

**LANDBAY<sup>®</sup>**

# Rental Index Report

**September 2017**

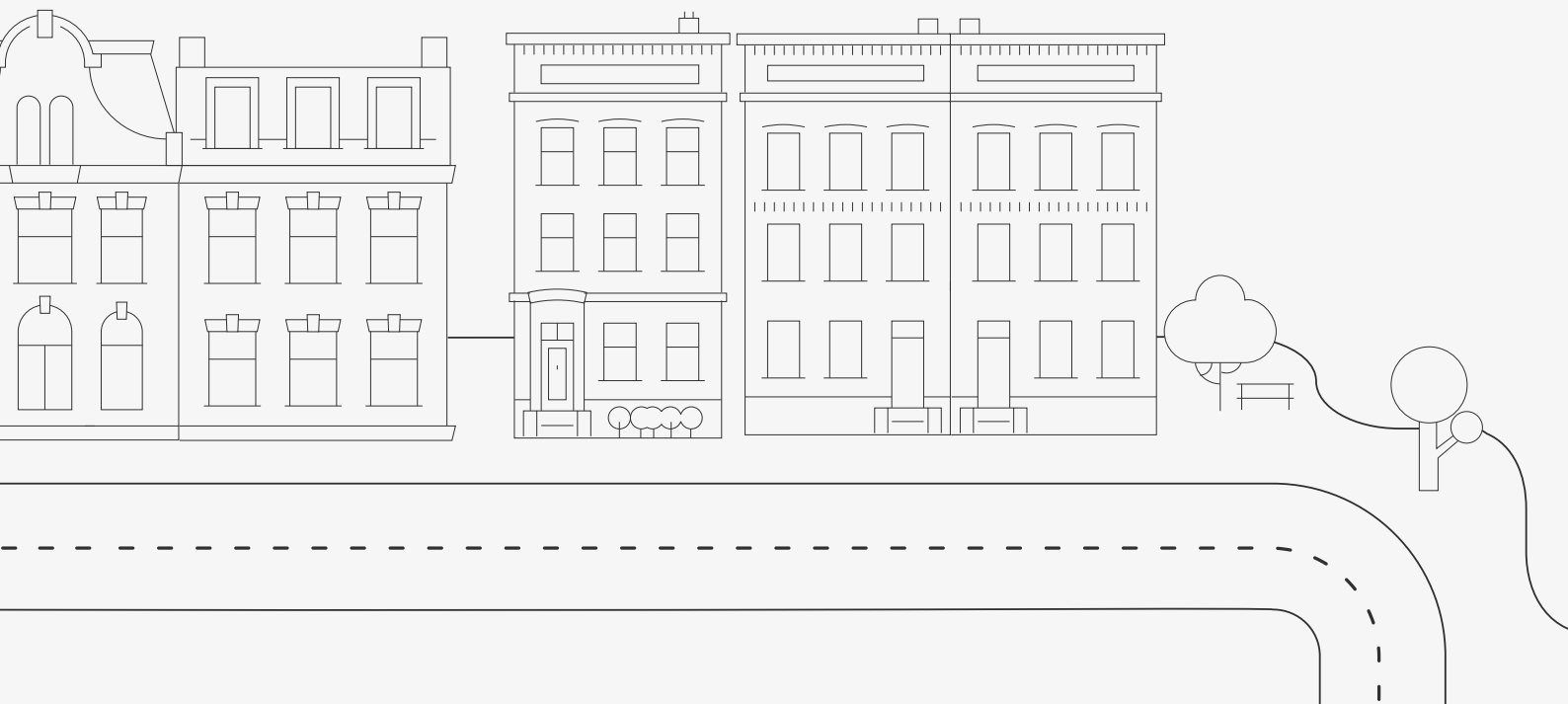
Powered by MIAC

Statistics: UK

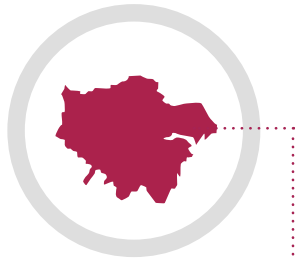
Key Feature: London Rents Across Crossrail 2

Area Spotlight: City of London & Maidenhead

Beyond London: Rental Price Breakdown Across England



## Average Rent in London vs Rest of UK



£1,876

● London

£758

● Rest of UK

Tenants occupying properties in London are now spending an average of £1,876 on rent, whilst tenants outside the capital are paying £758 on average.

