

September  
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



**Recent weeks have seen the value of pound sterling dropping rapidly and concerns over rising mortgage rates. Combined with high energy prices and rising expenses across the board, it is fair to say that it is a worrying time for the private rental sector and the country as a whole.**



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



## A perfect storm

The rising cost of living is likely to see more tenants unable to afford their rent payments, and spiralling mortgage rates are making things harder for landlords. Several factors are combining to result in more and more landlords leaving the market, sadly depleting an already inadequate supply of rental properties to meet tenants' demand. This will only result in further increases in the average rent price at a time when tenants can ill afford to take on extra expense, and landlords can ill afford to miss out on rent payments.

## Uncertainty for landlords and tenants

A high cost of living, resulting in tenants struggling to pay their rent, does not suit anyone, as neither landlords nor tenants can approach the coming months with certainty about their immediate financial situation. We hope that the outlook improves in the coming weeks and months.



# Overview

Go to  
page 4

**Average  
rents and  
change  
in rents**

Go to  
page 9

**London  
focus**

Go to  
page 13

**Affordability**

Go to  
page 16

**Regional  
focus**

# Average rents and change in rents



## Average rent

£1,159

Average rents across the UK continue to rise. In September the average rent reached a new peak of £1,143, outside of London rents rose to £971 per month.



## Change monthly

+1.4%

The monthly rate of growth, at 1.4%, was the same as seen in August and the highest September growth rate reported in this survey.



## Change annual

+9.2%

Excluding London, an annual growth rate of 9% is the highest level reported. Strongest rental growth is currently in Northern Ireland and Scotland.

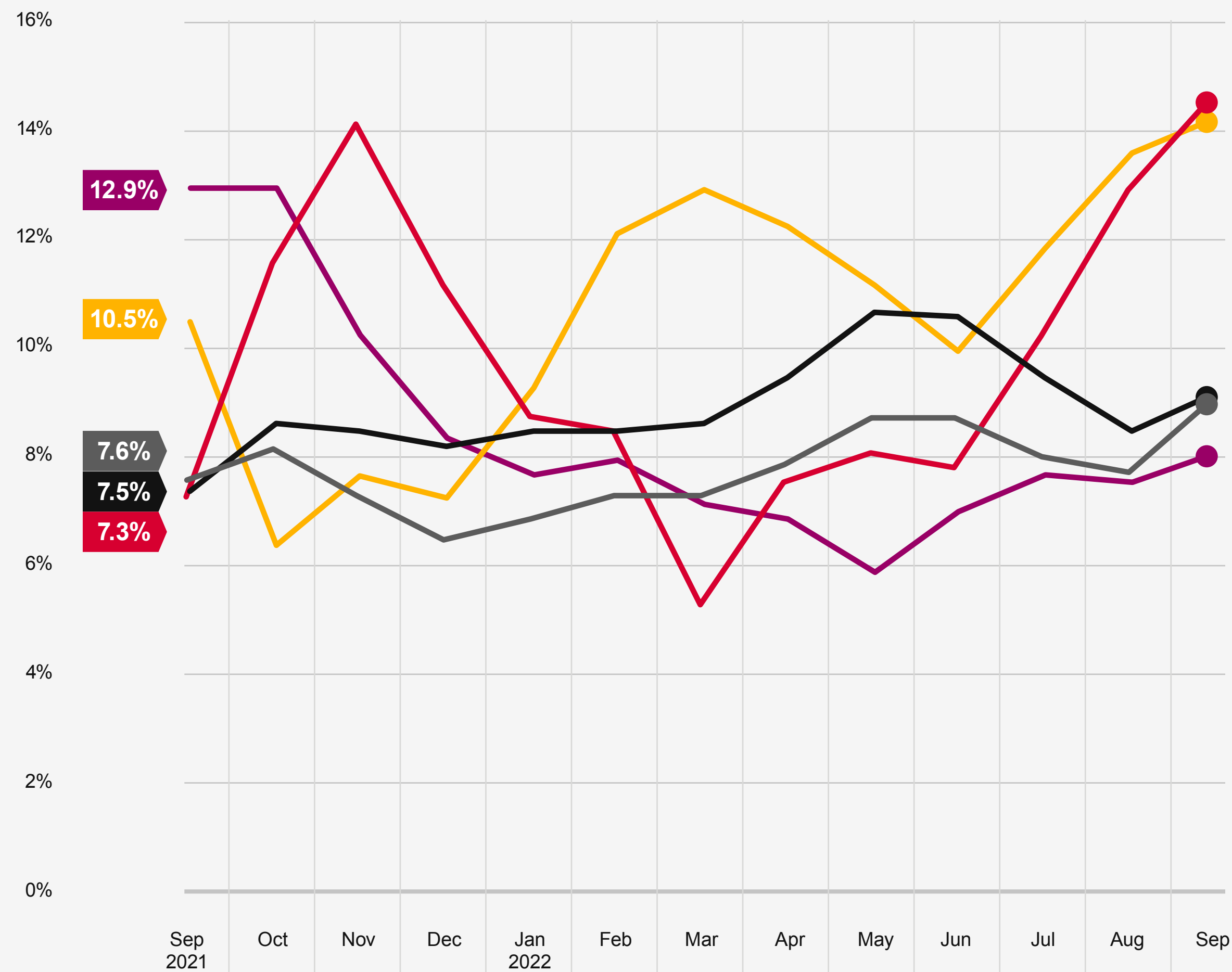
# UK and home nations



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« Back

## Annual change September 2021 to September 2022



- 14.6% Northern Ireland
- 14.2% Scotland
- 9.2% UK
- 9.0% UK excluding London
- 8.2% Wales

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

Next England by region »

