



Rental Index

May 2021



Let Alliance Rental Index provides comprehensive and up to date data on new tenancies in the UK. Data is gathered from our tenant referencing service, including the rental amounts agreed, the number of tenants moving into the property together with the employment status, income and age of all tenants. The trends reported within the Let Alliance Rental Index are brand new tenancies which were arranged in the most recent period, giving the most relevant insight into changes in the Private Rented Sector.

Industry Insight From Andy Halstead, Group CEO

Commenting on the latest data, Andy Halstead, HomeLet & Let Alliance Chief Executive Officer, said:

“We’ve seen from sharp house price spikes across the country that the Coronavirus pandemic changed what people are looking for in a property. Many are looking to buy properties offering more living space, particularly those working from home. This is also true of the private rented sector.

“Rental properties continue to play a crucial role in meeting the demands of people up and down the country, and the flexibility and responsiveness shown by the private rental sector will be vital in the coming months as the country opens up again. As rents increase, we’ve also seen an increase of over 10% in suspicious and fraudulent applications for let property; with backlogs and delays in processing evictions, the demand for high-quality tenant reference and insurances has never been higher.

“The overwhelming success of the vaccination drive brings hope that returning to some form of normality could be on the horizon. However, we would still caution that millions could be made unemployed at the end of the furlough scheme – posing considerable problems in tandem with an unbalanced rental market. Whilst the Government looks to stimulate homeownership, the importance of the private rented sector can’t be understated and should not be overlooked.”

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Key headlines

Average rent in the UK is a new record high of £997 – increasing for the sixth month in a row.

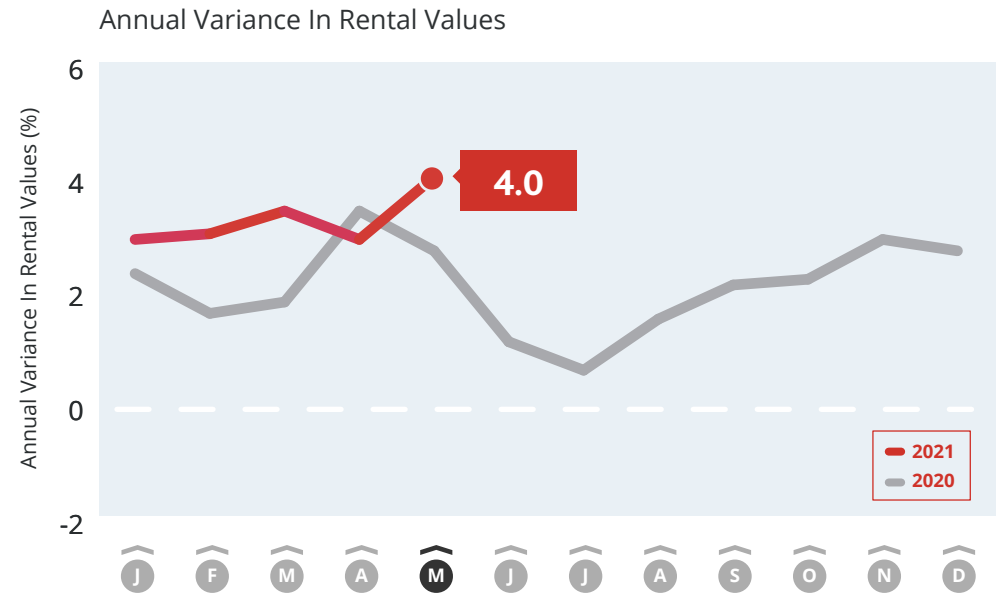
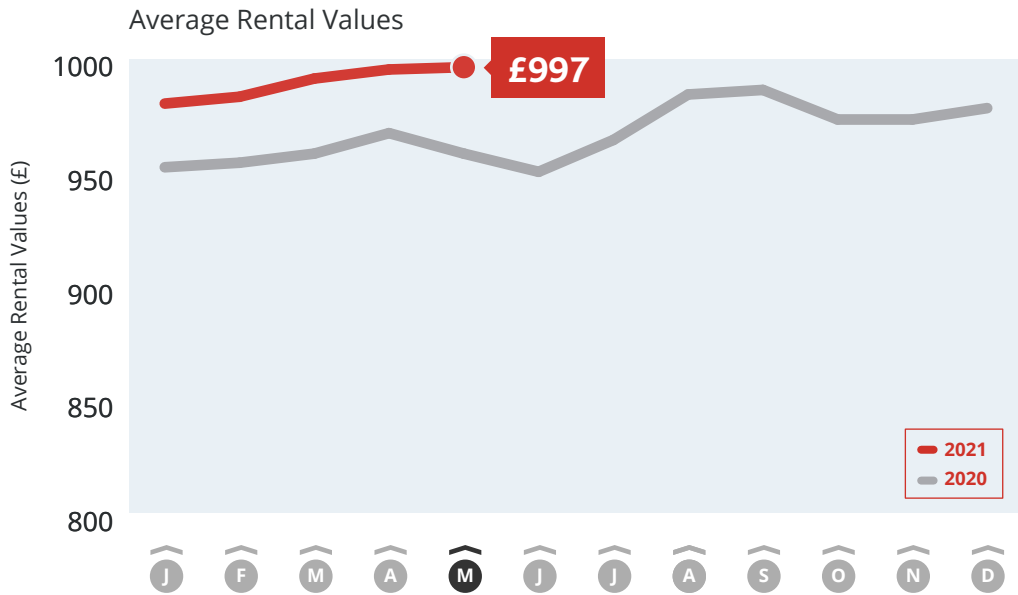
When excluding London, the average rent in the UK is now £854, increasing by 0.1% last month and 6.4% last year.

7 of the 12 regions monitored by HomeLet showed a MOM increase in rental values between April 2021 and May 2021, with Scotland seeing the most significant increase of 2.6%.

11 of the 12 regions monitored by HomeLet showed a YOY increase in rental values between May 2020 and May 2021, with both the East Of England and the South West showing gains of over 8%.

