

# HomeLet Rental Index

## Key headlines

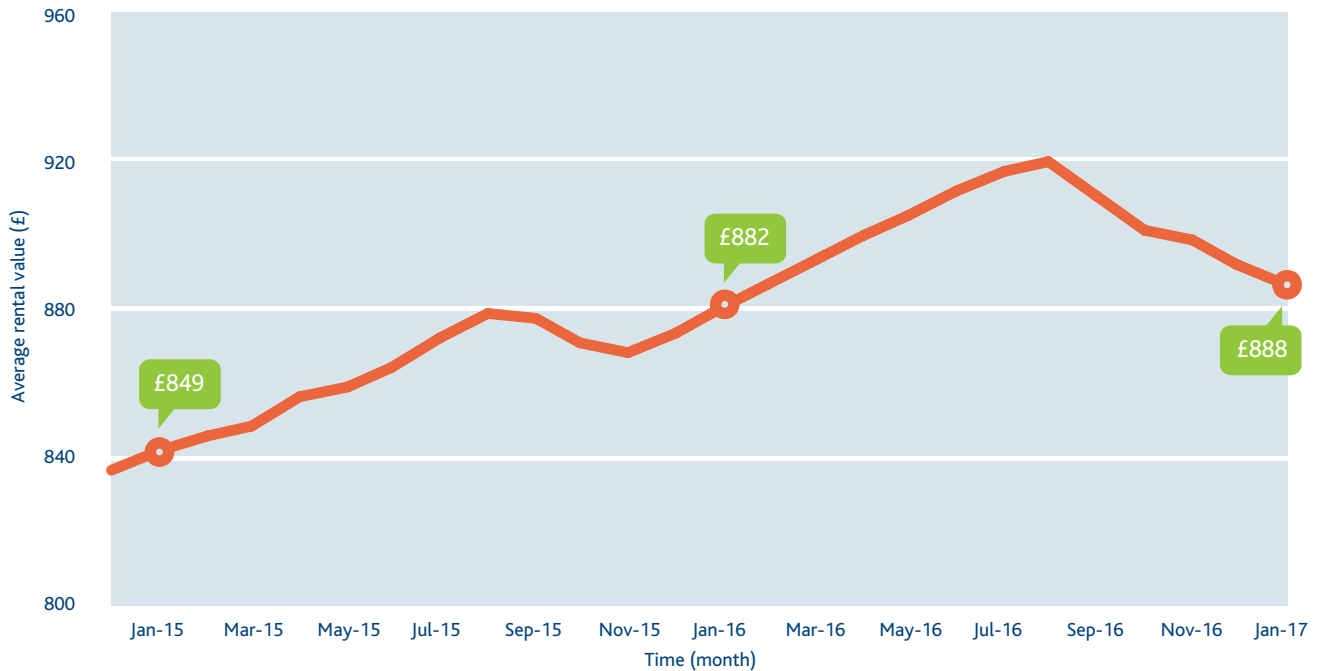
- Average rents in the UK continue to see a slower rate of rental growth compared to last year
- The average UK rental value was £888pcm - this is 0.7% higher than the same period last year (£882pcm)
- Since July 2016, rents in Greater London have seen a slower pace of annual growth compared to last year
- The average rental value in Greater London is £1,497pcm - this is 0.4% higher than the same period last year (£1,490)
- Average rental values have increased in ten out of twelve regions in the UK, compared to the same period last year
- In January 2017, the UK household rent to income ratio was 28.4%



