

JULY
2021

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



This month's figures paint a picture of a rental market that is struggling to meet the needs of renters or landlords, with spiralling prices a bad sign for both parties.



Andy Halstead
Group CEO
HomeLet and Let Alliance



Landlords leaving

One of the main factors leading to rising rent prices is a lack of supply on the market to match demand. This problem could worsen if landlords continue to leave the market, leaving a rapidly shrinking supply of available rental properties. The issue is reflected by the overall findings from our recent Landlord Survey, where 18% of all landlords that we spoke to said that they expect to reduce their portfolio or leave the sector entirely in the near future – this figure rises higher to 22% for landlords based in London.

An unsustainable market

The same survey revealed that four out of five renters (78%) are worried about how they will pay their rent. A market too volatile for landlords to rely on receiving rents due, and properties too expensive for renters to cope with, is clearly unsustainable.

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Average rents and change in rents



**Average
rent**

£1,127

Average rents across the UK rose to £1,127 in July. Outside of London rents saw a monthly rise of 1.3% to £948.



**Change
monthly**

+1.3%

In line with usual seasonal patterns, an increase in rents of 1.3% over the month is the highest monthly increase since August 2021.



**Change
annual**

+9.5%

Annual rental growth slowed slightly in July from the double digit increases seen in May and June.

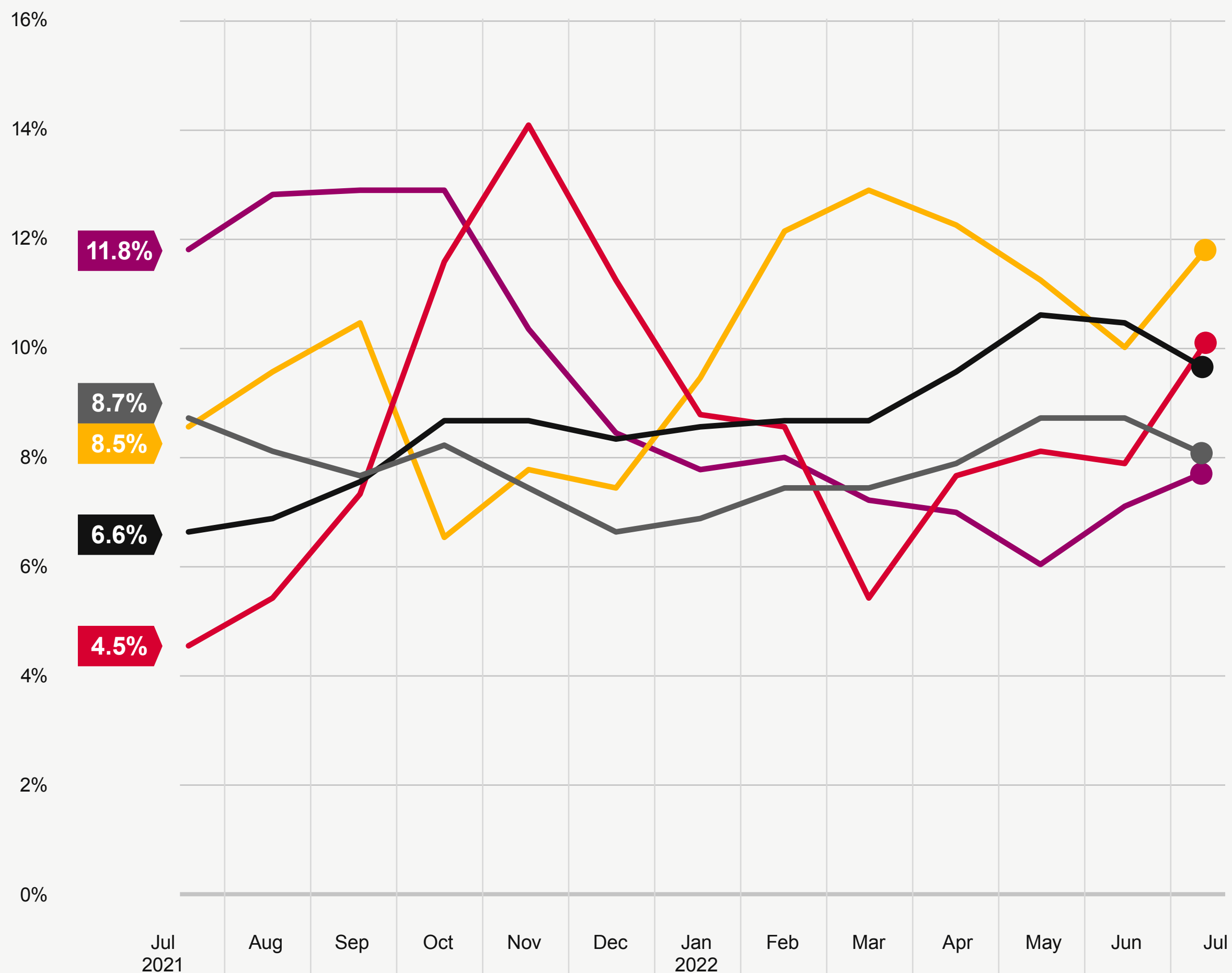
UK and home nations



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Annual change JULY 2021 to JULY 2022



- 11.9% Scotland
- 10.2% Northern Ireland
- 9.5% UK
- 8.0% UK excluding London
- 7.7% Wales

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

Next England by region »

