

LANDBAY[®]

Rental Index

Powered by MIAC
Results for April 2017

Key Findings

Analysis

UK Rental Index by Number of Beds



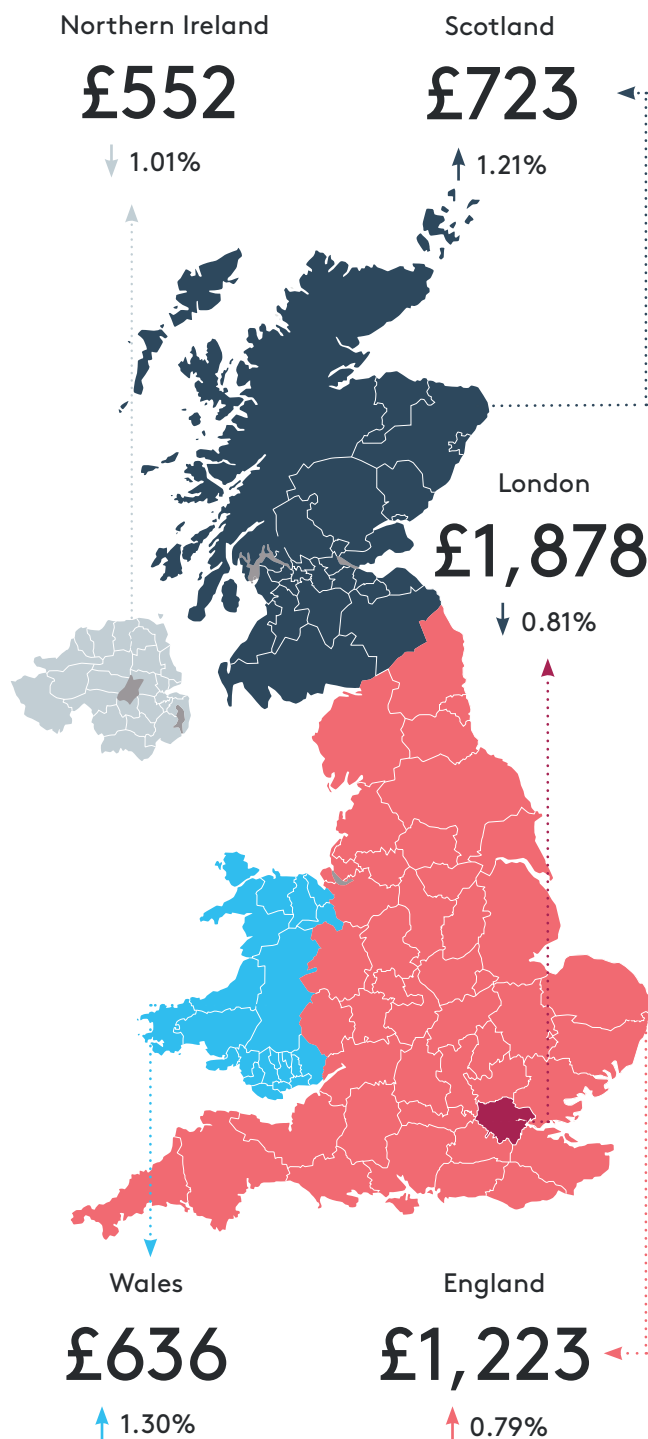
Nation-wide regeneration continues to drive the downward rental growth of London's prime spots.

London's prime central boroughs continue to experience negative rental growth as outer boroughs and counties outside the city, undergo massive efforts in regeneration.

While rental prices have fallen in areas such as Kensington & Chelsea, outer boroughs like Barking & Dagenham are beginning to take centre stage, as rental rates soar. Multi-million-pound council investment spread across the development of new housing and public spaces in this borough has seen the influx of new residents and a greater interest in the area from millennials looking to live in London. However, with rental supply unable to meet demand, prices are on the up. This is a significant worry for millennials, with whom outer London boroughs are popular, as recent data highlights that rental bills account for upwards of a third of their monthly take-home pay. Despite consistent price drops, Westminster and Kensington & Chelsea continue to have the highest average rental rates, while Bexley has the lowest, at almost one third of their price (£992/month).

