



Q4 (October – December 2017)

Under embargo for 00:01 hours, Thursday 11th January 2018

Pace of annual rent rises now lowest since 2014

- 0.7% annual rate of increase in national asking rents (excluding London) in 2017, the lowest since 2014
- Asking rents in London ended the year 1.2% higher than at the end of 2016, the first time the annual rate in the capital has been in positive territory in nearly two years
- South East and Yorkshire and the Humber are the only two regions to end 2017 with asking rents down, while the North East saw rents rising at the highest rate, up 3.3% on 2016
- Farnham in Surrey recorded the highest rental growth outside London at 9% in 2017, followed by Corby in Northamptonshire, up 8.2%

NATIONAL AVERAGE ASKING RENT (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2017	£777	-1.5%	+0.7%
Q3 2017	£789	-0.2%	+1.2%
GREATER LONDON AVERAGE ASKING RENT			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2017	£1,930	+0.5%	+1.2%
Q3 2017	£1,920	-0.7%	-3.3%

National average asking rents (excluding London) rose by just 0.7% in 2017, a much more muted increase than the annual rises recorded in 2015 (+3.7%) and 2016 (+3.0%). Over the last three years tenants have therefore seen landlords increase asking rents by 7.6%. With that equating to a budget-stretching average increase of over £50 per month, a slower pace of rises is understandable.

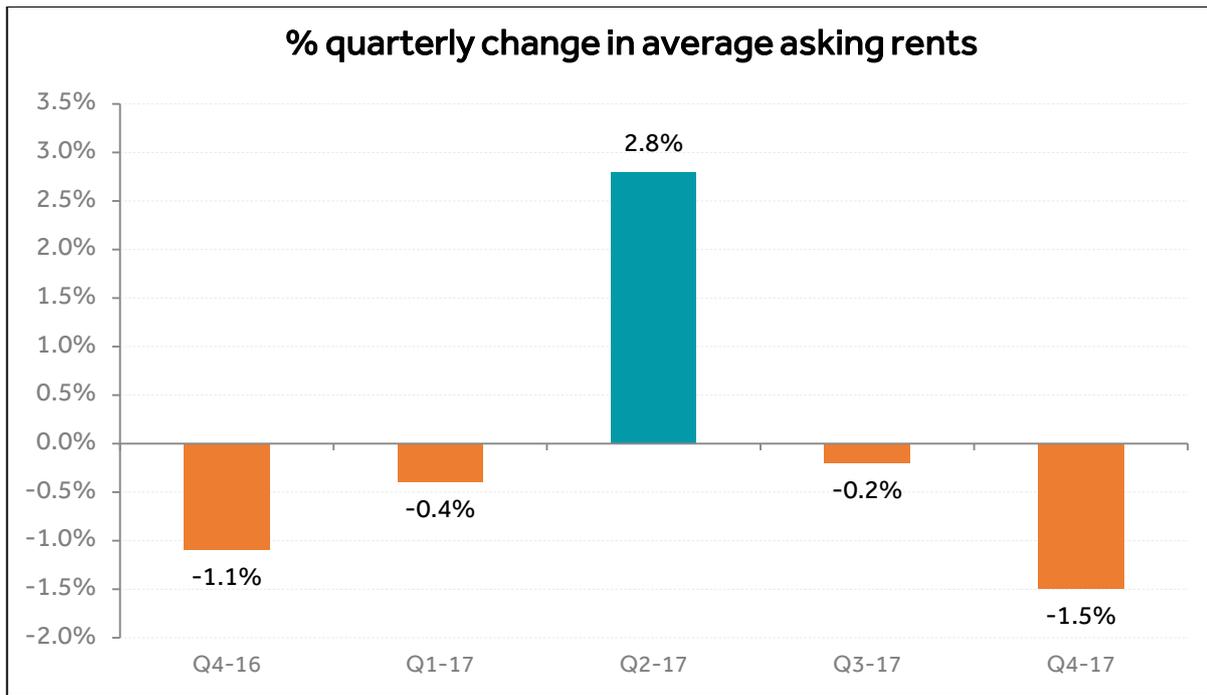
The asking rents of new rental properties coming to market in London are rising again, leading to the first increase in the annual rate of growth since the start of 2016. The uplift comes following a few years of the market readjusting downwards from the heady annual rise of 8% recorded in 2014. The falling rents were also aided by the surge in rental supply in 2016 from landlords who had rushed to buy up properties to rent out before the additional stamp duty on second homes came in. As supply has tightened prices have started to increase again.

The South East seems to be mirroring the downward trend we saw in London, with the region ending the year down 0.7% on 2016. The overall regional trend masks some of the key commuter areas that continue to perform strongly, with Farnham in Surrey coming top for rental price growth in 2017, up 9% on 2016.



