June 2024

HomeLet rental index report

The HomeLet Rental Index represents the largest, most insightful, and up-to-date view on the UK's private rented sector. With data qualified through high-quality tenant referencing, conducted on behalf of over 4,500 UK letting agents, the trends reported within the Index are based on brand new tenancies and agreed rents, giving the most relevant insight into changes in the Private Rented Sector.

In conjunction with Dataloft, a PriceHubble company

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Overview

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Average rents and change in rents

Average rent
(UK)

£1,299

At a national level, average rents rose very slightly in June to £1,299 per month.

Change monthly

+0.2%

Average rents rose by 0.2% in the month but slight falls were reported in some regions across the country, most notably in London.

Average rent
(UK excl. London)

£1,102

Average rents rose more strongly outside London with a 0.8% increase in the month. Rents are 7.3% higher than in June 2023.

Change annual

+5.7%

The annual rate of growth in rents is now almost half the level it was a year ago.

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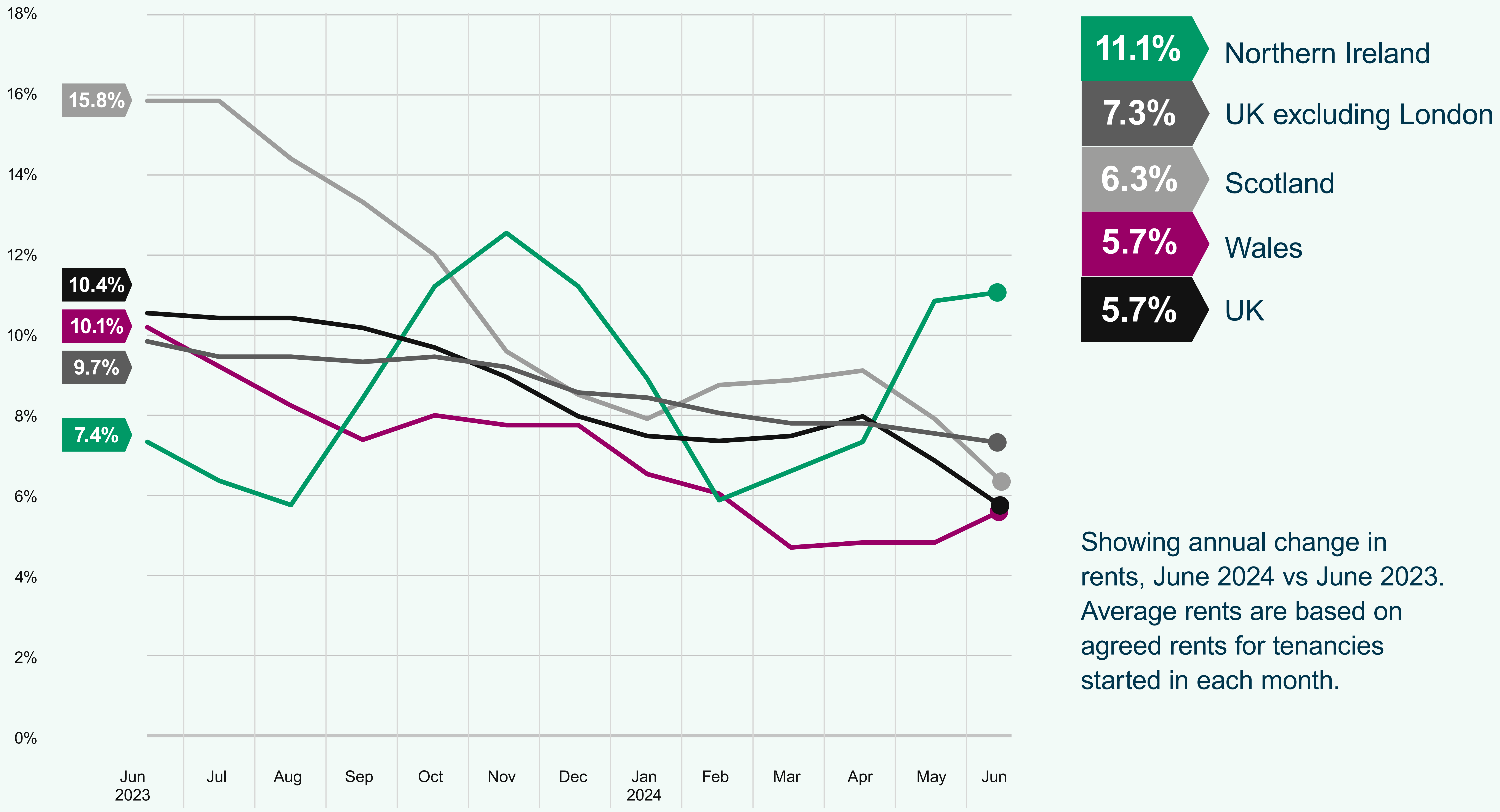
UK and home nations

Annual change June 2023 to June 2024



Showing annual change in rents, June 2024 vs June 2023. Average rents are based on agreed rents for tenancies started in each month.

