BELVOIR!

March 2017
(Q1 17)

Rental Index

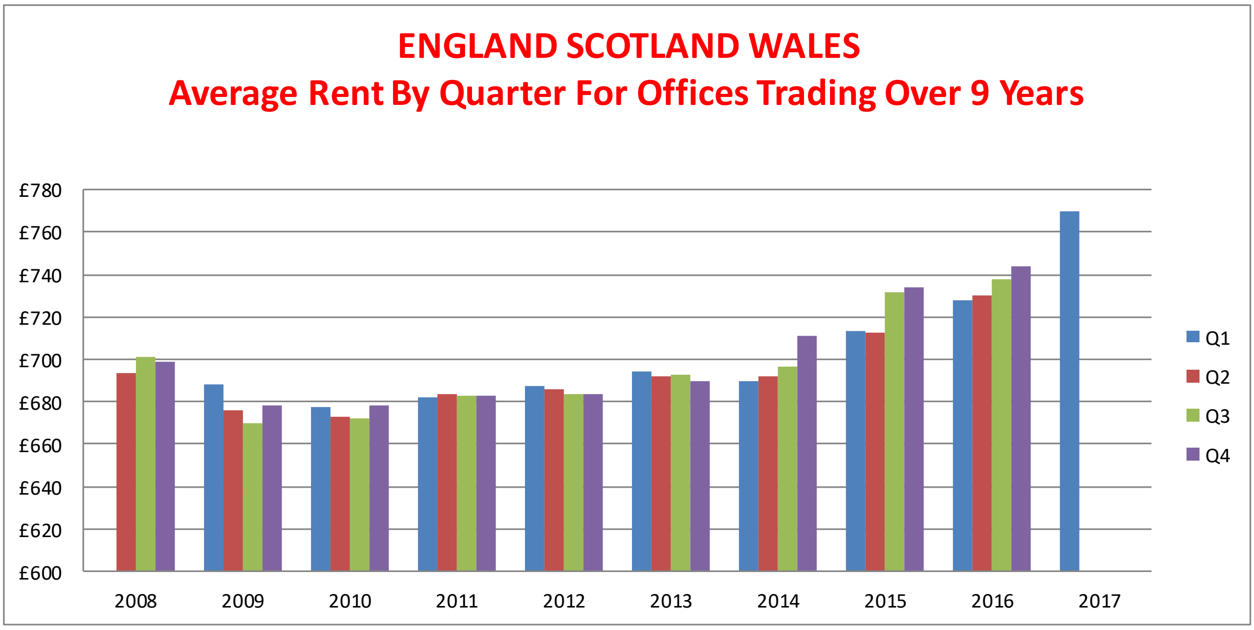
Contents

National Rental Trends

In England, Wales and Scotland, for the offices that have been trading consistently over the last nine years, the figures would indicate average rents increasing, year on year, by 5.75%, from £728 in Q1 2016 to £770 in Q1 2017.

Comparing Q1 2017 to the annual average rent for 2016 of £735, this indicates rental increases of 4.75%.

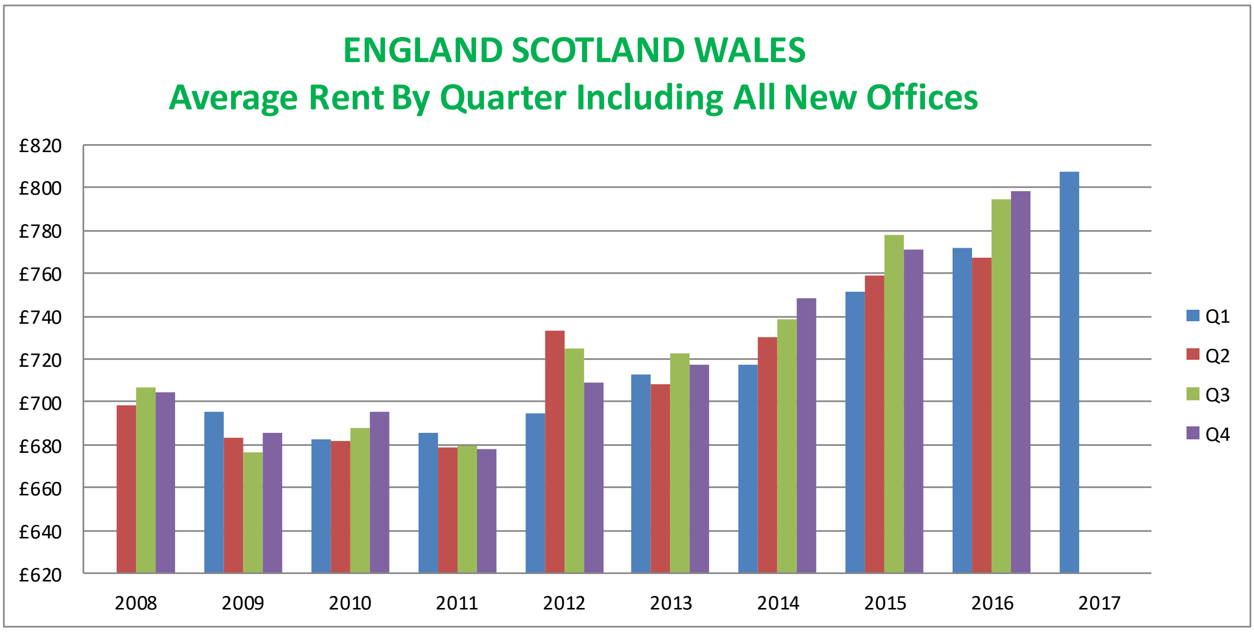
Chart showing the national rental trends for the last nine years over consistently trading offices



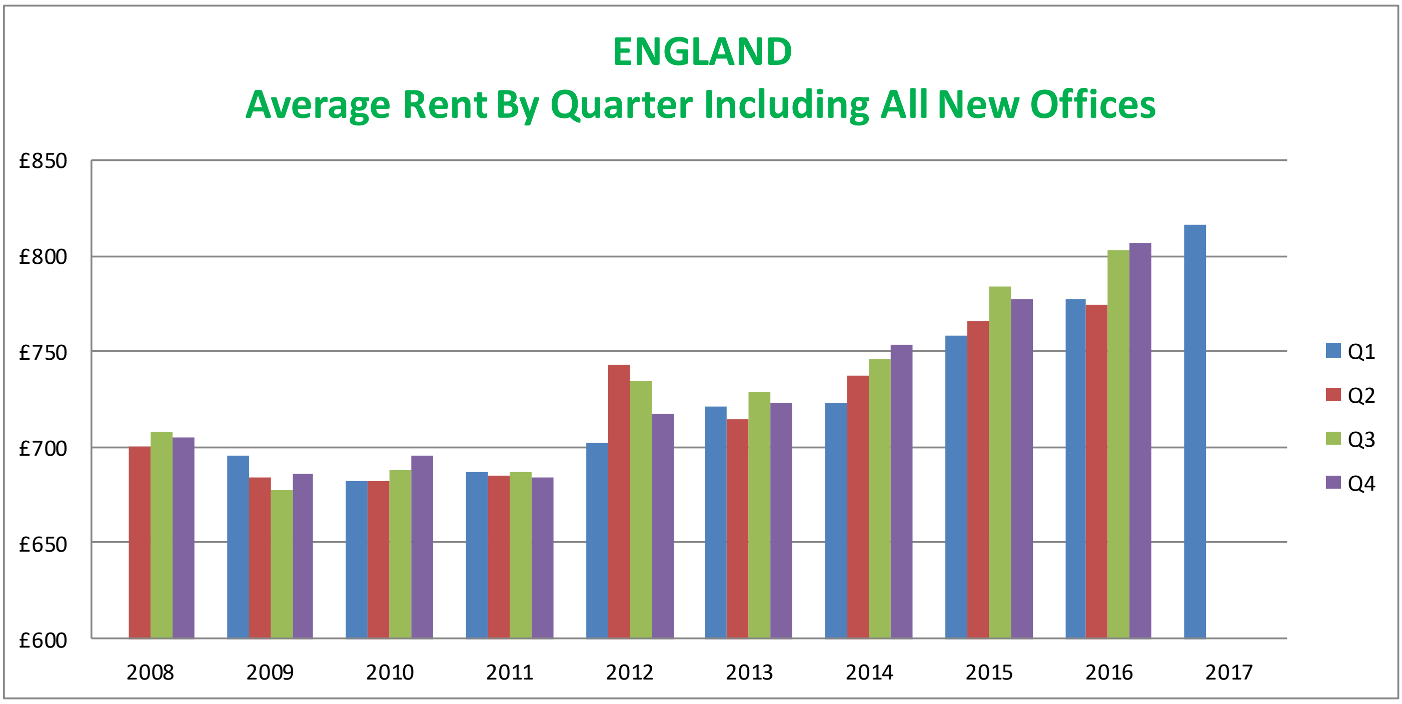
The average rent in Q1 2017 for offices in England, Wales and Scotland, including all new Belvoir offices, is £807 per month, which is a year on year increase of around 4.50% versus the Q1 2016 average.

When comparing the Q1 2017 average to the 2016 annual average of £783, this shows an increase of 3%.

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



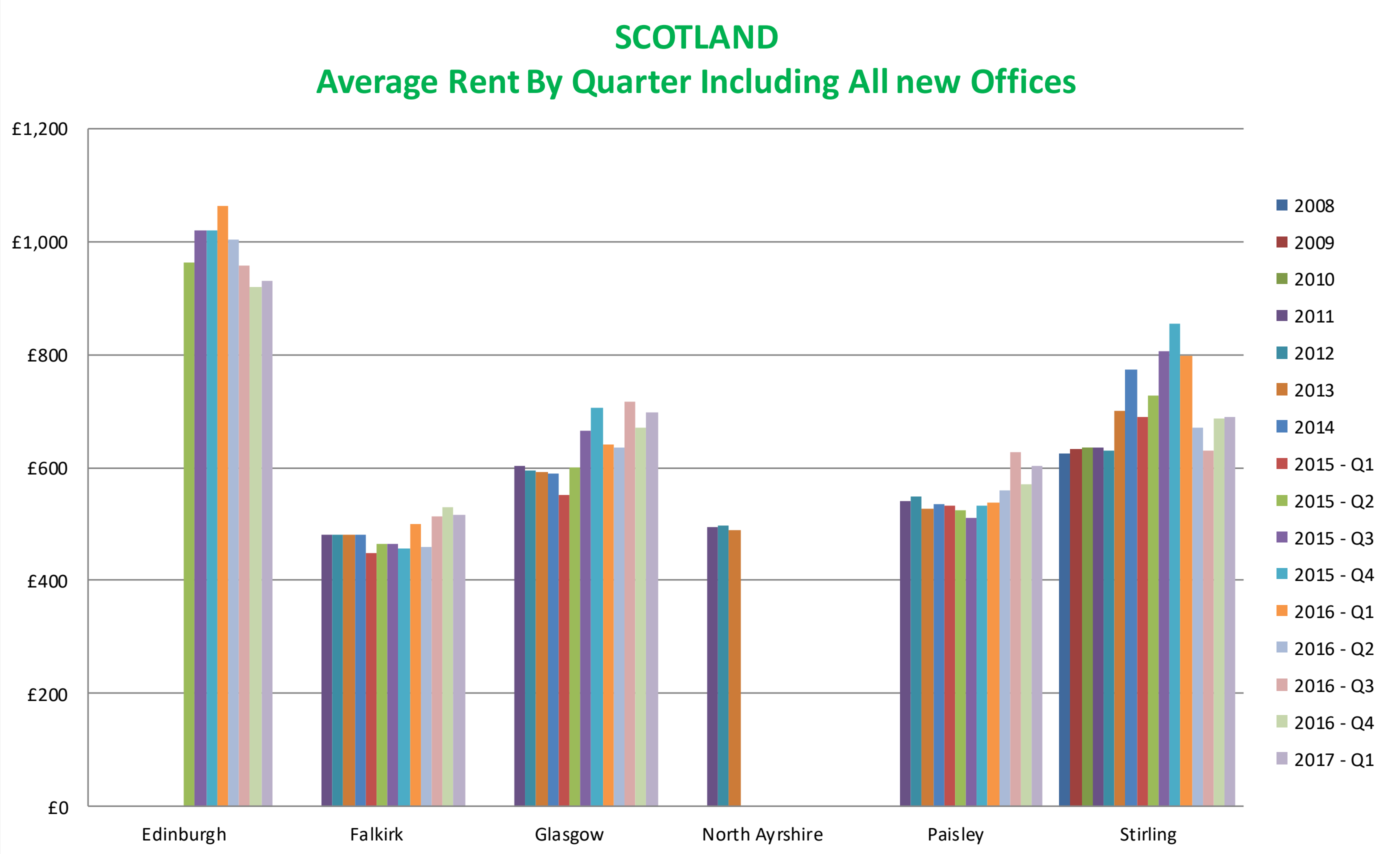
Summary for England



In England, for all offices including the new ones, the average rent for Q1 2017 is £816, which is a year on year increase of just under 5%, compared to the Q1 2016 average.

When comparing the Q1 2017 average to the 2016 annual average, this shows an increase of around 3%.