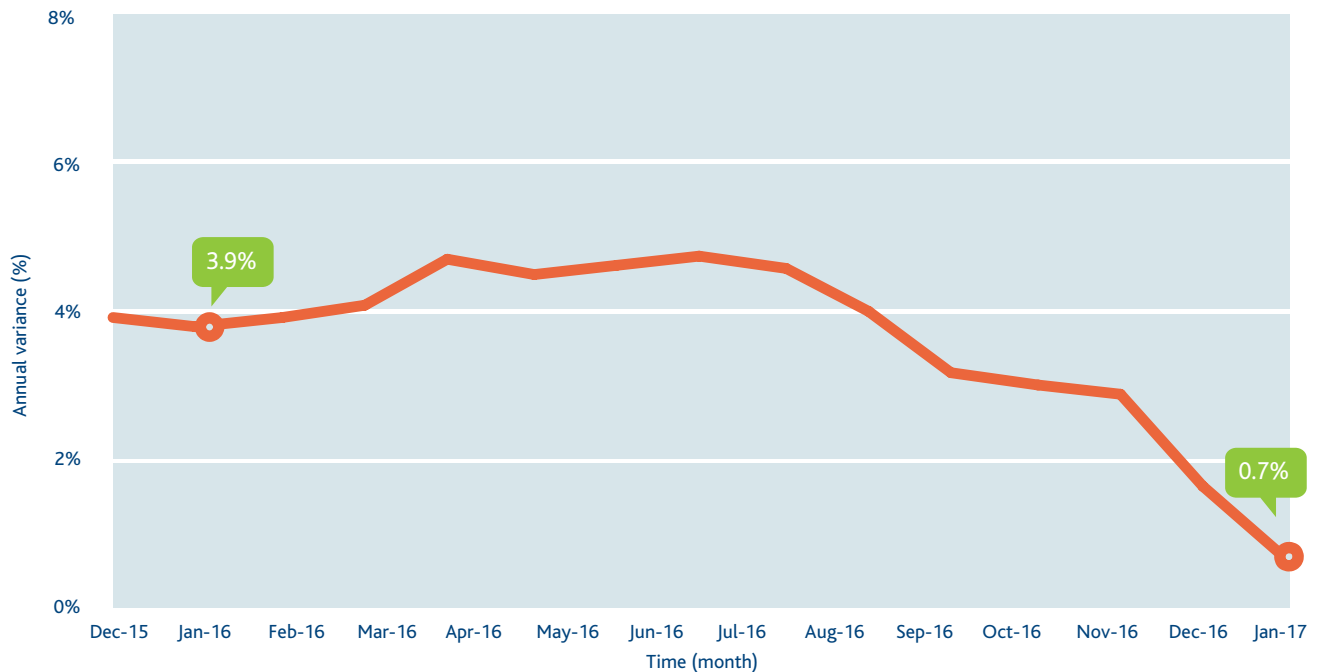
## January 2017 edition

# Average rental values in the UK

## Average rental values



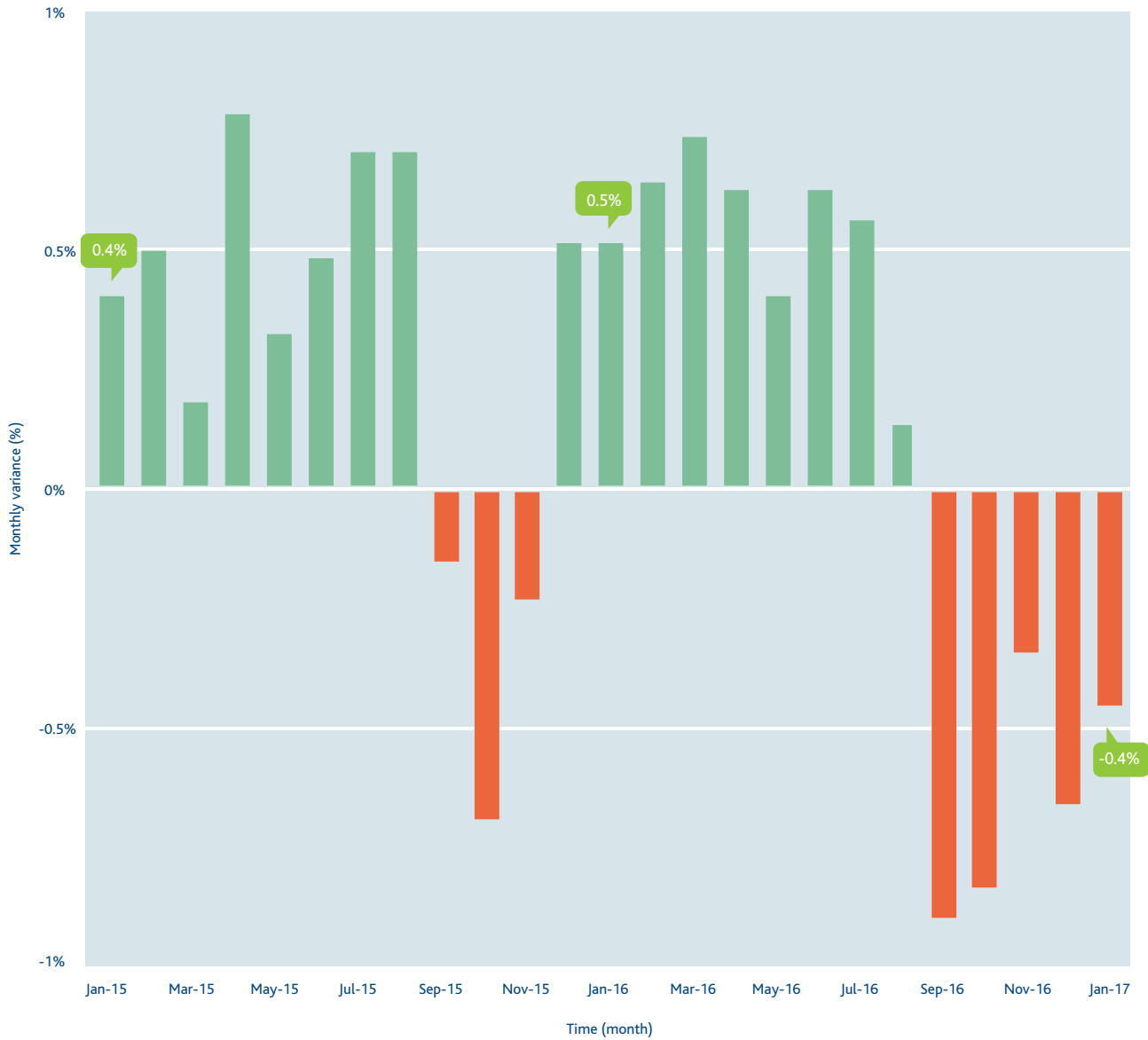
## Annual variance in rental values



### It's interesting to note...

- The average UK rental value was £888pcm - this is 0.7% higher than the same period last year (£882pcm) and a reduction in the rate of increase seen in January 2016 (3.9%)

## Monthly variance in average rent in the UK



### It's interesting to note...

- The UK average rental value has reduced by 0.4% since December 2016 - this is lower than the monthly variance in January 2016 (+0.5%) and January 2015 (+0.4%)
- This is the fifth month in a row where we have seen a reduction in monthly variance, and is notably dissimilar to the same period in previous years



