

BELVOIR!

the lettings specialist

April 2014
Rental Index

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Belvoir Rental Index April 2014: Top 10 Report Highlights

1. In April, average rents were £685, which is £4 less than in April 2013 for all offices in England which have traded consistently for the last five years.
2. In Scotland, average rents for April were £590 per month, a 4% increase on April 2013. Rents varied from £480 in Falkirk, £523 in Paisley, £564 in Glasgow and £794 in Stirling.
3. Average rents in Wales for April were £631 per month, around 2% up on April 2013, and varied across the region from £543 in Wrexham, £636 in Swansea and £713 in Cardiff.
4. Rents increased slightly in Northern Ireland during April, with good levels of tenant demand.
5. The East Midlands, East Anglia and the North West are the regions still recovering to the 2008 rental heights.
6. In April, rents in the North East and Yorkshire remain level at 1% above the height of 2008.
7. The West Midlands, South East and South West are the areas where rents continue to remain above the 2008 heights.
8. In London, the average rent in April 2014 was £1,424 per month, 18% above the high of 2008.
9. In the North East, the average rent in April was £570 per month, 1% above the 2008 high.
10. For the whole Belvoir group, including all new offices, the average monthly rent for April 2014 was £725, 2% up on April 2013.

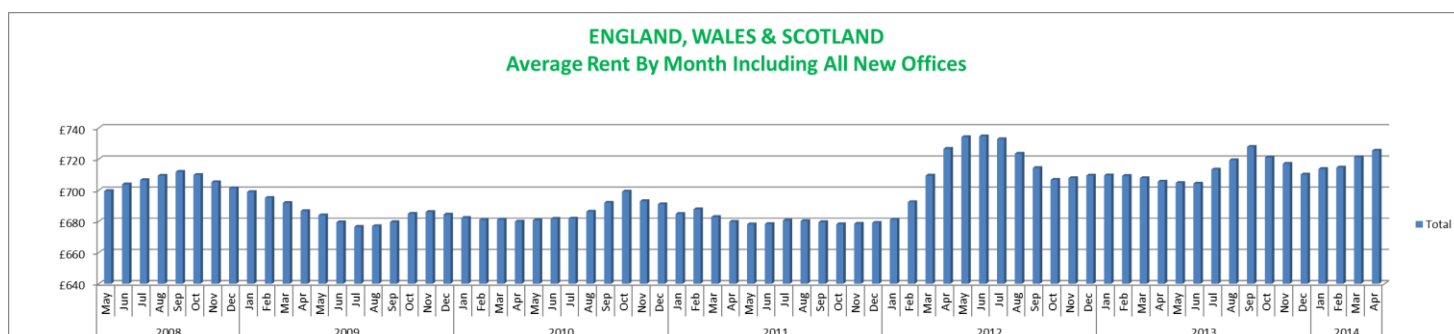
National Rental Trends

For offices that have been trading consistently in England for the last five years, the average monthly rent in April 2014 was £685. Compared to the April 2013 average of £689 per month, this shows a slight decrease of just £4, year on year.

Chart showing the national rental trends for the last five years over consistently trading offices



Chart showing the national rental trends for the last five years, including new Belvoir offices



The average rent in April 2014 for the Belvoir Group was £725 per month. Versus the group's average rent in April 2013 of £706, this shows a small increase of just over 2%, year on year. There are currently in excess of 160 offices in the group nationwide.

Dorian Gonsalves, Director of Commercial and Franchising, Belvoir Lettings commented "As a group we are doing a great job at increasing the number of agents under the successful Belvoir franchise. As we have a focus on increasing our presence in London, this means our group average rents are moving forward successfully. From a landlord and tenant perspective though, individual rents for their properties are what matters and the great news is for tenants is rents are excellent value and at the moment one of the few costs that isn't increasing with inflation. From a landlord's perspective this isn't ideal, but the continued low interest rates means mortgage costs are being kept at a minimum, allowing landlords to still make money even though rents aren't keeping up with inflation."

Belvoir Index Area Summary

Belvoir Lettings Index Summaries for England, Wales and Scotland

Here we compare what's happening across the Belvoir group by region: England, Scotland, Wales and Northern Ireland. Some of this is data from the Index, but as local areas can be extremely diverse, we also report from individual franchise owners to ensure trends are accurately reported.

Summary for England

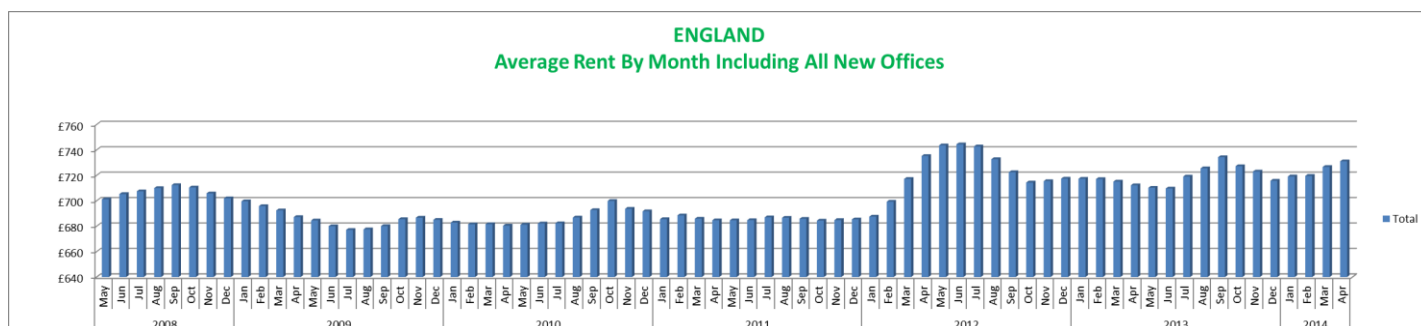
Chart showing the England rental trends for offices trading over five years



The average rent recorded for April 2014 in England for offices that have been trading consistently over the last five years, was £685 per month. Compared to the average monthly rent for April 2013 of £689, this shows a small year on year decrease of just £4. Our figures reflect the changes reported by the Office of National Statistics, which also shows rents are really cost effective from a tenant perspective.

