

BELVOIR!

the lettings specialist

December 2014
(Q4 14)

Rental Index

Contents

BELVOIR RENTAL INDEX DECEMBER 2014: TOP 10 REPORT HIGHLIGHTS	3
NATIONAL RENTAL TRENDS	4
<i>Summary for Scotland</i>	5
<i>Summary for England</i>	6
<i>Summary for Wales</i>	8
<i>Summary for Northern Ireland</i>	7
BELVOIR REGIONAL RENTAL TRENDS	11
<i>East Anglia</i>	11
<i>East Midlands</i>	13
<i>London</i>	15
<i>North East</i>	16
<i>North West</i>	17
<i>South East</i>	18
<i>South West</i>	19
<i>West Midlands</i>	20
<i>Yorkshire</i>	21
BELVOIR RENTAL TRENDS BY COUNTY	22
APPENDIX	39

Belvoir Rental Index December 2014 (Q4): Top 10 Report Highlights

1. The average rent for Q4 2014 across England is £706 per month, for offices which have traded consistently over the last six years, a year on year increase of 3%.
2. The average monthly rent recorded in the UK for all offices, including new offices, for Q4 2014 is £746, which is a year on year rise of 4%.
3. Rents remain relatively stable for the majority of offices in Scotland during Q4 2014, with good tenant demand.
4. In Wales, the average rent for Q4 2014 is £648 per month, with is a year on year increase of 2.5%.
5. Increasing rents for good quality properties, together with continued strong tenant demand in Northern Ireland during Q4 2014.
6. The areas where rents are yet to recover to the 2008 heights during Q4 2014 are the North West, East Midlands and East Anglia.
7. In Q4 2014, average rents in the North East now exceed the high of 2008.
8. Rents exceed the 2008 heights for Q4 2014 in London, West Midlands, South East and South West.
9. There are 15 counties where Belvoir has been trading since 2008 that show average rents are yet to recover to the heights of 2008, including Leicestershire, Nottinghamshire and Northamptonshire.
10. The number of counties that now exceed the rental heights of 2008 in Q4 2014 is 16, these include Surrey, Hampshire and Derbyshire.

National Rental Trends

In England, for all offices which have been trading consistently over the last six years, there was a year on year increase of 3% in the Q4 2014 average rent of £706, versus the Q4 2013 average of £686. Over the last twelve months, rents in England have shown fairly steady growth.

Comparing the Q4 2014 average rent of £706 to the Q3 2014 rent of £693, there has been a small increase of just under 2%. Rents in England have now reached the heights seen in Q3 2008, and exceed this level by £4.

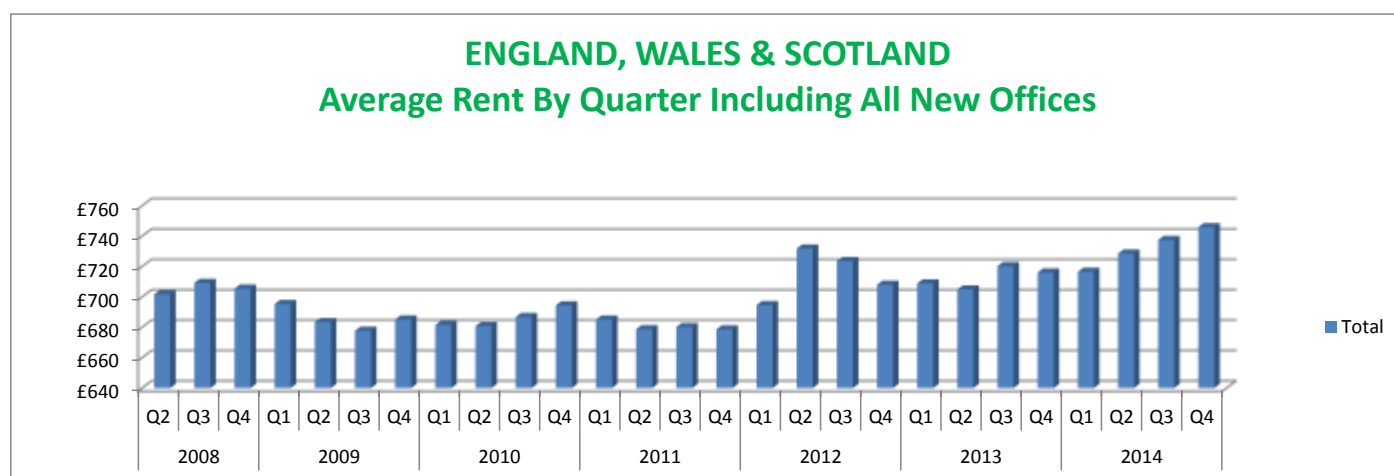
Chart showing the national rental trends for the last six years over consistently trading offices



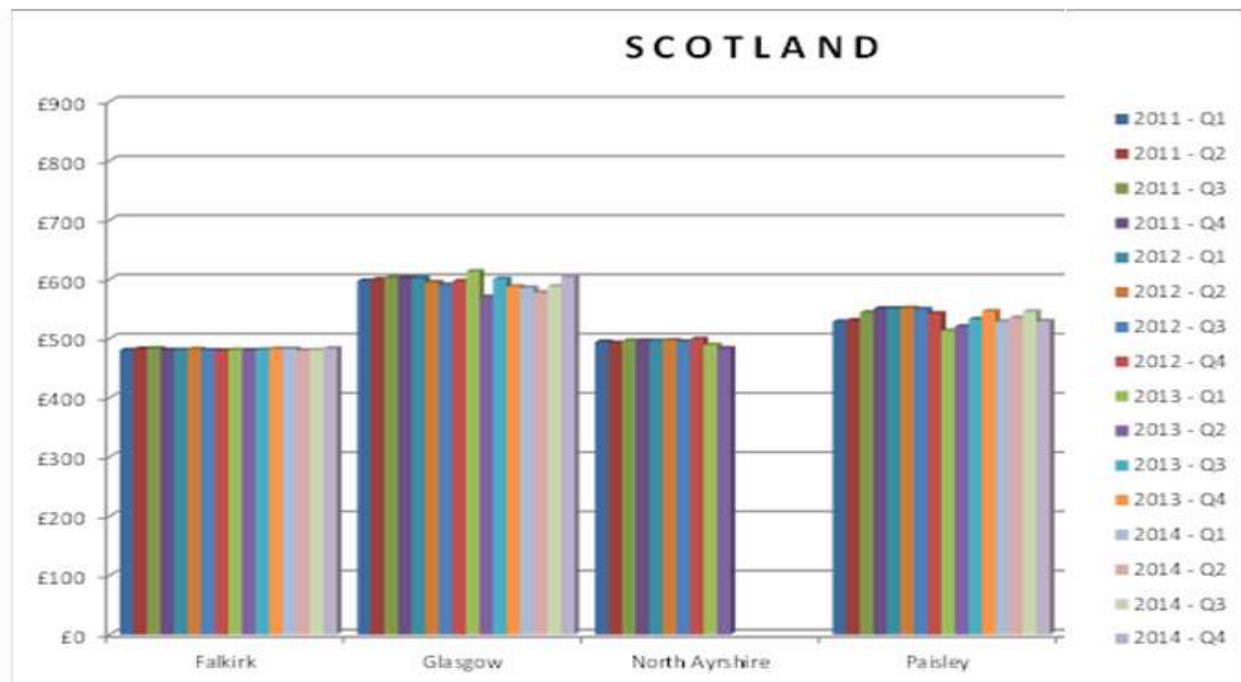
In England, Wales and Scotland, for all offices, including new Belvoir offices, the average monthly rent for Q4 2014 is £746. Year on year, this shows an increase of just over 4% versus the Q4 2013 average of £716 per month. The majority of this rise is due to new offices which have average rents higher than Belvoir's previous average.