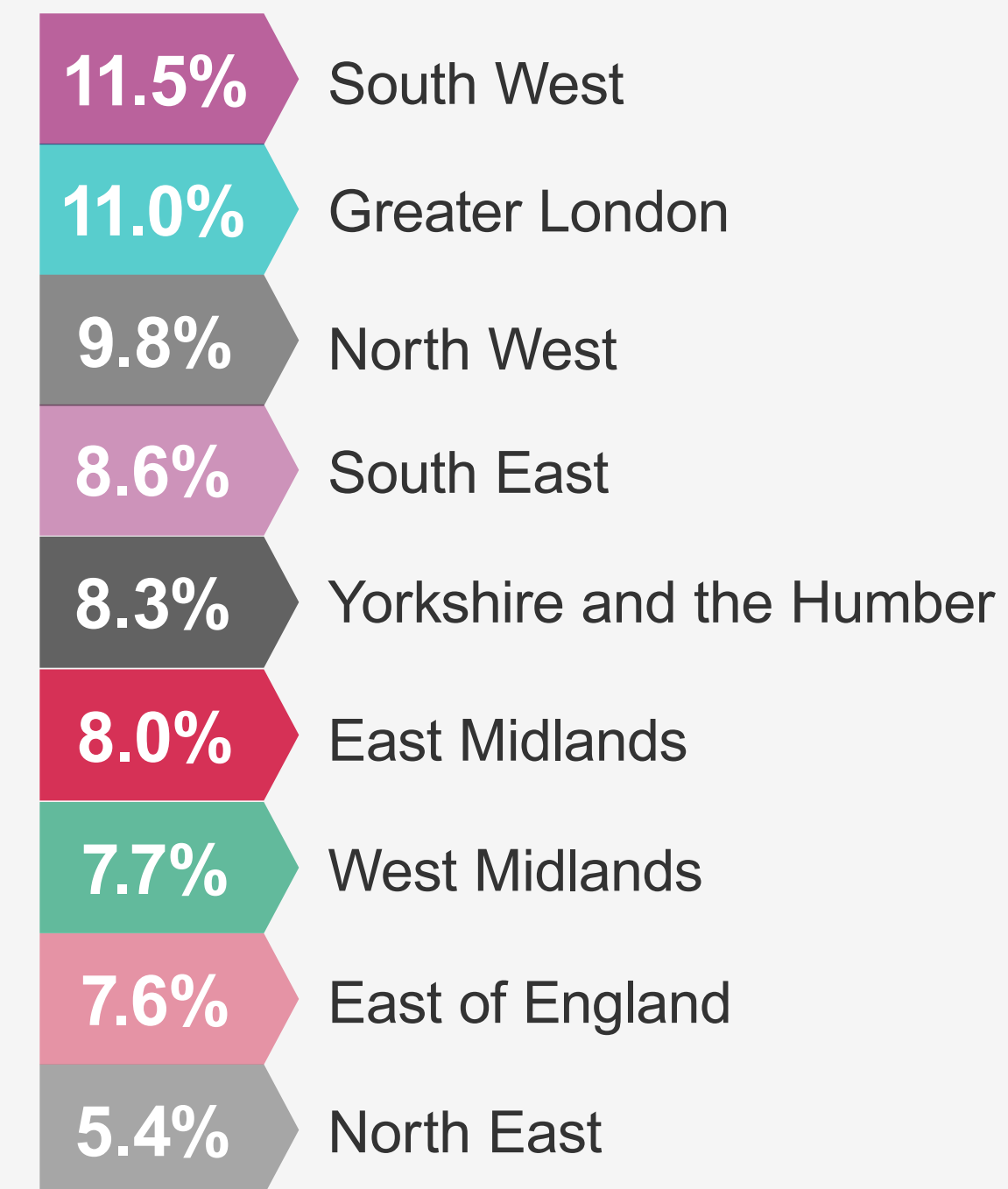
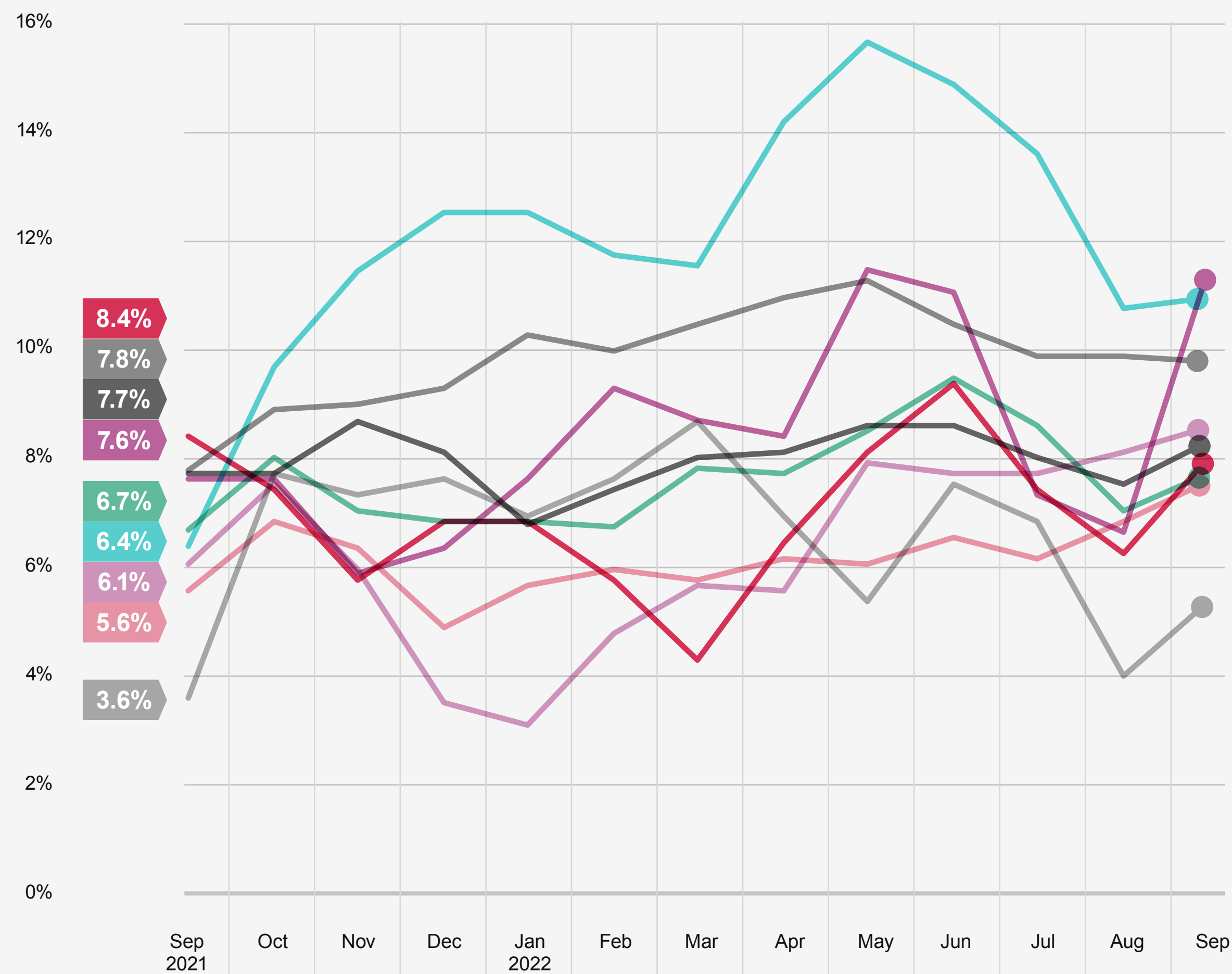
# England by region



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## Annual change September 2021 to September 2022