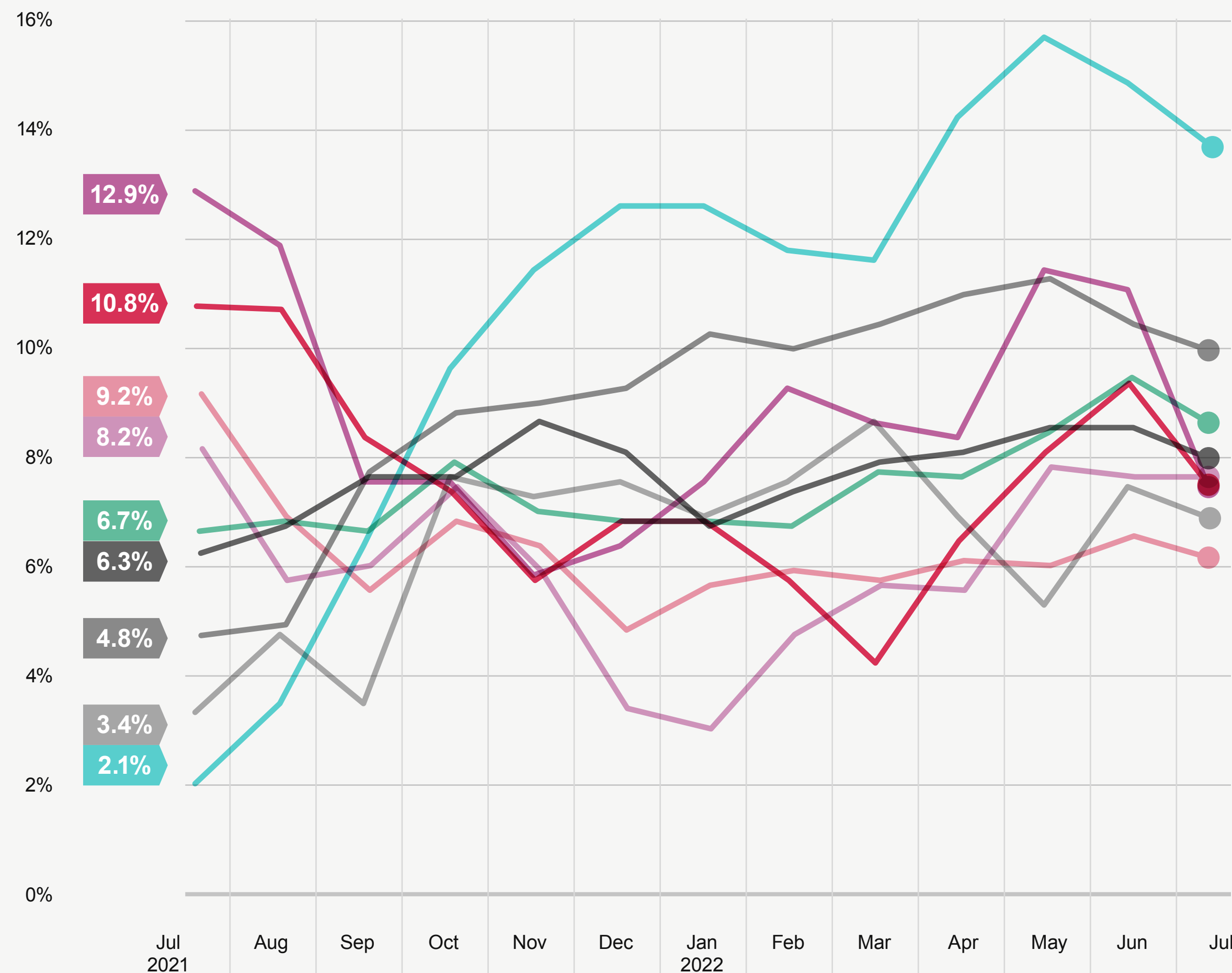
England by region



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Annual change JULY 2021 to JULY 2022



- 13.6% Greater London
- 9.9% North West
- 8.6% West Midlands
- 8.0% Yorkshire and the Humber
- 7.7% South East
- 7.4% East Midlands
- 7.3% South West
- 6.9% North East
- 6.2% East of England

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

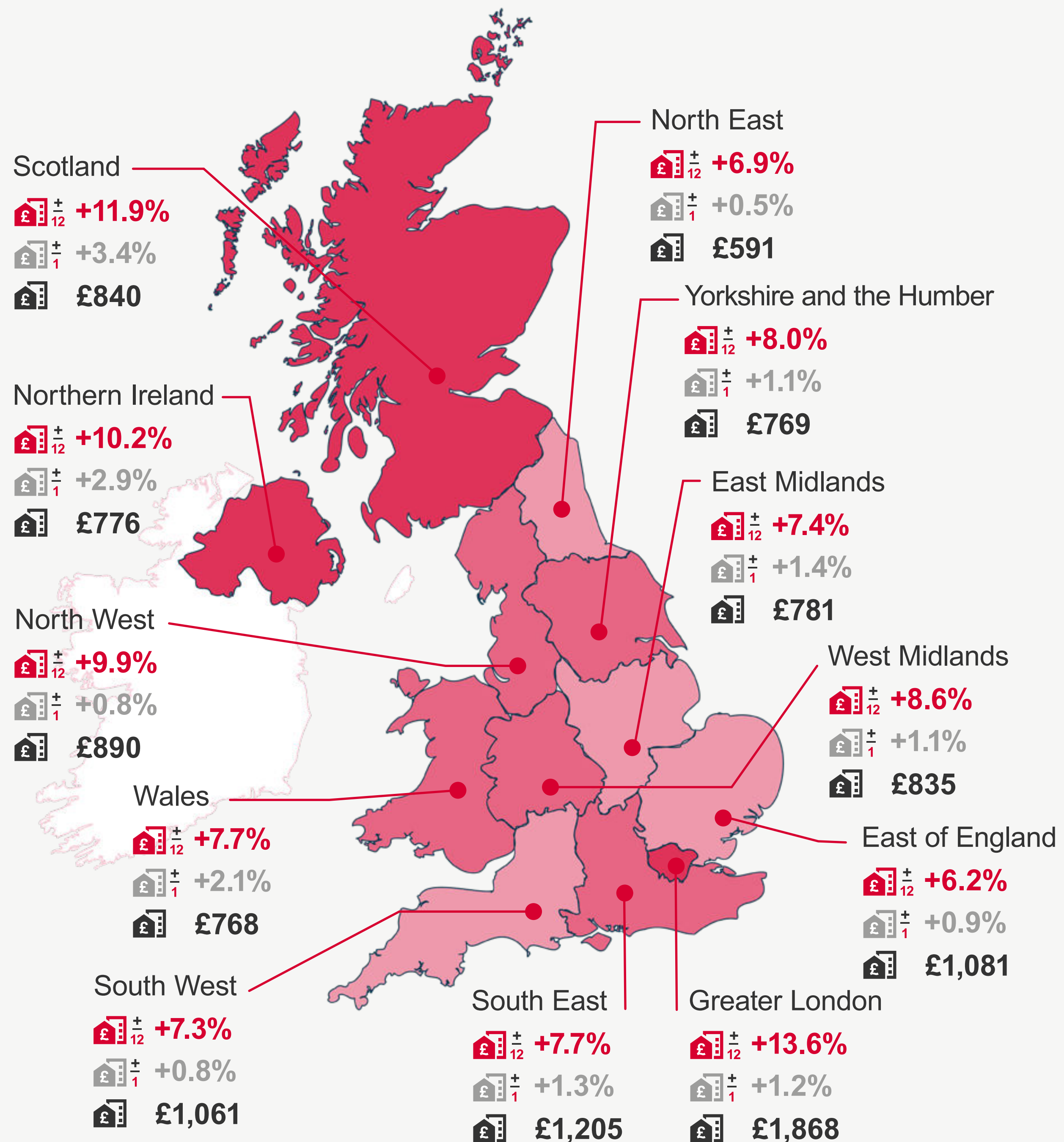
Next Regional snapshot »