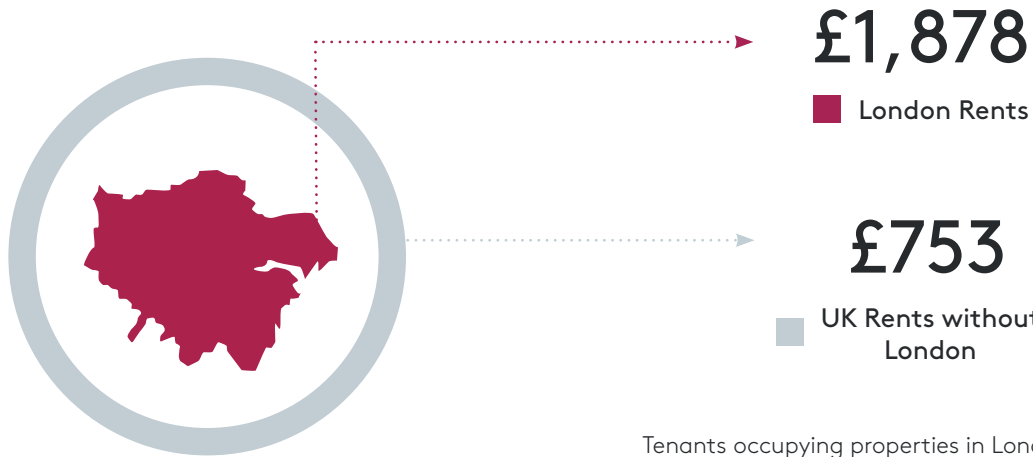
Overall, in the United Kingdom, the fastest Month-on-Month rental growth occurred in England (minus London) and Scotland. Areas of particular significance in the latter are the central regions of West Lothian, East Lothian and Edinburgh City, where average rental prices even rival those of some boroughs in London, at £998/month. Alternatively, in England (minus London), some of the fastest rates of rental increase come from the east of the country. Areas such as Peterborough, which is undergoing expansive regeneration backed by £130 million of business investment, incurred an average increase of 4.41% in the last year and continues to sport relatively low rental prices despite the upwards trend. At the other end of the spectrum, the areas of North East Lincolnshire and Kingston Upon Hull, offer some of the lowest rental rates in the country at £443/month and £434/month, respectively.

Rental Price Rise Across the UK - Year on Year



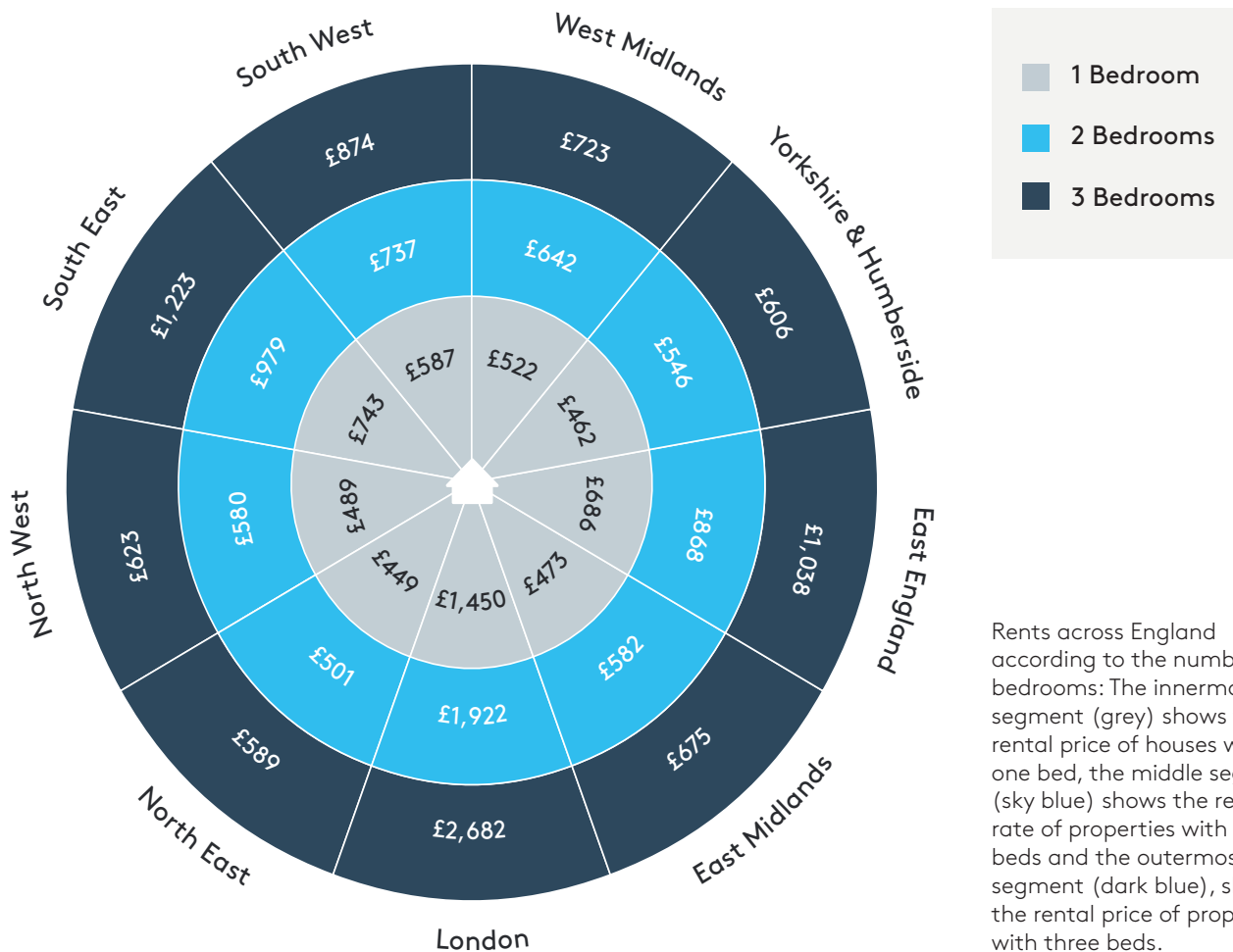
Since April 2016, average rents in the UK have risen by 0.82% to £1,191. In England, rents were up by 0.79% to £1,223; in London, however, rents fell by 0.81%. In Northern Ireland, rental prices also fell by 1.01% to £552; meanwhile in Scotland, rents rose to £723 following annual growth of 1.21%; in Wales, the average rent rose by 1.30% to £636.

