

August  
2022

# Let Alliance rental index report

The Let Alliance 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

LetAlliance  
THE RENTAL INDEX

# Industry insight



**Costs of all kinds are rising, directly impacting landlords and their tenants. Factors like increasing mortgage interest rates, changes in taxation, and bills for improvements to meet new government energy efficiency standards are growing pressures on landlords.**



**Andy Halstead**  
Group CEO  
HomeLet and Let Alliance



## The value of letting agents

With high demand, tenants' affordability constraints will start to be stretched. The value letting agents can provide to both tenants and landlords is only increasing in the current market. High-quality tenant checks and relevant insurance have become essential considerations for landlords. We'll do everything we can to support customers through this difficult period.

## Challenging times to continue

We expect rental prices for new tenancies will continue to increase. It's a challenging position for both landlords and tenants. Whilst landlords' cost bases are being squeezed, tenants' living costs are only getting worse.

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focus**

# Average rents and change in rents



## Average rent

£1,143

Average rents across the UK rose again in August to £1,143 per month. Rents outside of London rose to £961.



## Change monthly

+1.4%

Average rents usually rise strongest in the summer months and, at 1.4% in August, this is the highest monthly rate of growth this year. However, rental growth is lower than that seen in August 2021.



## Change annual

+8.5%

Despite continued monthly increases, there are signs that rental growth is slowing. The rate of annual growth has slowed for the past 3 months.

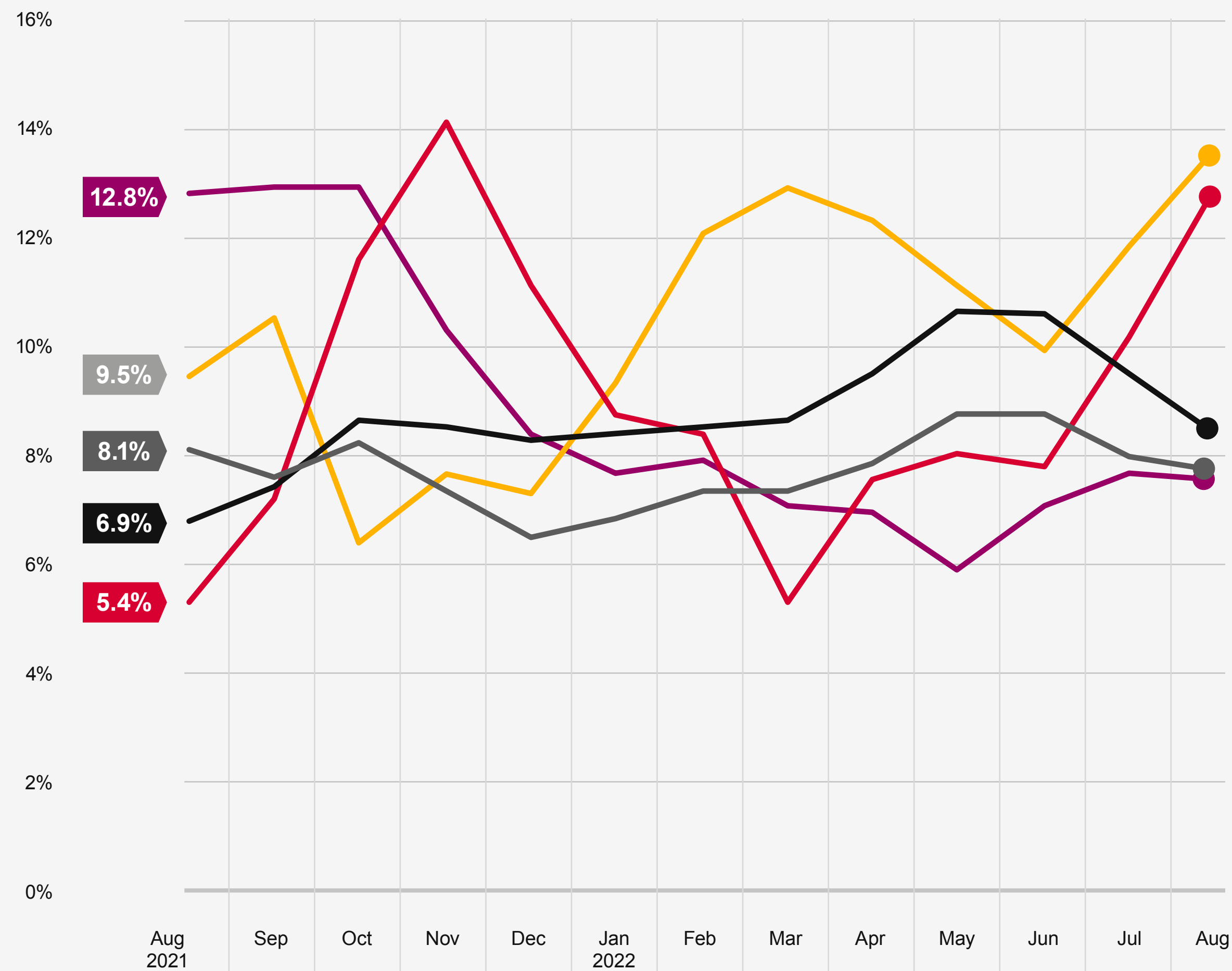
# UK and home nations



In conjunction with Dataloft

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## Annual change August 2021 to August 2022



- 13.6% Scotland
- 12.9% Northern Ireland
- 7.7% UK excluding London
- 7.6% Wales
- 8.5% UK

Showing annual change in rents, August 2022 vs August 2021. Average rents are based on agreed rents for tenancies started in each month.

Next England by region »