Regional snapshot



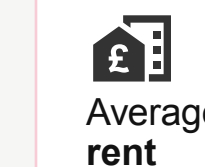
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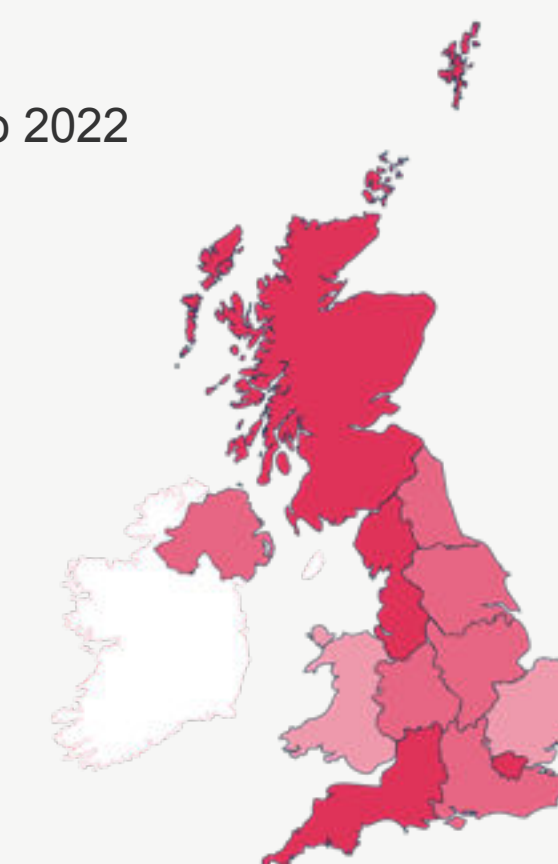
Annual change

JULY 2021 to JULY
2022



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

June
2021 to 2022



» Next Regional discount / premium

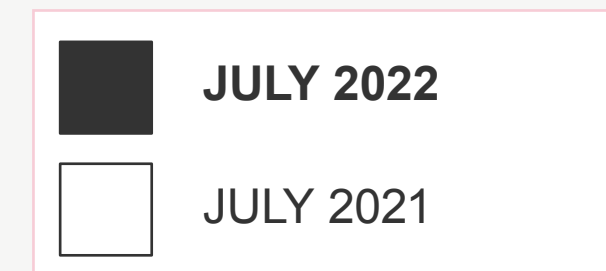
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Regional discount / premium to UK average



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Comparison with UK average JULY 2021 to JULY 2022



Showing how regional rents compared to the UK average in JULY 2022 and a year earlier, i.e., average rents in the East Midlands in JULY 2022 were 30.7% below the national average. However, in JULY 2021 they were 29.3% below the national average.

London focus



Average rent

£1,868

Average rents rose by a further 1.2% in London in July to reach a new high of £1,868.



Change annual

+13.6%

The annual rate of growth has slowed slightly since its peak in May. Rents are rising at an annual rate of 13.6%, down from 15.7% in May.



