



Thursday 14<sup>th</sup> April 2022

## Asking rents jump by 11% in most competitive rental market ever

- National average asking rents outside of London hit a new record of £1,088 per calendar month (pcm), rising from £982 pcm last year:
  - This 10.8% rise in asking rents is the first time annual growth has exceeded 10%
  - Average rents are now 15% higher than the same period two years ago, just as the pandemic started
- Tenants are faced with the most competitive rental market ever recorded by Rightmove, with more than triple the number of prospective tenants as there are rental properties available:
  - Total tenant demand is up 6% and available properties are down by 50% compared to last year
- Average asking rents in London hit a new record of £2,193 pcm which is a 14.3% rise from £1,919 last year. This is the biggest annual jump of any region since records began:
  - Tenant demand is up by 81% and available rental properties down by 47% in London compared to the more normal 2019 market
- Despite the mismatch of tenants enquiring and rental properties available, there are some positive signs of more property choice:
  - The number of new rental properties available has increased nationally by 5% in March compared to January, and 16% compared to the shorter month of February
- There is a rise in demand for areas outside of Manchester and Liverpool as rents in these cities jump by 20%

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2022	£1,088	+1.8%	+10.8%
Q4 2021	£1,068	+2.1%	+9.9%

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2022	£2,193	+2.4%	+14.3%
Q4 2021	£2,142	+6.1%	+10.9%

### Inner and Outer London

	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£2,650	+2.8%	+20.7%
Outer London	£1,857	+1.9%	+8.1%



## Overview

Rightmove's Quarterly Rental Trends Tracker reveals that national asking rents outside of London have hit a new record, rising to £1,088 per calendar month (pcm).

Average asking rents have risen from £982 pcm over the last year, to take annual growth in asking rents outside of London above 10% for the first time (10.8%).

Rents in London also hit a new record of £2,193 pcm, rising by 14.3% in a year from £1,919. This is the largest annual jump of any region that Rightmove has recorded.

The imbalance between high tenant demand and the low numbers of properties available continues to drive growth in asking rents.

Across Great Britain, tenant demand is up by 6% and the number of available rental properties is 50% lower than this time a year ago.

This time last year, the number of available properties in London had risen by 19% compared to 2019, as London temporarily fell out of favour with renters. Now, demand is up by 81% and available rental properties are down by 47% in London compared to the more normal 2019 market.

The result of this ongoing mismatch between tenant demand and the properties available to rent means that tenants looking for a new place to move to are being faced with the most competitive rental market that Rightmove has ever recorded.

There are more than triple the amount of tenants enquiring as there are rental properties available, meaning a high likelihood of landlords being able to choose between multiple suitable tenants.

Despite the mismatch of tenants enquiring and rental properties available, there are some positive signs of more property choice. The number of new rental properties coming onto the market rose by 5% in March compared to January, and 16% compared to the shorter month of February.

As asking rents increase across Great Britain, with nine regions recording a more than 10% rise in asking rents compared to last year, demand is growing for areas outside of price hotspots that offer the opportunity of lower rents, while still being in commuting distance of the major cities for work or leisure.

Manchester and Liverpool are two of this quarter's top five rental price hotspots, with asking rents increasing by 19.3% and 17.1% respectively compared to this time last year.

At the same time, demand has increased in areas surrounding Manchester and Liverpool with lower average asking rents - seven of the top ten rental demand hotspots are nearby the cities.

Prenton and Birkenhead, the top two hotspots, have average asking rents of £591 and £551pcm, compared to £876pcm on average for nearby Liverpool.

**Rightmove's Director of Property Data Tim Bannister said:** *"In the first three months of this year, we've seen tenant demand exceed the high levels set last year, which when coupled with the fewer available homes for rent, has resulted in the most competitive rental market we've ever recorded. There are several factors affecting supply and demand. On the supply side, we're hearing from agents and landlords that tenants are signing longer leases, which has prevented some of the stock that would normally come back onto the market*



from doing so. When it comes to demand, we're still seeing the effects of the pandemic, whereby tenants are balancing what they need from a home and how close they need to live to work with where they can afford.