Summary for Scotland



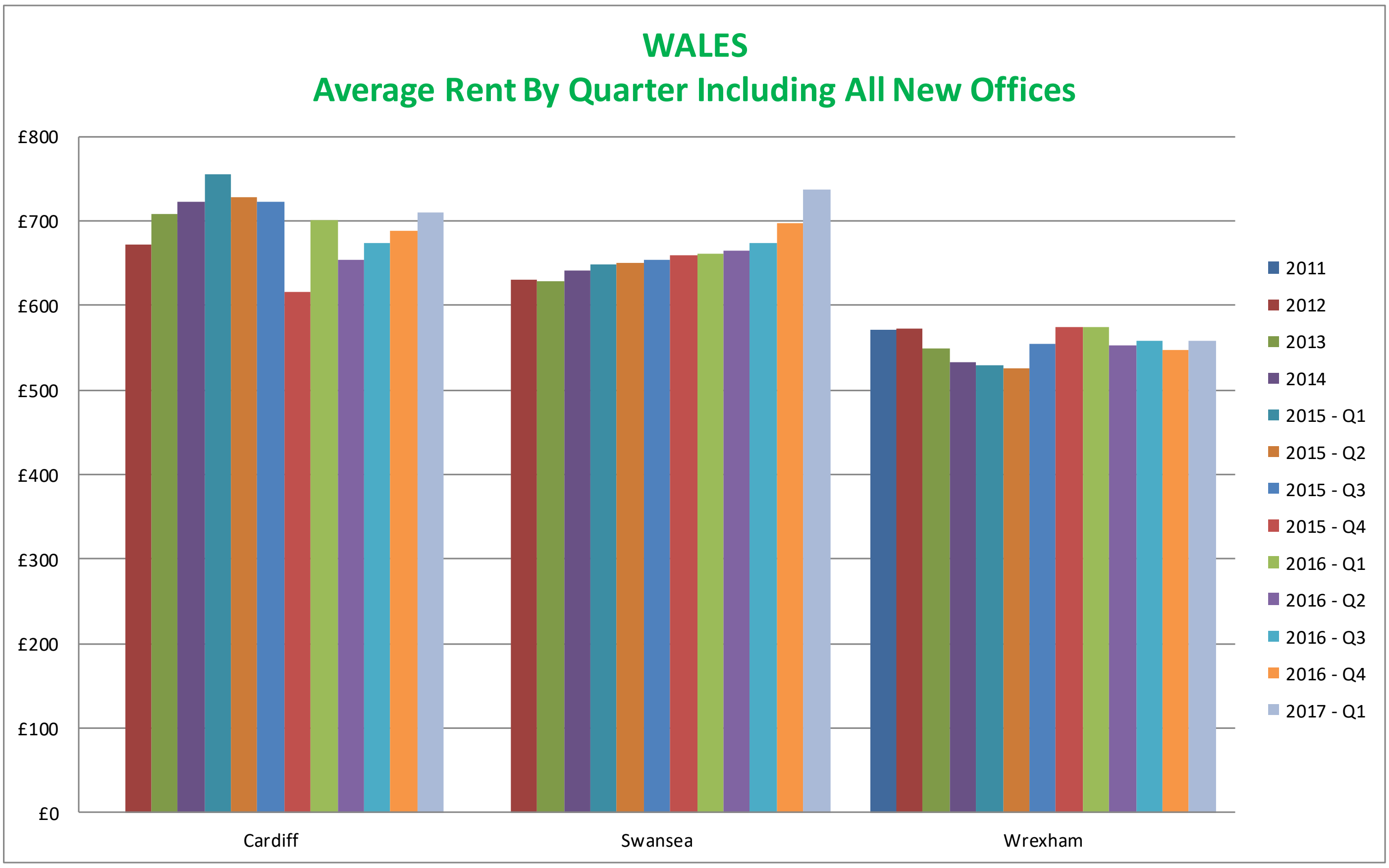
Falkirk
In Falkirk, the average recorded rent for Q1 2017 is £516 per month, which indicates a 3.25% increase, year on year. Comparing the Q1 2017 average to the 2016 annual average, this shows a 3% increase.

Amanda Campbell of the **Falkirk** office has reported: *"Increasing rents on most types of property, with the largest increases for four and five bed detached houses, and expect small rental increases during the next quarter for flats and houses. There is a shortage of stock on most types of property."*

City of Glasgow
For the City of Glasgow, the average monthly rent recorded for Q1 2017 is £697, which would indicate a year on year increase of 9% compared to the Q1 2016 average of £639. When comparing Q1 2017 to the 2016 annual average of £665, this indicates a lesser increase of just over 4.75%.

Sharon Walker of the **Glasgow** office reports *"Rents have increased during Q1 2017 for one bed flats and we expect flat rents to increase over the next quarter. There is a shortage of stock, particularly one and two bed flats. A few investors have sold their rental properties, however investor enquiries increased for flats during the last quarter."*

Summary for Wales



Swansea

The average monthly rent recorded for Swansea in Q1 2017 is £737, shows large year on year increases of around 11.25% when compared to the Q1 2016 average of £662. Q1 2017 versus the 2016 annual average shows increases of around 9.25%.

Ben Davies of **Belvoir Swansea** reports: *"With the exception of three bed flats, increasing rents across the board during Q1 2017 with the highest increases for three, four and five bed houses. We expect rents to increase further for houses and flats over the next quarter."*

Cardiff

For Cardiff, the average rent for Q1 2017 is £710, which is an increase of around 1.25%, year on year. Comparing the Q1 2017 average rent to the annual average for 2016, this shows increases of around 5%.

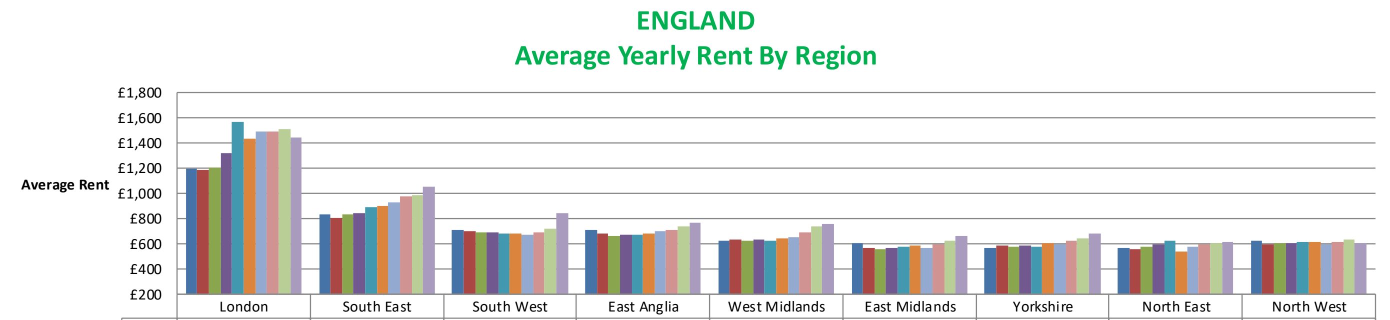
Wrexham

In Wrexham, the average monthly rent recorded for Q1 2017 is £558. This is around a -3% decrease compared to the Q1 2016 average of £575, but no change versus the 2016 annual average rent. The **Wrexham office** reports *"No change in rental prices during Q1 2017 for all types of property, but expects rents to increase over the coming months due to the lack of supply of good quality accommodation with an increase in tenant demand".*

Belvoir Regional Rental Trends Summary

The regional annual average monthly rents are shown on the chart below, taken from the commencement of the Belvoir Index in 2008. The latest data analysed shows rents range from £602 in the North West, £655 in the East Midlands, through to £842 in the South West and £1,440 per month in London.

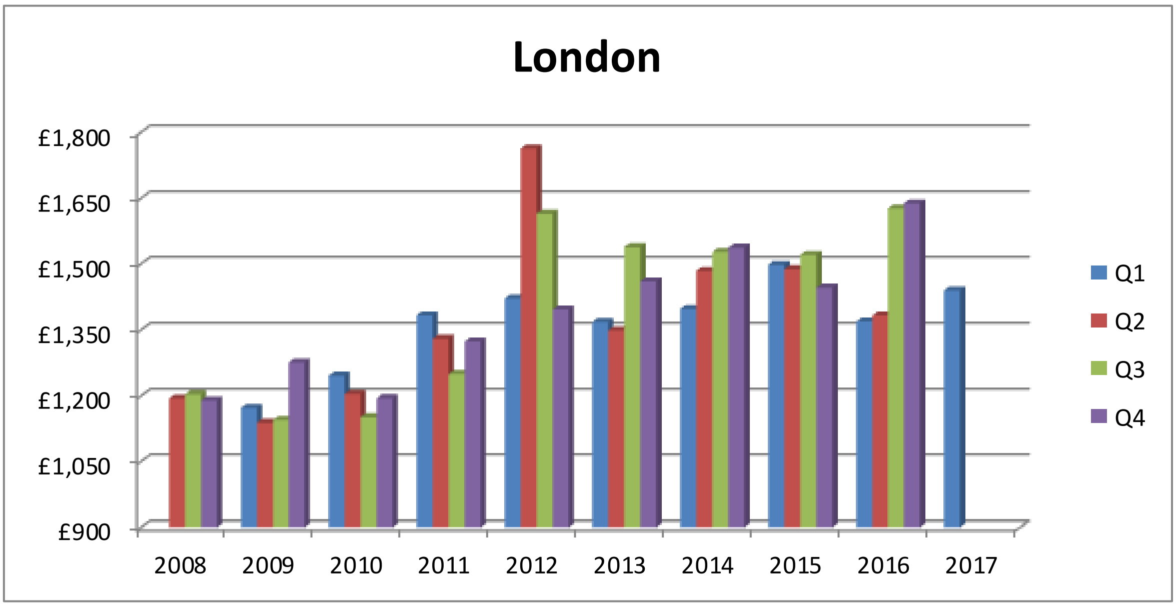
Annual average rents by region 2008 to 2017 for all Belvoir English offices



	London	South East	South West	East Anglia	West Midlands	East Midlands	Yorkshire	North East	North West
2008	£1,196	£835	£704	£702	£625	£597	£568	£560	£623
2009	£1,182	£803	£696	£680	£626	£564	£581	£552	£596
2010	£1,199	£827	£686	£663	£620	£551	£573	£574	£599
2011	£1,320	£838	£684	£668	£626	£560	£585	£593	£603
2012	£1,566	£889	£678	£671	£624	£569	£576	£619	£609
2013	£1,429	£895	£678	£682	£642	£578	£604	£537	£607
2014	£1,491	£926	£666	£697	£653	£568	£595	£573	£591
2015	£1,491	£971	£690	£708	£685	£593	£618	£590	£612
2016	£1,511	£982	£717	£738	£733	£619	£641	£598	£629
2017	£1,440	£1,046	£842	£761	£755	£655	£676	£610	£602

Belvoir Regional Rental Trends

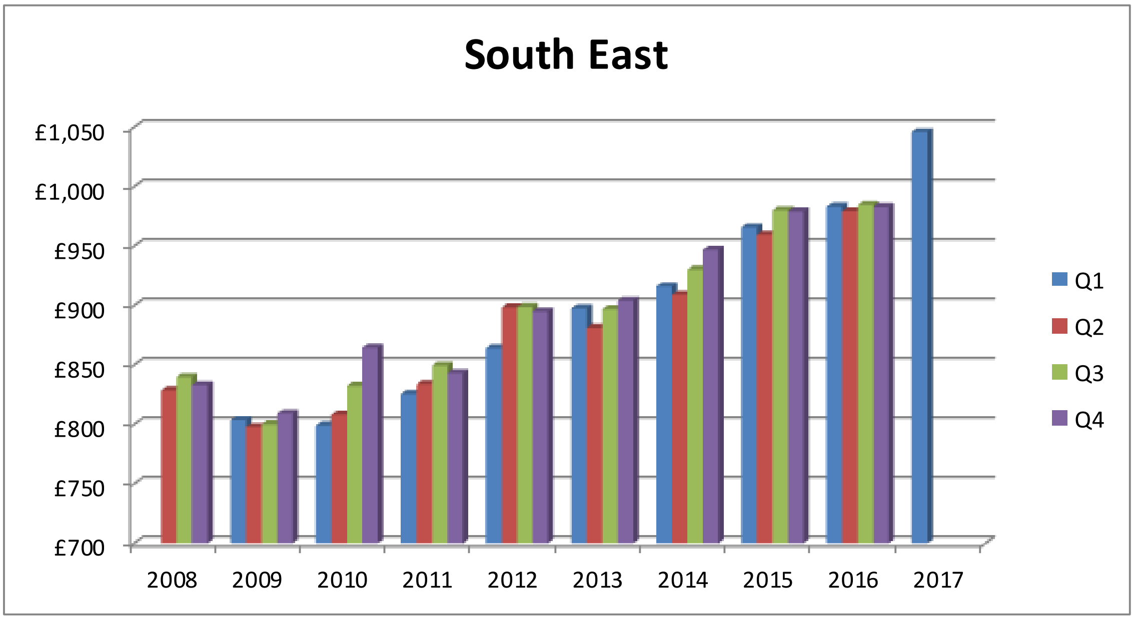
London



The average monthly rent recorded for London *(excluding Central London)* in Q1 2017 is £1,440, year on year, this is an increase of 5% versus Q1 2016. Comparing Q1 2017 to the 2016 annual average of £1,511, this shows a fall of -4.75%.

Average rents fell for half of the London offices during Q1 2017, including Enfield, just over a quarter of offices showed slight increases and the remaining offices recorded fairly static rents.

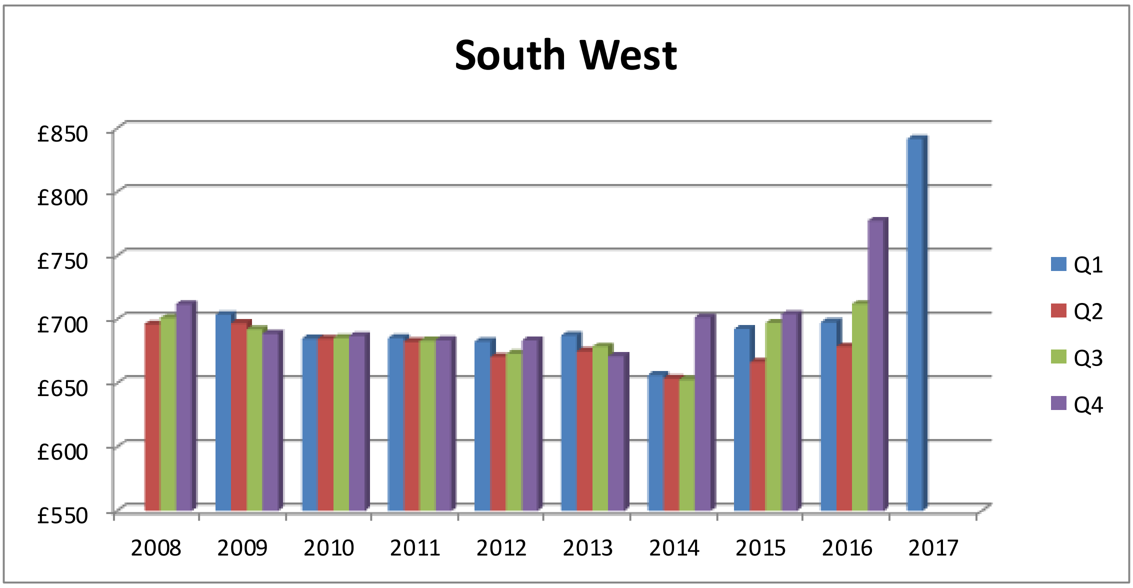
South East



For the South East, the average rent for Q1 2017 is £1,046 per month – a year on year increase of 6% versus the Q1 2016 average. Comparing Q1 2017 to the 2016 annual average, this shows rental increases of 6.5%.

Just over half of the offices in the South East experienced increasing rents during Q1 2017, including Brentwood and Milton Keynes, just over a quarter of offices showed slight falls, including Hemel Hempstead and the remaining offices, such as Woking, showed stable rents.

