The Rightmove Rental Trends Tracker

Q2 (April – June 2019)

Under embargo until 00.01 hours, Friday 19th July 2019

Tenant demand uplift seven times the norm as Tenant Fees Act comes in

- Demand from tenants looking for a new place increased 7% between May and June, an uplift seven times bigger when compared to the previous four-year average of just 1% at this time of year

- In London there was a 13% increase in demand from May to June, compared to a four-year average of 4%

- Agents are reporting an increase in enquiries from tenants looking to move now that the majority of tenant fees have been removed

- Nationally (excluding London) asking rents are at a record high of £817 per month, and running at 2.7% up on a year ago as rents continue their steady annual rise

NATIONAL AVERAGE ASKING RENT FOR ALL PROPERTY TYPES (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2019	£817	+2.7%	+2.7%
Q1 2019	£796	-0.2%	+2.7%
GREATER LONDON AVERAGE ASKING RENT FOR ALL PROPERTY TYPES			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2019	£2,059	-1.6%	+3.0%
Q1 2019	£2,093	+2.9%	+8.2%

New data from Rightmove reveals an uplift in tenant demand seven times bigger than usual as those waiting until after the change to tenant fees came in on 1st June entered the market.

The figures could suggest people are looking to move earlier than usual, as the peak in demand usually comes in July. There will also be some who have been given a new impetus to move by the removal of most tenant fees, giving them a saving of hundreds of pounds in some cases.

The change in national tenant demand between May and June is usually muted, and was about 1% over the past four years, but this year the uplift is 7%.

The rental stock shortage of the last few years, along with this increase in demand, means tenants are likely to find the next few months more challenging to find the right property for them.

Average asking rents outside London hit at an all-time high of £817 per month in Q2, with the annual rate of 2.7% showing the same steady rise for the last three quarters.
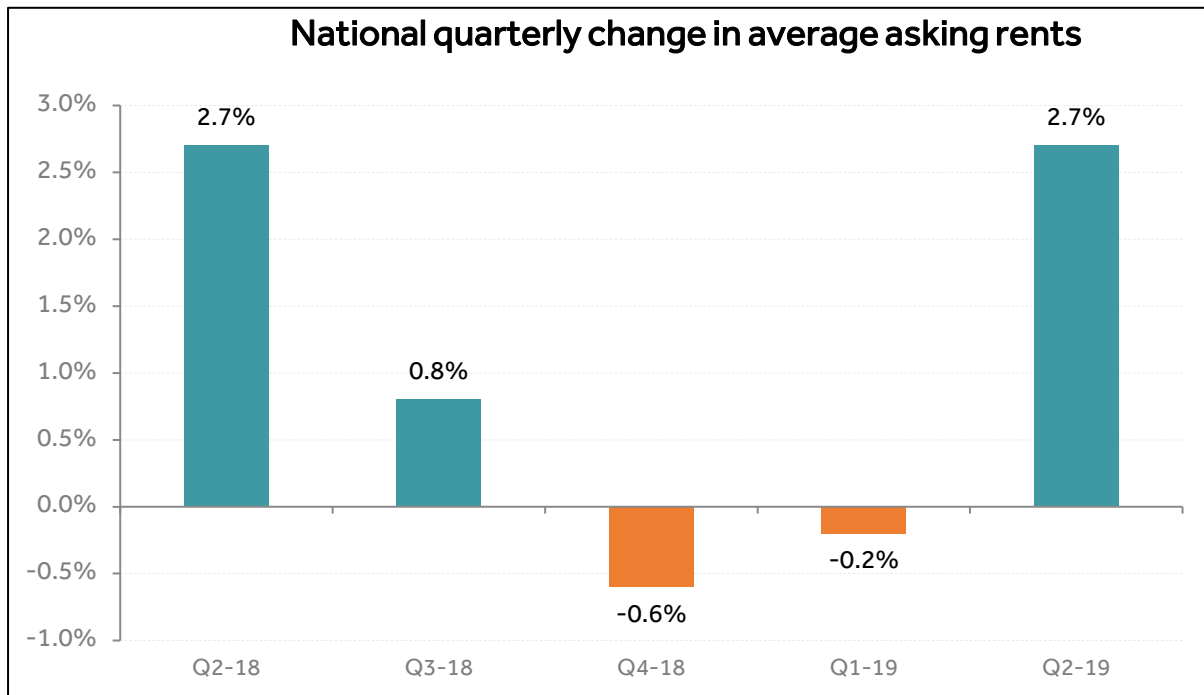
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Rightmove's Commercial Director and Housing Market Analyst Miles Shipside comments: *"A spike in tenants looking for a new place to live indicates some unsurprisingly held out until fees to start a new tenancy were removed by the government at the start of June. The ongoing shortage of quality stock could end up being exacerbated further by landlords whose tenants are now giving their notice so they can move on without paying fees, and some of those landlords then choosing to sell up rather than let it out again.*

"Asking rents are at a new record, rising at nearly 3% a year as demand for quality properties outstrips supply. However, the rise in rental prices may also mean some agents or landlords have attempted to raise rents to help compensate for a loss of tenant fees. More build to rent developments with more premium offerings and rents could also be adding to the average increase."

