

**LANDBAY<sup>®</sup>**

# Rental Index

Powered by MIAC  
Results for January 2017

Key Findings

Top 20 Areas with Highest Rental Growth

Analysis

Index by Bedroom



## Average Rents Across UK and in Top 10 High-Growth PRS Areas

**£721**

Scotland

**£558**

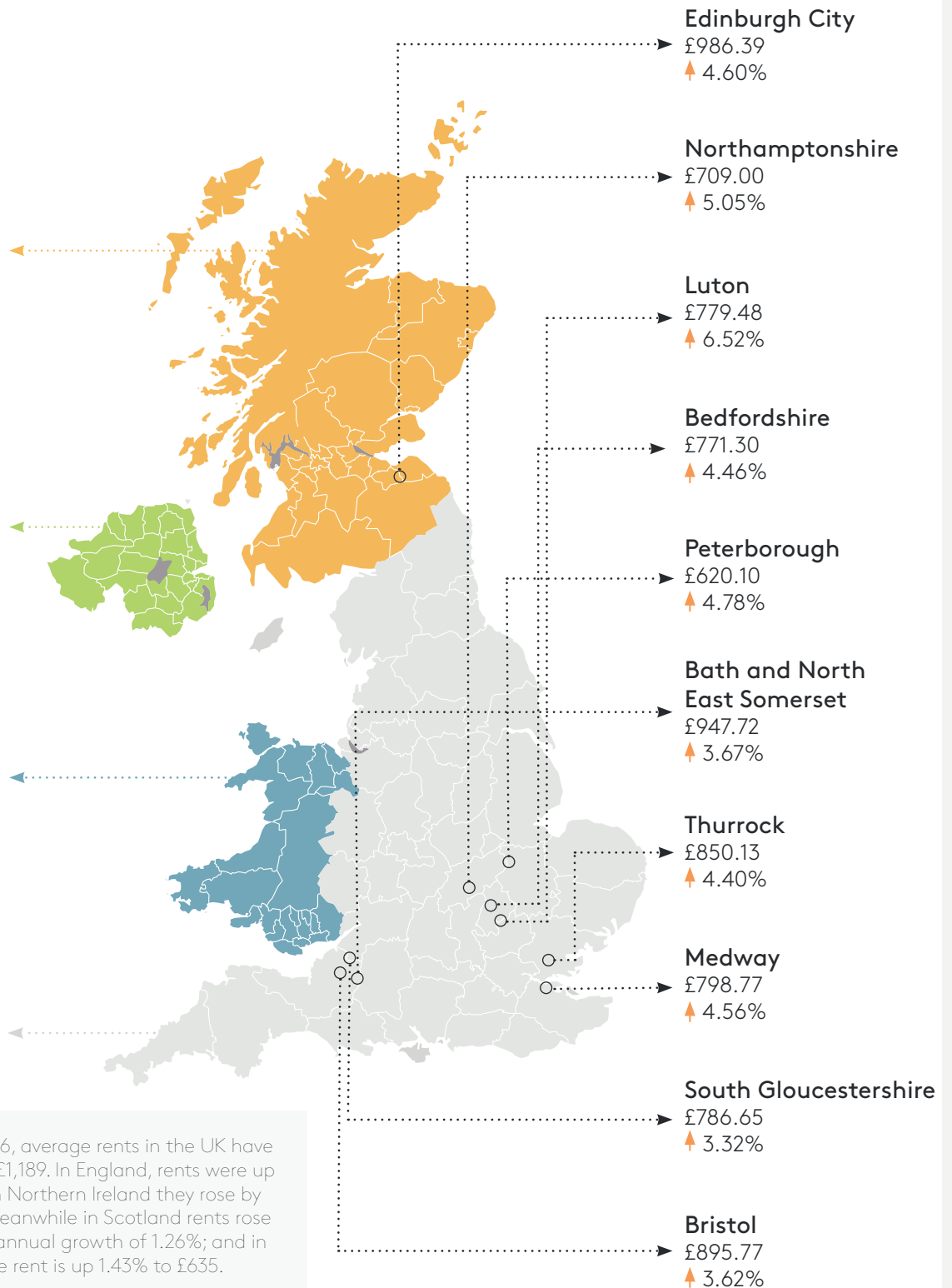
Northern Ireland

**£635**

Wales

**£1,221**

England



Since January 2016, average rents in the UK have risen by 1.08% to £1,189. In England, rents were up 1.06% to £1,221; in Northern Ireland they rose by 0.28% to £558; meanwhile in Scotland rents rose to £721 following annual growth of 1.26%; and in Wales the average rent is up 1.43% to £635.