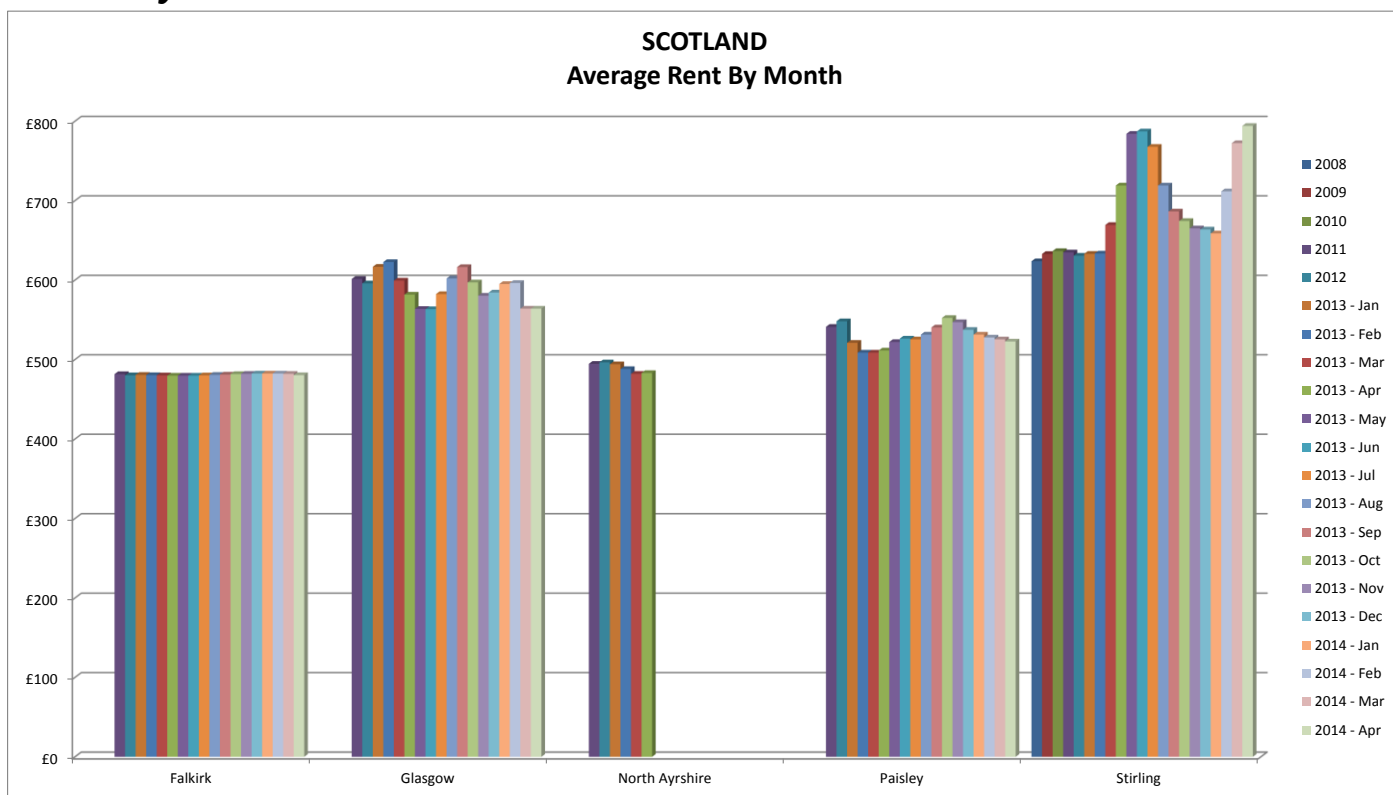
Average monthly rents in England continue with steady growth, but rents are yet to recover to the peak of 2008, as the chart above shows.

Chart showing the England rental trends for the last five years, including new Belvoir offices



In April 2014, the average rent for all offices in England was £731 per month. Versus an average rent of £712 per month in April 2013, this shows an increase of just over 2.5%, year on year. This increase is mainly driven by new, higher rental average offices, being added to the group since 2012 as the chart clearly shows.

Summary for Scotland



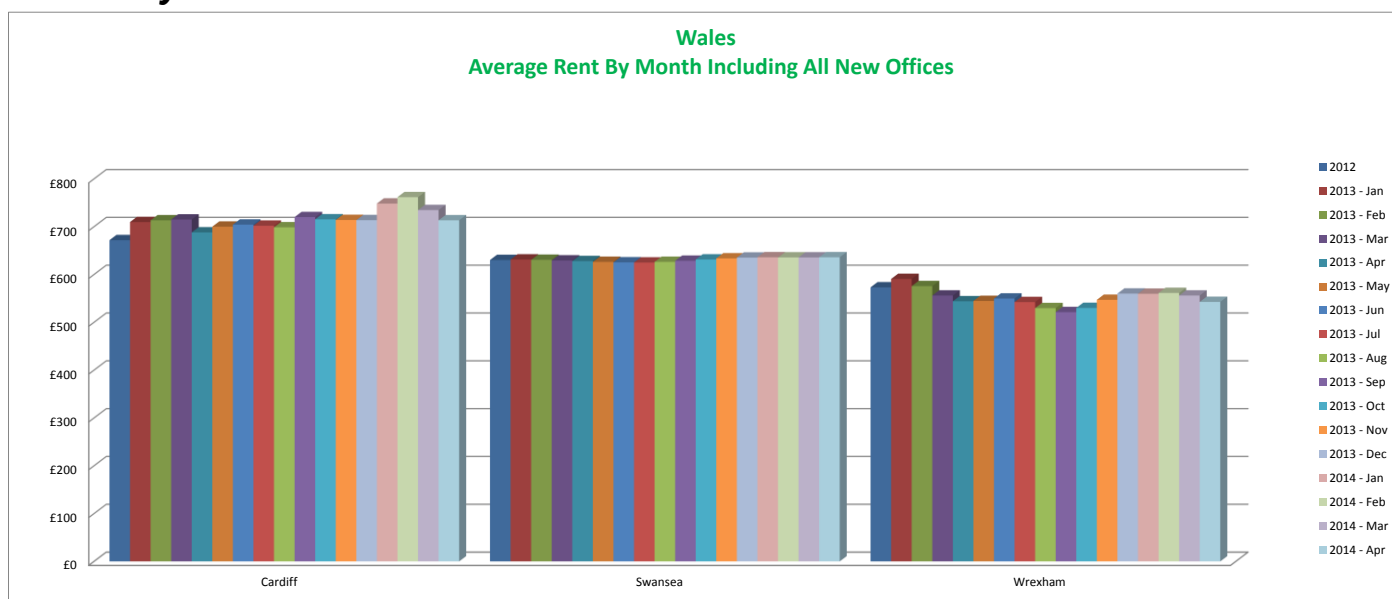
The average monthly rents for **Falkirk** continue to remain fairly static, as they have been for some considerable time, with the April 2014 average rent of a two bed flat at £480 per month. **Mike Campbell, of Belvoir Falkirk** reports *“There has been no real change in the market with rental levels continuing to remain static in Falkirk.”*