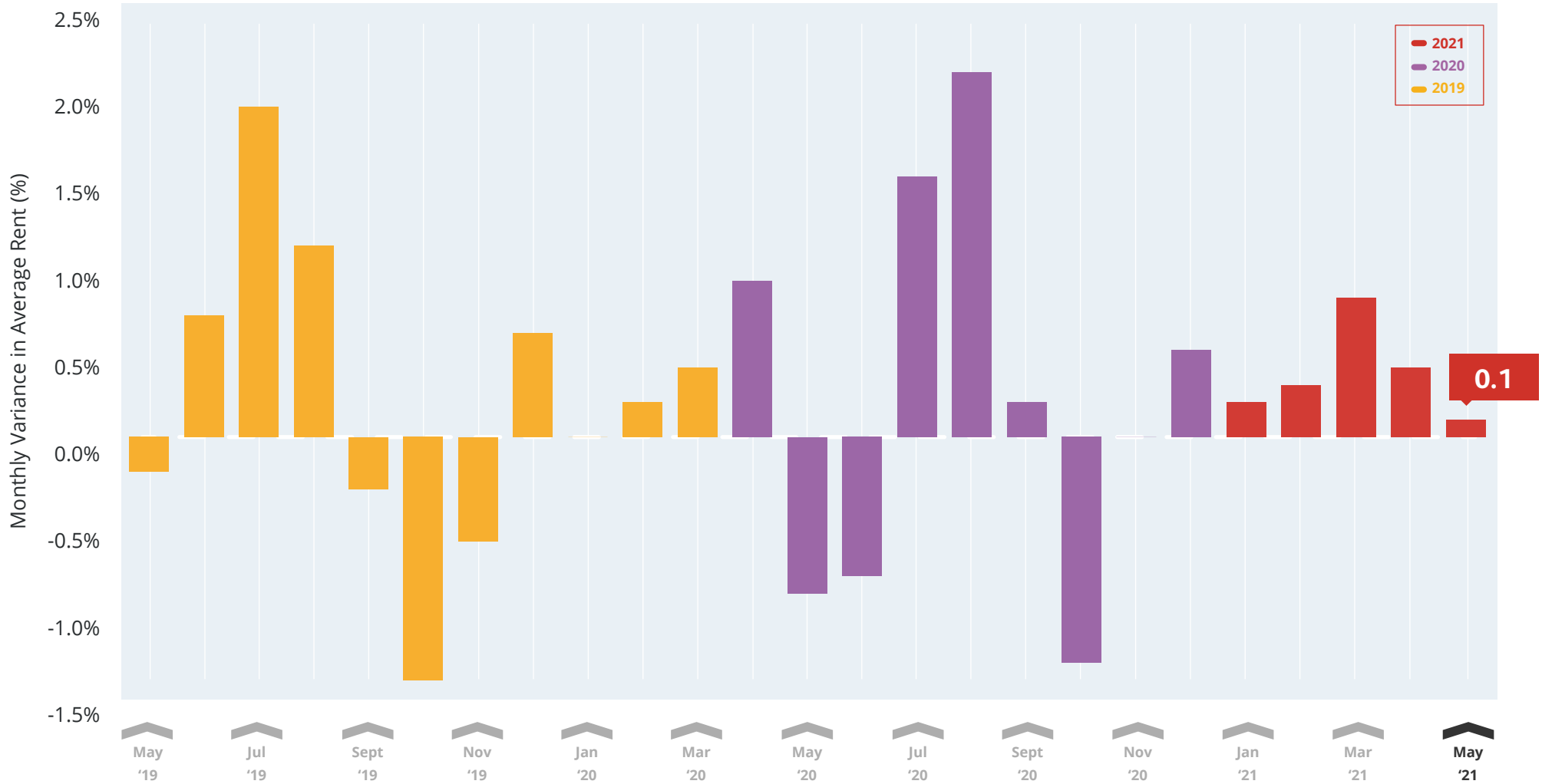
However, rents in London continue to fall YOY, showing a 0.9% drop between May 2020 and May 2021 – the twelfth decrease in annual variance in subsequent months.

Average rental values in the UK



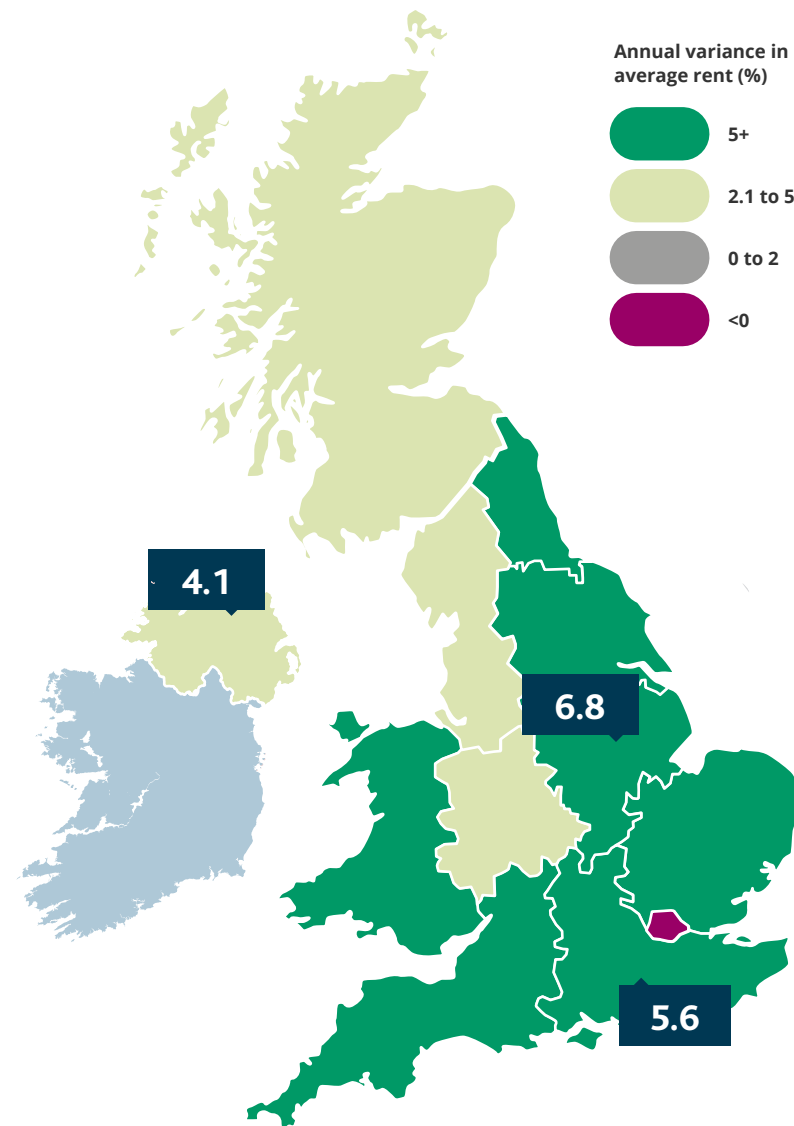
When excluding London, the average rent in the UK is now £854, increasing by 0.1% last month and 6.4% last year.

