



The largest quarterly dataset of UK rental activity. Q1 report (January – March 2024)

## 50,000 rental properties needed to bring supply back to pre-pandemic levels

- Average advertised rents outside of London rise to a new record of £1,291 per calendar month (pcm), though the pace of rent growth continues to slow, with average rents now 8.5% higher than last year
- London rents reach a new record by two pounds, rising to £2,633 per calendar month. Average advertised rents in the capital are now 5.3% higher than last year, with rent growth steadily slowing since the peak of 16.1% in Q3 2022
- The rental market is still extremely busy, with nearly 50,000 rental properties needed to bring the supply of rental homes back to pre-pandemic levels:
  - The number of available rental properties is 11% higher than last year, but 26% below 2019
  - The number of people looking for a rental home is 17% lower than last year, but 54% above 2019
  - The average number of enquiries each home is getting is now 13, down from 19 at this time last year, but still nearly triple the 5 in March 2019
- The overall number of rental properties being reduced in price is at a five-year high, as more tenants hit their affordability ceiling, while the largest homes sector is seeing a record number of properties being reduced in price, dating back to 2012

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2024	£1,291	+0.8%	+8.5%
Q4 2023	£1,280	+0.2%	+9.2%

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

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2024	£2,633	+0.1%	+5.3%
Q4 2023	£2,631	+0.2%	+6.1%

### Inner and Outer London

	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£3,106	-0.2%	+2.8%
Outer London	£2,287	+0.4%	+7.8%



## Overview

The average advertised rent of new properties coming onto the market hits a 17<sup>th</sup> consecutive record, with the average price of rental properties outside of London now £1,291 per calendar month (pcm).

Average rental prices are now 8.5% higher than a year ago, however the pace of rent growth continues to slow and drops for the second quarter in a row.

Average advertised rents in London have seen a more significant slowing in rental price growth. The average rent in London rises by just two pounds to a new record of £2,633 per calendar month.

This means that average rents in the capital are now 5.3% higher than last year, with rent growth steadily slowing since the peak of 16.1% in Q3 2022

Whilst the continued slowing in the pace of rent growth will be welcomed by affordability-constrained tenants, prices are still at record levels.

Although the balance of supply and demand is slowly improving from its peak, there are still nearly 50,000 rental properties needed to head back to the pre-pandemic level of rental supply.

The latest market stats show that the number of rental properties available to tenants is 11% higher than at this time last year, though still 26% below 2019.

Similarly, the number of would-be tenants looking for a home to rent has eased by 17% compared to last year but is still 54% higher than pre-pandemic 2019.

Letting agents are still unable to meet the level of demand from tenants and are now fielding an average of 13 enquiries per rental property. Whilst this is down from 19 at this time last year, it is still nearly triple the average of five back in March 2019.

Whilst average rents are continuing to grow, there is evidence that tenant affordability is being severely tested, as reductions in rental prices are now at a five-year high for this time of year.

The proportion of rental properties that see a reduction in price now stands at 22%, up from 16% at this time last year, and the highest at this time of year since 2019 when it was 23%.

This suggests more landlords are having to reduce the advertised rent to meet the affordability of their local market.

The largest homes, top-of-the-ladder market sector, which includes four-bedroom detached houses and all five-bedroom properties and above, are the most likely to be reduced.

A third (30%) of top-of-the-ladder properties currently see a reduction in price, a new record for this time of year dating back to 2012.

**Rightmove's Director of Property Science Tim Bannister says:** *"The rental market is no longer at peak boiling point but it remains at a very hot simmer. Looking at data across the whole market, we can see some slow improvements for tenants with more choice, and competition with other tenants slowly starting to ease. However, tenants may not feel the benefit of some of these improvements in their local market, as the balance between supply and demand remains so far from pre-pandemic levels. The fact that even with some improvements to the level of supply, we are still nearly 50,000 properties behind the pre-pandemic*

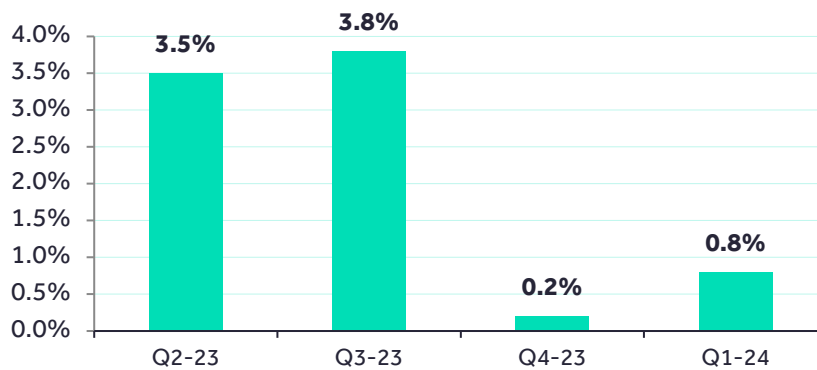


market, is a stark reminder that the industry needs more good quality rental homes, and we need to encourage investment from landlords to provide them.”

## Agent’s views

**Simon Thompson, Group Lettings Director at Miles & Barr in Kent said:** “I think it is fair to say that price growth has eased, however the pace of new supply coming onto the market is also starting to slow, probably due to a combination of the relatively low numbers of new landlords coming into the market, and a few landlords looking to sell. There has been an increased number of price reductions, but this is mainly happening at the top end of the market, with smaller homes still in high-demand. It appears stock will get tighter as we move into the summer months and as such the number of reductions will likely decrease.”