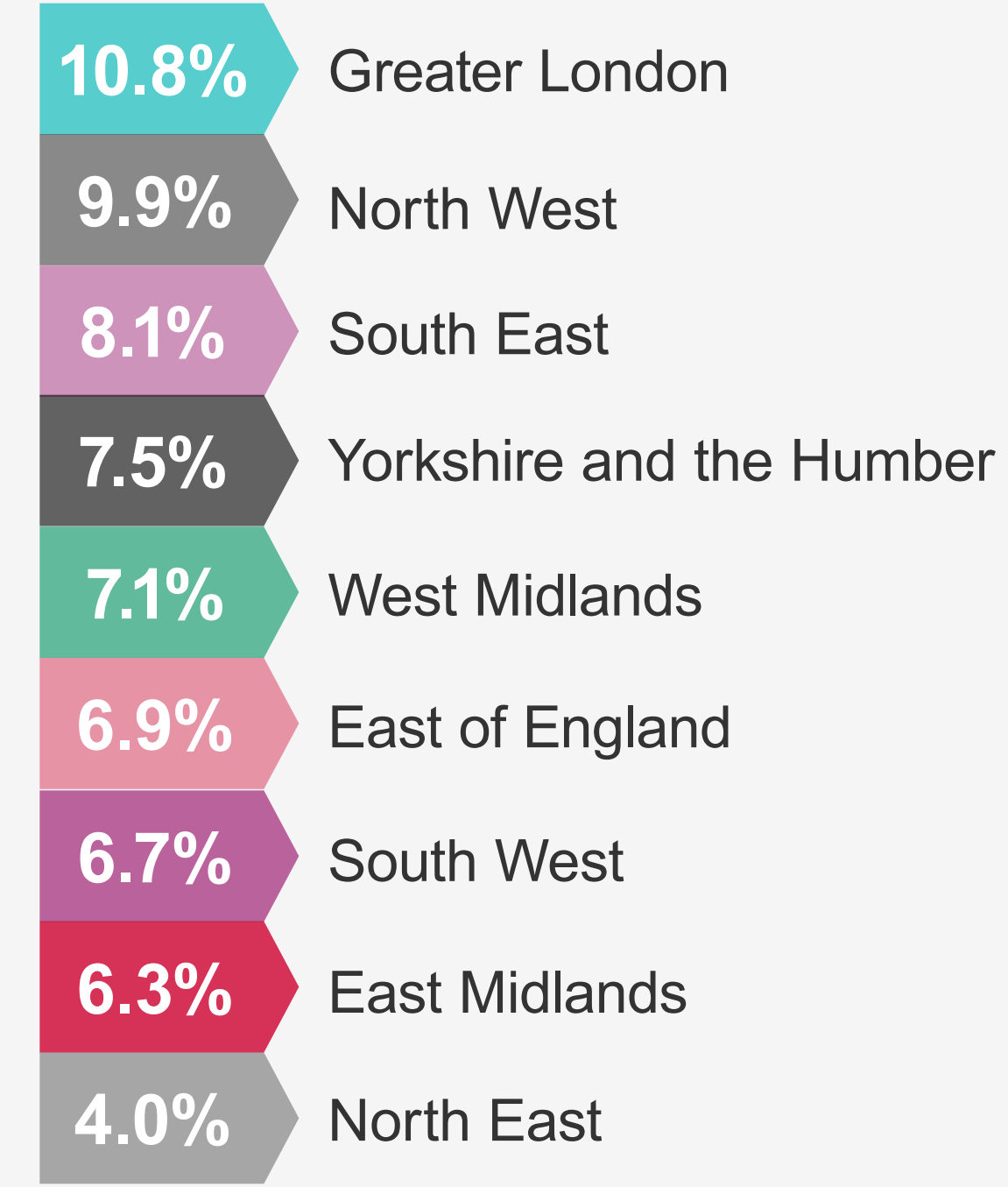
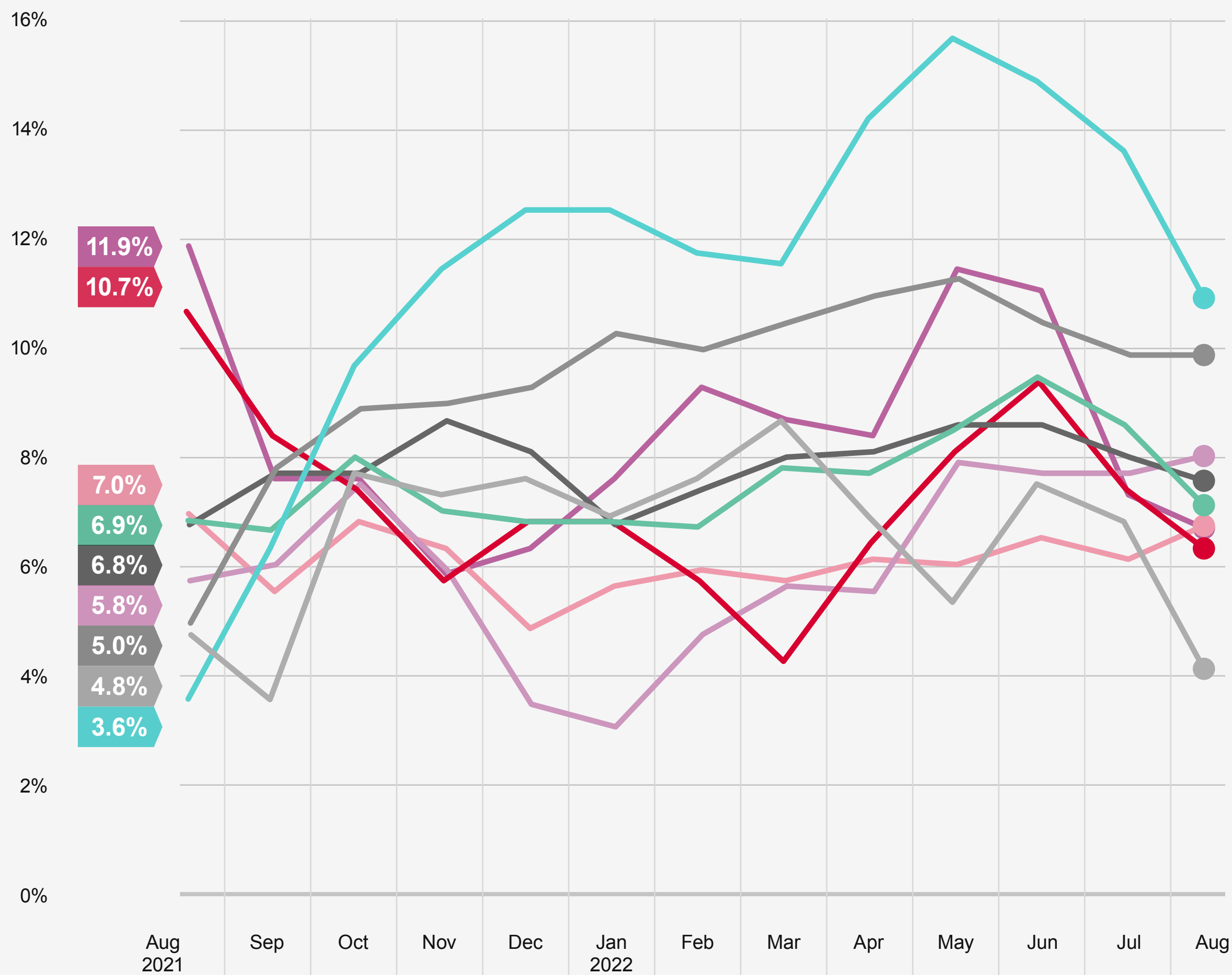
# England by region



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## Annual change August 2021 to August 2022