Monthly Variance in Average Rent in the UK

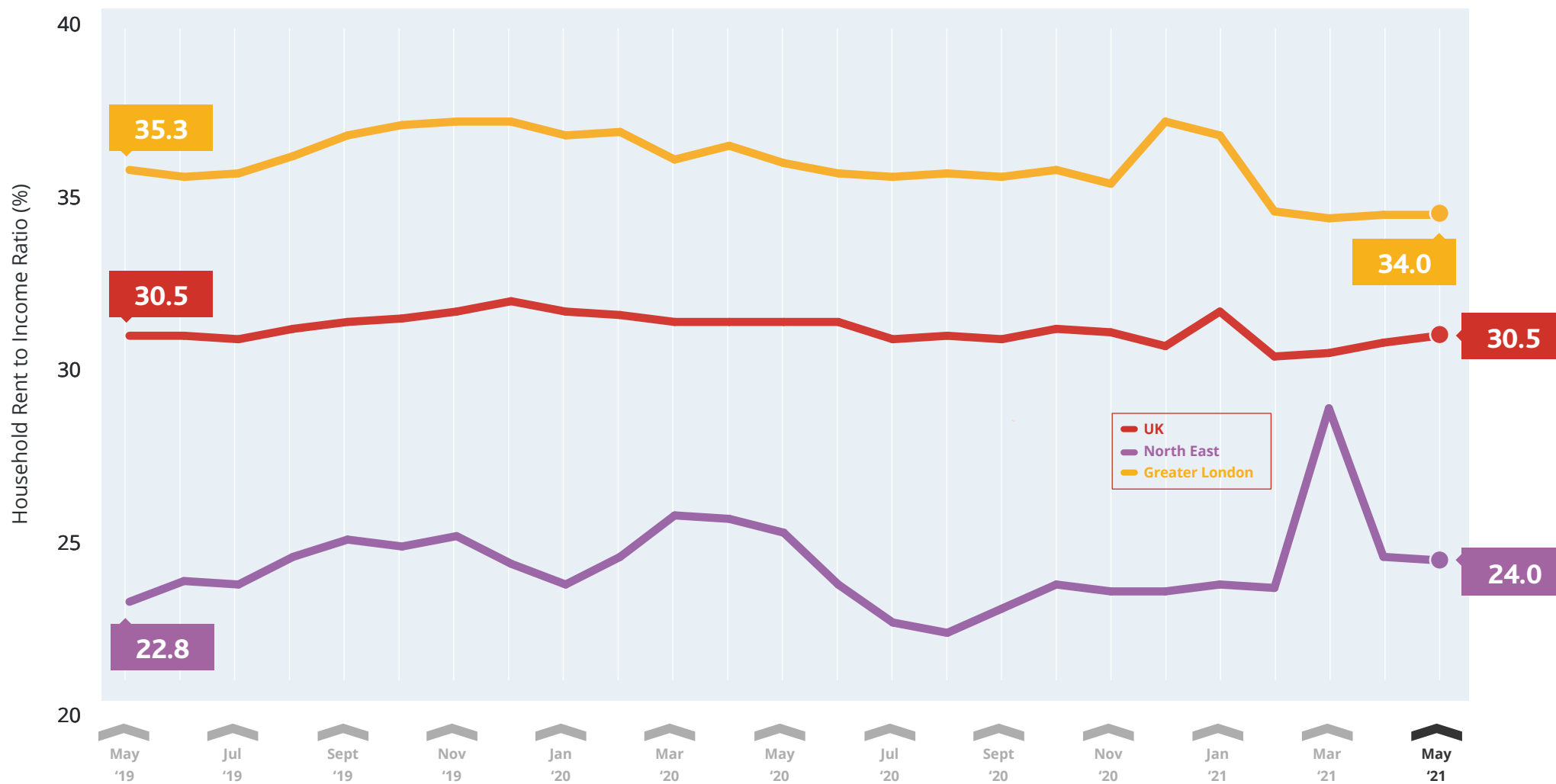


UK regional breakdown

Region	May '21	Apr '21	May '20	Monthly var.	Annual var.
South West	£943	£955	£870	-1.3%	8.4%
East Midlands	£704	£709	£659	-0.7%	6.8%
Yorkshire & Humberside	£697	£693	£652	0.6%	6.9%
East of England	£1,001	£993	£923	0.8%	8.5%
North East	£560	£555	£527	0.9%	6.3%
North West	£790	£791	£758	-0.1%	4.2%
Wales	£698	£686	£648	1.7%	7.7%
South East	£1,095	£1,102	£1,037	-0.6%	5.6%
West Midlands	£755	£755	£721	0.0%	4.7%
Scotland	£707	£689	£682	2.6%	3.7%
Northern Ireland	£678	£670	£651	1.2%	4.1%
Greater London	£1,583	£1,580	£1,598	0.2%	-0.9%
UK	£997	£996	£959	0.1%	4.0%
UK exc. Greater London	£854	£853	£803	0.1%	6.4%



Household rent to income ratio in the UK



Household rent to income ratio by region

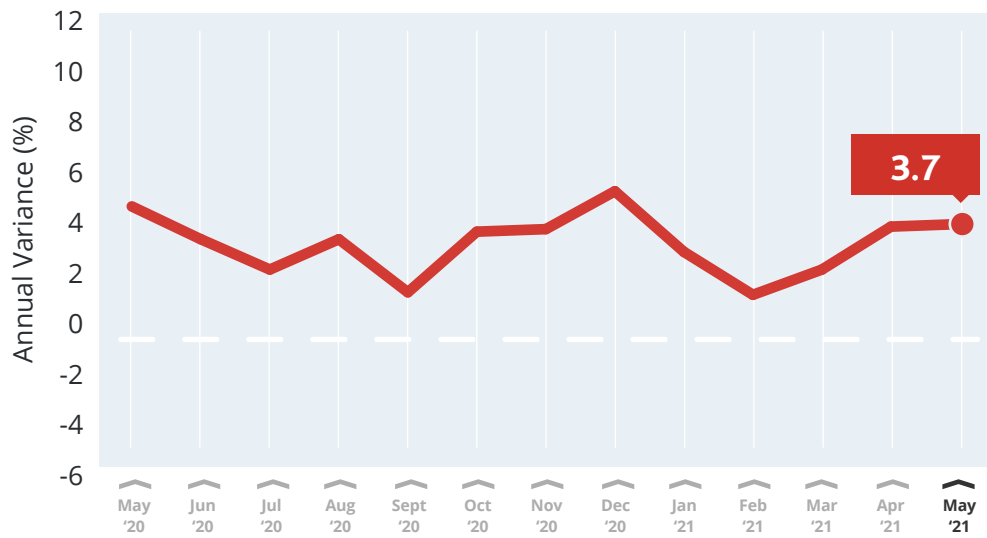
Region	May '20	May '21	Variance (Points)
UK	30.9 %	30.5 %	0.4%
UK Ex London	29.6 %	29.6 %	0.0%
North East	24.8 %	24.0 %	0.8%
North West	29.2 %	29.4 %	-0.2%
Yorkshire and Humberside	26.7 %	26.8 %	-0.1%
East Midlands	29.6 %	29.0 %	0.6%
Wales	28.5 %	29.1 %	-0.6%
South West	32.9 %	32.0 %	0.9%
South East	31.0 %	31.8 %	-0.8%
London	35.5 %	34.0 %	1.5%
East Of England	31.0 %	31.3 %	-0.3%
West Midlands	28.2 %	29.0 %	-0.8%
Scotland	26.0 %	25.2 %	0.8%
Northern Ireland	26.1 %	27.6 %	-1.5%



