



Q2 (April-June 2020)

**Under embargo until 00.01 hours, Thursday 16<sup>th</sup> July 2020**

## Record rents outside London, though landlord shift from holiday lets sees capital's rents fall

- Asking rents outside London hit a record of £845 per month, up 3.4% on the same time last year, the highest annual rate since Q2 2016
- Record rental demand as phone and email enquiries to agents hit a new all-time high on Monday 6th July, and rental demand is now 40% higher than this time last year
- In contrast London asking rents have fallen by 0.6% compared to a year ago and down 2.8% in the last quarter, as levels of total available stock have soared by 41% compared to this time last year, fuelled by landlords with holiday lets now competing for long-term rentals
- A new survey among landlords has found that despite growing concern over risks of greater rent arrears, a quarter of them are still planning to increase the number of buy-to-let properties they own

### National average asking rent for all property types (excluding Greater London)

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2020	£845	3.7%	3.4%
Q1 2020	£815	-0.2%	+2.4%

### Greater London average asking rent for all property types

Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q2 2020	£2,046	-2.8%	-0.6%
Q1 2020	£2,106	-0.6%	+0.6%

## Overview

The average rental asking price is at an all-time high outside London, as seven weeks of lockdown-limited activity in the rental market has boosted demand to record levels. In contrast, the capital's asking rents started to fall across April and May. London asking rents are now lower than this time last year, and also £60 cheaper than Q1.

New rental listings dropped by an average of 50% during lockdown, but are now up 1% on the same time last year. Total available stock is also up 1%. However, there are large variations at a local level,



with total available stock currently up 41% in London and up 34% in Edinburgh, fuelled in-part by a surge in long-term rental supply from the curtailed holiday short-let market.

Overall rental demand is at a record high and so this may lead to further upwards price pressure except in areas of over-supply. Monday is usually the busiest day for people enquiring about rental property, and it hit a record on Monday 6<sup>th</sup> July. Compared to this time last year demand is now 40% higher across Great Britain.

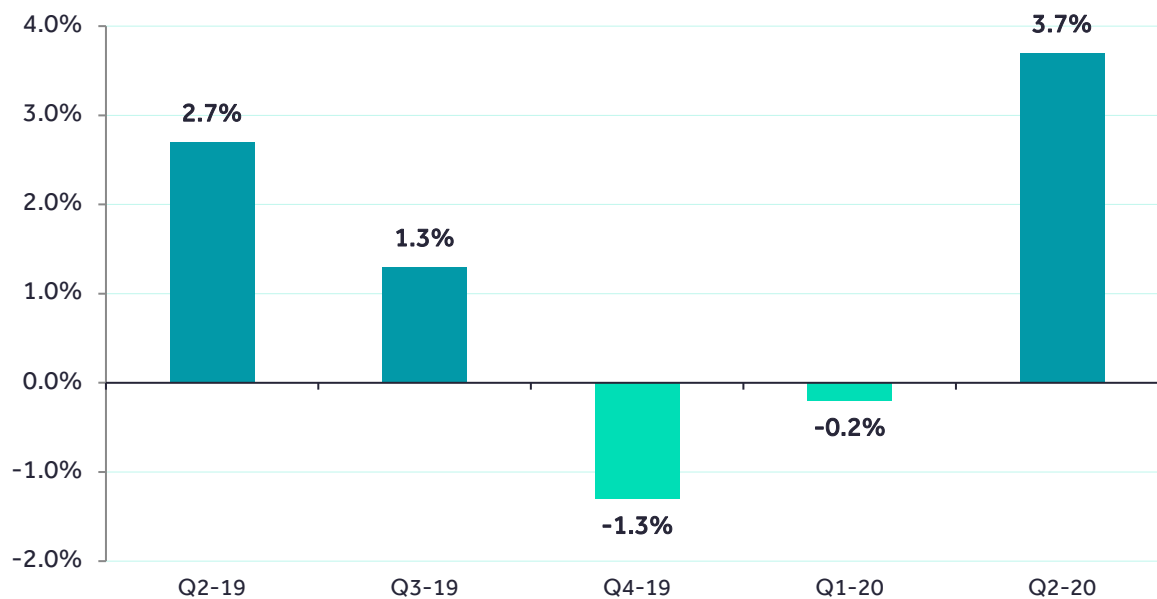
A study by Rightmove among over 400 landlords found that their biggest concern is their tenants falling into arrears, with over half (54%) saying that this was a worry. Despite the various challenges in the rental sector, a quarter of them are still planning to expand their portfolio. This may now be boosted further by the recent stamp duty holiday announcement, as although they have to pay the additional 3% they will still make savings on the total amount of stamp duty payable.

Rightmove's Commercial Director and Housing Market Analyst Miles Shippside said: *"The pause in the rental market has led to some distorted figures over the past few months, especially in cities where landlords with short-term lets made the swap to instead try and find a long-term tenant. Both rents outside London and demand being at a record high isn't good news for many tenants looking to move right now, especially as we know there will be even more competition for those attractive properties with more space, bigger gardens and a spare room.*

*"There are early signs that some existing London renters are looking to move further afield, adding to the large increase in the number of properties up for rent on Rightmove in the capital, so prospective tenants there could find there's some room to negotiate especially if they are happy to sign a longer-term contract than usual. Many renters may feel they've been left out of the chancellor's recovery packages, but one glimmer of hope is that the temporary stamp duty savings may entice more investors to expand their portfolio. If this does happen we could see more choice for tenants and in turn prices may stabilise for a while, but it will take some time."*

