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.”
% quarterly change in average asking rents

-0.5% - 0.5%
0.0% - 0.5%
0.5% - 1.0%
1.0% - 1.5%
1.5% - 2.0%
2.0% - 2.5%
2.5% - 3.0%

Q3-16: 0.5%
Q4-16: -1.1%
Q1-17: -0.4%
Q2-17: 2.8%
Q3-17: -0.2%
The Rightmove Rental Trends Tracker

Regional trends

NORTH EAST
- Avg. price Q3 2017: £564 pcm
- Avg. price Q2 2017: £555 pcm
- Quarterly change: 2.6%
- Avg. price Q3 2016: £550 pcm
- Annual change: 2.7%

SCOTLAND
- Avg. price Q3 2017: £667 pcm
- Avg. price Q2 2017: £655 pcm
- Quarterly change: 1.8%
- Avg. price Q3 2016: £666 pcm
- Annual change: 0.2%

NORTH WEST
- Avg. price Q3 2017: £660 pcm
- Avg. price Q2 2017: £652 pcm
- Quarterly change: 1.3%
- Avg. price Q3 2016: £645 pcm
- Annual change: 2.3%

WEST MIDLANDS
- Avg. price Q3 2017: £682 pcm
- Avg. price Q2 2017: £676 pcm
- Quarterly change: 0.9%
- Avg. price Q3 2016: £672 pcm
- Annual change: 1.5%

WALES
- Avg. price Q3 2017: £654 pcm
- Avg. price Q2 2017: £651 pcm
- Quarterly change: 0.4%
- Avg. price Q3 2016: £614 pcm
- Annual change: 3.3%

SOUTH WEST
- Avg. price Q3 2017: £799 pcm
- Avg. price Q2 2017: £797 pcm
- Quarterly change: 0.2%
- Avg. price Q3 2016: £785 pcm
- Annual change: 1.8%

SOUTH EAST
- Avg. price Q3 2017: £1,063 pcm
- Avg. price Q2 2017: £1,087 pcm
- Quarterly change: -0.7%
- Avg. price Q3 2016: £1,084 pcm
- Annual change: -1.9%

YORKS. & HUMBER
- Avg. price Q3 2017: £595 pcm
- Avg. price Q2 2017: £596 pcm
- Quarterly change: -0.2%
- Avg. price Q3 2016: £590 pcm
- Annual change: 0.8%

EAST MIDLANDS
- Avg. price Q3 2017: £925 pcm
- Avg. price Q2 2017: £919 pcm
- Quarterly change: 1.0%
- Avg. price Q3 2016: £910 pcm
- Annual change: 2.5%

EAST OF ENGLAND
- Avg. price Q3 2017: £921 pcm
- Avg. price Q2 2017: £920 pcm
- Quarterly change: 0.1%
- Avg. price Q3 2016: £909 pcm
- Annual change: 1.2%

GTR. LONDON
- Avg. price Q3 2017: £1,920 pcm
- Avg. price Q2 2017: £1,934 pcm
- Quarterly change: -0.7%
- Avg. price Q3 2016: £1,985 pcm
- Annual change: -3.3%

For media enquiries and interviews please contact the Rightmove press office:
T 020 7087 0605  M 07894 255295  or  E amy.funston@rightmove.co.uk

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Top five highest growth areas outside Greater London

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

Top five most in-demand areas outside Greater London

<table>
<thead>
<tr>
<th>Area</th>
<th>Avg. asking rent per month (2 bed) – Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldham, Greater Manchester</td>
<td>£509</td>
</tr>
<tr>
<td>Cheadle, Cheshire</td>
<td>£750</td>
</tr>
<tr>
<td>Bury, Greater Manchester</td>
<td>£576</td>
</tr>
<tr>
<td>Hamilton, Lanarkshire</td>
<td>£522</td>
</tr>
<tr>
<td>Smethwick, West Midlands</td>
<td>£603</td>
</tr>
</tbody>
</table>

Top five highest growth areas in Greater London

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<th>Area</th>
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</thead>
<tbody>
<tr>
<td>Battersea</td>
<td>£2,001</td>
<td>£2,204</td>
<td>10.1%</td>
</tr>
<tr>
<td>Elephant and Castle</td>
<td>£1,727</td>
<td>£1,841</td>
<td>6.6%</td>
</tr>
<tr>
<td>Mill Hill</td>
<td>£1,419</td>
<td>£1,503</td>
<td>5.9%</td>
</tr>
<tr>
<td>Barnes</td>
<td>£2,000</td>
<td>£2,073</td>
<td>3.7%</td>
</tr>
<tr>
<td>Harold Wood</td>
<td>£1,125</td>
<td>£1,165</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Top five most in-demand areas in Greater London

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<th>Area</th>
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</thead>
<tbody>
<tr>
<td>Kennington</td>
<td>£1,831</td>
</tr>
<tr>
<td>Rainham</td>
<td>£1,086</td>
</tr>
<tr>
<td>Elephant and Castle</td>
<td>£1,841</td>
</tr>
<tr>
<td>Camberwell</td>
<td>£1,569</td>
</tr>
<tr>
<td>Hoxton</td>
<td>£2,660</td>
</tr>
</tbody>
</table>
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.