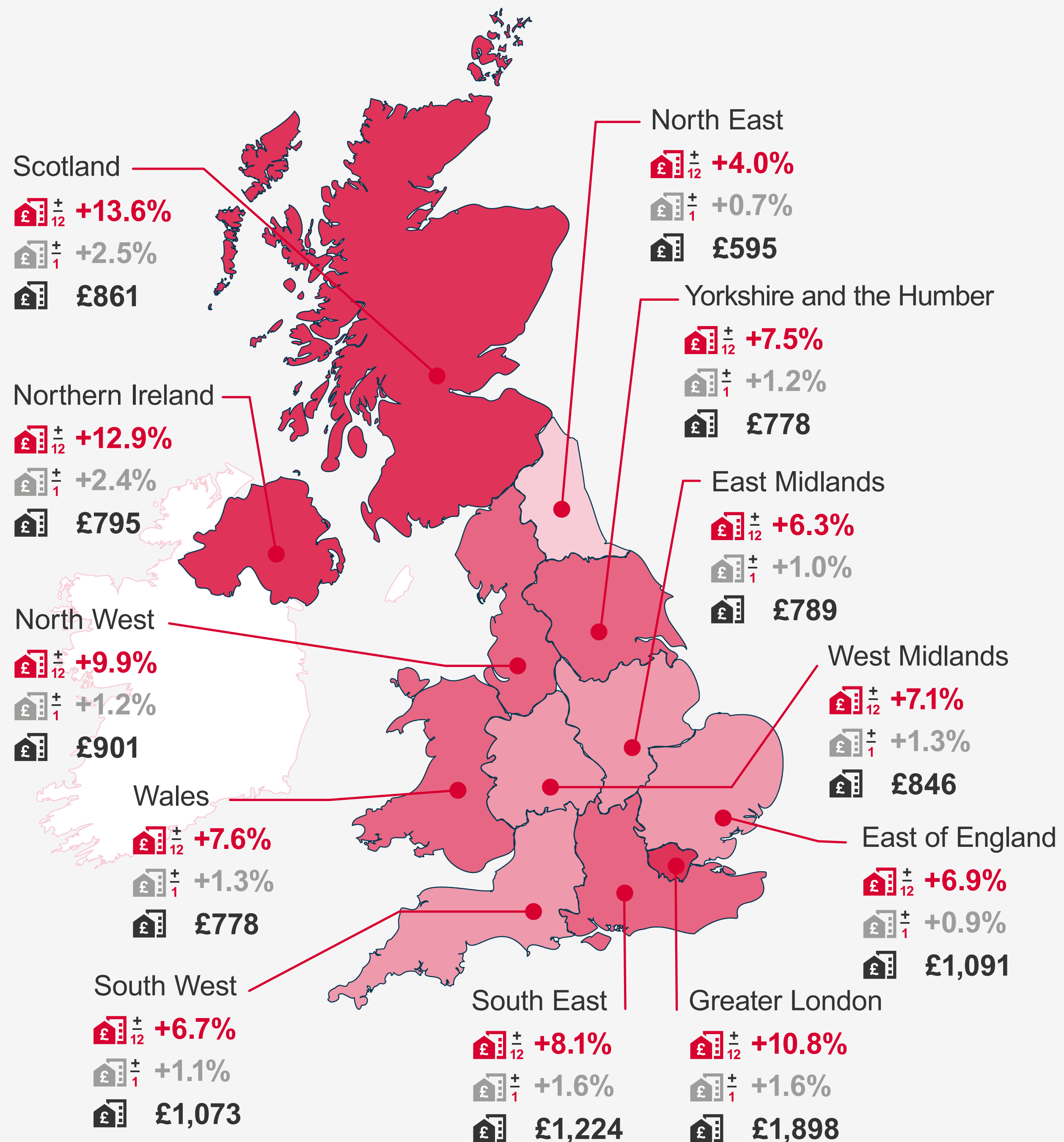
Showing annual change in rents, August 2022 vs August 2021. Average rents are based on agreed rents for tenancies started in each month.

# Regional snapshot



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## Annual change

August 2021 to  
August 2022

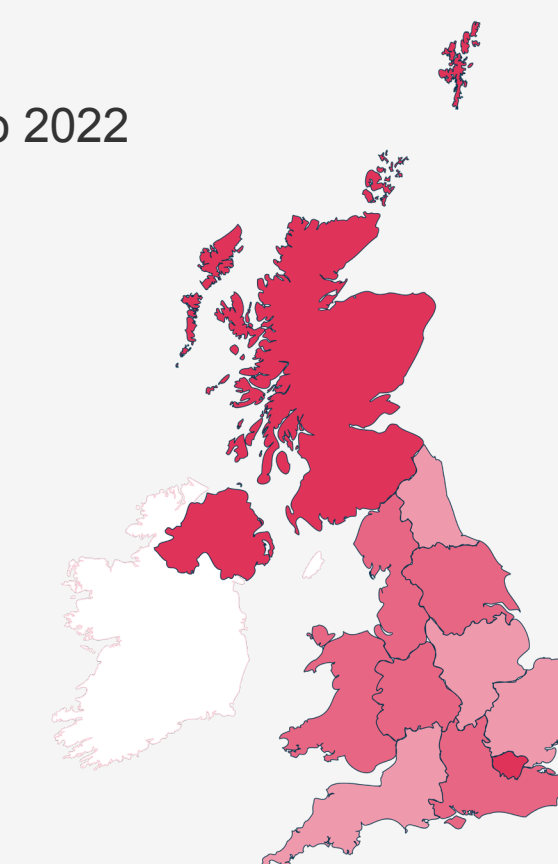


Change  
month

Average  
rent

- Under 2.5%
- 2.5% to 5%
- 5% to 7.5%
- 7.5% to 10%
- 10% and over

July  
2021 to 2022



» Next Regional discount / premium

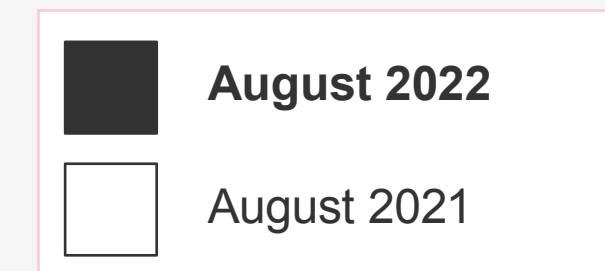
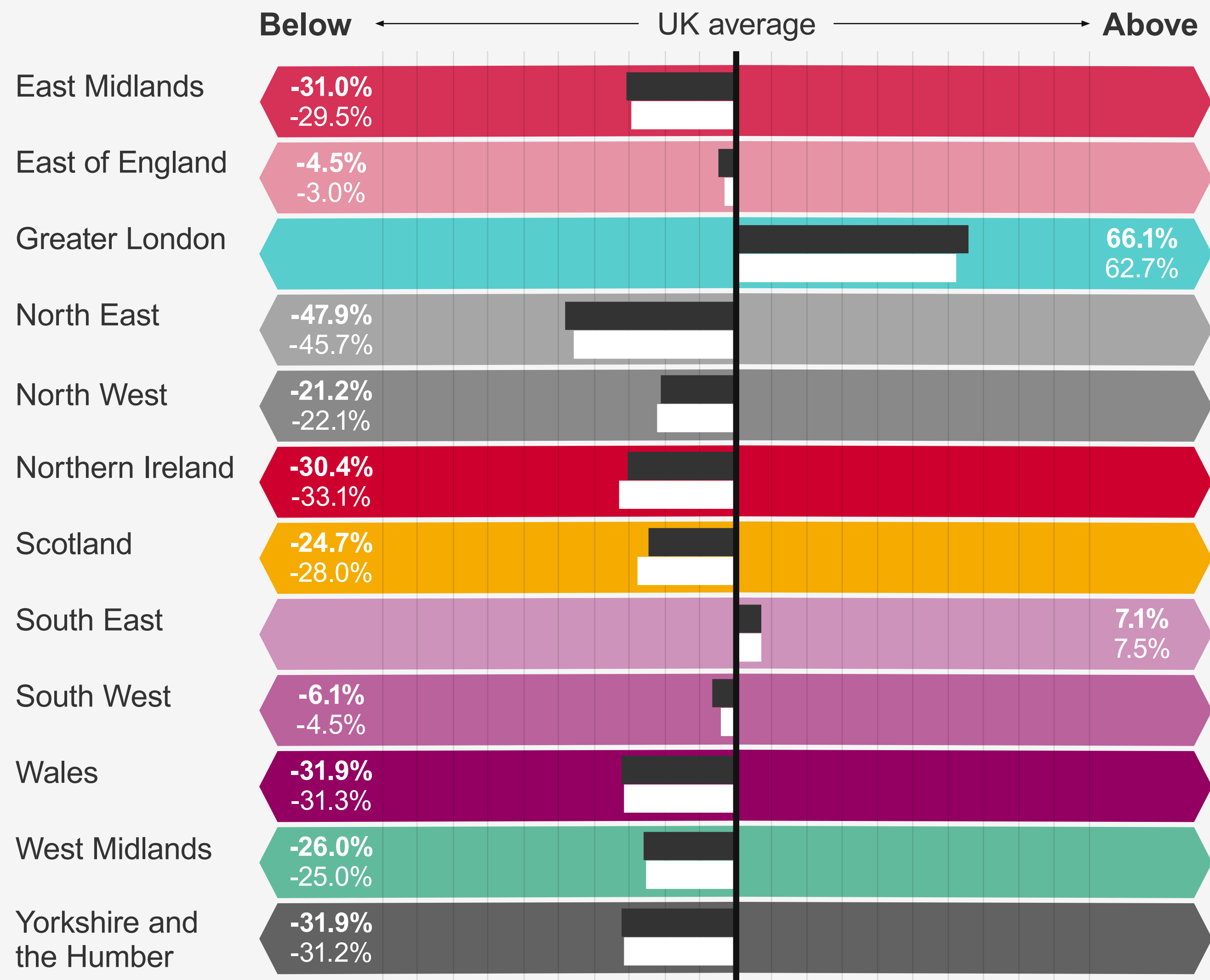
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# Regional discount / premium to UK average



In conjunction with Dataloft

## Comparison with UK average August 2021 to August 2022



Showing how regional rents compared to the UK average in August 2022 and a year earlier, i.e., average rents in the East Midlands in August 2022 were 31.0% below the national average. However, in August 2021 they were 29.5% below the national average.