Strongest performer

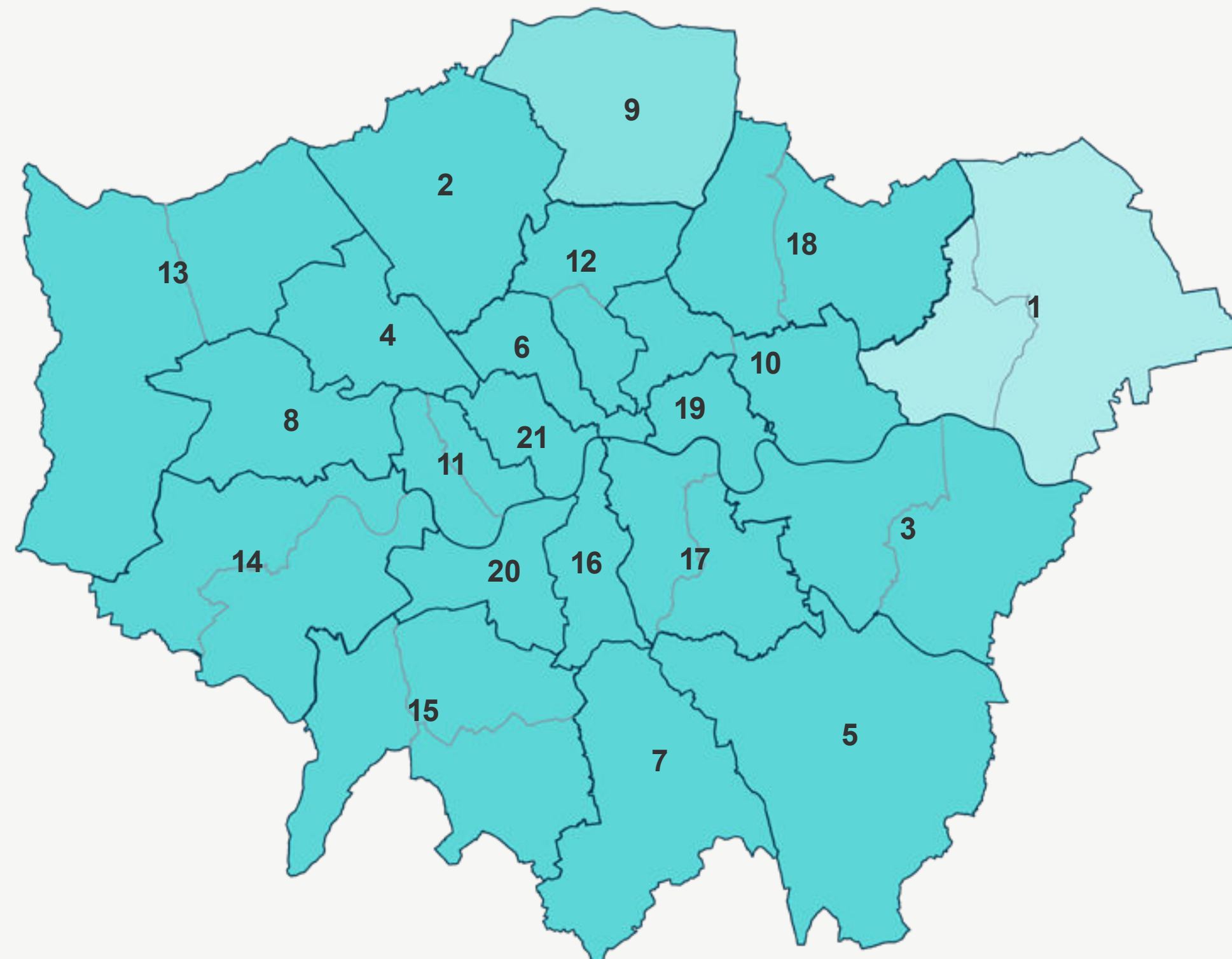
+22.4%

Tower Hamlets

Tower Hamlets overtook Westminster to be the borough with the strongest rise in rents over the past year.



Annual change JULY 2021 to JULY 2022



- 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



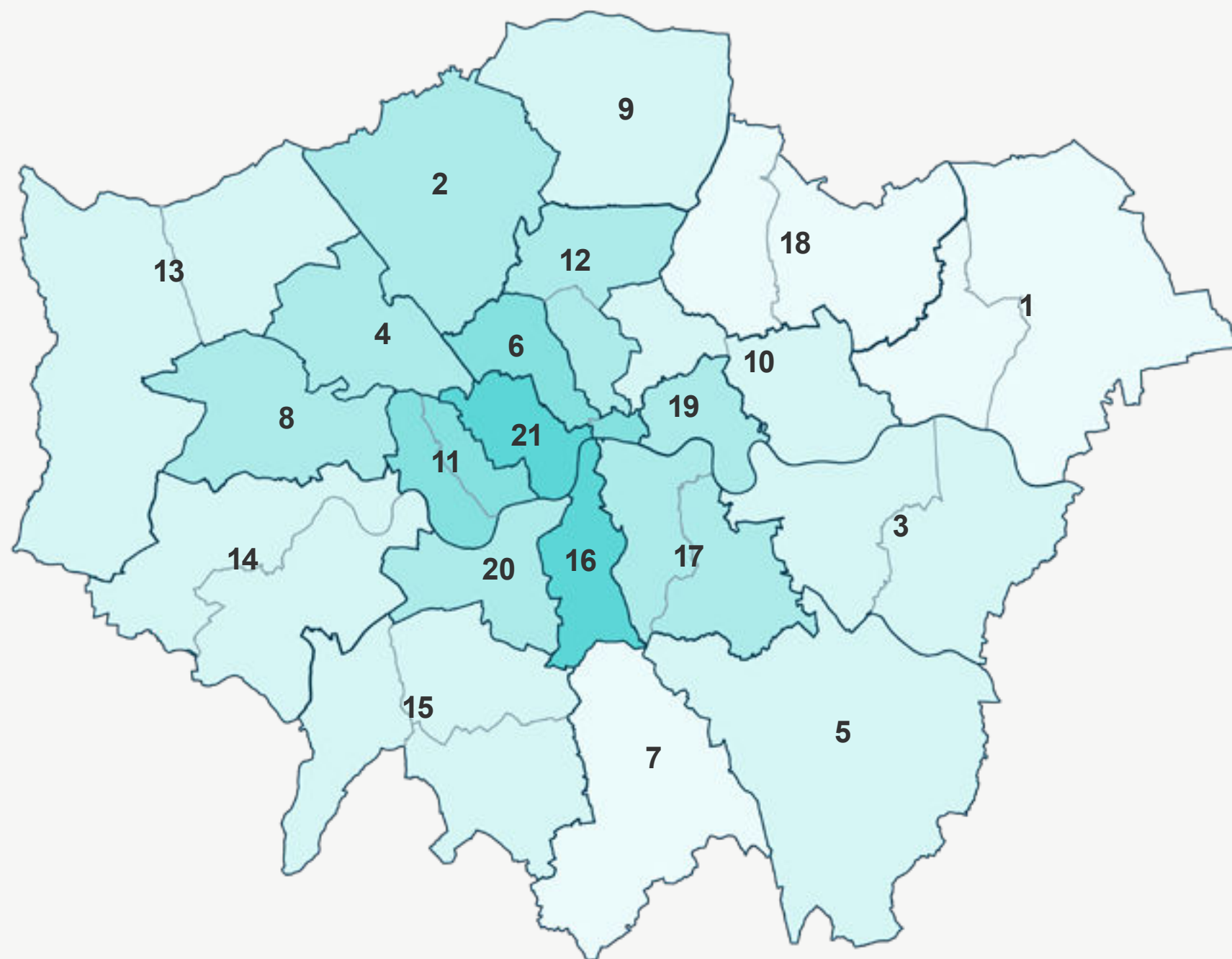
Average rent

		Annual change	Average rent
1	Barking, Dagenham and Havering	+3.8%	£1,385
2	Barnet	+19.2%	£1,840
3	Bexley and Greenwich	+15.5%	£1,598
4	Brent	+10.1%	£1,814
5	Bromley	+10.3%	£1,627
6	Camden, City of London	+12.1%	£2,213
7	Croydon	+7.6%	£1,256
8	Ealing	+11.0%	£1,742
9	Enfield	+5.1%	£1,664
10	Hackney and Newham	+13.4%	£1,695
11	Hammersmith, Fulham, Kensington and Chelsea	+18.5%	£2,414
12	Haringey and Islington	+17.2%	£1,920
13	Harrow and Hillingdon	+11.2%	£1,562
14	Hounslow and Richmond	+17.8%	£1,785
15	Merton, Kingston upon Thames and Sutton	+11.3%	£1,605
16	Lambeth	+8.4%	£2,303
17	Lewisham and Southwark	+10.2%	£1,779
18	Redbridge and Waltham Forest	+9.0%	£1,423
19	Tower Hamlets	+22.4%	£2,019
20	Wandsworth	+13.6%	£2,118
21	Westminster	+19.9%	£2,986