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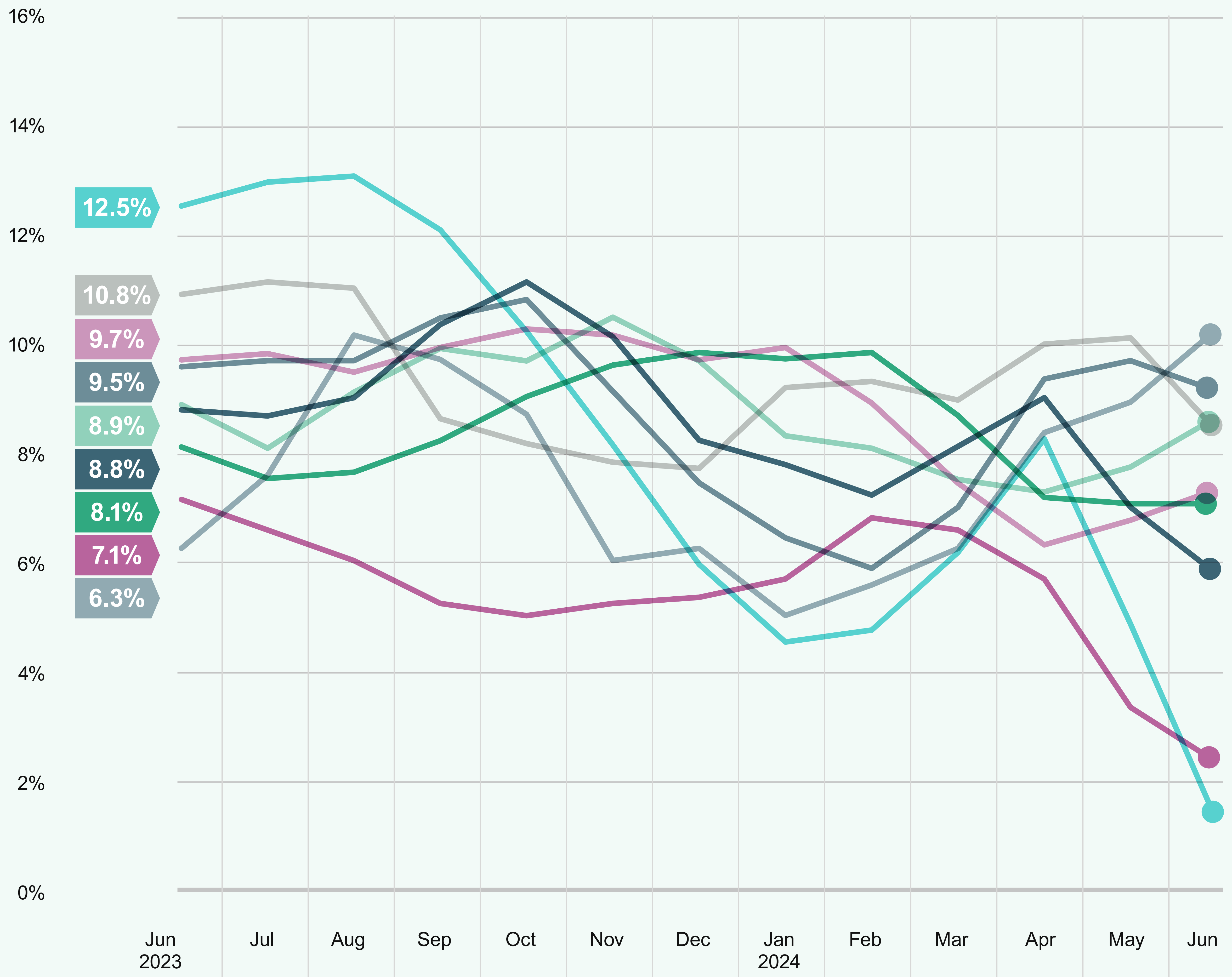
England by region

Annual change June 2023 to June 2024



10.2%	North East
9.1%	North West
8.7%	East of England
8.5%	West Midlands
7.4%	South East
7.2%	East Midlands
5.9%	Yorkshire and the Humber
2.4%	South West
1.3%	Greater London

Showing annual change in rents, June 2024 vs June 2023. Average rents are based on agreed rents for tenancies started in each month.

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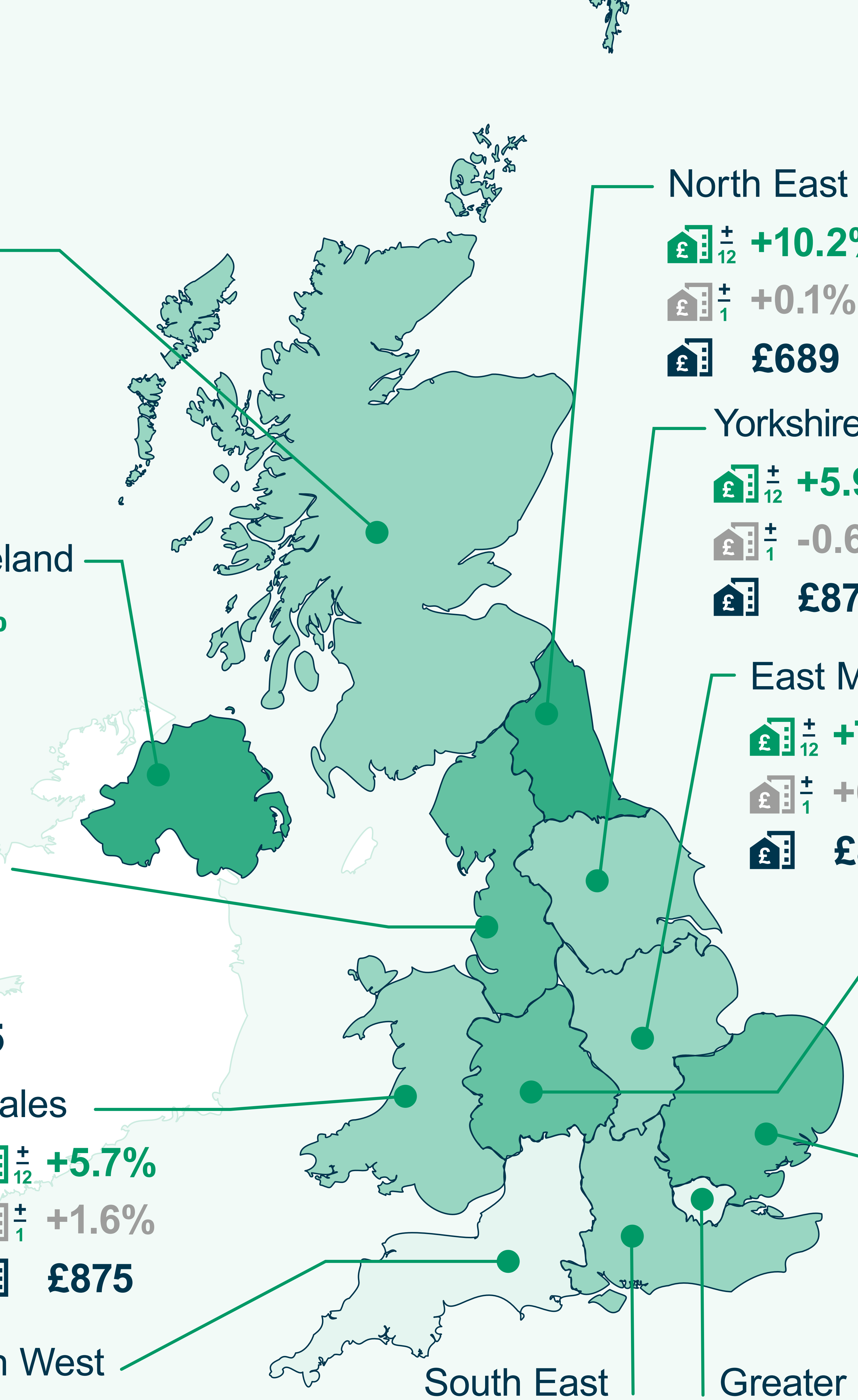
Regional snapshot