Comparing the Q4 2014 average rent to the Q3 2014 average monthly rent of £737, this shows a very slight rise of just under 1.25%. Versus the 2014 annual average rent of £732, this also shows a small overall increase of around 2%, indicating steady rental growth during the year.

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



Summary for Scotland



The majority of offices in Scotland have, overall, experienced relatively stable rents during 2014.

Falkirk

In Falkirk, average monthly rents continue to remain stable, with a monthly average rent of £483 for Q4 2014. This is only a slight increase of £3 compared to the Q3 2014 average and only a £1 increase versus Q4 2013 (*for two bed flats*). There has been no change in the annual average rent for 2014 versus the 2013, remaining at £481 per month.

City of Glasgow

The average rent for Q4 2014 is £604 per month, which compared to the Q3 2014 rent of £587, shows a small rise of around 3%. Versus the Q4 2014 average rent of £587, this also indicates a small year on year rise of 3%. The annual average monthly rent for Glasgow in 2014 is £588, which is a very slight fall of around -0.5% compared to the 2013 annual average.

Paisley

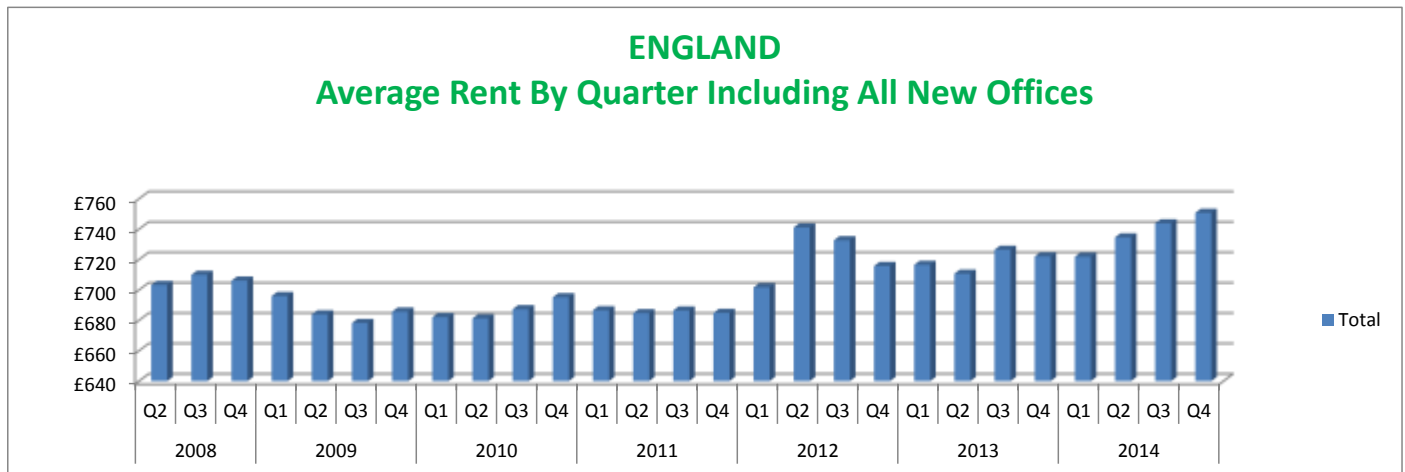
The average rent for Q4 2014 is £529 per month for Paisley, which shows a fall of around -3% compared to the Q3 2014 average rent of £545. Versus the Q4 2013 monthly average of £546, this also indicates a -3% decrease, year on year, in rental levels. The 2014 annual average rent of £534 compared to the annual average for 2013, shows a slight increase of around 1%.

Local buy-to-let expert commentary:

Sharon Walker of Glasgow reports *“Rental levels remain the same for Q4 as Q3 2014. There is good demand, particularly from people looking for 1/2 bedroom flats, but there is a lack of new stock.”*

Denise Rhodes of Paisley says *“November was our best month in 2014. House rents are moving up slightly but flats remain static due to over-supply in the market. Growth is coming from an increased market share in the territory. Houses, as always, let very easily due to under supply. Flats can take a little longer.”*

Summary for England



For all offices, including new offices, in England, the average monthly rent for Q4 2014 is £751, which is a slight increase of just under 1% when compared to the Q3 2014 average of £744. Versus the Q4 2013 monthly average rent of £722, this indicates a year on year rise of around 3%.

Comparing the 2014 annual average rent of £738 per month to the 2013 annual average of £719, this shows an increase of just over 2.5%.

The main reason for the average in England showing an increase across the group is more due to the Belvoir Group's continued expansion, with more offices being added in London and the South with higher than the current average rents. These include, Chelsea and Fulham, Kingston upon Thames, Southampton, Margate and Falmouth.

Summary for Northern Ireland

Bangor

Jackie Burns of **Bangor** reports *"There is a lack of new properties coming on the market and a number of landlords are looking to sell now the sales market has improved. Sales prices are increasing so landlords are looking to other areas to invest. Tenants seem to be staying in properties long term and we have been able to increase most of the rents this year. Older properties are struggling to rent as tenants are wanting modern, fresh properties with all the mod cons. Any properties we put on the market in good condition will rent in days."*

Newtownards

Trevor Burns of **Newtownards** comments *"There were no changes to the amount of properties we let in the last quarter of 2014 versus the same quarter 2013. Rents are still increasing, especially where properties let 2-3 years ago become vacant. The biggest problem at the moment is supply. Our stock levels are very low. Newer, more modern properties are letting well, while older, more dated ones will take longer to let."*

"Q4 is typically the period of the year when the market slows right down which I am sure is the same in many parts of the country. The market was reasonably buoyant in terms of tenant enquiries in October but as is typical, it slowed in November and pretty much ground to a halt by the second week in December."