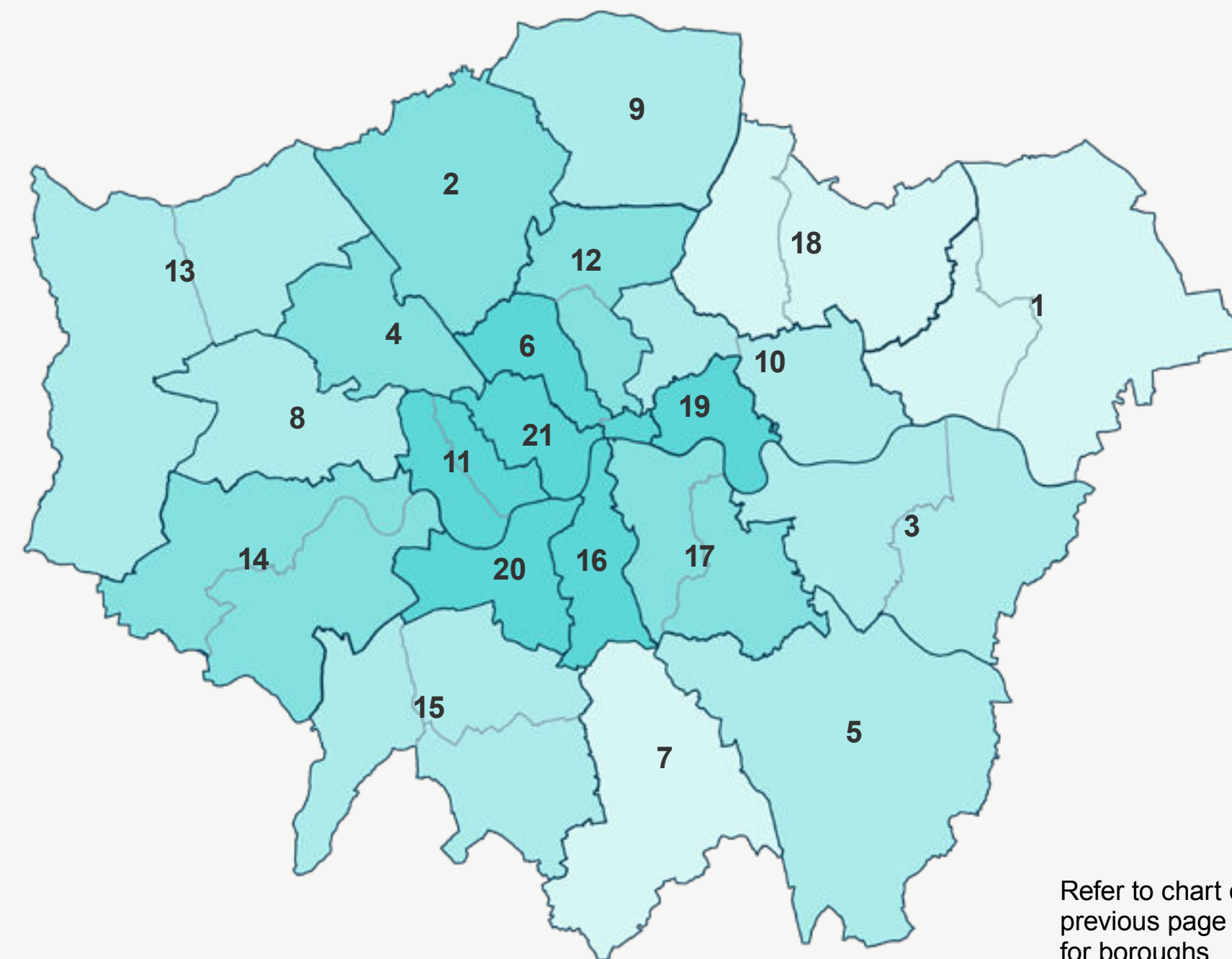
By borough



Average rent JULY 2017



Average rent JULY 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

+41.2% Westminster



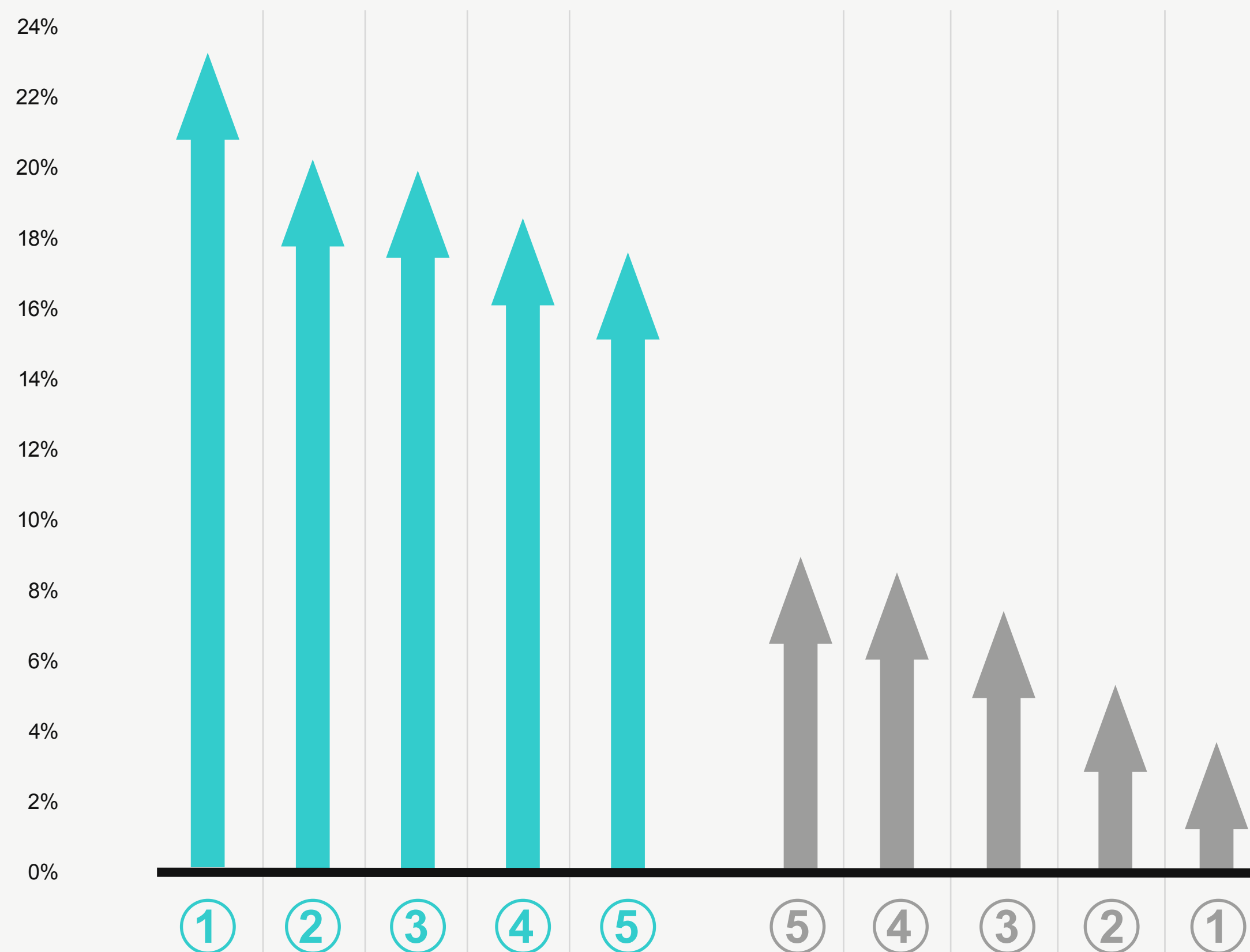
Strongest and weakest performers



Strongest JULY 2022



Weakest JULY 2022



Based on annual change to JULY 2022

- 1** +22.4% Tower Hamlets
- 2** +19.9% Westminster
- 3** +19.2% Barnet
- 4** +18.5% Hammersmith, Fulham, Kensington and Chelsea
- 5** +17.8% Hounslow and Richmond upon Thames
- 5** +9.0% Redbridge and Waltham Forest
- 4** +8.4% Lambeth
- 3** +7.6% Croydon
- 2** +5.1% Enfield
- 1** +3.8% Barking, Dagenham and Havering

Affordability



% income
spent on rent

30.2%

UK renters spent an average of 30.2% of their gross income on rent in July, showing a slight improvement on the level seen so far in 2022.

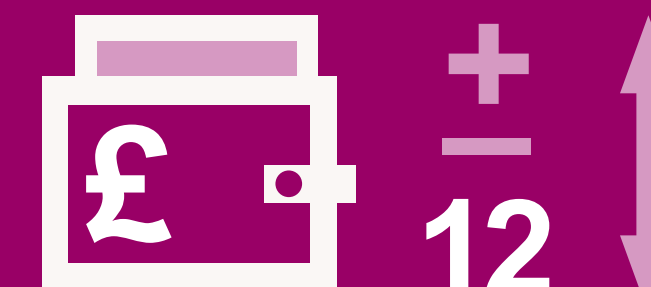


Change
annual*

-0.4%

Compared to a year ago, however, the affordability measure has weakened slightly. In July 2021 renters were spending an average 29.8% of their income on rent.

* Calculated by subtracting the JULY 2022 figure from JULY 2021.