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 January 2017  | £527  | Average rent January 2017  | £888  |
| Average rent December 2016 | £530  | Average rent December 2016 | £892  |
| Monthly variance           | -0.6% | Monthly variance           | -0.4% |
| Average rent January 2016  | £526  | Average rent January 2016  | £882  |
| Annual variance            | 0.2%  | Annual variance            | 0.7%  |

| Scotland                   |      |
|----------------------------|------|
| Average rent January 2017  | £606 |
| Average rent December 2016 | £603 |
| Monthly variance           | 0.5% |
| Average rent January 2016  | £599 |
| Annual variance            | 1.3% |

| Yorkshire and Humber       |      |
|----------------------------|------|
| Average rent January 2017  | £615 |
| Average rent December 2016 | £614 |
| Monthly variance           | 0.2% |
| Average rent January 2016  | £607 |
| Annual variance            | 1.3% |

| North West                 |      |
|----------------------------|------|
| Average rent January 2017  | £673 |
| Average rent December 2016 | £668 |
| Monthly variance           | 0.7% |
| Average rent January 2016  | £658 |
| Annual variance            | 2.2% |

| East Midlands              |       |
|----------------------------|-------|
| Average rent January 2017  | £583  |
| Average rent December 2016 | £585  |
| Monthly variance           | -0.4% |
| Average rent January 2016  | £584  |
| Annual variance            | -0.3% |

| West Midlands              |       |
|----------------------------|-------|
| Average rent January 2017  | £658  |
| Average rent December 2016 | £663  |
| Monthly variance           | -0.6% |
| Average rent January 2016  | £648  |
| Annual variance            | 1.6%  |

| East of England            |       |
|----------------------------|-------|
| Average rent January 2017  | £893  |
| Average rent December 2016 | £895  |
| Monthly variance           | -0.2% |
| Average rent January 2016  | £873  |
| Annual variance            | 2.3%  |

| Wales                      |      |
|----------------------------|------|
| Average rent January 2017  | £606 |
| Average rent December 2016 | £605 |
| Monthly variance           | 0.1% |
| Average rent January 2016  | £584 |
| Annual variance            | 3.8% |

| Greater London             |        |
|----------------------------|--------|
| Average rent January 2017  | £1,497 |
| Average rent December 2016 | £1,508 |
| Monthly variance           | -0.7%  |
| Average rent January 2016  | £1,490 |
| Annual variance            | 0.4%   |

| Northern Ireland           |      |
|----------------------------|------|
| Average rent January 2017  | £602 |
| Average rent December 2016 | £602 |
| Monthly variance           | 0.1% |
| Average rent January 2016  | £575 |
| Annual variance            | 4.8% |

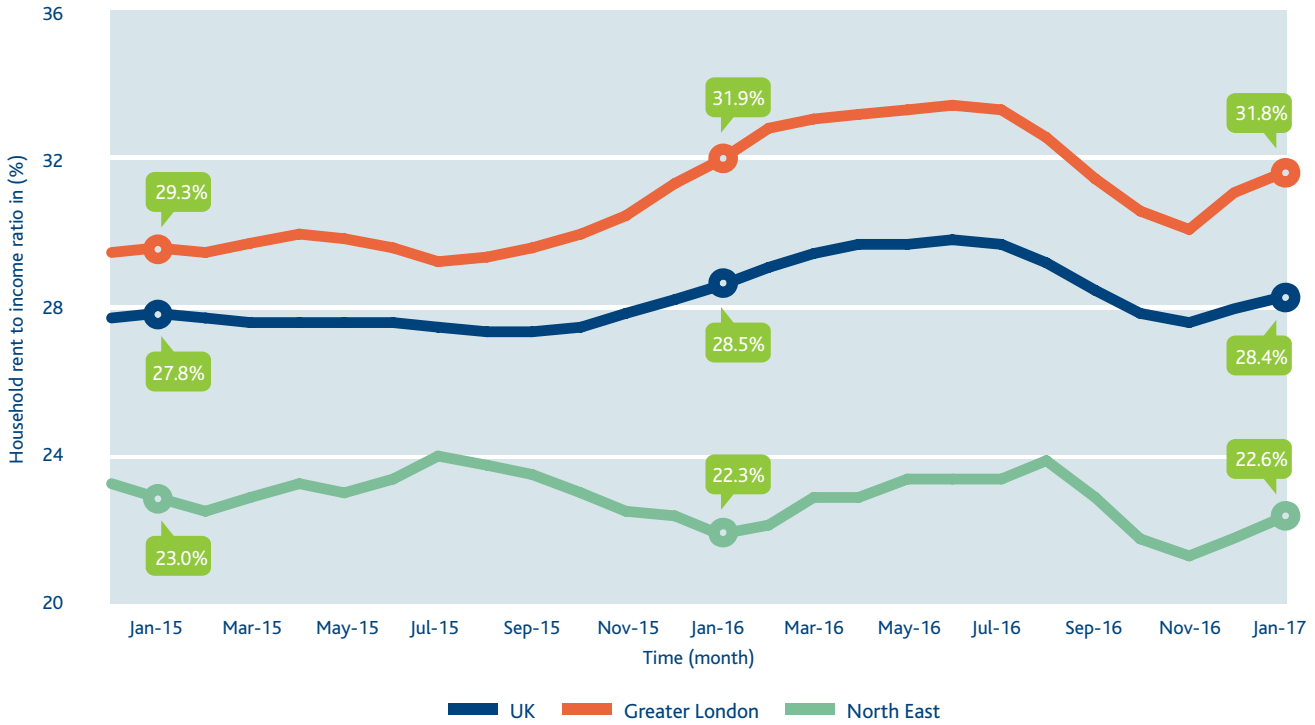
| South West                 |      |
|----------------------------|------|
| Average rent January 2017  | £791 |
| Average rent December 2016 | £784 |
| Monthly variance           | 0.9% |
| Average rent January 2016  | £791 |
| Annual variance            | 0.1% |

| South East                 |       |
|----------------------------|-------|
| Average rent January 2017  | £989  |
| Average rent December 2016 | £998  |
| Monthly variance           | -0.9% |
| Average rent January 2016  | £995  |
| Annual variance            | -0.6% |

