



Q4 (October – December 2019)

Under embargo until 00.01 hours, Friday 31st January 2020

Asking rents rise nearly twice as fast in London versus rest of Great Britain over past decade

- London asking rents hit a new record average of £2,119 per calendar month (PCM) as ongoing lack of supply means rents are 4.2% higher year-on-year, and the rest of Great Britain is up 2.4%
- Over the past 10 years London asking rents have risen almost twice as fast as the rest of Great Britain:
 - Average asking rents outside London have risen by 24%, compared to 45% in the capital
 - In cash terms London asking rents are up by £658 PCM compared to £159 PCM outside London over the last decade
 - North East rents have grown the slowest, up 8.4% from £554 to £601 PCM in ten years

National average asking rent for all property types (excluding Greater London)

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2019	£817	-1.3%	+2.4%
Q3 2019	£828	+1.3%	+3.2%

Greater London average asking rent for all property types

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2019	£2,119	+0.7%	+4.2%
Q3 2019	£2,104	+2.2%	+5.6%

London asking rents hit a new record average of £2,119 per calendar month (PCM) as the ongoing shortage of property for tenants continues to increase rents. Rents in the capital are up by 4.2% over the last year and 45% up over the past decade. In comparison, the rest of Great Britain sees rents up 2.4% year-on-year and 24% over the last ten years.

Rightmove's Commercial Director and Housing Market Analyst Miles Shippside said: *"We've seen a lack of rental properties coming to market in London over the last 18 months and that keeps feeding through into rising rents and another new record this quarter. Rents in the capital have risen at nearly twice the rate of the rest of Great Britain both over the last year and the last decade. New supply coming to market is constrained by a lack of new landlords, and existing tenants staying longer. Tenants are less likely to swap their existing rental for another as their other options on the open market are likely to be more expensive than sticking with their current landlord."*



In cash terms, average asking rents have risen by nearly £160 per calendar month (PCM) nationally outside London in the last 10 years. In the capital the figure is much higher, with rents in London now £658 PCM more expensive than a decade ago. Conversely, the North East is where rents have risen the least, with average asking rents increasing by 8.4% to £601 PCM since 2009.

Shipside adds: "London, in particular, has some rent increase hotspots due to a shortage of stock with existing and new landlords deterred by the additional 3% stamp duty when buying rental investments. On top of London's high purchase prices this is a substantial extra sum. The lack of reasonably priced choice and rising rents for London's tenants looks set to continue. At present, the only growth in supply is coming from the institutional build-to-rent sector."

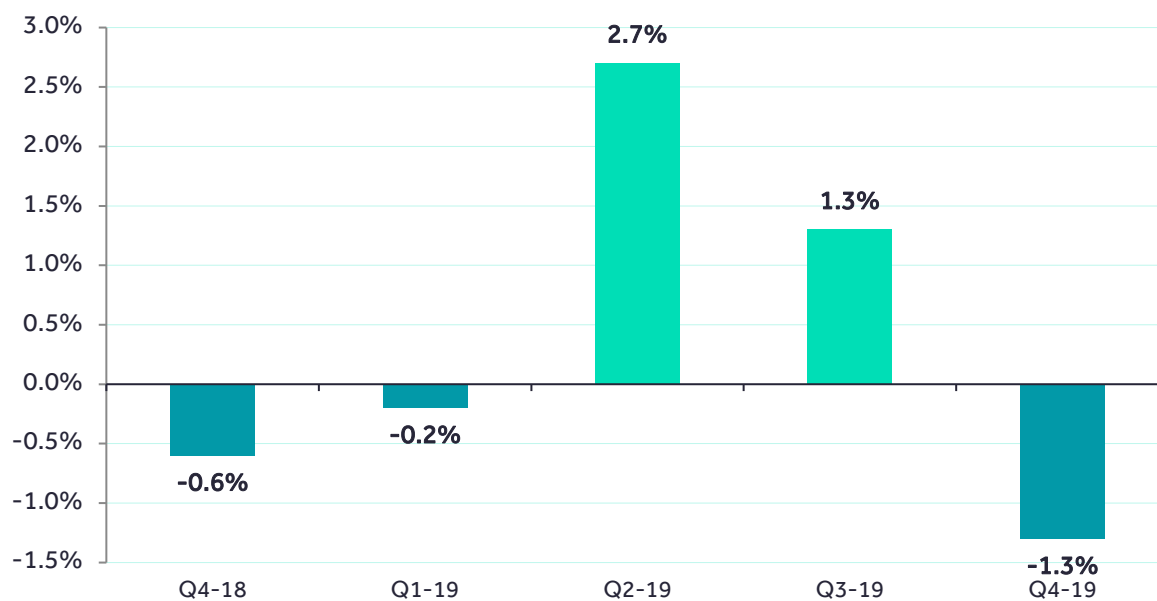
Agent's view

Kate Eales, Savills National Head of Lettings at Strutt & Parker, added: *"This increase is in line with the rise in price of residential property and the increase in the cost of living in the UK. Over the past six months since the tenant fee ban, landlords are having to pay a bit more for lettings services. This cost isn't necessarily being passed onto tenants, but landlords are not entering the market in the same way that they were back in 2010. This has resulted in a lack of rental stock, which in turn pushes rental prices up. In London, areas have changed dramatically in the past 10 years in terms of demographic and popularity. Brixton is such an example, previously up and coming, and now an area that's seen landlords benefit from an increase in rental prices."*



