

LANDBAY[®]

Rental Index Report

July 2017

Powered by MIAC

Key Feature: From London to East England

Statistics: UK

Area Spotlight: Hertfordshire

Beyond the London Commute: Rental Price Breakdown across England



Average Rent in London vs Rest of UK



£1,873

● London

£756

● Rest of UK

Tenants occupying properties in London are now spending an average of £1,873 on rent, whilst tenants outside the capital are paying £756 on average.

Average Rents in England (outside London) by No. of Beds



Average rent (£)

1 Bed	£604
2 Bed	£716
3 Bed	£819

Tenants occupying properties in England (outside London) are now spending an average of £604 on rent for a 1 bed property, £716 for a 2 bed property and £819 for a 3 bed property.

Average Rental Price Rise

Across the UK - Year on Year

Northern Ireland

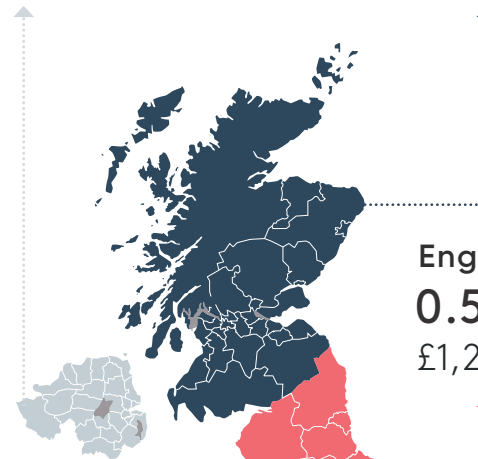
0.18%

£560

Scotland

1.23%

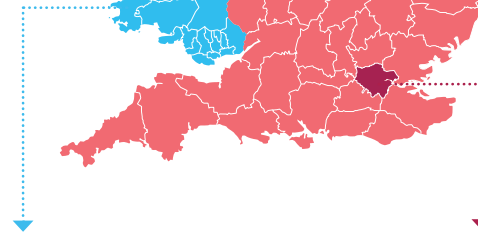
£726



England

0.58%

£1,224



Wales

1.34%

£639

London

-1.05%

£1,873

Since July 2016, average rents in the UK have risen by 0.64% to £1,193. In England, rents were up by 0.58% to £1,224/month; in London, however, rents fell by -1.05%. In Northern Ireland, rental prices rose by 0.18% to £560/month. Meanwhile, in Scotland, rents increased slightly to £726/month, following an average annual growth of 1.23%; in Wales, the average rent rose by 1.34% to £639.

Key Feature: From London to East England

Tenants Pushed Out to the East of England, as London Incurs Marginal Rental Growth

Tenants are being squeezed out into the surrounding counties of London, as rental prices in the capital exceed the limits of affordability. Despite the negative rental growth that has taken over more than two thirds of the city, prices in the central boroughs of London remain high and inaccessible to tenants, with average rents of up to £3,052. In response, tenants have flocked to the outer boroughs of the city, where prices are lower. However, as more people move into these areas, so the demand for rental housing increases. The result - rising prices in the outskirts of London, which are serving to push tenants further out of the city.

Lining the exposed edge of the city, Hillingdon and Harrow, in the West, and Bexley, Havering, Redbridge, Waltham Forest and Enfield in the East, experienced an average growth of 1.18%, with Bexley leading the diminishing pack of London areas with positive rental growth at an average rise of 2.06%, since July 2016.