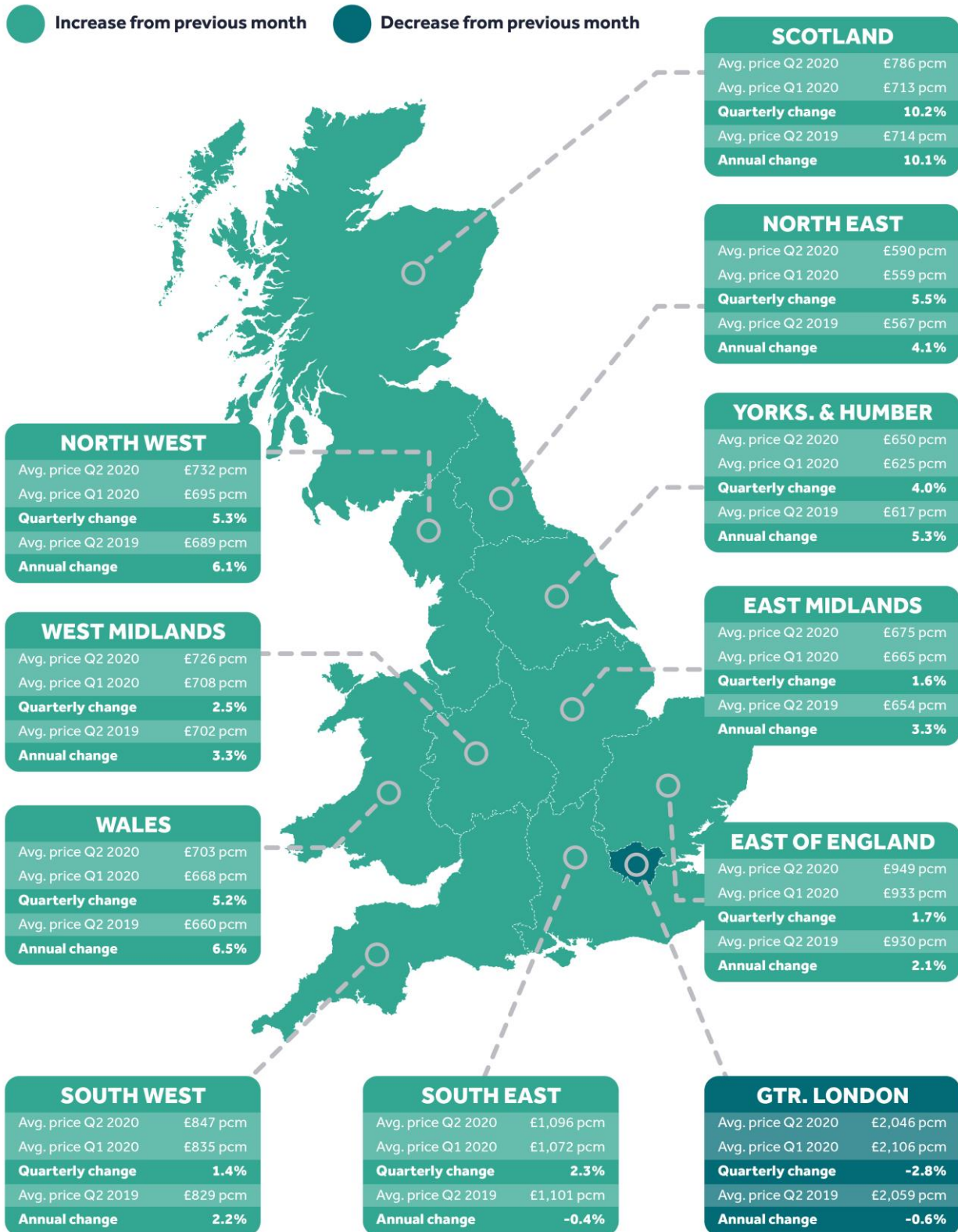


## National quarterly change in average asking rents





## Regional trends





## Top five highest growth areas outside Greater London Q2 2020

Area	Avg. asking rent per month (2 bed) Q2 2019	Avg. asking rent per month (2 bed) Q2 2020	Annual change
Liverpool	£625	£701	12.1%
Sheffield	£635	£695	9.4%
Cobham, Surrey	£1,371	£1,494	8.9%
Bury St. Edmunds, Suffolk	£849	£924	8.8%
Lytham St. Annes, Lancashire	£579	£630	8.8%

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

Area	Avg. asking rent per month (2 bed) Q2 2020
Oldham, Greater Manchester	£567
Prenton, Wirral, Merseyside	£537
Bootle, Merseyside	£576
Leigh, Greater Manchester	£473
Birkenhead, Wirral, Merseyside	£504

## Top five highest growth areas in Greater London Q2 2020

Area	Avg. asking rent per month (2 bed) – Q2 2019	Avg. asking rent per month (2 bed) – Q2 2020	Annual change
Barking	£1,265	£1,445	14.2%
Ilford	£1,276	£1,412	10.7%
Wembley	£1,500	£1,643	9.5%
Forest Hill	£1,356	£1,446	6.6%
Sutton	£1,259	£1,341	6.5%

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

Area	Avg. asking rent per month (2 bed) – Q2 2020
Sidcup	£1,185
Wallington	£1,190
Blackfen	£1,193
Chadwell Heath	£1,153
Welling	£1,183



## Editors' notes

The survey was conducted by Rightmove between Thursday 21st May and Tuesday 26th May. There were 437 landlord respondents.

Rightmove's Rental Trends Tracker records data since Q4 2011. It 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.

**Quarterly data:** Rightmove measured 228,176 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st April – 30<sup>th</sup> June 2020. 10,271 properties have been excluded due to being anomalies. All short lets have been removed. For all areas lower than region the asking prices and % growth are for two bed properties.