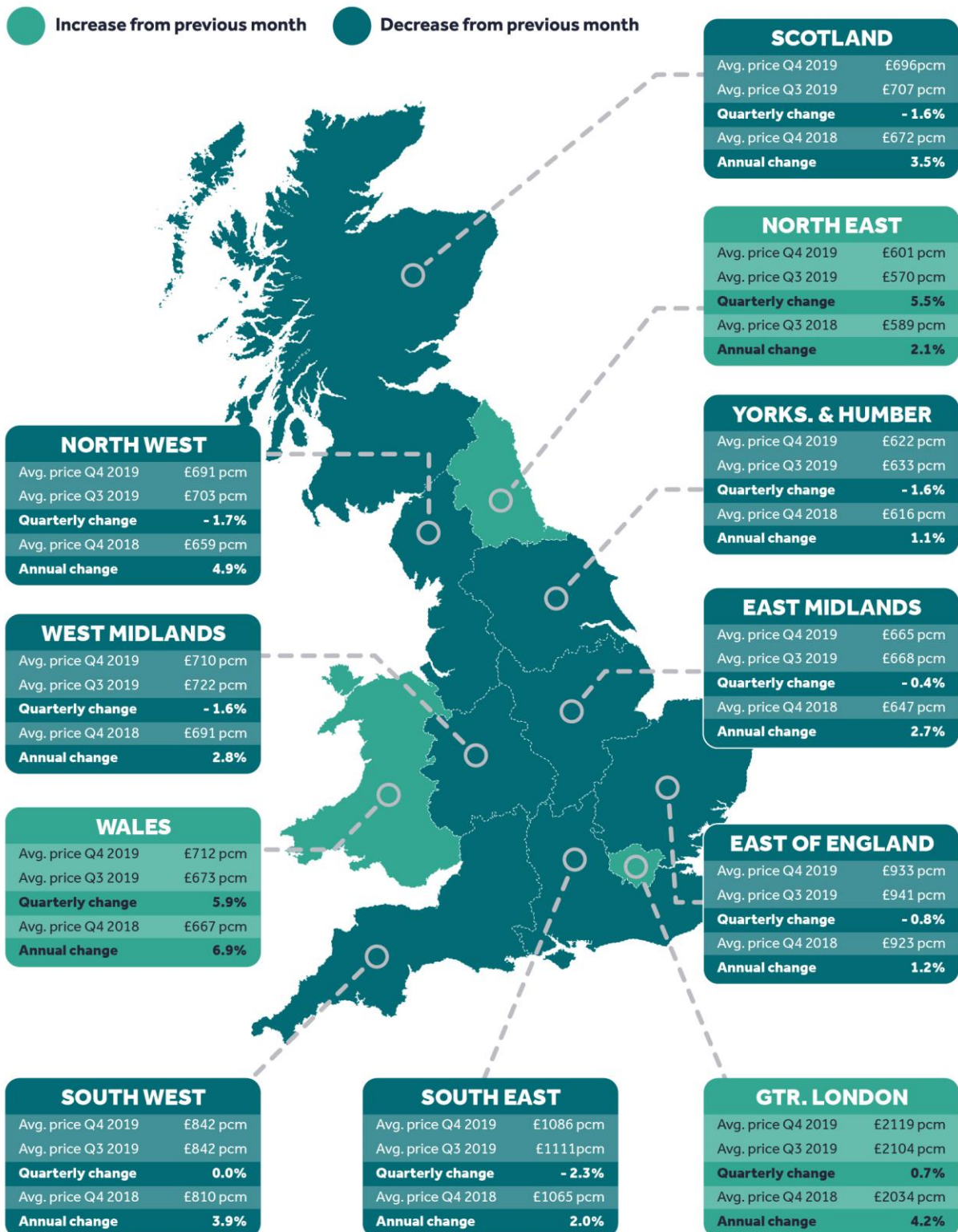
10-year rental price growth			
Region	Average rent Q4 2019	Average rent Q4 2009	10-year % change
London	£2,119	£1,461	45.0%
East of England	£933	£687	35.8%
South East	£1,086	£831	30.7%
East Midlands	£665	£520	28.0%
South West	£842	£666	26.5%
West Midlands	£710	£562	26.4%
Scotland	£696	£555	25.4%
Wales	£712	£579	22.9%
North West	£691	£574	20.4%
Yorkshire and The Humber	£622	£546	13.9%
North East	£601	£554	8.4%
National (excl. London)	£817	£658	24.1%

National quarterly change in average asking rents





Regional trends





Top five highest growth areas outside Greater London Q4 2019

Area	Avg. asking rent per month (2 bed) Q4 2018	Avg. asking rent per month (2 bed) Q4 2019	Annual change
Aldershot	£894	£980	9.6%
Barry	£609	£664	9.0%
Brierley Hill	£556	£600	8.0%
Greenhithe	£1,008	£1,086	7.8%
Ashton-Under-Lyne	£514	£554	7.8%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q4 2019
Ashton-Under-Lyne	£554
Oldham	£553
Bootle	£466
Shipleigh	£604
Prenton	£542

Top five highest growth areas in Greater London Q4 2019

Area	Avg. asking rent per month (2 bed) – Q4 2018	Avg. asking rent per month (2 bed) – Q4 2019	Annual change
Battersea	£2,279	£2,767	21.4%
Shepherds Bush	£1,723	£2,062	19.7%
Greenford	£1,338	£1,570	17.3%
Finsbury	£2,666	£3,045	14.2%
Elephant and Castle	£1,892	£2,142	13.2%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q4 2019
Penge	£1,291
Eltham	£1,233
Forest Hill	£1,421
Welling	£1,180
Deptford	£1,617



Editors' notes

Rightmove's Rental Trends Tracker records data since Q4 2011. It 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.

Quarterly data: Rightmove measured 249,933 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st October – 31st December 2019. 11,393 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.