2.2%	£ 645	£ 653	1.2%	£ 678	£ 690	1.8%
South West	£ 662	£ 655	-1.1%	£ 819	£ 858	4.8%	£ 765	£ 802	4.8%	£ 713	£ 749	5.0%	£ 756	£ 787	4.1%
East Anglia	£ 717	£ 771	7.5%	£ 895	£ 940	5.0%	£ 746	£ 726	-2.7%	£ 690	£ 714	3.5%	£ 796	£ 870	9.3%
South East	£ 775	£ 787	1.5%	£ 1,123	£ 1,201	6.9%	£ 832	£ 867	4.2%	£ 880	£ 936	6.4%	£ 1,122	£ 1,123	0.1%
Greater London	£ 1,131	£ 1,177	4.1%	£ 2,208	£ 2,463	11.5%	£ 1,244	£ 1,393	12.0%	£ 1,337	£ 1,495	11.8%	£ 1,133	£ 1,238	9.3%

It's unlikely that any indices can be directly compared, but what we can do is check whether they are all giving the same trending information – ie going up or down, so we can get a feel for what's actually happening in the market from a variety of sources.

The breakdown for **Scotland and Wales** regions show:-

- For **Wales**, the [Homelet](#) and [Countrywide](#) indices show year on year falls of -3.7% and -2.7% respectively, with [LSL](#) and [Belvoir](#) indicating rises of 2.2% and 3.8%, and the [Move with Us](#) figures show a larger increase of 8.5%, year on year. Rents in Wales, on the whole, appear to be rising.
- In **Scotland**, the [Countrywide](#) indices is showing an insignificant fall of -0.2%, year on year, with [Homelet](#) and [Move with Us](#) showing rental increases of 9% and 10.9% respectively. According to the Scottish Buy to Let Index from LSL, "The pace of annual rent growth in Scotland has dropped by two-thirds over the course of 2014. Average monthly rents in Scotland are now just 1.2% (£6) higher than a year ago, with growth slowing significantly over the past twelve months from a 3.9% (£20) annual jump in rent prices seen in 2013. This follows a monthly drop in average residential rents, down 0.4% in December to £536 per month."

## Rental changes in English regions

The breakdown for the **English** regions shows:-

- In the **North East**, rental averages tend to be irregular due to property rents ranging from around £300 to in excess of £2,000 a month. However, with the exception of [Homelet](#), whose figures show a rise of 6.2%, year on year, we are seeing some consistency this month with the [LSL](#), [Move with Us](#) and [Countrywide](#) indices registering a small year on year fall through to a very slight increase, at -2.1%, -0.3% and 1% respectively. Looking at [Belvoir's](#) individual offices, rents appear to be static to slight rises.

## Rental changes in English regions – cont'd

- The data from [Homelet](#) and [Belvoir](#) for the **North West**, show year on year falls of -4.6% and -1.7%, with [Countrywide](#) and [LSL](#) showing small rises of 0.5% and 1.9%. New tenancies from [Move with Us](#) indicate a slightly larger rise of 2.7%, year on year.
- In the **Yorkshire & The Humber** region, the figures from [Belvoir](#) show a slight year on year fall of -0.7%, with [Countrywide](#), [Homelet](#) and [LSL](#) registering increases of 1.9% through to 3.4% respectively. [Move with Us](#) are however showing a larger rise of 9.1%.
- For rents in the **East Midlands**, the indices show that rents overall are starting to rise, with [Belvoir](#), [Homelet](#), and [Countrywide](#) all showing slight or small increases of 0.4%, 1.4% and 2.1%, and the [Move with Us](#) and [LSL](#) data suggesting rents have increased over the last year by 5.2% and 6.2% respectively.
- In the **West Midlands**, all the rental indices indicate an increase in rents over the last year, with [Belvoir](#), [LSL](#), [Countrywide](#) and [Homelet](#) showing rates between 1.2% and 2.2%. New tenancies from [Move with Us](#) are indicating a much larger increase of 8.4%.
- For the **South West** region, [LSL](#) indicates a slight year on year fall in rents of -1.1%, however, [Countrywide](#) [Move with Us](#), [Homelet](#) and [Belvoir](#) all show very similar increases of 4.1%, 4.8% and 5%, respectively.
- The rental indices for **East Anglia** show variations in year on year rental movements, ranging from a fall of -2.7% from [Homelet](#), and increases of 3.5% and 5% from [Belvoir](#) and [Move with Us](#), through to larger increases of 7.5% and 9.3% via [LSL](#) and [Countrywide](#).
- Monthly average rents in the **South East** region vary from an insignificant rise of 0.1% and small rise of 1.5% via [Countrywide](#) and [LSL](#) over the last year, with larger rises from [Homelet](#), [Belvoir](#) and [Move with Us](#) of 4.2%, 6.4% and 6.9% respectively.
- In **Greater London**, all the rental indices show a year on year increase in rental movements, ranging from 4.1% recorded by [LSL](#), and much larger increases of 9.3%, 11.5%, 11.8% and 12%, via [Countrywide](#), [Move with Us](#), [Belvoir](#) and [Homelet](#).

## What's happening with Room Rents?

We work closely with [SpareRoom](#) who run their own Index to help buy to let landlords and tenants understand the trends in renting a room and they support our [Rent a Room Checklist](#).

National room rent trends from [SpareRoom](#) show "December's average room rent was £561, up from £557 in November."

### Regional Room Rent Trends

UK room rents rose by an average of 8% in 2014. Some areas saw above average rents rises; Gravesend (10%) and Livingston (12%) for example, whilst rents rose at levels below average in Waterlooville (6%) and Aldershot (5%). Rents remained steady in Kingston upon Thames and Staines.

#### Regional Room Rents

December 2014	SpareRoom Average Monthly Rent	SpareRoom Quarterly Change
Edinburgh	£ 437	-14.5%
Belfast	£ 270	-28.7%
Cardiff	£ 337	-5.8%
Durham	£ 356	-9.3%
Manchester	£ 375	-4.6%
Leeds	£ 346	-1.4%
Nottingham	£ 339	-4.9%
Birmingham	£ 388	-0.8%
Swindon	£ 400	-1.1%
Peterborough	£ 364	-2.0%
Bournemouth	£ 431	-5.5%

#### London Room Rents

December 2014	SpareRoom Average Monthly Rent	SpareRoom Quarterly Change
East Central London	£ 904	7.3%
East London	£ 694	1.7%
North London	£ 695	-1.6%
North West London	£ 758	-2.7%
South East London	£ 632	-3.1%
South West London	£ 731	-2.0%
West Central London	£ 907	-2.7%
West London	£ 812	2.1%

Data sourced from [SpareRoom's Room Rental Index \(December 2014\)](#). For more data, visit [SpareRoom.co.uk](#).

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## For Media Professionals

If you need Kate to appear on TV, radio or for general comment, please contact directly:-

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## About Kate Faulkner

Kate has written six property books including four for the consumer organisation Which? – Buy, Sell and Move House; Renting and Letting; Develop your Property and Property Investment Handbook. Kate presents at a seminar almost every week to landlords, investors, first time buyers and is often asked to present at industry conferences and chair debates.

From a media perspective, Kate's appearances include BBC Breakfast News, Your Money, GMTV, ITV, Radio 4 You and Yours, The Big Questions and 5Live. In the last 12 months, Kate has carried out over 20 TV and radio interviews, has been quoted every month in major newspapers and magazines and being featured in many local newspapers.

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