



Q3 (July – September 2018)

Friday 26th October 2018

Drop in available rental properties pushes asking rents to record high

- Average asking rents outside London have hit over £800 per month for the first time, fuelled by fewer available rental properties for prospective tenants to choose from:
 - The quarterly rent rise of 0.8% is the biggest jump recorded at this time of year since 2015
 - There are 8.7% fewer rental properties marked available compared to this time last year
 - A 14% drop in mortgage approvals for new buy-to-let purchases compared to the same period last year has contributed to the lack of choice
- In London, the number of available rental properties is down by 19.4%, with agents finding tenants four days quicker for landlords' properties than a year ago

NATIONAL AVERAGE ASKING RENT FOR ALL PROPERTY TYPES (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2018	£802	+0.8%	+1.7%
Q2 2018	£796	+2.7%	+0.7%
GREATER LONDON AVERAGE ASKING RENT FOR ALL PROPERTY TYPES			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2018	£1,992	-0.4%	+3.7%
Q2 2018	£2,000	+3.4%	+3.4%

A continuing trend of fewer property investors purchasing buy-to-let properties has led to record high rents and a lack of available rental properties this quarter, increasing competition among many prospective tenants looking for the right home.

The average asking rent of a home outside London surpassed £800 for the first time, up to £802 per month in the third quarter of 2018. Available stock numbers have dropped by 8.7%, exacerbated by a 19.4% fall in London. As we reported earlier this month in our House Price Index, one factor for this lack of rental stock is the drop in new buy-to-let mortgage approvals, down 14% compared to a year ago and by 53% compared to three years ago, prior to the extra stamp duty surcharges on second homes.

Rightmove's Commercial Director and Housing Market Analyst Miles Shippside comments: *"Rental demand is currently outstripping supply in many locations, especially in the capital. The exit of more landlords from the buy-to-let market in recent years has been due to a raft of different factors, from the more onerous tax regime and more stringent borrowing criteria, to the higher stamp duty on second home purchases and extra legal*

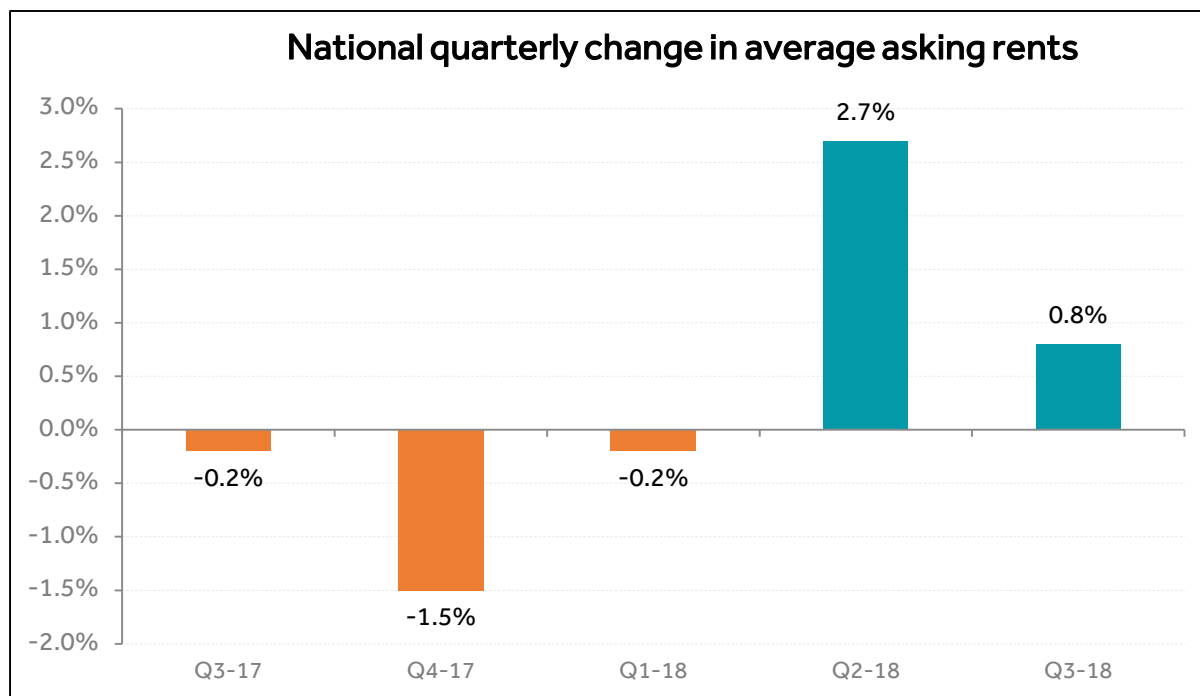


obligations. What we're left with is a lack of available homes for tenants looking to find their next place to rent, meaning that when the right kind of property does come along it isn't sticking around for very long before it's snapped up."

It's now four days quicker than this time last year for a rental property to be marked 'let agreed' in London, down from 41 days to 37 days. The majority of other regions are yet to see lower available stock translate through to a quicker time to let, with the national average of 35 days remaining the same as this time last year.

Scotland performed best for price growth in Q3, with a 2.8% increase in asking rents leading to an annual rate of 3.8%. Both Stirling and Hamilton made it into the top five areas around Great Britain with the highest tenant demand, alongside three areas in the North West: Ashton-Under-Lyne, Oldham, and Bootle. Glasgow made the top five for the highest growth in asking rents, now running at 5.1% higher than this time last year.