## London focus



### Average rent

£1,898

Average rents rose by a further 1.6% in London in August but there are signs of a slowdown in the rate of growth.



### Change annual

+10.8%

Over the last year average rents have increased by 10.8%, down from 15.7% in May.



### Strongest performer

+22%

### Hounslow and Richmond upon Thames

Average rents in Hounslow and Richmond have increased at double the regional average in the past year.



## Annual change August 2021 to August 2022

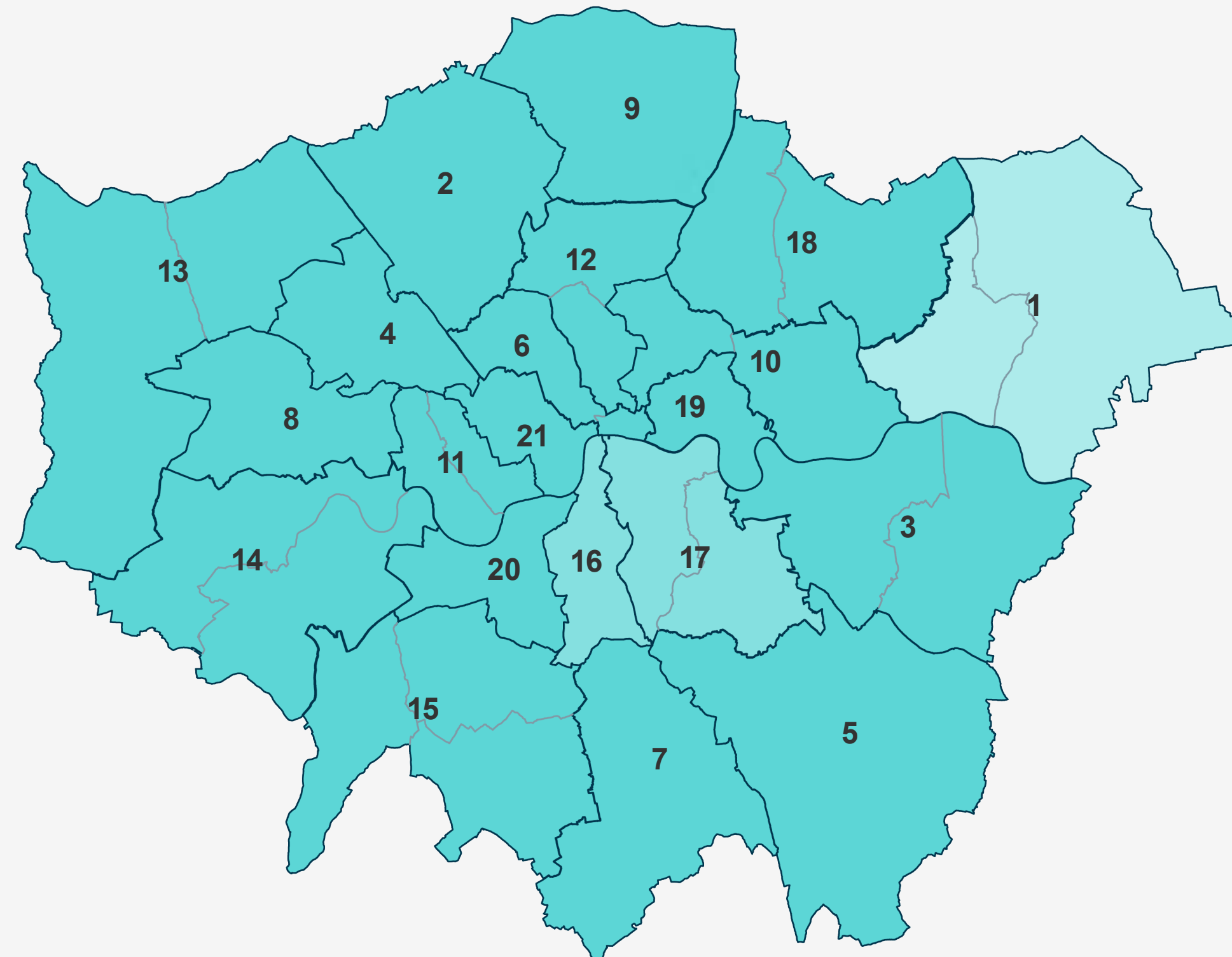


Annual  
change



Average  
rent

# By borough



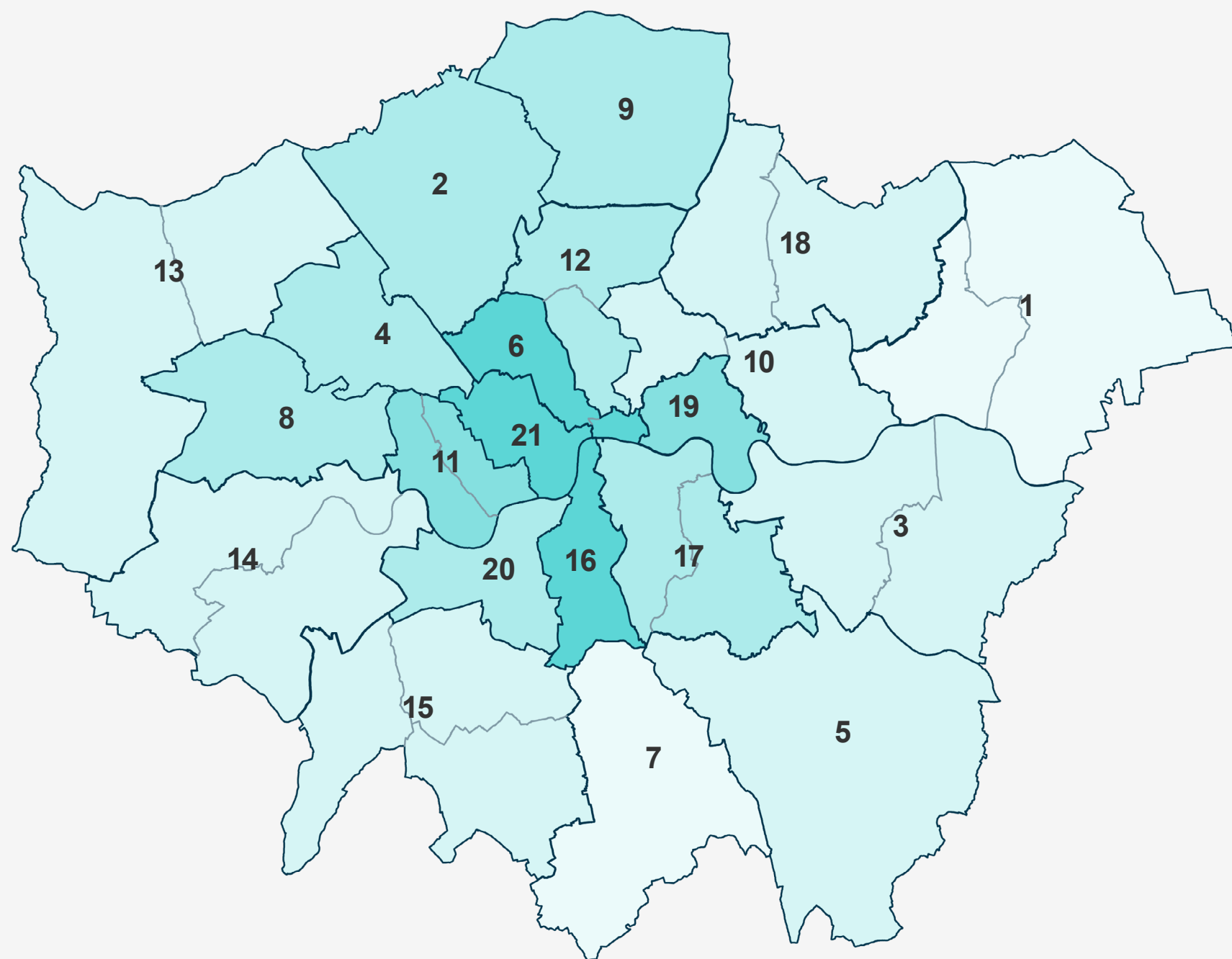
- Less than 0%
- 0% to 2%
- 2% to 4%
- 4% to 6%
- 6% and over