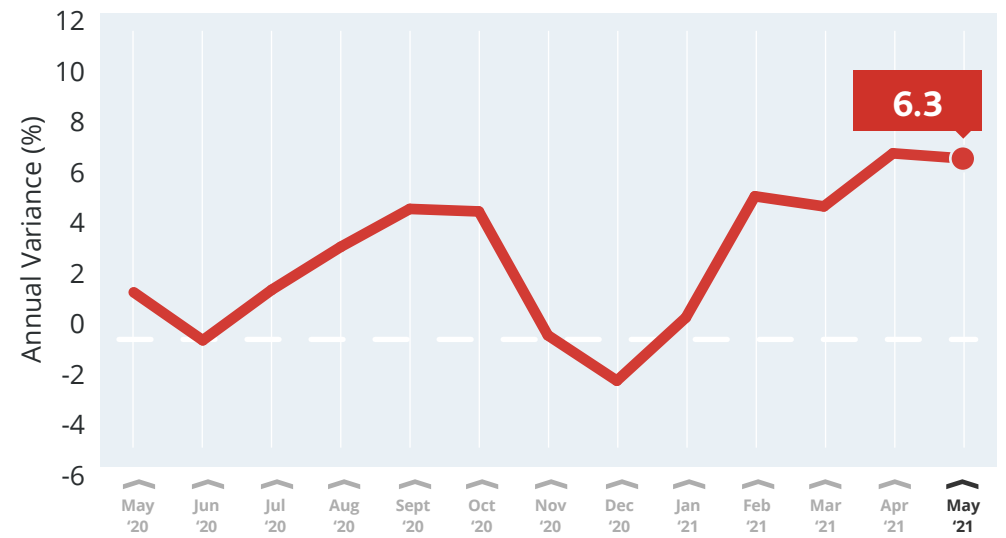
› The data displayed above looks at the average gross household income per property against the average total rental value per property.