Scotland
+6.3%
+3.8%
£999

Northern Ireland
+11.1%
+1.8%
£900

North West
+9.1%
+0.3%
£1,055

Wales
+5.7%
+1.6%
£875

South West
+2.4%
-0.3%
£1,155

North East
+10.2%
+0.1%
£689

Yorkshire and the Humber
+5.9%
-0.6%
£877

East Midlands
+7.2%
+0.2%
£892

West Midlands
+8.5%
+0.4%
£993

East of England
+8.7%
+1.2%
£1,267

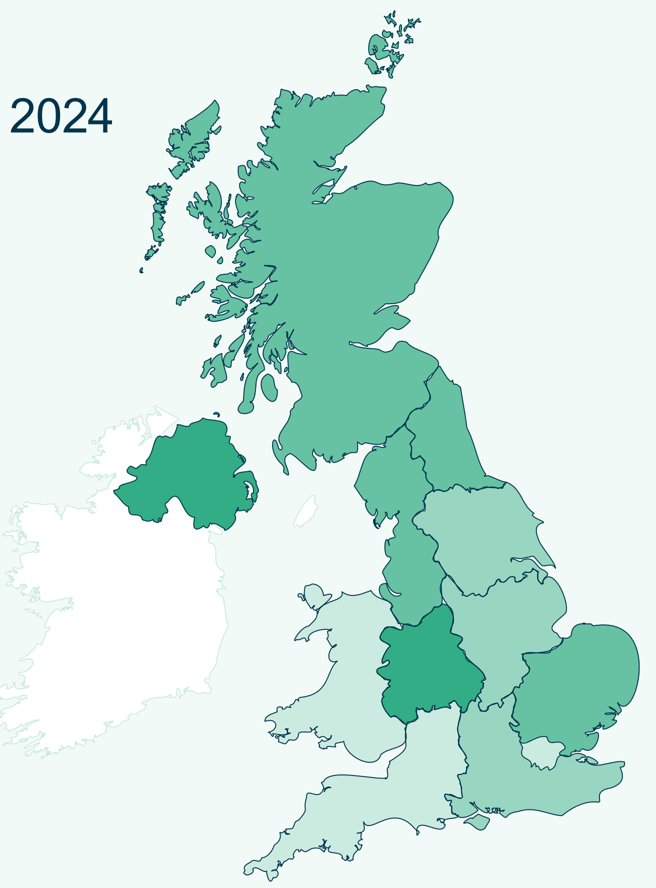
South East
+7.4%
+1.5%
£1,403

Greater London
+1.3%
-1.6%
£2,103

Annual change
June 2023 to June 2024

Change year	Under 2.5%
Change month	2.5% to 5%
Average rent	5% to 7.5%
	7.5% to 10%
	10% and over

May
2023 to 2024



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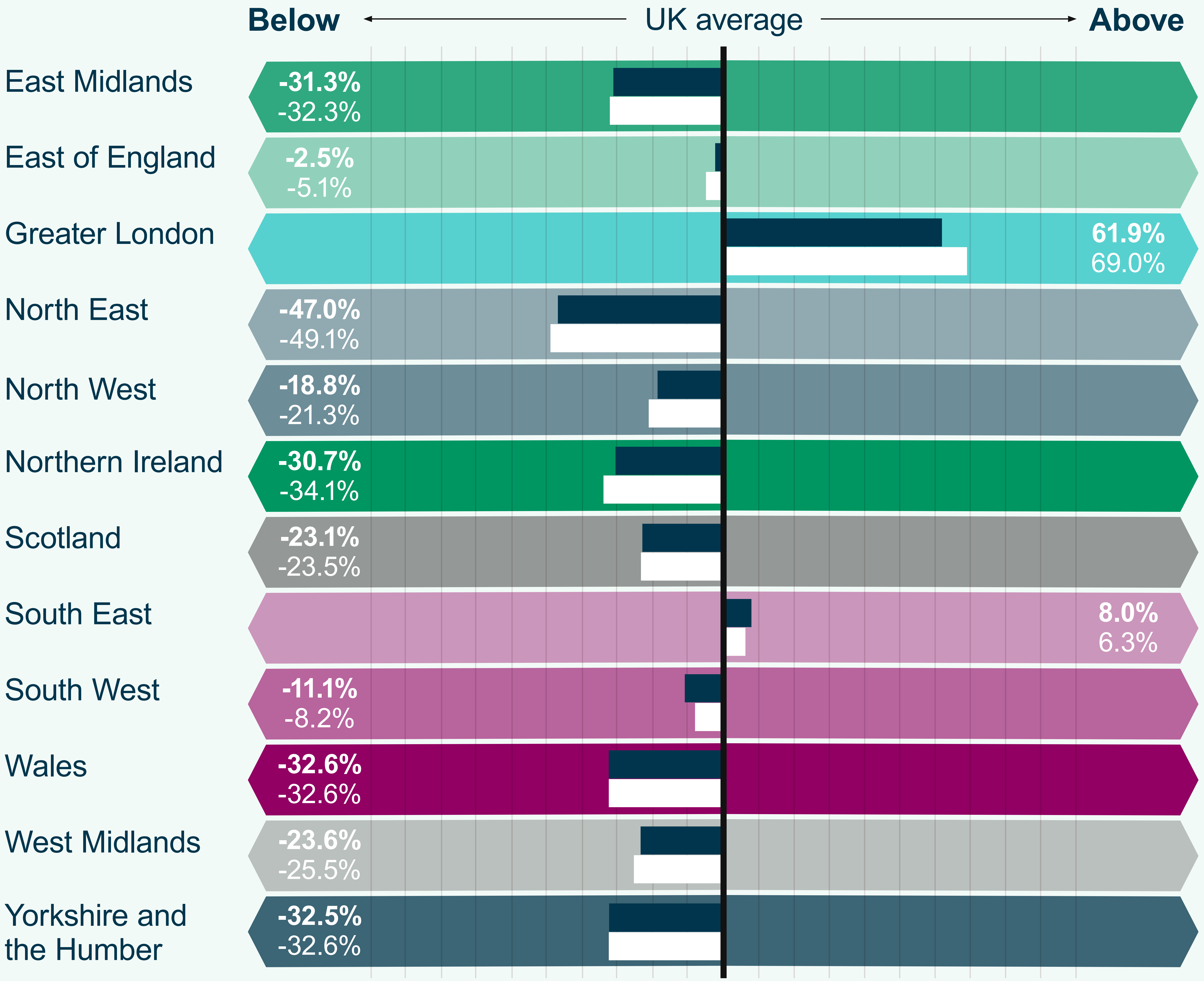
Regional discount / premium to UK average

Comparison with UK average June 2023 to June 2024



June 2024
June 2023

Showing how regional rents compared to the UK average in June 2024 and a year earlier, i.e., average rents in the East Midlands in June 2024 were 31.3% below the national average. However, in June 2023 they were 32.3% below the national average.