Belfast

Andrew Jack of **Belfast** reports *"Stock levels are still lower than we would like but due to some new instructions and a number of tenants have given notice on existing properties, stock levels are improving."*

"Rent increases are really dependent on the location of the property. The second half of 2014 saw a definite upturn in demand for city centre apartments, and as a result, rents have increased. For example, it is not uncommon for a well-presented 2 bed apartment that would have achieved £650 this time last year to now be achieving £700 pcm."

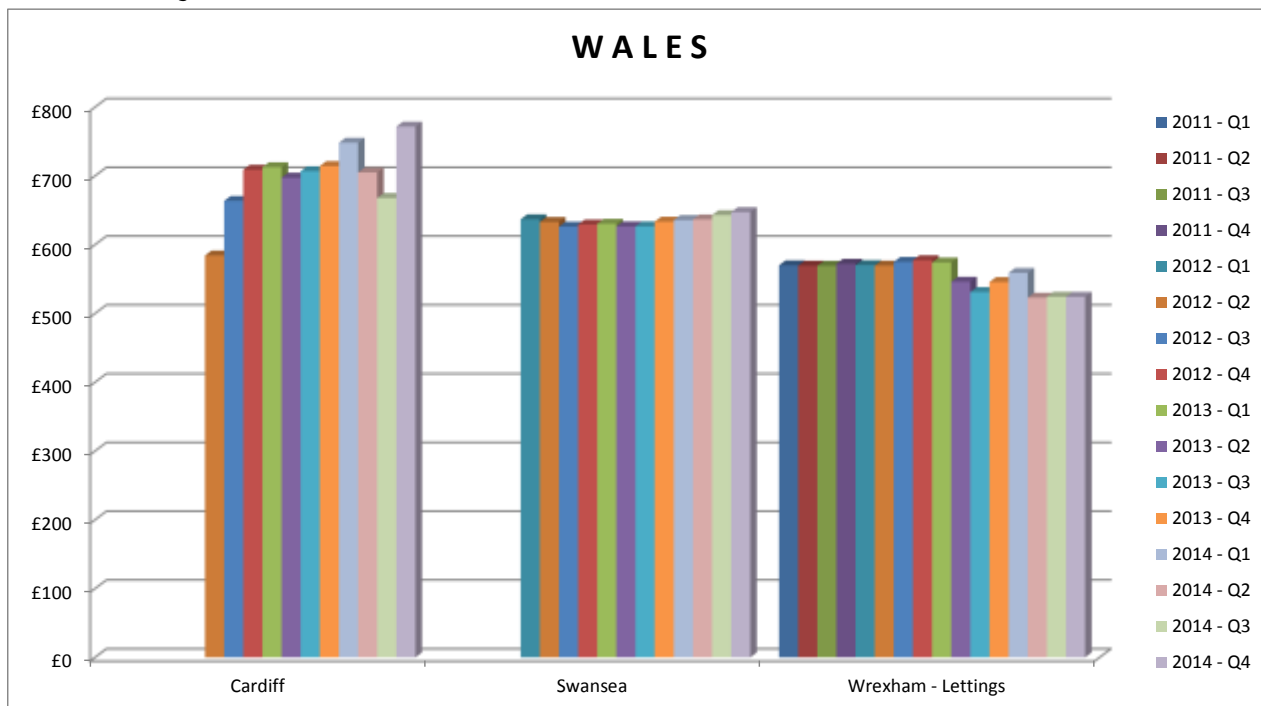
"In south Belfast, which has always been the most active area of the city in terms of rental property, a property in good condition will achieve a rent of about £25 per month higher than it would have last year. In other parts of the city the condition of the property is still a key factor and anything of marginal quality will struggle to achieve a rent on a par with last year."

"As one of life's eternal optimists I have high hopes for 2015 and certainly although we are only in the third week of January tenant demand has so far been good and we have already received a promising number of landlord enquiries and instructions."

"Property values are expected to rise in 2015 with some reports suggesting average values could rise by as much as 10-12% this year on average. This follows on from an average rise of around 8% in 2014. Prices have struggled to recover from recent lows and these price rise predictions are based on a fairly low starting point but of course anything that injects a bit of optimism into the market has to be a good thing."

"As I've been saying for what seems like ever, investors should be looking at Belfast as a place to add to their buy to let portfolio. Prices are relatively low still, yields are attractive and the prospect for capital growth over the next 5-10 years is good."

Summary for Wales



The Q4 2014 average monthly rent for Wales is £648. Compared to the Q3 2014 average rent of £612, this would indicate a rise of just under 6%. Versus the Q4 2013 average rent of £631 per month, this shows a year on year increase of around 2.5%.

Comparing the 2014 annual average rent of £632 with the 2013 annual average of £629, this shows a small overall increase of just £3.

Swansea

In Swansea, the Q4 2014 average is £647 per month, which when compared to the Q3 2014 average of £643, indicates a small increase of £4. Versus Q4 2013, with an average rent of £633, the figures indicate a small increase of just over 2%, year on year. Comparing the 2014 annual average of £641 to the annual average for 2013 of £629, this also shows a small increase of around 2%.

Local buy-to-let expert commentary:

Ben Davies of Belvoir Swansea says *"We are still seeing a lot of first time landlords coming to the market and those landlords who purchased last year are now adding a second. They are primarily focused on new build apartments or houses and are looking for professional tenants. Warrantees and guarantees from house builders are a big plus for these new landlords who are mainly made up of people in the latter stages of their career and are looking to the buy-to-let market as a viable alternative to traditional pension schemes."*

"Larger properties have been scarce although this appears to be changing slowly as we are about to list some large 4 and 5 bedroom properties in January."

"With a general election looming, we may see a little instability in the rental market but I believe as long as we continue to provide a premium service to landlord and tenants alike we should be fine."

Wrexham

The average monthly rent for Q4 2014 in Wrexham is £524, the same as the Q3 2014 average. Compared to the Q4 2013 monthly average of £546, this shows a year on year decline in rental levels of around -4%. The 2014 annual average of £533 versus the 2013 annual average rent, the figures shows a fall of around -3%.