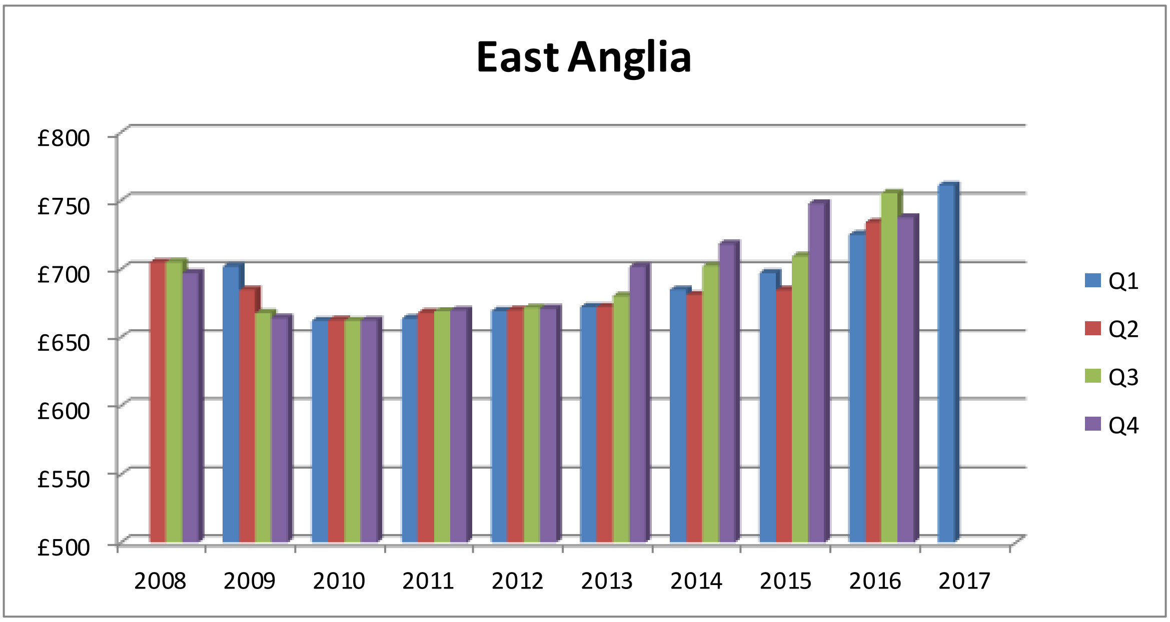
South West



In the South West, the average rent recorded for Q1 2017 is £842 per month, which would indicate a large year on year increase of 17% when compared to Q1 2016. The data also indicates a large 17.5% increase in rents for Q1 2017 versus the 2016 annual average. However, the large increase is predominantly a result of the inclusion of data from a new Bournemouth office, which opened in December 2016, where rents have been averaging just over £1,000 per month.

In reality, just over half of the offices experienced small falls in rents during Q1 2017, just over a quarter showed some rental increases, including Cheltenham, and the remaining offices experienced stable rents.

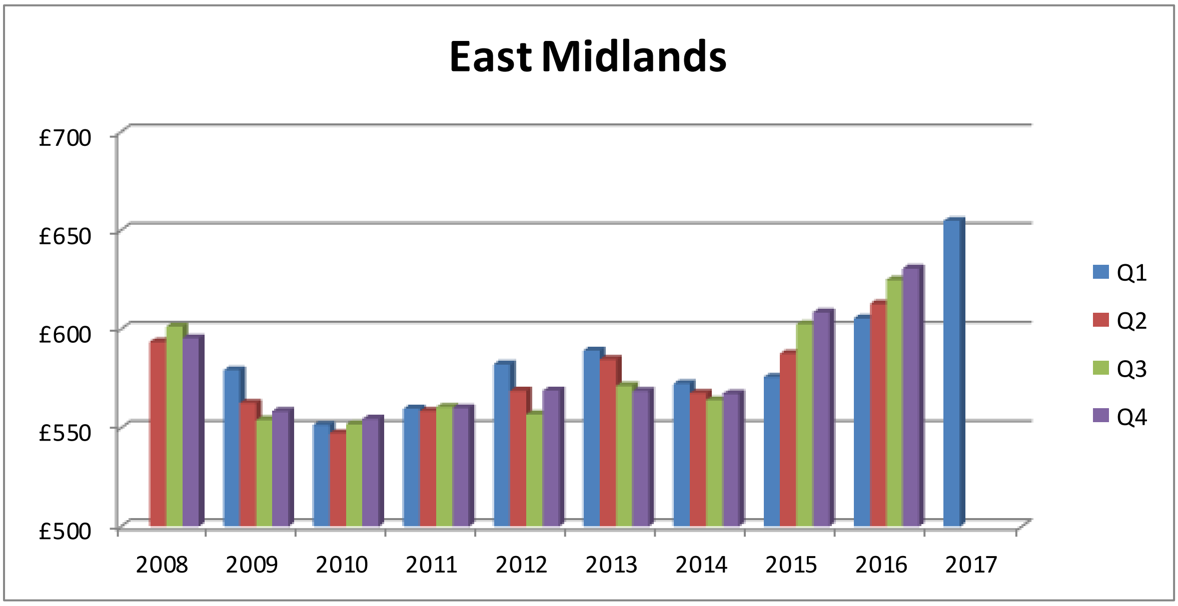
East Anglia



The average monthly rent recorded In East Anglia for Q1 2017 is £761 – a year on year increase of 4.75% versus Q1 2016. Comparing Q1 2017 to the annual average rent for 2016, this would indicate increases of just over 3%.

For East Anglia during Q1 2017, three quarters of the offices experienced small increases in rents, with the remaining quarter showing slight falls.

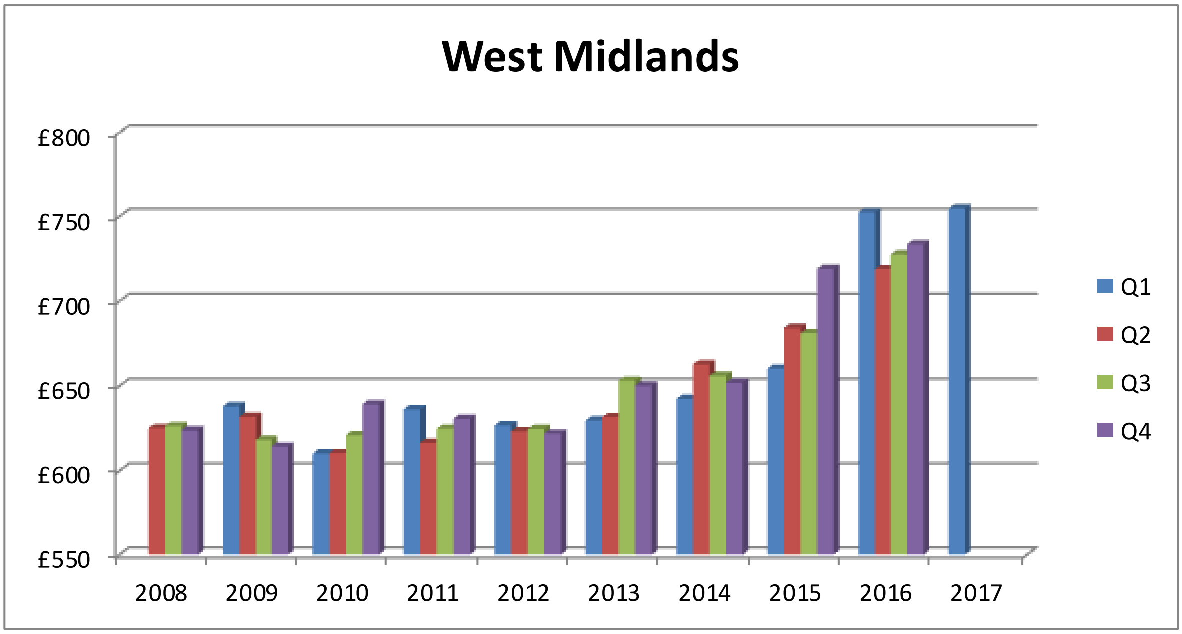
East Midlands



For the East Midlands, the average rent recorded for Q1 2017 is £655 per month, which is just over a 7.5% increase, year on year, versus Q1 2016. Comparing Q1 2017 to the 2016 annual average rent of £619, this indicates rental rises of around 6%.

During Q1 2017, just over a third of offices experienced rental increases, including Boston, with the remaining two-thirds fairly evenly split with slight rental falls, including Corby, and static rents.

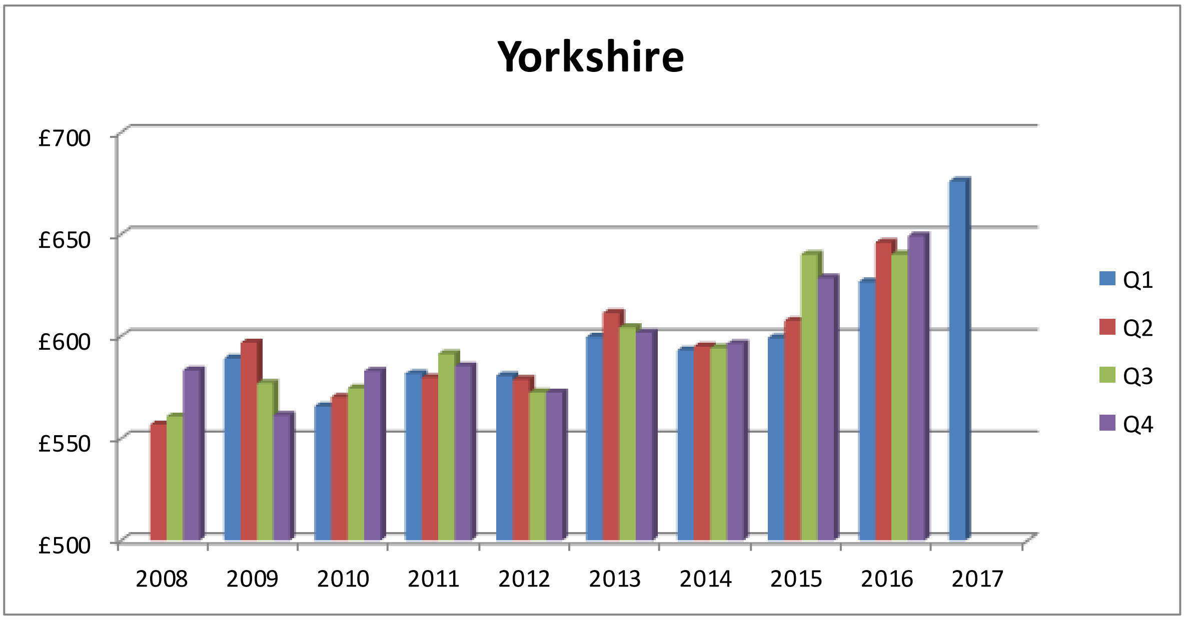
West Midlands



In the West Midlands, the average monthly rent recorded for Q1 2017 is £755 – a £2 year on year increase compared to the Q1 2016 average and a 3% increase versus the 2016 annual average rent.

For the West Midlands, during Q1 2017, just under a half of offices showed slight rental decreases, and just under a half showed slight increases, including, Erdington, with the remaining offices experiencing static rents.

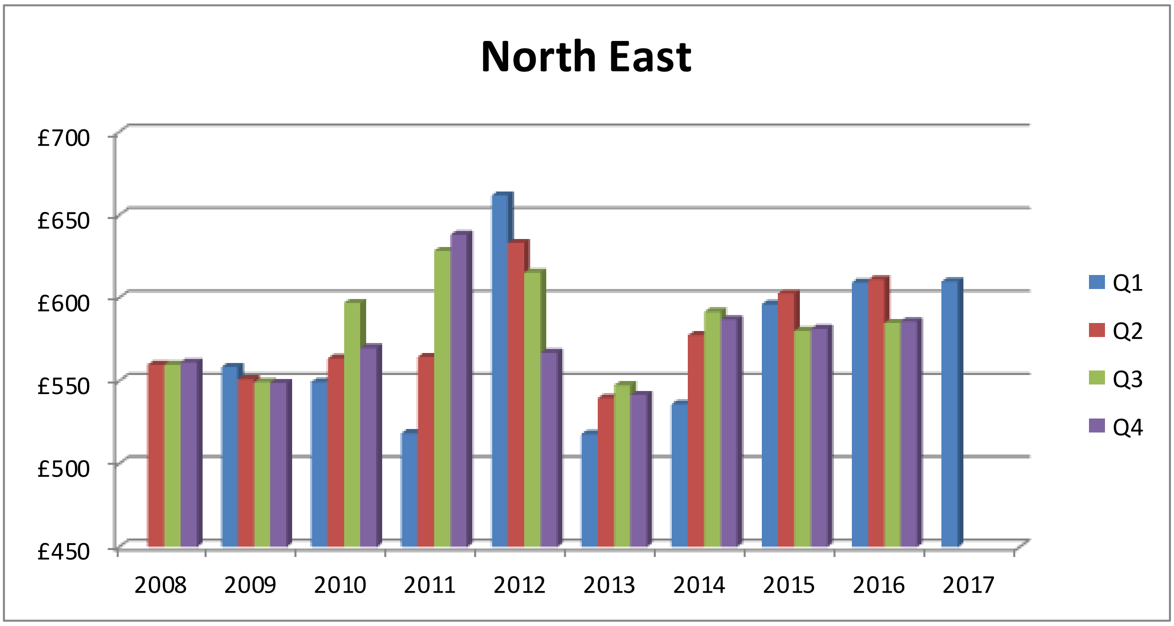
Yorkshire



The average rent recorded in Yorkshire for Q1 2017 is £676 per month, which indicates a 7.25% increase, year on year, versus Q1 2016. Comparing Q1 2017 to the annual average for 2016, this shows increases of around 5.5%.

During Q1 2017, just over two-thirds of offices in Yorkshire experienced rental increases, including Harrogate, with the remaining third experiencing slight falls, including Skipton.

North East

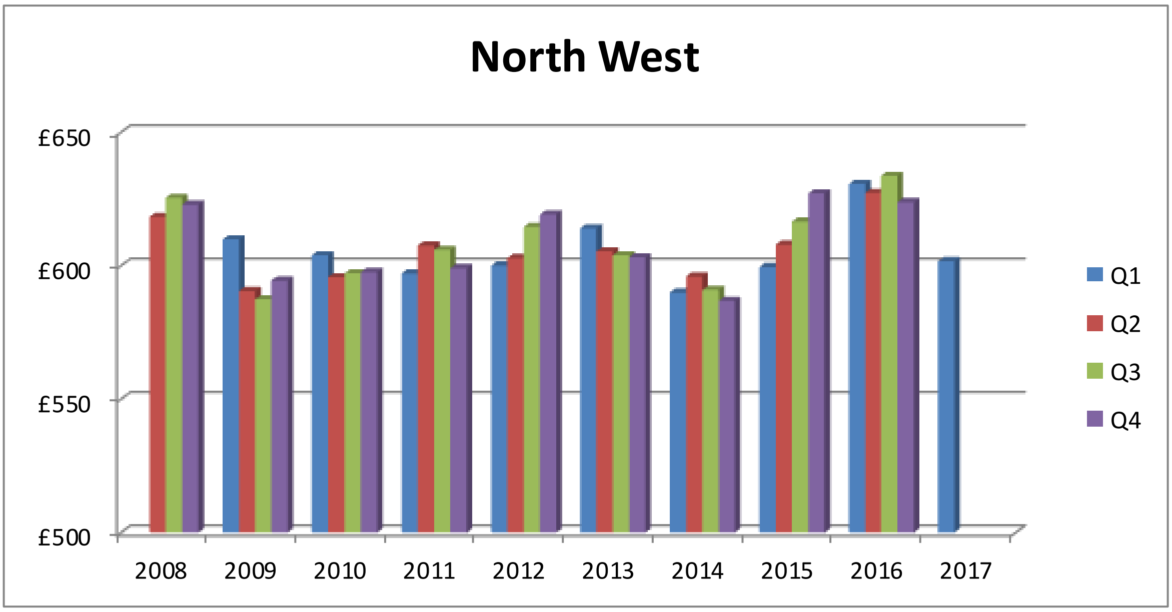


In **Newcastle,** the office reported no change in rental prices during Q1 2017 for all types of property except three bed flats, where they decreased, and foresee rents remaining stable for houses and flats during the next quarter.