Rental Comparison: London vs Rest of UK

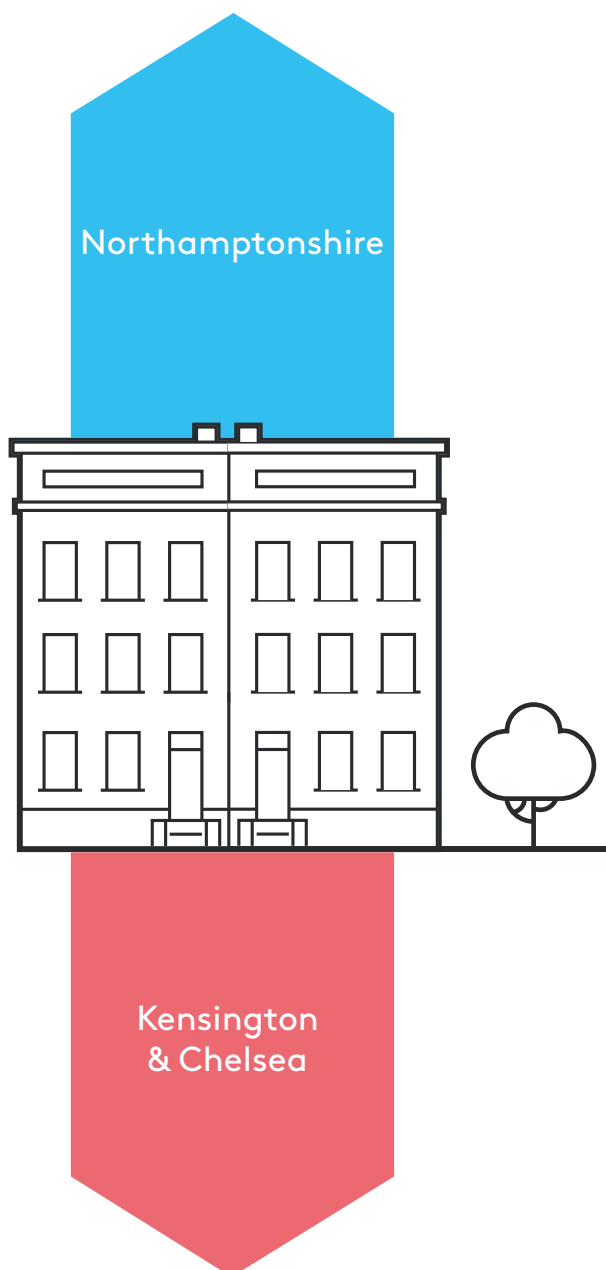


Tenants occupying properties in London are now spending an average of £1,878 on rent, whilst tenants outside the capital are paying £753 on average.