**National quarterly change in average asking rents**



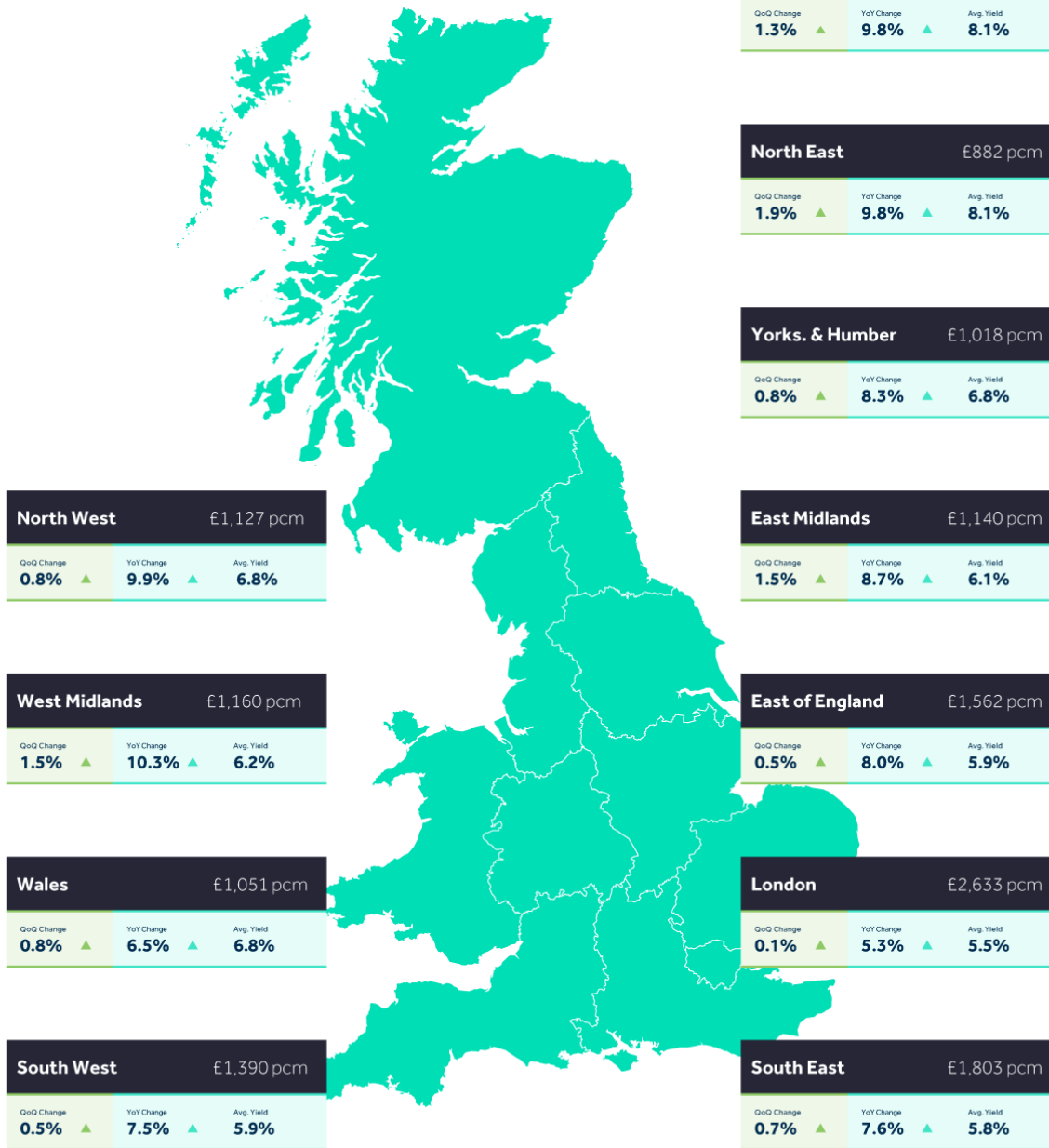


## Regional trends

# Rental Price Tracker

Q1 2024

● Increase from previous month    ● Decrease from previous month





## Landlord yields

Region	Average Landlord yield Q1 2024	Annual change in yield
Great Britain excl. London	6.2%	+0.5%
East Midlands	6.1%	+0.5%
East of England	5.9%	+0.6%
London	5.5%	+0.4%
North East	8.1%	+0.6%
North West	6.8%	+0.5%
Scotland	8.1%	+0.5%
South East	5.8%	+0.5%
South West	5.9%	+0.6%
Wales	6.8%	+0.6%
West Midlands	6.2%	+0.6%
Yorkshire and The Humber	6.8%	+0.5%

## Rental price hotspots

Area	Region	Average asking rent per calendar month Q1 2023	Average asking rent per calendar month Q1 2024	Annual change
Walton-On-Thames, Surrey	South East	£1,521	£2,048	34.6%
Batley, West Yorkshire	Yorkshire and The Humber	£707	£846	19.7%
Coventry, West Midlands	West Midlands	£846	£1,011	19.5%
Reading, Berkshire	South East	£1,344	£1,600	19.1%
Ascot, Berkshire	South East	£1,545	£1,838	18.9%
Bootle, Merseyside	North West	£608	£721	18.5%
Hertford, Hertfordshire	East of England	£1,297	£1,526	17.6%
Southampton, Hampshire	South East	£1,102	£1,295	17.5%
Watford, Hertfordshire	East of England	£1,553	£1,824	17.4%
Paisley, Renfrewshire	Scotland	£679	£797	17.4%



## 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 561,730 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st January – 31<sup>st</sup> March 2024. 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.