



The largest quarterly dataset of UK rental activity. Q4 report (October – December 2024)

First drop in rents since pre-pandemic, as supply continues to improve

- The average advertised rent of properties coming to market outside of London has fallen this quarter for the first-time since pre-pandemic 2019, dropping by 0.2% to £1,341 per calendar month:
 - Rents are still 4.7% higher than this time last year, but this is the slowest rate of growth since 2021
- Average advertised rents in London continue to rise, reaching a 13th consecutive quarterly record of £2,695 per calendar month (pcm), however the increase is only 0.1% this quarter
- Supply in the rental market continues to increase, with the number of available rental properties now 13% higher than at the same time last year, improving the balance of supply and demand:
 - The number of prospective tenants looking to move has also dropped by 16% versus last year, however, the average number of applications per rental property is still in double digits at 10
 - Supply has increased the most in the North East, and least in Wales
- There are currently no major signs of the upcoming Renters’ Rights Bill affecting rental market dynamics, however more broadly there is still evidence that some landlords are choosing to leave the market:
 - The number of new properties coming into the rental market is stable compared with last year, suggesting neither a sudden influx of newly advertised properties, nor a mass exodus of landlords
 - On average, 15% of homes for sale were previously for rent in 2024, compared with 13% in 2023

National average asking rent for all property types (excluding Greater London)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2024	£1,341	-0.2%	+4.7%
Q3 2024	£1,344	+2.3%	+5.2%
Greater London average asking rent for all property types			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q4 2024	£2,695	+0.1%	+2.4%
Q3 2024	£2,694	+1.2%	+2.5%
Inner and Outer London			
	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£3,180	+0.2%	+2.2%
Outer London	£2,341	+0.0%	+2.7%



Overview

The average advertised rent of new properties coming onto the market outside of London has fallen this quarter for the first-time since pre-pandemic 2019, bringing an end to many months of new record rents.

The average advertised rent of a home outside of London is now £1,341 per calendar month, dropping by 0.2% compared with last quarter.

While this equates to a drop of just £3 in newly advertised rents, it's a key milestone for the market as the pace of rent growth slows, having accelerated by 12% year-on-year at the peak in 2022.

Rents are still 4.7% higher than this time last year, but this is the slowest rate of growth since 2021.

Meanwhile in the capital, average advertised rents in London do reach another new record of £2,695 per calendar month (pcm). However, the increase is only 0.1% this quarter (+£1) and average rents are now 2.4% higher than this time last year, the lowest this figure has been since 2021.

One of the drivers of slowing rent growth has been the gradual improvement in the available supply of rental properties across Great Britain, compared with recent supply-constrained years. The number of available rental properties is now 13% higher than at the same time last year.

The other side of the equation is that there have been fewer prospective tenants looking to move than at this time last year, with the number of enquirers down by 16%.

There are a combination of factors contributing to changing supply and demand dynamics. Some demand may have transitioned to the sales market, particularly first-time buyers, helped by lowering mortgage rates and higher average wages.

Agents report that some tenants are choosing to stay put rather than move due to costs, and while there is evidence of some landlords choosing to exit the market, there are also signs that other, perhaps larger landlords are continuing to invest.

The average number of applications per rental property is still in double digits at 10, double the pre-pandemic average, so the market is still very busy historically.

Prospective tenants will be feeling the effects of improved supply differently depending on their location. The number of available properties to rent has improved the most in the North East (+30%), and least in Wales (+3%), highlighting regional differences in supply improvements.

The proposed Renters' Rights Bill coming into effect potentially later this year marks a significant change for landlords and tenants.

While this is set to be a significant legislative shift, there are currently no major signs of an immediate impact on the rental market. The number of new properties coming into the rental market is stable compared with last year, suggesting neither a sudden influx of newly advertised properties, nor a mass exodus of landlords. Average rents have also come downwards.

However, the Renters' Rights Bill is just the latest change for landlords to navigate, having also had to manage wider legislative changes and affordability challenges brought on by high mortgage rates, driving some landlords to choose to sell up.



On average, 15% of homes for sale on Rightmove were previously for rent in 2024, compared with 13% in 2023. London was the most affected, with nearly one in four (24%) homes for sale having previously been for rent, compared with one in five (20%) in 2023.