Average Regional Rents in England by Number of Beds



Rents across England according to the number of bedrooms: The innermost segment (grey) shows the rental price of houses with one bed, the middle segment (sky blue) shows the rental rate of properties with two beds and the outermost segment (dark blue), shows the rental price of properties with three beds.



Spotlight on Northamptonshire

Situated in the East Midlands, rents in the county of Northamptonshire have grown so rapidly as to surpass the average yearly and monthly rental growth of all other counties in the region. Since last year, prices have increased by 4.75% and in the last month alone, jumped by 0.35% to £717/month. This is the highest average rental price of all the East Midlands counties, followed by Rutland and then Nottingham.

One of the reasons for this upwards trend is the regeneration that is happening in the area. As part of the Northampton Alive plan, over 15 major community projects have already been completed. These include the building of canal towpaths, a new University of Northampton innovation Centre and a cycle hire scheme. Projects that are currently in progress include building of a new 'Cultural Quarter' and a state-of-the-art athletics track and redevelopment of the town centre.

Spotlight on Kensington & Chelsea

The pastel-coloured properties lining the streets of this affluent borough have traditionally been some of the most highly sought-after houses in London.

Indeed, the current average rental price in Kensington & Chelsea (£3,050/month) still beats all other boroughs in the city, with the exception of Westminster, to take top spot as the most expensive place to live in the capital. However, rental rates here are beginning to fall as incoming residents look to outer boroughs for a place to call home. Prices in Kensington & Chelsea have fallen by 3.12% in the last year with an average monthly drop of 0.15%. Other factors which may be contributing towards this downward trend include the uncertainty caused by Brexit and the redevelopment of other areas outside London.

UK Rental Index by Number of Beds

April 17	Year on Year (%)	Month on Month (%)	Av. Rent (£)
All Bedrooms			
UK	0.82%	0.04%	1,191
England	0.79%	0.04%	1,223
Scotland	1.21%	0.09%	723
Wales	1.30%	0.10%	636
London	-0.81%	-0.09%	1,878
UK minus London	1.72%	0.12%	753
1 Bedroom			
UK	0.55%	0.01%	1,012
England	0.49%	0.01%	1,046
Scotland	0.96%	-0.01%	545
Wales	1.70%	0.09%	541
London	-0.89%	-0.11%	1,450
UK minus London	1.72%	0.11%	594
2 Bedrooms			
UK	0.70%	0.04%	1,153
England	0.65%	0.04%	1,188
Scotland	1.17%	0.09%	688
Wales	1.14%	0.05%	652
London	-1.04%	-0.11%	1,922
UK minus London	1.60%	0.12%	710
3 Bedrooms			
UK	1.16%	0.07%	1,322
England	1.13%	0.06%	1,343
Scotland	1.69%	0.19%	1,116
Wales	1.34%	0.14%	610
London	-0.67%	-0.12%	2,682
UK minus London	1.79%	0.13%	819

LANDBAY Rent Check

Rent Check is an online tool that allows tenants and landlords to validate movements in their own rents against others in their area in a fast and user-friendly way.

The postcode search widget harnesses sophisticated UK wide data from Landbay's monthly Rental Index, powered by MIAC. The index maps annual and monthly trends in advertised and actual rents, both geographically and by bedroom number, providing unique and sensitive insight into market movements and social mobility.

To validate your rent change by area and number of bedrooms, please visit rentcheck.landbay.co.uk

The Landbay Rental Index

The Landbay Rental Index includes unique granular level detail, looking at local trends to the county and London Borough level, including further segmentations by number of bedrooms.

The credibility of any index is highly dependent on the breadth and depth of underlying data used, which is why this rental index utilises data from Zoopla, the British property website. Approximately 100,000 properties are analysed each month to form the index.

The rental values are mix adjusted by property type, number of beds and geography to ensure that any change in the composition of the data over time does not skew the results. The changes in rents are calculated based on matched samples of homogenous or identical data points over time. MIAC employs sophisticated smoothing techniques and interpolation to filter 'noise' and optimise the signal from the data.

Landbay and MIAC do not make any declaration regarding the accuracy or completeness of the Rental Index; collectively reserving the right to adjust the methodology and to edit or withdraw any reports or data. Landbay and MIAC shall not be liable for any decisions made or action taken in response to the published data.

Additional sources:

BBC. "Peterborough's £130m regeneration bid backed." Feb 2014, <http://www.bbc.co.uk/news/uk-england-cambridgeshire-26327419>

Northampton Enterprise Zone. "Northampton Alive with Enterprise." <http://www.northamptonez.co.uk/northampton/about-alive/>