The average rent recorded for the **City of Glasgow** in April 2014 was £564 per month. Versus April 2013 and an average rent of £582 per month, this shows a decrease of around -3% year on year.

In **Paisley**, the average rent in for April 2014 was £523 per month. Compared to the average rent of £511 in April 2013, this shows a small year on year rise of just below 2.5%.

The average monthly rent in **Stirling** for April 2014 was £794, which would suggest an uplift in rents. However, this increase is driven by a *change in the mix of advertised properties as opposed to rents actually rising (see Appendix).*

Summary for Wales



The average rent for **Wales** in April 2014 was £631 per month. Versus an average rent of £620 per month in April 2013, this shows a small year on year rise of just below 2%. Average rents in Swansea continue to remain static, with Wrexham and Cardiff experiencing slight decreases.

Average recorded monthly rents in April 2014 for **Cardiff** were £713, **Swansea** £636 and **Wrexham** £543.

Summary for Northern Ireland

In **Newtownards**, **Trevor Burns** reports: *“In 2013, Easter was in late March, early April and in 2014 Easter fell in the middle of the month, from the 18th to the 22nd. This had an effect on the number of tenant viewings and landlord appraisals. Average rents are slightly higher in 2014 than in 2013. Renewals of existing tenancies, started in the last 12 months, tend to remain at the same rent. If the tenancies are new, or the tenancy started 2-3 years ago, we are increasing rents.”*

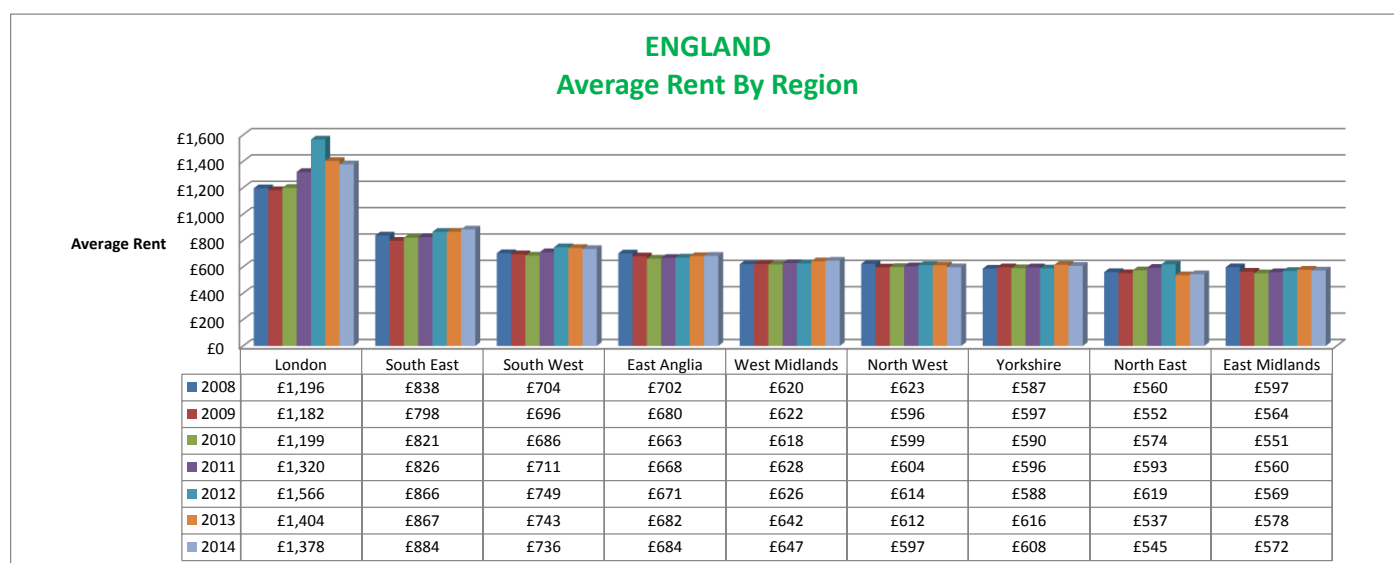
Jackie Burns of **Belvoir Bangor** says *“April was quieter due to the Easter holidays. Demand is still very high and we have numerous Landlords buying properties for investment. We are much busier than this time last year and I can only see the demand getting stronger as mortgages seem to be getting harder to come by.”*

Regional Rental Trends

As a landlord, it is essential to know what's happening to rents in your local area, and you can do this by visiting or calling your local Belvoir office to chat through the latest rental trends. What is also useful is to use this index to compare what's happening locally to what's happening to your own portfolio.

Average rents for the year to date across the regions throughout England in April 2014, contrast from £545 per month in the North East, through to £884 in the South East and £1,378 per month in London.