Annual variance in average rental values by region

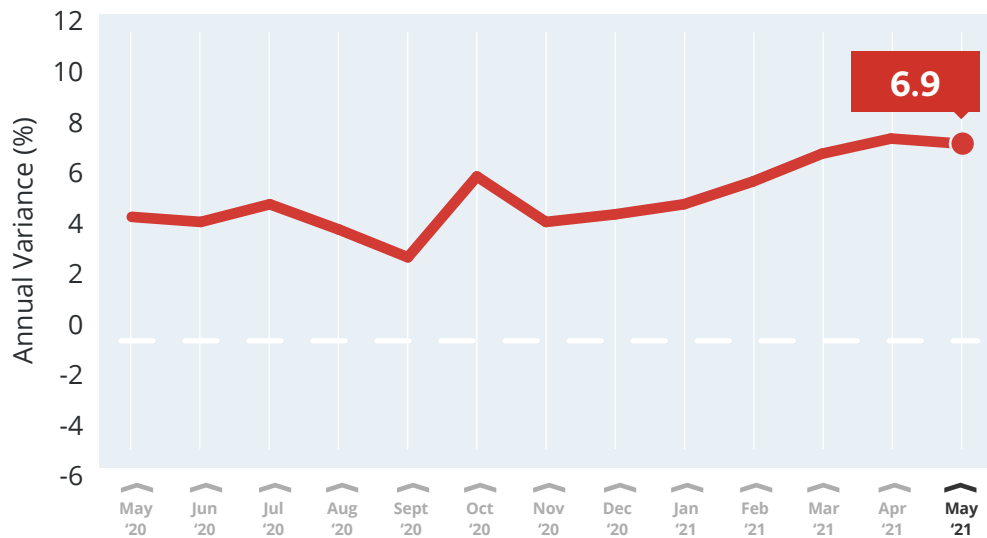
Scotland



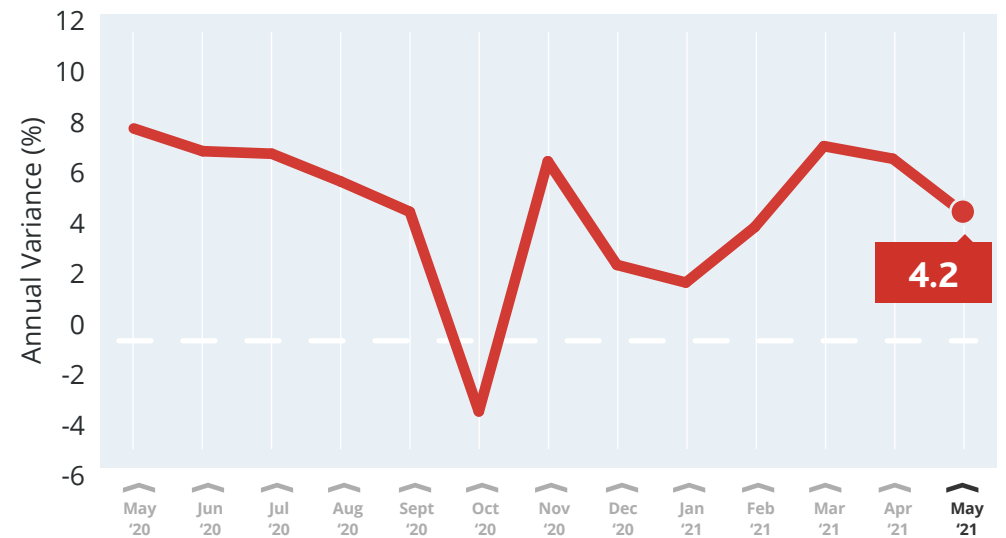
North East



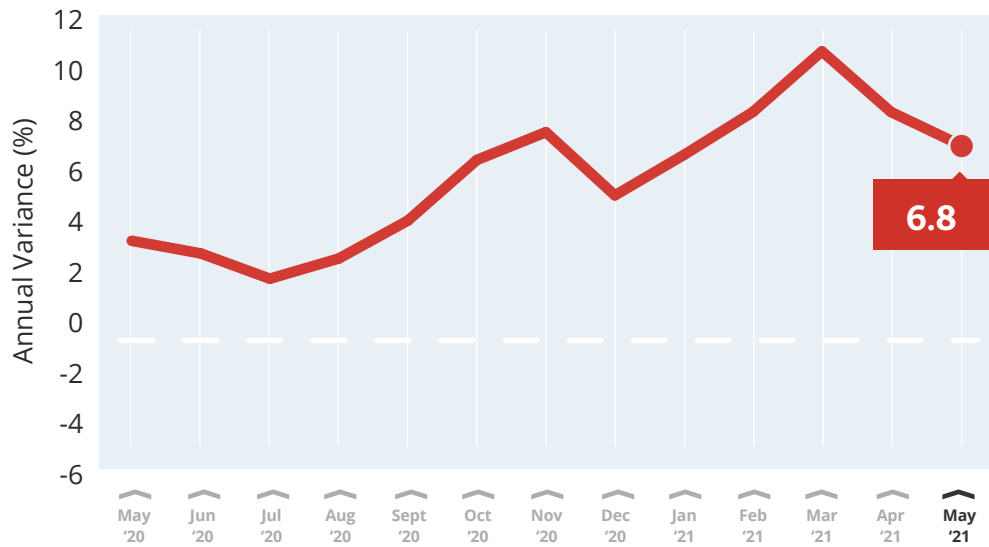
Yorkshire & Humberside



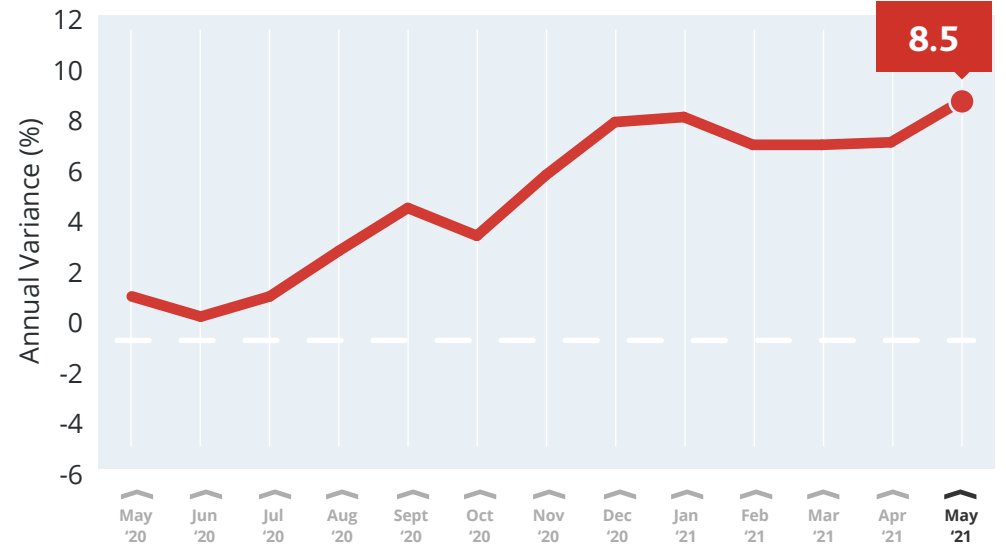
North West



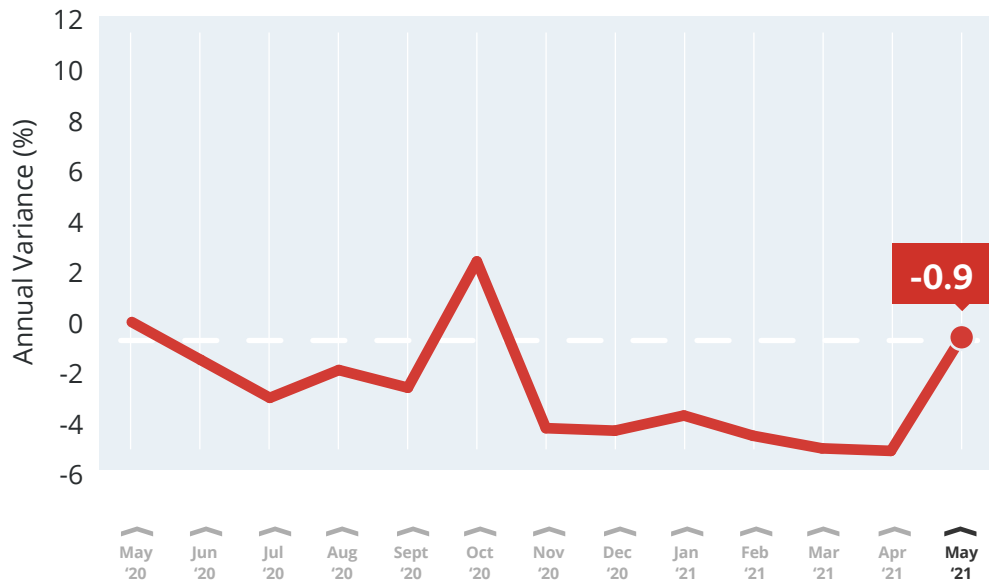
East Midlands



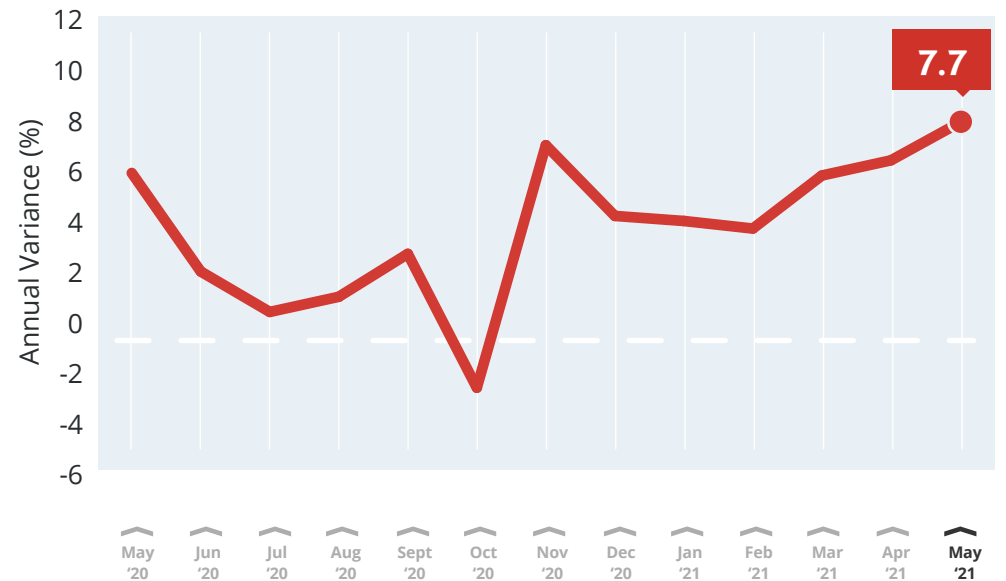
East of England



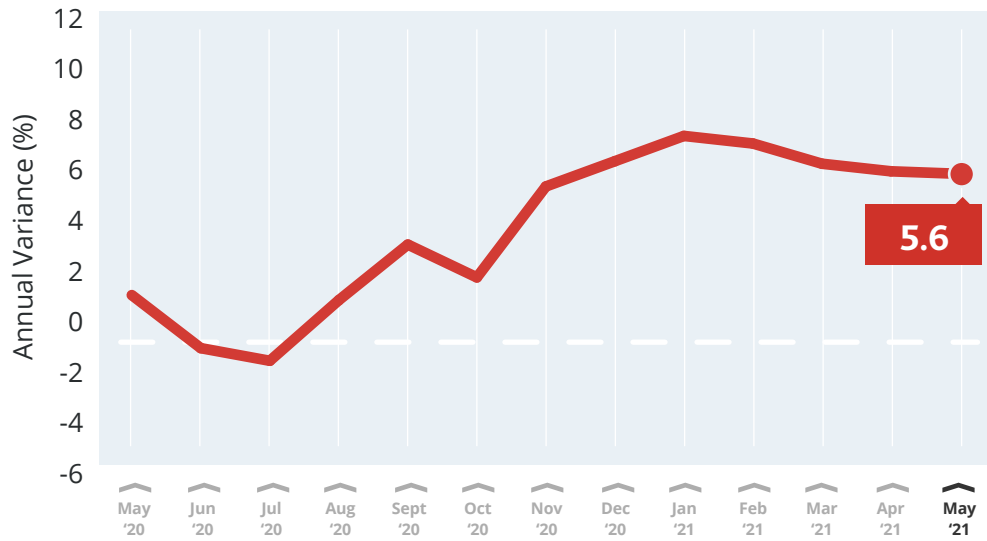
Greater London



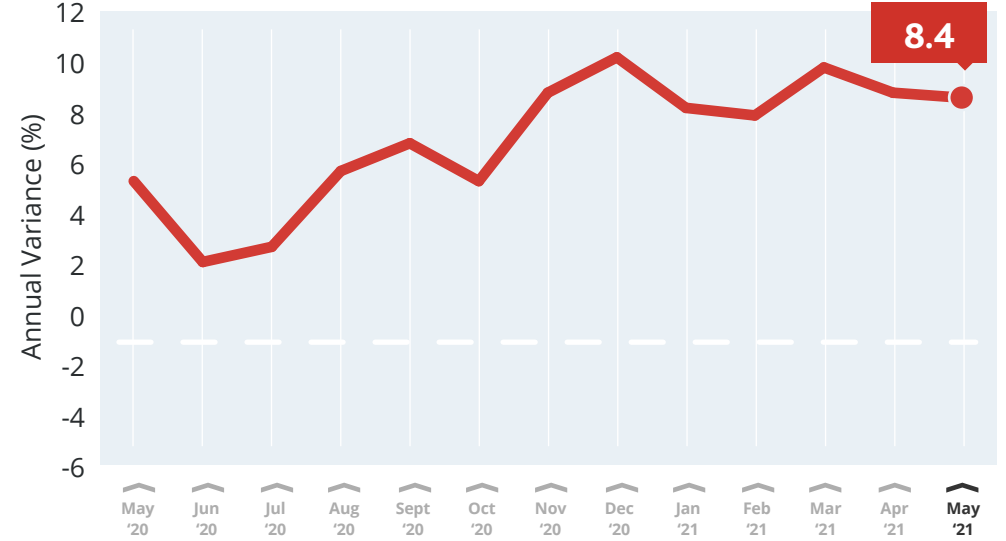
Wales



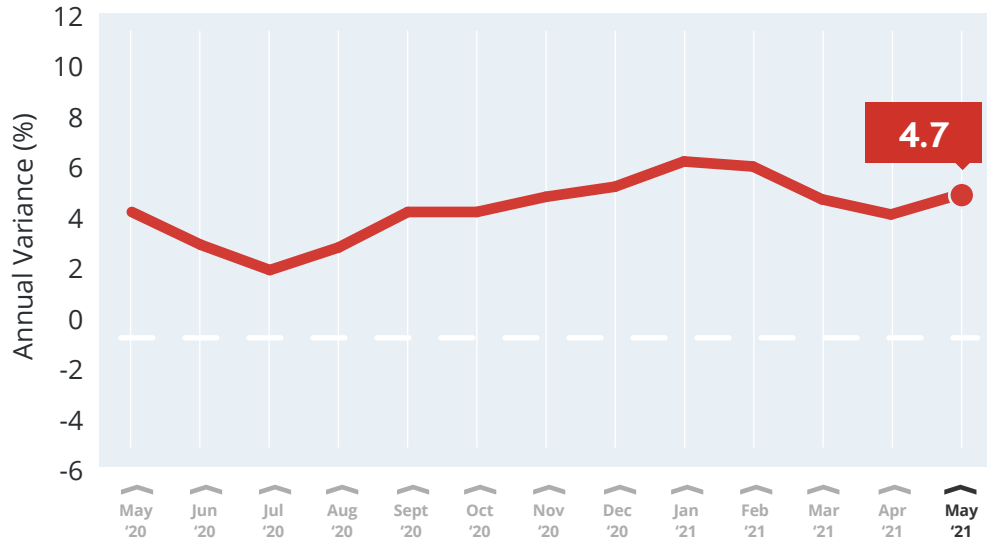
South East



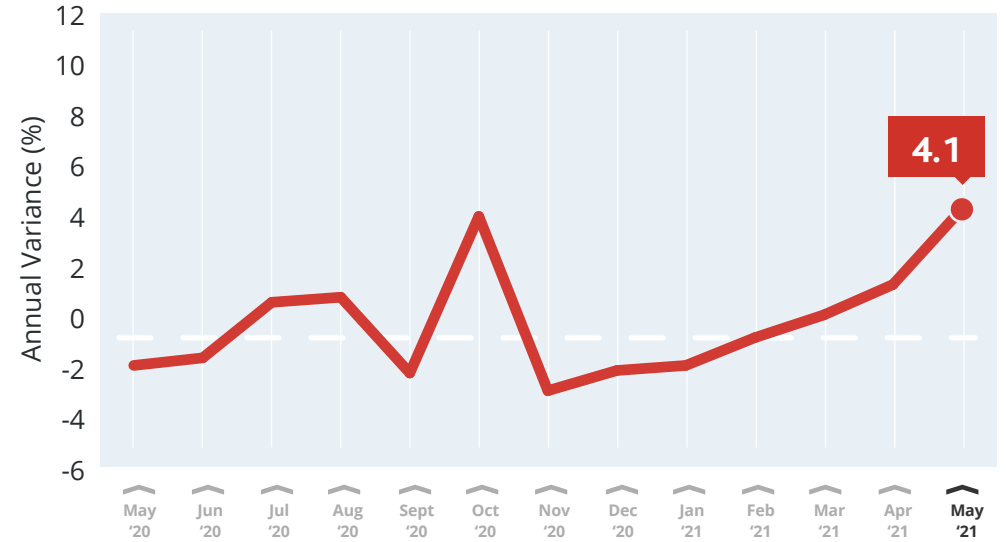
South West



West Midlands

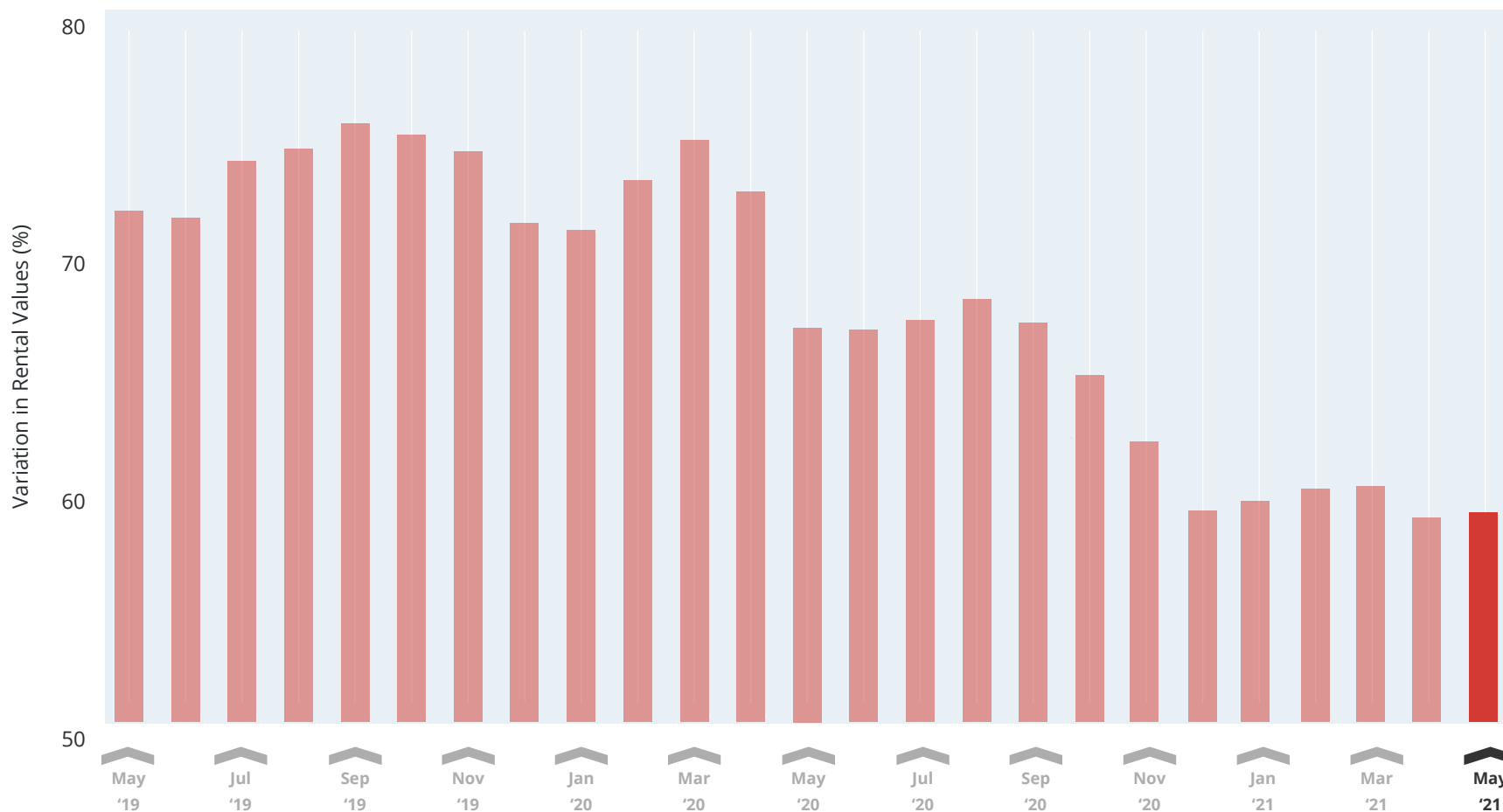


Northern Ireland



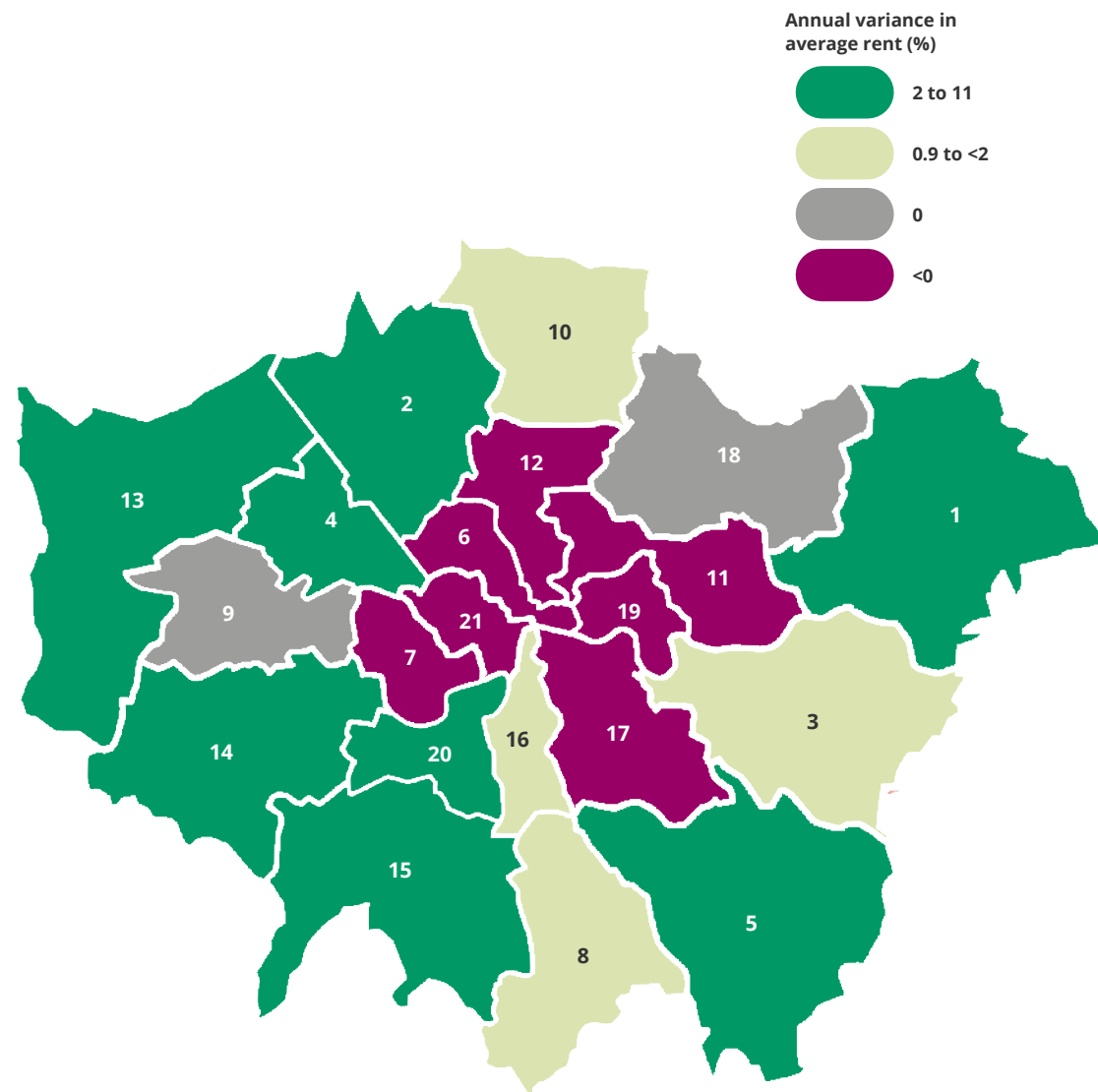
Greater London vs. the UK

Monthly variation between Greater London Rental Prices and the UK average



Greater London by borough

Region	May '21	Apr '21	May '20	Monthly var.	Annual var.
1 Barking, Dagenham and Havering	£1,322	£1,328	£1,204	-0.5%	9.8%
2 Barnet	£1,537	£1,567	£1,500	-1.9%	2.5%
3 Bexley and Greenwich	£1,378	£1,376	£1,352	0.1%	1.9%
4 Brent	£1,610	£1,554	£1,530	3.6%	5.2%
5 Bromley	£1,498	£1,544	£1,421	-3.0%	5.4%
6 Camden, City of London	£1,815	£1,796	£2,060	1.1%	-11.9%
7 Hammersmith, Fulham, Kensington and Chelsea	£1,920	£1,883	£2,194	2.0%	-12.5%