# 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

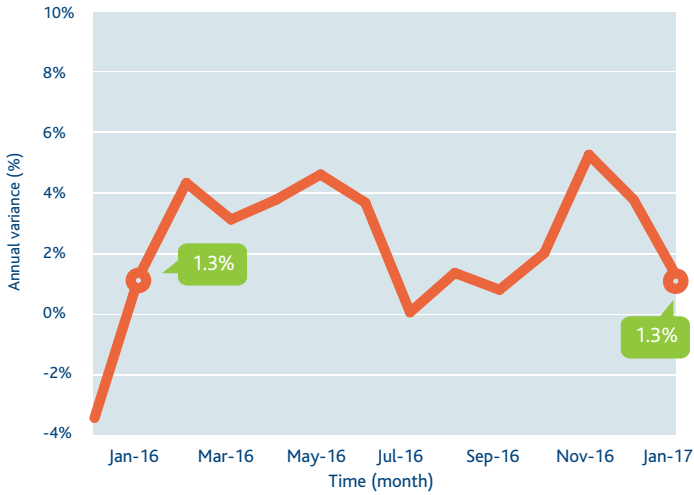


## Household rent to income ratio by region

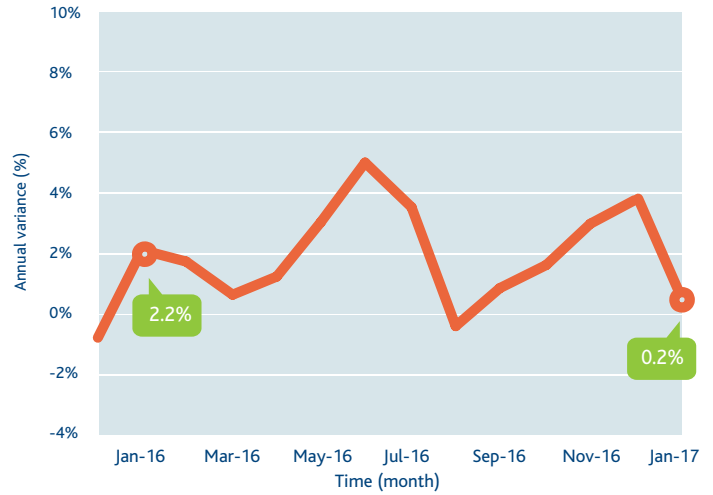
| Region                      | January 2017 | January 2016 | Variance (percentage points) |
|-----------------------------|--------------|--------------|------------------------------|
| Greater London              | 31.8%        | 31.9%        | -0.1%                        |
| South West                  | 30.0%        | 29.8%        | +0.2%                        |
| South East                  | 29.5%        | 29.6%        | -0.0%                        |
| Wales                       | 28.0%        | 28.6%        | -0.6%                        |
| East of England             | 28.3%        | 28.4%        | -0.1%                        |
| West Midlands               | 26.8%        | 27.5%        | -0.6%                        |
| East Midlands               | 26.7%        | 27.2%        | -0.5%                        |
| North West                  | 25.9%        | 25.8%        | +0.1%                        |
| Scotland                    | 26.1%        | 26.4%        | -0.3%                        |
| Northern Ireland            | 25.5%        | 25.8%        | -0.3%                        |
| Yorkshire and The Humber    | 24.4%        | 24.6%        | -0.2%                        |
| North East                  | 22.6%        | 22.3%        | +0.3%                        |
| UK                          | 28.4%        | 28.5%        | -0.1%                        |
| UK excluding Greater London | 27.4%        | 27.6%        | -0.2%                        |