Chart showing average rents by region 2008 to 2014 for all Belvoir English Offices by Region



Average monthly rents in the East Midlands, East Anglia and the North West are still recovering and in the West Midlands, South East and South West rents have recovered and now exceed the 2008 high. In the North East and Yorkshire rents remain fairly level at around 1% above the 2008 height. The average monthly rent for London in April 2014 was £1,424, which is 18% above the height of 2008.

Region	2008	2009	2014	2014	2014	2014
	High	Low	February	March	April	April vs 2008 high
North East	£562	£547	£535	£549	£570	1%
East Anglia	£708	£664	£683	£686	£681	-4%
East Midlands	£604	£553	£572	£574	£572	-5%
North West	£627	£587	£594	£596	£598	-5%
West Midlands	£622	£611	£641	£645	£655	5%
Yorkshire	£603	£577	£607	£606	£608	1%
South East	£850	£785	£886	£884	£880	4%
South West	£714	£687	£736	£731	£731	2%
London	£1,208	£1,119	£1,350	£1,388	£1,424	18%

East Anglia

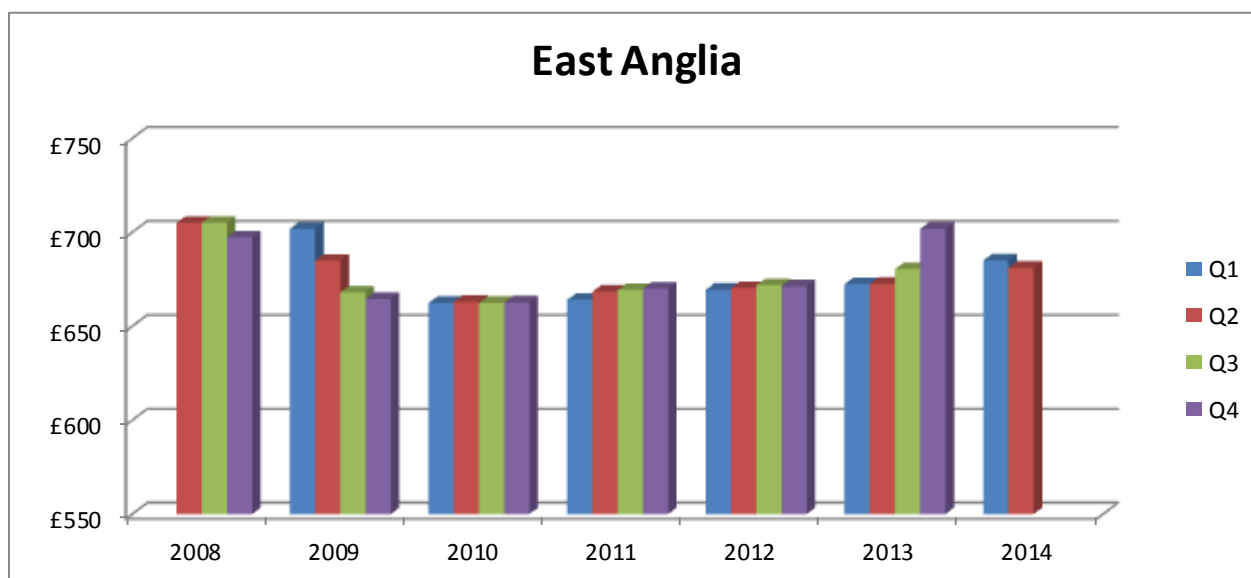
In East Anglia, the average monthly rent in April 2014 was £681, which shows no variance compared to the monthly rent in April 2013. Versus the annual average rent for 2014 of £684 per month, this shows a small decrease of £3. During April, rents remained the same for the majority of offices.

Terry Lucking of Belvoir Peterborough reports *“We have seen an increase in demand in Peterborough comparing results from April 2013 to April 2014. There are various reasons why the demand has increased, one being the regeneration projects that are bringing life into Peterborough which is making the area more desirable for people to live in and invest in.”*

“Looking further into the lets we had for April 2013 and comparing against the lets we achieved for April 2014, they have increased by nearly half which is an excellent result.”

“The rental prices within Peterborough have not increased dramatically since April 2013, but at a steady rate and I would say that there has been a £25 increase in rental price which has been reflected by Peterborough’s growing City.”

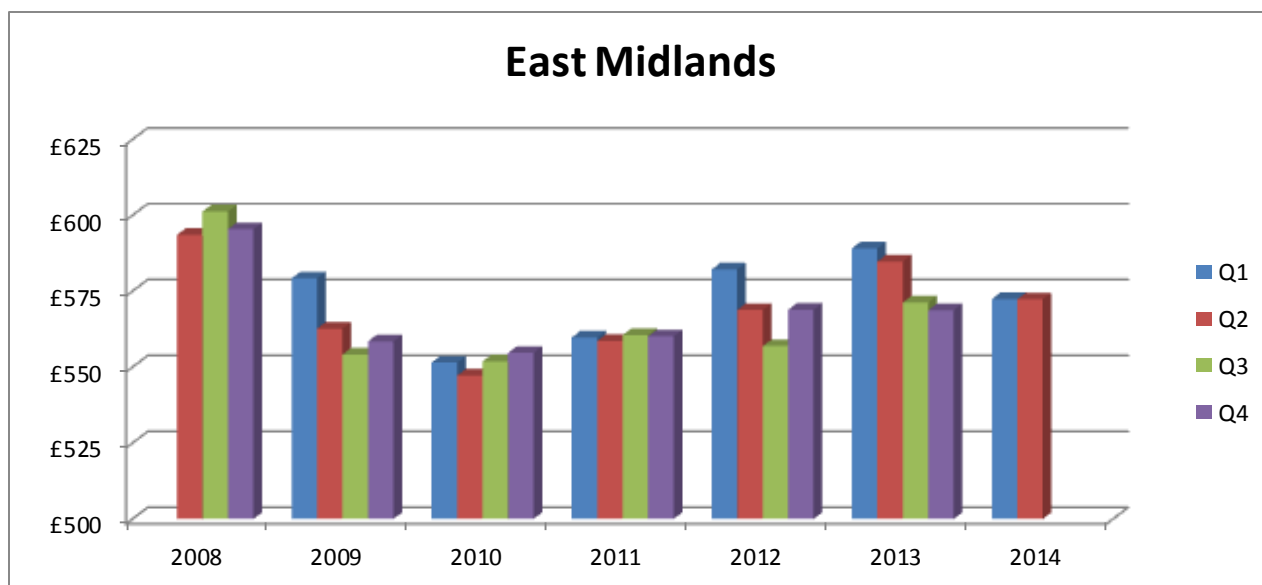
“We have seen a large increase in investor enquiries in Peterborough, and this is mainly due to the regeneration plans in the area and the success of the rented sector here. We have a young university now in Peterborough which bought along with it, new investors wanting to invest in student accommodation and to deal with future student demands.”



