



Q3 (July – September 2017)

Under embargo for 00:01 hours, Monday 9th October 2017

First Autumn rental price standstill as South East records annual fall

- National asking rents outside London dropped by 0.2% in the third quarter of 2017, the first drop recorded at this time of year
- Drop fuelled by the South East with rents down 2.3% on last quarter, and down annually for the first time, due to steadily increasing supply since last year's second home stamp duty changes
- In London asking rents are at their lowest at this time of year since 2013, though a drop in supply and increased demand could mean rental prices will start to rise again soon
- Properties taking 8% longer to find a tenant outside London and 5% longer in London than in Q3 2016

NATIONAL AVERAGE ASKING RENT (EXCLUDING GREATER LONDON)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2017	£789	-0.2%	+1.2%
Q2 2017	£790	2.8%	+1.9%
GREATER LONDON AVERAGE ASKING RENT			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2017	£1,920	-0.7%	-3.3%
Q2 2017	£1,934	-0.2%	-3.2%

We usually see asking rents for new properties coming on the market increase in the third quarter of the year, as historically it's one of the busiest times for tenants looking for a new place. This year however, whilst demand is still strong, rents are pretty much at a standstill, down slightly by 0.2%.

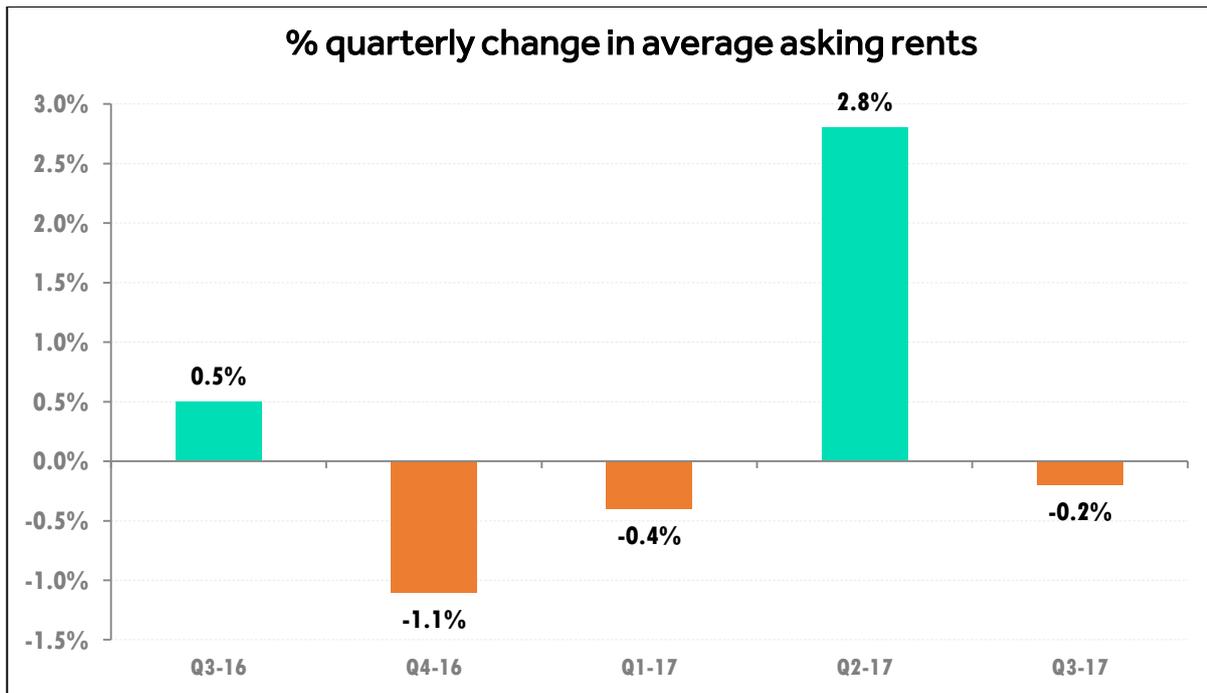
The national standstill comes as a result of South East prices dropping by 2.3%, and down annually for the first time over the past six years, at -1.9%.

Rightmove's Head of Lettings Sam Mitchell explains: *"Since last April's second home stamp duty changes came in the supply of new rental properties in the South East has been steadily increasing, up 5.5% on this time last year. Agents are reporting that some investors looking for better yields are shifting their focus from London to instead buy in the surrounding counties of Surrey, Berkshire and Buckinghamshire. The increase in stock in the South East has led to softening in rents in some areas where there is less competition among tenants, but they are holding up in key commuter areas where tenant demand is strong."*