Cardiff

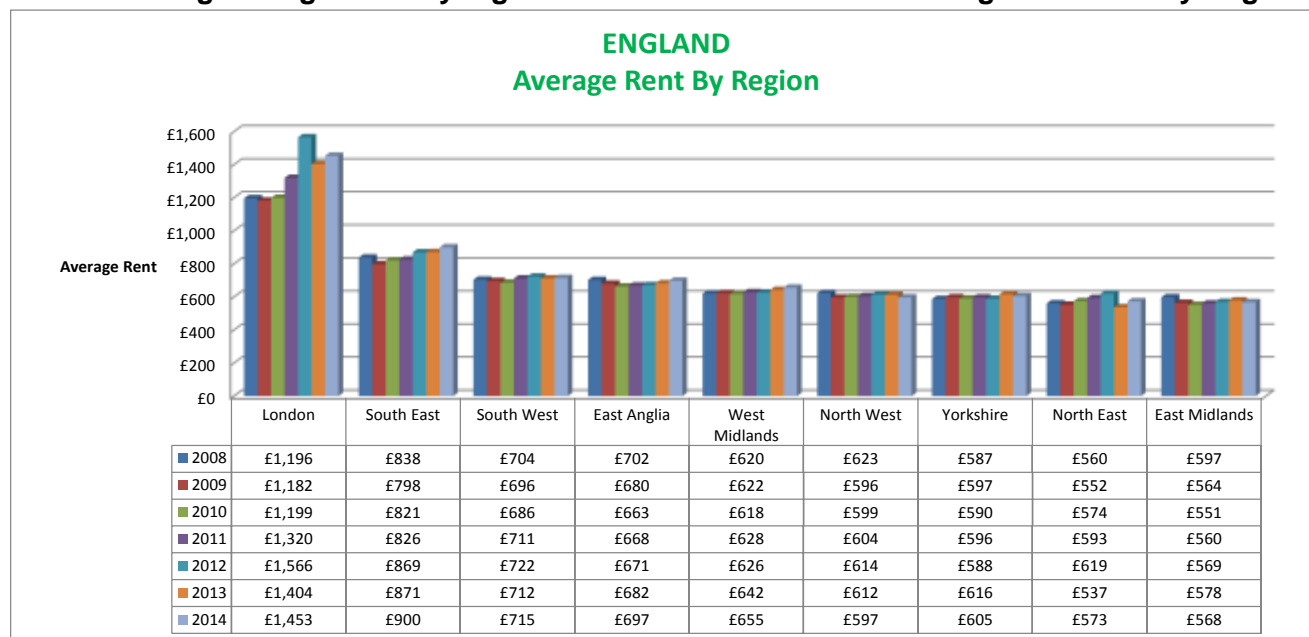
The Q4 2014 average rent for Cardiff is £772. Compared to the Q3 2014 average of £668, this indicates an increase of around 15.5%. Versus the Q4 2013 average rent of £714, the figures show a rise of around 8%, year on year. The figures also show a small 2% increase when comparing the annual average for 2014 of £723, to the 2013 annual average of £708.

The **Cardiff office** reports a very buoyant market, with an increase in students looking for accommodation in particular, international students, which is artificially pushing up the average value of rents for shared properties, rather than existing properties securing much higher rents.

Belvoir Regional Rental Trends Summary

For most of the national regions in England, average rents vary from £568 to £715 per month, with higher rents being achieved in the South East and London.

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



In **London**, monthly rents averaged £1,453 for 2014, which is a 3.5% increase compared to the 2013 average, but around -7% lower than in 2012.

South East average rents for 2014 were £900 per month, equating to around a 3% increase when compared to the 2013 average.

Average rents for 2014 in the **South West** were only £3 more than in 2013, at £715 per month, but around -1% less than the 2012 average of £722.

In **East Anglia**, average monthly rents for 2014 were £697, which is a small increase of around 2% compared to the 2013 average, and £5 less than the £702 height in 2008.

The average monthly rent in the **East Midlands** is £568 for 2014, a small -1.75% decrease on the 2013 average of £578, and around -5% lower than the £597 average rent at the 2008 height.

Average rents in the **West Midlands** for 2014 were £655, a small 2% increase on the 2013 average of £642, and an increase of around 5.25% on the 2009 high of £622.

Yorkshire average monthly rents for 2014 were £605, which is a small fall of around -1.75% on the 2013 average and slightly up on the 2009 high of £597 by around 1.25%.

In the **North West**, average rents for 2014 were £597 per month, which is around -2.5% less than the 2013 average of £612 and remains -4% down on the height of 2008.

The average rents shown for the **North East** are not a true reflection of the real picture due to the enormous differences in property types and values within the region. For more detailed information, please see the North East regional rental trends analysis.

Belvoir Regional Rental Trends

East Anglia

The average monthly rent for Q4 2014 in East Anglia is £718, which is a small increase of around 2.25% versus the Q3 2014 rent of £702. There is also a small year on year increase of 2.25% when compared to the Q4 2013 rent of £702.

Comparing the annual average rent for 2014 of £697 to the 2013 annual average of £682, the figures indicate a small year on year increase of around 2%.

During Q4 2014, rents remained stable for a third of offices, with just under two-thirds of offices experiencing slight rises, including Peterborough, Cambridge and Ipswich, and one office, Kings Lynn experiencing a slight falls.

Local buy-to-let expert commentary:

Belvoir Peterborough reports *“Looking closer at Q4 2014 in comparison to Q4 2013 we have seen an increase in demand in Peterborough.*

“We normally expect a quieter period heading towards the end of this quarter, but we increased from last year and the office remained very busy.

“The rental prices within Peterborough have not increased dramatically since Q4 2013, but at a steady rate of around £25 due to demand within the area. We have a lot of new build sites which are proving popular with both investors and tenants.

“Looking into 2015 – this looks a fantastic year for us and were excited by the prospects that it shall bring.”

Belvoir Cambridge reports *“Q4 2014 was still very buoyant, and the lettings market didn’t slow until the festive 2 weeks. The market prices have increased since the Q4 2013, however due to the diverse market, and Cambridge prices changing street to street, exact figures are hard to outline. Rooms are still in very high demand, with prices increasing to: £650/75 for en-suite double rooms and £550 for standard doubles in the latter part of the year.*

