

# Rental Index

QUARTER 3  
OCTOBER 2011

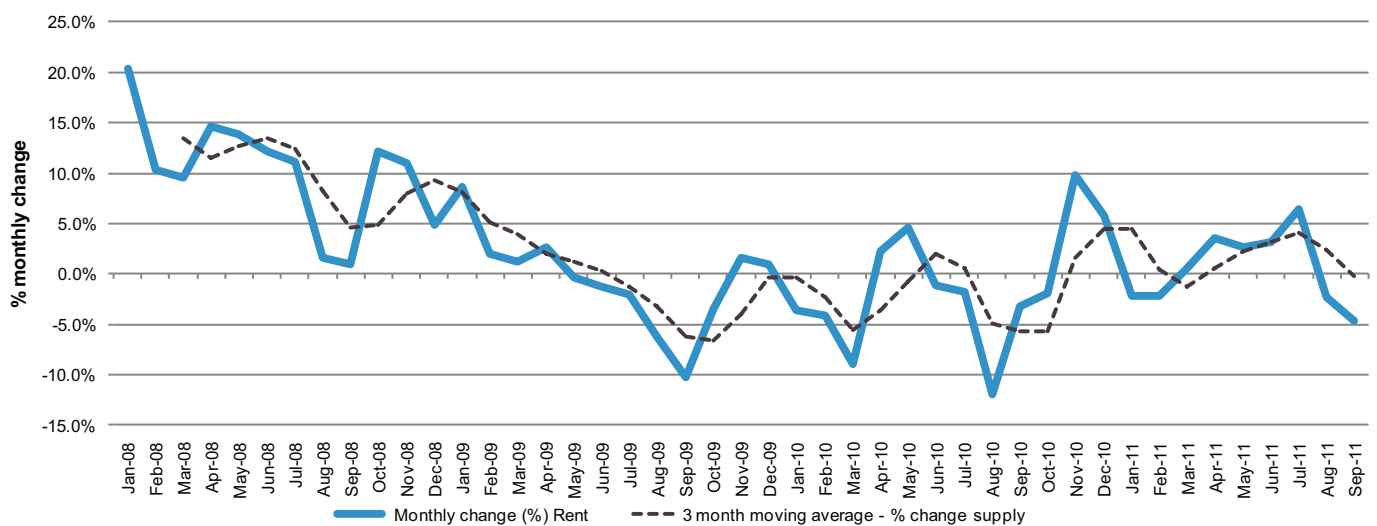
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# Rental prices continue to break records

- ➔ Average rental asking prices increased by 1.6% in the past quarter to £890 per month and rose every month this year
- ➔ Rental prices are now 4.6% higher than they were a year ago
- ➔ Stock availability has decreased by 0.9% putting prices under further pressure
- ➔ Demand remains strong with time on market reducing by 10% between Q2 and Q3

Monthly UK Rental Price Changes with 3 Month Average Trend



# Overview & Commentary – UK

## Rental prices continue to break records

Asking prices for rental properties continued to increase every month this year reaching £890 in September. This is an increase of 1.6% or £14 over the quarter and is a record high since the FindaProperty.com Rental Index began in 2007.

## Rental availability decreases putting pressure on prices

Stock availability declined by 0.9% between June and September. Historically, availability of rental stock decreases in September and October before picking up again in November. With demand showing no sign of abating, if this seasonal pattern is repeated again this year, prices are likely to continue to increase.

## Demand remains strong

Demand for rental properties increased in the face of reduced availability with the average length of time on the market decreasing by 10% between Q2 and Q3. The average rental property spends 45 days on the market – 13 days less than the same period in 2009.

## Types of property

Houses continue to drive the increase in rental prices. Between Q2 and Q3 the asking price for a house rental has increased by 2.1% while flats increased by just 0.2%. Since the start of the year, asking prices for houses rose by 6.7% or £58. Over the same period, flats have gone up by 2.4% or £19. Despite this, yields on flats remain higher at 5.6% compared to 4.5% for a house.

