



The largest quarterly dataset of rental activity in the UK. Q3 report (July - September 2021)

Wednesday 13th October 2021

Boomerang tenants help city rents grow & competition double for flats

- As tenants boomerang back to cities, a number of city centres across Great Britain have seen double digit growth in rents, after a year of falls:
 - In Bristol, Nottingham and Glasgow, rents are now over 10% higher than pre-pandemic levels
- High demand and properties being let out quickly has led to rents outside London rising at the fastest rate ever recorded by Rightmove, up by 8.6% on a year ago
- London starts to recover, with rents up annually for the first time since the pandemic started
- Competition among tenants for flats is up by almost double (+95%) that of a year ago, the biggest jump of any property type, with three and four bed flats seeing the hottest competition

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2021	£1,047	+3.9%	+8.6%
Q2 2021	£1,007	+2.6%	+6.2%

Greater London average asking rent for all property types

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2021	£2,019	+3.6%	+2.7%
Q2 2021	£1,949	+1.5%	-3.1%

Inner and Outer London

	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£2,348	+5.6%	+2.6%
Outer London	£1,777	+1.7%	+2.7%



Overview

Tenants boomeranging back to the city has led to heady rental growth in some of Great Britain's biggest city centres.

Rightmove's Quarterly Rental Trends Tracker reveals that some city centres have not only bounced back from the declines recorded during the year since the pandemic started, they have now hit double digit growth and are outpacing the national average.

Across Britain, rents are rising at the fastest rate ever recorded by Rightmove, now up 8.6% annually outside London, and the capital is finally showing signs of growth, with rents up by 2.7% on a year ago.

The boomerang effect on city centres

In Birmingham city centre rents fell by 5% between February 2020 and February 2021, but by September this year the increased demand helped them to grow to 10% higher than pre-pandemic levels.

It is a similar picture in Nottingham city centre where rents fell 2%, and have now grown to 11% higher than before the pandemic.

Edinburgh city centre has seen rents grow by £100 since February of this year, but they still trail by 5% when compared with February 2020.

City centre	Average asking rent Feb 2020 (pre pandemic)	Change Feb 2021 vs Feb 2020 (one year into pandemic)	Average asking rent Sept 2021	Change Sept 2021 vs Feb 2020	Increase in tenant demand versus Sept 2020
Bristol	£1,188	0%	£1,331	+12%	+22%
Nottingham	£901	-2%	£1,005	+11%	+31%
Glasgow	£894	-1%	£992	+11%	+13%
Birmingham	£912	-5%	£1,007	+10%	+38%
York	£1,013	-5%	£1,094	+8%	+13%
Leeds	£836	-5%	£888	+6%	+34%
Oxford	£1,617	-3%	£1,708	+6%	+7%
Manchester	£1,063	-8%	£1,108	+4%	+36%
Coventry	£968	-13%	£950	-2%	+36%
Edinburgh	£1,289	-12%	£1,229	-5%	+49%

All rents are per calendar month (pcm).



Fastest pace ever recorded for rents outside London

Total rental demand is now up by 39% compared with the same time in 2019, and up by 11% compared with a strong September last year.

This demand has led to properties being snapped up at the quickest rate ever recorded, at 17 days.

The speed and strength of demand in the market has pushed rents up to 8.6% outside London, and they are up over 10% in the North West, North East, the East Midlands and Wales.

The available stock shortage is most pronounced in suburban and rural areas, which has led to a shift in the make-up of total available properties on Rightmove. Of all the available rental properties on Rightmove, 64% of them are now in urban locations, a jump up from 48% pre-pandemic.

The proportion of available properties that are in the suburbs has dropped from 46% to 33%, while rural areas have declined from 6% to 3%.

	Proportion of all available rental stock August 2021	Proportion of all available rental stock February 2020
Rural	3%	6%
Suburban	33%	46%
Urban	64%	48%

Flats back in fashion, with room for an office?

Tenants looking to move are seeking out bigger flats, leading to the hottest competition for three and four bedroom flats. Competition for a four bedroom flat is up by 131%, and up by 124% for a three bedroom flat.

Competition within the flats market overall is up 95% on average than in September 2020, compared with a 37% increase for houses.

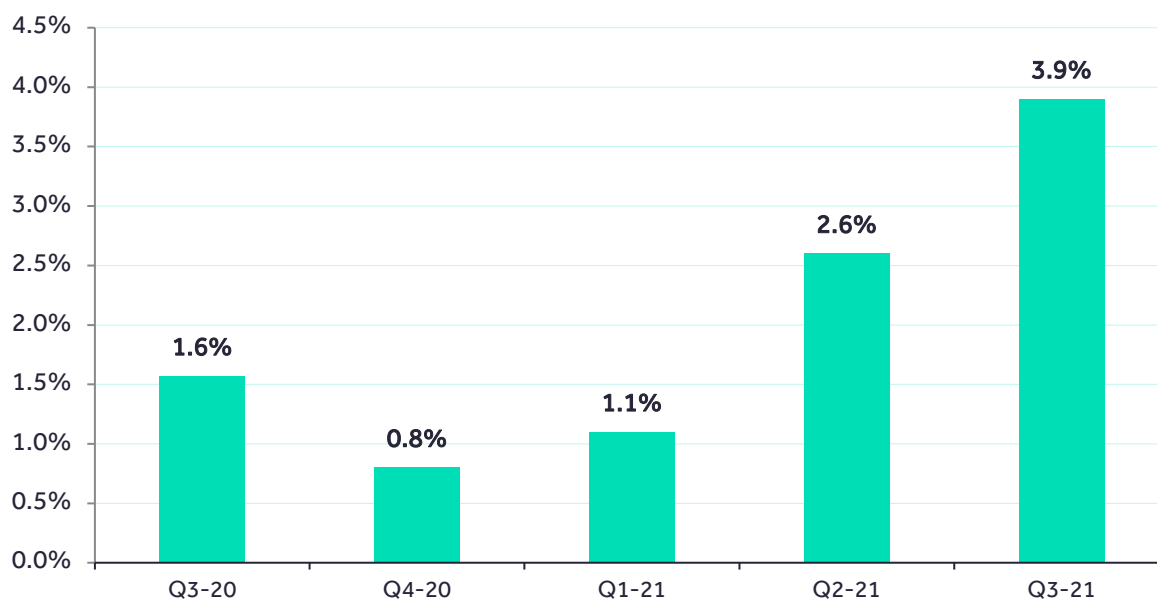
Rightmove's Director of Property Data Tim Bannister said: "A year of various lockdowns saw many city centres hit with either a complete standstill in rental growth, or falls of over ten per cent in some cases, as tenants moved further out or back in with family temporarily. But as society opened up again cities have not only bounced back but are now seeing strong rental growth, fuelled by increased tenant demand and limited available stock. It's still easier to secure a place in a city centre than in some of the hottest suburban and rural rental markets right now, but as more tenants boomerang back to busier locations this is likely to change.