East Midlands

The average rent in the East Midlands for April 2014 was £572 per month. Compared to the April 2013 monthly rent of £590, this indicated a small year on year decline of around -3%. Versus the 2014 annual average rent, this month's rent is exactly the same.

In April, rents in 80% of offices remained static, with the remaining 20% of offices equally split with slight rental falls and rises.



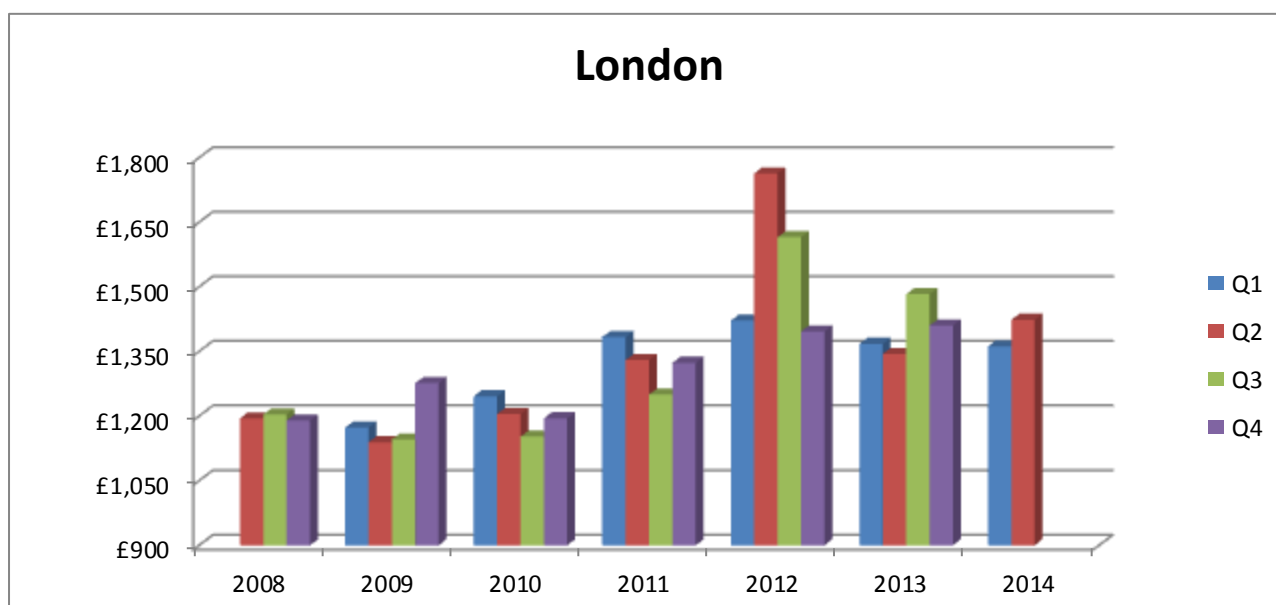
London

The average monthly rent recorded for London in April 2014 was £1,424. Compared to April 2013 and an average rent of £1,360 per month, this equates to a rise of around 4.75%, year on year. Versus the annual average rent for 2014 of £1,378 per month, this also shows a small increase of around 3%, which is just above inflation.

During April, the London offices were equally split with average rents remaining stable, slight rises and slight falls.

Dominik Potworowski of **Belvoir Maidenhead** comments *“April in Maidenhead has seen an explosion of activity both from the properties coming onto the rental market and tenants looking to rent. Properties on average from my experience have been coming onto the market and renting within a week. The most popular being unfurnished three bed houses and furnished one bed flats. There have been a lot of redevelopments taking place in Maidenhead and with the first and second phases now complete, there has been an influx of new builds coming onto the market.*

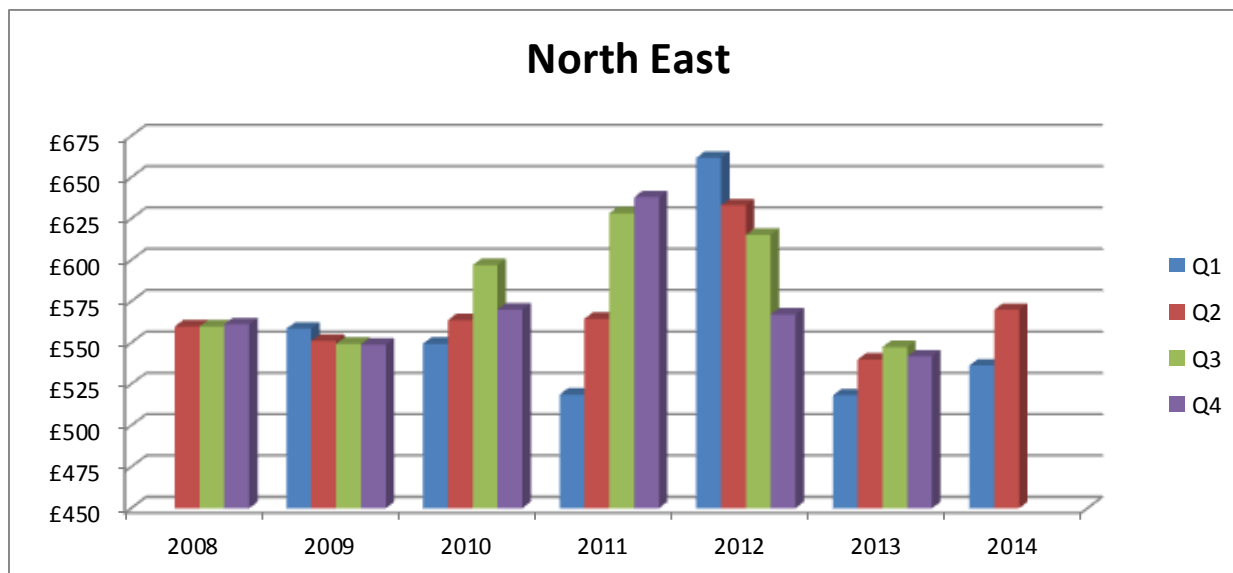
“Property prices have seen steady growth and on average in the last three months have increased by almost 2%. I suspect this is being driven by two variables which are: buy to let investors, and people relocating from London with the view to starting families.”