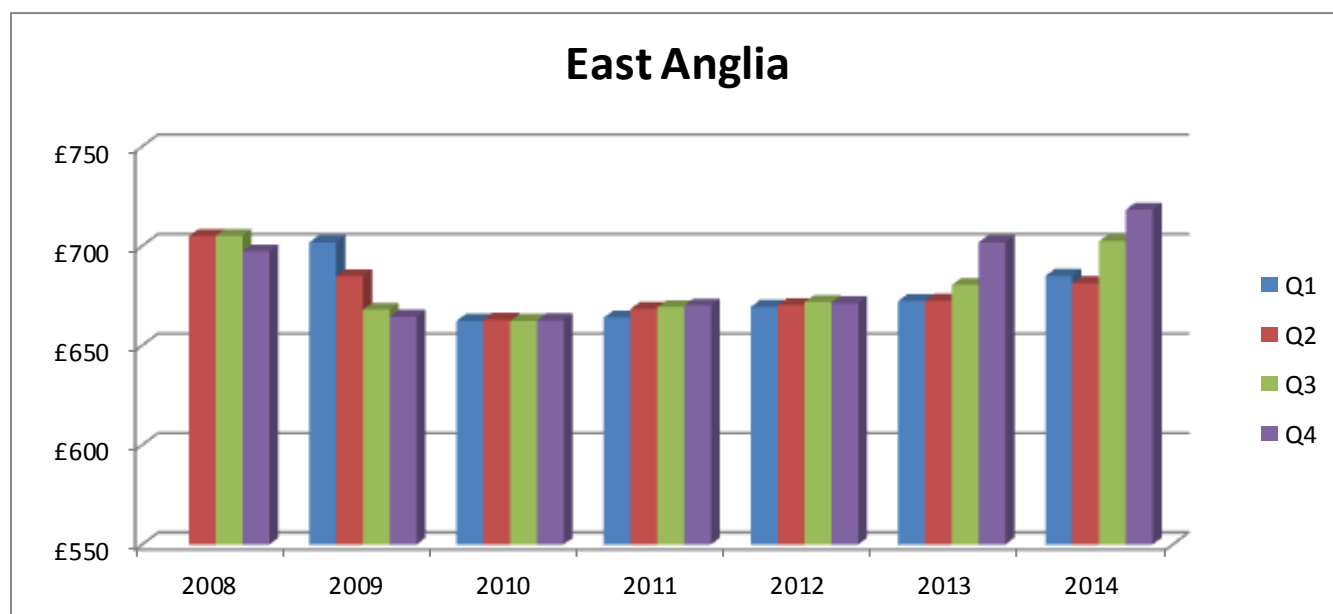
“The south is also seeing prices increase around the hospital area, with new developments from £1100pcm in 2013, to £1250pcm for 2 bed apartments, as the area is becoming more established.

“The rental prices however do not increase at the same rate as the house purchase prices, making achieving the same return on capital employed in Cambridge in 2014, as to that achieved in 2013, harder. This has meant people are investing more in properties to convert to HMOs and for sharers/students. The city is still offering a return of 4-7% on standard let properties and strong capital growth across all areas.”

Local buy-to-let expert commentary:

Lee Durrant of Belvoir Ipswich says “Ipswich has seen a tale of two halves really, with high end and low end markets stalling and mid-range increasing. Smaller flats and non-maintained property has seen a decrease in interest and higher end has seen a stabilisation of rents, almost hitting a ceiling rent. Average two/three bedroom houses are Ipswich's bread and butter. They have seen a steady increase throughout the last year. Our tenants are also showing a better awareness of property condition and this has been the highlight of most viewings.”

Alison Richardson of Belvoir Kings Lynn reports “Rents fell slightly towards the end of 2014 due to landlords dropping their rents to ensure their properties were occupied prior to Christmas and over the winter period. Demand is high, but we are experiencing a lack of supply.”



East Midlands

In the East Midlands, the Q4 2014 average rent is £567 per month, versus a Q3 2014 average rent of £564, this shows a slight increase of just £3. Compared to the Q4 2013 monthly rent of £569, the figures indicate an insignificant year on year fall of £2.

There is a slight overall year on year fall of around -1.75% when comparing the annual average monthly rent for 2014 of £568, to the 2013 annual average rent of £578.

Just over half of the office in the East Midlands experienced stable rents during Q4 2014, with just over a quarter of offices experiencing slight rises, including Grantham, Sleaford and Northampton, while just under a quarter showed slight falls.

Local buy-to-let expert commentary:

Richard Baker of Belvoir Northampton and Rugby reports *“The rental market in **Northampton** continues to perform strongly with most smaller properties remaining available for only a matter of days. In 8 years of trading, tenant demand has never been higher and rental prices have never been better - up about 7.5% on the same period last year. Demand from investors for property in the town is significant.”*

*“The market in **Rugby** continues to be restricted by lack of supply of smaller properties. This has pushed rents up over recent months and rental prices at the lower end of the market are currently running may be 10% ahead of the same time last year. The price achieved for larger properties remains unchanged - again this relates to steady supply, but more limited demand”*

Carly French of Belvoir Grantham reports *“The Grantham market remains very strong with a vast number of potential tenants looking for rental properties in the area. We are finding that property prices have increased and with countless mortgage restrictions, it has put further restraints on people so buying a property in the area is more difficult.*

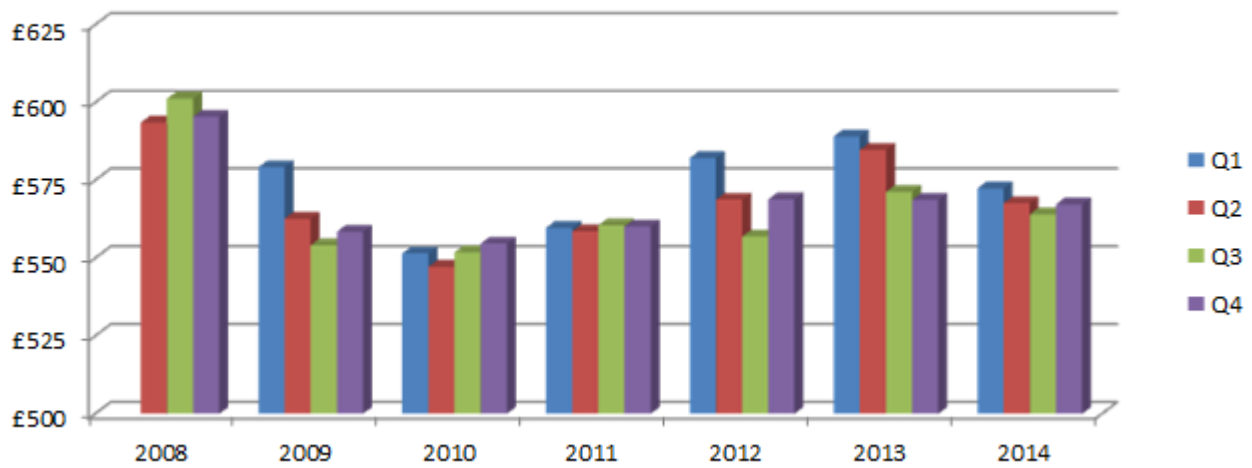
“Rental prices have increased due to the growth in demand. For example, many two bedroom semi-detached properties located on estates surrounding Grantham in previous years have only reached £450 - £475pcm are now able to let quickly in the current market at £495, with some even reaching £525pcm in the most popular areas of Grantham. Three bedroom properties have also seen an increase in rental value with your average three bedroom semi-detached letting at circa £595pcm compared to £550pcm a couple of years ago. There is a huge demand for 2 & 3 bedroom properties, which is great for investment landlords as with the rental values increasing on these properties, they can in turn achieve a good return.”