# Annual variance in average rental values by region

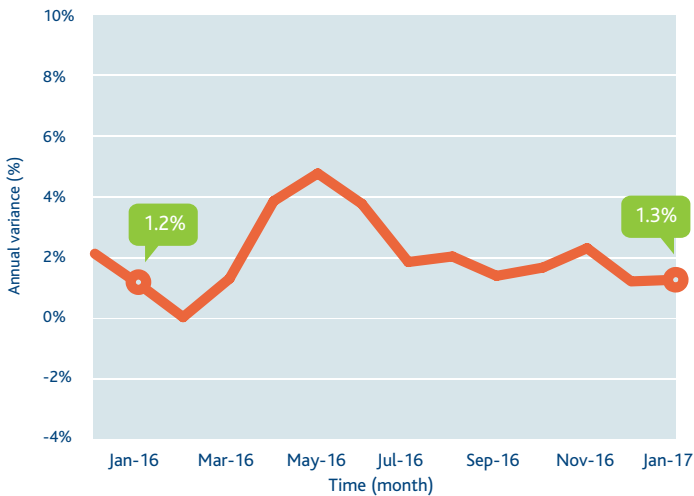
## Scotland



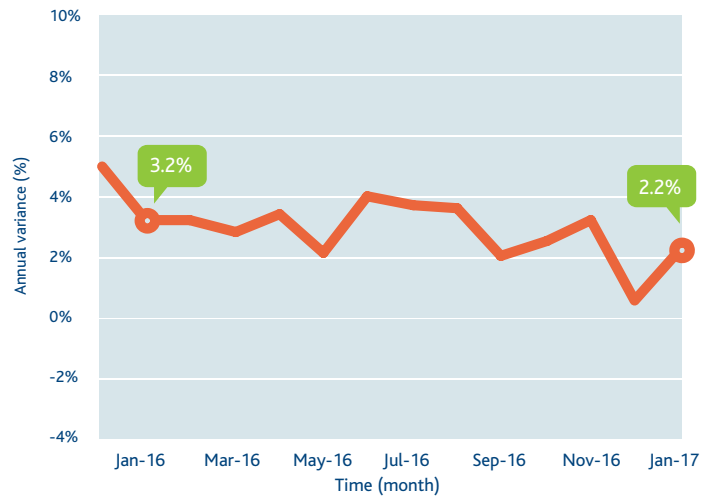
## North East



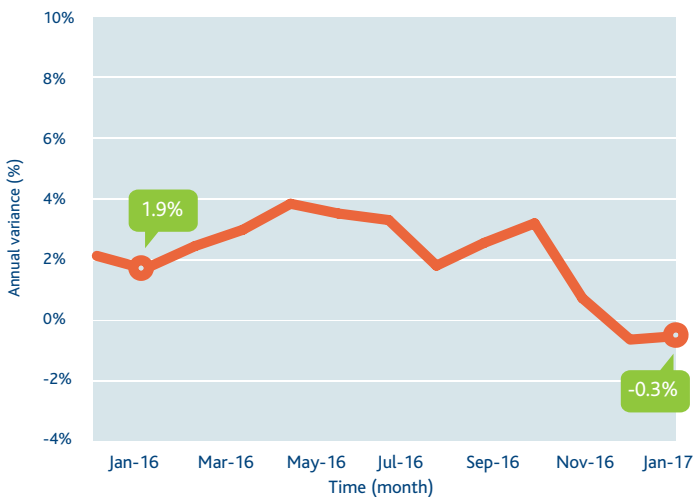
## Yorkshire and the Humber



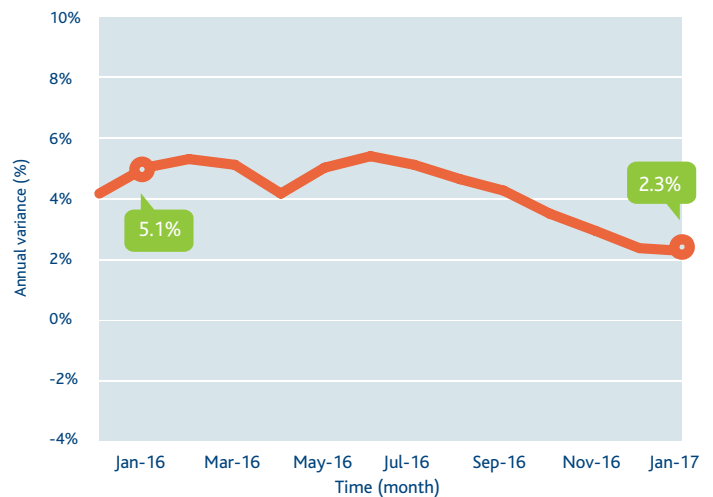
## North West



## East Midlands

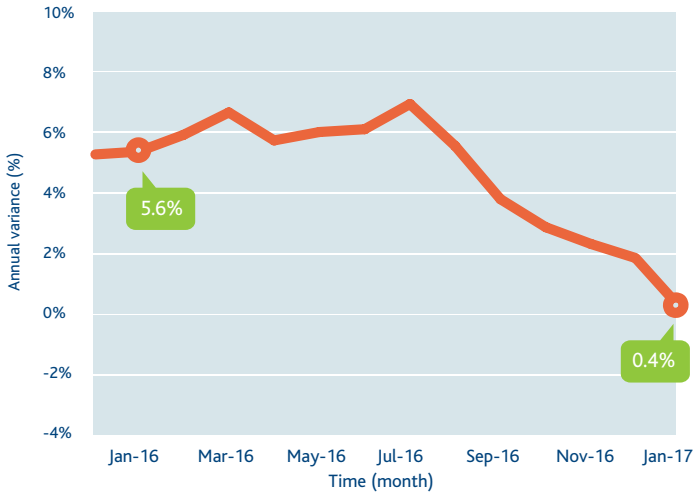