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

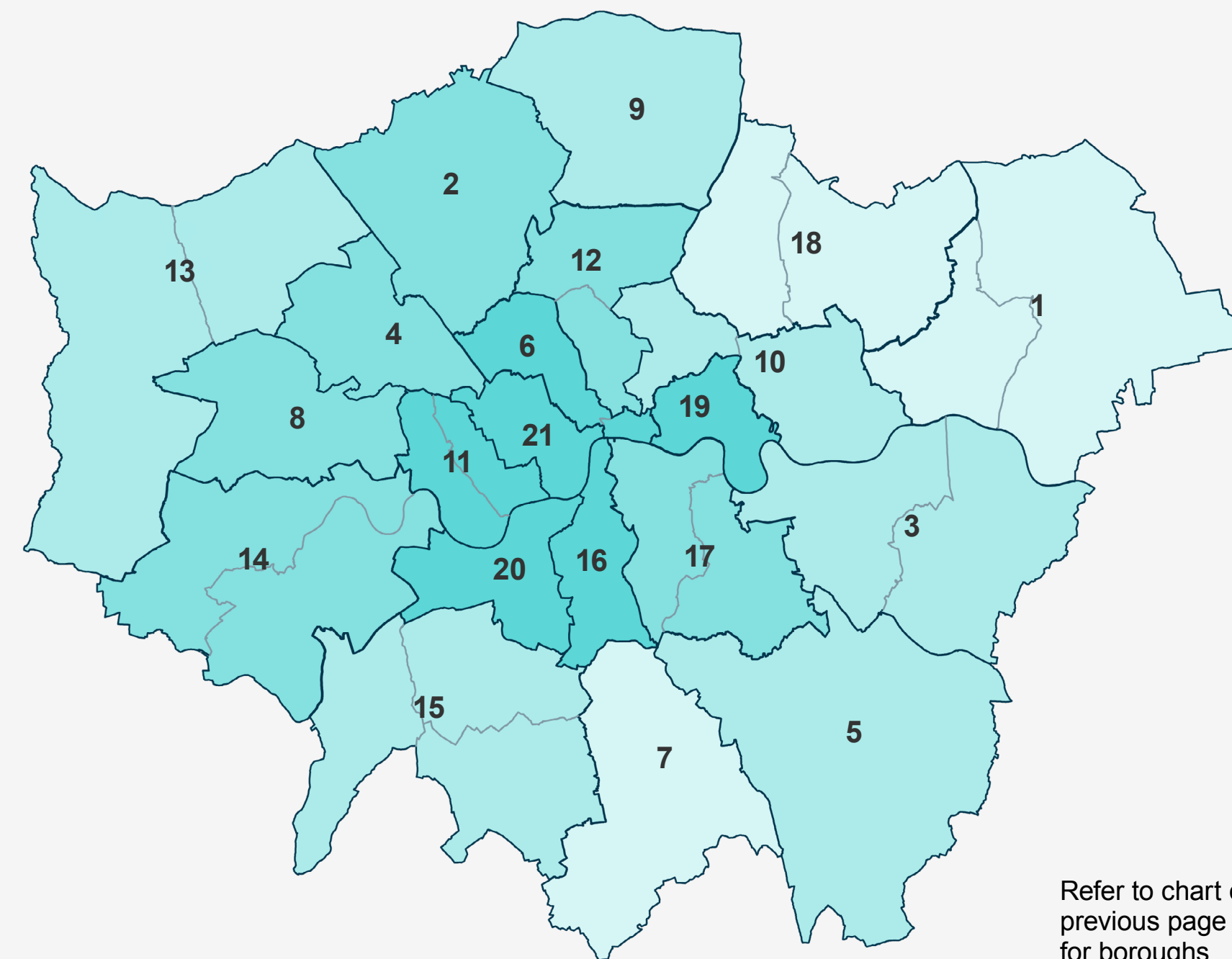
		Annual change	Average rent
1	Barking, Dagenham and Havering	+3.8%	£1,396
2	Barnet	+16.4%	£1,829
3	Bexley and Greenwich	+16.6%	£1,650
4	Brent	+10.5%	£1,810
5	Bromley	+11.1%	£1,654
6	Camden, City of London	+6.1%	£2,278
7	Croydon	+7.8%	£1,297
8	Ealing	+9.7%	£1,794
9	Enfield	+8.7%	£1,676
10	Hackney and Newham	+14.6%	£1,740
11	Hammersmith, Fulham, Kensington and Chelsea	+13.0%	£2,403
12	Haringey and Islington	+10.7%	£1,949
13	Harrow and Hillingdon	+10.4%	£1,559
14	Hounslow and Richmond	+22.0%	£1,844
15	Merton, Kingston upon Thames and Sutton	+13.7%	£1,654
16	Lambeth	+5.5%	£2,363
17	Lewisham and Southwark	+5.2%	£1,828
18	Redbridge and Waltham Forest	+6.2%	£1,441
19	Tower Hamlets	+18.6%	£2,076
20	Wandsworth	+9.7%	£2,151
21	Westminster	+16.5%	£3,020