The **Tynedale** office reported no change to rents for all flats, but small rental increases for all houses. There was no change to tenant demand for houses, but a decrease in demand for flats.

For **Sunderland**, the average rent for Q1 2017 is £482 per month, which would indicate rental falls. However, the data isn't a true reflection of what is actually happening in the area, and the Sunderland office reports the lower figures may be due to a larger number of smaller properties being advertised during the quarter, and overall, rents remain fairly steady.

North West



In the North West, the average monthly rent for Q1 2017 is £602. Compared to Q1 2016, this indicates a fall of around -4.75%, year on year. Q1 2017 versus the 2016 annual average shows a fall of around -4.25%.

Over half of offices in the North West during Q1 2017 showed a decline in rents, with the remaining offices fairly evenly split between slight increases and static rents.

Belvoir Rental Trends by County

In this section we look at the **average rent in each quarter by county and compare it to the average rent in the same quarter the previous year eg Q1 2017 versus Q1 2016.** This helps to evaluate how rents are doing versus the same period in the previous year, taking some seasonality into account.

We also compare **the current average rent to the annual average for the previous year eg Q1 2017 versus 2016.** We find overtime that the annual rental average gives the most accurate picture of average rents for an area, so we compare the latest quarter to the previous year's average to see if it is up or down.

We then calculate the **actual amount of extra/lower rent that a tenant is paying/landlord benefiting from.** The percentage increase in this amount helps to see how much rents are rising/falling versus wages and inflation, to give an idea if rents are actually keeping up with the cost of living or falling in real terms.

This is where we compare the Q1 2017 rental averages to Q1 2016 averages, county by county, and how they are performing versus the 2016 annual averages.

Emerging rental trends

Since running the index from 2008 we find rents move broadly in line with wages and that large movements over and above +/-5% rarely happen. As such if we see a fall/rise larger than this we investigate further and explain what's actually happening, for example it might be a new office or let is skewing the figures if their average rent is higher or lower than the County average, or it might be a new trend, in which case we try to find out what is driving it.

For all the offices with large increases/decreases we asked what was driving the trend and if it was reflective of actual rents, rather than a change in the mix of properties.

On the whole, feedback from Belvoir owners has suggested that there are three key reasons for average rents appearing to be much higher than the previous year:-

1. A rise in the number/mix of HMOs. If a professional let brings in on average £700 a month, but HMOs generate £1,200, this will artificially raise the average rents advertised which we record.

2. For example, the average let is £700 but a few properties are taken on which achieve £1,500 a month and if stock levels are low this can artificially raise the year on year rental increases.

However, we have picked up a new trend in 2017 which is large rises in areas that have low availability of properties which tend to be economically successful,

The reason for the large increases isn't statistical, it's down to a lack of new landlords bringing new stock to the market because of the new tax increases such as the 3% stamp duty on buy to let (second homes) and the changes to the way mortgage interest tax relief is treated, which means for some landlords they may end up with a higher tax bill than profit they have actually made.

The result of this trend is that due to stock shortages, properties are being rented to the highest bidders, typically the wealthier tenant, raising rents beyond their traditional +/-4-5% trend.

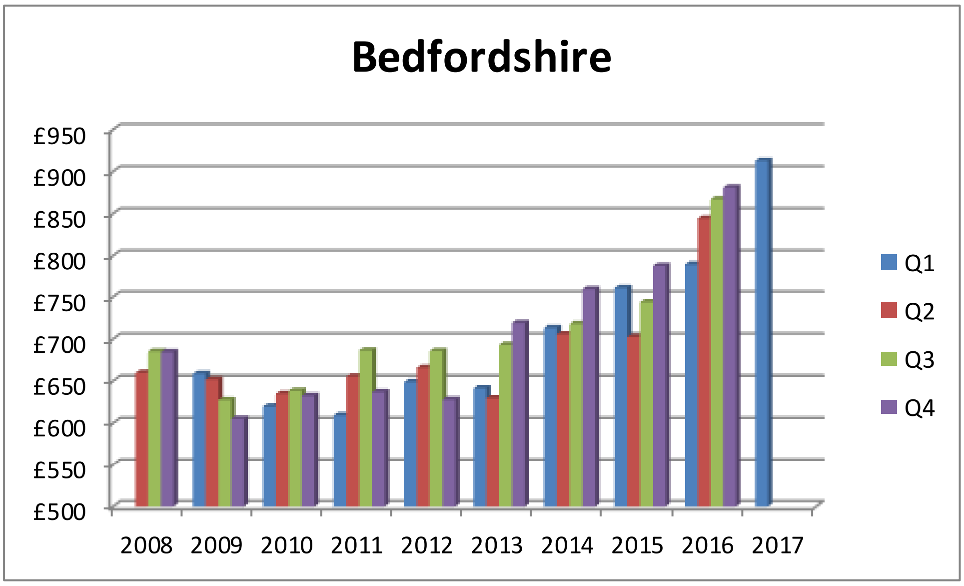
Of the offices we contact with higher than normal rental increases, we received the following feedback:-

HMOs: Guildford, Bedford, Newcastle under Lyme and Northwich, Swindon

Premium properties: Ipswich, Cheltenham, Milton Keynes, Melton Mowbray, Swindon, Maidenhead, Plymouth, Harrogate, Bury St Edmonds, Cheltenham

Lack of stock: Christchurch, Leicester Central, Ipswich, Cheltenham, Milton Keynes, Northwich, Devizes

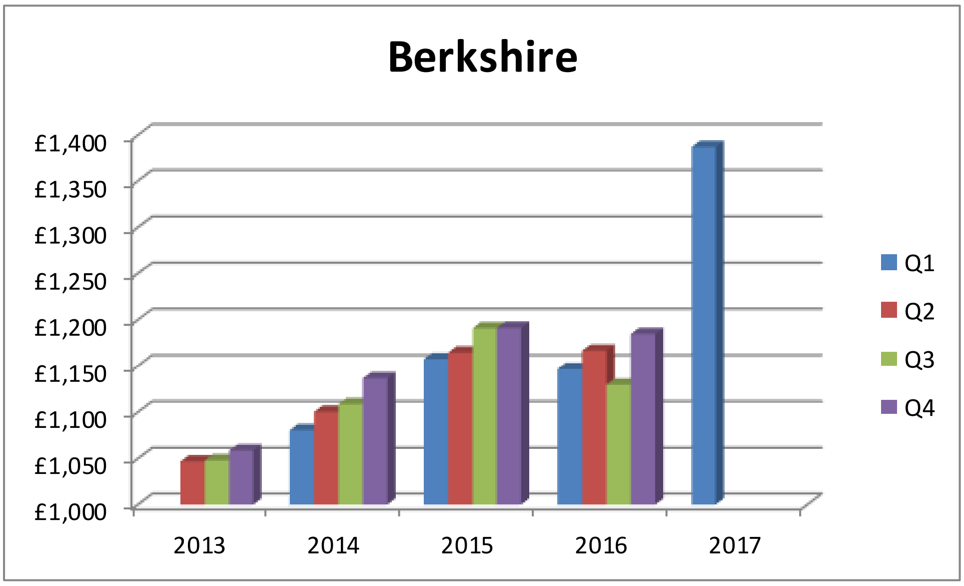
Bedfordshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Bedfordshire	£ 913	£ 790	15.57%	£ 846	7.92%	£ 67

The Bedford office report increasing rents for all types of property and expect rents to continue to rise over the next quarter. A rise in the number of HMOs has also artificially raised advertised average rents, coupled with low stock levels and high demand. *For an analysis on developing rental trends, please see Page 13.*

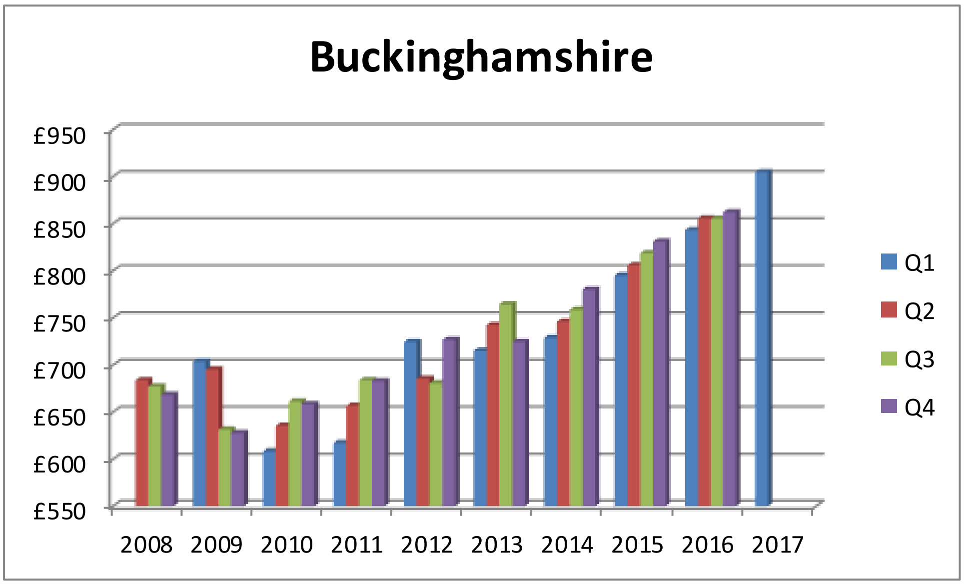
Berkshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Berkshire	£ 1,387	£ 1,147	20.92%	£ 1,157	19.88%	£ 230

The higher than average rent for Q1 2017 is chiefly due to the Maidenhead office advertising a number of premium properties with much higher than average asking rents. The Maidenhead office also reports that rents for flats are levelling out due to good stock levels. Rents in Newbury and Bracknell remain fairly static.

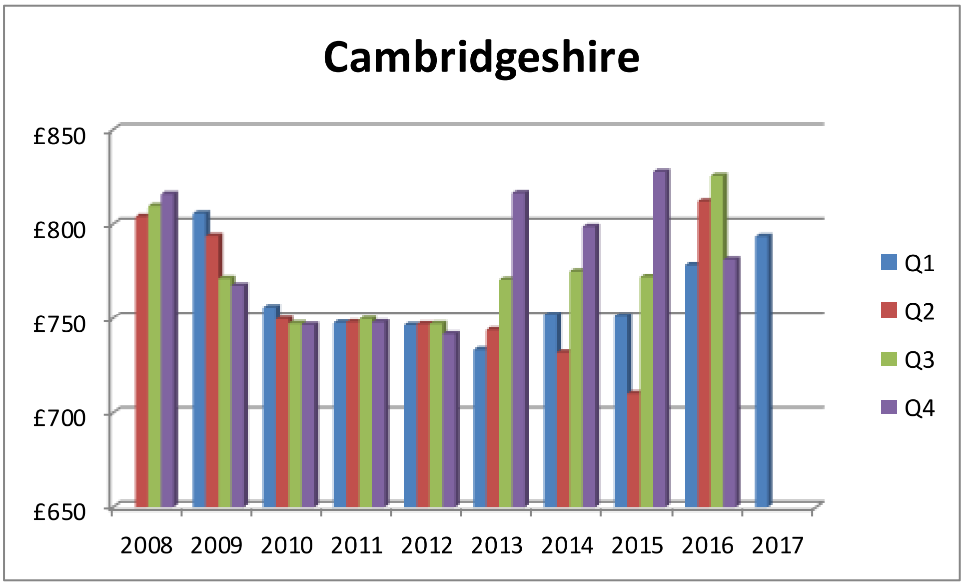
Buckinghamshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Buckinghamshire	£ 905	£ 843	7.35%	£ 854	5.97%	£ 51

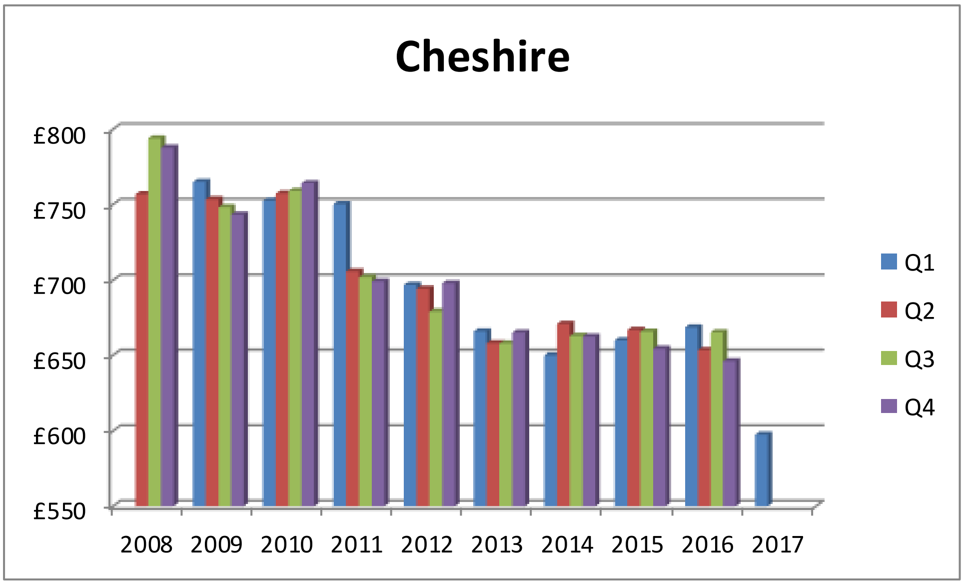
The only office in Buckinghamshire is Belvoir Milton Keynes, who report increasing rents on two/three bed houses and one/two bed flats, plus the addition of several new properties at the higher end of the market, is driving the increase. Tenant demand is also rising coupled with a lack of available properties. Please *see* *Page 13 for information on emerging trends.*

Cambridgeshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Cambridgeshire	£ 794	£ 778	2.06%	£ 799	-0.63%	-£ 5