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London focus

Average rent

£2,103

Average rents in London fell by 1.6% in June which is the sixth monthly fall in 8 months.

Change annual

+1.3%

The London rental market has now slowed considerably with the annual rate of growth at its lowest level for 3 years.

Strongest performer

+12.8%

Ealing

Annual change in rents varies considerably across London from -12.4% in Wandsworth to 12.8% in Ealing.

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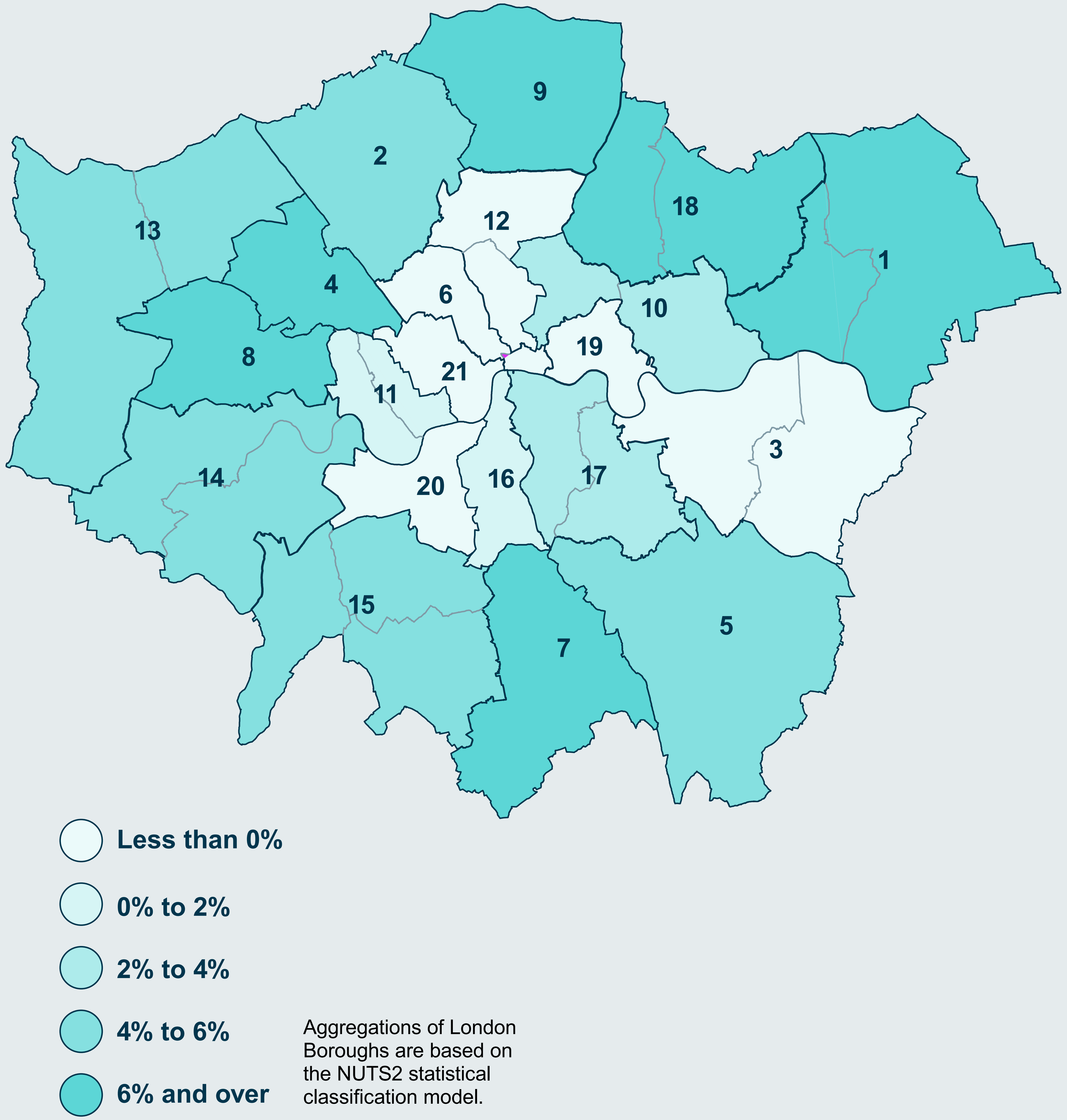
By borough

Annual change June 2023 to June 2024



Aggregations of London Boroughs are based on the NUTS2 statistical classification model.

		Annual change	Average rent
1	Barking, Dagenham and Havering	+9.7%	£1,787
2	Barnet	+4.6%	£2,102
3	Bexley and Greenwich	-2.9%	£1,704
4	Brent	+6.2%	£2,141
5	Bromley	+5.5%	£1,930
6	Camden, City of London	-2.0%	£2,316
7	Croydon	+9.4%	£1,576
8	Ealing	+12.8%	£2,233
9	Enfield	+10.3%	£1,981
10	Hackney and Newham	+2.7%	£2,004
11	Hammersmith, Fulham, Kensington and Chelsea	+2.0%	£2,655
12	Haringey and Islington	-0.9%	£2,067
13	Harrow and Hillingdon	+4.1%	£1,781
14	Hounslow and Richmond	+4.3%	£1,933
15	Merton, Kingston upon Thames and Sutton	+5.2%	£1,905
16	Lambeth	+0.8%	£2,638
17	Lewisham and Southwark	+2.9%	£2,114
18	Redbridge and Waltham Forest	+7.7%	£1,736
19	Tower Hamlets	-4.1%	£2,081
20	Wandsworth	-12.4%	£2,122
21	Westminster	-1.4%	£3,242