## Average Rent by No. of Beds

1

2

3

£1,448

£1,920

£2,684

Rental prices according to no. of beds

1

2

3

£599

£715

£825

Rental prices according to no. of beds

● London ● Rest of UK

Tenants occupying properties in London are now spending an average of £1,448 on rent for 1-bedroom properties, £1,920 for 2-bedroom properties and £2,684 for 3-bedroom properties. Conversely, tenants occupying properties in the rest of the UK are paying an average of £599 on rent for 1-bedroom properties, £715 for 2-bedroom properties and £825 for 3-bedroom properties.

## Average Rental Price Rise

Across the UK - Year on Year

Northern Ireland

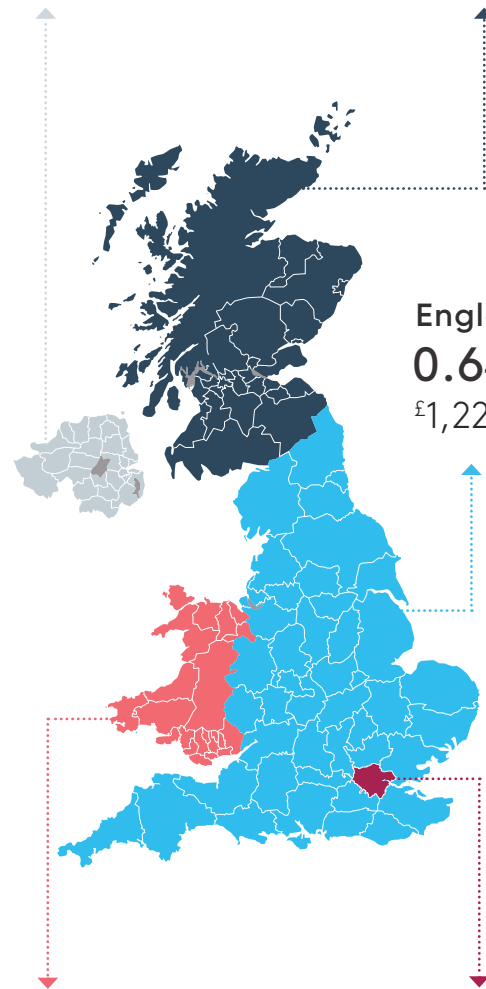
0.40%

£561

Scotland

2.01%

£733



England

0.64%

£1,227

Wales

1.31%

£640

London

-0.80%

£1,876

Since September 2016, average rents in the UK have risen by 0.73% to £1,196. In England, rents were up by 0.64% to £1,227/month; in London, rents increased relatively by -0.80% to £1,876. In Northern Ireland, rental prices rose by 0.40% to £561/month. Meanwhile, in Scotland, rents increased slightly to £733/month, following an average annual growth of 2.01%; in Wales, the average rent rose by 1.31% to £640.

## Key Feature: London Rents Across Crossrail 2

### Demand Drops at All but One Stop on Crossrail 2, Despite London Growth.

As rents in London grow by an average of 0.01% - the first growth in 15 months - so the government announce a new potential change, which is expected to see them resume course in the opposite direction; Crossrail 2, the £31 billion infrastructure project, set to speed up journeys between North and South London, could be delayed by a decade from 2030 to the early 2040s, due to insufficient funding.

Since the plans for Crossrail 2 were first launched, the effects on rental value, particularly at the extremes of the route, have been significant. At the end of the northern part of the line, in Broxbourne, rents were falling by -7.6% before the February 2013 announcement. In the 12 months since the project was revealed, however, they jumped to a growth of 2.4%. Similarly, across the river to the southern points of Thames Ditton and Hampton Court, rents rocketed by almost 20% after the proposal was released.



Now, as the government drags its feet on approving the final stages of the project, excitement is waning and tenants are looking elsewhere for homes with more immediate transport advantages, leading to a drop in growth in all but one stop along the Crossrail 2 route.

Richmond (-1.13%), Wandsworth (-1.16%), Islington (-0.64%) plus 8 other London boroughs along the Crossrail 2 line have experienced a fall in rental prices, since September 2016.

The only borough to survive the downward trend, and actually rise by 0.41%, is Enfield, North London. However, even here rents have submitted to the first signs of decrease, declining by -0.24% since August 2017.