## London

After a slow in growth in rental asking prices in London in Q2, they have shot up again in Q3, rising faster than any other region. Prices increased by 4.9% or £96 on average taking the average rent to over £2,000 (£2,075) per month in the process. Prices are now 14.1% higher than they were in the same period in 2010.

## Regions

Outside London, the region with the fastest rental asking price growth is Yorkshire and Humberside. Between Q2 and Q3 prices here increased by 4.1% to stand at £584 per month. It is followed by the North West (3.6%) and the West Midlands (1.2%).

In contrast, rental prices decreased in Scotland (-2.3%), Wales (-2.0%) and the East of England (-0.2%) over the same period.



**Samantha Baden, property analyst at FindaProperty.com, said:**

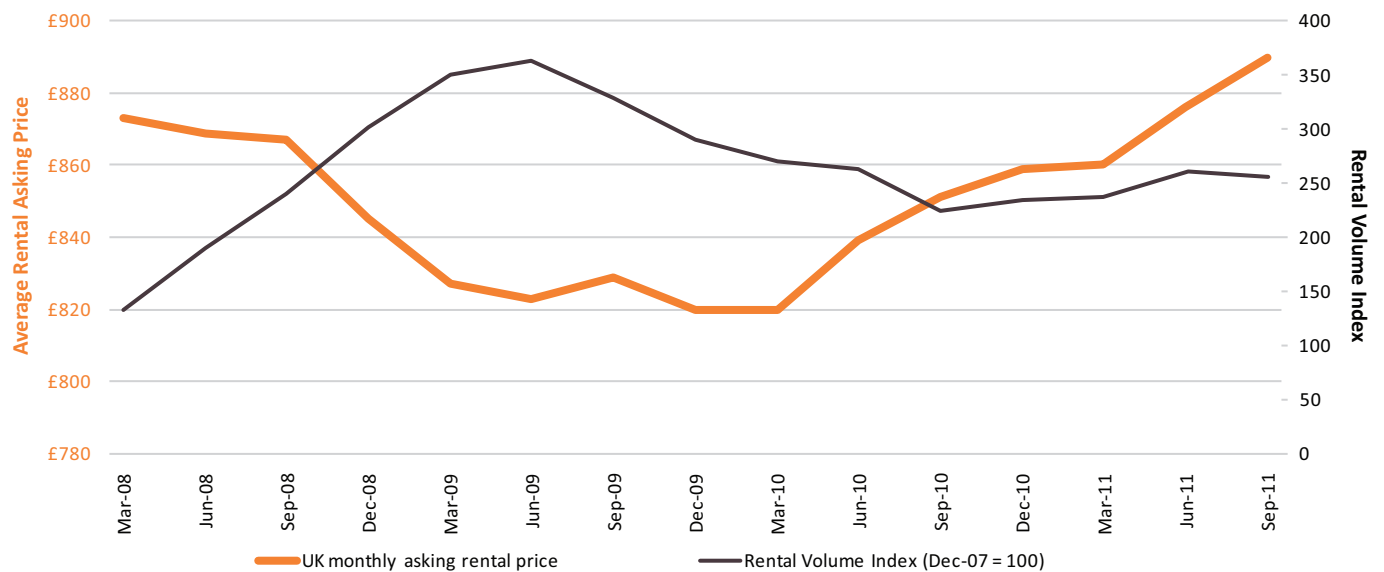
*“Rental prices are continuing to increase at a startling rate, as difficulties remain in the home-buyer segment of the market. Rental prices have now increased every month this year. This is most pronounced in London, where the average asking price for rental properties has increased by over 14% in the past year and is now more than the average UK household earnings.*

*“With the supply of new rental properties coming onto the market slowing, rental prices could continue to rise further in the coming months and the upward pressure on prices is likely to remain into early 2012.”*