William Pain from Belvoir Market Harborough says *“We have seen a steady increase in rentals in all our areas, certainly over the last six months. When properties are coming up for re-let, on average we are getting between £25 - £50 increase on rents per month. Supply is the same as always, when you have a number of available properties there are not enough tenants, and when we have a lot of quality tenants we do not have enough available properties! Our average rental price across our area is £591pcm.”*

Sleaford – The market is very buoyant and rents have increased over the last few months, due to high demand and the improvement in the quality of housing stock. Rental stock is letting very quickly, and we could do with more stock.

James Lee of Loughborough reports *“With a strong rental market we are letting properties well, especially if they are in good condition, causing prices to rise steadily – no big jumps or increases but steady. It has been busier this January compared with last but February is looking slower so far, with demand higher than the supply of quality properties.”*

East Midlands



London

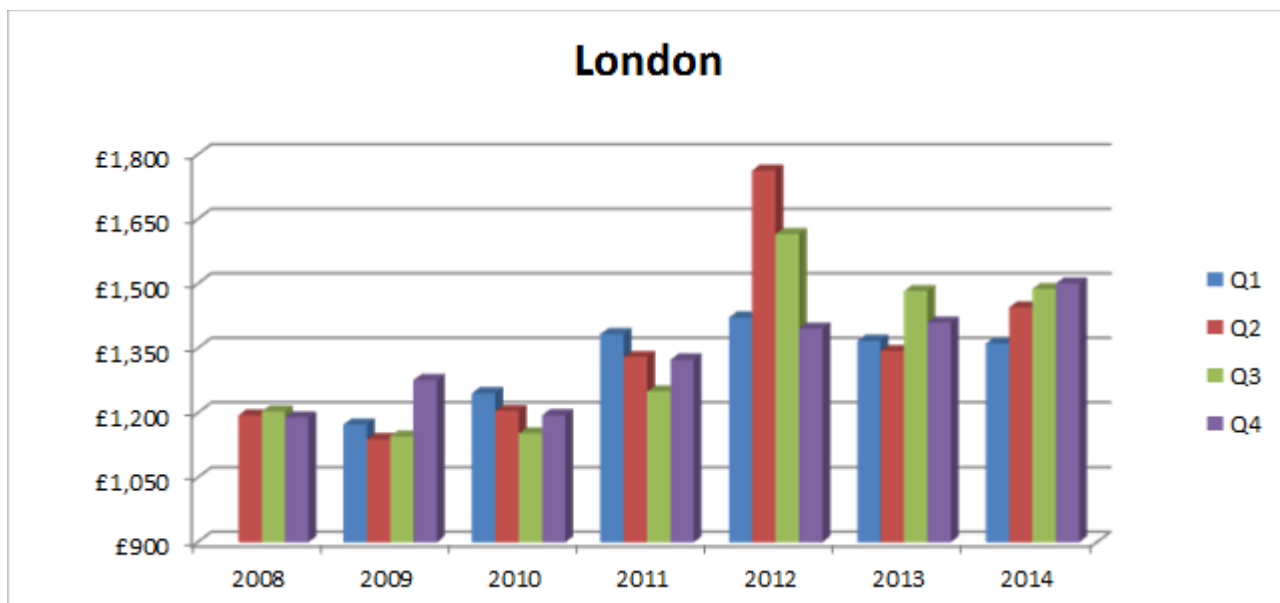
For Q4 2014, the average monthly rent in London is £1,500, which is a slight increase under 1% when compared to the Q3 2014 average of £1,488 per month. Versus the Q4 2013 average rent of £1,410, this equates to around a 6.5% year on year increase which suggests rises are slowing, similar to property prices.

The London annual average rent for 2014 is £1,453 versus the 2013 annual average of £1,404 which shows a 3.5% year on year increase.

With such a varied choice of properties in London, dramatic variations can be seen in average monthly rents. At one end of the scale, for example, Camden has an average of £2,413, and Chelsea and Fulham £2,189; through to Gants Hill and Basildon, with average rents of £1,117 and £774, respectively. In Q4 2014, rents remained stable in just under 50% of offices, with just over 25% experiencing slight increases, including Balham, with the remainder having slight falls.

Local buy-to-let expert commentary:

Jeremy Wasden of Belvoir Uxbridge comments *“In Uxbridge, rental demand remains strong, with most demand seen for studios, one and two bed properties. A one bed property in Uxbridge will start at £159,950 and typically will let for around £825pcm, making for a yield of 6.2%. Two bedroom flats are yielding around 5.2%, which compares well to two bed houses, which will yield at around 4.3% at the moment. With strong rising property prices, yields have fallen a little, by around 0.3% on new purchases since June last year.”*



North East

The average monthly rents in the North East have a tendency to be quite irregular, which is chiefly due to the variable rents in Newcastle.

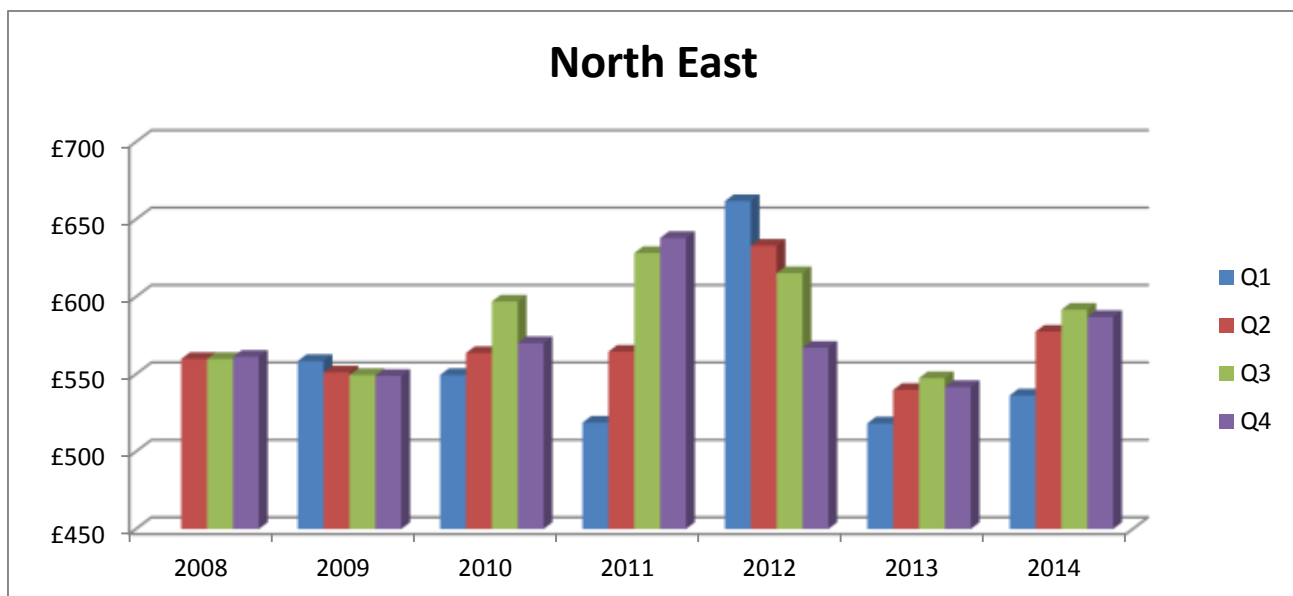
The Q4 2014 average rent in **Tynedale** is £541 per month, versus a Q3 2014 rent of £540, there is only £1 difference. Compared to the Q4 2013 average of £548, this shows a slight year on year fall of around -1.25%. The annual average rent for 2014 is £541, compared to £547 which is the annual average for 2013, also shows an overall slight fall of around -1%.