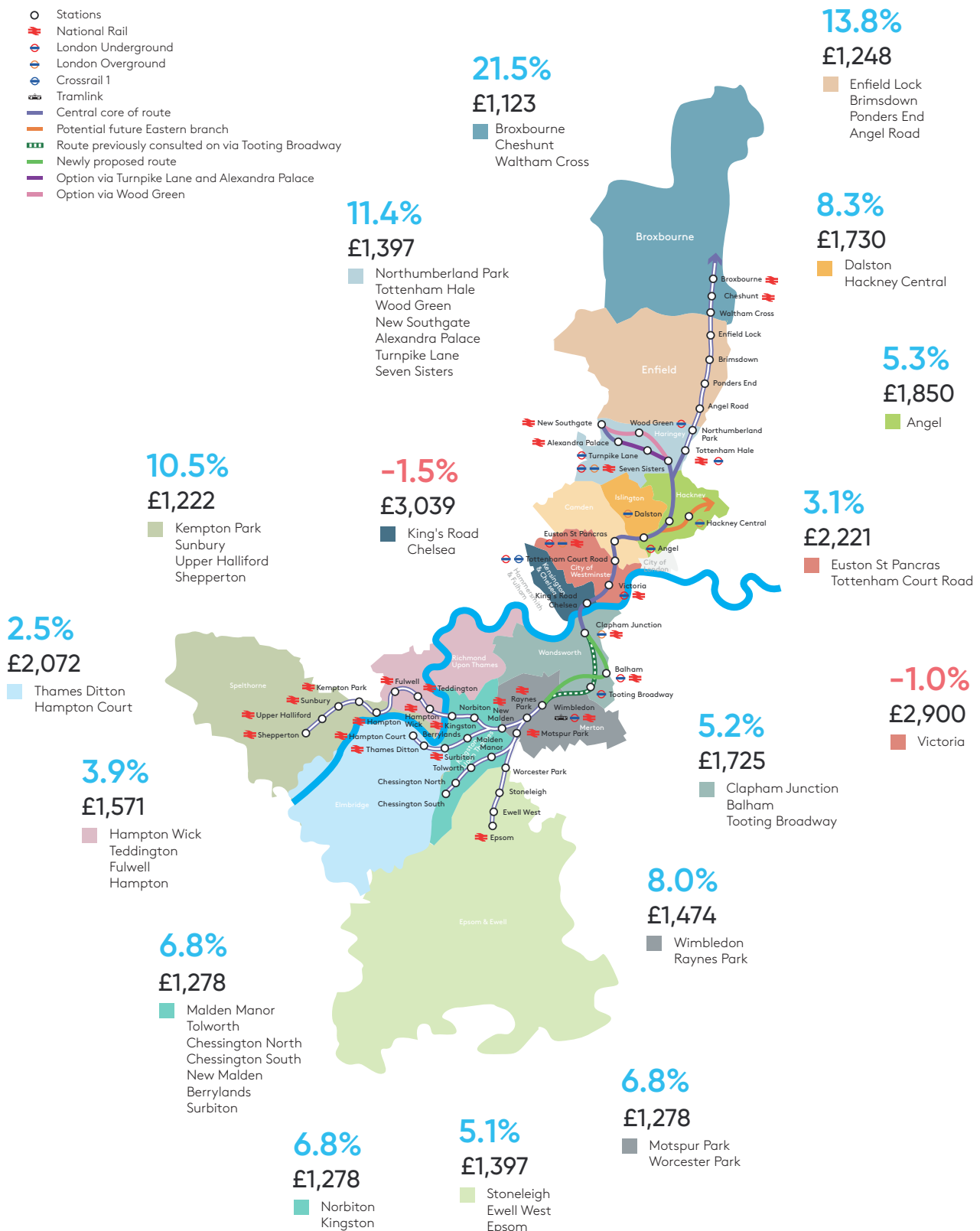
Should the Crossrail 2 project be delayed until early 2040, we can expect dwindling tenant enthusiasm to further drive the decrease of prices along the route. For now, while London can celebrate a small rise in overall average rental growth, it's the growth in the outer city boroughs that have contributed most to facilitate this change.