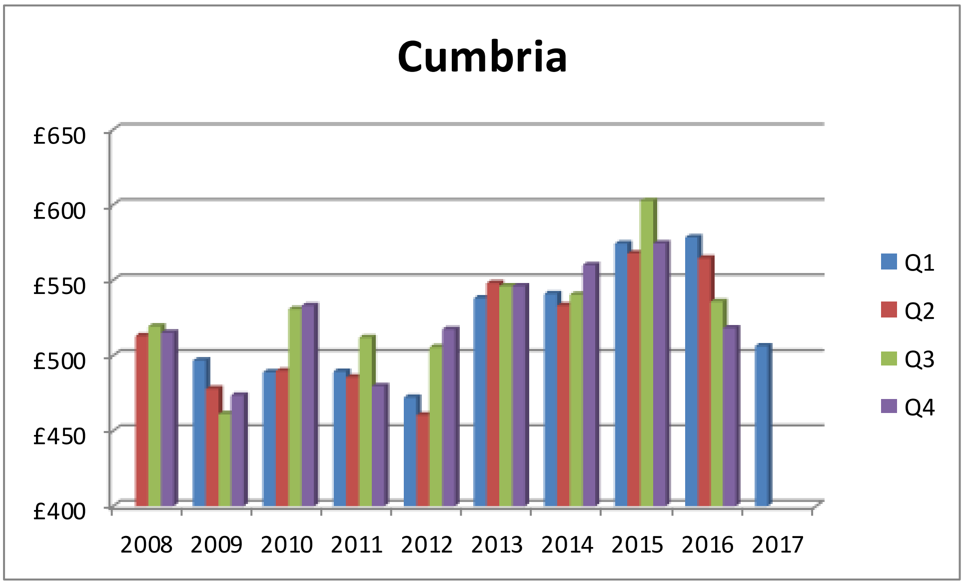
Cheshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Cheshire	£ 598	£ 668	-10.48%	£ 658	-9.12%	-£ 60

The reported data for Q1 2017 is not a true reflection of what's actually happening in the county. The Northwich office report their average rent is £740 pcm. They have quite a few HMOs but less new property stock coming through so this is putting upward pressure on prices. Belvoir Chester report static rents for all properties with the exception of one bed flats, which have decreased over the last quarter, with no change to tenant demand for flats, but an increase in demand for houses. *Further analysis of developing rental trends can be found on Page 13.*

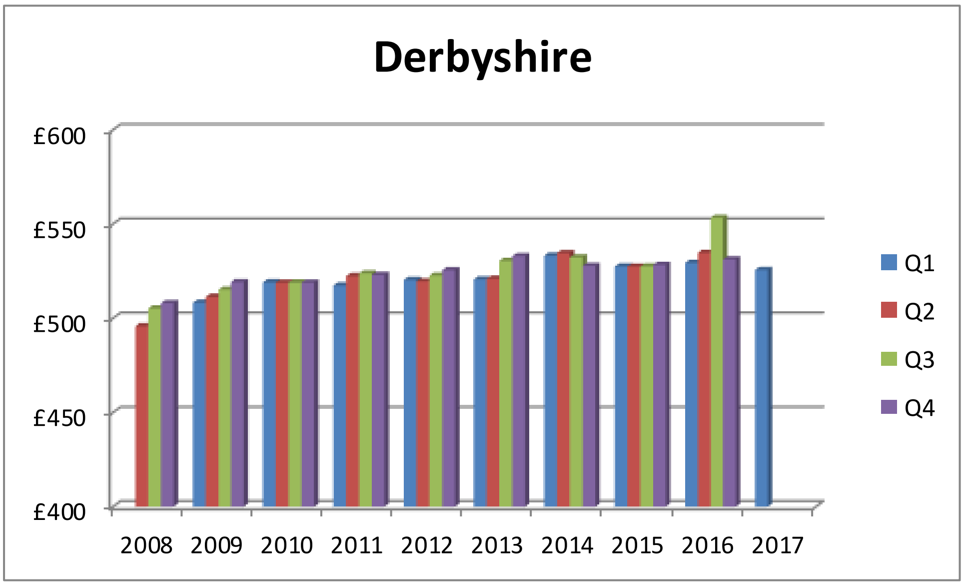
Cumbria



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Cumbria	£ 506	£ 579	-12.61%	£ 549	-7.83%	-£ 43

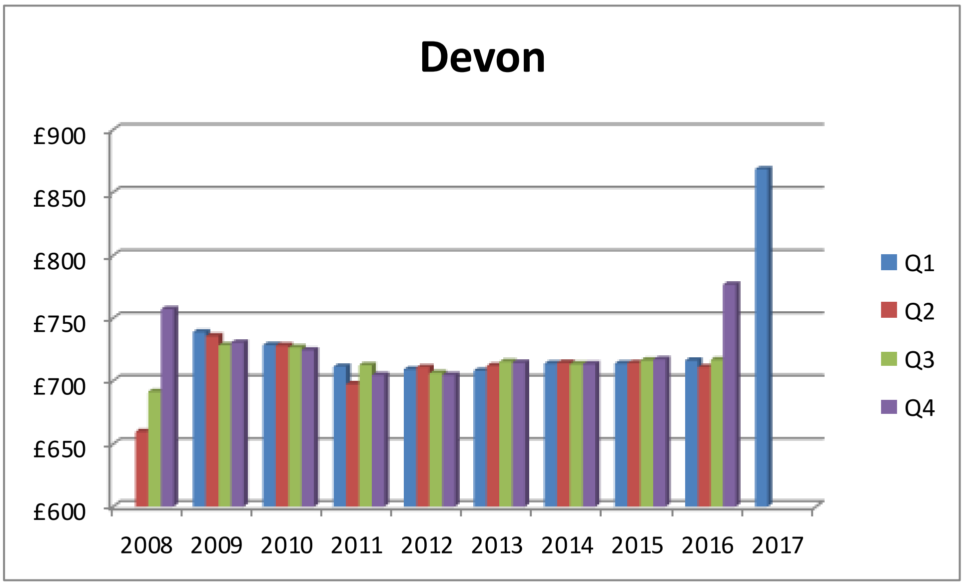
Whitehaven is the only office in Cumbria, and the reduced rental averages versus 2016 are due to the loss of the Cockermouth office. Furthermore, a high proportion of Whitehaven's properties have asking rents below £500 per month.

Derbyshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Derbyshire	£ 526	£ 529	-0.57%	£ 537	-2.05%	-£ 11

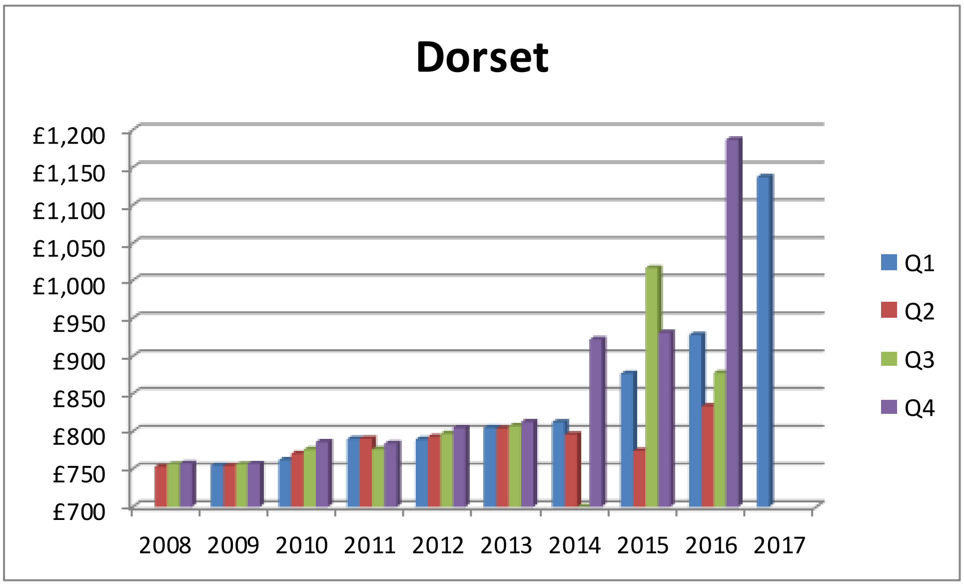
Devon



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Devon	£ 868	£ 716	21.23%	£ 730	18.90%	£ 138

Devon consists of just one office - Plymouth. Rents in Plymouth normally average around £720, and the irregular increase in Q1 2017 is due to a few higher than average priced properties over this time.
Additional data on developing rental trends can be found on Page 13.

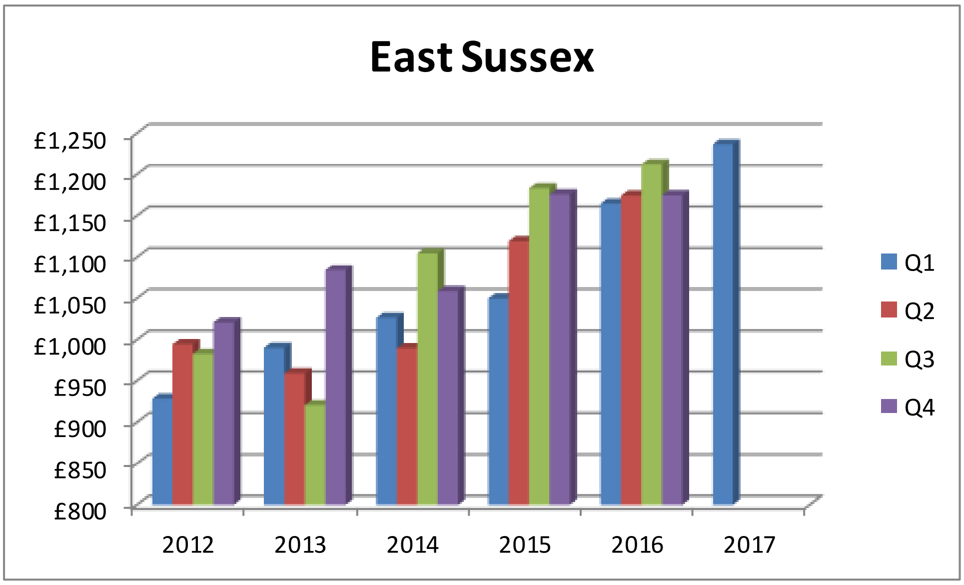
Dorset



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Dorset	£ 1,137	£ 928	22.52%	£ 962	18.19%	£ 175

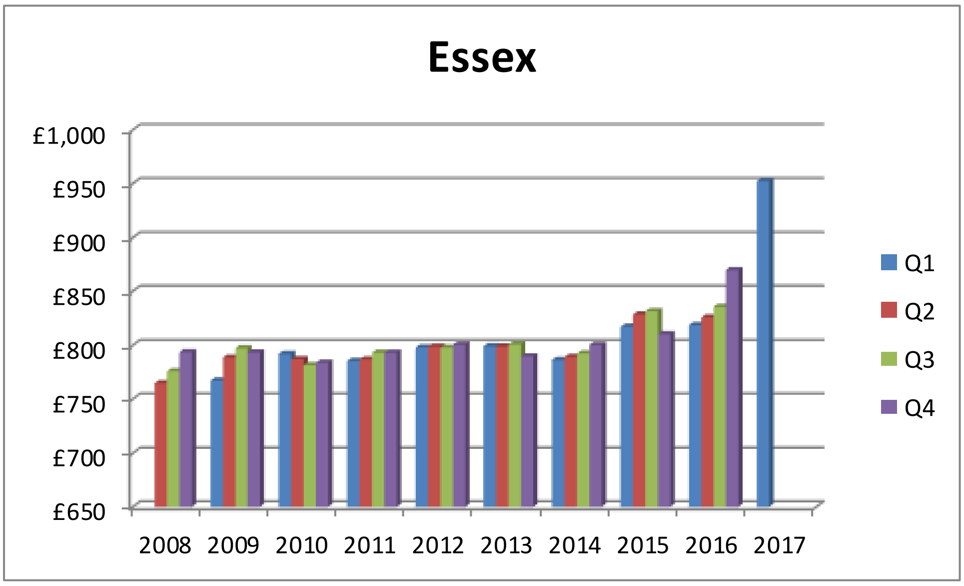
Christchurch is the only office in Dorset and due to the mix of property styles and sizes, can cause average rents to appear inconsistent. The Christchurch office reports increasing rents across the board, with four bed detached houses having the highest increases. There is high tenant demand, particularly for smaller houses, coupled with a lack of stock, and are expecting rents to increase further over the next quarter. *Developing rental trends are detailed further on Page 13.*

East Sussex



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
East Sussex	£ 1,236	£ 1,164	6.19%	£ 1,181	4.66%	£ 55

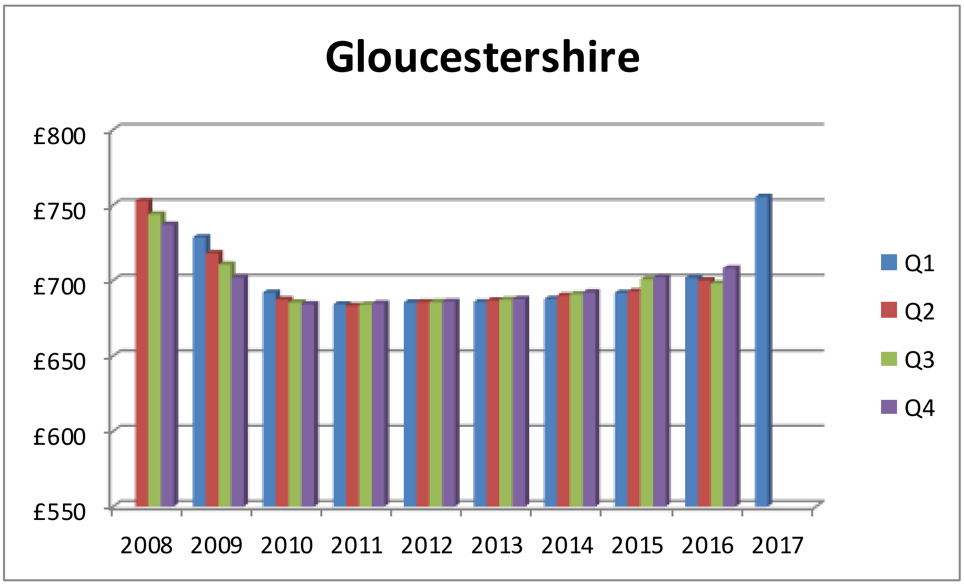
Essex



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Essex	£ 952	£ 819	16.24%	£ 837	13.74%	£ 115

The higher rental average in Essex are mainly due to increasing rents in Harlow on all types and sizes of property, and they report that the highest rises are on 2-4 bed properties. The Harlow office also reports low property stock and are expecting tenant demand to increase over the next quarter. *See Page 13 for further analysis on emerging rental trends.*