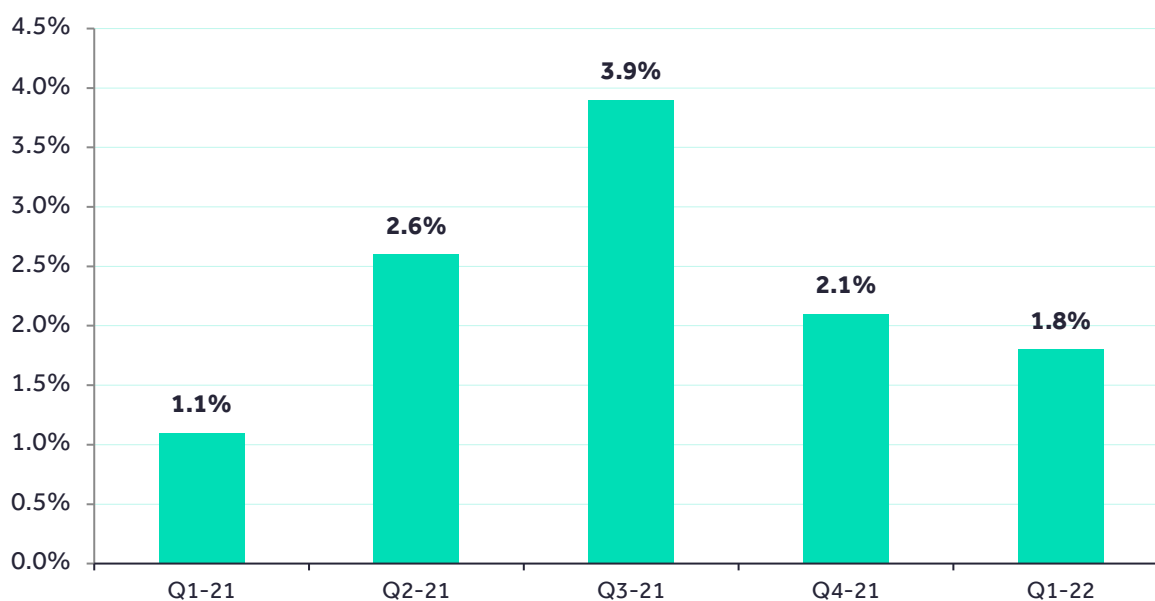
"Such a competitive market might be daunting for tenants looking to move home now, however, there are steps they can take to help secure a property. Using our Instant Alerts feature on Rightmove will notify you as soon as a property in your area becomes available, while having your finances and documents ready will help to show the landlord you are the right tenant for the property. We're also seeing more homes becoming available to rent compared to the beginning of the year, which will provide some much needed choice for tenants."

## Agent's View

**Simon Thompson, Lettings Director at Miles & Barr in Kent said:** "We've seen the rental market go through a phase of change that we and the industry haven't experienced before. However, the start of 2022 has seen the East Kent market have a greater availability of rental properties which is just starting to show signs of slowing the rapid rental price growth of the last 18 months. This means that tenants are starting to experience a wider choice of properties and with choice, the rental market returns to a new 'normal' level.

"We've also seen that the impact of increasing cost of living prices is affecting tenants' choice of property. Landlords & tenants are also looking to purchase insurance policies to cover rental income or renting costs should their situations change."

