



Q4 (October – December 2015)

**Under embargo for 00:01 hours: Friday 8<sup>th</sup> January 2015**

## **Renters could save over £200 a month sharing a two bed flat – with smallest price jump from one to two-bed in Newcastle**

NATIONAL AVERAGE ASKING RENT (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2015	£756	-0.8%	+3.8%
Q3 2015	£762	+1.3%	+4.5%
GREATER LONDON AVERAGE ASKING RENT			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2015	£1,994	-1.0%	+0.5%
Q3 2015	£2,014	+0.2%	+3.0%

- Save-to-buy renters could put £210 on average towards their deposit each month by flatsharing, with Newcastle offering the best value being only 11% more expensive for a two-bed than a one-bed flat
- Average asking rents rose in all regions in 2015, an annual increase of 3.8% outside Greater London and an extra burden for many renters trying to save up a deposit to buy a home
- Average 2015 asking rent increase in the East of England outstripped all other regions, up by 6.5% year-on-year compared to a muted 0.5% increase in London
- Record Christmas and New Year traffic on Rightmove for both sales and lettings indicates strong demand for 2016, with page views on both Christmas Day and Boxing Day up 22% on 2014
- Most popular rental searches over Christmas and New Year outside London were in Bristol, Birmingham and Manchester, all of which saw strong rent rises in 2015

In spite of the traditional seasonal fall in Q4 compared to Q3, all regions ended 2015 with an annual rise in the average asking rent, further stretching tenants' finances. New research using the largest rental data set in England and Wales reveals that renters could save on average £210 per month outside London if they flatshare with one other person rather than rent a one-bed flat.

Newcastle is the most cost-effective place to share a two-bed flat, with a renter potentially saving almost half of the rent they would fork out for a one-bed. A one-bed flat in Newcastle is £553 per month, and a two-bed flat is £614 per month, only 11.1% more expensive. This means a possible saving of £246 per month if a renter chooses a two-bed with a housemate instead.



Sam Mitchell, Rightmove's Head of Lettings, comments: *"The potential saving of renting and sharing a two-bed rather than a one-bed flat is before factoring in reduced costs from splitting the bills. It could be a good option for renters looking to save up for a deposit to buy or other financial commitment. The Government has various well-publicised initiatives to encourage the home-ownership that some tenants would love to achieve, and while sharing can have its pitfalls it is a potentially lucrative solution."*

After Newcastle the best value areas for moving from a one-bed flat to a two-bed are neighbouring Gateshead (11.3% more expensive to rent a two-bed), followed by Swindon (16.9% more expensive), Bracknell (18.7% more expensive) and Milton Keynes (20.5% more expensive).

Mitchell continues: *"Demand from tenants is at an all-time high and the amount of properties available to rent hasn't been keeping pace. This has led to more people considering house sharing, a trend that is already very common in London and now growing in other areas. Rather than look at house shares or studios, tenants could team up with friends and look at bigger flats in some of these best value areas, they just need to make sure they're aware of their legal obligations when signing a joint tenancy agreement. For those that want to buy but are struggling to save a deposit this could help speed up the savings process."*

2015 ended with an annual increase of 3.8% in asking rents outside London, with the East of England leading the rent rises, up 6.5%. All regions saw a year-on-year rise, with the most modest rate of growth in London at 0.5%, where it appears many tenants have hit their affordability ceiling.

Demand was strong during the festive break with Rightmove recording its busiest ever Christmas and New Year traffic for both sales and lettings properties, a 22% increase in page views on both Christmas Day and Boxing Day compared to 2014. On Boxing Day there were almost 31 million page views on the site, rising to 44 million on 30<sup>th</sup> December as more people made use of their holiday to house-hunt.

A further indication of ongoing high demand and upwards price pressure is that the most popular rental searches over the festive period after London were in areas that reported strong growth in rents in 2015: Bristol (+9.2%), Birmingham (+8.4%), Manchester (+7.0%) and Leeds (+6.1%).