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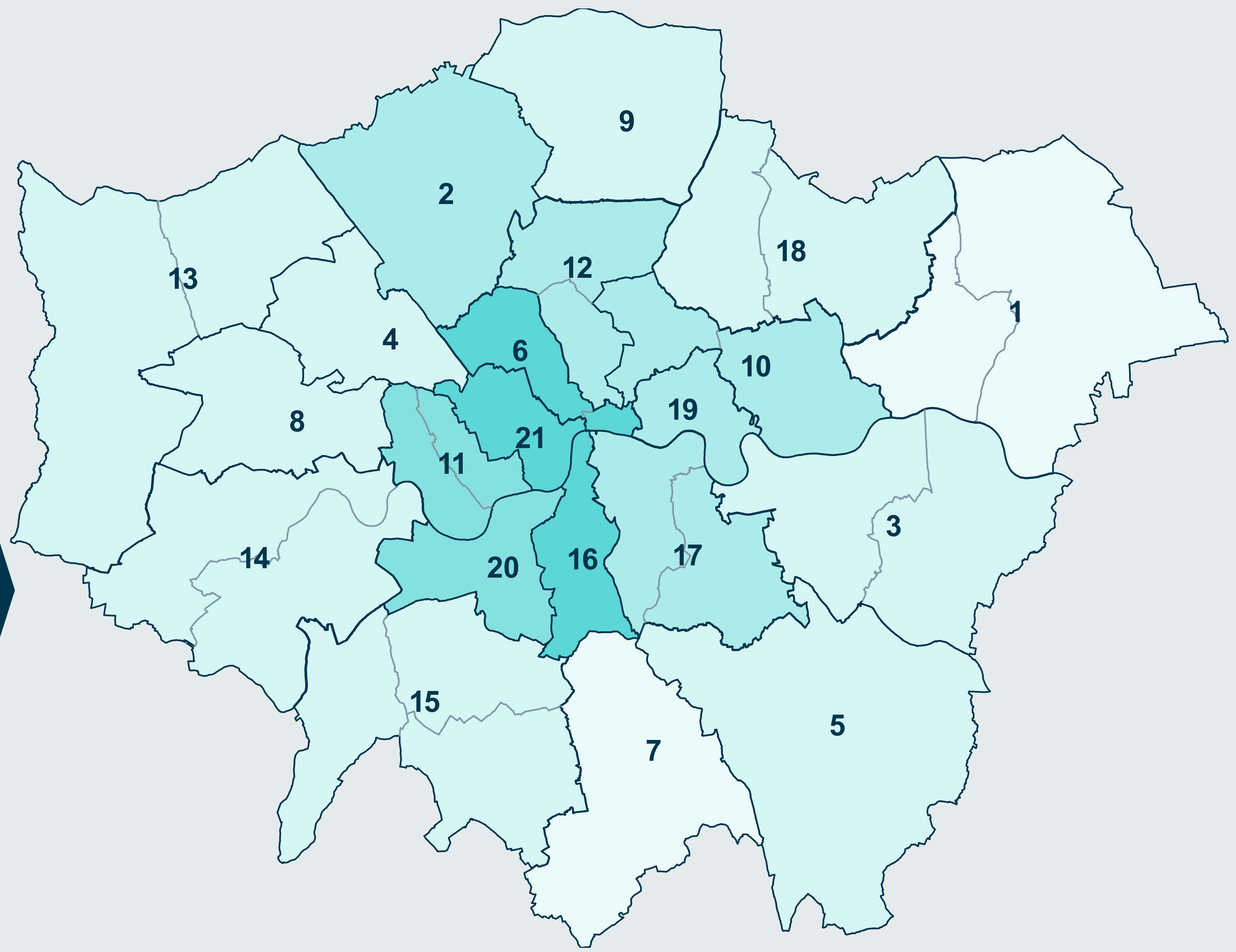
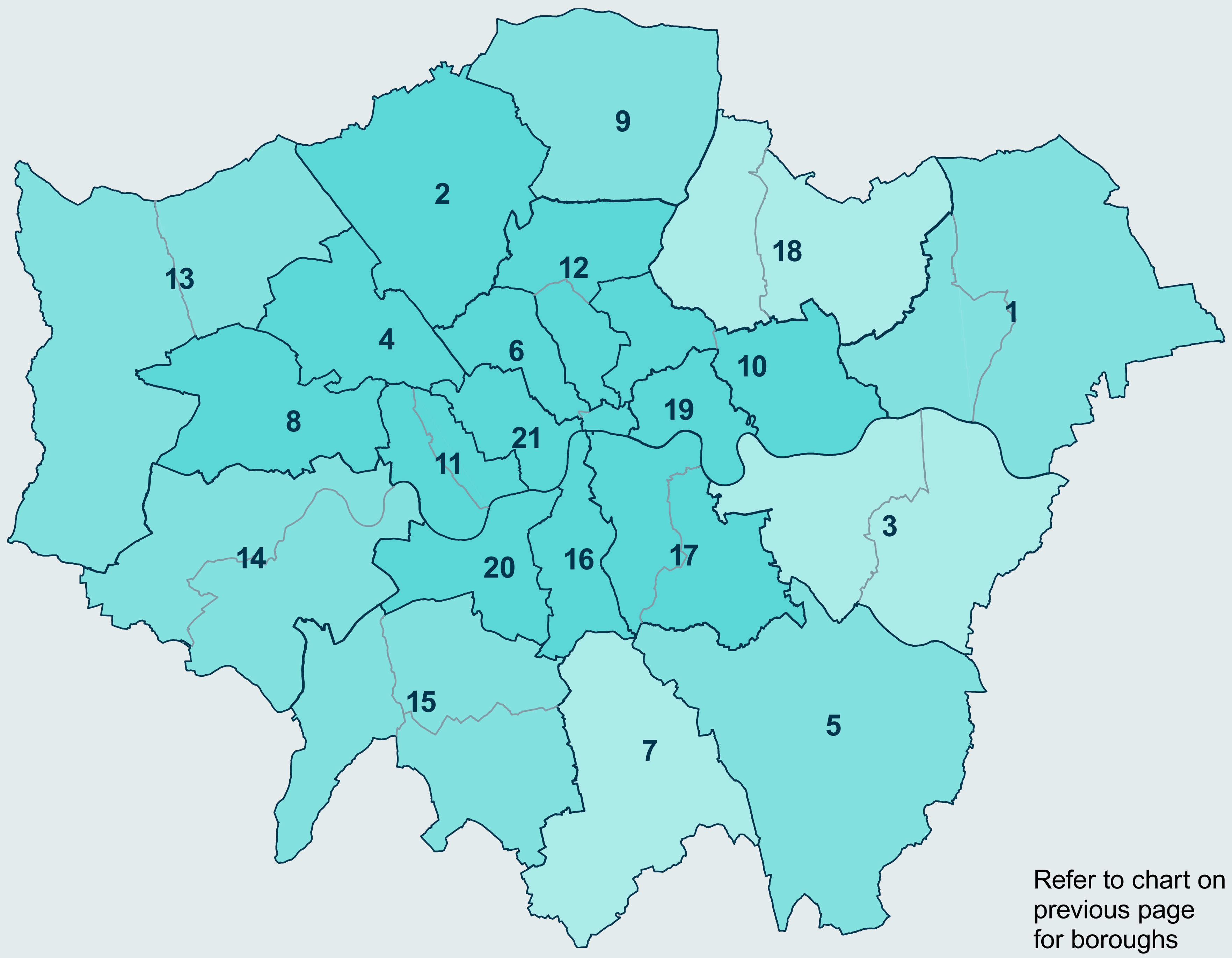
Five-year snapshot