North East

Average monthly rents in the North East can be somewhat irregular, mainly due to the variable rents in Newcastle. Sunderland and Tynedale however, monthly rents continue to remain fairly static.

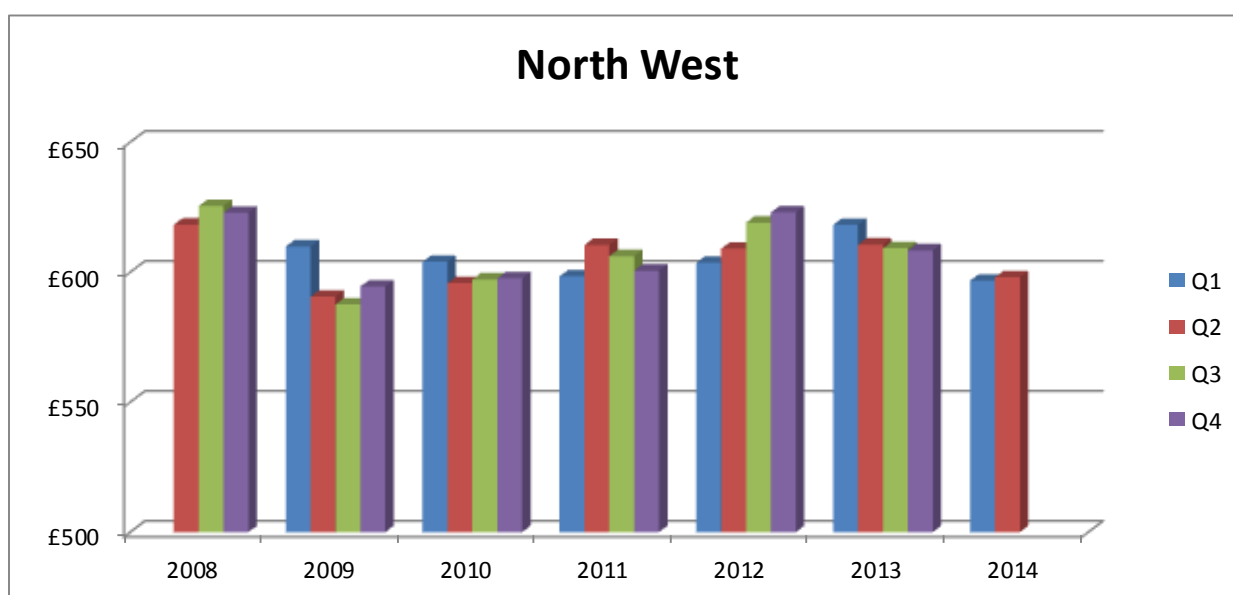
Howard King from **Newcastle** reports “Rents in April did not rise compared to last year, with some rents falling as supply outstripped demand, we have also noticed that void periods between tenancies have increased.”



North West

In the North West, the average rent recorded in April 2014 was £598 per month. Versus an average rent of £611 per month in April 2013, this shows a slight year on year decrease of around -2%. Compared to the annual average rent for 2014 of £597, this equates to an insignificant increase of a £1.

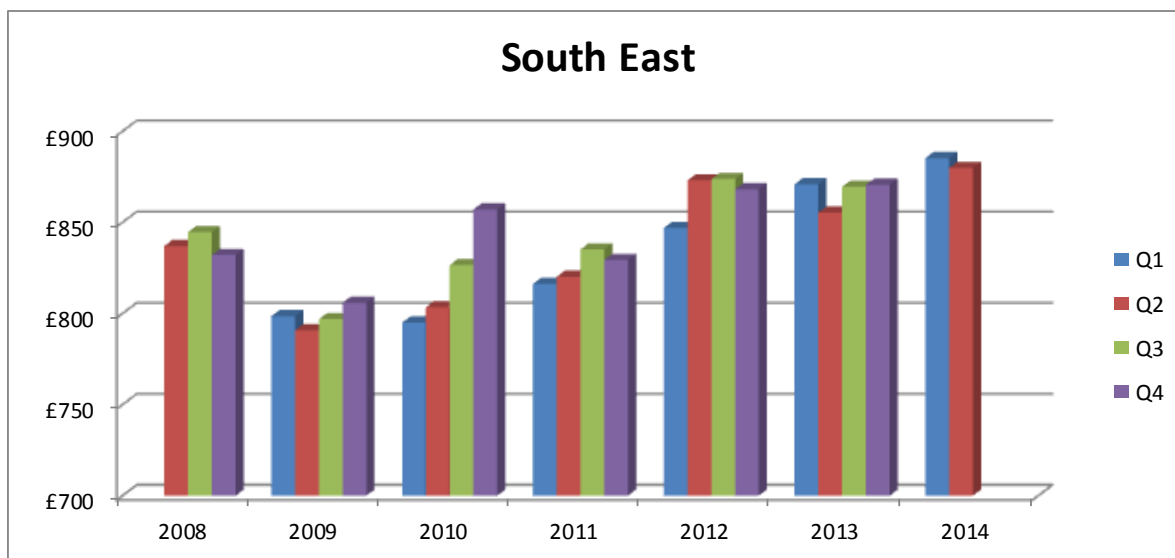
Two-thirds of offices in the North West recorded fairly stable average rents for April, with the remaining third of offices equally split between slight rises and falls.



