



Q4 (October – December 2018)

Under embargo until 00.01 Thursday 17th January 2019

London asking rents hit record high as available properties dwindle

- Average asking rents in London rose to an all-time high by the end of 2018, surpassing the previous peak from almost three years ago in Q1 2016
 - Asking rents in the capital are now increasing at an annual rate not seen since Q1 2015
 - Compared with this time last year, available rental stock in London is down 22%
- Nationally outside London, there are 10% fewer rental properties marked available compared to this time last year
- Rightmove predicts that asking rents will rise by 3% outside London, and 4% in London in 2019
- Hertford saw the largest rise in demand from tenants over the past year outside London, while East Ham has seen the biggest increase in demand in London

NATIONAL AVERAGE ASKING RENT FOR ALL PROPERTY TYPES (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2018	£798	-0.6%	+2.7%
Q3 2018	£802	+0.8%	+1.7%
GREATER LONDON AVERAGE ASKING RENT FOR ALL PROPERTY TYPES			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2018	£2,034	+2.1%	+5.3%
Q3 2018	£1,992	-0.4%	+3.7%

The flood of rental properties that came to market in the capital between 2016 and 2017 helped to curb rental prices for a few years, with asking rents dropping to and staying under £2,000 per month for almost three years. Now, the subsequent drop in buy to let activity and increased demand from tenants has led to a lack of choice for tenants and rents rising to a new record of £2,034 per month, surpassing the high of 2016.

Rightmove's Commercial Director and Housing Market Analyst Miles Shippside comments: *"The increasing rents in London reflect that demand has been exceeding supply over the past year. When the Government introduced higher stamp duty on second home purchases back in 2016, it deterred many landlords from investing in the buy-to-let market, which in turn has exacerbated this ongoing dearth of available properties, and we're yet to see any significant boost in stock from the many build-to-rent programmes. In addition, the more punitive treatment of tax reliefs has meant some landlords are also exiting."*



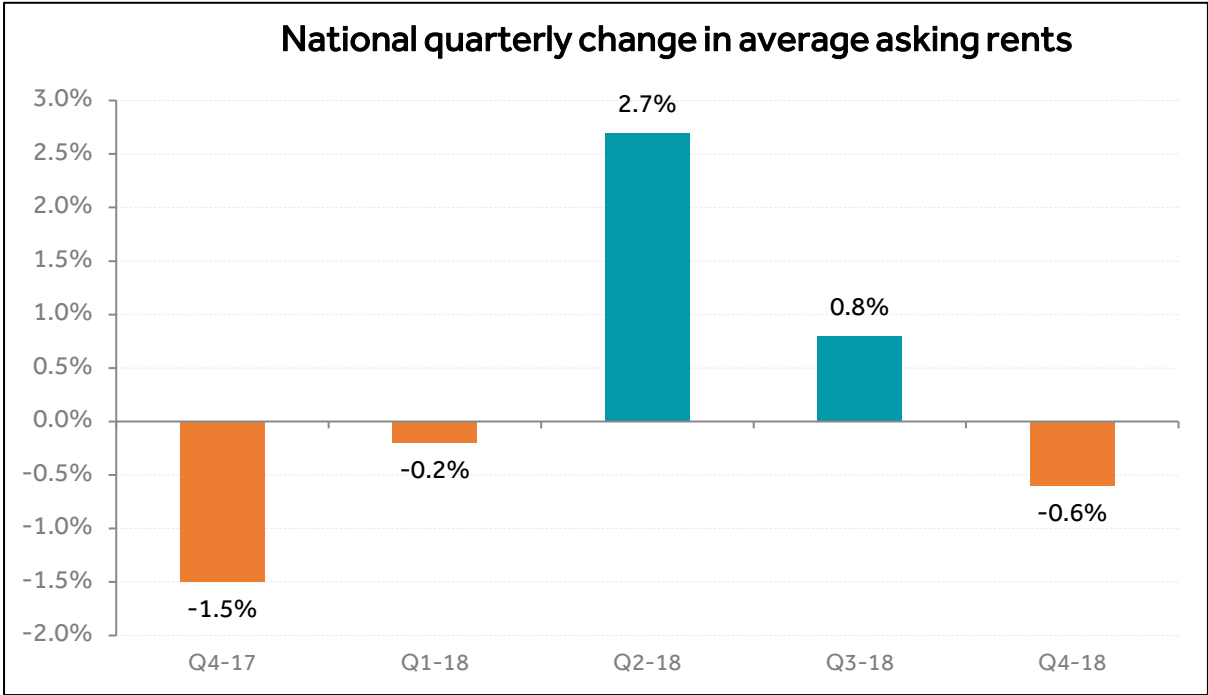
Outside London, it's places in the North West that have seen the biggest increase in tenant demand, with six towns from the region making the top ten this year. The top five include Hertford, Bootle, Bracknell, Winsford and Prenton. In the capital, East London dominates the top five, which comprised East Ham, Forest Gate, Biggin Hill, Elephant and Castle and Chadwell Heath.

Hayes, Notting Hill, Hammersmith, Canary Wharf and Highgate made it into the top five London areas where asking rents have increased the most, with Newbury, Swansea, Dundee, Dudley and Hinckley being the spots where asking rents have risen the most across the rest of Great Britain.