Average rent June 2019

5 YR



Average rent June 2024



Refer to chart on previous page for boroughs

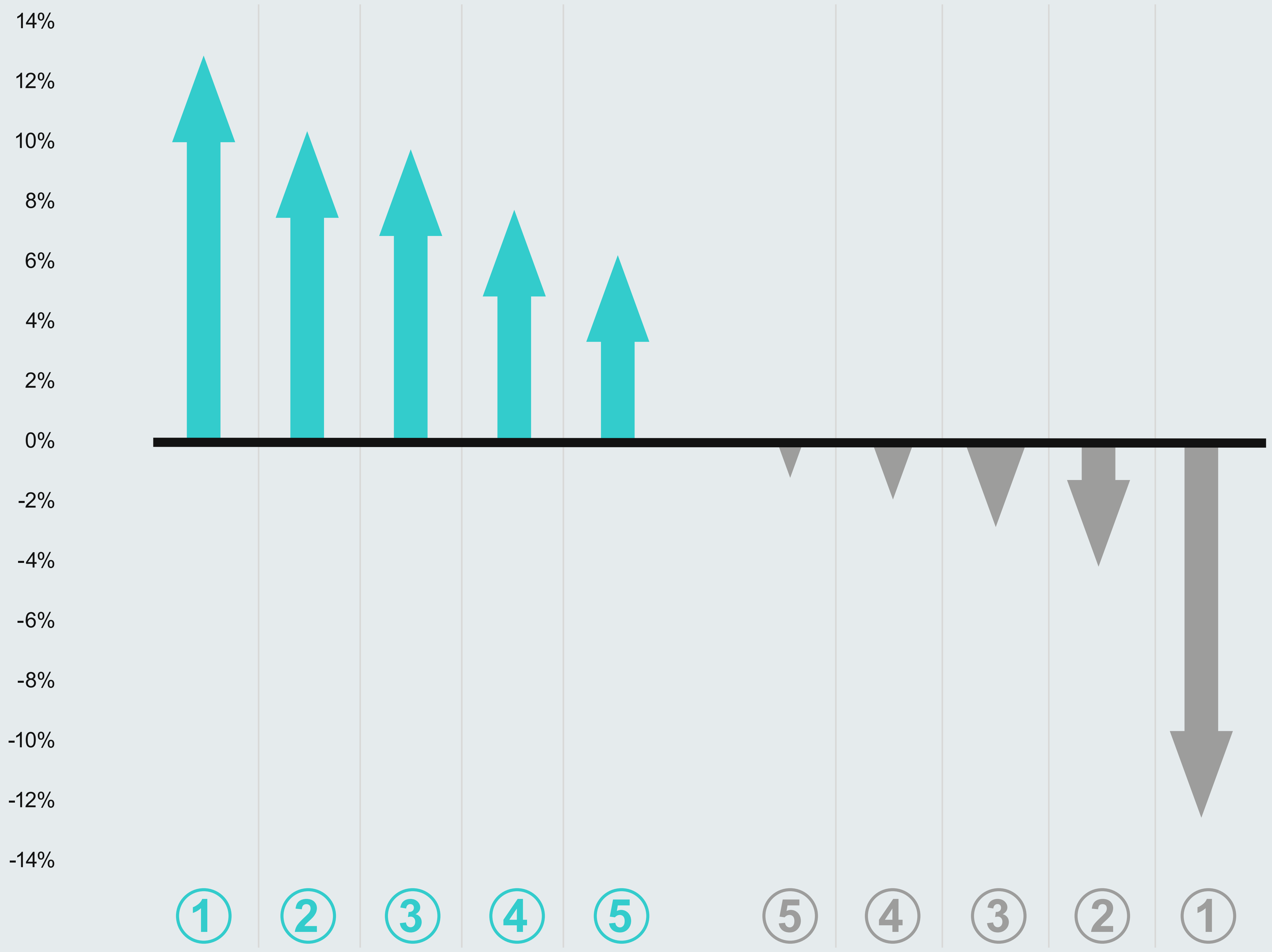
- Less than £1,250
- £1,250 to £1,500
- £1,500 to £1,750
- £1,750 to £2,000
- Over £2,000

5 YR Greatest change over five years **+53.3%** **Ealing**

Strongest and weakest performers

Strongest June 2024

Weakest June 2024



Based on annual change to June 2024

1 +12.8% Ealing

2 +10.3% Enfield

3 +9.7% Barking, Dagenham and Havering

4 +7.7% Croydon

5 +6.2% Redbridge and Waltham Forest

5 -1.4% Westminster

4 -2.0% Camden, City of London

3 -2.9% Bexley and Greenwich

2 -4.1% Tower Hamlets

1 -12.4% Wandsworth

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Affordability

% income spent on rent

33.2%

The average amount of income that UK renters spent on their rent in June was 33.2%, compared to 33.5% in May.

Change annual*

-1.3%

While improved in the month, this is still higher than a year ago when renters spent 31.9% of income on rent.

* calculated by subtracting the June 2024 figure from June 2023. A negative figure reflects worsening affordability.

Greatest change

-6.3%

North East

Renter affordability improved in all except 2 regions in June compared to May.