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

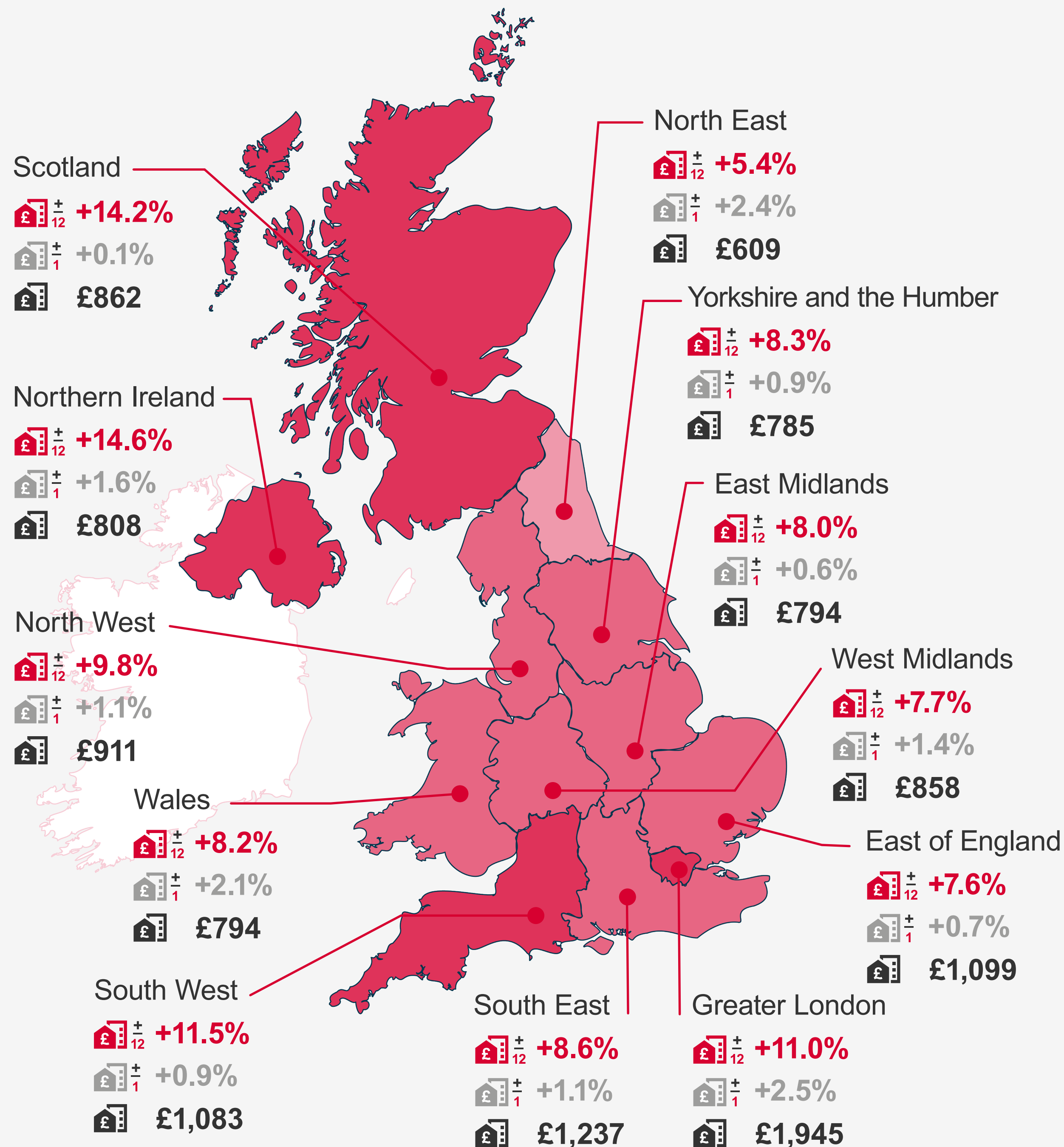


# Regional snapshot



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« Back



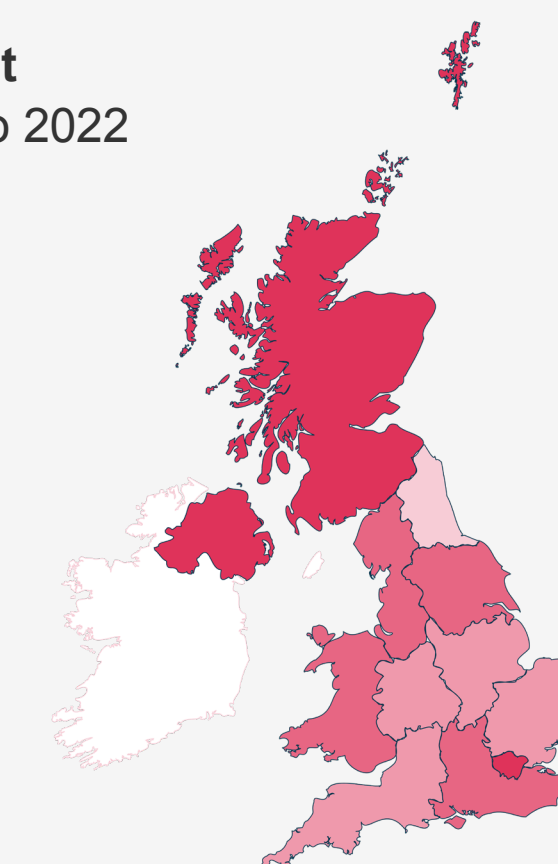
## Annual change

September 2021 to  
September 2022



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

August  
2021 to 2022



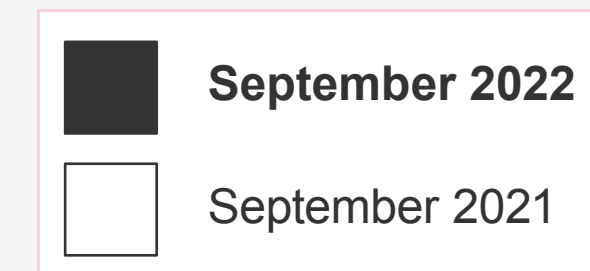
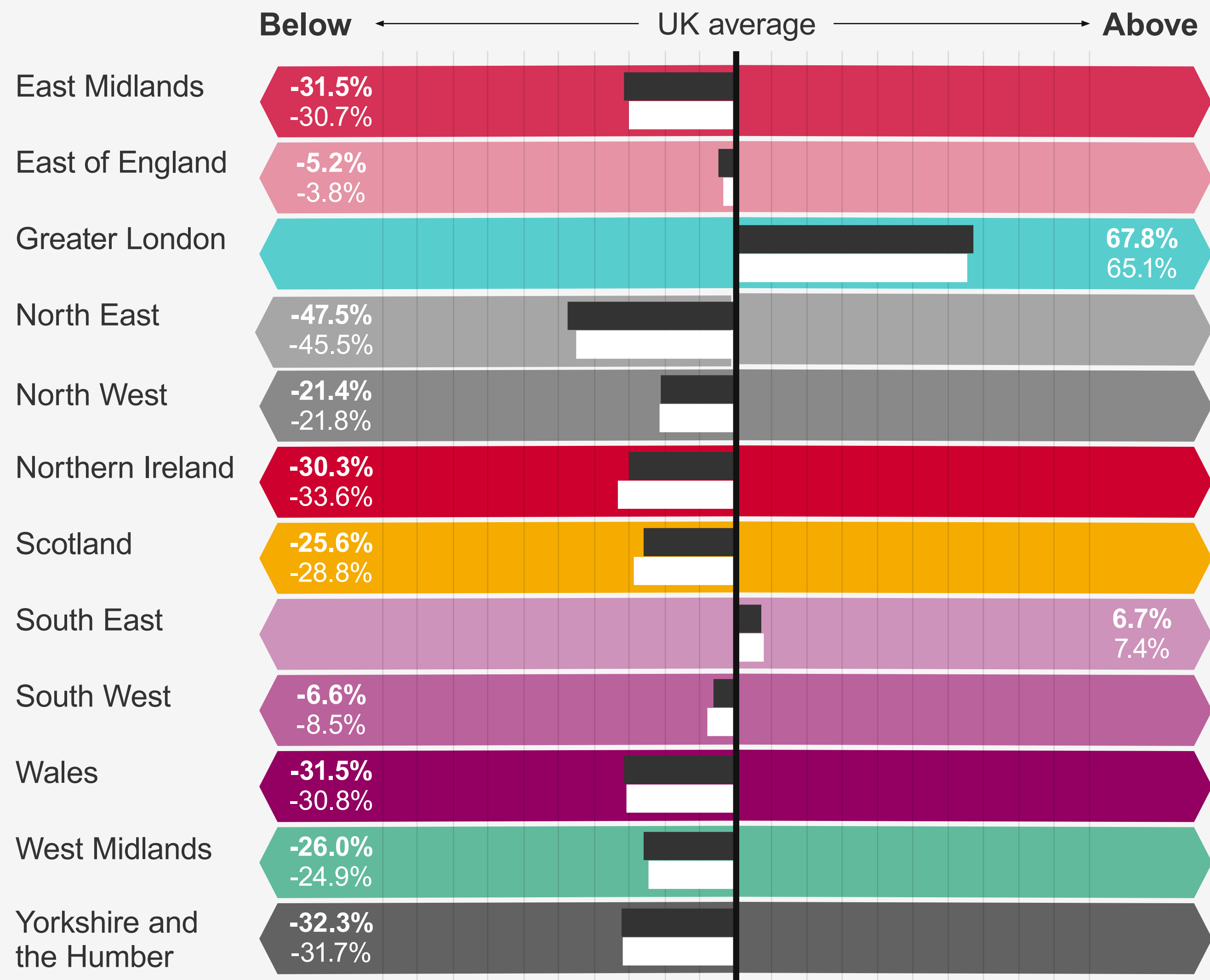
» Next Regional discount / premium

# Regional discount / premium to UK average



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## Comparison with UK average September 2021 to September 2022



Showing how regional rents compared to the UK average in September 2022 and a year earlier, i.e., average rents in the East Midlands in September 2022 were 31.5% below the national average. However, in September 2021 they were 30.7% below the national average.



## London focus



### Average rent

£1,945

London rents saw a 2.5% increase in September, just above the September 2021 figure, as demand was boosted by students and recent graduates starting new jobs.



### Change annual

+11.0%

The annual rate of growth has been in double digits now for the last 11 months with rents continuing to reach new highs.



