



Q2 2015

## Under embargo for 00:01 hours: Wednesday 15<sup>th</sup> July 2015 Rent rise surge as rest of country outstrips London – high tenant demand, growing most in the East

NATIONAL AVERAGE ASKING RENT (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2015	£761	+2.7%	+4.2%
Q1 2015	£741	+0.9%	+5.0%
GREATER LONDON AVERAGE ASKING RENT			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2015	£2,052	+2.0%	+4.5%
Q1 2015	£2,011	-0.6%	+5.0%

- Asking rents outside London jumped by 2.7% in the second quarter of 2015, compared to the capital's smaller but still substantial increase of 2.0%
- South East leads the way with a 4.1% increase, and rents are up across all regions except Wales (-4.1%) and North East (-0.5%)
- In the past year tenant demand<sup>1</sup> for rental property has hit an all-time high nationally with a 52% increase in email enquiries, the East of England seeing the highest increase, up by 64%
  - Tenant demand hotspots are Essex towns of Grays and Southend<sup>2</sup>
  - Within London highest demand in more affordable areas of Bexleyheath, Sidcup and Carshalton
- Highest rental growth year-on-year outside London found in Bushey in Hertfordshire (+21%) and Deal in Kent (+13%)<sup>3</sup>, and in Battersea (+14%) within London

Tenants looking for better value outside London have pushed asking rents of properties coming to market in the South East (+4.1%) and South West (+3.0%) up this quarter, while London (+2.0%) rises at a slower pace. Outside of London the average rent went up across England and Wales by 2.7%, with all regions up on last quarter except Wales (-2.9%) and North East (-0.5%).

Sam Mitchell, Head of Lettings at Rightmove, comments: *“Rents have grown this quarter in nearly all regions of England and Wales, fuelled by demand outstripping supply in many of the sought after areas, especially in the East of England and the more affordable areas of London. The smaller rise in the capital is likely to do with the fact that costs in many areas are nearing many people’s affordability ceiling.”*

Average asking rents per month in London (£2,052) are now almost twice that of the second most expensive region,



the South East (£1,078). The capital is also almost four times more expensive than the cheapest region, the North East (£534).

Rightmove's first quarterly **Rental Trends Tracker** shows demand for rental property is at an all-time high, with demand increasing most over the past year in the East of England (+64%).

While nationally rents have risen 4.2% over the past year, two of the highest growth areas are in the East of England county of Hertfordshire – Bushey (+21%) and Stevenage (+13%). Deal in Kent has also seen a price rise of 13% over the past year.

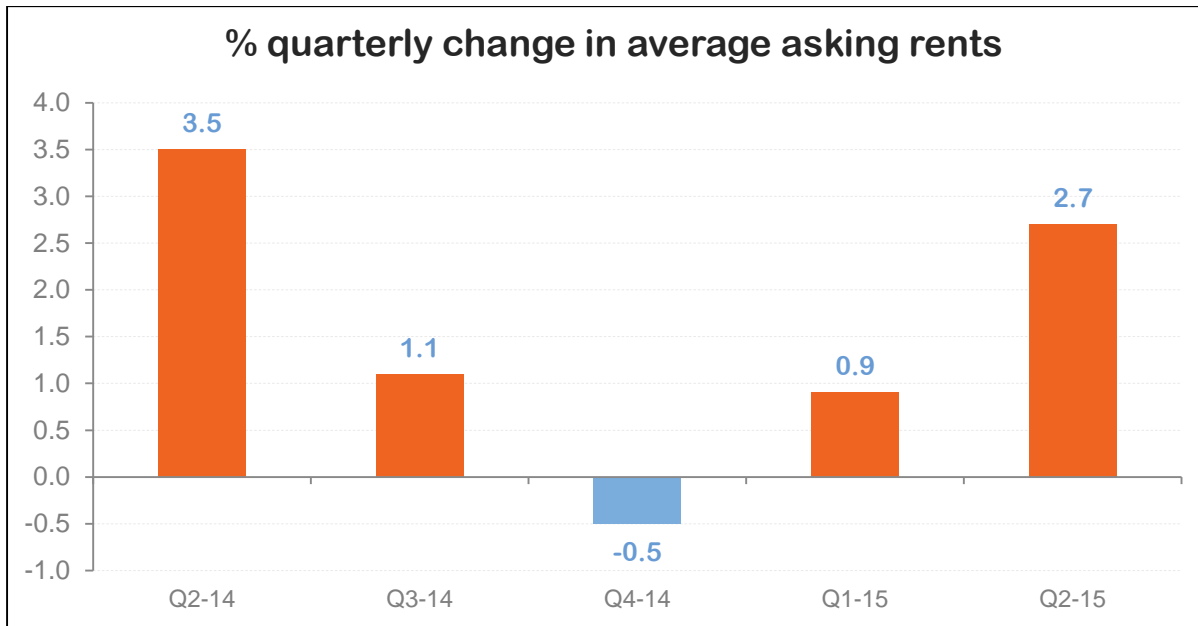
In London, rental prices have grown highest in Battersea, aided by the ongoing redevelopment of the area, up 14% over the past year. The North West areas of Wembley and Brondesbury are second and third, both up by 11%.