Greatest
change

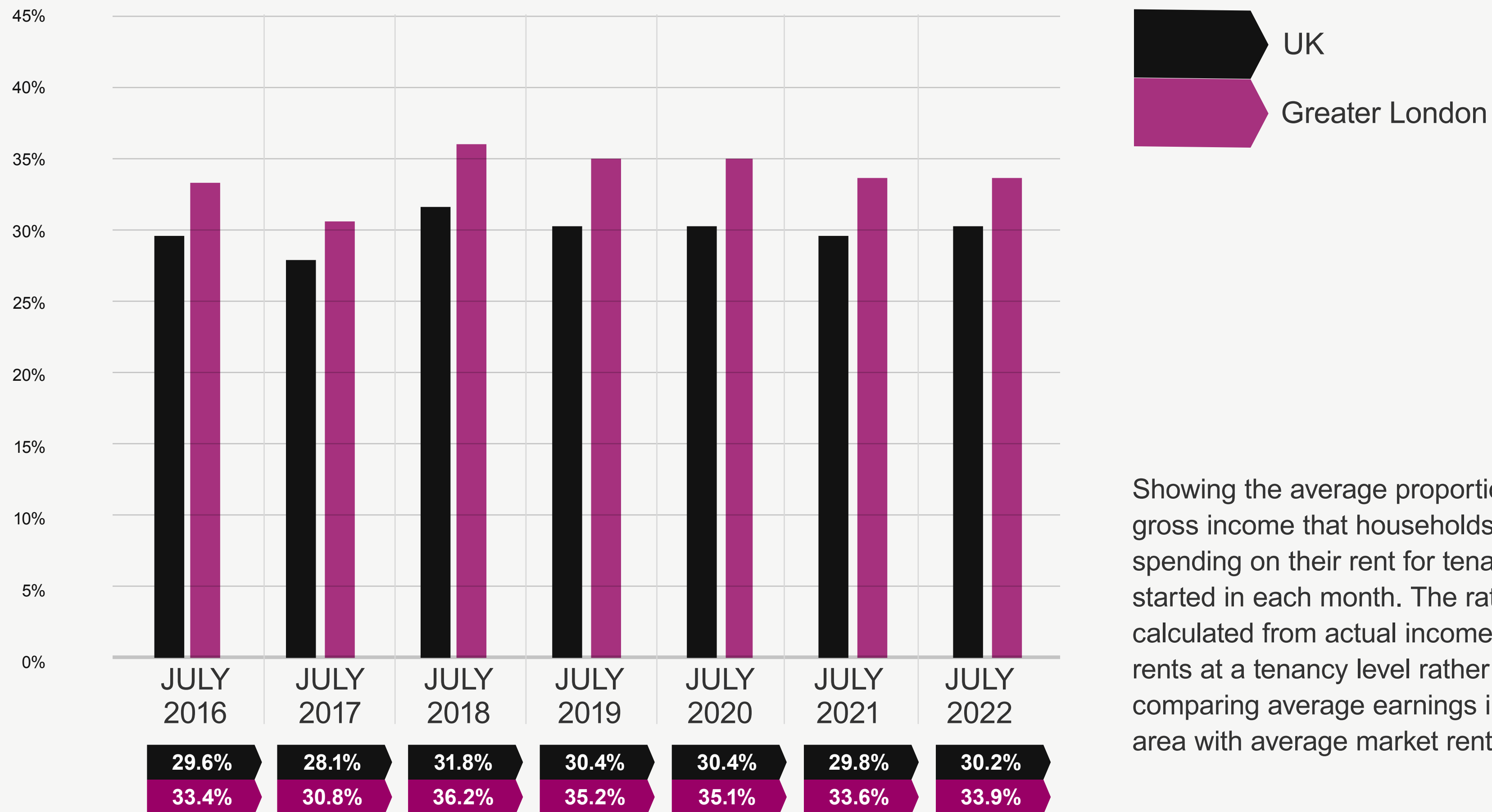
+1.7%

Northern Ireland

In Northern Ireland, the South East and the East of England, renters are spending a smaller proportion of their income on their rent than they did a year ago.



Affordability over time JULY 2016 to JULY 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.