### Strongest performer

+19.8%

#### Bexley and Greenwich

The south east London area of Bexley and Greenwich is currently seeing rents rise at the fastest pace, up almost 20% on a year ago.



## Annual change September 2021 to September 2022

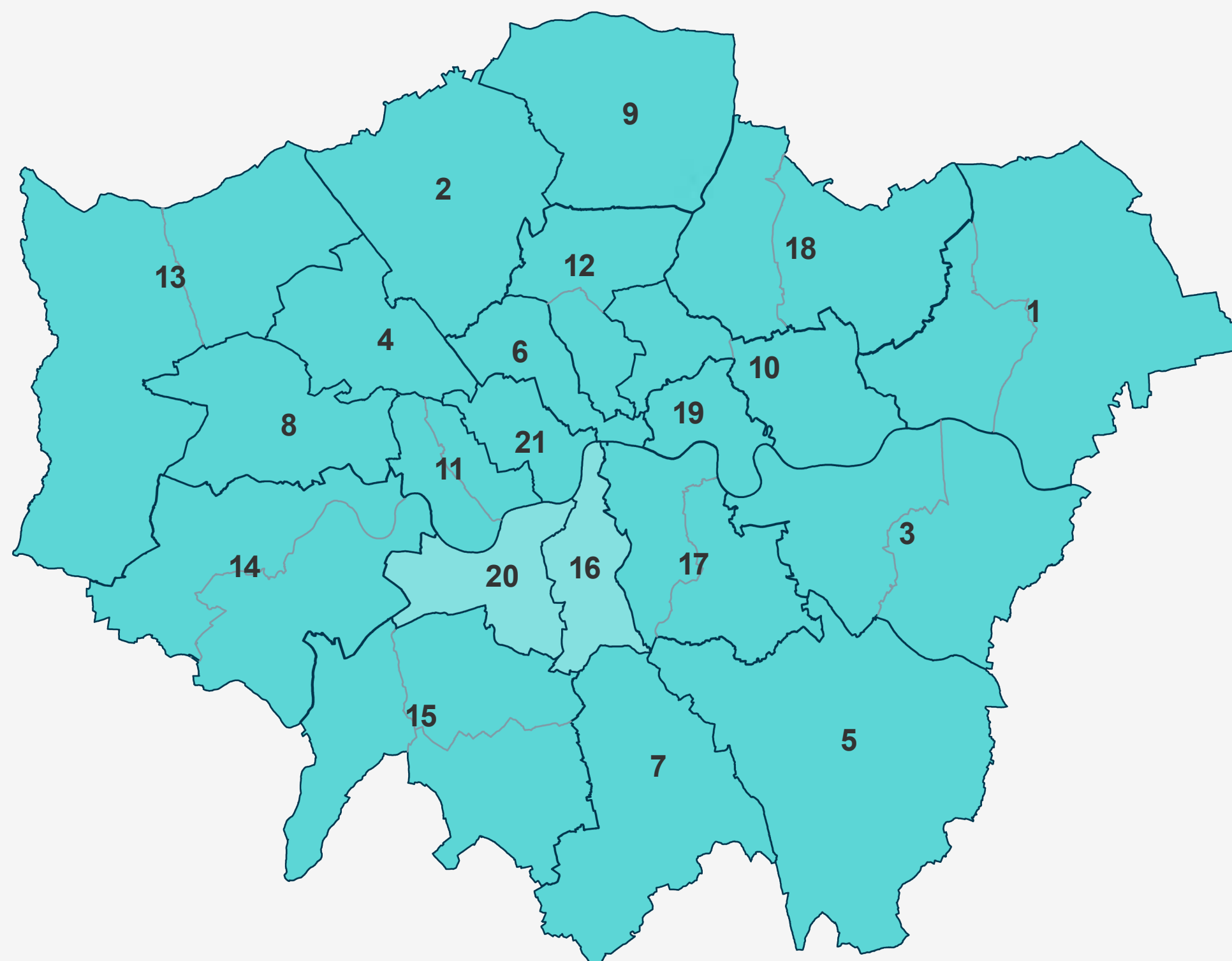


Annual  
change



Average  
rent

# By borough



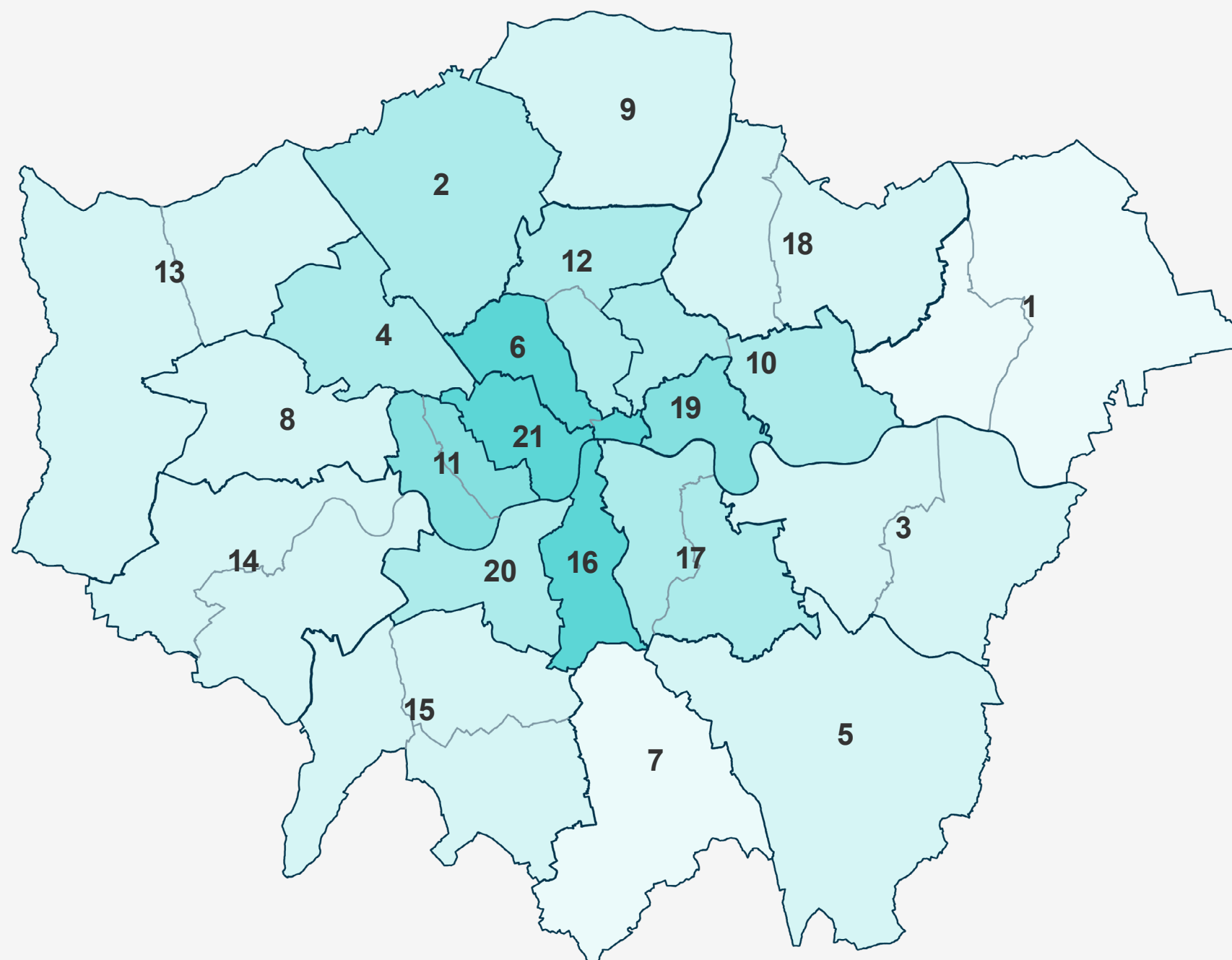
- Less than 0%
- 0% to 2%
- 2% to 4%
- 4% to 6%
- 6% and over