London's demand hotspots all have average asking rents much lower than the capital's average, with the top three being Bexleyheath (£1,048) and Sidcup (£1,073), both in South East London, and Carshalton (£1,095) in South West London.

Mitchell notes: *"Tenants staying longer in a property is contributing to the lack of supply in some areas, and agents tell us that in the most in-demand areas good properties on at the right price are being snapped up within a few days. In the fastest moving areas prospective tenants are sending email enquiries to agents within a few minutes of the property being marketed on Rightmove, showing that people need to get in quick and have all of their references ready to have the chance of getting the property they want. The substantial rent rise this quarter will offer some encouragement for the buy-to-let sector, following the summer Budget's announcement of a clampdown on tax relief."*

## Agent's View

Zoe Rose, Head of London Lettings at Strutt & Parker, said: *"Rents are rising at a more subdued rate in the capital than the rest of the country for a number of reasons. In Prime Central London, there is more stock becoming available than last summer and rents are plateauing because tenants are very much in the driving seat. As people are also being accustomed to renting for longer periods, a lot of tenants are signing up for two or three years from the outset with rental increases of 3-5% per year written into their contracts. This keeps rental rises at a more sensible level as landlords are being asked to commit to longer term tenancies. Over the past few years, it's been an intense market in the centre of London with rents in zone 1 and 2 gently creeping up prompting tenants to look further afield than traditional areas like Clapham, Fulham and Battersea to get good value."*



## Top five highest growth areas outside Greater London (year-on-year)

Area	Avg. asking rent per month (2 bed) – Q2 2014	Avg. asking rent per month (2 bed) – Q2 2015	Annual change
Bushey, Hertfordshire	£1,098	£1,327	21%
Deal, Kent	£620	£703	13%
Stevenage, Hertfordshire	£780	£882	13%
ShIPLEY, West Yorkshire	£535	£604	13%
Worthing, West Sussex	£793	£894	13%

## Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) – Q2 2015
Grays, Essex	£895
Southend-On-Sea, Essex	£792
Stevenage, Hertfordshire	£882
Wellingborough, Northamptonshire	£549
Chelmsford, Essex	£862



## Top five highest growth areas inside Greater London (year-on-year)

Area	Avg. asking rent per month (2 bed) – Q2 2014	Avg. asking rent per month (2 bed)– Q2 2015	Annual change
Battersea, South West London	£1,987	£2,258	14%
Wembley, North West London	£1,302	£1,462	12%
Brondesbury, North West London	£1,621	£1,809	12%
Walthamstow, East London	£1,213	£1,351	11%
Barking, East London	£1,080	£1,200	11%