Agents' views

Melanie Howarth, branch manager at Northwood in Doncaster, said: *"We've seen a massive increase in enquiries and we're having to do everything differently now, such as arranging to meet lots of tenants at a property all at once. We've seen such an influx of interest, I'd say every property is seeing double, maybe triple, the levels of interest that it would have received prior to the tenant fee ban being introduced as it's now cheaper for tenants to move around from property to property."*

Richard Davies, Head of Lettings at Chestertons, said: *"We've seen a 17% increase in the number of tenants registering to view properties since the tenant fee ban came in on the 1st June compared to the same time last year. This spike in demand from tenants has meant that there has been a lot more competition for rental properties, and tenants are often paying above asking price to secure their first-choice property. Paying over asking price for rental properties in the peak summer lettings season is not too unusual in London, but we have noticed that tenants are more prepared to do so since the fee ban came in, potentially because they feel they are saving money on additional fees so can afford to spend a little more on their monthly rent to secure the right property."*
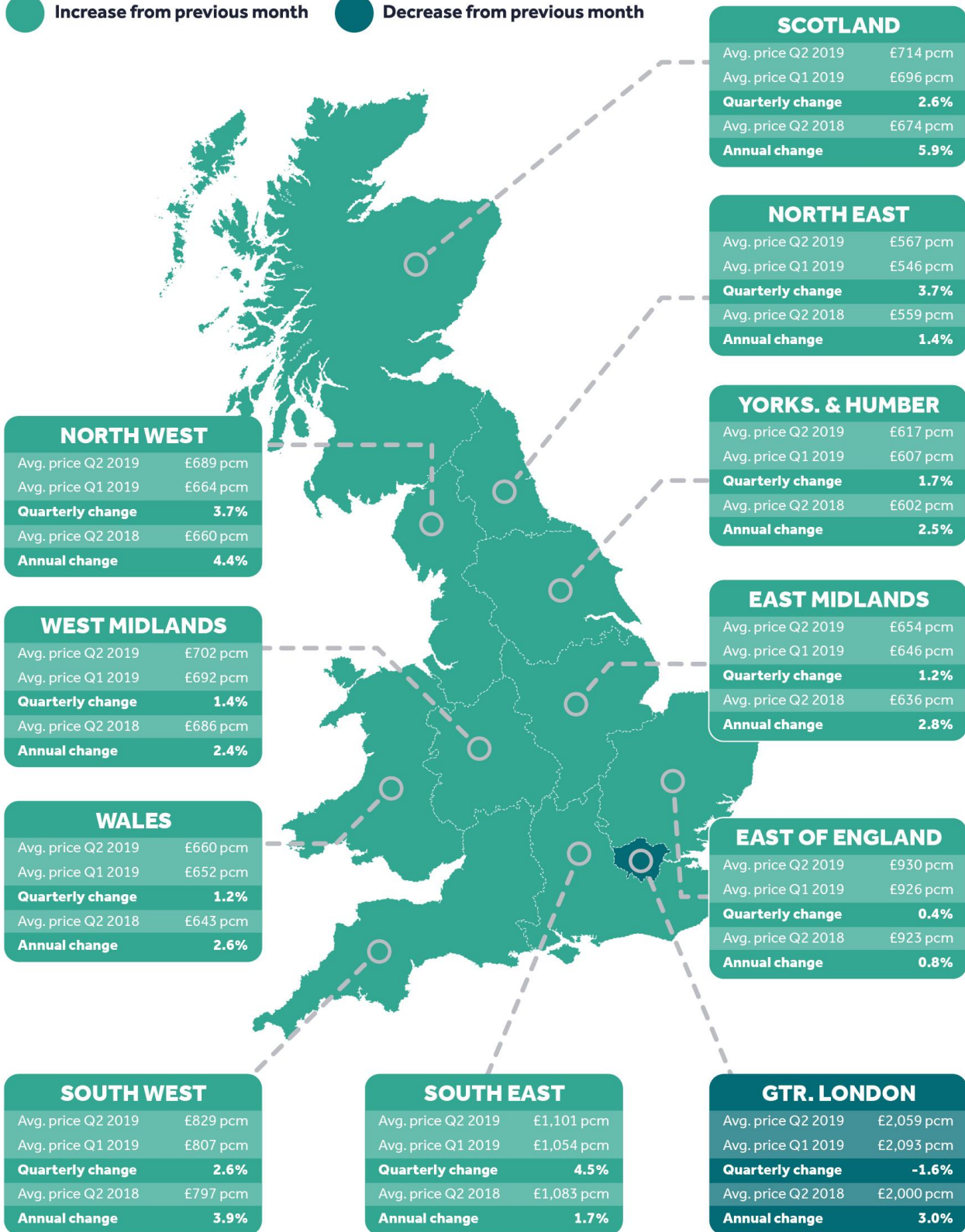
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National quarterly change in average asking rents