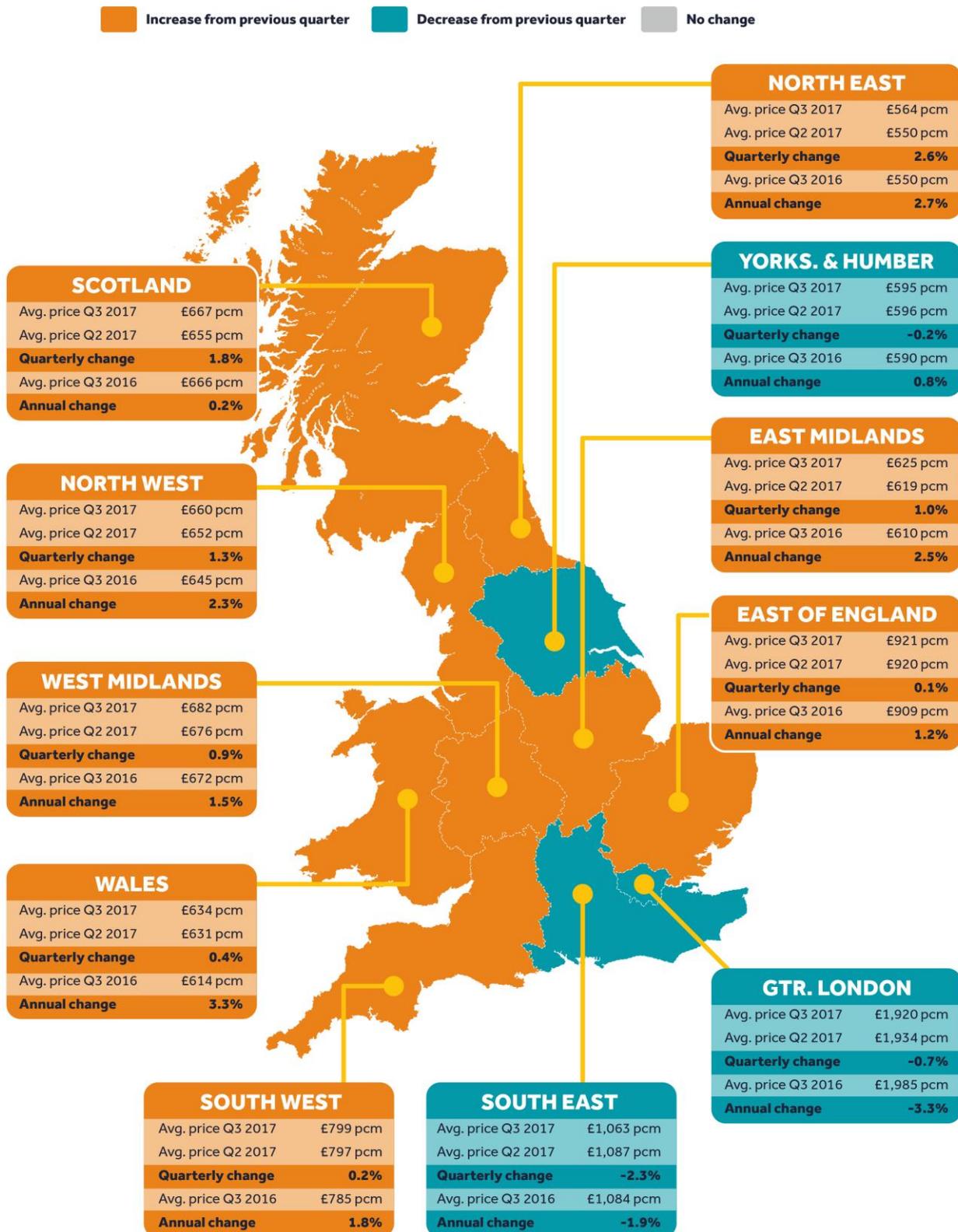
Asking rents in London have continued their downward trend this month, and are now actually at their lowest at this time of year since 2013, at an average of £1,920. New listings are down 3.7% in London on Q3 last year, the only region in the South to see a drop in new supply.

Mitchell continues: *"Last year the supply of rental properties in London increased as much as 26% when investors rushed to buy ahead of the stamp duty changes, leading to cooling rents over the last 12 months in the capital. Now it appears that rental investors are starting to move their money away from London with a number of agents across London saying that investors are being replaced by first-time buyers. This is likely to constrict rental supply in the capital and lead to rents increasing again, so now would be a good time for prospective tenants to act, before this happens."*





Regional trends





Top five highest growth areas outside Greater London

Area	Avg. asking rent per month (2 bed) Q3 2016	Avg. asking rent per month (2 bed) Q3 2017	Annual change
Gillingham, Kent	£809	£905	11.9%
Swansea, Wales	£589	£640	8.7%
Bath, Somerset	£1,061	£1,143	7.8%
Folkestone, Kent	£635	£683	7.5%
Shipley, West Yorkshire	£552	£592	7.2%

Top five most in-demand areas outside Greater London

Area	Avg. asking rent per month (2 bed) - Q3 2017
Oldham, Greater Manchester	£509
Cheadle, Cheshire	£750
Bury, Greater Manchester	£576
Hamilton, Lanarkshire	£522
Smethwick, West Midlands	£603

Top five highest growth areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q3 2016	Avg. asking rent per month (2 bed) - Q3 2017	Annual change
Battersea	£2,001	£2,204	10.1%
Elephant and Castle	£1,727	£1,841	6.6%
Mill Hill	£1,419	£1,503	5.9%
Barnes	£2,000	£2,073	3.7%
Harold Wood	£1,125	£1,165	3.6%

Top five most in-demand areas in Greater London

Area	Avg. asking rent per month (2 bed) - Q3 2017
Kennington	£1,831
Rainham	£1,086
Elephant and Castle	£1,841
Camberwell	£1,569
Hoxton	£2,660



Editors' notes

Rightmove's Rental Trends Tracker records data since Q4 2011. It is compiled from the asking rents of properties coming onto the market on Rightmove.co.uk. Rather than being a survey of opinions it is produced from factual data of actual asking prices of rental properties currently on the market. Rightmove's Rental Trends Tracker measures prices at the very beginning of the rental process.

Rightmove measured 367,248 asking rents. The properties were advertised on Rightmove.co.uk by agents in Q3 2017. This month 16,096 properties have been excluded due to being anomalies. All short lets have been removed.

For all areas lower than region the asking prices and % growth are for two bed properties.