## National quarterly change in average asking rents



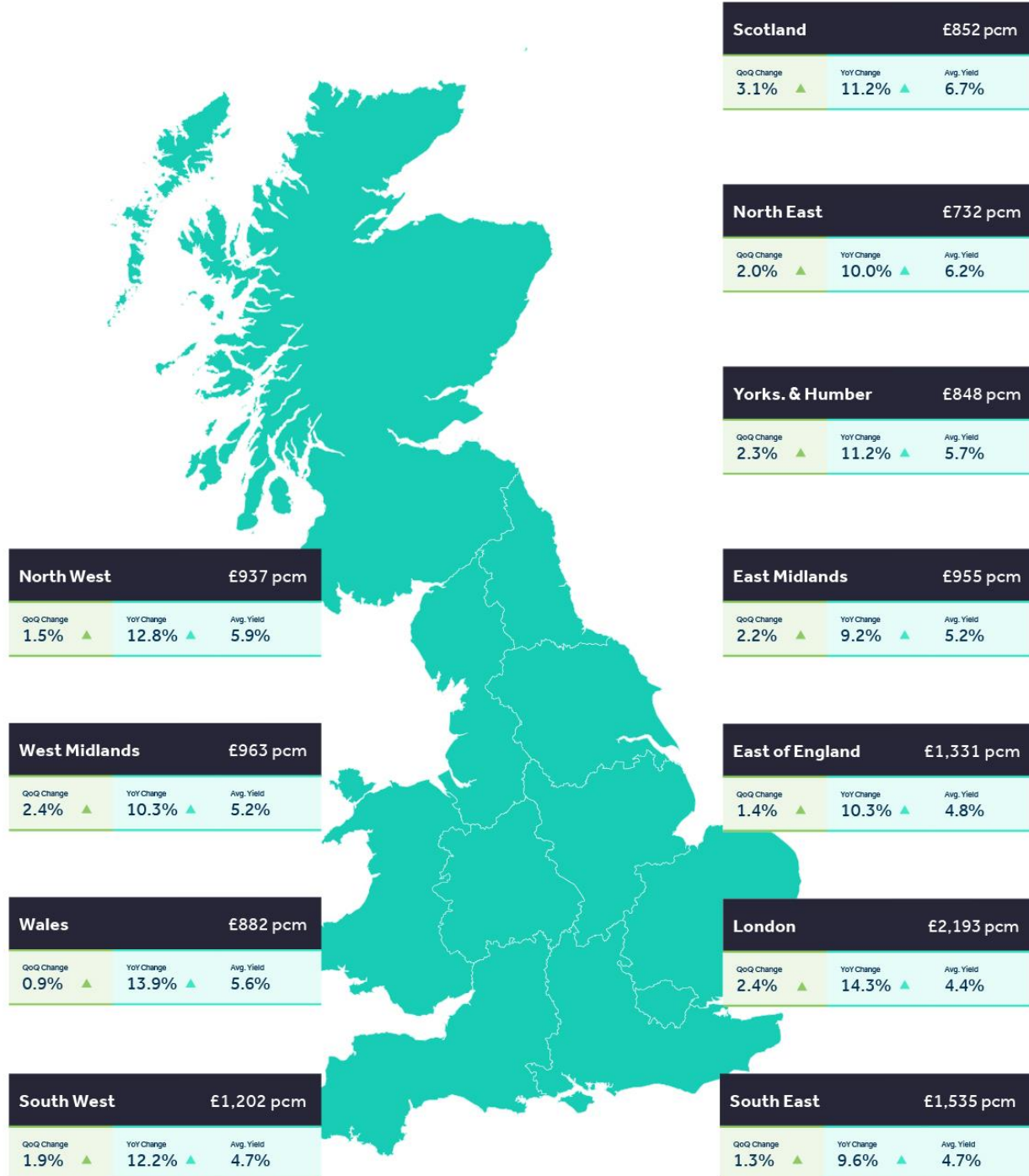


## Regional trends

# Rental Price Tracker

Q1 2022

● Increase from previous month
 ● Decrease from previous month





## Landlord yields

Region	Average Landlord yield Q1 2022	Annual change in yield
<b>Great Britain</b>	<b>5.0%</b>	<b>0.0%</b>
Scotland	6.7%	+0.1%
North East	6.2%	-1.2%
North West	5.9%	-0.6%
Yorkshire and The Humber	5.7%	-0.7%
Wales	5.6%	-0.8%
East Midlands	5.2%	-0.8%
West Midlands	5.2%	-0.6%
East of England	4.8%	-0.3%
South West	4.7%	-0.6%
South East	4.7%	-0.2%
London	4.4%	+0.3%

## Rental price hotspots

Area	Region	Average asking rent per calendar month Q1 2021	Average asking rent per calendar month Q1 2022	Annual change
Swansea	Wales	£653	£782	+19.7%
Manchester	North West	£894	£1,067	+19.3%
Margate	South East	£739	£878	+18.8%
Liverpool	North West	£748	£876	+17.1%
Ascot	South East	£1,376	£1,603	+16.5%
Wilmslow	North West	£922	£1,074	+16.5%
Salford	North West	£920	£1,063	+15.6%
Grantham	East Midlands	£563	£645	+14.6%
Cardiff	Wales	£813	£931	+14.5%
Torquay	South West	£719	£824	+14.5%



## 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 311,261 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st January – 31<sup>st</sup> March 2022. All short lets have been removed. All rents throughout are per calendar month.

Competition is calculated based on the number of people enquiring about each available property.