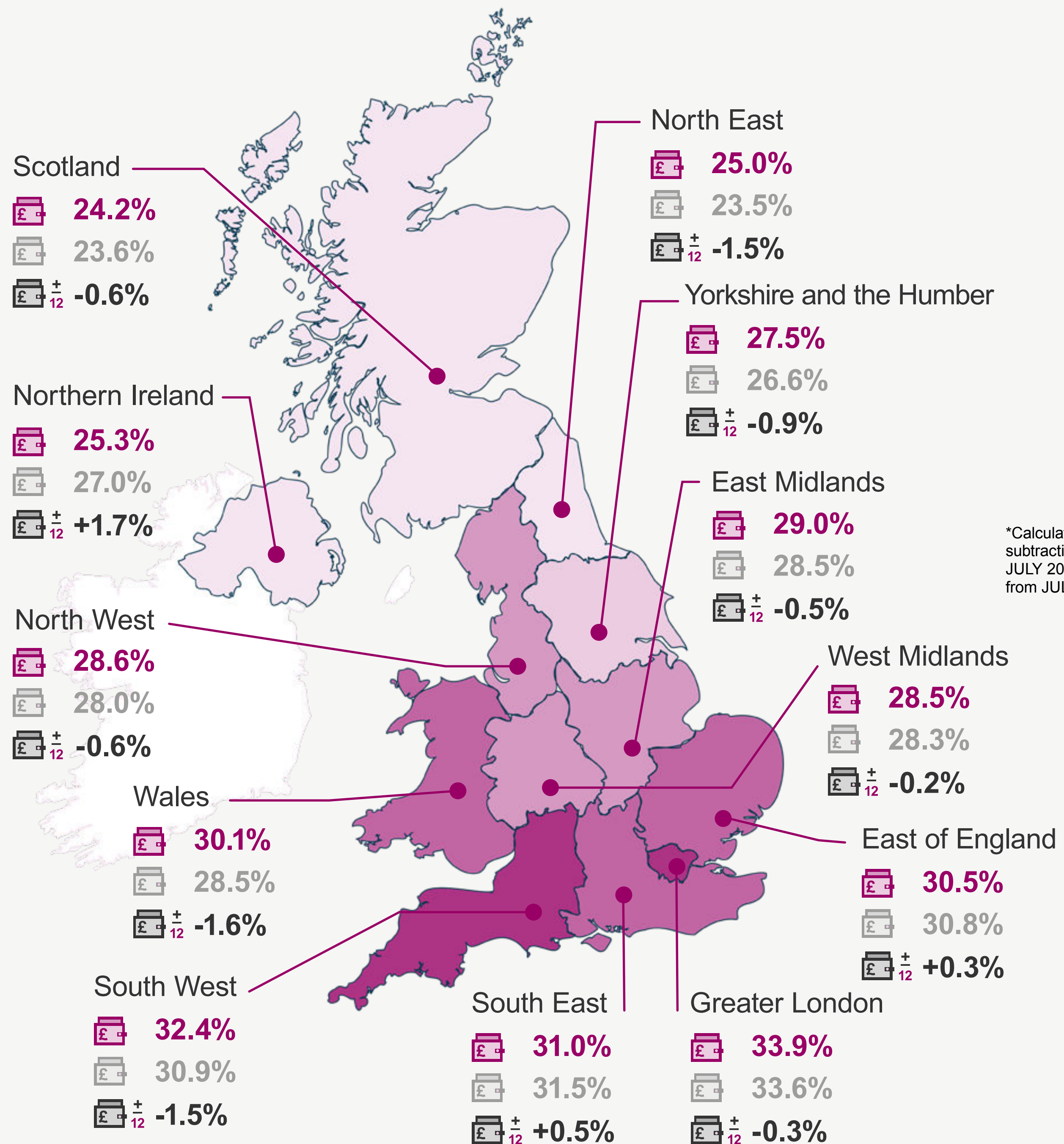
UK and
London

Regional snapshot



In conjunction
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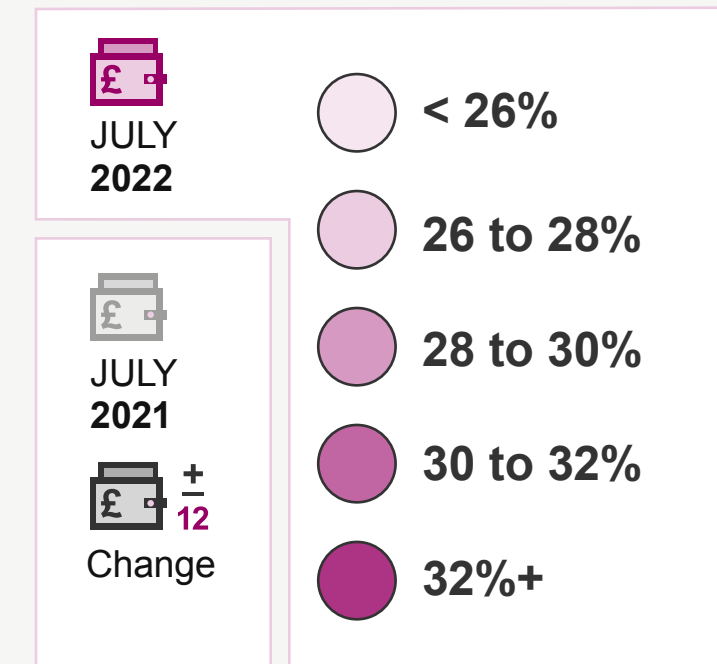
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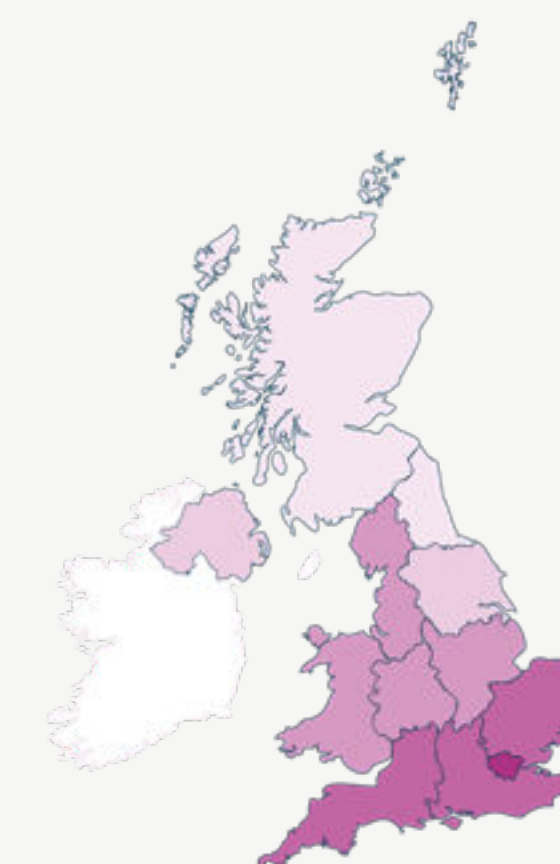
*Calculated by subtracting the JULY 2021 figure from JULY 2022.



% income spent on rent JULY 2022



JULY 2021



Next Regional focus »

North West



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JULY
2022



Median tenant
gross income*

£25,607

£29,424



Average % tenant
income spent on rent

28.6%

30.2%



Predominant
age group

20–29

20–29



Predominant
rental band

£500–£750

£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 the North West.