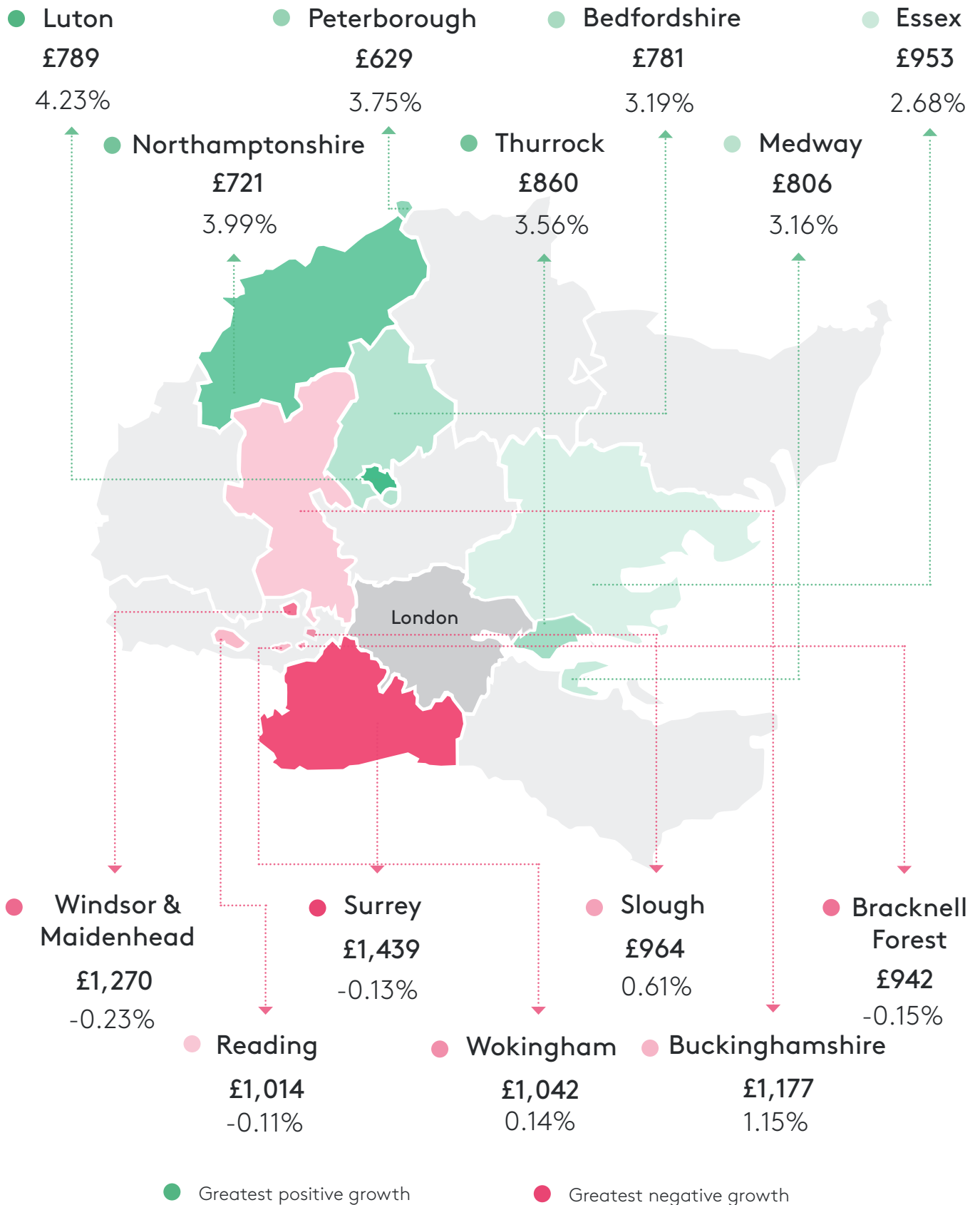
As a consequence of this price rise, many tenants are finding it increasingly difficult to afford the necessary costs and are setting up home in cheaper surrounding counties, where they can also take advantage of the reasonable commute into London.

An especial hotspot for landlords is the East of England. Following the steady influx of new tenants, Luton and Peterborough, Thurrock and Bedford are 4 areas that comfortably make the list of the top 10 places boasting the highest rental growth, since July 2016. This figure is likely to increase as Crossrail comes into play. Cutting through London and connecting Shenfield, in Essex, all the way to Reading, in Berkshire, Crossrail will dramatically reduce the time it takes for tenants living in the commuter belt to travel in and around London, a perk which is likely to inspire even more people to rent outside the city.



