



Record high rents as landlords brace for budget impact

- Average advertised rents outside London hit a 19th consecutive quarterly record of £1,344 per calendar month (pcm), up 5.2% from last year, although this is the slowest rate of growth since 2021
- London rents also hit a new record at £2,694 pcm, 2.5% higher than last year (£2,627 pcm)
- The balance between supply and demand continues to improve compared with last year, but letting agents are still very busy with high numbers of tenants looking to move:
 - The average number of enquiries per rental property is now 15, down from 23 last year, but nearly double the 8 recorded in 2019
 - Available supply has increased by 13% year-on-year, though it is still 27% below 2019 levels, highlighting continued pressure on rental availability
 - More than a fifth of rental properties are currently seeing a reduction in the advertised rental price before finding a tenant, compared with 16% last year
- It appears some landlords are bracing for a potential Capital Gains Tax rise in the Autumn budget, as well as new EPC regulations, with a record proportion of former rental homes currently on the market for sale
- Rightmove hopes to see measures from the government that encourage landlords to stay in the market, and help them with the transition to greener homes

National average asking rent for all property types (excluding Greater London)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2024	£1,344	+2.3%	+5.2%
Q2 2024	£1,314	+1.8%	+6.8%
Greater London average asking rent for all property types			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q3 2024	£2,694	+1.2%	+2.5%
Q2 2024	£2,661	+1.1%	+3.7%
Inner and Outer London			
	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£3,175	+1.4%	+1.6%
Outer London	£2,341	+1.0%	+3.4%



Overview

The latest Rental Trends Tracker from the UK's largest property portal Rightmove, reveals that the average advertised rent for new properties coming to the market has hit a new quarterly record, with the average rent outside of London now £1,344 per calendar month (pcm).

This marks a 5.2% increase from a year ago, though it is the slowest rate of growth seen since 2021.

In London, rents have also reached a new record, with an average of £2,694 pcm, reflecting a 2.5% rise compared to last year.

Both national and London price trends are in line with Rightmove's end-of-year prediction for advertised rent growth, with advertised rents predicted to be 5% higher by the end of 2024 outside of London, and 3% higher in London.

The balance between supply and demand continues to improve compared with last year, but local letting agents are still very busy with high numbers of tenants looking to move.

The average number of tenant enquiries for each rental property available has fallen to 15, down from 23 at this time last year, but still nearly double the 8 recorded in 2019. Meanwhile the number of available rental properties is now 13% higher than last year, though still 27% below 2019.

More than a fifth (21%) of rental properties are currently seeing a reduction in the advertised rental price before finding a tenant. This compares to 16% last year and is the highest figure at this time of year since 2020.

It appears that some landlords are bracing themselves for a potential Capital Gains Tax rise in the Autumn Budget, and the challenge of complying with upcoming changes to EPC regulations confirmed by the new government, with every rental property needing a minimum EPC C rating by 2030.

A record proportion of former rental homes are currently on the market for sale, Rightmove's real-time data shows that 18% of homes for sale were previously available to rent, compared with 8% in 2010.

Rightmove's latest Greener Homes report reveals that 2.9 million rental properties need upgrades to meet an EPC C rating, with an estimated cost of £23.4 billion, or £8,074 per property.

Rightmove's survey of over 14,000 home-owners and renters, along with over 1,000 landlords also found that while half (50%) of landlords are concerned that the government will introduce costly charges for not meeting EPC requirements, one in five (19%) renters think stricter energy efficiency regulations should be the top priority for the new government.

Rightmove hopes to see measures from the government, either in the Budget or near future, that would encourage landlords to stay in the market, and help them with the transition to greener homes, providing much-needed homes for tenants.

Rightmove's Director of Property Science Tim Bannister says: *"While we're seeing some signs of improvement in the market's chronic levels of demand and supply imbalance helped by a slight increase in the number of available rental properties, affordability remains a key challenge for renters as prices*



continue to hit new records. Tenant competition has eased slightly from last year, but the market is still far from balanced.