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

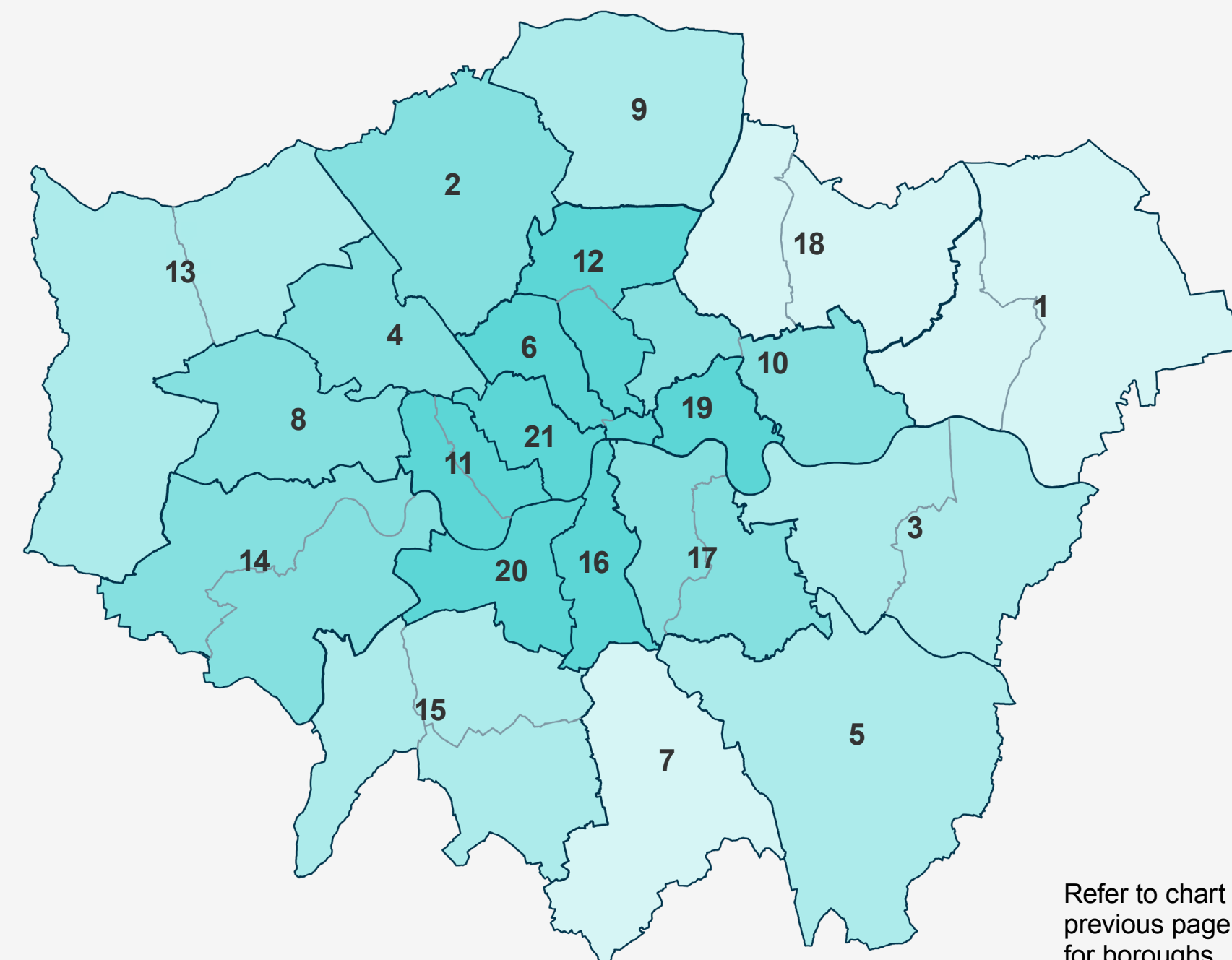
		Annual change	Average rent
1	Barking, Dagenham and Havering	+7.0%	£1,429
2	Barnet	+14.6%	£1,844
3	Bexley and Greenwich	+19.8%	£1,671
4	Brent	+11.4%	£1,834
5	Bromley	+12.4%	£1,679
6	Camden, City of London	+10.1%	£2,371
7	Croydon	+9.3%	£1,329
8	Ealing	+17.2%	£1,883
9	Enfield	+8.5%	£1,681
10	Hackney and Newham	+15.7%	£1,783
11	Hammersmith, Fulham, Kensington and Chelsea	+10.3%	£2,398
12	Haringey and Islington	+12.7%	£2,038
13	Harrow and Hillingdon	+13.3%	£1,578
14	Hounslow and Richmond	+18.5%	£1,822
15	Merton, Kingston upon Thames and Sutton	+14.6%	£1,720
16	Lambeth	+4.0%	£2,476
17	Lewisham and Southwark	+7.2%	£1,897
18	Redbridge and Waltham Forest	+11.4%	£1,495
19	Tower Hamlets	+17.1%	£2,174
20	Wandsworth	+5.2%	£2,179
21	Westminster	+16.6%	£3,084



