



Q1 (January–March 2021)

Wednesday 28<sup>th</sup> April 2021

## Rents across two thirds of London lower than five years ago

- Asking rents in almost two thirds (65%) of areas in London are lower than they were five years ago, compared to just 4% of areas with lower rents across the rest of Great Britain
- London is the only region where asking rents are lower than five years ago, down by 2.3%, while the East Midlands has seen the biggest rise, up by 19.3%
- Nationally asking rents outside London have hit another record high, at £982 per calendar month, up 4.2% on Q1 last year and the highest annual rate since 2015
- Available rental stock in London is up by 19% compared to this time in 2019, while outside the capital the fast-paced market has led to available rental stock being down by 54%
- The time it is taking to let a property is at its fastest pace ever in seven regions, with the South West being quickest at an average of just 14 days to agree a tenancy

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2021	£982	+1.1%	+4.2%
Q4 2020	£972	+0.8%	+3.7%

### Greater London average asking rent for all property types

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2021	£1,919	-0.7%	-7.8%
Q4 2020	£1,932	-1.7%	-6.4%

### Inner and Outer London

	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£2,196	-1.0%	-14.0%
Outer London	£1,718	-0.3%	-1.1%



## Overview

Two thirds (65%) of London neighbourhoods have seen rental growth set back by at least five years, according to new figures out today from the UK's biggest property website Rightmove.

The five-year study, based on over 900,000 rental properties, found the decline in rents is being driven by areas of Inner London, where asking rents are down by 6.5% versus Q1 2016, compared to Outer London, where rents are holding up better, up by 2.0%.

The biggest drop in the capital is in Finsbury, where asking rents are 24% down on five years ago from £2,818 per calendar month (pcm) to £2,147. The number of rental properties in Finsbury on Rightmove is up by 76% compared to a year ago.

The biggest five-year rise in London is in Hammersmith where asking rents are 12% higher than five years ago, although the rental growth occurred between 2016 and 2020 as rents are down by 19% in the area compared to this time last year.

The figures spell some good news for people looking to rent a new property in London, as there may now be more areas open to them that before were completely unaffordable. The biggest decline in cash terms is in Knightsbridge where monthly rents are £1,246 lower than five years ago although they are still a hefty £6,221 pcm.

Outside London there are only seven locations in the study with asking rents lower than five years ago, three in Surrey (Woking, Walton-on-Thames and Weybridge), two city centres of Southampton and Birmingham, along with Leamington Spa and Chigwell.

The rental market is seeing record demand and a lack of available stock across all regions outside the capital, leading to strong rental growth across all regions and monthly asking rents at a record of £982 pcm. East Midlands has seen the biggest increase over the past five years of 19.3%, rising from £733 to £875 per calendar month. It has also seen the largest growth over the past year, up by 7.5%.

The strong demand has led to the percentage of available rental stock outside the capital being down by 54% compared to this time in 2019, while in London it is up by 19%. This has led to the majority of regions seeing properties let to a tenant in the fastest time since we started recording this data ten years ago. South West is the fastest at 14 days, followed by the East Midlands at 17 days.

Rightmove's Director of Property Data Tim Bannister said: *"Our data shows a stark contrast between the rental market in central areas of London and the market across the rest of Great Britain. Agents are telling me that they don't have enough rental stock to meet the demand from tenants in many areas, while in London there will be some tenants who have a lot more stock to choose from. Landlords who five years ago took a longer term view obviously couldn't foresee the effect that covid would have on rents, and right now they'll be doing all they can to prevent voids and hope the drop in rents is fleeting. The frenzied buying and selling market is likely to be exacerbating the problem as well, as some sellers are moving into rental accommodation until they find the home they want to buy, adding further demand to already diminishing rental stock levels."*



## Agent's View

Richard Davies, Head of Lettings at Chestertons said: *“The events of the past year have had a big impact on rents in London, with the more central areas being hit the hardest as tenants are no longer tied to their workplaces and have been free to seek the larger properties and lower prices found slightly further out. As a result, prices are the lowest we have seen for several years and represent incredibly good value for those tenants thinking beyond lockdown and looking to lock-in to a good deal. As the country starts to open again, we expect growing numbers of tenants to return to the more central areas and anticipate that rents will quickly start to recover.”*