8 Croydon	£1,142	£1,122	£1,128	1.8%	1.2%
9 Ealing	£1,454	£1,508	£1,442	-3.6%	0.8%
10 Enfield	£1,512	£1,528	£1,485	-1.0%	1.8%
11 Hackney and Newham	£1,421	£1,423	£1,460	-0.1%	-2.7%
12 Haringey and Islington	£1,581	£1,605	£1,674	-1.5%	-5.6%
13 Harrow and Hillingdon	£1,384	£1,383	£1,340	0.1%	3.3%
14 Hounslow and Richmond upon Thames	£1,468	£1,483	£1,398	-1.0%	5.0%
15 Merton, Kingston upon Thames and Sutton	£1,425	£1,381	£1,383	3.2%	3.0%
16 Lambeth	£2,053	£2,048	£2,021	0.2%	1.6%
17 Lewisham and Southwark	£1,548	£1,563	£1,602	-1.0%	-3.4%
18 Redbridge and Waltham Forest	£1,272	£1,304	£1,270	-2.5%	0.2%
19 Tower Hamlets	£1,611	£1,584	£1,651	1.7%	-2.4%
20 Wandsworth	£1,870	£1,849	£1,690	1.1%	10.7%
21 Westminster	£2,183	£2,171	£2,571	0.6%	-15.1%



› This section looks at the average rental values for new tenancies for the boroughs of London. The annual variance compares May 2020 with May 2021.

Greater London ranked by borough

London Boroughs With The Highest Average Rent In May '21

London Borough	Avg. Rent
Westminster	£2,183
Lambeth	£2,053
Hammersmith, Fulham, Kensington and Chelsea	£1,920
Wandsworth	£1,870
Camden, City of London	£1,815

London Boroughs With The Lowest Average Rent In May '21

London Borough	Avg. Rent
Croydon	£1,142
Redbridge and Waltham Forest	£1,272