## Top five most in-demand areas inside Greater London

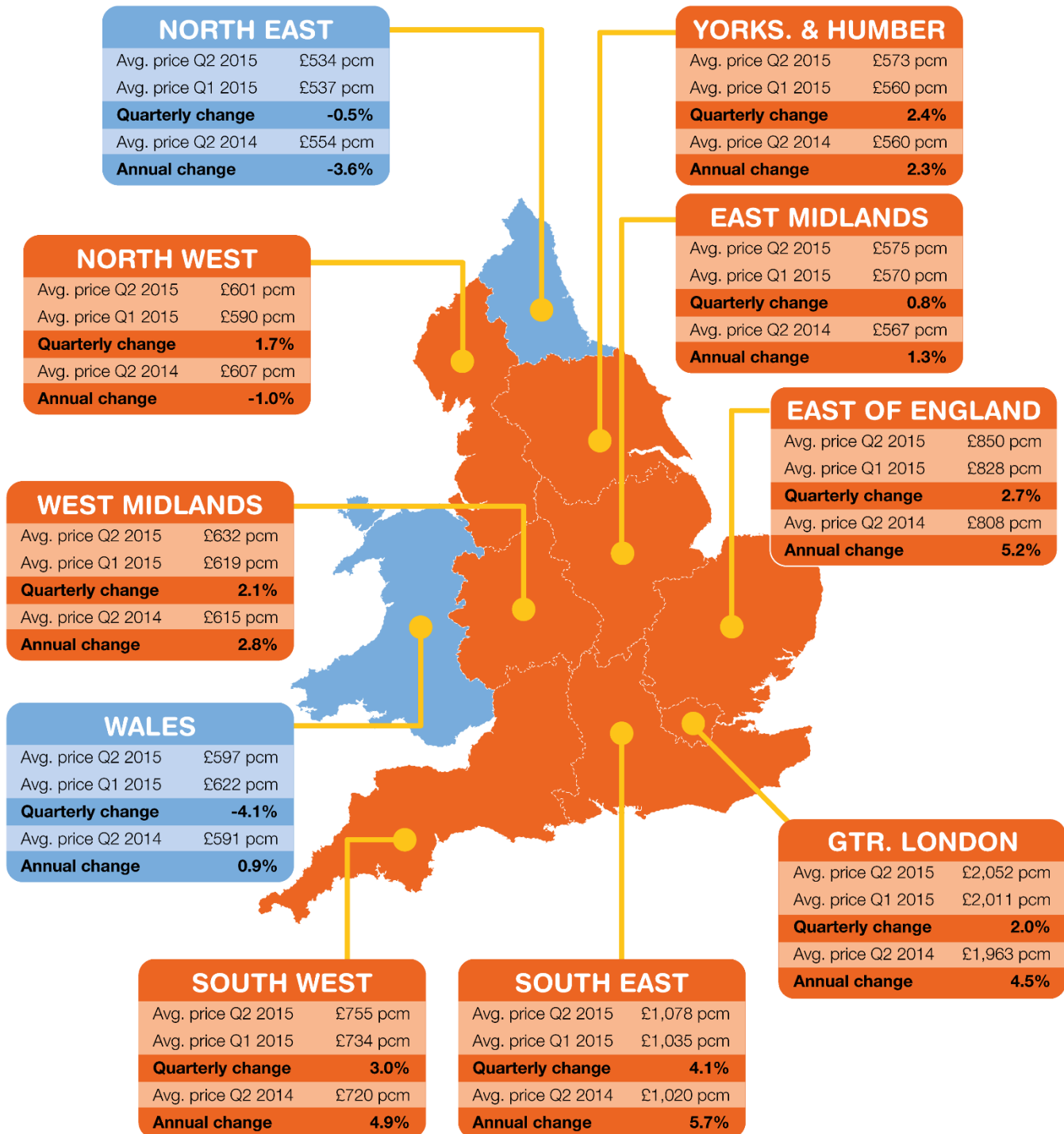
Area	Avg. asking rent per month (2 bed) – Q2 2015
Bexleyheath, South East London	£1,048
Sidcup, South East London	£1,073
Carshalton, South West London	£1,095
Erith, South East London	£964
Hornchurch, East London	£1,074

# The Rightmove Rental Trends Tracker



## Regional trends

■ Increase from previous quarter
 ■ Decrease from previous quarter





## Editors' notes

Rightmove's Rental Trends Tracker 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.

Rightmove measured 249,357 asking rents. The properties were advertised on Rightmove.co.uk by agents in Q2 2015. This month 11,270 properties have been excluded due to being anomalies. All short lets have been removed.

1 Number of rental email enquiries, Q2 2015 vs Q2 2014.

2 Demand by area is measured using a formula based on email enquiries, searches and property detail views and takes into account the size of each area. The time period used is Q2 2015.

3 For all areas lower than region the asking prices and % growth are for two bed properties.