## Biggest rent declines in London over past five years

Area	Average asking rent per calendar month March 2021	Average asking rent per calendar month March 2016	Five year change %
Finsbury	£2,147	£2,818	-24%
Barnes	£3,323	£4,146	-20%
Stockwell	£2,235	£2,782	-20%
Notting Hill	£2,850	£3,517	-19%
Knightsbridge	£6,221	£7,467	-17%

## Biggest rent increases in London over past five years

Area	Average asking rent per calendar month March 2021	Average asking rent per calendar month March 2016	Five year change %
Hammersmith	£3,140	£2,792	+12%
Sutton	£1,598	£1,444	+11%
Battersea	£2,576	£2,364	+9%
Romford	£1,473	£1,356	+9%
Hayes	£1,505	£1,388	+8%

## Biggest rent declines outside London over past five years

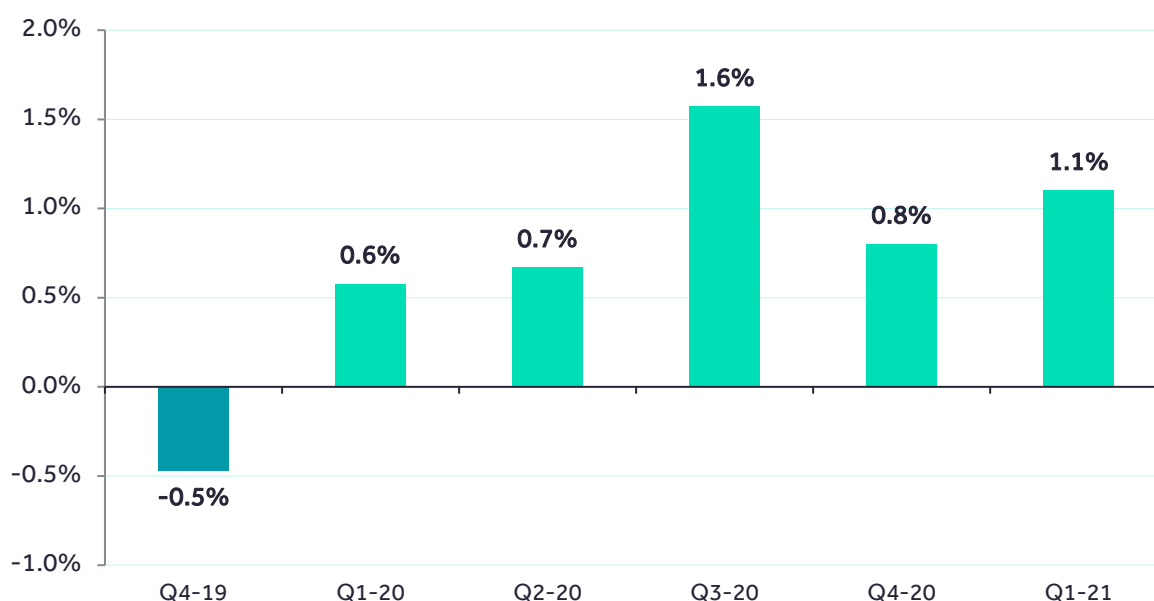
Area	Average asking rent per calendar month March 2021	Average asking rent per calendar month March 2016	Five year change %
Leamington Spa	£1,061	£1,124	-6%
Chigwell	£1,831	£1,921	-5%
Birmingham City Centre	£900	£933	-4%
Southampton City Centre	£927	£958	-3%
Weybridge	£2,605	£2,678	-3%



## Biggest rent increases outside London over past five years

Area	Average asking rent per calendar month March 2021	Average asking rent per calendar month March 2016	Five year change %
Wolverhampton	£855	£631	35%
Walsall	£770	£584	32%
Bradford	£692	£535	29%
Liverpool	£843	£659	28%
Sutton Coldfield	£1,227	£963	27%