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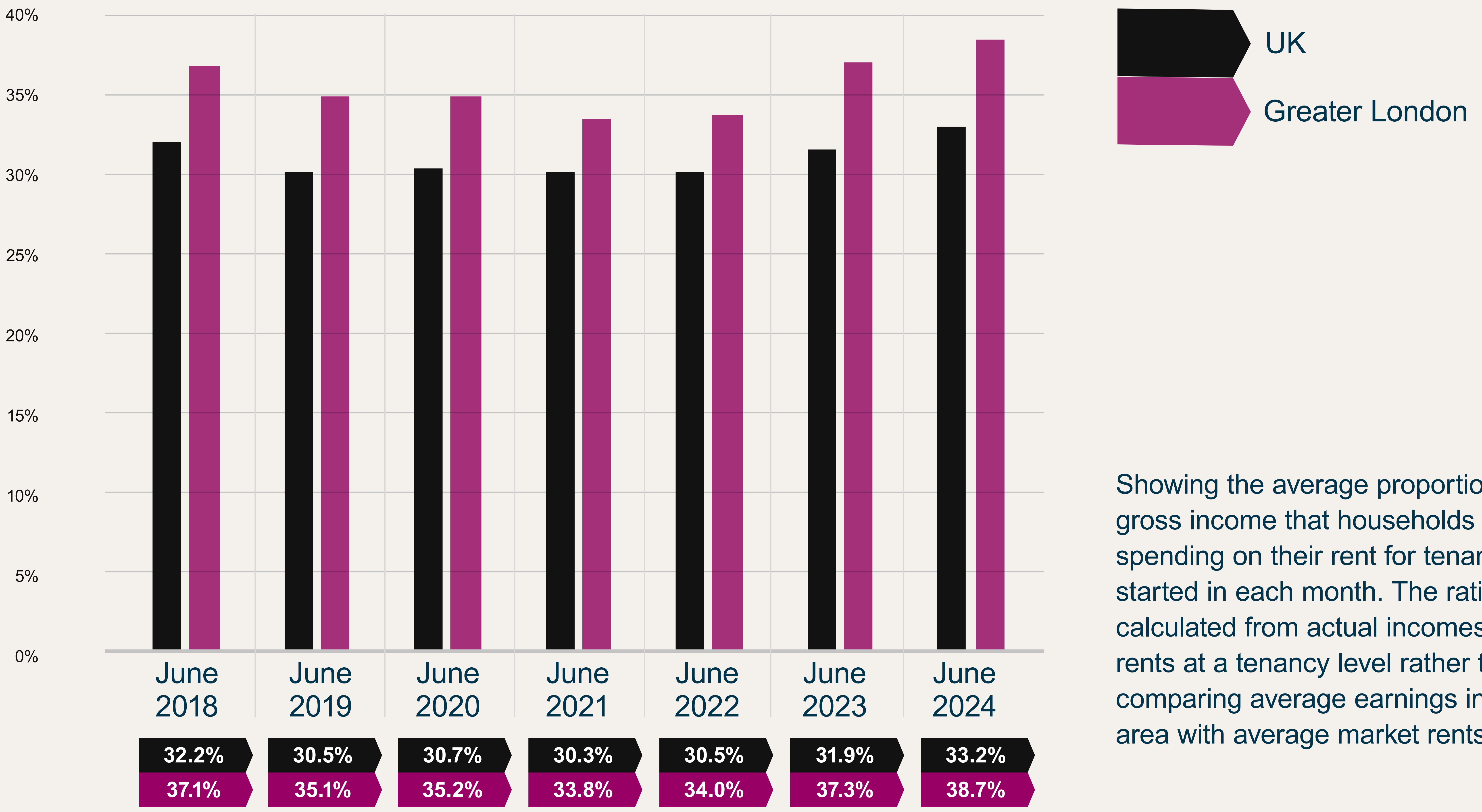
UK and London

7 YR

Affordability over time June 2018 to June 2024



Showing the average proportion of gross income that households are spending on their rent for tenancies started in each month. The ratio is calculated from actual incomes and rents at a tenancy level rather than comparing average earnings in an area with average market rents.

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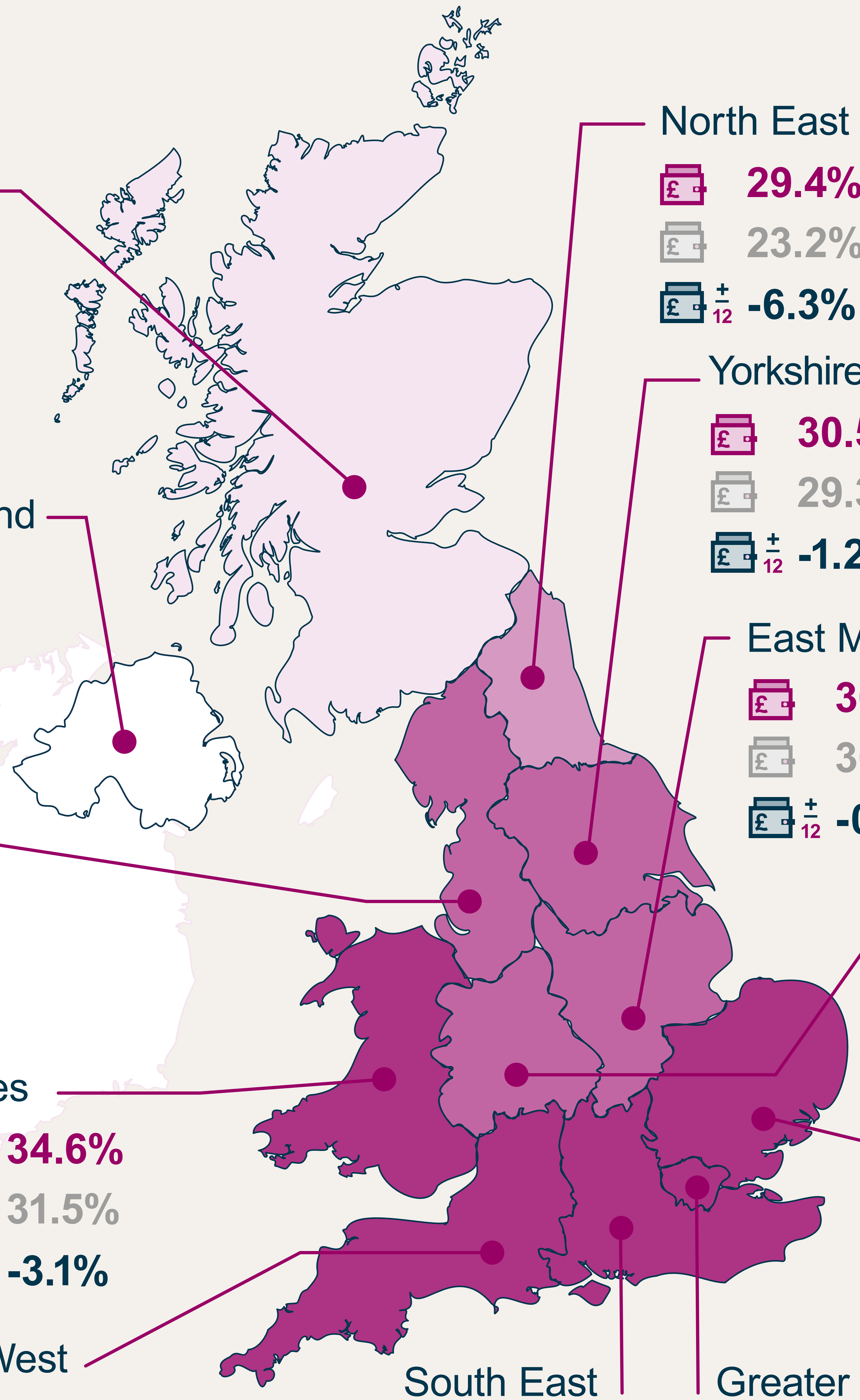
Regional snapshot