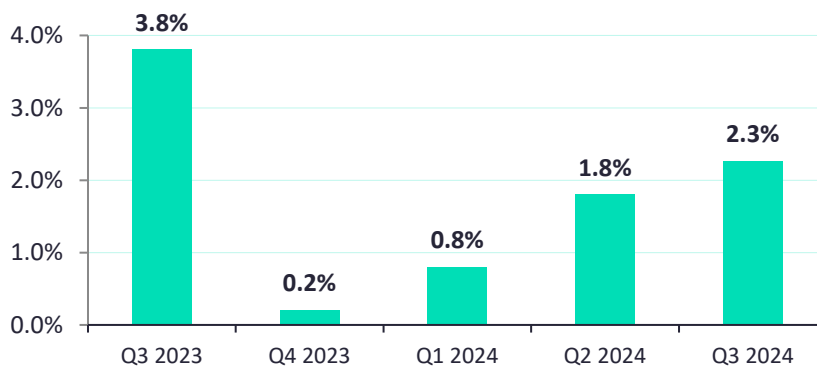
“We are seeing some landlords choosing to exit the market with potential tax changes and stricter EPC regulations as additional factors in landlords’ decision-making. With rental supply under strain, incentivizing landlords to invest in energy-efficient upgrades or offering tax relief could help maintain rental supply and, ultimately, ease affordability pressures for tenants.”

Agent view

Lynda Woodcock, Managing Director at Pheasant Retreats in Witney, says: *“The rental market has been incredibly busy, but that’s largely due to the ongoing shortage of available properties. With so many landlords considering selling their properties ahead of new legislation, such as the proposed changes around EPC requirements and tax increases, we’re seeing fewer new instructions coming through.*

“It’s becoming increasingly difficult to bring new properties to market while also managing the existing stock we have, which is already under pressure from high tenant demand. I anticipate the next few months will be challenging, as the supply issue remains a concern and many landlords weigh up whether they want to stay in the market given the upcoming changes.”