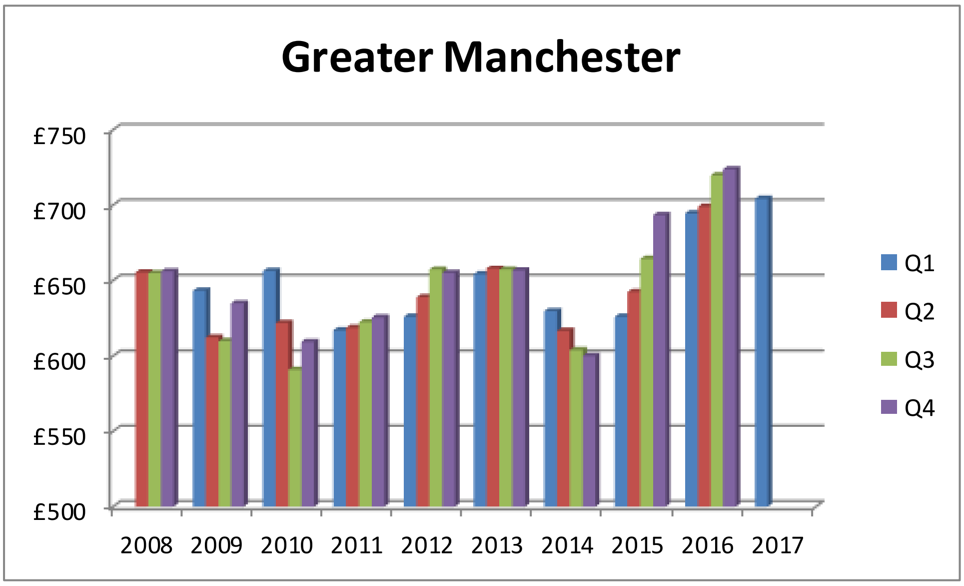
Gloucestershire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Gloucestershire	£ 755	£ 702	7.55%	£ 702	7.55%	£ 53

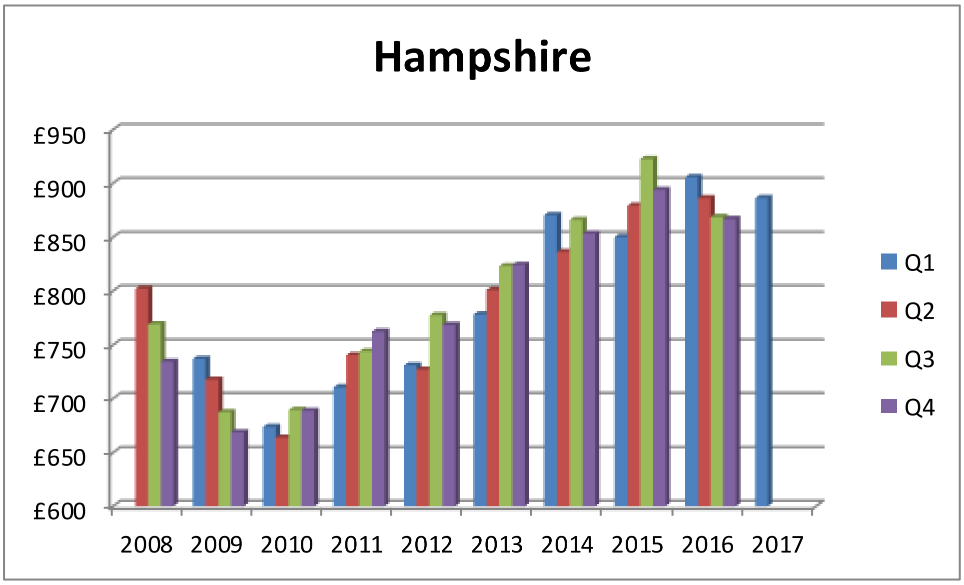
The Cheltenham office report increasing rents on houses due to a shortage of stock, and taking on a couple of higher value properties inflating the average advertised rent. Rents in Gloucester remain fairly stable. *See Page 13 for more details on developing rents trends.*

Great Manchester



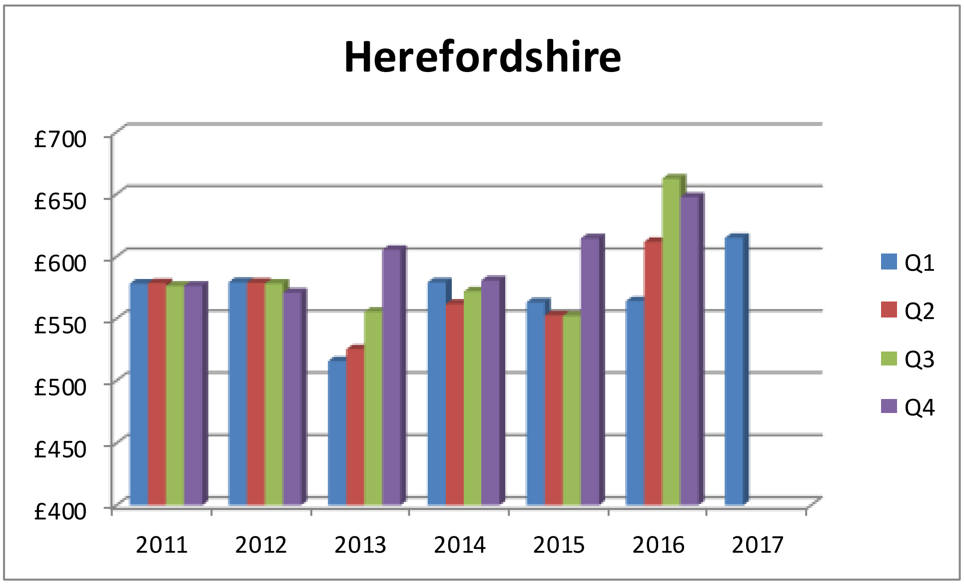
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Greater Manchester	£ 704	£ 695	1.29%	£ 709	-0.71%	-£ 5

Hampshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Hampshire	£ 886	£ 906	-2.21%	£ 882	0.45%	£ 4

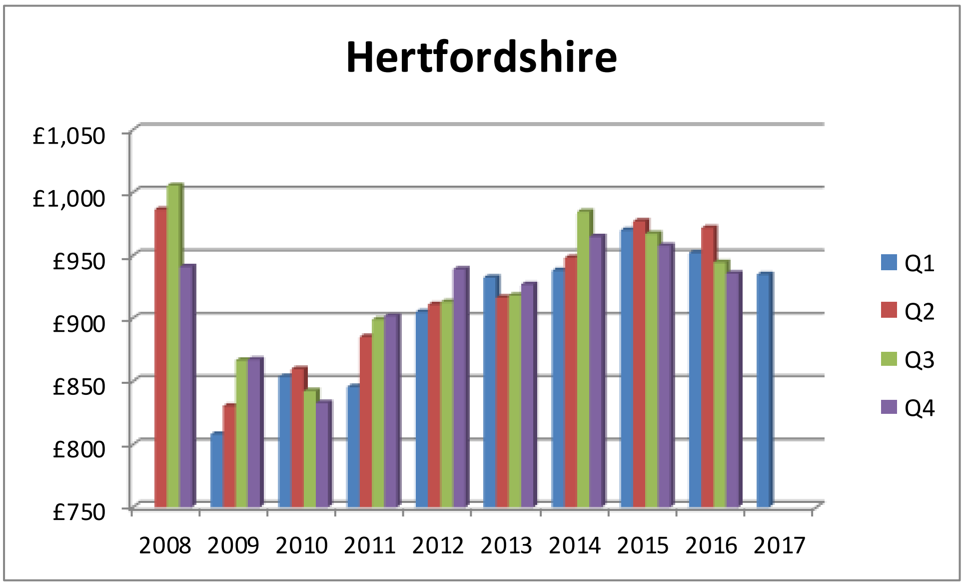
Herefordshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Herefordshire	£ 615	£ 564	9.04%	£ 622	-1.13%	-£ 7

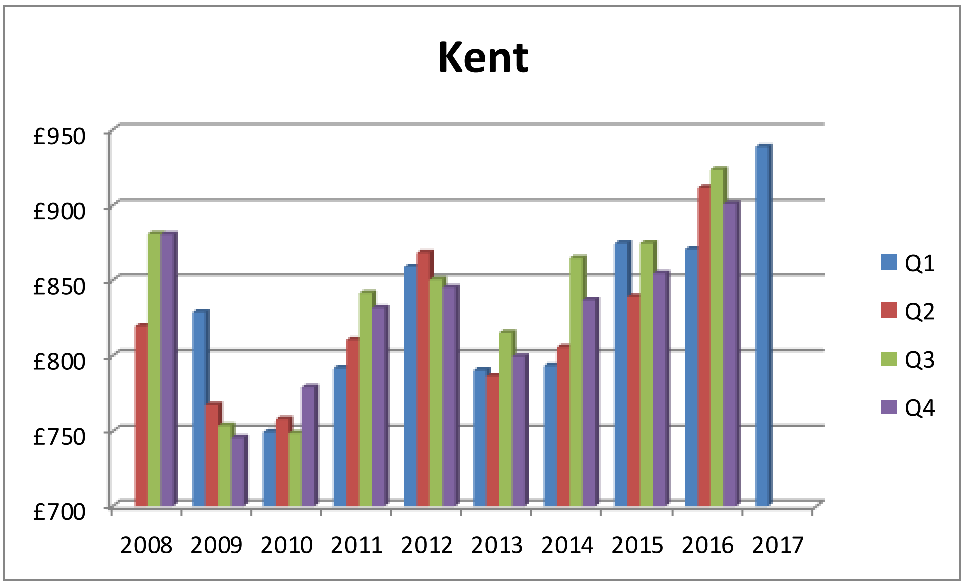
Rental rises can be exaggerated due to the addition of some higher end properties. When compared to the annual average, this is about on par and a more robust reflection of rental trends.

Hertfordshire



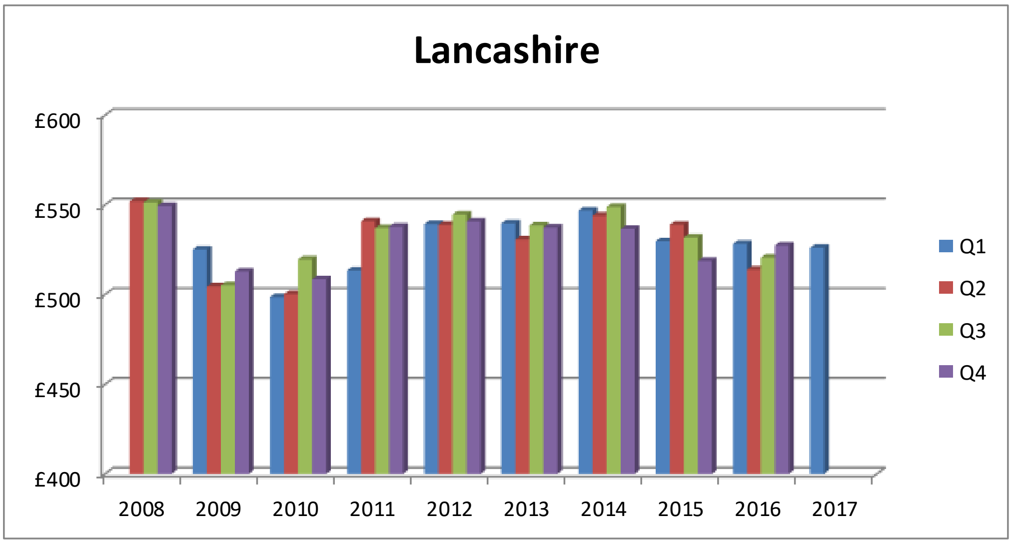
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Hertfordshire	£ 935	£ 952	-1.79%	£ 951	-1.68%	-£ 16

Kent



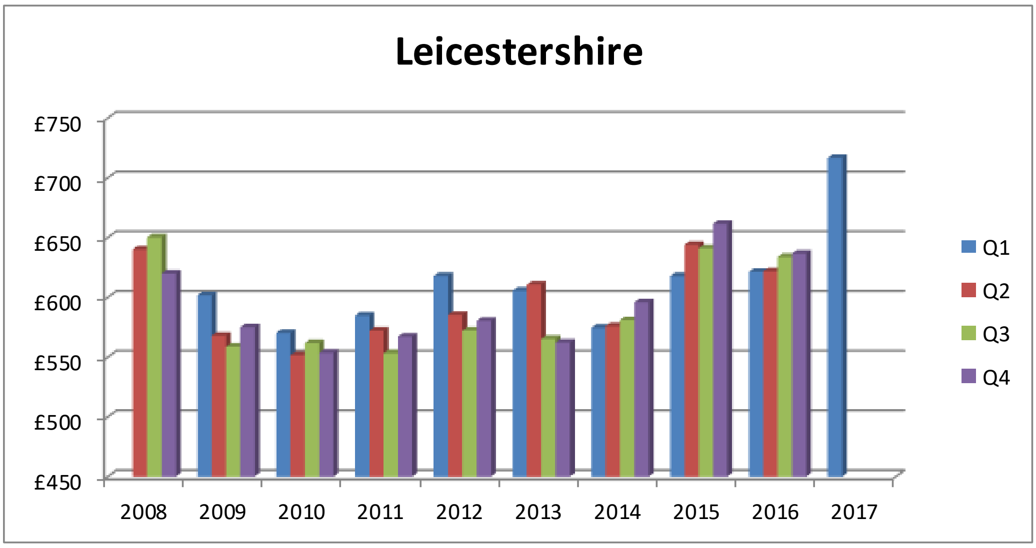
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Kent	£ 939	£ 871	7.81%	£ 902	4.10%	£ 37

Lancashire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Lancashire	£ 526	£ 528	-0.38%	£ 523	0.57%	£ 3

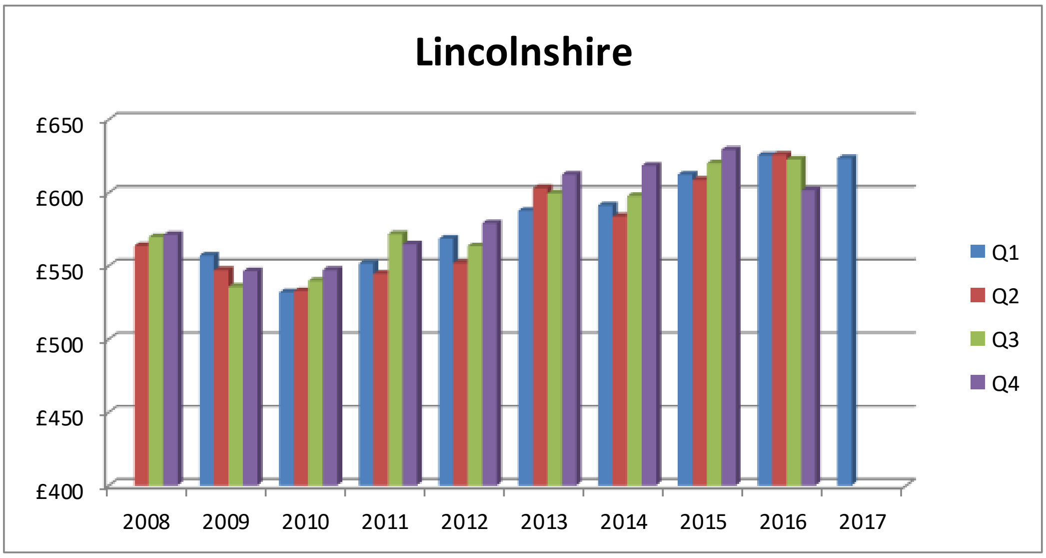
Leicestershire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Leicestershire	£ 717	£ 621	15.46%	£ 628	14.17%	£ 89