**Average rent** September 2017



**Average rent** September 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

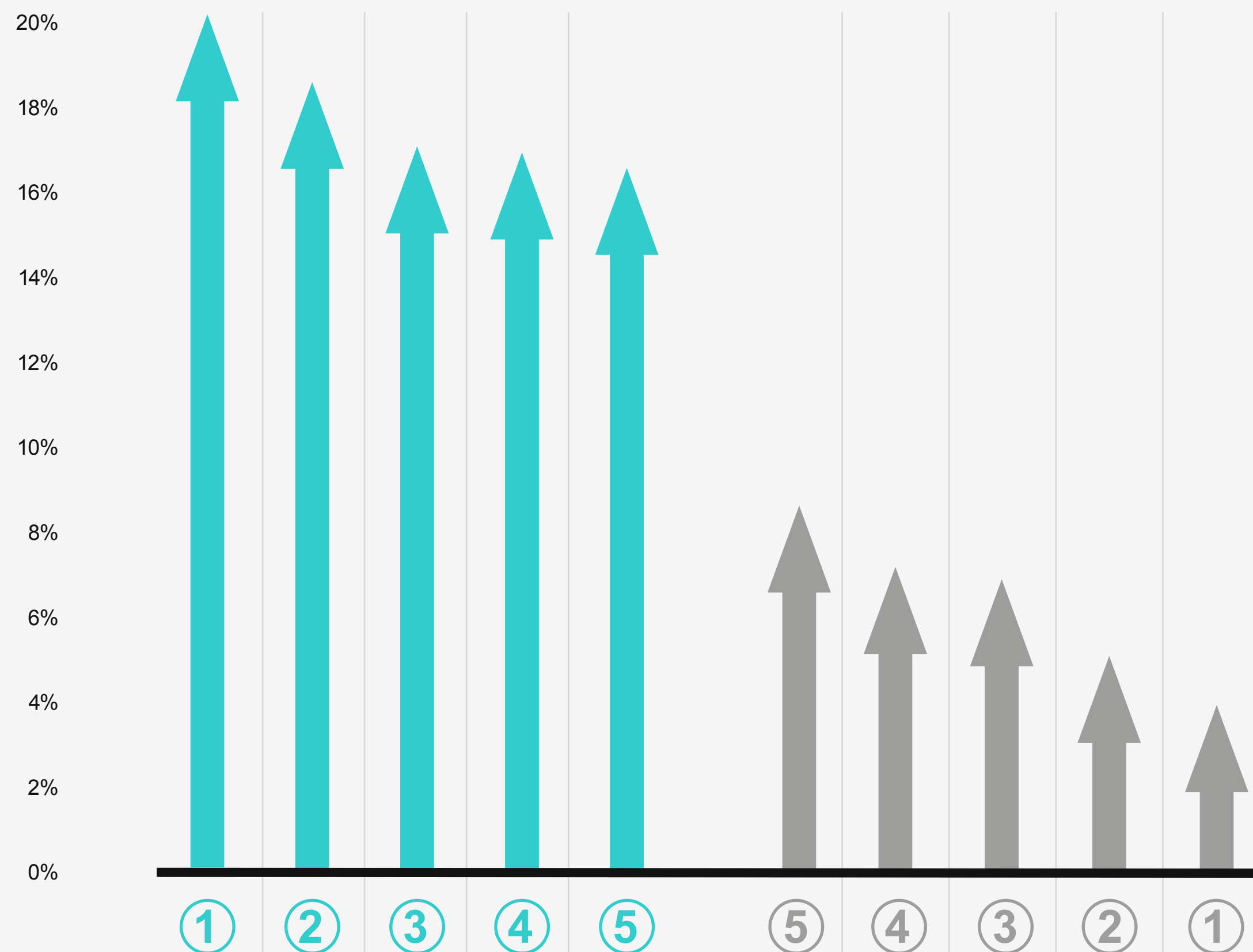
**+39.9% Westminster**



# Strongest and weakest performers



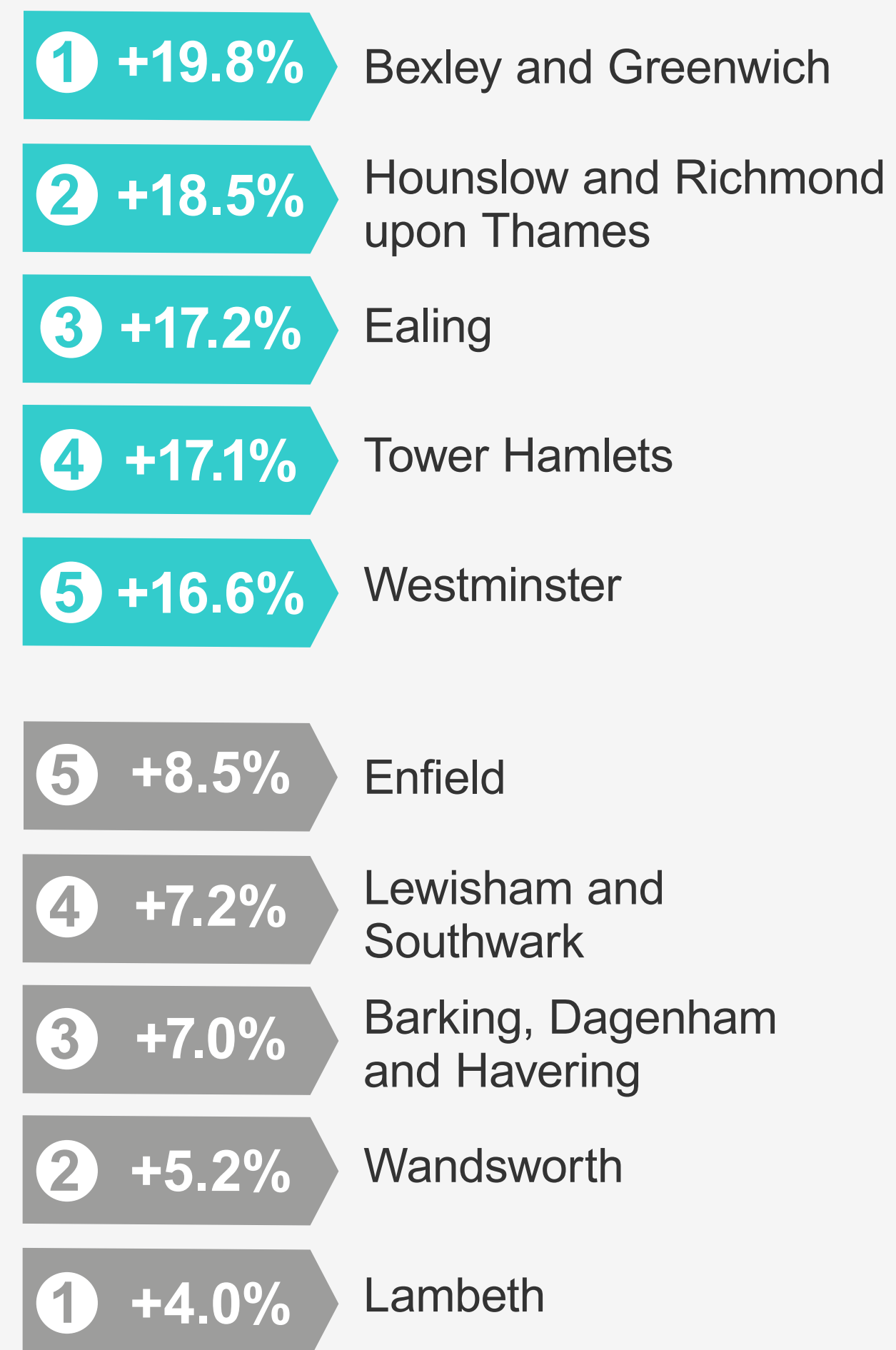
## Strongest September 2022



Based on annual change to September 2022



## Weakest September 2022



## Affordability



% income  
spent on rent

30.3%

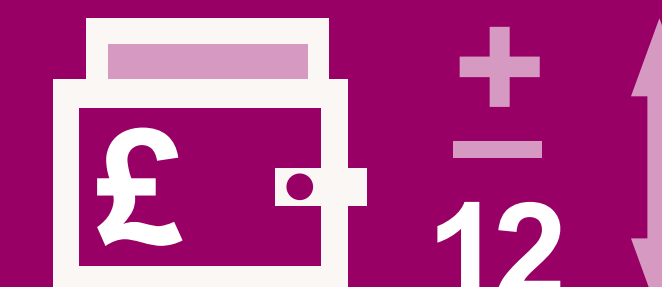
The proportion of income that UK renters spend on their rent rose slightly in September to 30.3%.



Change  
annual\*

-0.7%

A year ago, renters were spending 29.6% of their income on rent showing a squeeze in levels of affordability.