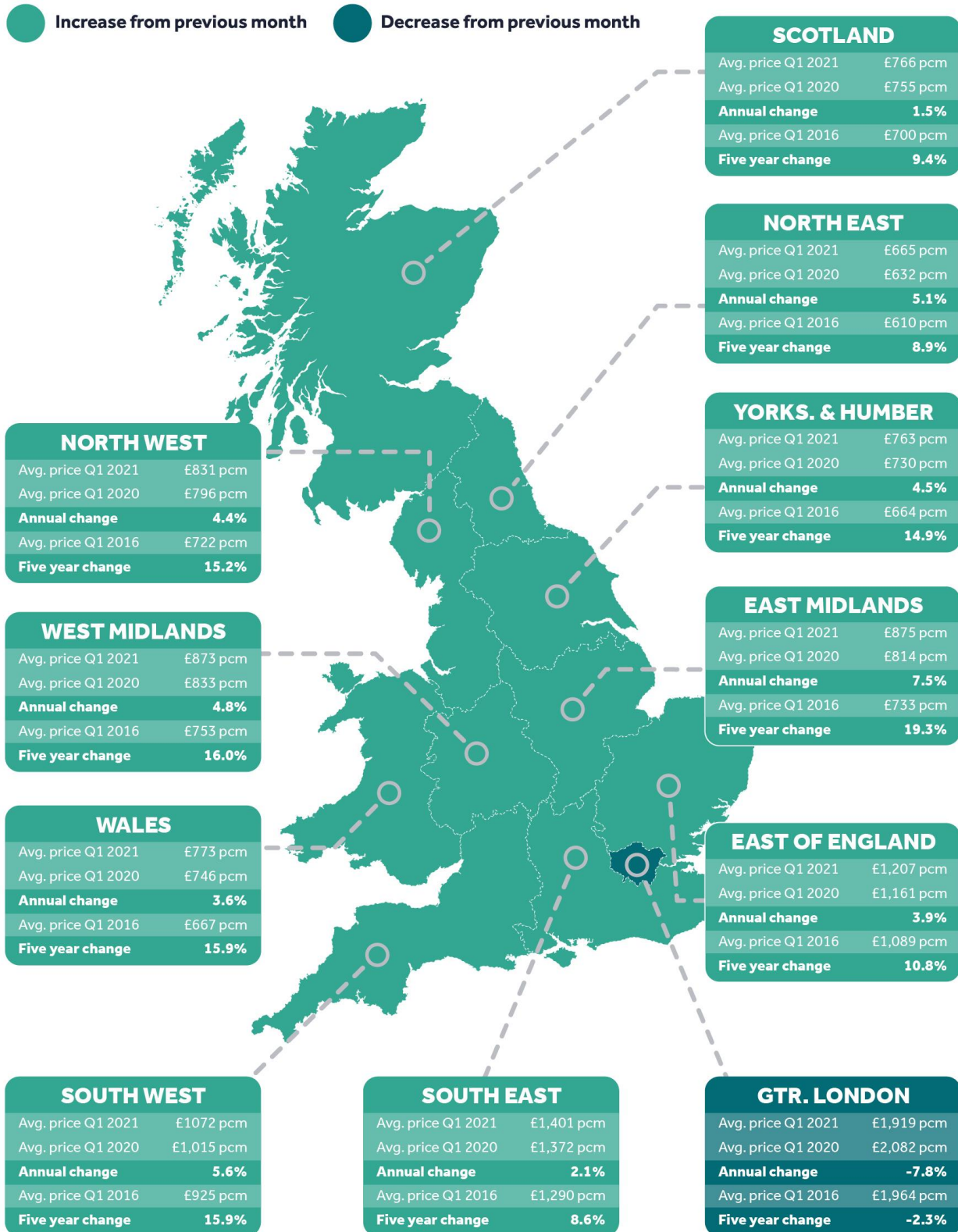
## National quarterly change in average asking rents



Region	Time to let a property (days)	Record in March 2021?
South West	14	Yes
East of England	16	Yes
East Midlands	17	Yes
North East	18	No
South East	18	Yes
Wales	19	Yes
Scotland	20	No
Yorkshire and The Humber	21	Yes
North West	21	No
West Midlands	22	Yes
London	24	No
<b>Great Britain</b>	<b>23</b>	<b>Yes</b>



## Regional trends





## Editors' notes

The Rightmove Rental Trends Tracker methodology was updated as of Q3 2020 and all historic figures have been restated. The new methodology includes the latest mix adjustment figures.

The dataset 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.

**Five-year data:** The study included all areas in London with at least 500 properties and outside London with at least 250 properties.

**Quarterly data:** Rightmove measured 267,064 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st January – 31<sup>st</sup> March 2021. All short lets have been removed. For all areas lower than region the asking prices and % growth are for two bed properties.