In **Sunderland**, the Q4 2014 average rent is £564 per month. Compared to the Q3 2014 rent of £568, the figures show a slight fall of £3. Versus the Q4 2013 average rent of £547, year on year, this indicates a small increase of 3%. Comparing the 2014 annual average of £566 to the 2013 annual average of £543, the figures reveal an increase of just over 4% overall.

Local buy-to-let expert commentary:

Newcastle upon Tyne

Howard King of the **Newcastle upon Tyne** office says *"Rents in the professional sector have remained pretty static but there has been some rent decreases in the housing benefit sector. Properties are renting well in all sectors, bar student properties in certain areas, due to the supply of new purpose built accommodation close to the universities. Stock levels have remained quite low as we are seeing more tenants staying longer in properties. I think in 2015 rents will remain the same with strong demand, but we will continue to see a difficult student market as more student accommodation is built. Also, landlords with poor quality properties, due to a lack of updating and investment, will find it more difficult to let them and experience longer void periods."*



North West

In the North West, the average rent for Q4 2014 is £594, compared to the Q3 2014 average of £597, shows a slight fall of just £3. Versus the Q4 2013 average rent of £608 per month, the figures also indicate a small fall of around -2.25%, year on year.

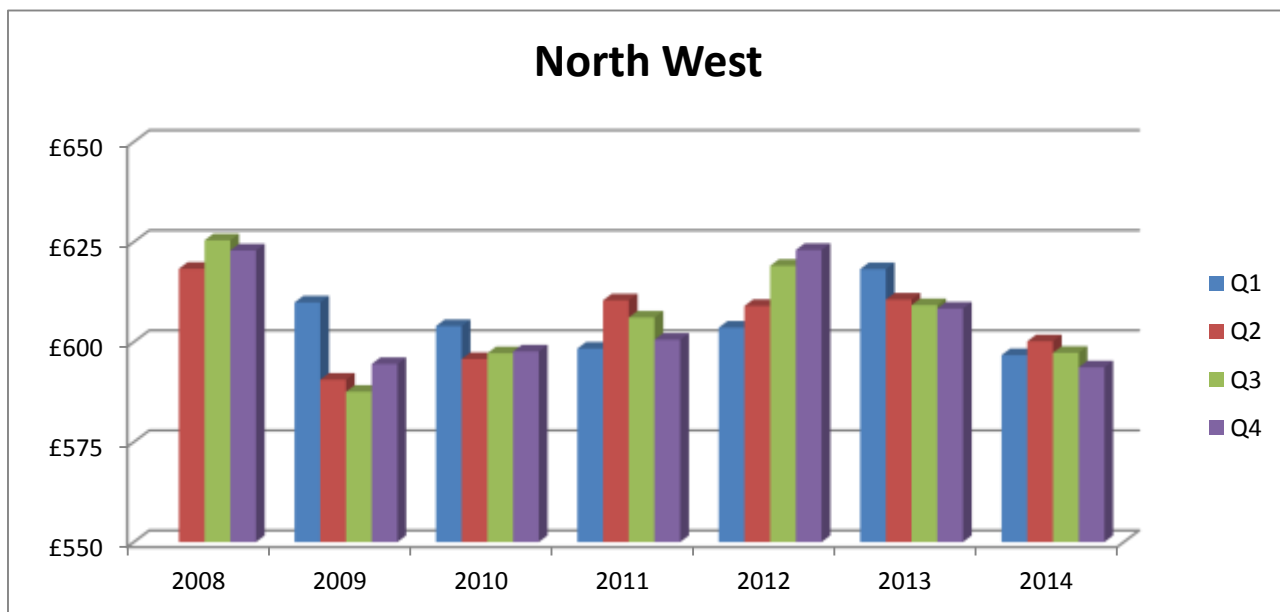
When comparing the 2014 annual average rent to the 2013 annual average rent, £597 and £612 respectively, this shows an overall decline in rental levels of around -2.5%.

During Q4 2014, average monthly rents remained stable for just under three-quarters of offices, with just under a quarter experiencing slight falls, including Bolton and Burnley, with the remaining offices having slight rises.

Local buy-to-let expert commentary:

Angela Parton of Belvoir Whitehaven says *“The Whitehaven rental market remains steady, however, the market is very competitive and demand for properties can fluctuate throughout the year. As a result, rental prices are stable. The seasonal movement of employees within Sellafield has led to a high demand of furnished apartments in the local area.”*

Paul Rice from Belvoir Liverpool (Central) reports *“The period running up to Christmas quietened down, with landlords reducing rents slightly to ensure their properties were occupied during the winter months. Since the start of 2015, demand in the city has been high, particularly amongst students, with a lack of supply of properties, and some slight increases in rental levels.”*



South East

The average rent recorded in the South East for Q4 2014 is £919 per month versus £904 in Q3 2014, a slight increase of 1.5%. Compared to the Q4 2013 average of £878 per month, this shows a year on year rise of about 4.5%.

The 2014 annual average rent of £900 per month versus the 2013 annual average of £871, indicates an increase of 3.25%.

In Q4 2014, average rents remained stable in 40% of offices, with 40% experiencing slight rises, including Bedford, Luton, Southampton, Guildford, Woking, Sidcup and Milton Keynes, and the remaining 20% of offices experiencing slight falls.