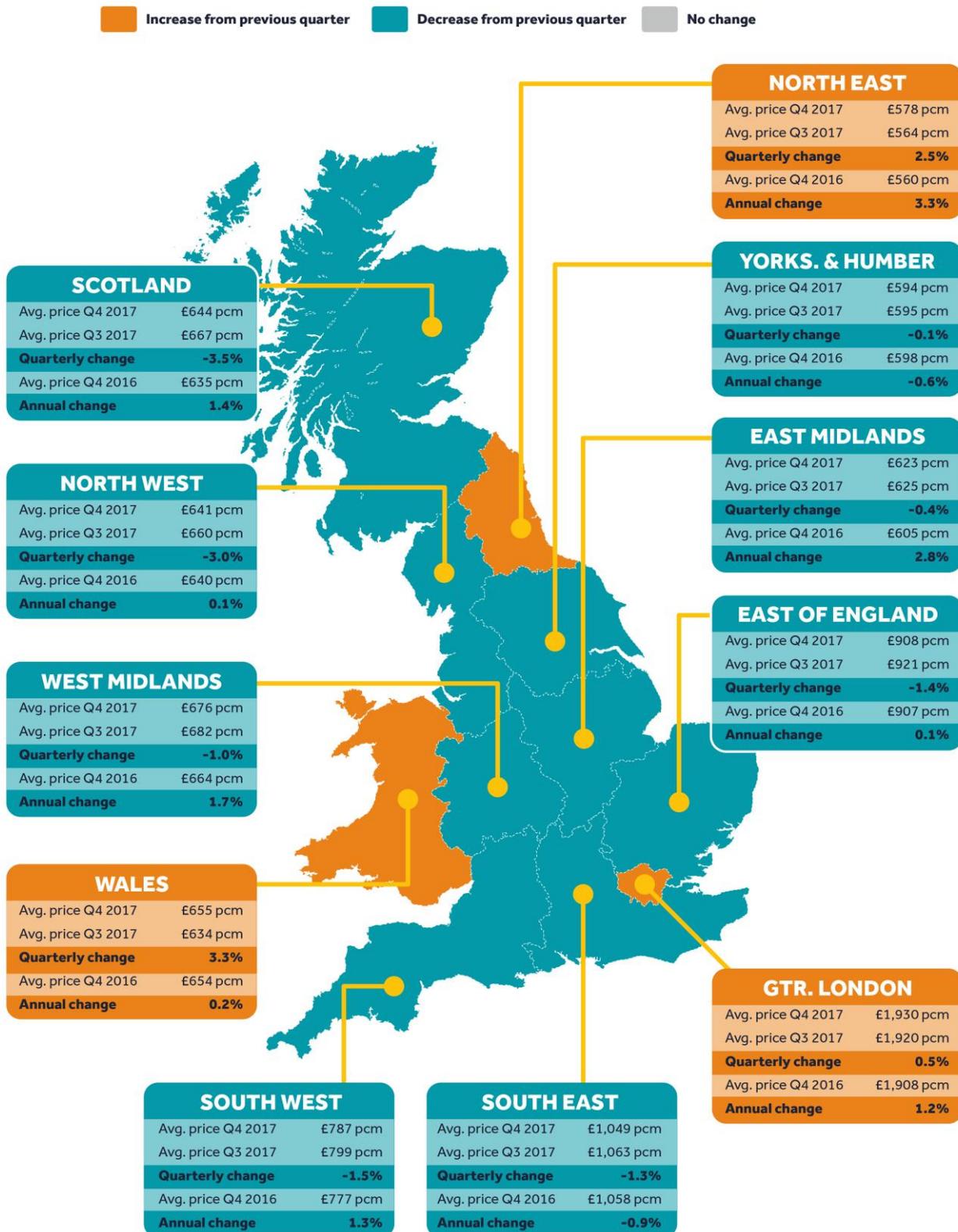
Rightmove Director and housing market analyst Miles Shippside comments: *"Nationally rents have been holding pretty steady over 2017, retaining the 3% plus rises seen in both 2015 and 2016, and adding a more modest 0.7% in the last twelve months. Increasingly stretched tenant affordability, and the surge of buy-to-let property supply beating the stamp duty tax hike deadline, have acted together to mute landlord pricing power. In contrast, after a few years of falling rents in London they're back on the up again, due to a combination of tightening stock available to rent and strong demand.*

"While the 2017/2018 tax year will see the start of the government's changes to tax relief on buy-to-let mortgages, we don't think this first phase will have that much of an effect on many landlords' portfolio decisions until another year down the line. From speaking to some landlords they're unlikely to make any decisions to sell up until they see in real-time how much of an impact it has on their finances, with many choosing to take a wait and see view rather than looking at short-term gains or losses. However, agents report that there are some highly-g geared landlords with large loans looking to reduce their exposure to loss of tax relief by cashing in and selling some properties."





Regional trends





Top five highest growth areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q4 2016	Avg. asking rent per month (2 bed) Q4 2017	Annual change
Farnham, Surrey	£1,025	£1,118	9.0%
Corby, Northamptonshire	£623	£674	8.2%
Blyth, Northumberland	£397	£429	8.1%
West Bromwich, West Midlands	£539	£576	6.9%
Folkestone, Kent	£650	£694	6.7%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) - Q4 2017
Oldham, Greater Manchester	£508
Bury, Greater Manchester	£571
Grimsby, Lincolnshire	£448
Leigh, Greater Manchester	£440
Ellesmere Port, Cheshire	£534

Top five highest growth areas in Greater London

Area	Avg. asking rent per month (2 bed) – Q4 2016	Avg. asking rent per month (2 bed) – Q4 2017	Annual change
Elephant and Castle	£1,694	£1,901	12.2%
Battersea	£2,034	£2,255	10.8%
Hampstead	£2,359	£2,544	7.8%
Rainham	£1,053	£1,112	5.6%
Barnes	£1,918	£2,011	4.8%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q4 2017
Kennington	£1,857
Camberwell	£1,604
West Wickham	£1,108
West Norwood	£1,370
Mitcham	£1,228



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.

Rightmove measured 305,091 asking rents. The properties were advertised on Rightmove.co.uk by agents in Q4 2017. This month 13,753 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.