Scotland
25.7%
24.2%
-1.5%

Northern Ireland
n/a
n/a
n/a

North West
31.7%
29.7%
-2.0%

Wales
34.6%
31.5%
-3.1%

South West
36.2%
33.9%
-2.3%

South East
35.1%
32.2%
-2.9%

Greater London
38.7%
37.3%
-1.4%

East of England
34.1%
33.2%
-0.9%

West Midlands
30.8%
30.3%
-0.5%

East Midlands
30.6%
30.0%
-0.6%

Yorkshire and the Humber
30.5%
29.3%
-1.2%

North East
29.4%
23.2%
-6.3%

*Calculated by subtracting the June 2023 figure from June 2024.

% income spent on rent

June 2024

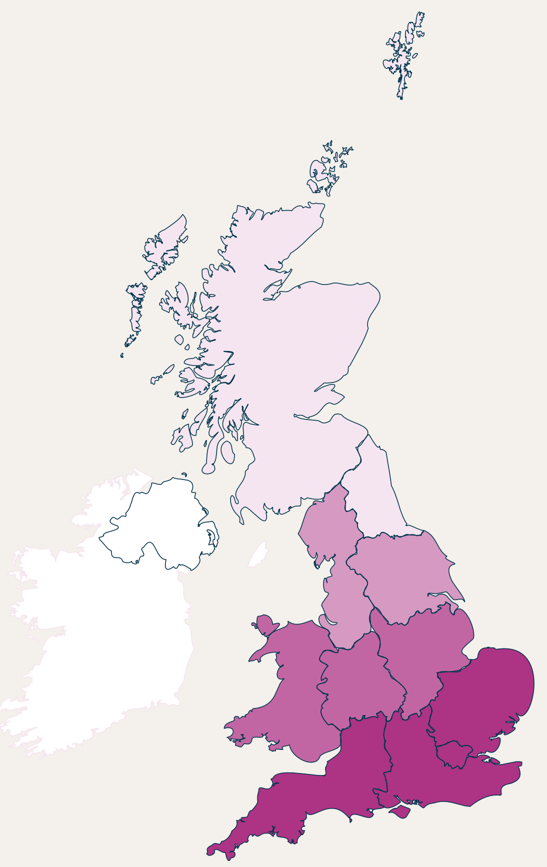
June 2024

June 2023

± 12 Change

- < 26%
- 26 to 28%
- 28 to 30%
- 30 to 32%
- 32%+

June 2023



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London

Median tenant gross income*

£38,392

£30,135

Predominant age group

20–29

20–29

Average % tenant income spent on rent

38.7%

33.2%

Predominant rental band

£1500–£1750

£750–£1000 per month

Key
Shows regional average
Shows UK average

Delving deeper into the data we are able to provide tenant demographic and market profiling at a local level. Each month, we provide a snapshot of the profile of tenants across different UK regions based on data for the last 12 months. This month's focus is on London.

*Excludes below £10k and over £500k

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London

Distance moved last 12 months

Key
Shows regional average
Shows UK average

Miles

	Up to 1	1 to 2	2 to 5	5 to 10	10 to 25	25 to 50	50 to 100	100 to 200	Over 200	Overseas
Regional average	24%	13%	21%	13%	7%	4%	4%	4%	1%	10%
UK average	25%	13%	18%	11%	9%	5%	6%	6%	2%	5%

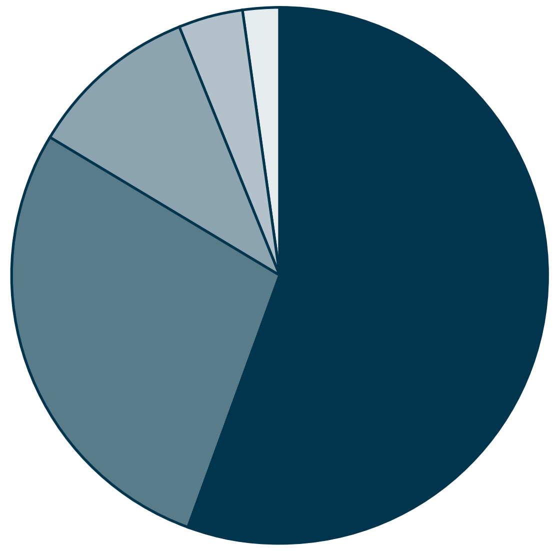
Profile of properties let Last 12 months

Number of bedrooms

	Flats 0	Flats 1	Flats 2	Flats 3+	Houses 1–2	Houses 3+
Regional average	7%	28%	30%	17%	3%	15%
UK average	5%	20%	22%	8%	16%	29%

Age breakdown Last 12 months

Tenants age



- 55% Under 29
- 28% 30 to 39
- 10% 40 to 49
- 4% 50 to 59
- 2% 60+

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With over 30 years of experience, we're the UK's leading tenant referencing and specialist protection supplier for the private rented sector. We've got a team of over 300 co-workers dedicated to providing market-leading support to our letting agents, helping them to grow and develop their business.

We always strive to exceed our customers' expectations. Our expertise combined with our innovative approach drives a continual development of our proposition – and the value that we provide for our customers.

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About the HomeLet rental index report

The index and average prices are produced using HomeLet's 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 our 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 the HomeLet Rental Index is aggregated to regional, county and city level only. This ensures that all property or individual records remain strictly anonymous.

The HomeLet 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 HomeLet 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.

About Dataloft

Dataloft creates data-driven insight on UK housing markets as part of PriceHubble, the leading provider of residential data, valuations and insights across Europe. Dataloft aggregates data from Barbon and other companies to create Dataloft Rental Market Analytics (DRMA), the largest and most comprehensive single source of achieved rents and renter demographics for the UK. Their team of analysts and data scientists produce the evidence needed by clients for marketing strategies, investment decisions and planning submissions.

dataloft.co.uk

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