## East of England

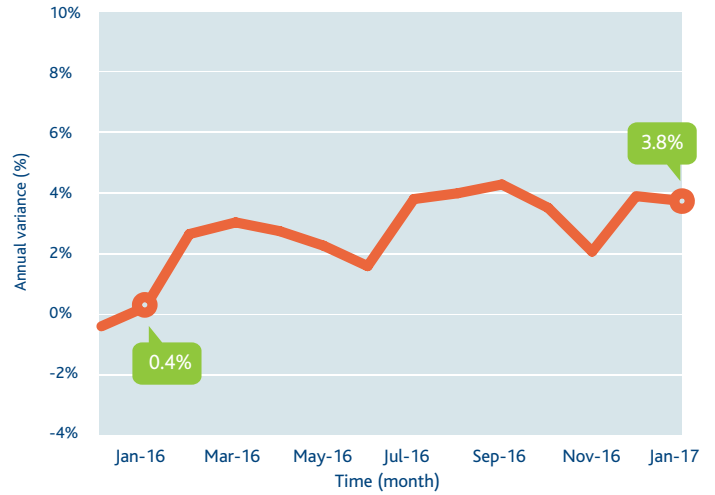


# Annual variance in average rental values by region

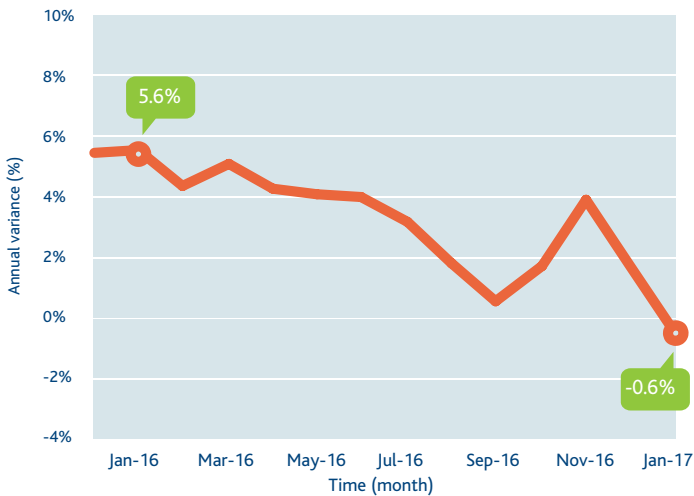
## Greater London



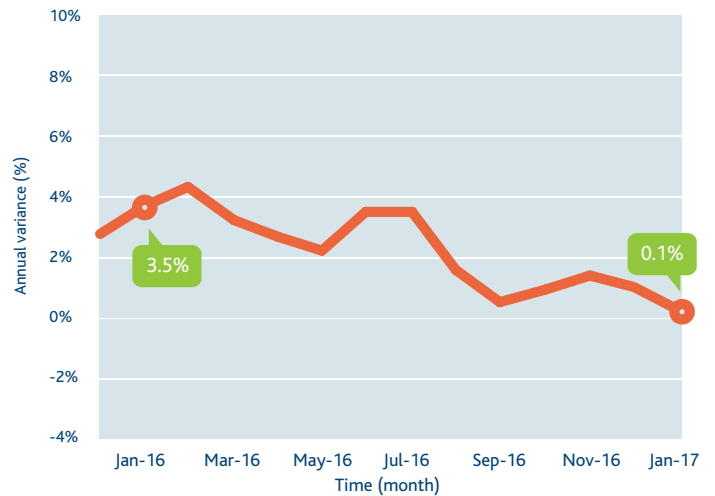
## Wales



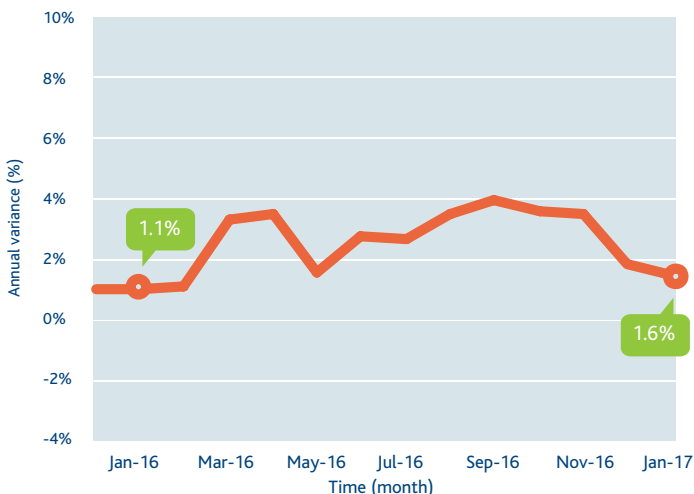
