

# Average UK rents reached an all-time high in August, latest index shows



13<sup>th</sup> September 2019

The average rent in the UK reached an all-time high of £970 in August, up by 2.4% on the same time last year, according to the latest lettings index.

When London is excluded, the average rent in the UK is £802, this up by 2% year on year while in the capital rents increased by 3.5% to £1,689, the data from the HomeLet rental index shows.

All 12 of the regions monitored by HomeLet showed an increase in rental values between August 2018 and August 2019. In Scotland, rents increased by 1.1% to £671, in Northern Ireland by 0.2% to £664 and in Wales, they increased by 3.1% to £636.

A breakdown of the regional figures shows that in the North West rents increased by 3.3% to £741, in the South West by 3.1% to £852, in the East Midlands by 2.5% to £655 and in the West Midlands by 1.7% to £720.

In the East of England, rents increased by 1.9% to £930, in Yorkshire and Humberside they increased by 1.6% to £655, in the North-East by 1% to £531 and in the South East by 0.9% to £1,064.

'In times of uncertainty, people tend to defer major purchases, and it is still unclear how long the Brexit uncertainty will continue. This could be positive news for private landlords as more people choose to rent rather than risk entering the property market at the wrong point in the cycle,' said Martin Totty, chief executive of HomeLet.

'Recently released annual results from a number of major quoted property agents point to a resilient private rented sector in contrast to a subdued sales market. With a still unclear outcome of the current political impasse and the increasing prospect of a further extended delay in the UK exiting the European Union, the contrasting fortunes of the two main segments of the housing market seem likely to continue for some time,' he explained.

'As well as the long term trend underpinning the private rented sector, recent months have produced growth towards the upper end of the inflation range observed over the past few years. This is perhaps no surprise, at least not to most informed participants in the sector. Indeed, many had predicted this as the inevitable consequence of banning letting agents and landlords from charging up-front fees to tenants. Faced with higher expenses, higher taxation, and greater regulation, savvy property owners were always likely to seek to recover these increased charges,' he pointed out.

'Thanks to strong demand for rental stock, continued wage growth and a near all-time high level of employment, landlords hold some pricing power and seemingly are now beginning to exercise it. Property professionals pointed out at the time; the fees ban could result in tenants actually paying more, albeit in a different way and over a period of time. Perhaps, after all, that was an acceptable outcome for all sides. Intended or unintended, it does start to appear to be the consequence,' he added.

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