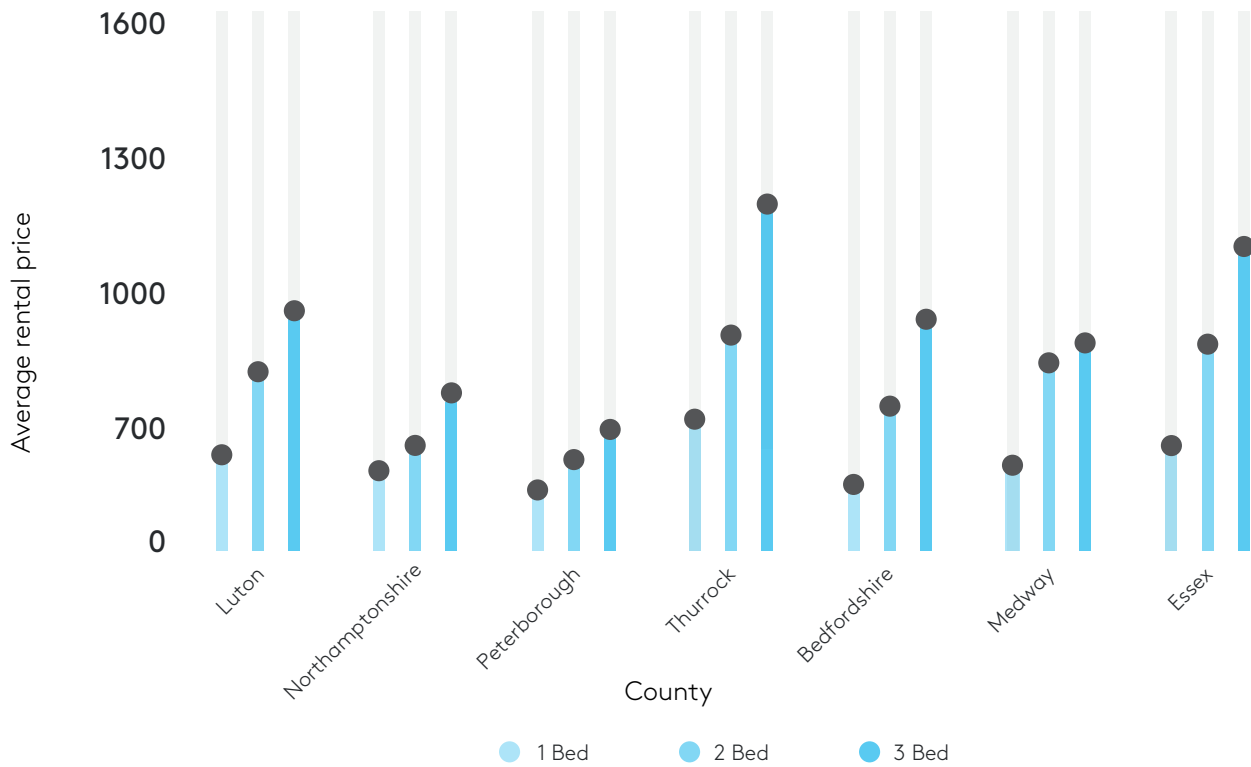
Key Feature: From London to East England