Quarter	Change
Q2-18	2.7%
Q3-18	0.8%
Q4-18	-0.6%
Q1-19	-0.2%
Q2-19	2.7%

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Regional trends

● Increase from previous month ● Decrease from previous month

SCOTLAND

Avg. price Q2 2019	£714 pcm
Avg. price Q1 2019	£696 pcm
Quarterly change	**2.6%**
Avg. price Q2 2018	£674 pcm
Annual change	**5.9%**

NORTH EAST

Avg. price Q2 2019	£567 pcm
Avg. price Q1 2019	£546 pcm
Quarterly change	**3.7%**
Avg. price Q2 2018	£559 pcm
Annual change	**1.4%**

YORKS. & HUMBER

Avg. price Q2 2019	£617 pcm
Avg. price Q1 2019	£607 pcm
Quarterly change	**1.7%**
Avg. price Q2 2018	£602 pcm
Annual change	**2.5%**

NORTH WEST

Avg. price Q2 2019	£689 pcm
Avg. price Q1 2019	£664 pcm
Quarterly change	**3.7%**
Avg. price Q2 2018	£660 pcm
Annual change	**4.4%**

EAST MIDLANDS

Avg. price Q2 2019	£654 pcm
Avg. price Q1 2019	£646 pcm
Quarterly change	**1.2%**
Avg. price Q2 2018	£636 pcm
Annual change	**2.8%**

WEST MIDLANDS

Avg. price Q2 2019	£702 pcm
Avg. price Q1 2019	£692 pcm
Quarterly change	**1.4%**
Avg. price Q2 2018	£686 pcm
Annual change	**2.4%**

WALES

Avg. price Q2 2019	£660 pcm
Avg. price Q1 2019	£652 pcm
Quarterly change	**1.2%**
Avg. price Q2 2018	£643 pcm
Annual change	**2.6%**

EAST OF ENGLAND

Avg. price Q2 2019	£930 pcm
Avg. price Q1 2019	£926 pcm
Quarterly change	**0.4%**
Avg. price Q2 2018	£923 pcm
Annual change	**0.8%**

SOUTH WEST

Avg. price Q2 2019	£829 pcm
Avg. price Q1 2019	£807 pcm
Quarterly change	**2.6%**
Avg. price Q2 2018	£797 pcm
Annual change	**3.9%**

SOUTH EAST

Avg. price Q2 2019	£1,101 pcm
Avg. price Q1 2019	£1,054 pcm
Quarterly change	**4.5%**
Avg. price Q2 2018	£1,083 pcm
Annual change	**1.7%**

GTR. LONDON

Avg. price Q2 2019	£2,059 pcm
Avg. price Q1 2019	£2,093 pcm
Quarterly change	**-1.6%**
Avg. price Q2 2018	£2,000 pcm
Annual change	**3.0%**

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Top five highest growth areas outside Greater London Q2 2019

Area	Avg. asking rent per month (2 bed) Q2 2018	Avg. asking rent per month (2 bed) Q2 2019	Annual change
Batley	£491	£544	10.9%
Stirling	£649	£707	8.8%
Durham	£530	£569	7.4%
Ascot	£1,393	£1,491	7.0%
Newcastle Under Lyme	£550	£587	6.6%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q2 2019
Ashton-Under-Lyne	£541
Oldham	£543
Bootle	£446
Pontypool	£536
Wigston	£631

Top five highest growth areas in Greater London Q2 2019

Area	Avg. asking rent per month (2 bed) – Q2 2018	Avg. asking rent per month (2 bed) – Q2 2019	Annual change
Battersea	£2,240	£2,671	19.2%
Golders Green	£1,735	£1,990	14.7%
Elephant and Castle	£1,856	£2,101	13.2%
Coulsdon	£1,144	£1,274	11.3%
Southwark	£2,410	£2,677	11.1%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q2 2019
Sidcup	£1,148
Coulsdon	£1,274
Chadwell Heath	£1,168
Peckham	£1,533
South Norwood	£1,248

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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 304,297 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st April – 30th June 2019. 13,658 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.

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