Greatest  
change

+0.4%

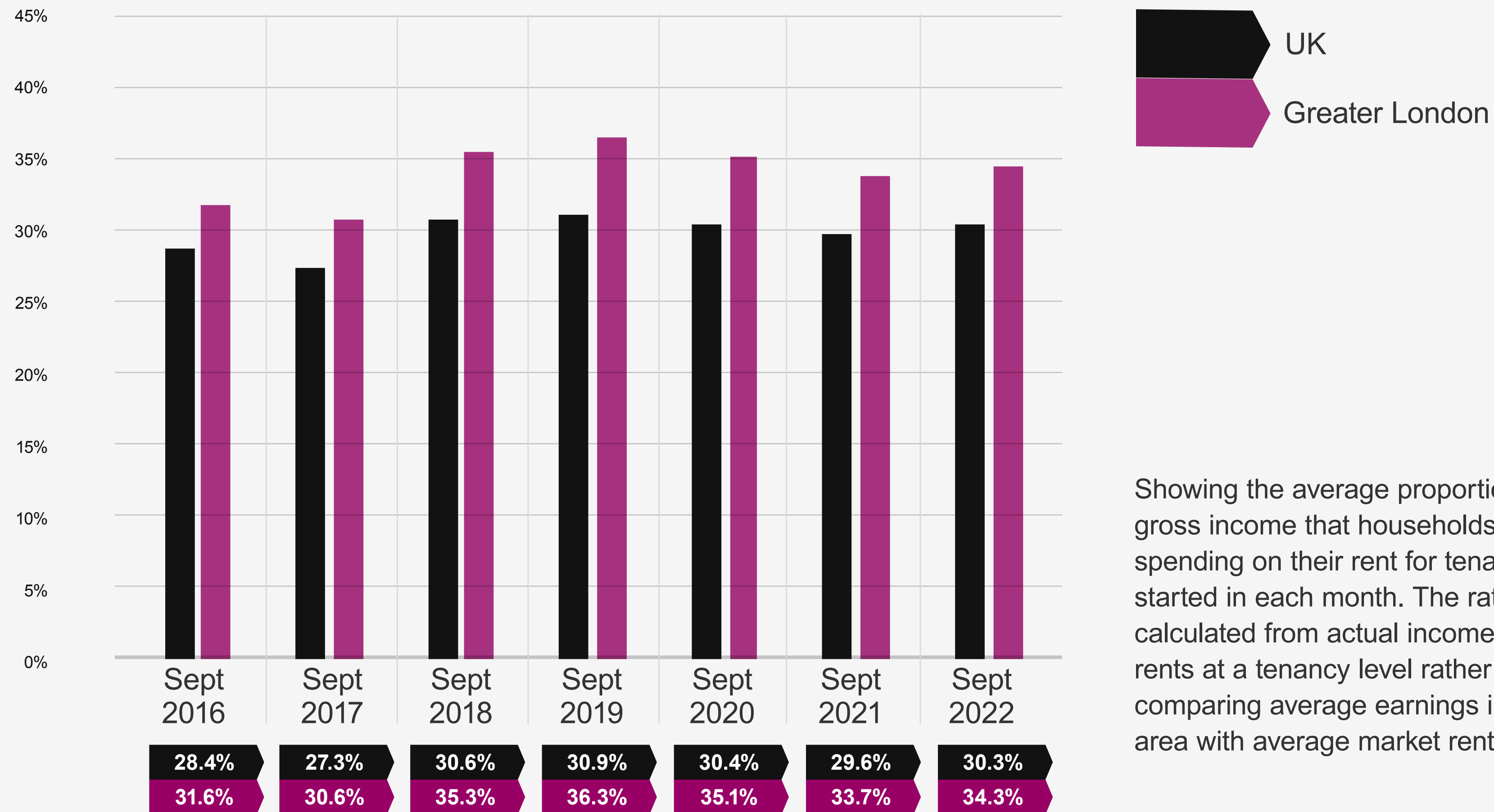
### Scotland

While renters in Scotland are paying a lower proportion of their income than they did a year ago, affordability has been most squeezed in the South West and Wales.

\* Calculated by subtracting the September 2022 figure from September 2021. A negative change indicates squeezed affordability.



## Affordability over time September 2016 to September 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

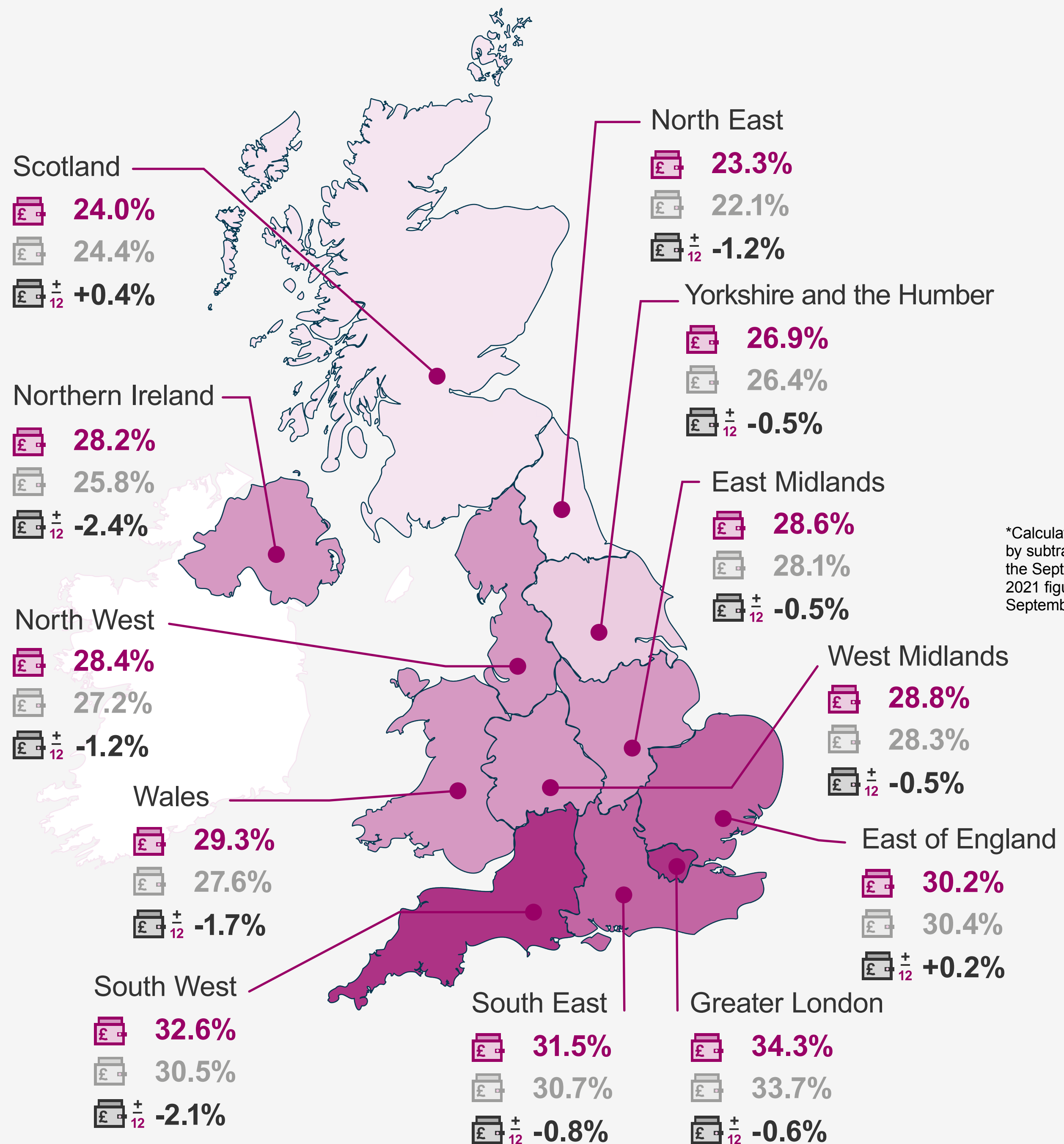


# Regional snapshot



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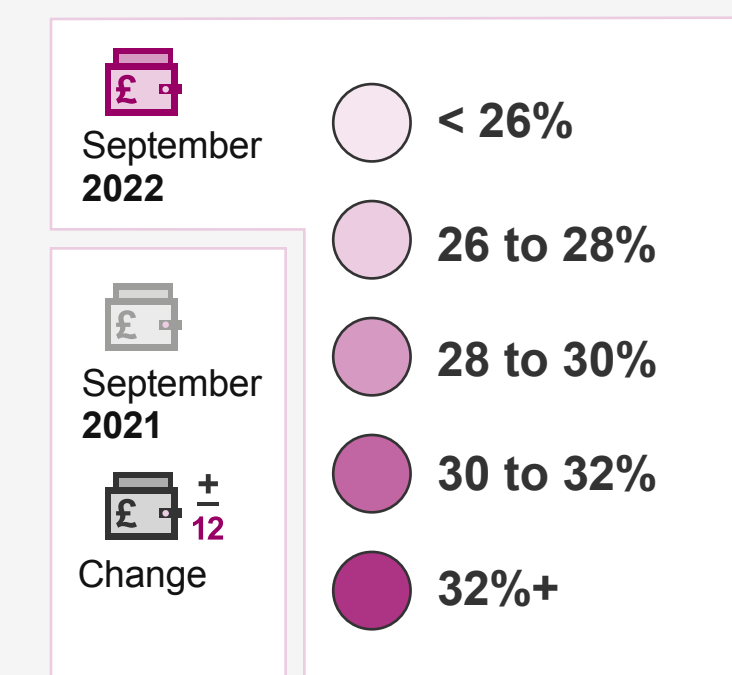
« Back