National quarterly change in average asking rents



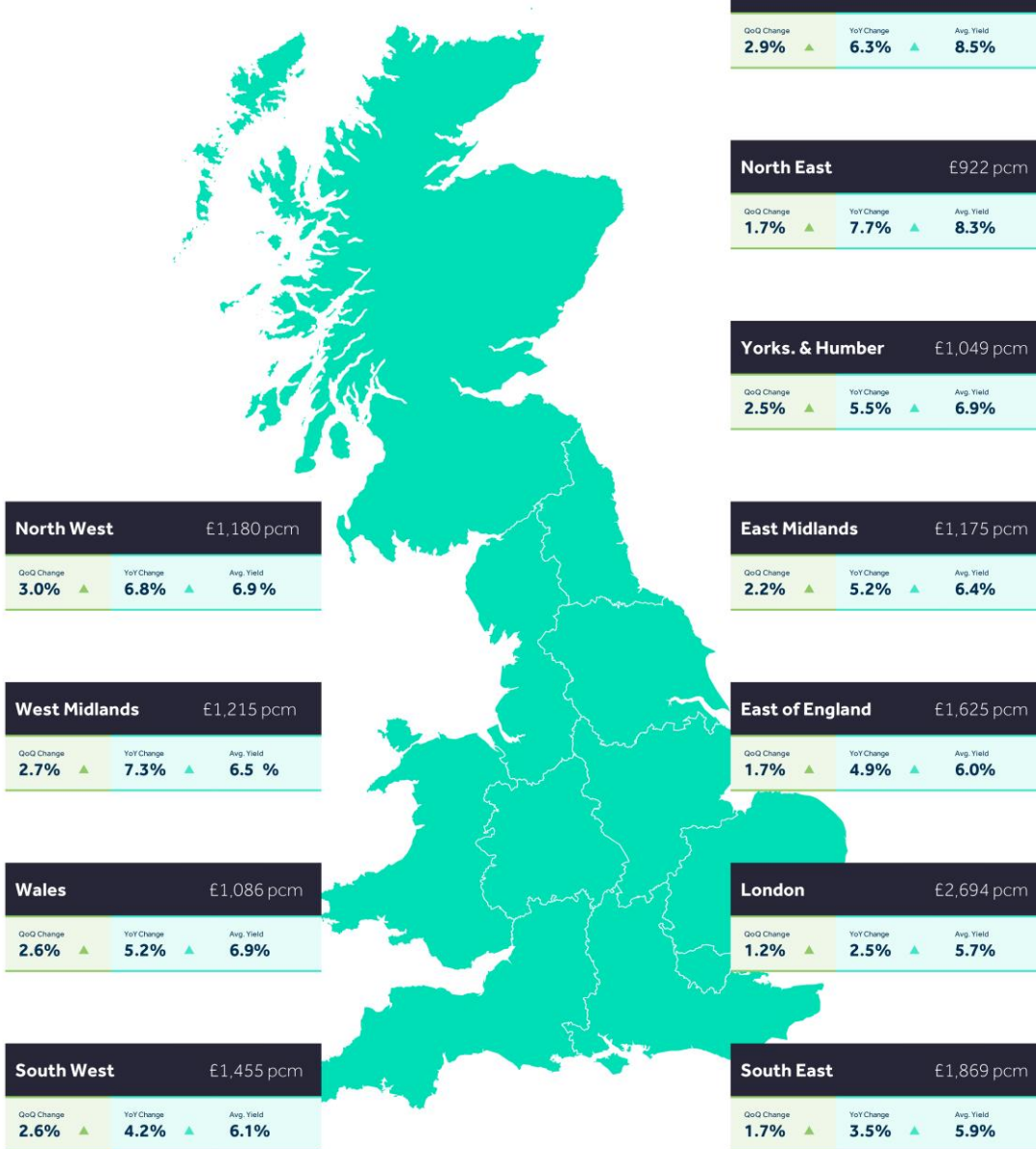


Regional trends

Rental Price Tracker

Q3 2024

● Increase from previous month ● Decrease from previous month



Landlord yields



Region	Average Landlord yield Q3 2024	Annual change in yield	Rental price hotspots	
Great Britain excl. London	6.4%	+0.4%		
East Midlands	6.4%	+0.5%		

Area	Region	Average asking rent per calendar month Q3 2023	Annual change	Average asking rent per calendar month Q3 2024	Annual change
North West	North West	£670	+0.5%	£845	26.1%
Batley, West Yorkshire	Yorkshire and The Humber	£670	+0.6%	£845	26.1%
Scotland	Scotland				
South East	The Humber		+0.3%		
North East	North East	£486	+0.5%	£589	21.1%
Hartlepool, North East	North East	£486	+0.5%	£589	21.1%
Coventry, West Midlands	West Midlands	£900	+0.3%	£1,083	20.3%
West Midlands	West Midlands				
Huddersfield, West Yorkshire	Yorkshire and The Humber	£614	+0.4%	£738	20.1%
West Yorkshire	Yorkshire and The Humber				
Yorkshire and The Humber	The Humber		+0.3%		
Bradford, West Yorkshire	Yorkshire and The Humber	£634		£759	19.8%
Witney, Oxfordshire	South East	£1,065		£1,266	18.8%
Andover, Hampshire	South East	£952		£1,108	16.4%
Birkenhead, Wirral, Merseyside	North West	£635		£737	16.1%
Reading, Berkshire	South East	£1,336		£1,550	16.0%
Cheltenham, Gloucestershire	South West	£1,080		£1,251	15.8%

Editors' notes

The Rightmove Rental Trends Tracker methodology was updated as of Q3 2020 and all historic figures have been restated. The new methodology includes the latest mix adjustment figures.

The dataset 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.

Quarterly data: Rightmove measured 642,991 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st July – 30th September 2024. All short lets have been removed. All rents throughout are per calendar month.