# Key Feature: London Rents Across Crossrail 2

## Rents on the Crossrail 2 Route

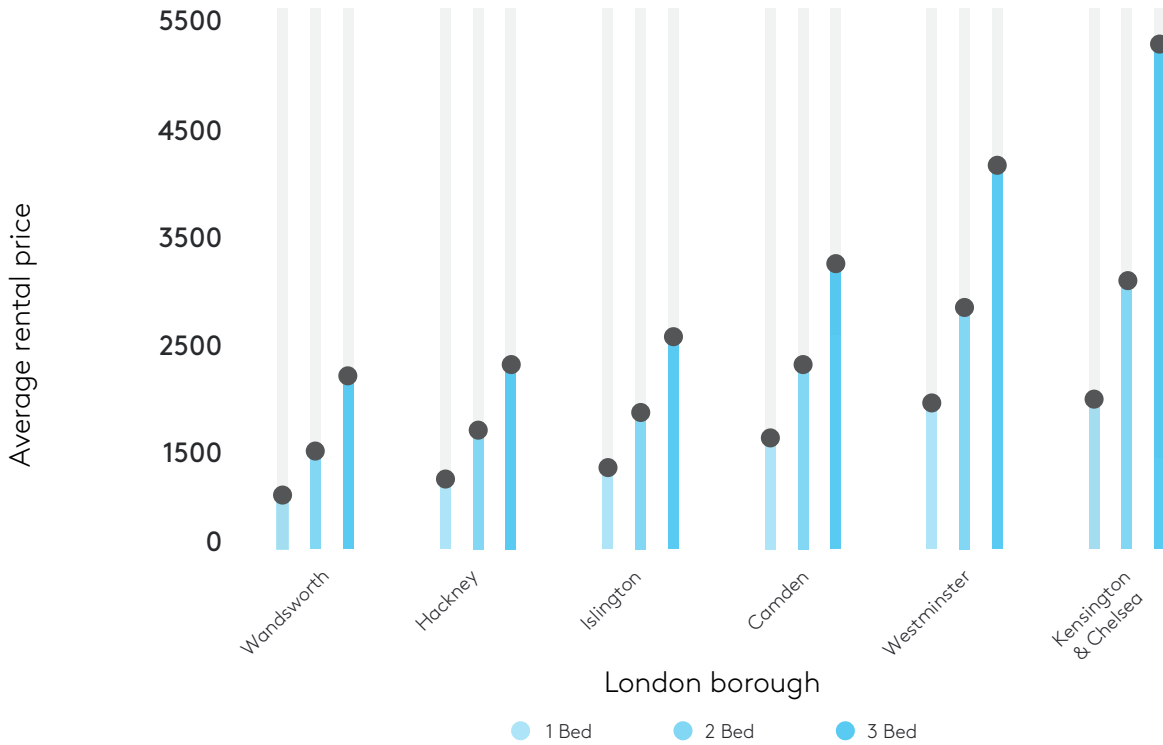
- Rental growth since Feb '13
- Rental decline since Feb '13
- Rent in Q3 2017

- Stations
- National Rail
- London Underground
- London Overground
- Crossrail 1
- Tramlink
- Central core of route
- Potential future Eastern branch
- Route previously consulted on via Tooting Broadway
- Newly proposed route
- Option via Turnpike Lane and Alexandra Palace
- Option via Wood Green