Barking, Dagenham and Havering	£1,322
Bexley and Greenwich	£1,378
Harrow and Hillingdon	£1,384

London Boroughs With The Highest Annual Variance In Average Rent

London Borough	Annual variance
Wandsworth	10.7%
Barking, Dagenham and Havering	9.8%
Bromley	5.4%
Brent	5.2%
Hounslow and Richmond upon Thames	5.0%

London Boroughs With The Lowest Annual Variance In Average Rent

London Borough	Annual variance
Westminster	-15.1%
Hammersmith, Fulham, Kensington and Chelsea	-12.5%
Camden, City of London	-11.9%
Haringey and Islington	-5.6%
Lewisham and Southwark	-3.4%



About Let Alliance

Let Alliance provide specialist services supporting the private rental sector. Offering market-leading referencing and insurance services as well as bespoke products for letting agents, tenants, and landlords.

About the Rental Index

The index and average prices are produced using the Barbon Insurance Group mix adjusted rental index methodology. This helps to track the representative rental values over time, which factor in changes in the mix of property types and locations of rented properties. Data is gathered from Barbon Insurance Group tenant referencing service, and our rental amounts are based on actual achieved rental prices with accurate tenancy start dates in a reported month, rather than advertised costs. The data used in Rental Index is aggregated to regional, county and city level only. This ensures that all property or individual records remain strictly anonymous.

The Rental Index is prepared from information that we consider is collated with careful attention, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue this report. The Rental Index may not be used for commercial purposes; we shall not be liable for any decisions made or action taken in reliance upon the published data.

Let **Alliance** 



£1.25 Billion

Our Rent Guarantee cover provides protection for over £1.25bn in rental payments.

1,000,000

Our mission is to protect 1 million properties managed by the UK's Professional Letting Agents.

The UK's
Largest Trusted Rent Guarantee scheme

The UK's trusted Rent Protection

Designed for professional letting agents

- ✓ Missed rental payments until vacant possession of the property or for up to **15 months** (up to a maximum of **£50,000**), whichever comes first.
- ✓ Legal expenses cover up to **£100,000**, double the previous cover level.
- ✓ **75% of rent paid for up to 3 months** after Vacant Possession.
- ✓ Cover should a tenant defend the action taken, which means that **we'll continue to pay the claim** until the challenge has been resolved (subject to policy terms).