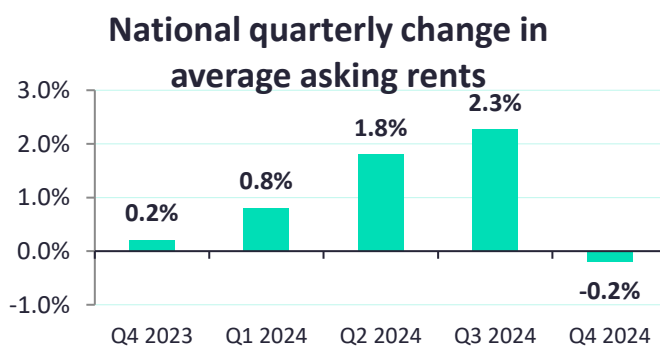
Rightmove's property expert Colleen Babcock says: "A first quarterly drop in rents is the culmination of several months of improvement in the balance between supply and demand. While new tenants are still paying more than they were at this time last year, the pace of growth continues to slow. However, though this is the big picture of market activity, agents on the ground still tell us that the market is very hot, and some areas have improved more than others when it comes to the supply and demand balance. Our own data shows that the average rental property is still receiving 10 applications per property, which is lower than the peak, but still double the pre-pandemic norm. "

Agent views

John Baybut, Managing Director at Berkeley Shaw Real Estate in Liverpool said: "We've seen a levelling off in demand from tenants, due to many factors including the end of the post-pandemic surge for new rental requirements, and some demand heading to the sales market. However, demand is generally still pretty strong and the market is still busier than before the pandemic. Tenants are paying very high rents, so with more supply on the market now, some are being more "choosy". Some have also decided the costs of moving are too expensive and have decided to stay put. Landlords have to be careful to price accurately right now, despite having their own affordability pressures with high mortgage rates. Landlords need to work closely with experts to set the right price and keep their home occupied in the current market, reducing the risk of void periods."

Alex Bloxham, Partner and Head of Residential Lettings at Bidwells, said: "We're seeing a cooling of what has been a ferociously hot rental market over the last year, where tenants have endured intense competition and consistent rental inflation. These figures suggest landlords are continuing to invest in their buy-to-let portfolios while more tenants are choosing to stay put, likely due to continued macroeconomic uncertainty and the upfront costs involved in relocating.

"The high-rate environment and regulatory changes have had a dampening effect on supply, with fewer new landlords entering the housing market. All the while, demand side drivers including expensive for-sale housing, high mortgage rates, and reurbanisation have remained prominent demand-side drivers for rental housing, with these dynamics combining to produce a stark supply-demand imbalance. This mismatch will continue to be a defining feature in the market, but the steady improvement we're seeing will put downward pressure on rents and represents positive news for renters.