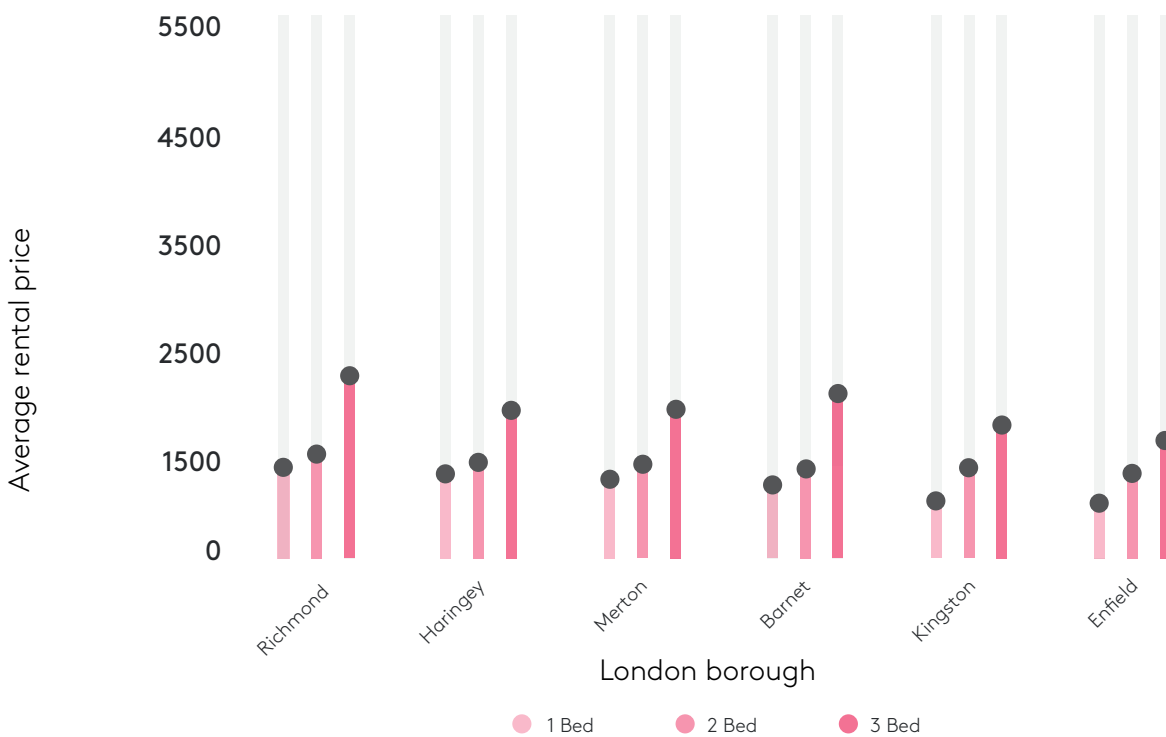


# Key Feature: London Rents Across Crossrail 2

## Highest Average Rents Along Crossrail 2 by No. of Beds



## Lowest Average Rents Along Crossrail 2 by No. of Beds



## Spotlight: London – City of London

Known for being one of London's prime financial districts, the City of London is one of the busiest central areas of the city, with towering corporate skyscrapers huddled shoulder-to-shoulder with ornate architectural buildings.

At an average change of -1.53% since September 2016, annual rental prices here have been pulled down with the widespread drop in value across the rest of the city. However, since last month, growth here has picked up to a healthy increase of 0.84%. It means that the City of London is the only London borough to feature in a list of the top 20 areas in England with the highest monthly percentage change. In fact, the borough takes 3rd place after two areas in Scotland, a country that has recently dominated the UK tables in terms of rental growth.

Reasons for this could include London's impressive standing as one of the leading cities in Europe for technology-based industries, and the especial inclination towards the City of London, as a favourable spot for tech occupiers to set up business.

## Spotlight: Rest of UK – Maidenhead

With its convenient location, approximately 25 minutes away from London Paddington station, the commuter town of Maidenhead is one of the most expensive areas to rent in the South-East. Prices start from an average of £929/month for a 1-bedroom property, ranging to almost £1,500/month for a property with 3 bedrooms. Alongside Reading, Surrey, Windsor and Wokingham, rental growth here has consistently been falling. Since September 2016, average prices have decreased by -0.58% and in the last month alone, rents have shrunk by -0.07%.

The change is interesting, as Maidenhead is one of the major stops along the Crossrail route. As a result, one would expect rents to increase as demand for more efficient transport links also increase.

The only problem is that demand does not seem to be increasing. In comparison to the average prices in other areas, such as Slough (£965/month) and Reading (£1,015/month), which are also on the Crossrail route, prices in Maidenhead have already exceeded that of average affordability. As a result, tenant demand is greater in these surrounding areas. Particularly in Slough, average rental growth was up by 0.49% to £965/month. This is almost £300/month cheaper than the Maidenhead average.

Maidenhead council are doing more to attract new businesses into the area and improve the town's standing as a bustling commuter centre. Only last month, a developer was newly appointed to take charge of a 3.1-acre development called The Landing, and costing £250 million, to revamp Maidenhead town centre. The project will introduce a major retail, office and residential complex to the area, aimed at improving the lifestyle for local residents and drawing new tenants to the area.













# Beyond the London Commute:

## Areas with the Highest Rents England, by Region

Region	Area	Average % change (YoY)	Average Rental price (£)	Rental prices by beds (£)
South East	Surrey	-0.20%	£1,439	1 x  £908
				2 x  £1,197
				3 x  £1,558
North East	Tyne & Wear	0.05%	£594	1 x  £464
				2 x  £545
				3 x  £644
North West	Cheshire	1.38%	£705	1 x  £498
				2 x  £645
				3 x  £754
South West	Bath & North East Somerset	2.66%	£965	1 x  £818
				2 x  £1,007
				3 x  £1,184
East of England	Hertfordshire	0.96%	£1,144	1 x  £842
				2 x  £1,108
				3 x  £1,445
West Midlands	Warwickshire	1.74%	£816	1 x  £629
				2 x  £782
				3 x  £855
Yorkshire & Humber	York	0.89%	£757	1 x  £653
				2 x  £776
				3 x  £917
London	Kensington & Chelsea	-2.21%	£3,039	1 x  £2,149
				2 x  £3,215
				3 x  £5,421