**Average rent** August 2017



**Average rent** August 2022



Refer to chart on previous page for boroughs

Five-year  
snapshot

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

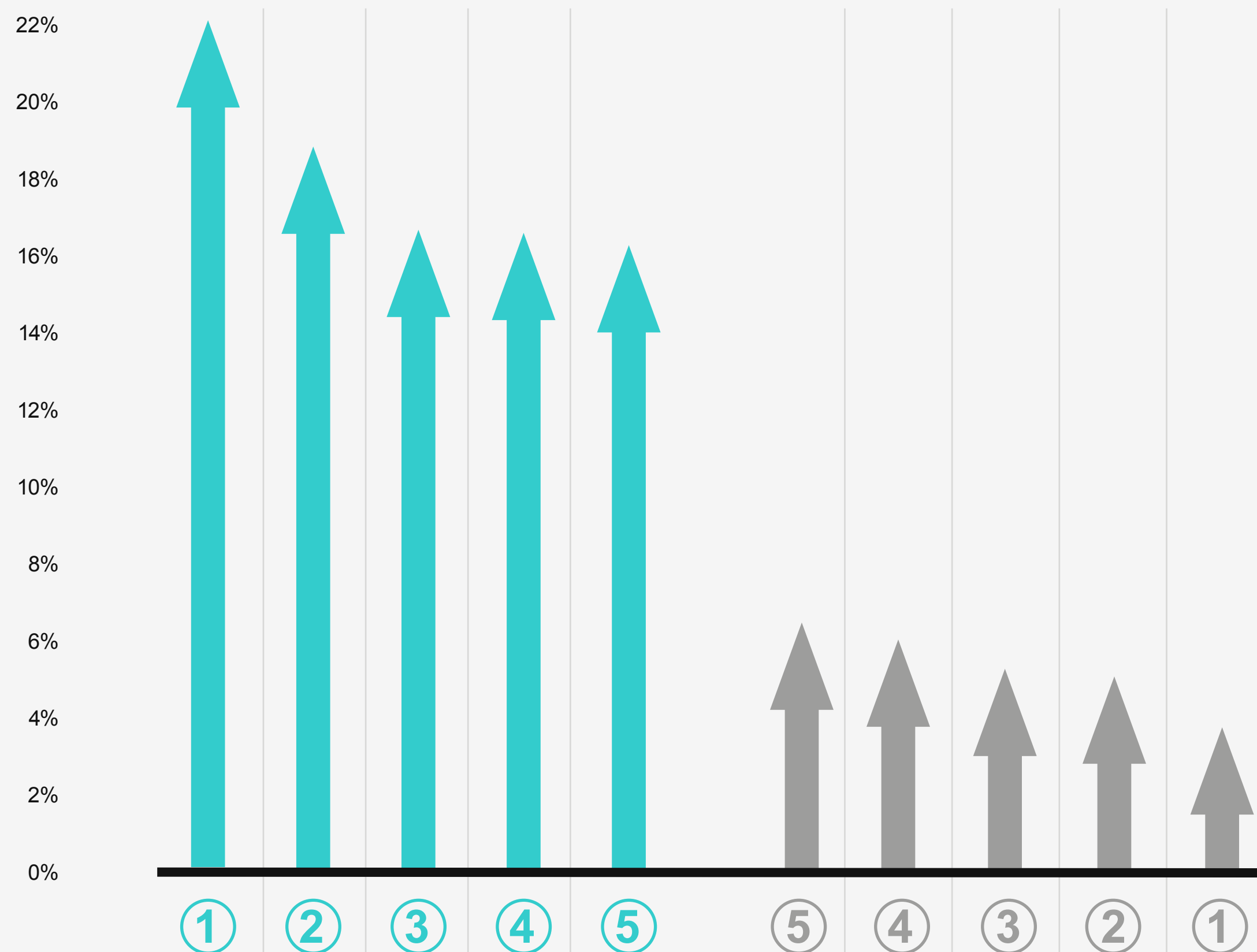
**5 YR** Greatest change over five years
 **+37.7%**
**Westminster**



# Strongest and weakest performers



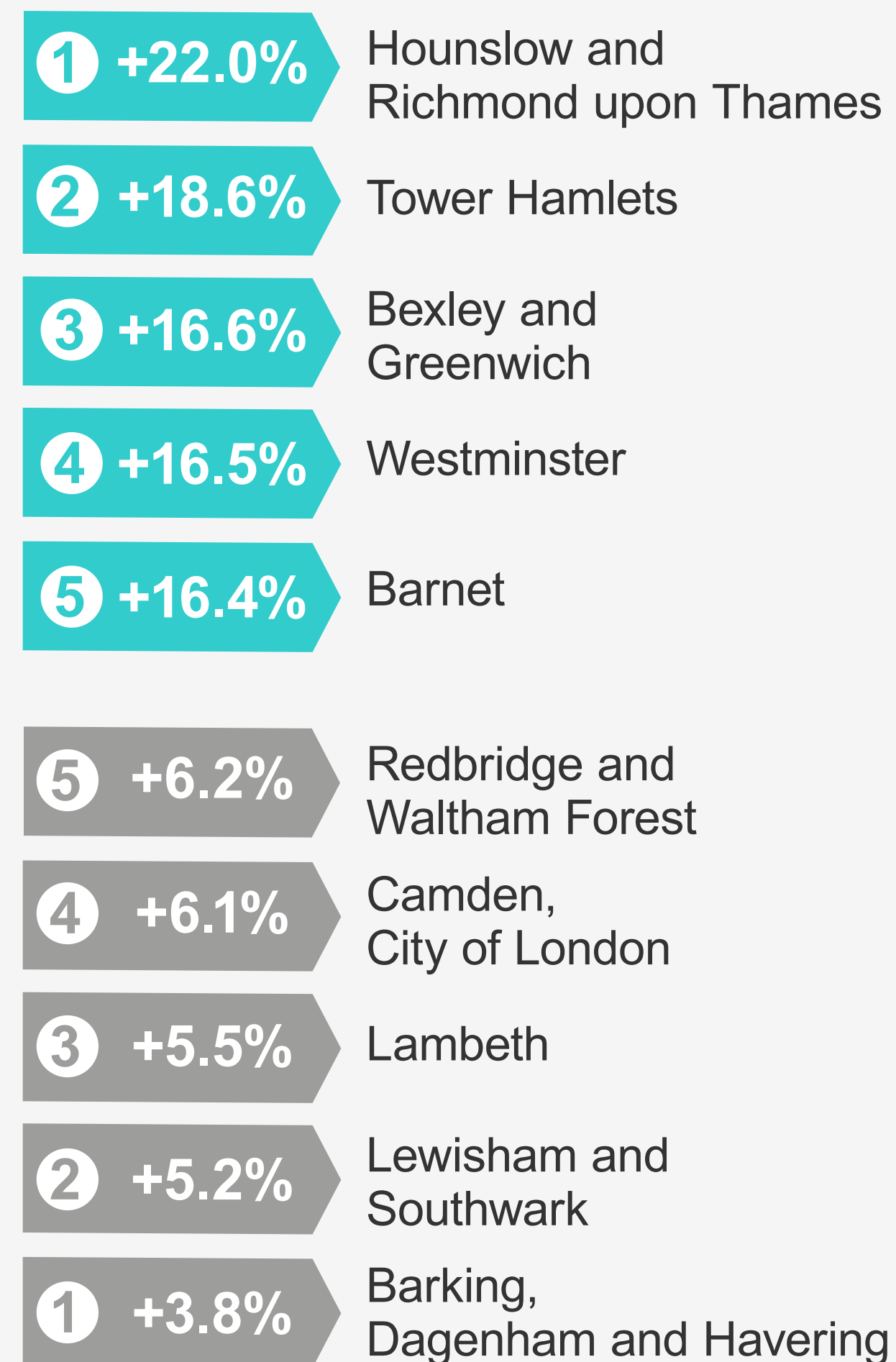
## Strongest August 2022



Based on annual change to August 2022



## Weakest August 2022



## Affordability



**% income  
spent on rent**

**30.1%**

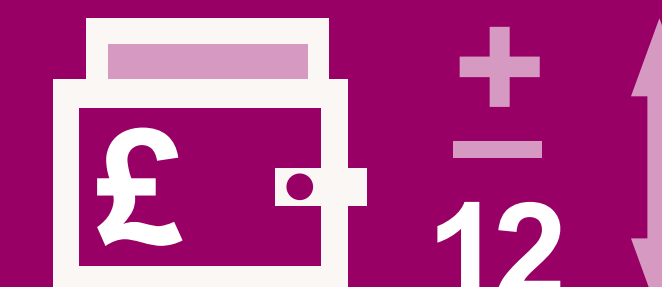
UK renters spent an average of 30.1% of their gross income on rent in August, the lowest level seen so far in 2022.