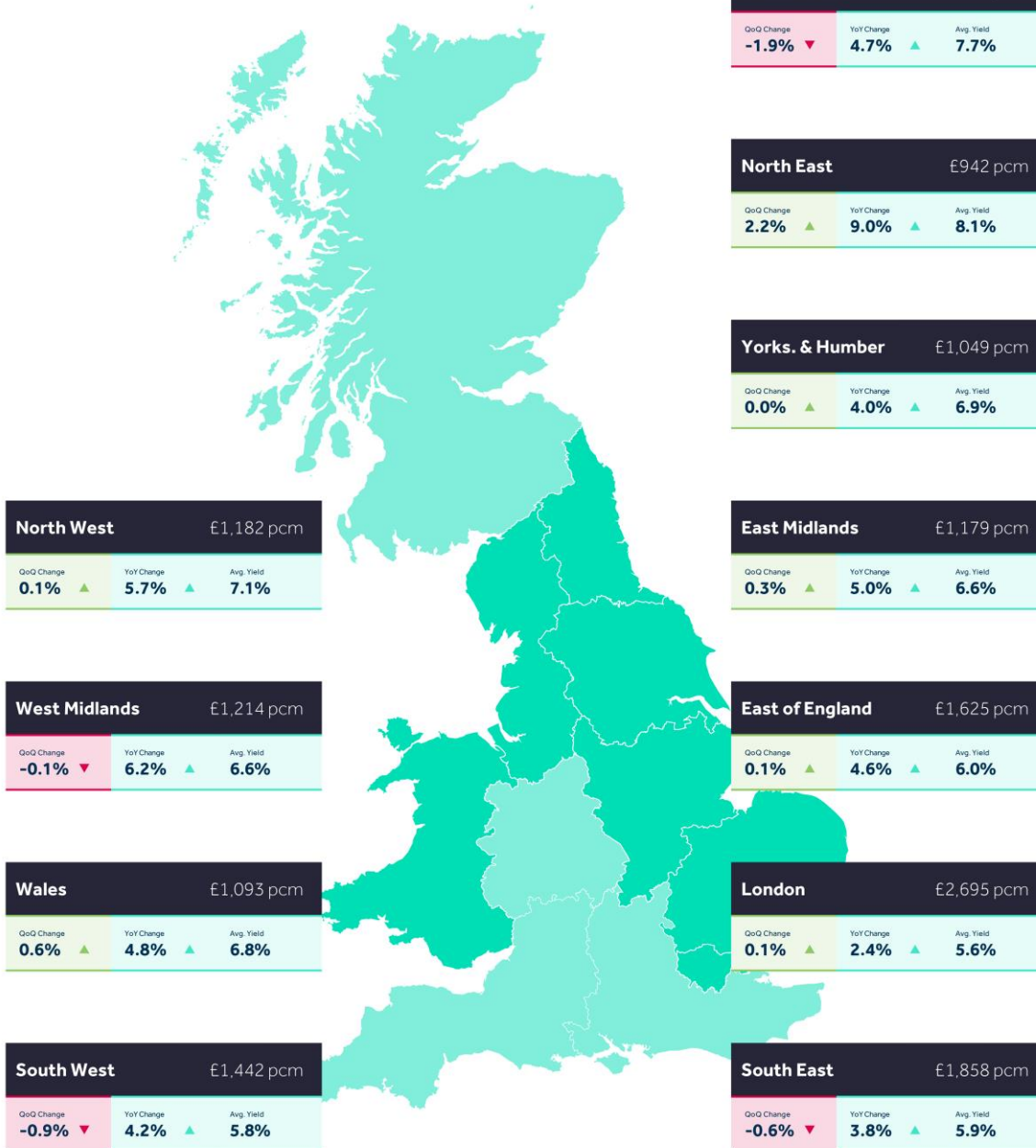


Regional trends

Rental Price Tracker

Q4 2024

● Increase from previous quarter ● Decrease from previous quarter





Landlord yields

Region	Average Landlord yield Q4 2024	Annual change in yield
Great Britain excl. London	6.5%	+0.3%
East Midlands	6.6%	+0.5%
East of England	6.0%	+0.4%
London	5.6%	+0.1%
North East	8.1%	+0.4%
North West	7.1%	+0.3%
Scotland	7.7%	+0.2%
South East	5.9%	+0.2%
South West	5.8%	+0.3%
Wales	6.8%	+0.2%
West Midlands	6.6%	+0.4%
Yorkshire and The Humber	6.9%	+0.3%

Rental price hotspots

Area	Region	Average asking rent per calendar month Q4 2023	Average asking rent per calendar month Q4 2024	Annual change
Durham, County Durham	North East	£706	£889	26.0%
Birkenhead, Merseyside	North West	£647	£750	16.0%
Hartlepool	North East	£508	£583	14.8%
Grimsby, Lincolnshire	Yorkshire and The Humber	£561	£640	14.1%
Sheffield	Yorkshire and The Humber	£933	£1,049	12.5%
Carlisle, Cumbria	North West	£595	£667	12.2%
Stockport, Greater Manchester	North West	£989	£1,109	12.2%
Blackburn, Lancashire	North West	£670	£751	12.0%
Newcastle Staffordshire	West Midlands	£736	£824	12.0%
Clacton-On-Sea, Essex	East of England	£954	£1,065	11.7%



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 343,344 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st October – 31st December 2024. All short lets have been removed. All rents throughout are per calendar month.