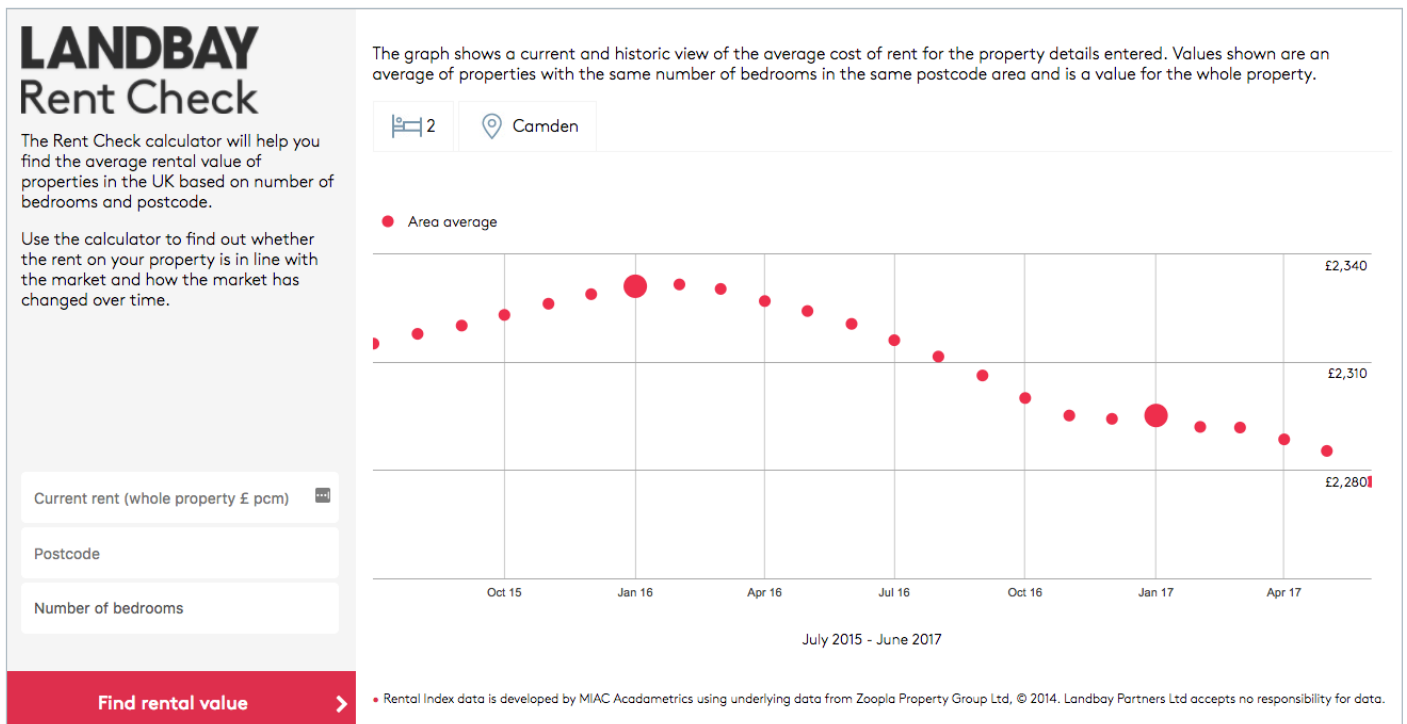
## Beyond the London Commute:

### Areas with the Lowest Rents in England, by Region

Region	Area	Average % change (YoY)	Average Rental price (£)	Rental prices by beds (£)
South East	Isle of Wight	2.11%	£575	1 x  £501
				2 x  £600
				3 x  £826
North East	Hartlepool	-0.02%	£409	1 x  £365
				2 x  £390
				3 x  £453
North West	Blackburn with Darwen	0.16%	£422	1 x  £346
				2 x  £415
				3 x  £490
South West	Torbay	1.88%	£574	1 x  £485
				2 x  £625
				3 x  £773
East of England	Peterborough	3.70%	£634	1 x  £511
				2 x  £659
				3 x  £716
West Midlands	Stoke on Trent	2.54%	£467	1 x  £393
				2 x  £444
				3 x  £549
Yorkshire & Humber	Kingston upon Hull	1.44%	£438	1 x  £360
				2 x  £436
				3 x  £509
London	Bexley	1.57%	£1,003	1 x  £827
				2 x  £1,064
				3 x  £1,291



# 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](http://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.