# Top 20 Areas with Highest Rental Growth

Area	YoY growth	Av. Rent Jan 2017	Av. Rent Jan 2016	Extra rent paid over year	Average disposable income	Annual rent 2017	% of household disposable income
Luton	6.52%	£779.48	£731.74	£572.87	£13,775	£9,354	68%
Northamptonshire	5.05%	£709.00	£674.91	£409.03	£17,670	£8,508	48%
Peterborough	4.78%	£620.10	£591.79	£339.70	£16,097	£7,441	46%
Edinburgh City	4.60%	£986.39	£942.99	£520.80	£19,481	£11,837	61%
Medway	4.56%	£798.77	£763.95	£417.78	£17,059	£9,585	56%
Bedfordshire	4.46%	£771.30	£738.34	£395.48	£18,495	£9,256	50%
Thurrock	4.40%	£850.13	£814.29	£430.16	£16,157	£10,202	63%
Bath and North East Somerset	3.67%	£947.72	£914.18	£402.52	£19,093	£11,373	60%
Bristol	3.62%	£895.77	£864.48	£375.49	£16,887	£10,749	64%
South Gloucestershire	3.32%	£786.65	£761.40	£303.05	£19,093	£9,440	49%
Swindon	3.31%	£697.80	£675.45	£268.19	£17,790	£8,374	47%
West Lothian	3.30%	£739.82	£716.20	£283.51	£16,382	£8,878	54%
Nottingham	3.25%	£638.98	£618.84	£241.66	£12,702	£7,668	60%
Rutland	3.22%	£615.22	£596.05	£230.01	£17,805	£7,383	41%
Middlesbrough	3.19%	£505.54	£489.91	£187.62	£18,056	£6,067	34%
Leicester	3.19%	£624.19	£604.89	£231.61	£12,071	£7,490	62%
Wiltshire	3.12%	£712.79	£691.21	£258.93	£19,242	£8,553	44%
Brighton and Hove	3.09%	£1,074.17	£1,041.94	£386.78	£18,685	£12,890	69%
Greater Manchester	3.06%	£660.14	£640.51	£235.53	£15,131	£7,922	52%
Stirling	2.96%	£746.17	£724.74	£257.16	£18,690	8,954	48%

## Rents continue to grow across 20 key UK PRS areas

20 key rental areas in the UK have seen the average rent paid for a residential property grow in excess of 3% over the last year, highlighting the growing affordability crisis facing the 4.3 million tenants in the UK. Following the release of the Housing White Paper on 7th February 2017, our analysis suggests these 20 areas, where rental growth is reaching unsustainable levels, should now be the prioritised focus for government, developers and landlords.

The current pace of growth means a tenant in Luton (the area with the fastest growing rents at 6.5%) is now paying an extra £528 over the year on rent, bringing total annual rent paid to £9,354. For someone in Northamptonshire, where annual rental growth reached 5.1%, rents paid have grown by £409, in Peterborough by £340 (4.8%) and in Edinburgh City £521 (4.6%).

The government's white paper also highlighted the growing proportion of income tenants are currently spending on rent, sending roughly half their salary to their landlord each month. Landbay's analysis found that tenants in nine of the 20 areas with the fastest growing rents are currently spending over 60% of their take-home pay on rent. A tenant in Luton for example, currently spends an average of 68% of their disposable income on rent, with tenants in Brighton & Hove, Bristol and Thurrock spending an average of 69%, 64% and 63% respectively.

Alongside legislative measures to make renting more affordable, such as banning letting agents' fees, the February white paper outlined plans to increase the supply of rental accommodation, by bringing in more institutional investment in purpose-built rental housing, with three-year minimum tenancies as standard.

Encouragingly, many of the areas with substantial annual rental growth are already earmarked for large-scale PRS developments. A deal between housebuilder Carillon and Deutsche Pfandbriefbank in Manchester for example, where rents have grown by 3.1% over the last year, is set to create over 450 apartments in its city-centre, while build-to-rent landlord Grainger is currently working with Willmott Dixon to deliver a new Bristol scheme of over 200 flats, which will help to tackle annual rental growth of 3.6%.

Furthermore, discussions are due to take place among Northampton Borough Council around new proposals to grow the area's private rented sector, which has already doubled in size over the last 10 years, and grown by 5.1% over the last year, demonstrating the increasing demand for rental properties. Large developments in both Nottingham (3.25%) and Edinburgh City (4.6%) are also under construction.

# Index by Bedroom

All Beds	YoY %	MoM %	Av. £
UK	1.08%	0.06%	1,189
England	1.06%	0.06%	1,221
Scotland	1.26%	0.08%	721
Wales	1.43%	0.15%	635
London	-0.42%	-0.04%	1,883
UK without London	1.92%	0.12%	750
1 bed	YoY %	MoM %	Av. £
UK	0.94%	0.07%	1,012
England	0.89%	0.06%	1,046
Scotland	1.27%	0.11%	545
Wales	2.17%	0.34%	541
London	-0.30%	0.00%	1,456
UK without London	1.96%	0.11%	592
2 Bed	YoY %	MoM %	Av. £
UK	0.95%	0.06%	1,151
England	0.91%	0.06%	1,186
Scotland	1.28%	0.08%	686
Wales	1.31%	0.05%	650
London	-0.69%	-0.03%	1,928
UK without London	1.81%	0.10%	707
3 Bed	YoY %	MoM %	Av. £
UK	1.31%	0.06%	1,318
England	1.33%	0.06%	1,339
Scotland	1.02%	-0.05%	1,104
Wales	1.09%	0.06%	607
London	-0.22%	-0.10%	2,688
UK without London	1.83%	0.11%	815

# 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](https://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.