Average Rental Prices and Growth in Commuter Counties Outside London

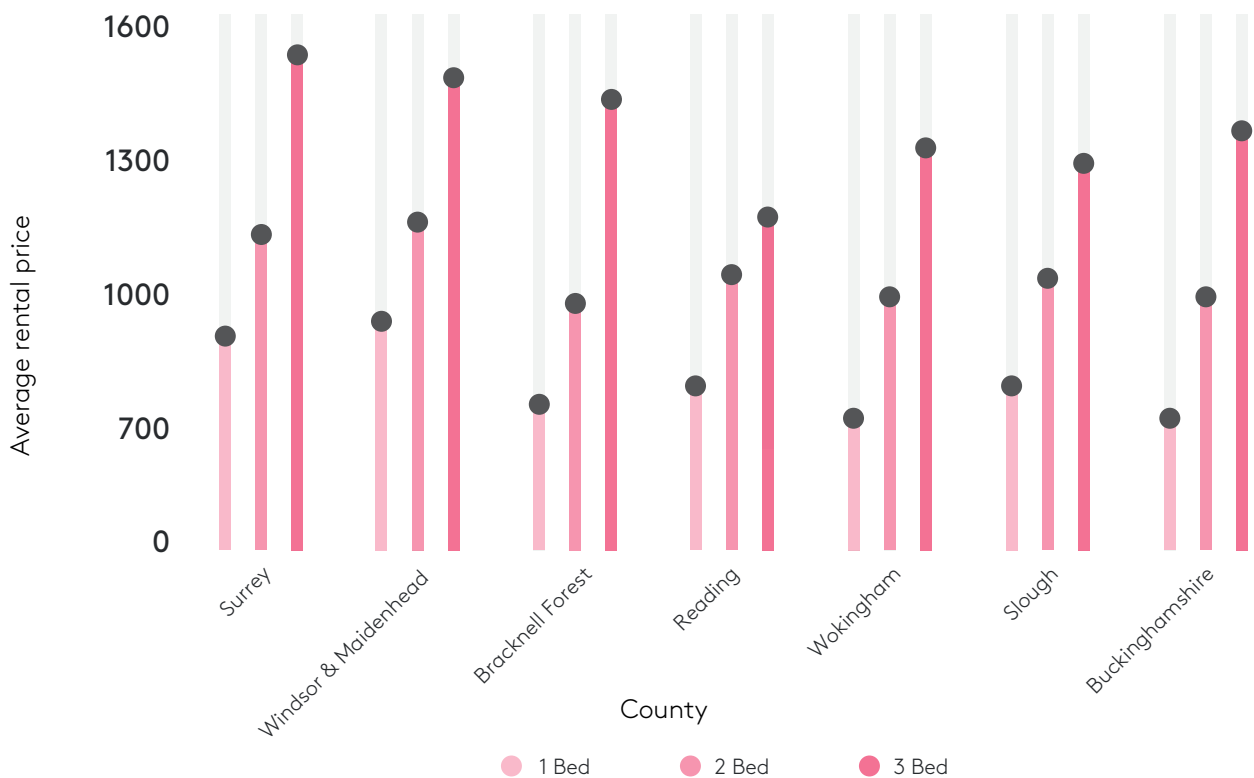


Average Rents in Commuter Counties by No. of Beds

Top 7 Commuter Counties with the Highest % Change



Bottom 7 Commuter Counties with the Lowest % Change



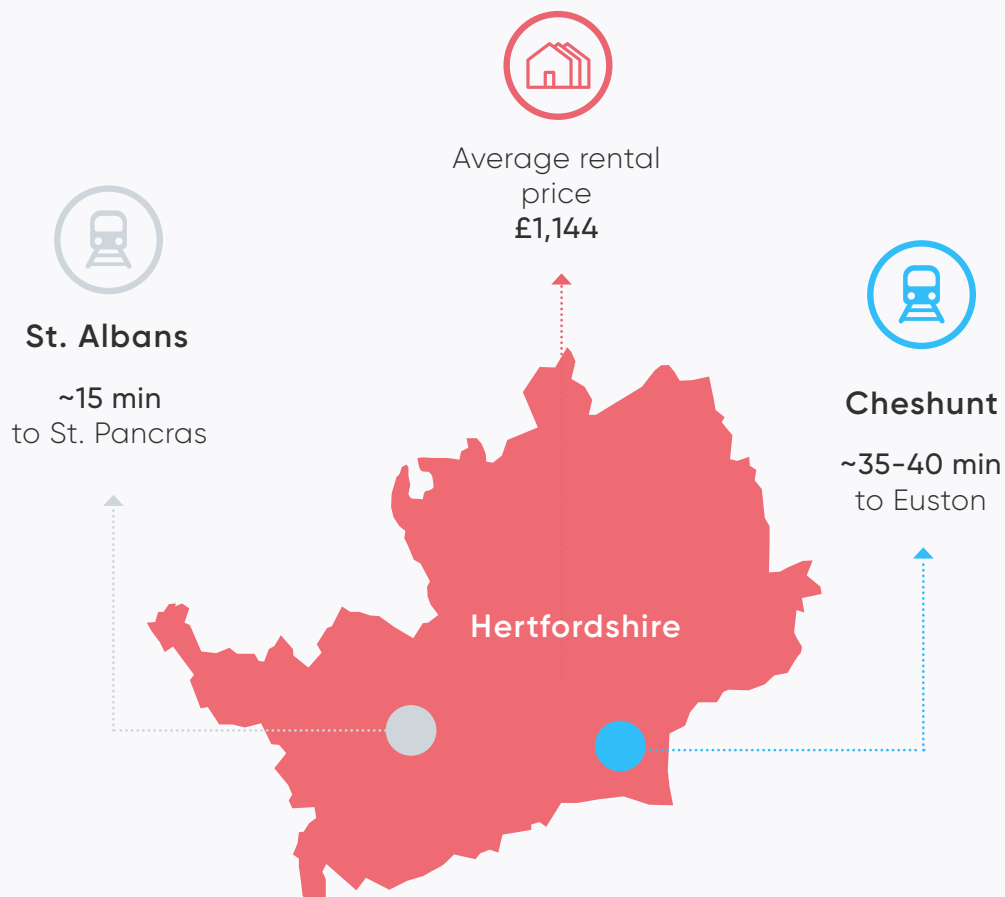
Area Spotlight: Hertfordshire

Bringing New Hearts to Herts

Situated in the East of England, between Bedfordshire, Buckinghamshire and Essex and alongside the northern border of London, the pretty county of Hertfordshire is becoming an increasingly attractive buy-to-let space, as tenants are put off by the prospect of paying unaffordable rental prices in London.

Since London prices have peaked and surpassed the ability of many to set up home in the area, the East of England has become a popular home of choice for those searching for lower prices and better value. Prices here are cheaper; at an average of £1,144, rents in Hertfordshire are lower than the average cost for tenants living in the outermost boroughs of London. However, at an average growth of just 1.31%, since July 2016, rents here are growing at the slowest rate of all areas in the East of England, suggesting that the prime period for new landlords to move into the area may have passed.

The appeal of Hertfordshire has many dimensions. Along with scenic views and cheaper homes, the county also has strong transport links to London. From the popular commuter city of St. Albans, trains take just over 15 minutes to St. Pancras, while from the town of Cheshunt, a journey to Euston takes between 35-40 minutes.



Beyond the London Commute:

Areas with the Highest Rents in England, by County

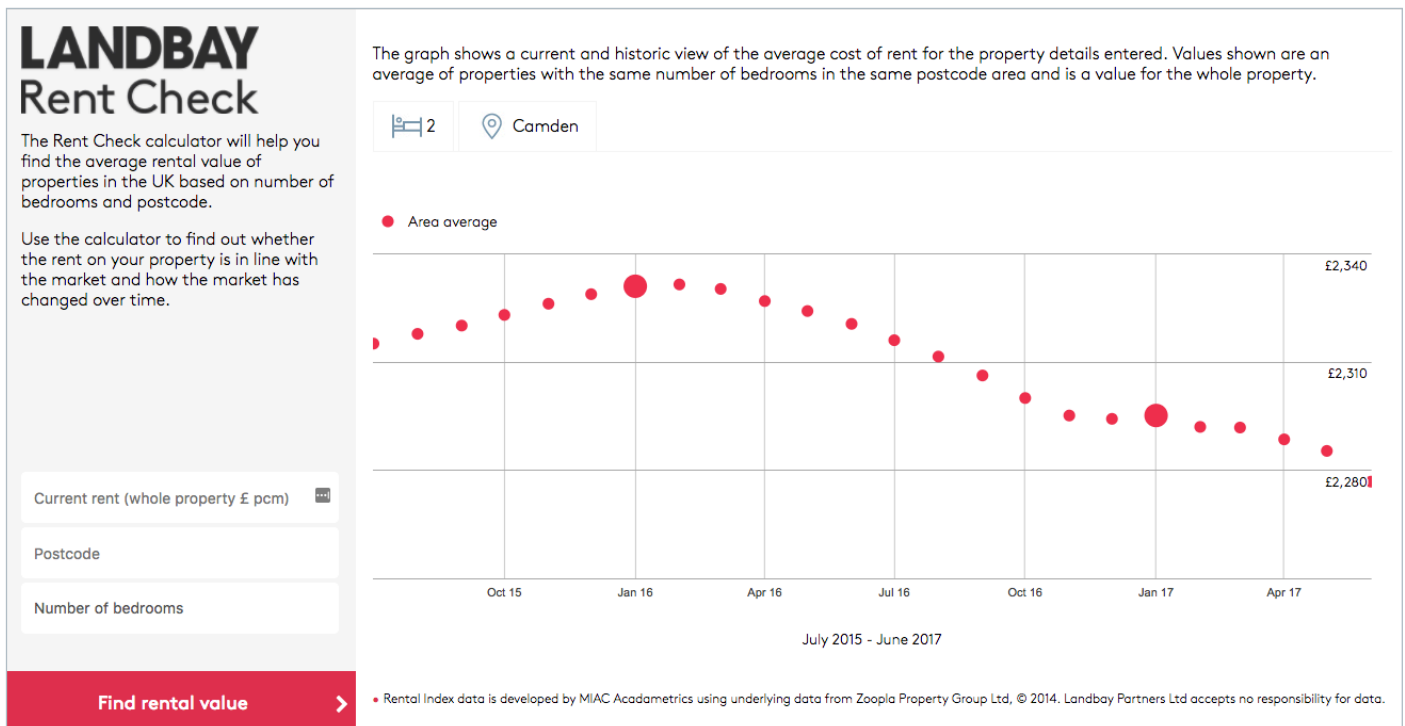
Region	Area	Average % change (YoY)	Average Rental price (£)	Rental prices by beds (£)
South East	Surrey	-0.13%	£1,439	1 x  £906
				2 x  £1,197
				3 x  £1,557
North East	Tyne & Wear	0.06%	£594	1 x  £465
				2 x  £544
				3 x  £644
North West	Cheshire	1.10%	£702	1 x  £495
				2 x  £642
				3 x  £748
South West	Bath & North East Somerset	3.45%	£965	1 x  £807
				2 x  £998
				3 x  £1,192
East of England	Hertfordshire	1.31%	£1,144	1 x  £839
				2 x  £1,108
				3 x  £1,448
West Midlands	Warwickshire	1.84%	£814	1 x  £627
				2 x  £780
				3 x  £852
Yorkshire & Humber	York	0.66%	£754	1 x  £653
				2 x  £776
				3 x  £903
East Midlands	Northamptonshire	3.99%	£721	1 x  £544
				2 x  £677
				3 x  £798

Beyond the London Commute:

Areas with the Lowest Rents in England, by County

Region	Area	Average % change (YoY)	Average Rental price (£)	Rental prices by beds (£)
South East	Isle of Wight	1.39%	£569	1 x  £495
				2 x  £592
				3 x  £823
North East	Hartlepool	-0.09%	£408	1 x  £357
				2 x  £388
				3 x  £456
North West	Blackburn with Darwen	-0.22%	£421	1 x  £342
				2 x  £414
				3 x  £488
South West	Torbay	1.46%	£571	1 x  £484
				2 x  £622
				3 x  £766
East of England	Peterborough	3.75%	£629	1 x  £507
				2 x  £657
				3 x  £709
West Midlands	Stoke on Trent	3.00%	£467	1 x  £399
				2 x  £445
				3 x  £541
Yorkshire & Humber	Kingston upon Hull	1.31%	£436	1 x  £359
				2 x  £435
				3 x  £510
East Midlands	Derby	1.56%	£540	1 x  £409
				2 x  £555
				3 x  £630

About Rent Check & the Landbay Rental Index



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.