*Excludes below £10k and over £500k

Next Regional focus »

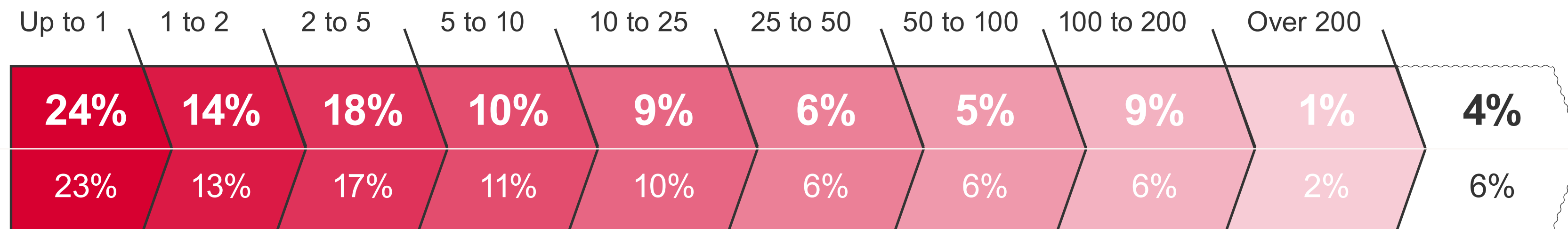
North West



Distance moved last 12 months

Key
Shows regional average
Shows UK average

Miles



Profile of properties let Last 12 months

Number of bedrooms

Flats



4%

5%



14%

20%



22%

24%



3%

6%

Houses



24%

18%

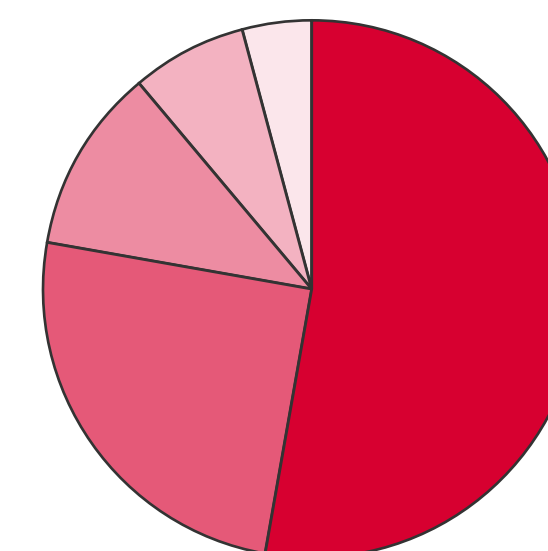


33%

27%

Age breakdown Last 12 months

Tenants age



53% Under 29
25% 30 to 39
11% 40 to 49
7% 50 to 59
4% 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.

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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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