Shipside observes: *"We forecast that average asking rents will continue to slowly strengthen further in 2019, by perhaps 3% outside London. In the capital there are no signs of an increase in buy-to-let activity, which may lead to asking rents growing further by around 4%. A mutually beneficial plan for both buy-to-let landlords and tenants is to strike up a genuine rapport. It eases landlords' concerns if they have a tenant in situ for several years, while a tenant with a good relationship with their landlord will stand a better chance of negotiating more favourable rents."*

Top ten places where tenant demand increased the most in 2018

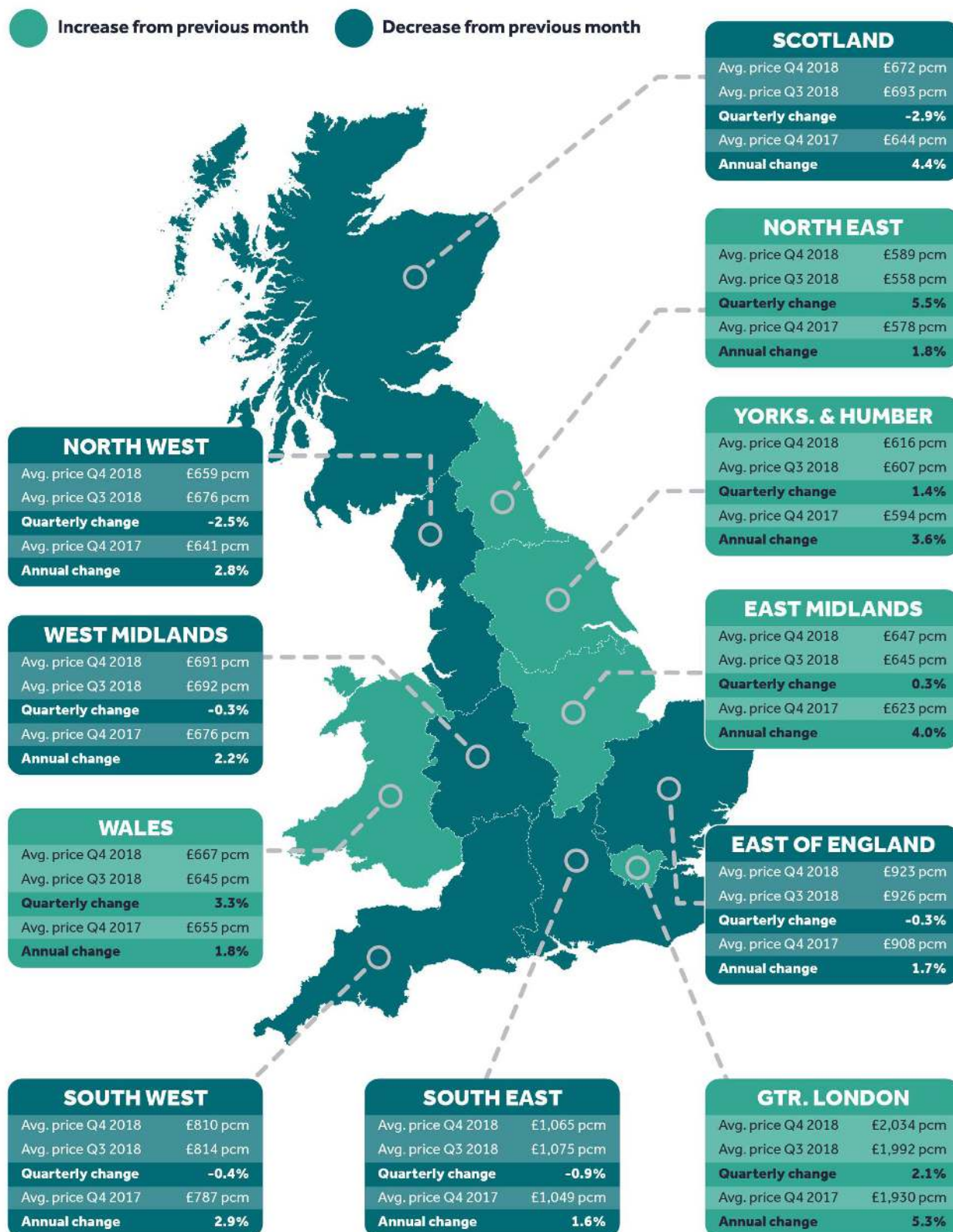
Rank	Outside London	In London
1	Hertford	East Ham
2	Bootle	Forest Gate
3	Bracknell	Biggin Hill
4	Winsford	Elephant and Castle
5	Prenton	Chadwell Heath
6	Borehamwood	Bow
7	Morecambe	Highbury
8	Mansfield	Battersea
9	Runcorn	Canary Wharf
10	Birkenhead	Brentford



The Rightmove Rental Trends Tracker



Regional trends





Top five highest growth areas outside Greater London 2017-2018

Area	Avg. asking rent per month (2 bed) Q4 2017	Avg. asking rent per month (2 bed) Q4 2018	Annual change
Newbury	£907	£979	8.0%
Swansea	£589	£636	8.0%
Dundee	£537	£578	7.5%
Dudley	£536	£576	7.5%
Hinckley	£578	£620	7.2%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q4 2018
Ashton-Under-Lyne	£514
Stalybridge	£540
Oldham	£538
Bootle	£435
Winsford	£529

Top five highest growth areas in Greater London 2017-2018

Area	Avg. asking rent per month (2 bed) – Q4 2017	Avg. asking rent per month (2 bed) – Q4 2018	Annual change
Hayes	£1,247	£1,391	11.5%
Notting Hill	£2,480	£2,725	9.9%
Hammersmith	£2,917	£3,202	9.8%
Canary Wharf	£2,003	£2,192	9.4%
Highgate	£1,749	£1,899	8.6%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q4 2018
Camberwell	£1,573
Kennington	£2,307
Elephant and Castle	£1,892
Biggin Hill	£1,147
Chadwell Heath	£1,170



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 274,934 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st October – 31st December 2018. This month 12,321 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.