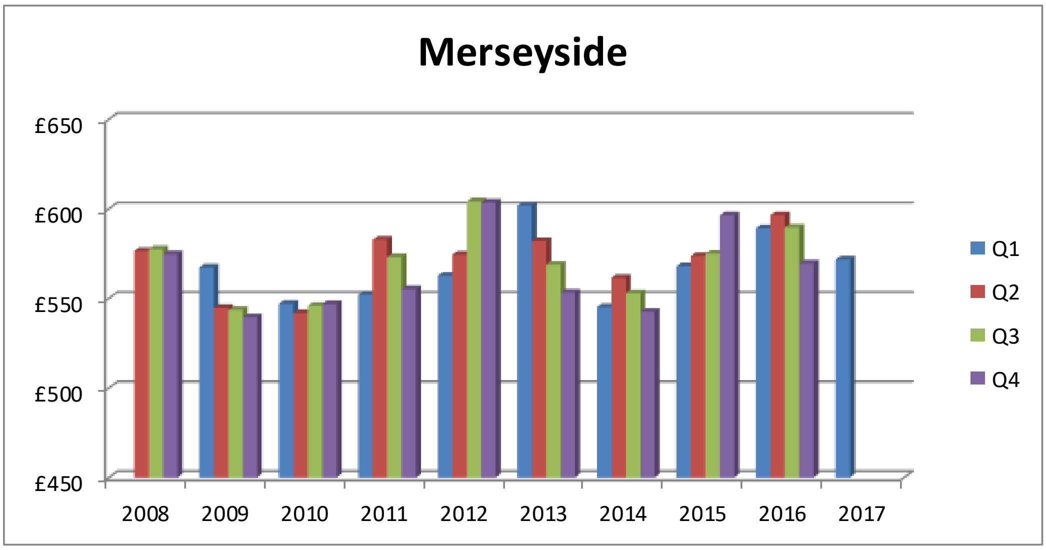
The apparent uplift in rental averages for Q1 2017 is predominantly due to the Melton Mowbray office advertising a few larger properties with higher than average asking rents, coupled with increasing rents across the board and a lack of stock. Leicester Central have also reported a shortage of rental properties. *Read about emerging rental trends on Page 13.*

Lincolnshire



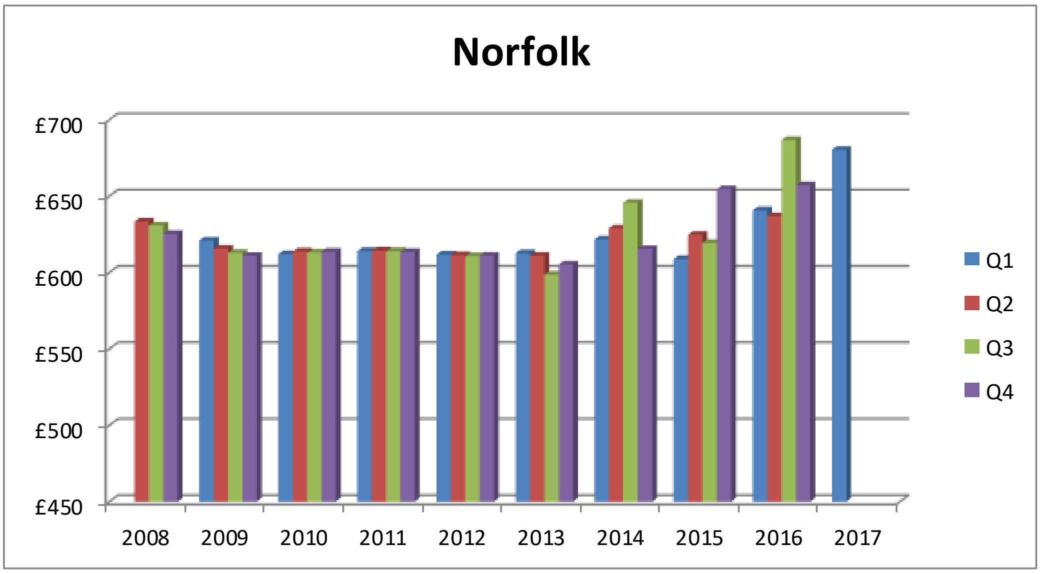
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Lincolnshire	£ 623	£ 625	-0.32%	£ 619	0.65%	£ 4

Merseyside



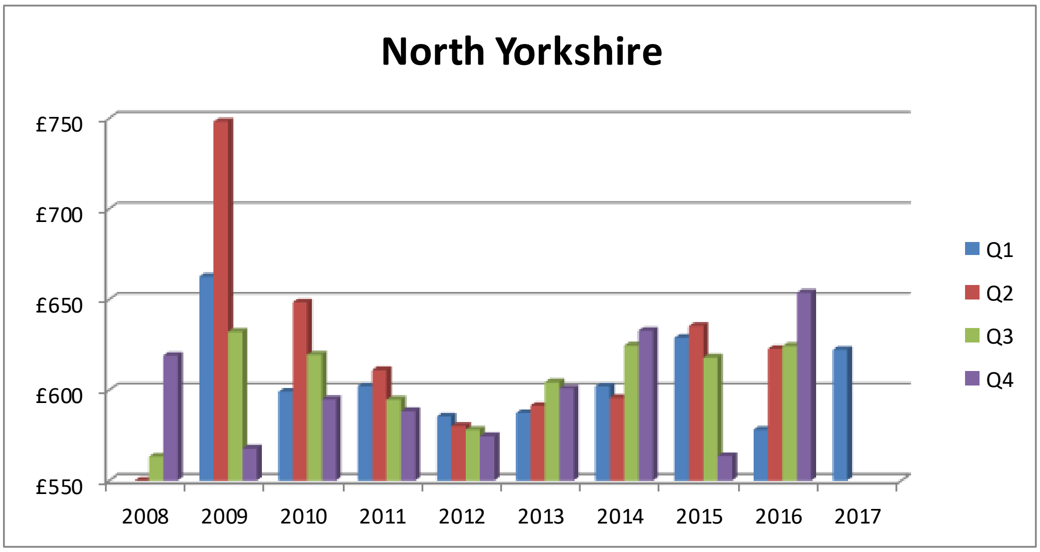
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Merseyside	£ 572	£ 589	-2.89%	£ 586	-2.39%	-£ 14

Norfolk



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Norfolk	£ 680	£ 641	6.08%	£ 655	3.82%	£ 25

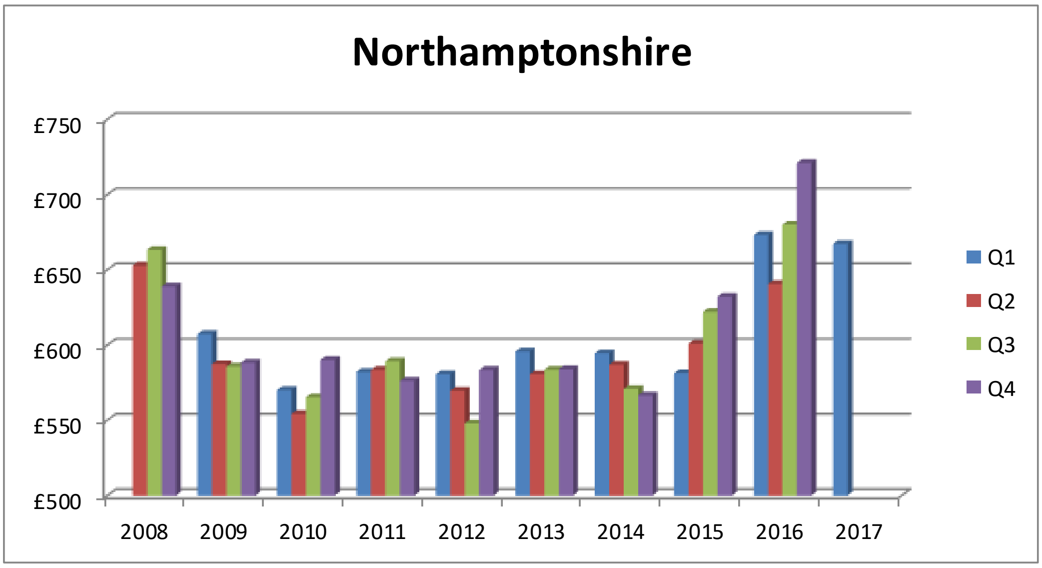
North Yorkshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
North Yorkshire	£ 622	£ 578	7.61%	£ 621	0.16%	£ 1

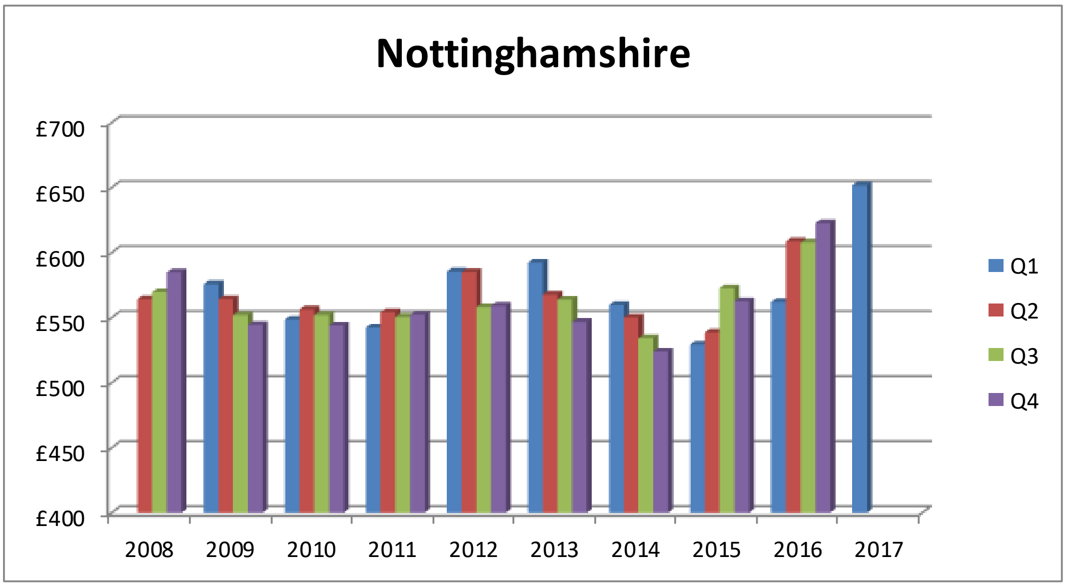
The anomaly in the rental figures is due to the loss of the York office in the latter part of 2015, which had average rents of around £825 and the Q1 2017 average is versus a very low base Q1 2016. However, a more robust trend is comparing to the 2016 annual average, where there is an overall difference of just £1.

Northamptonshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Northamptonshire	£ 667	£ 673	-0.89%	£ 679	-1.77%	-£ 12

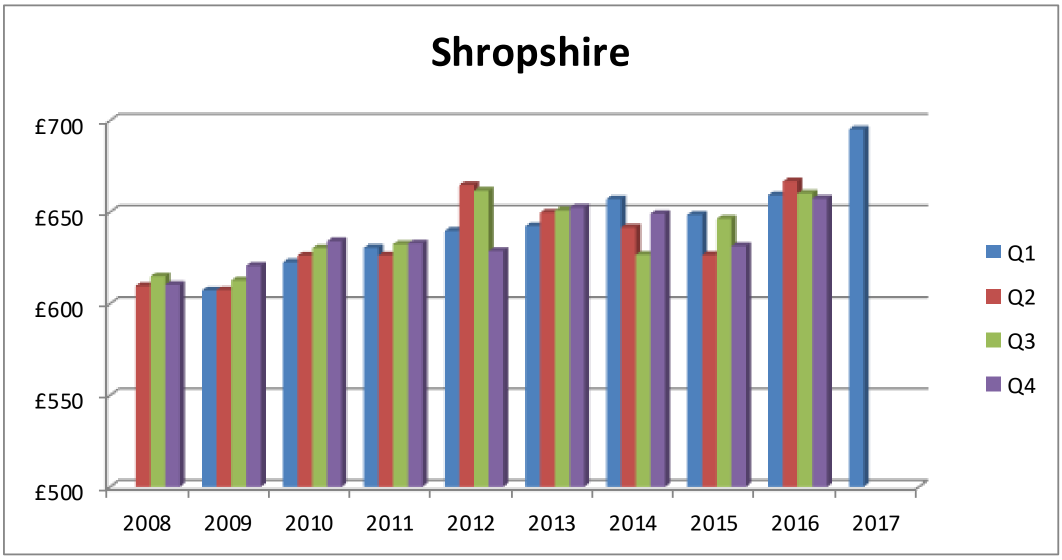
Nottinghamshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Nottinghamshire	£ 652	£ 562	16.01%	£ 600	8.67%	£ 52

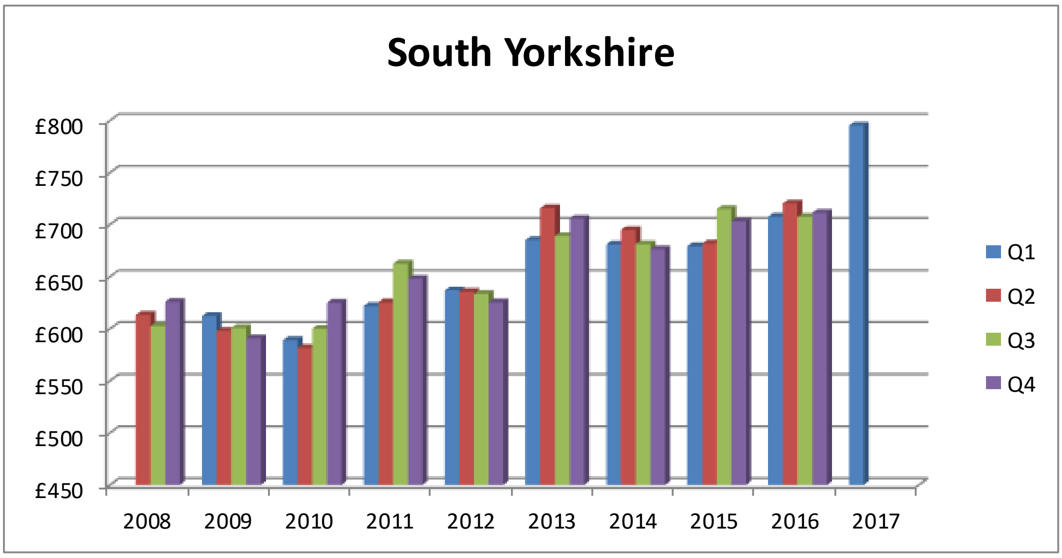
Belvoir Newark report rental increases for one to four bed properties, coupled with a shortage of two to four bed houses and expect further rent rises over the next quarter together with increased tenant demand. The Nottingham Central and West office report increasing rents for three bed flats, with higher increases for two bed flats/houses and three bed semi/terraced houses and expect a further uplift in rents for houses. *Please see Page 13 for further data on rental trends emerging.*

Shropshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Shropshire	£ 695	£ 659	5.46%	£ 661	5.14%	£ 34

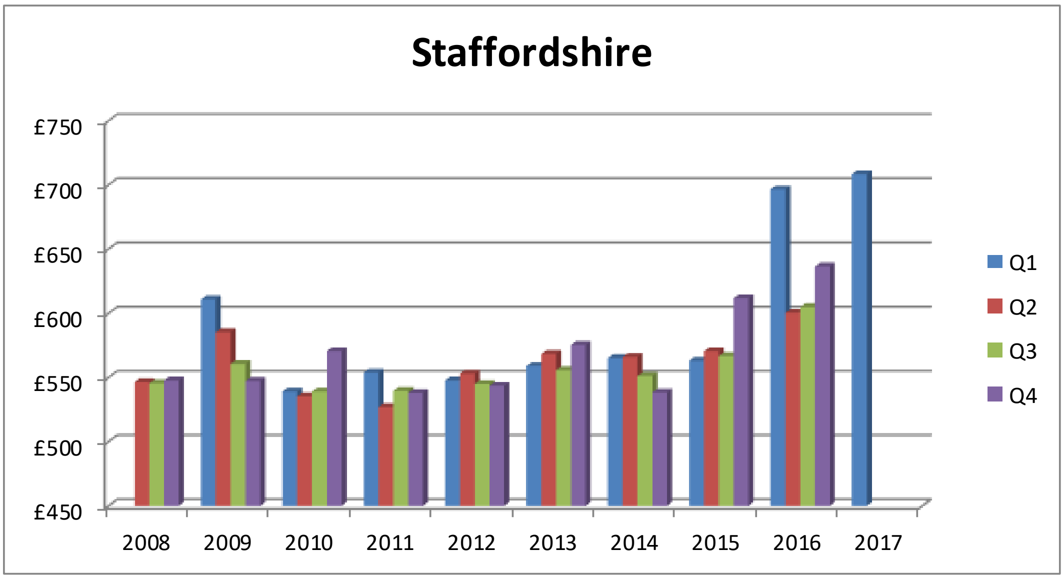
South Yorkshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
South Yorkshire	£ 795	£ 708	12.29%	£ 712	11.66%	£ 83

The Harrogate office reports that a number of higher end properties were on the market with above average asking rents, which has exaggerated the rental rise. *Further rental trend analysis can be found on Page 13.*

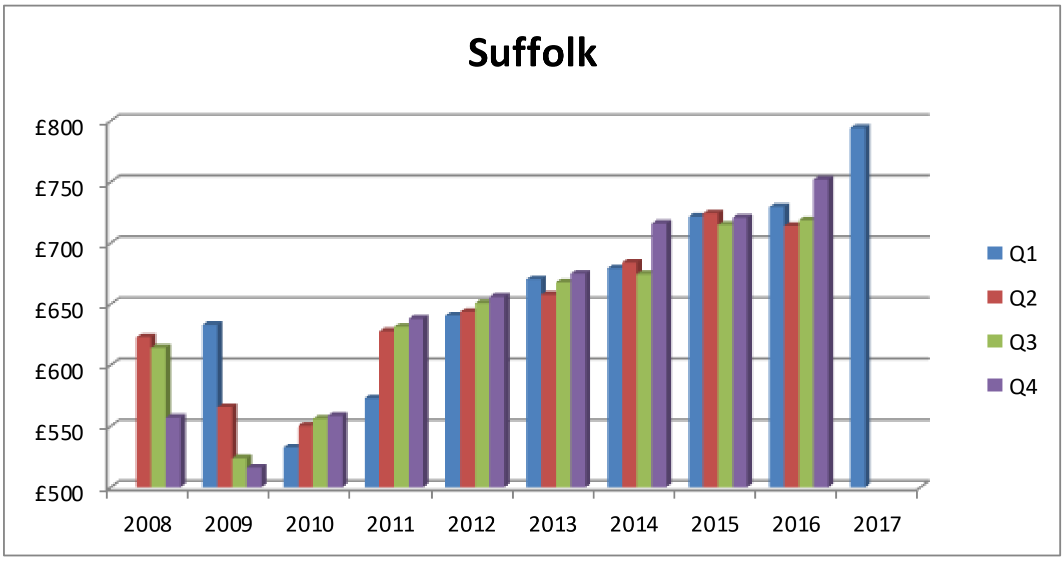
Staffordshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Staffordshire	£ 708	£ 696	1.72%	£ 635	11.50%	£ 73

The higher average rents for Staffordshire in Q1 2017, particularly versus the 2016 annual average is mainly down to the mix of property in Newcastle under Lyme, including a large number of HMOs due to Keele University's expansion, which advertise weekly rents, skewing the figures. Belvoir Lichfield reported increasing rents across the board together with tenant demand increasing for houses. Stafford, Stone and Lichfield also report rental increases during Q1 2017.

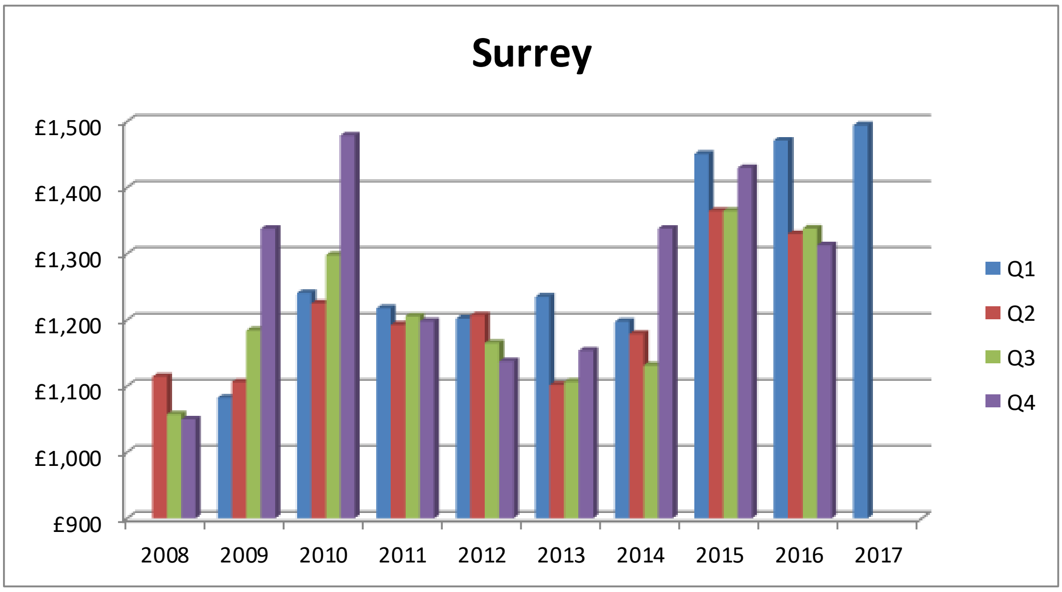
Suffolk



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Suffolk	£ 794	£ 730	8.77%	£ 729	8.92%	£ 65

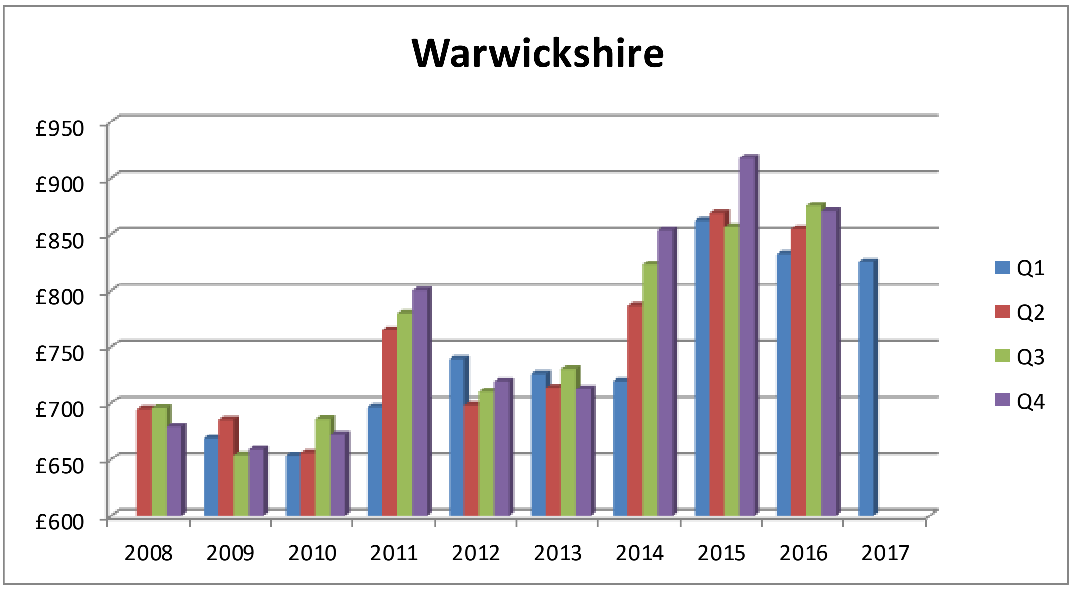
The Ipswich office report rental increases on a number of types of property, particularly two and three bed houses, where there is a shortage. They have also taken on a number of larger properties with above average asking rents. Bury St Edmunds reported a larger number of high end properties being advertised, for which there is strong demand and are renting quickly. *Further information can be found on developing rental trends in the area on Page 13.*

Surrey



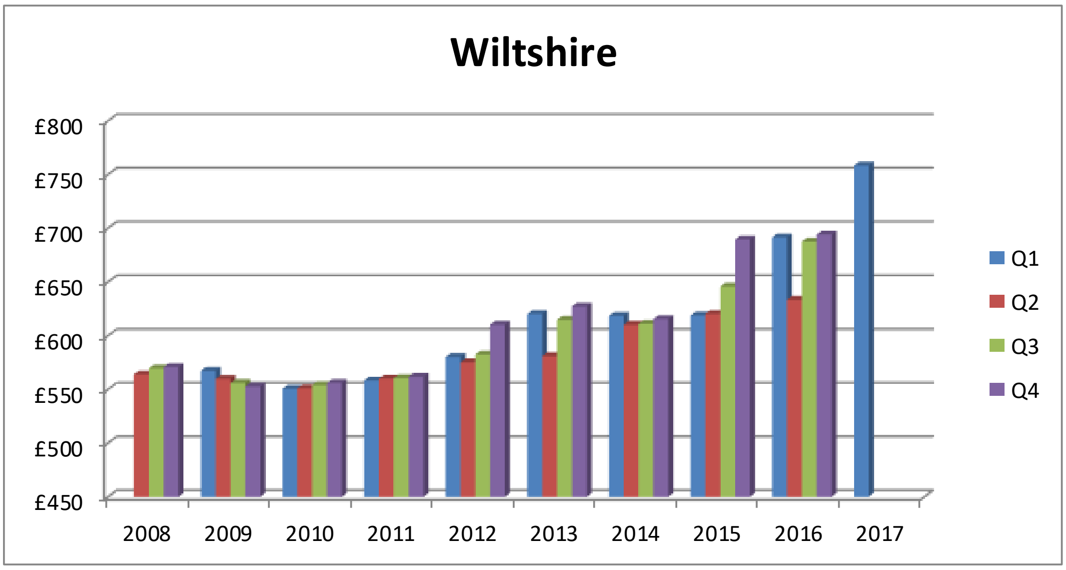
County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Surrey	£ 1,494	£ 1,471	1.56%	£ 1,363	9.61%	£ 131

Warwickshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Warwickshire	£ 826	£ 832	-0.72%	£ 858	-3.73%	-£ 32

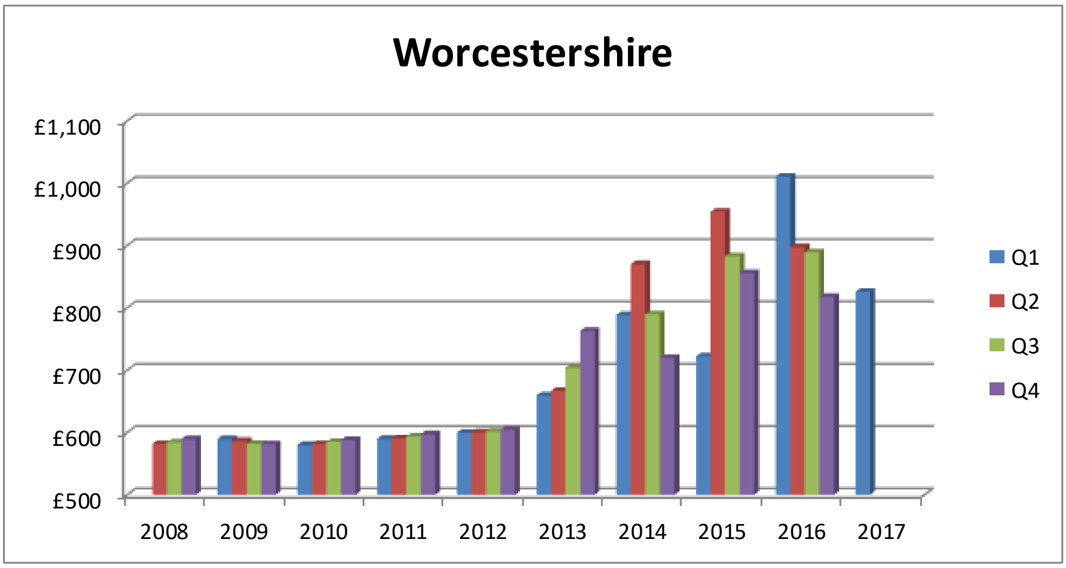
Wiltshire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Wiltshire	£ 758	£ 691	9.70%	£ 677	11.96%	£ 81

Belvoir Swindon reports an increase in HMOs being advertised, together with premium properties at a higher than average rent. The Devizes office reports there is such a huge demand for two bed houses, the average rent has increase substantially over the last year. Rents have also increased for two bed flats. *Additional information on emerging rental trends can be found on Page 13.*

Worcestershire



County	Average Rent in Q1 2017	Average Rent in Q1 2016	Q1 2017 vs Q1 2016 Average	2016 Annual Average Rent	Q1 2017 vs 2016 Annual Average	Q1 2017 vs 2016 Annual Average
Worcestershire	£ 826	£ 1,011	-18.30%	£ 904	-8.63%	-£ 78

Belvoir Evesham reported rents are generally on the increase and the apparent decrease in rents is likely due to a larger number of smaller properties being advertised with lower asking rents.

Appendix

Belvoir Rental Index 2008 to 2017

Over the last nine 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 eight years

This is an analysis of rents across offices which have consistently traded across the seven 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 over 140 offices from 2008 to 2017.
2. All offices which have traded via the Belvoir brand over the last seven 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.