Mitchell observes: *"After a 7.8% annual rise in London asking rents last year, a slowing of the rate of growth was due, as more and more tenants found their affordability stretched. Outside the capital last year rents rose by just 0.3%, so*



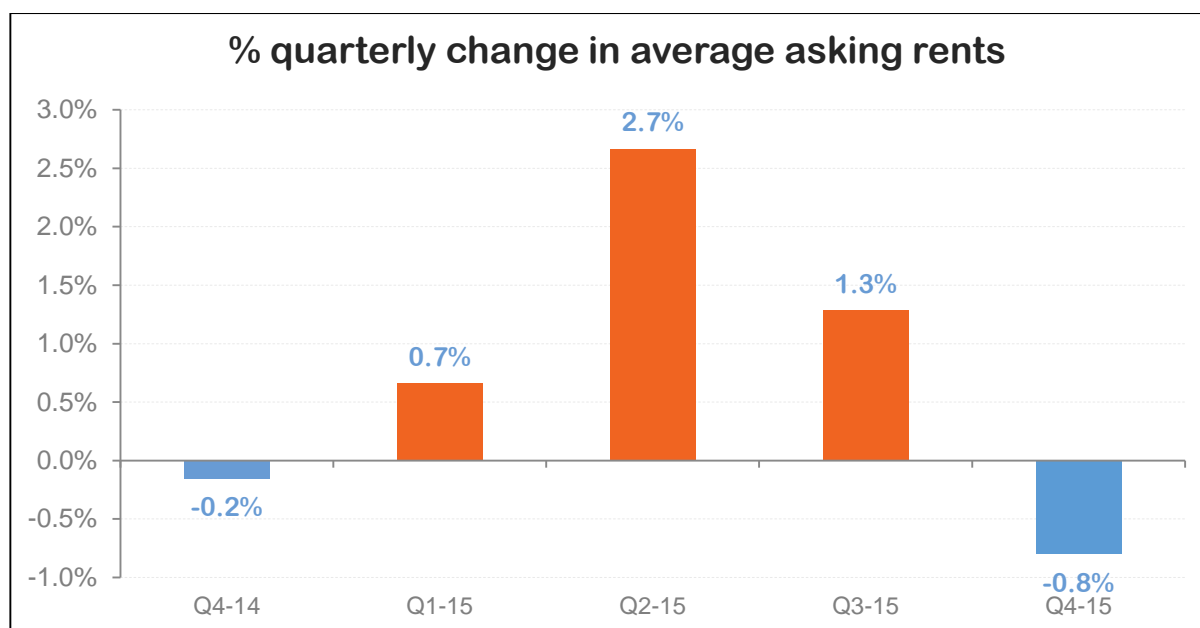
this year's 3.8% could be a result of more professional renters moving into areas outside of London, to sought-after cities like Bristol and Birmingham. Looking ahead to 2016 it's likely there will be an initial injection of supply onto the market as investors rush to complete purchases before the stamp duty change in April, so renters thinking about moving could find they have a better choice early in the year. From April onwards we could see a restriction in supply which could feed through into even higher rents."

## Agent's view

Scott Hudson, Lettings Director at Ocean Home in Bristol comments: "The high employment levels and the extremely strong and vibrant economy in Bristol has led to ever increasing demand for rental properties in this area, especially from professionals moving from other cities. This has led to more professionals teaming up and looking for bigger flats as a more cost-effective way of renting in the city."

## Top ten smallest price jumps from one-bed to two-bed flats

Area	Avg 1 bed flat rent – Q4 2015	Avg 2 bed flat rent – Q4 2015	% Increase	Avg. 2 bed flat rent (per person) – Q4 2015	Avg saving (£)
Newcastle upon Tyne	£553	£614	11.1%	£307	£246
Gateshead	£476	£530	11.3%	£265	£211
Swindon	£578	£676	16.9%	£338	£240
Bracknell	£802	£952	18.7%	£476	£326
Milton Keynes	£757	£912	20.5%	£456	£301
Coventry	£548	£662	20.8%	£331	£217
Sheffield	£518	£627	20.9%	£313	£205
Weston-super-Mare	£489	£593	21.4%	£297	£192
Stoke-on-Trent	£385	£467	21.4%	£234	£151
Maidstone	£667	£810	21.4%	£405	£262