**Change  
annual\***

**-0.5%**

Rental affordability is more constrained than a year ago when renters spent an average of 29.6% of their income on rent.



**Greatest  
change**

**+0.2%**

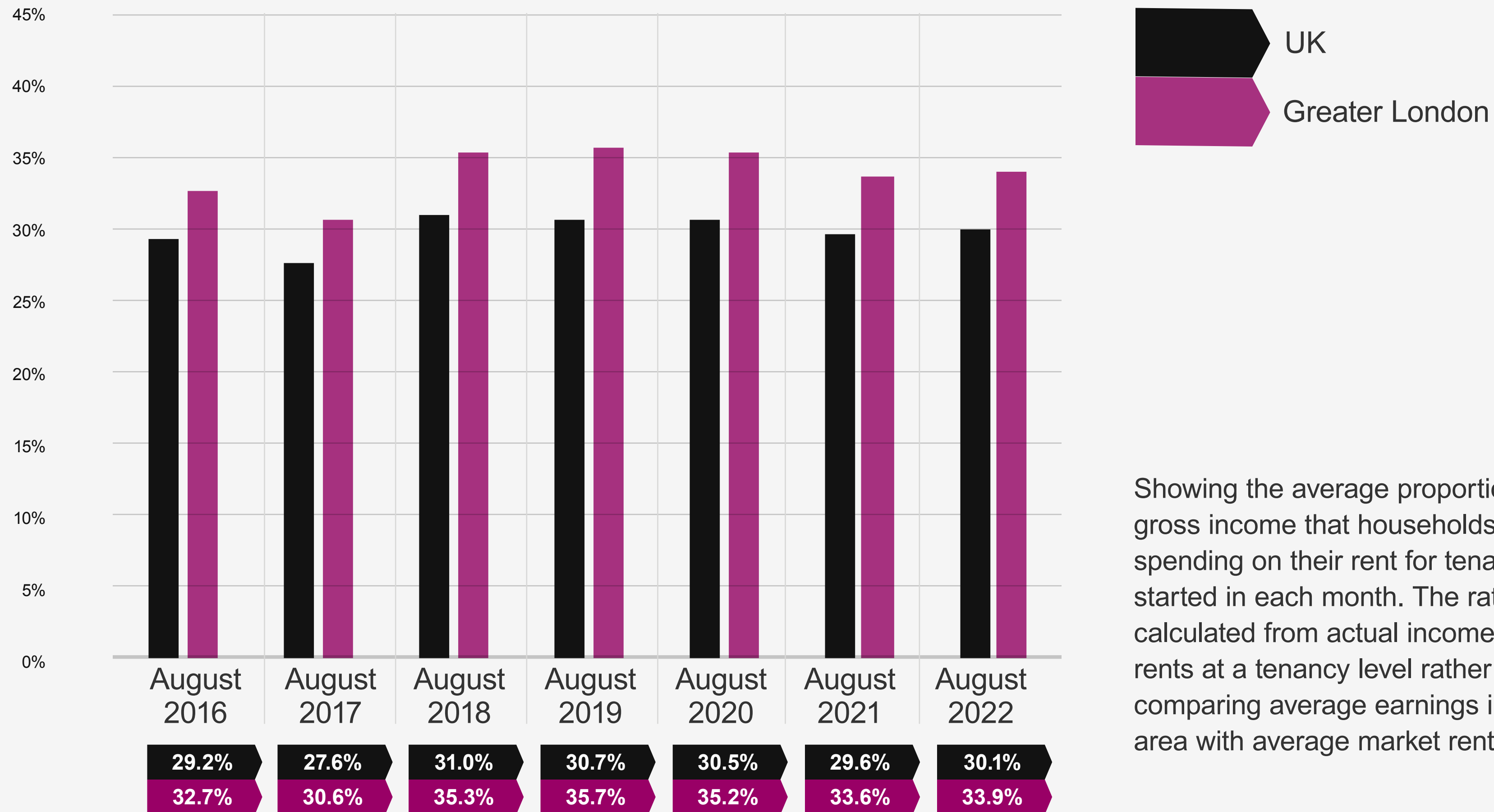
**East of England**

Only in the East of England are renters spending a smaller proportion of their income on rent than they did a year ago.

\* Calculated by subtracting the August 2022 figure from August 2021.



## Affordability over time August 2016 to August 2022



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.