Shipside observes: "Although some of the shortfall in supply will be met by quality housing provided by Build to Rent schemes in the coming years, it's likely stock shortages will remain in areas with a high concentration of renters. Given this backdrop and rents likely to rise, private landlords should try and look beyond the current challenges if they can and stay in the sector. If they concentrate on improving the spec of their existing properties and buy better quality accommodation to add to their portfolios, tenant demand should steadily improve rental yields. Long term security is important too so see if landlords are open to negotiating a longer tenancy, perhaps with inflation only increases, as many will be keen to keep good tenants."

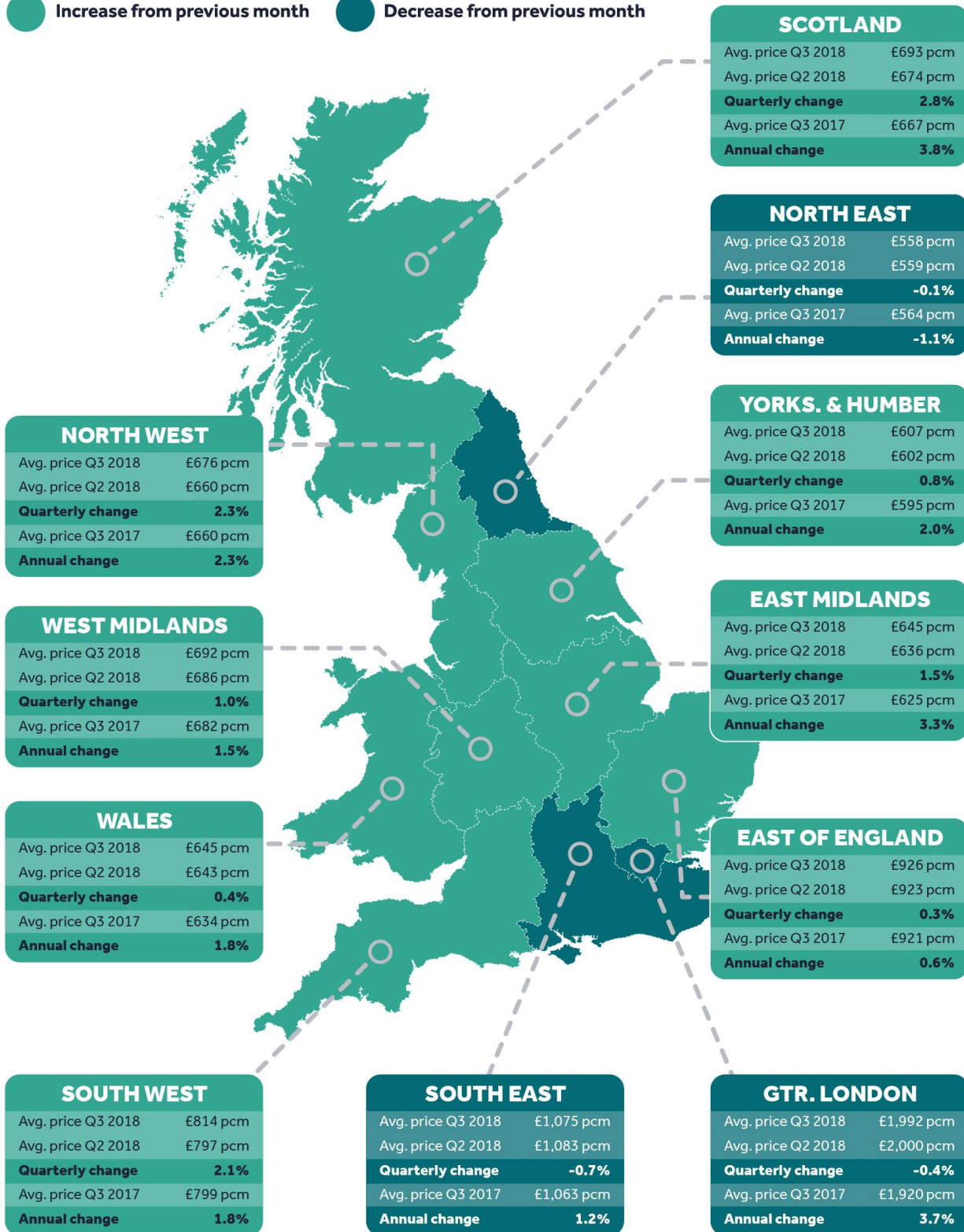




Regional trends

 Increase from previous month

 Decrease from previous month





Top five highest growth areas outside Greater London 2017-2018

Area	Avg. asking rent per month (2 bed) Q3 2017	Avg. asking rent per month (2 bed) Q3 2018	Annual change
Willenhall	£501	£540	7.8%
Clacton-On-Sea	£679	£731	7.7%
St. Leonards-On-Sea	£681	£721	5.8%
Southend-On-Sea	£823	£869	5.6%
Glasgow	£678	£712	5.1%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q3 2018
Ashton-Under-Lyne	£519
Stirling	£659
Oldham	£522
Hamilton	£522
Bootle	£445

Top five highest growth areas in Greater London 2017-2018

Area	Avg. asking rent per month (2 bed) – Q3 2017	Avg. asking rent per month (2 bed) – Q3 2018	Annual change
Hayes	£1,263	£1,375	8.9%
West Wickham	£1,104	£1,192	8.0%
Greenford	£1,279	£1,369	7.0%
Biggin Hill	£1,062	£1,132	6.6%
Northwood	£1,301	£1,371	5.4%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q3 2018
Elephant and Castle	£1,876
Peckham	£1,548
Camberwell	£1,599
Kennington	£2,161
Coulsdon	£1,101



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.

Quarterly data: Rightmove measured 346,608 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st July – 30th September 2018. This month 15,322 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.