## South East



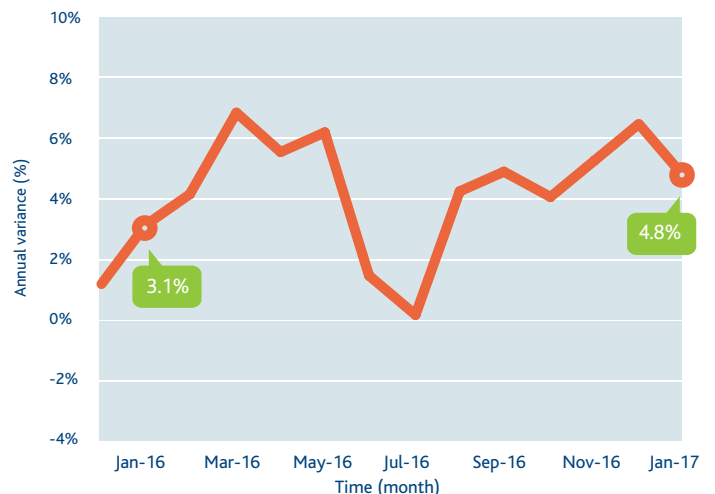
## South West



## West Midlands

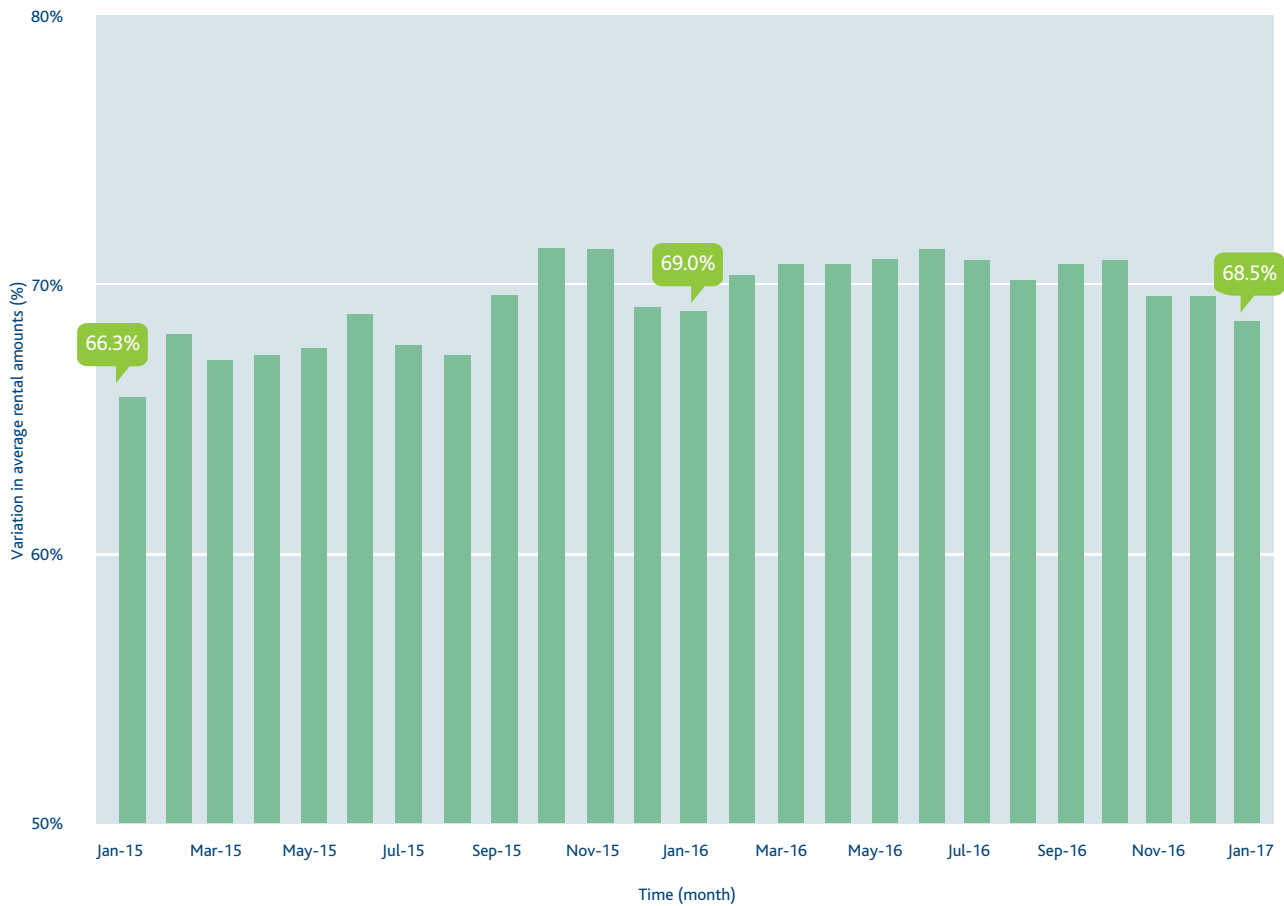


## Northern Ireland



## Greater London vs. the UK

### Monthly variation between Greater London rental prices and the UK average



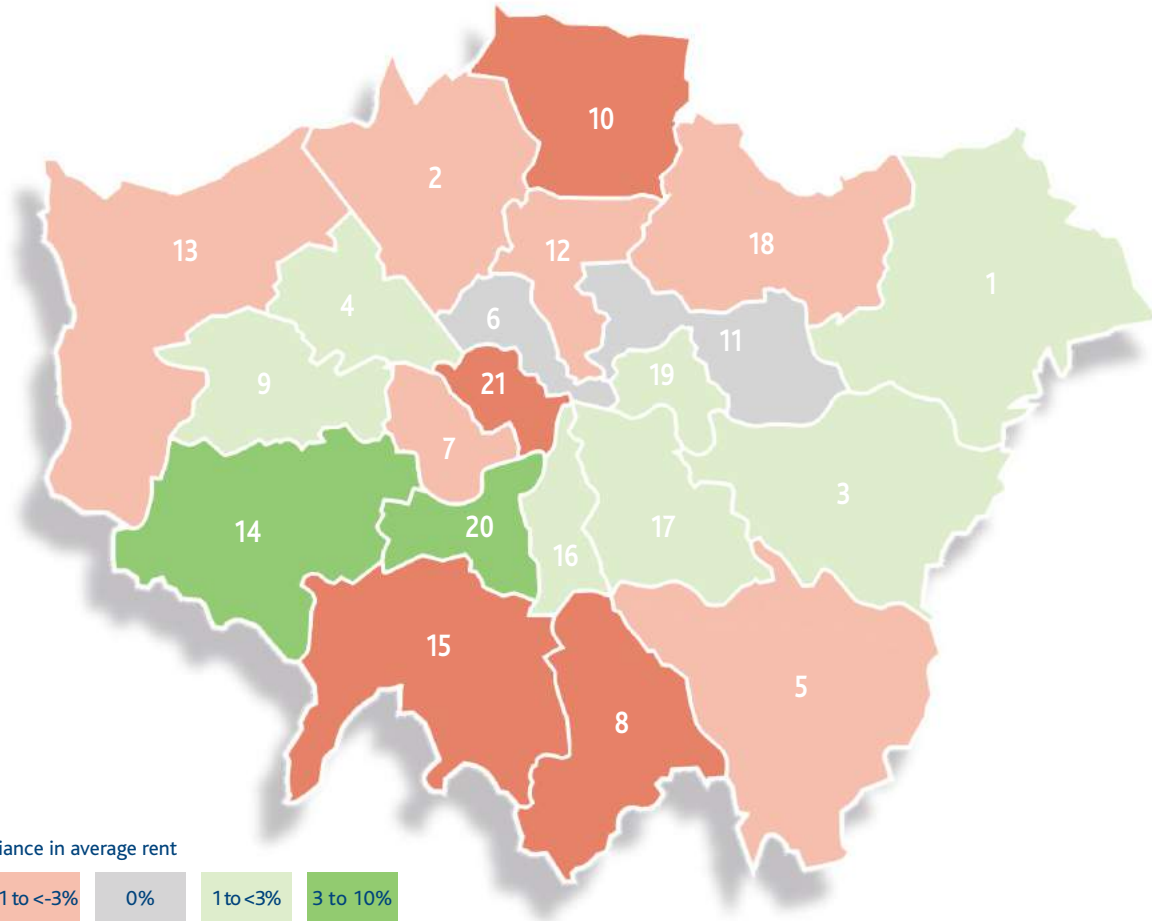
#### The figures also show...