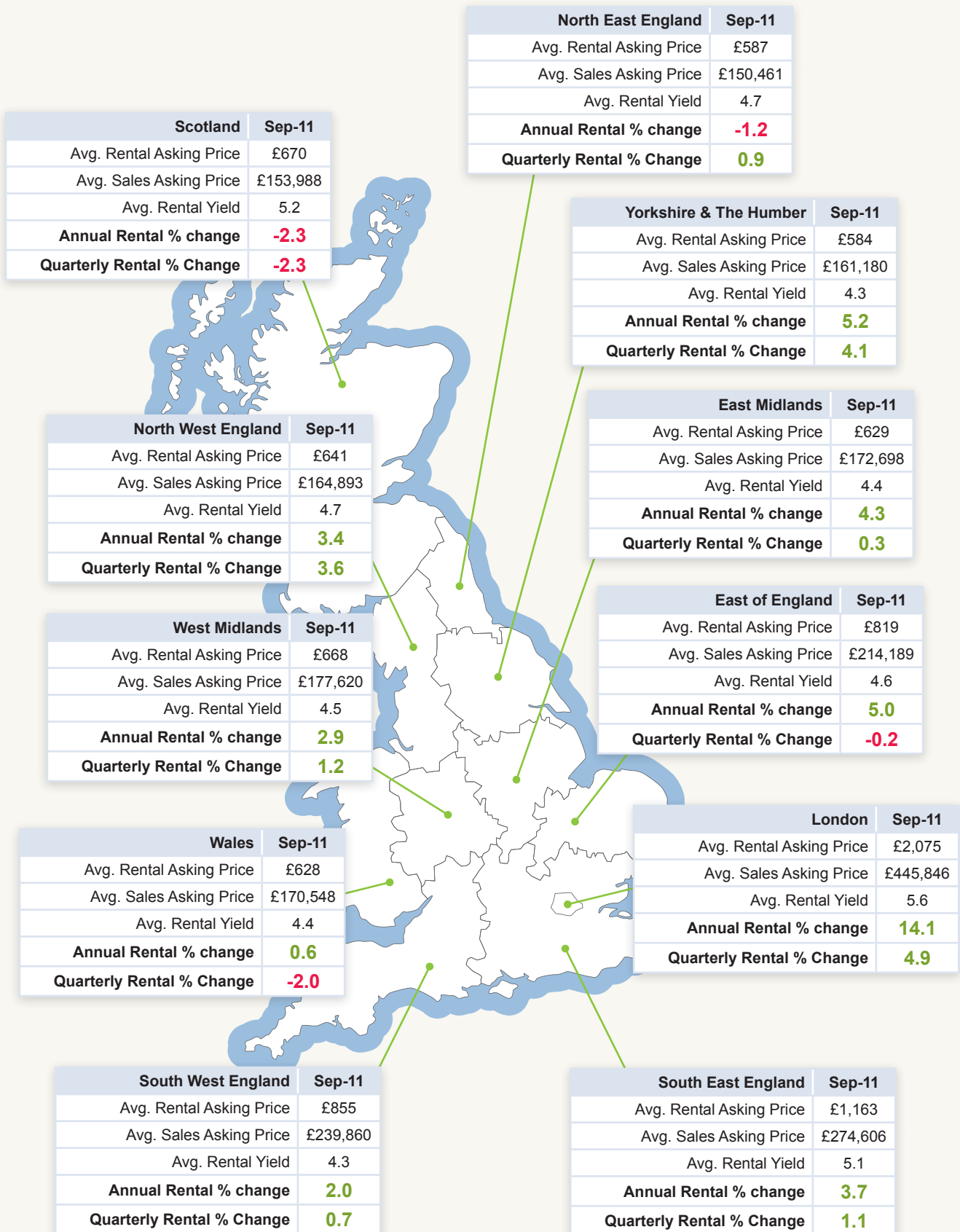
# Supply vs. Asking Price

## Supply vs Asking Price

Date	UK monthly asking rental price	Rental Volume Index (Dec-07 = 100)
Mar-08	873	133
Jun-08	869	190
Sep-08	867	240
Dec-08	845	302
Mar-09	827	351
Jun-09	823	363
Sep-09	829	329
Dec-09	820	290
Mar-10	820	270
Jun-10	839	263
Sep-10	851	225
Dec-10	859	234
Mar-11	860	238
Jun-11	876	262
Sep-11	890	259



# Regional Map – Annual & Quarterly Change



**Methodology:** The FindaProperty.com Rental Index was created using a statistical methodology developed by Calnea Analytics.