South East

The average monthly rent for the South East during April 2014 was £880. Compared to an average rent of £856 per month for April 2013, this would indicate an increase of 3%, year on year. Versus the annual average rent for 2014 of £884 per month, this suggests that in the main rents, although varying month on month are pretty static.

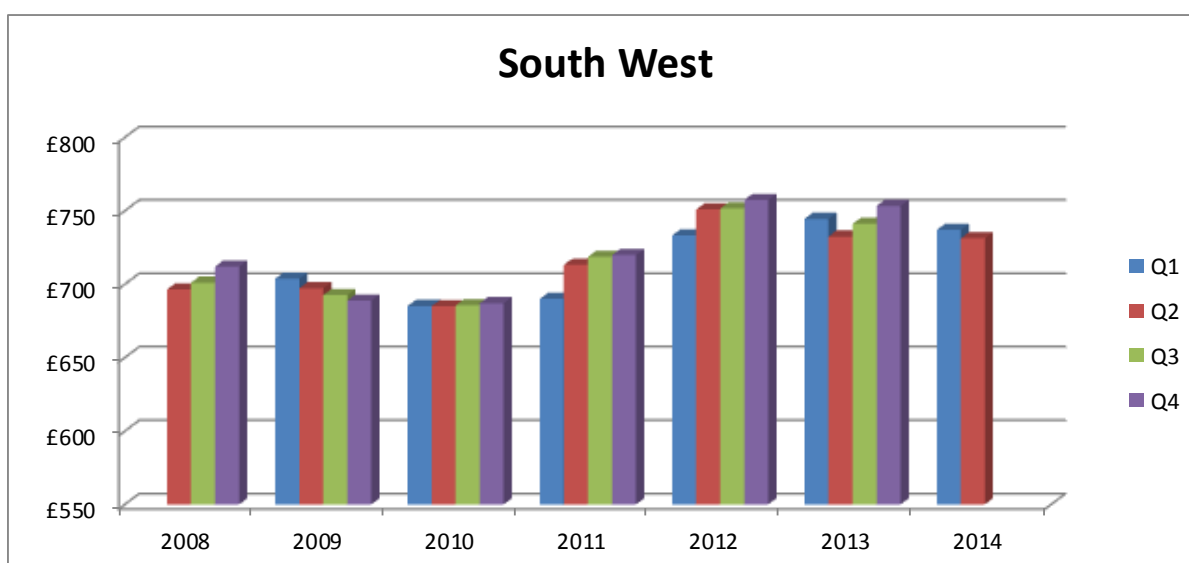
In April, two-thirds of offices registered stable monthly rents, with the remaining third fairly evenly split between small rises and falls.



South West

The average recorded monthly rent for the South West in April 2014 was £731. Versus the April 2013 and 2014 annual average, both of which are £736 per month, so although there is a tiny fall of £5 this month, rents are really stable in the area.

Average rents remained stable during April in two-thirds of offices, with the remaining third experiencing slight falls, including Hove and Devizes.

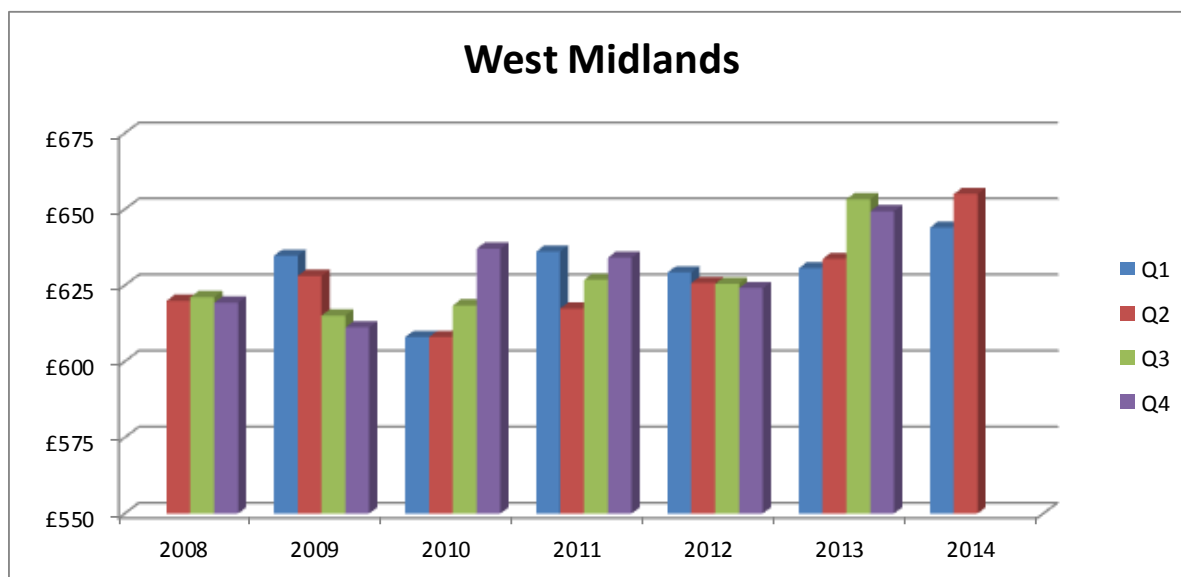


West Midlands

In April 2014, the average monthly rent for the West Midlands was £655. Compared to an average rent of £633 in April 2013, this shows a small year on year increase of around 3.5%, which is just above inflation.