- In January 2017 average rental values in London (£1,497) were 68.5% higher than the UK (£888)
- The gap between London and the rest of the UK was comparable to January 2016 (69%) and higher than January 2015 (66.3%)

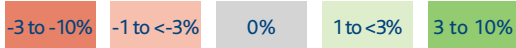


# Greater London by borough

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



% Annual variance in average rent



|   |  |  |   |   |
|---|--|--|---|---|
| <b>1 Barking, Dagenham &amp; Havering</b> | <b>2 Barnet</b>  | <b>3 Bexley &amp; Greenwich</b>          | <b>4 Brent</b>                                | <b>5 Bromley</b>                                    |
| Avg rent Jan 17    £1,161                 | Avg rent Jan 17    £1,009                              | Avg rent Jan 17    £1,240                | Avg rent Jan 17    £1,489                     | Avg rent Jan 17    £1,333                           |
| Annual variance    1.1%                   | Annual variance    -1.4%                               | Annual variance    2.0%                  | Annual variance    2.0%                       | Annual variance    -1.7%                            |
| <b>6 Camden &amp; City of London</b>      | <b>7 Chelsea, Fulham, Hammersmith &amp; Kensington</b> | <b>8 Croydon</b>                         | <b>9 Ealing</b>                               | <b>10 Enfield</b>                                   |
| Avg rent Jan 17    £1,937                 | Avg rent Jan 17    £1,763                              | Avg rent Jan 17    £1,009                | Avg rent Jan 17    £1,438                     | Avg rent Jan 17    £1,286                           |
| Annual variance    -0.9%                  | Annual variance    -2.0%                               | Annual variance    -3.9%                 | Annual variance    1.3%                       | Annual variance    -4.2%                            |
| <b>11 Hackney &amp; Newham</b>            | <b>12 Haringey &amp; Islington</b>                     | <b>13 Harrow &amp; Hillingdon</b>        | <b>14 Hounslow &amp; Richmond upon Thames</b> | <b>15 Kingston upon Thames, Merton &amp; Sutton</b> |
| Avg rent Jan 17    £1,441                 | Avg rent Jan 17    £1,419                              | Avg rent Jan 17    £1,296                | Avg rent Jan 17    £1,421                     | Avg rent Jan 17    £1,303                           |
| Annual variance    -0.2%                  | Annual variance    -1.9%                               | Annual variance    -2.7%                 | Annual variance    3.0%                       | Annual variance    -5.8%                            |
| <b>16 Lambeth</b>                         | <b>17 Lewisham &amp; Southwark</b>                     | <b>18 Redbridge &amp; Waltham Forest</b> | <b>19 Tower Hamlets</b>                       | <b>20 Wandsworth</b>                                |
| Avg rent Jan 17    £1,912                 | Avg rent Jan 17    £1,569                              | Avg rent Jan 17    £1,246                | Avg rent Jan 17    £1,691                     | Avg rent Jan 17    £1,559                           |
| Annual variance    2.7%                   | Annual variance    1.3%                                | Annual variance    -1.7%                 | Annual variance    1.8%                       | Annual variance    4.5%                             |
| <b>21 Westminster</b>                     |  |  |   |   |
| Avg rent Jan 17    £1,930                 |  |  |   |   |
| Annual variance    -9.8%                  |  |  |   |   |

## Greater London ranked by borough

### Five London boroughs with the highest average rent

| London borough                            | Average rent Jan 2017 |
|---|-----------------------|
| Camden & City of London                   | £1,937                |
| Westminster                               | £1,930                |
| Lambeth                                   | £1,912                |
| Chelsea, Fulham, Hammersmith & Kensington | £1,763                |
| Tower Hamlets                             | £1,691                |

### Five London boroughs with the lowest average rent

| London borough               | Average rent Jan 2017 |
|------------------------------|-----------------------|
| Croydon                      | £1,009                |
| Barking, Dagenham & Havering | £1,161                |
| Bexley & Greenwich           | £1,240                |
| Redbridge & Waltham Forest   | £1,246                |
| Enfield                      | £1,286                |

### Five London boroughs with the highest annual variance in average rent

| London borough                  | Annual variance |
|---------------------------------|-----------------|
| Wandsworth                      | 4.5%            |
| Hounslow & Richmond upon Thames | 3.0%            |
| Lambeth                         | 2.7%            |
| Brent                           | 2.0%            |
| Bexley & Greenwich              | 2.0%            |

### Five London boroughs with the lowest annual variance in average rent

| London borough                        | Annual variance |
|---------------------------------------|-----------------|
| Westminster                           | -9.8%           |
| Kingston upon Thames, Merton & Sutton | -5.8%           |
| Enfield                               | -4.2%           |
| Croydon                               | -3.9%           |
| Harrow & Hillingdon                   | -2.7%           |

## 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.

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For more information on the HomeLet Rental Index please visit

[homelet.co.uk/homelet-rental-index](https://homelet.co.uk/homelet-rental-index)