"The shortage of rental properties in the market has led to Rightmove recording the fastest ever pace of rent rises in a year than ever before, and there are finally green shoots of growth in London's rental market, with the first annual rise since before the pandemic started. Demand is notably up in London



compared with this time last year, another sign that people are reconsidering where they want to live."

National quarterly change in average asking rents

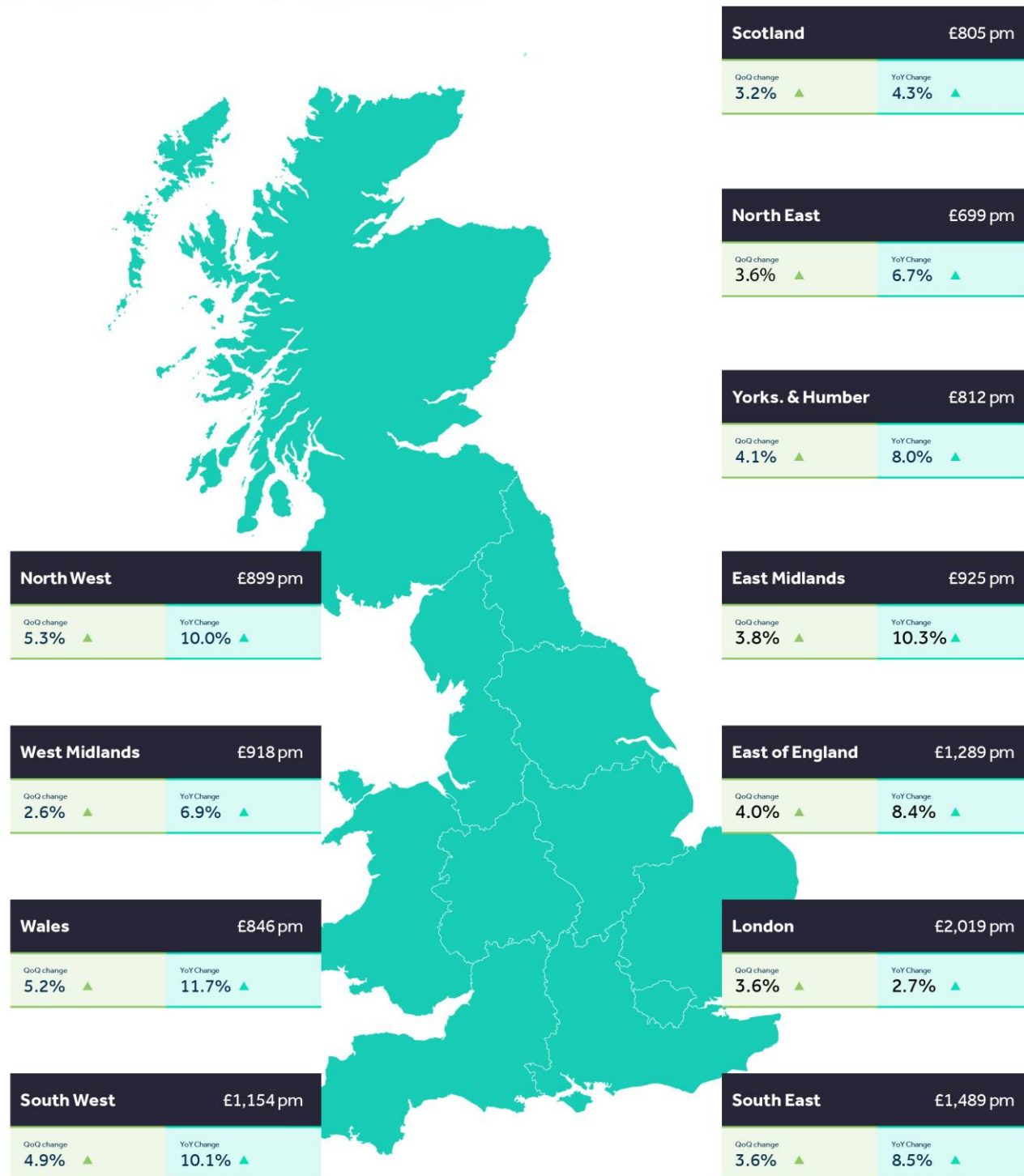




Regional trends

Rental Tracker

● Increase from previous month
 ● Decrease from previous month





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.

Quarterly data: Rightmove measured 399,116 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st July – 30th September 2021. All short lets have been removed. All rents throughout are per calendar month.

Competition is calculated based on enquirers per available property.