## Top five highest growth areas outside Greater London (year-on-year)

Area	Avg. asking rent per month (2 bed) – Q4 2014	Avg. asking rent per month (2 bed) – Q4 2015	Annual change
Rushden, Northamptonshire	£537	£609	13.4%
Luton, Bedfordshire	£719	£805	11.9%
Gillingham, Kent	£705	£786	11.5%
Chelmsford, Essex	£842	£935	11.0%
Dartford, Kent	£887	£981	10.6%

## Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q4 2015
Wickford, Essex	£892
Leighton Buzzard, Bedfordshire	£773
Stevenage, Hertfordshire	£902
Ware, Hertfordshire	£1,012
Southend-On-Sea, Essex	£795

# The Rightmove Rental Trends Tracker



## Regional trends

■ Increase from previous quarter
 ■ Decrease from previous quarter
 ■ No change

### NORTH EAST

Avg. price Q4 2015	£554 pcm
Avg. price Q3 2015	£547 pcm
<b>Quarterly change</b>	<b>1.2%</b>
Avg. price Q4 2014	£552 pcm
<b>Annual change</b>	<b>0.4%</b>

### YORKS. & HUMBER

Avg. price Q4 2015	£572 pcm
Avg. price Q3 2015	£578 pcm
<b>Quarterly change</b>	<b>-1.0%</b>
Avg. price Q4 2014	£565 pcm
<b>Annual change</b>	<b>1.2%</b>

### NORTH WEST

Avg. price Q4 2015	£613 pcm
Avg. price Q3 2015	£622 pcm
<b>Quarterly change</b>	<b>-1.6%</b>
Avg. price Q4 2014	£599 pcm
<b>Annual change</b>	<b>2.2%</b>

### EAST MIDLANDS

Avg. price Q4 2015	£592 pcm
Avg. price Q3 2015	£590 pcm
<b>Quarterly change</b>	<b>0.4%</b>
Avg. price Q4 2014	£580 pcm
<b>Annual change</b>	<b>2.0%</b>

### WEST MIDLANDS

Avg. price Q4 2015	£647 pcm
Avg. price Q3 2015	£650 pcm
<b>Quarterly change</b>	<b>-0.5%</b>
Avg. price Q4 2014	£621 pcm
<b>Annual change</b>	<b>4.2%</b>

### EAST OF ENGLAND

Avg. price Q4 2015	£886 pcm
Avg. price Q3 2015	£874 pcm
<b>Quarterly change</b>	<b>1.4%</b>
Avg. price Q4 2014	£832 pcm
<b>Annual change</b>	<b>6.5%</b>

### WALES

Avg. price Q4 2015	£649 pcm
Avg. price Q3 2015	£604 pcm
<b>Quarterly change</b>	<b>7.4%</b>
Avg. price Q4 2014	£624 pcm
<b>Annual change</b>	<b>4.1%</b>

### GTR. LONDON

Avg. price Q4 2015	£1,994 pcm
Avg. price Q3 2015	£2,014 pcm
<b>Quarterly change</b>	<b>-1.0%</b>
Avg. price Q4 2014	£1,983 pcm
<b>Annual change</b>	<b>0.5%</b>

### SOUTH WEST

Avg. price Q4 2015	£761 pcm
Avg. price Q3 2015	£767 pcm
<b>Quarterly change</b>	<b>-0.8%</b>
Avg. price Q4 2014	£738 pcm
<b>Annual change</b>	<b>3.2%</b>

### SOUTH EAST

Avg. price Q4 2015	£1,045 pcm
Avg. price Q3 2015	£1,065 pcm
<b>Quarterly change</b>	<b>-1.9%</b>
Avg. price Q4 2014	£1,005 pcm
<b>Annual change</b>	<b>4.0%</b>



## Editors' notes

Rightmove's Rental Trends Tracker is compiled from the asking rents of properties coming onto the market on Rightmove.co.uk. Rather than being a survey of opinions it is produced from factual data of actual asking prices of rental properties currently on the market. Rightmove's Rental Trends Tracker measures prices at the very beginning of the rental process.

Rightmove measured 300,488 asking rents. The properties were advertised on Rightmove.co.uk by agents in Q4 2015. This month 13,145 properties have been excluded due to being anomalies. All short lets have been removed.

For all areas lower than region the asking prices and % growth are for two bed properties.