# UK and London

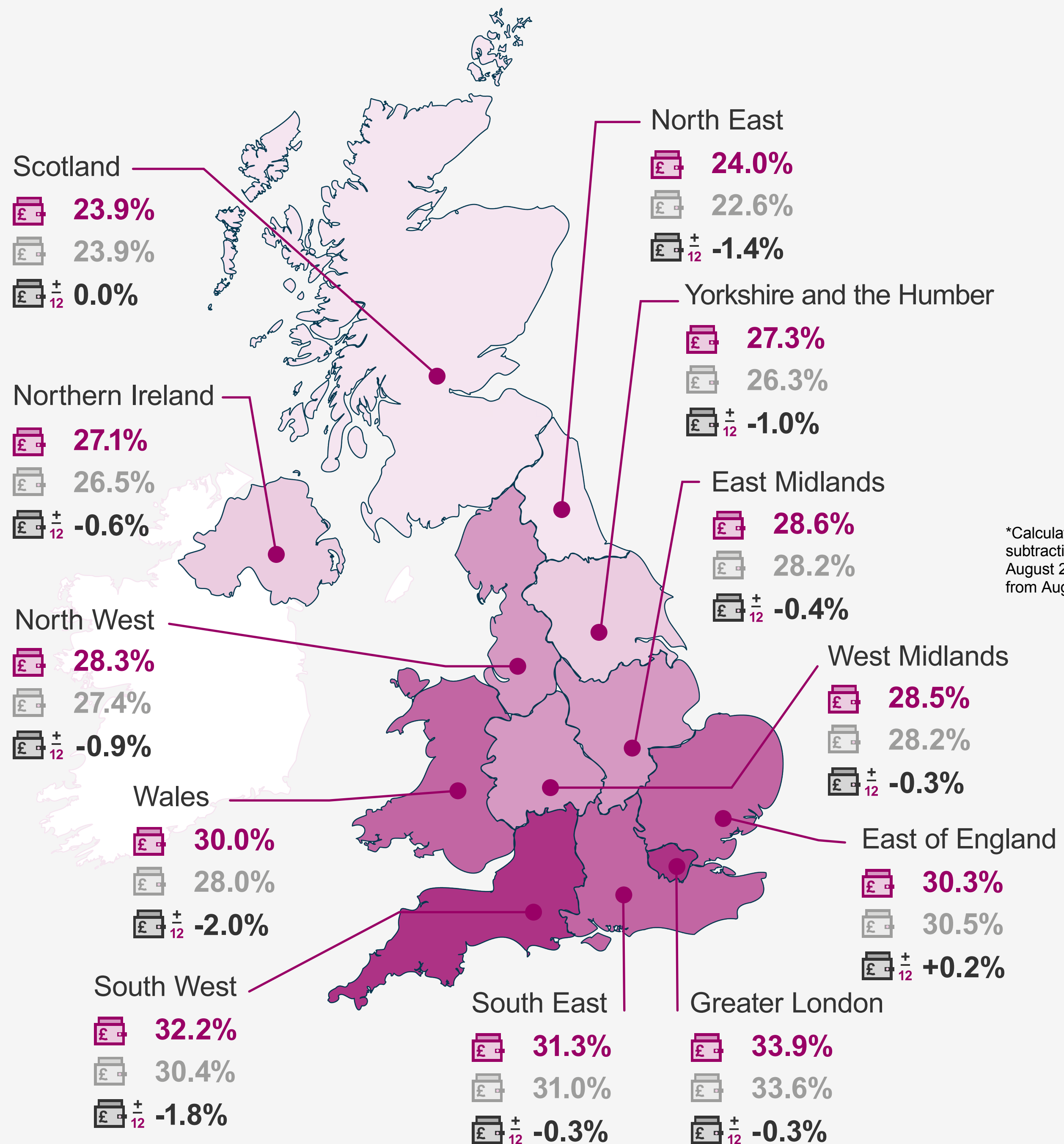


# Regional snapshot



In conjunction  
with Dataloft

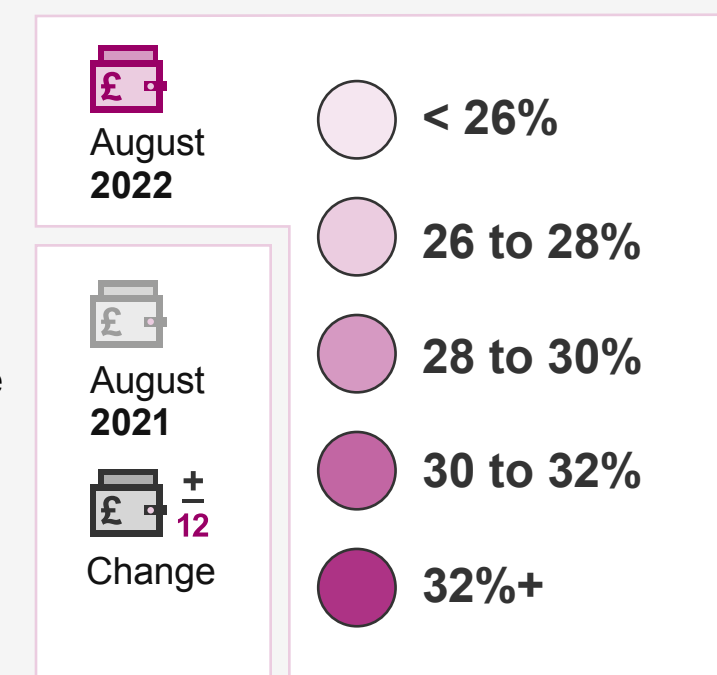
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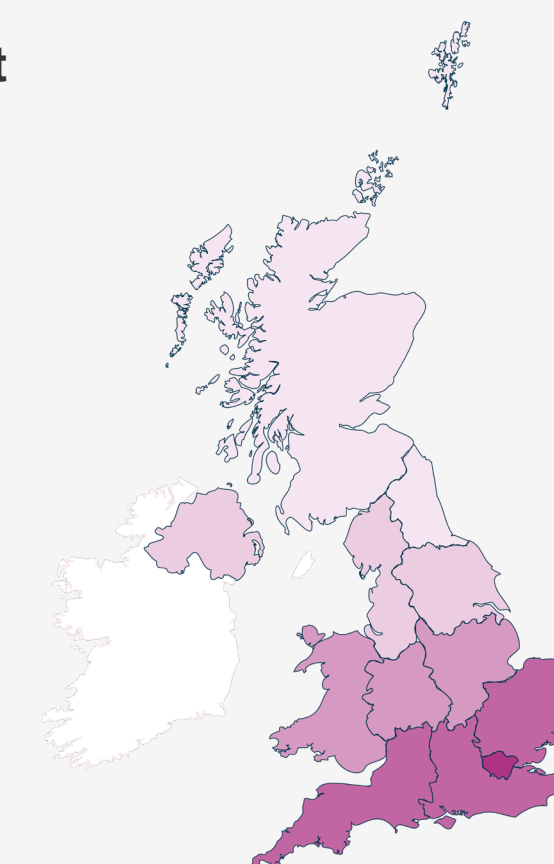
\*Calculated by subtracting the August 2021 figure from August 2022.



## % income spent on rent August 2022



August  
2021



Next Regional focus »

# East of England



Median tenant  
**gross income\***

**£29,119**

£29,612



Predominant  
**age group**

**20–29**

20–29



Average % tenant  
**income spent on rent**

**30.3%**

30.1%



Predominant  
**rental band**

**£750–£1,000**

£750–£1,000 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 East of England.

\*Excludes below £10k and over £500k



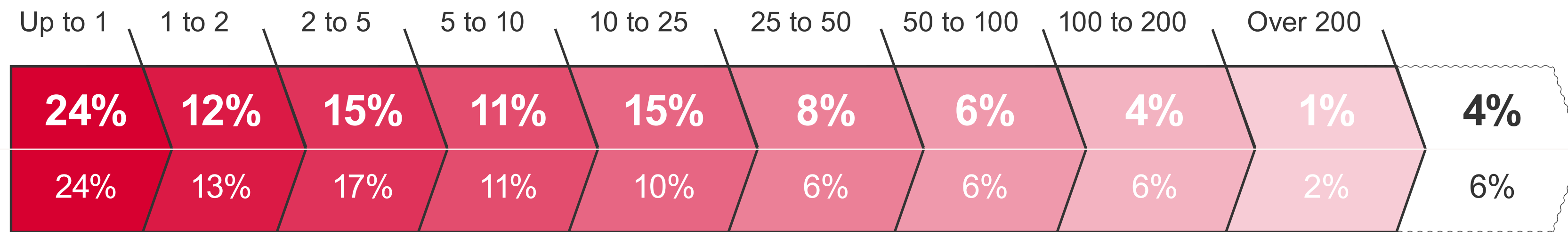
# East of England



## Distance moved last 12 months

Key  
Shows regional average  
Shows UK average

### Miles



## Profile of properties let Last 12 months

### Number of bedrooms

#### Flats



6% 18% 22% 2%

5% 20% 24% 6%

#### Houses

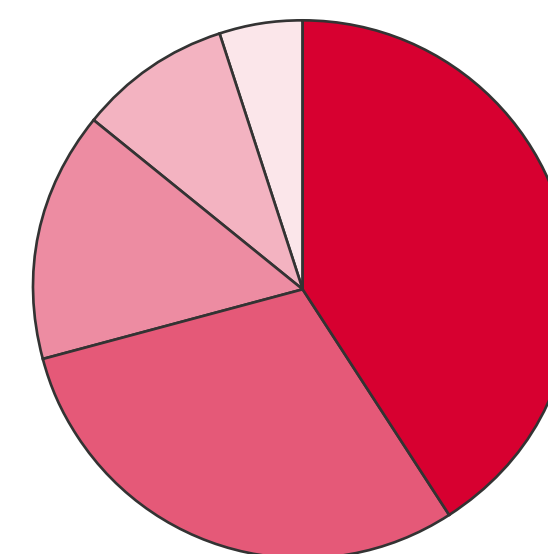


22% 30%

18% 27%

## Age breakdown Last 12 months

### Tenants age



41% Under 29  
30% 30 to 39  
15% 40 to 49  
9% 50 to 59  
5% 60+



**Our customers are at the heart of everything we do – listening to our customers and understanding their needs enables us to develop our proposition continually. Whether it's market-leading referencing or bespoke products for letting agents, tenants, or landlords, we're here to support the UK's vibrant Private Rented Sector.**

In conjunction with Dataloft

**dataloft**

## About the Let Alliance rental index report

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

The Let Alliance 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 Let Alliance 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 is an established property market intelligence company with a long track record of analysing and reporting on local housing markets. Working alongside Barbon and other companies, Dataloft have compiled Dataloft Rental Market Analytics (DRMA), the largest and most comprehensive single source of achieved rents and tenant 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](https://www.dataloft.co.uk)**

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