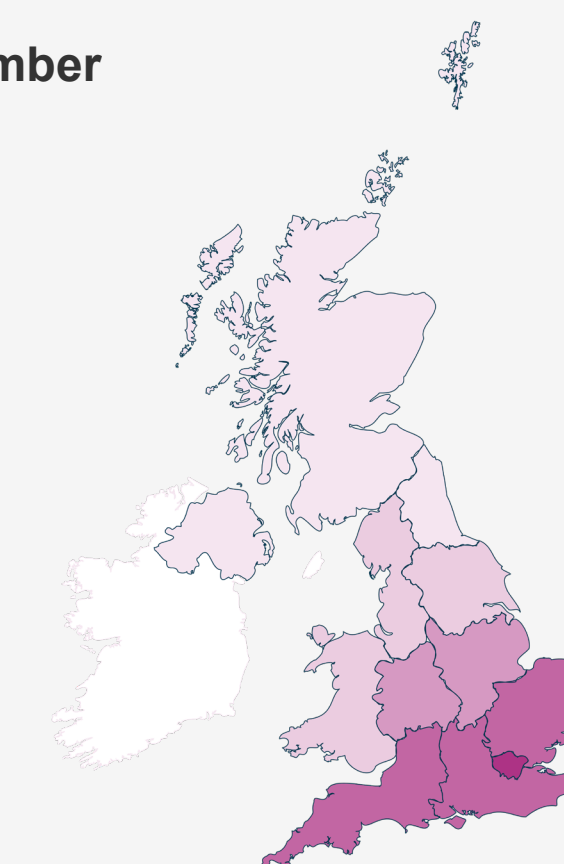
\*Calculated by subtracting the September 2021 figure from September 2022.



## % income spent on rent September 2022



September  
2021



Next Regional focus »

# North East



Median tenant  
gross income\*

£25,000

£29,935



Predominant  
age group

20–29

20–29



Average % tenant  
income spent on rent

23.3%

30.3%



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 East.

\*Excludes below £10k and over £500k

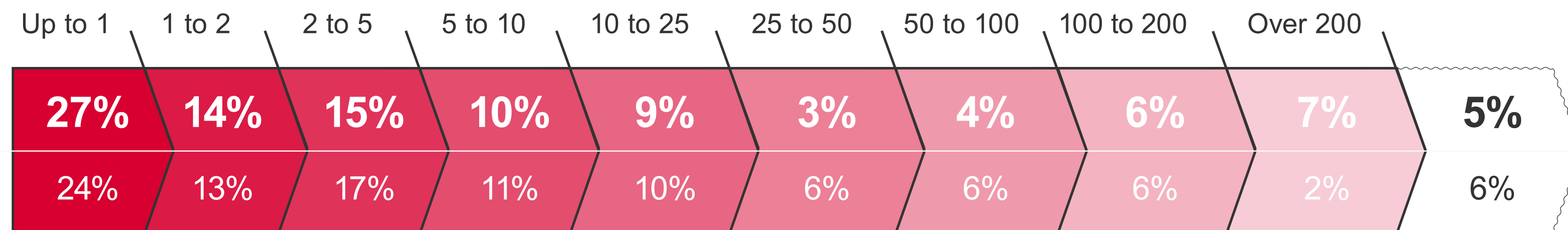


# North East

## Distance moved last 12 months

Key  
Shows regional average  
Shows UK average

### Miles

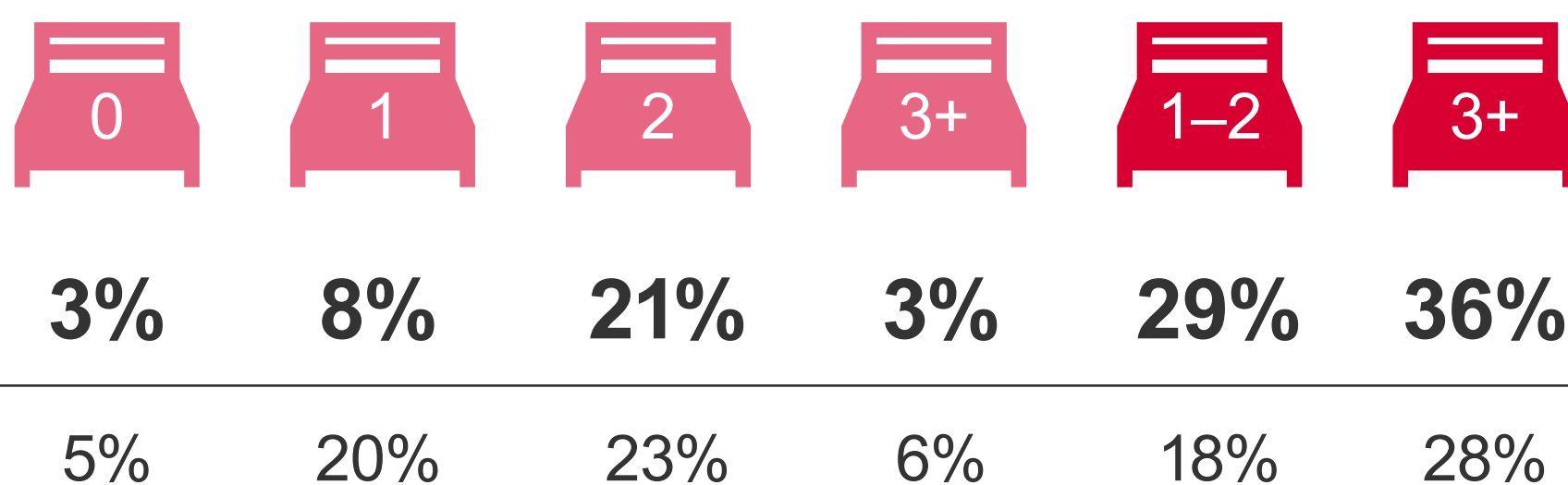


## Profile of properties let Last 12 months

### Number of bedrooms

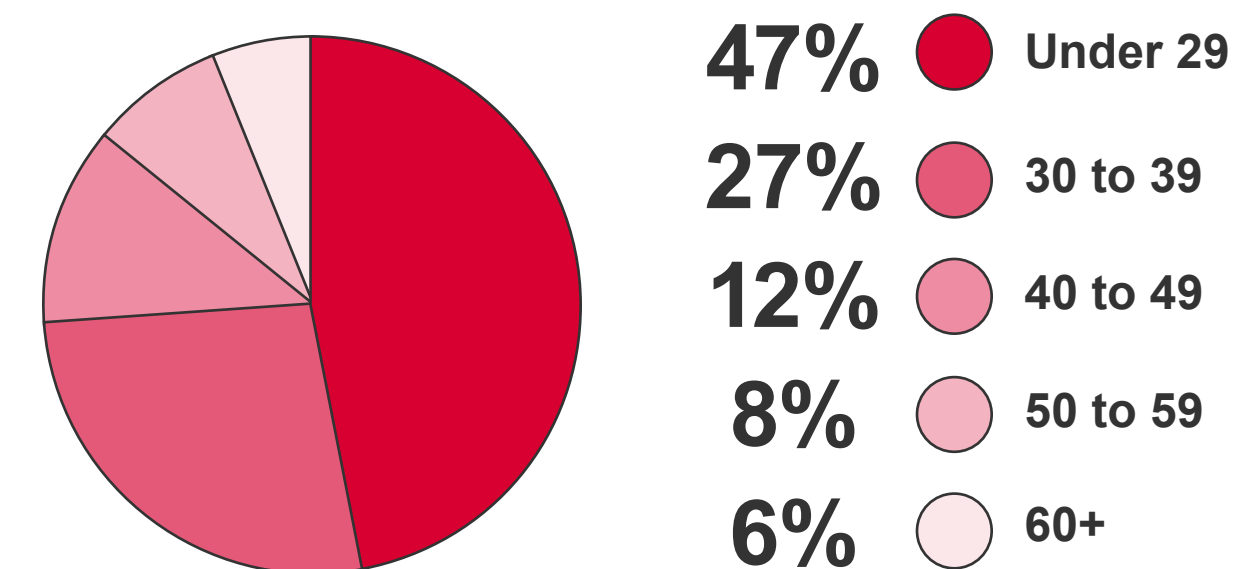
Flats

Houses



## Age breakdown Last 12 months

### Tenants age



September  
2022



**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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