The latest monthly figure compares well to the annual average rent to date of £647 per month, showing a small rise of just over 1%.

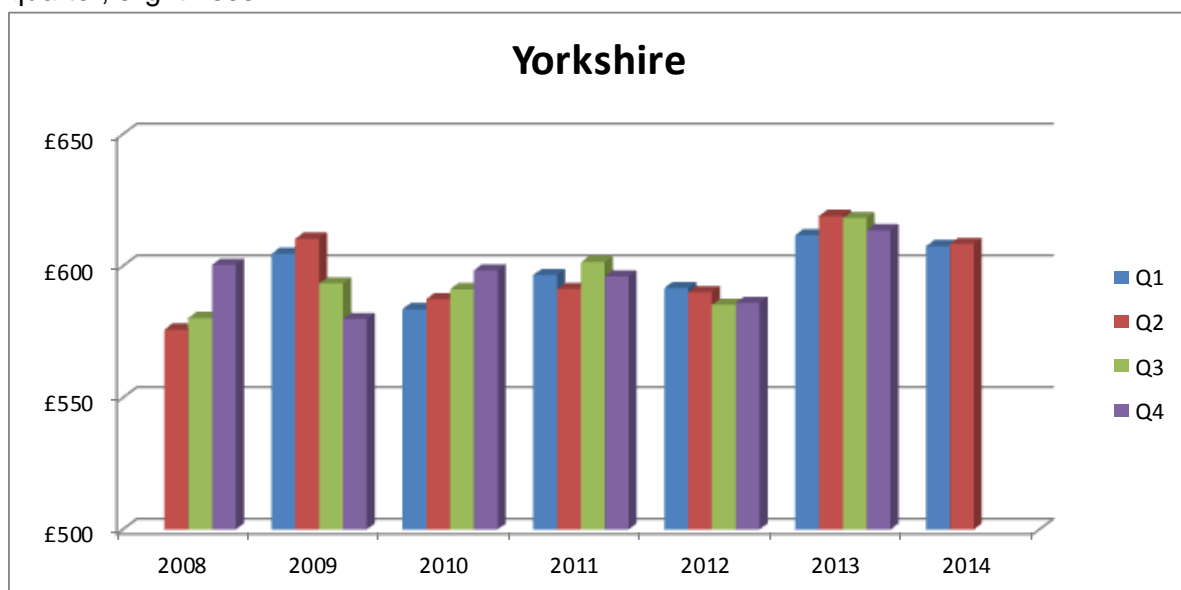
During April, half of the offices experienced stable rents, with just over a quarter showing slight rises and just under a quarter small falls, including Burton on Trent and Shrewsbury.



Yorkshire

For Yorkshire, the average rent during April 2014 was £608 per month. Versus April 2013 and an average rent of £612 per month, this shows a small decrease of £4, year on year. Compared to the 2014 annual average of £608 though, rents have remained unchanged.

Half of offices in Yorkshire registered static rents, with a quarter experiencing slight falls and the remaining quarter, slight rises.



Appendix

Belvoir Rental Index 2008 to 2014

Over the last five years, Belvoir Lettings, one of the UK's top lettings only franchises has been tracking monthly rental price movements.

This report analyses the ups and downs of the rental market, not just at a national level, but breaking down monthly rental averages into London, the rest of England, Wales and Scotland as well as county level.

The data is created from average advertised rents. This isn't a perfect way of analysing rents, but most Belvoir agents advertised rents are set at levels they know tenants will pay, and worst case, they may on occasions be approximately 10% less. This doesn't though appear to prevent the index from identifying rental trends. To help ensure the monthly rents aren't too erratic and historic and existing trends can be identified, the average rents are calculated as three month simple averages.

In addition, we don't just produce rental statistics. We liaise directly with over 140 franchised offices to better understand the reality of what's driving rents up or down. We check trends the statistics are showing so we understand at ground level, exactly what they mean for landlords and tenants as well as what the statistics can tell us about the future.

The report breaks down the Belvoir Index analysis in two formats:-

Offices which have consistently traded over the last five years

This is an analysis of rents across offices which have consistently traded across the five years we have been tracking the index. Effectively, this analysis looks at rents on a 'like by like' basis, much as analysis is carried out when comparing like for like sales in retailing.

1. This data analyses 91 offices from 2008 to 2013.
2. All offices which have traded via the Belvoir brand over the last five years. This analysis looks at rents across all offices. We add an office after it has traded for nine months and can provide a three month simple average over a six month period. This data is particularly useful when analysing regional data as it analyses 139 offices, so increases the number of offices contributing to the data and thus makes the results more robust.

Level of data analysis

In this report we produce the following information:-

1. Average rental movements across the UK
2. Average rental movements across England, Wales and Scotland
3. Average rental movements by region: for example, East Midlands, London
4. Average rental movements by county: for example, Nottinghamshire, Shropshire
5. Commentary from Belvoir, the franchisor and local franchisees

How we analyse the data

The data is analysed on a three month simple average:-

Average rent:	£500
Average June rent:	£525
Average July rent:	£515
Total:	$£1,540 / 3 = £513$ will be the average July rental figure

We analyse the information on a month by month basis and a year on year basis. However, we also look at the data from the height of the rental market, the market low and whether the latest monthly data suggests rents are rising, falling or stabilising versus previous highs and lows.

The rents analysed are 'average' rents. In the main, we know that the annualised average rent is fairly accurate when considering the rents for the top two properties, for example, two and three bed houses in small and large urban areas, or one and two bed flats in city centres such as London.

Some of the data flaws happen on a month by month basis. For example, it is possible that some trends are affected by agents listing unusually high priced properties. For example, in Shrewsbury, we know the data accurately picks up trends over time, but tracks average rents at around 10% higher due to large, prestigious properties being rented on a regular basis.

In addition, we know data for some offices can show a rise in rents when the reality is that property stock is tight, so isn't as robust as normal, or a higher level of new build properties rent out at higher levels than second hand or previously lived in properties.