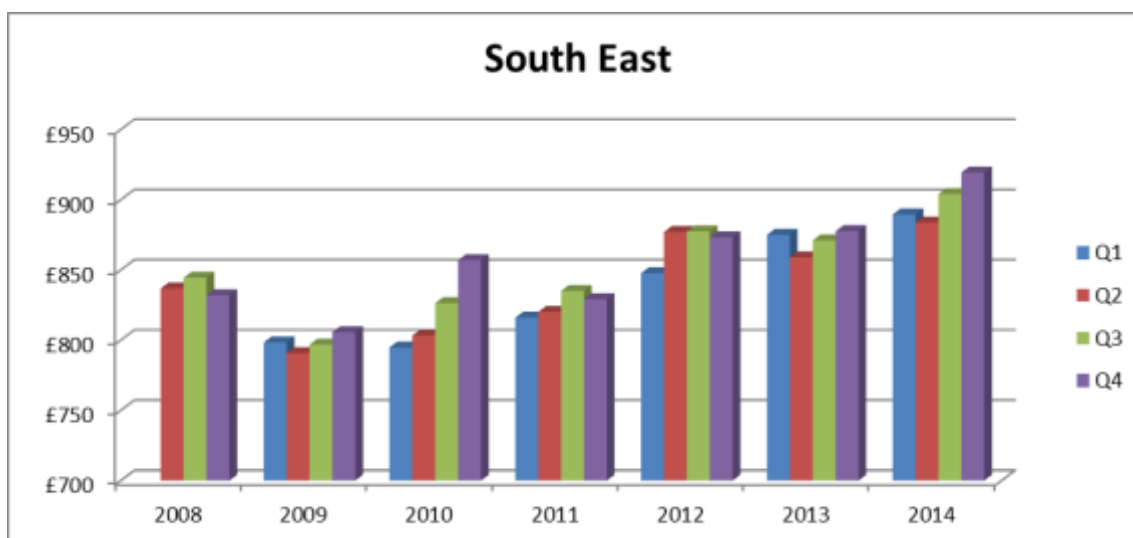
Local buy-to-let expert commentary:

Adrian Mason from **Belvoir Luton** reports *"The Luton rental values have increased year on year, primarily driven by the lack of supply on good quality family housing. For example, a modern three bedroom that was let in September 2013 for £875 has this month been re-let for £950. This is very typical of the current market. We have witnessed a significant number of 'accidental landlords' leaving the market as house prices have risen."*

Steve Tunney of **Belvoir Milton Keynes** says *"Milton Keynes has seen significant increases in both property prices and rents throughout 2014 with an average 8-9% increase in rents, whilst property sale prices have also increased on average by 9-10%. Typical gross rental yields are now around the 5.5-6.0%. There is approximately 16.2% of the private housing stock being rented out with only 3% of this available at any one time, thus demand is outstripping supply. This coupled with an above average increase in population (+16.8%), an above average increase in jobs (+17%) and a shortfall in house building means that Milton Keynes has a growing economy."*

Zoe Bywater of **Belvoir Bedford** reports *"The market in Bedford is extremely busy, with good tenant demand. Rents are increasing for excellent quality houses in good locations, and in some cases, tenants outbidding to secure a particularly good property. The demand is very high for starter and two bed houses, as tenants look to move out of apartments."*

Peter Huane of **Rochester** says *"Rental prices in Rochester and surrounding area increased in Q4 2014, mainly due to the lack of available stock across all the agents. There is high tenant demand and a marked lack of available, reasonable quality, property to rent. Any good quality property which becomes vacant or new onto the market, rents are up by approximately 8 to 10% on a year previously."*



South West

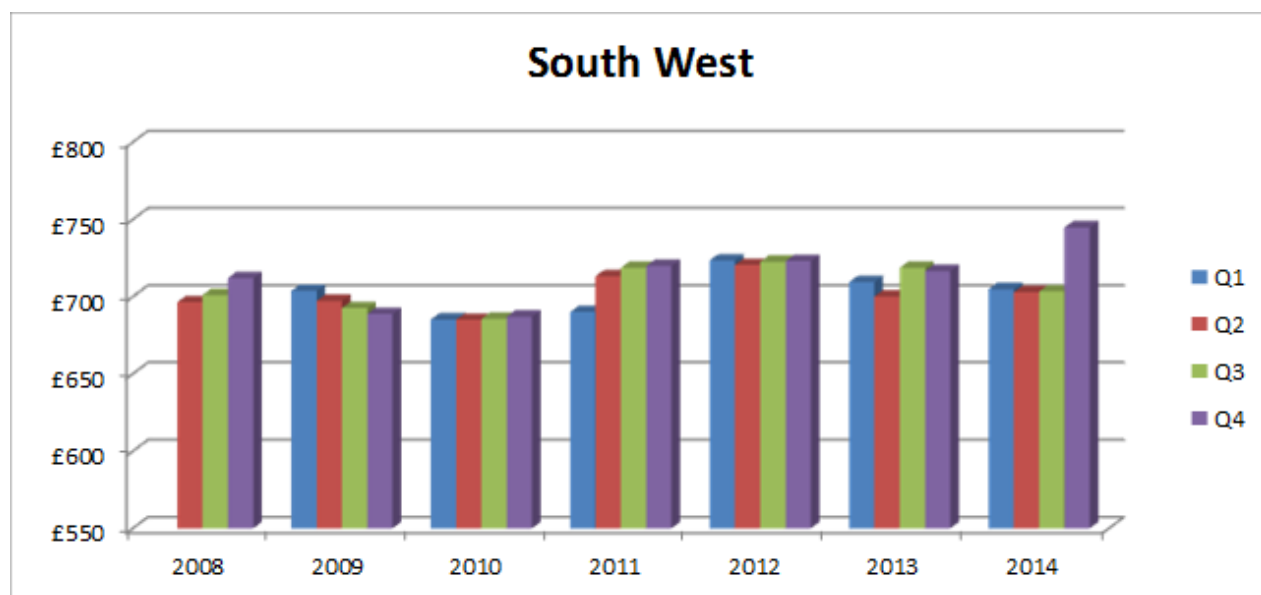
In the South West, the Q4 2014 average rent is £745 per month, compared to the Q3 2014 rent of £703, which shows an increase of 6%. Versus the Q4 2013 average of £717, the figures indicate a rise in rental levels of around 4%, year on year. For the first nine months of 2014, rents remained fairly static. The rise in rental levels in Q4 can be attributed to the addition of a new office in Falmouth, which opened during the Autumn, with a higher than average level of rent for the South West region.

Comparing the annual average for 2014 of £715 to 2013's £712 per month, this indicates a small increase of just £3.

In the South West, two-thirds of offices had stable rents during Q4 2014, with the remaining third experiencing rises, including Christchurch and Weston-super-Mare.

Local buy-to-let expert commentary:

Jeremy Clarke of Belvoir Christchurch says "Last year was a tough year with four agents opening (3 within estate agencies), an increased demand for rental properties, a dramatic fall in the number of properties available and house prices rose by circa 15%. The reduced number of properties becoming available was due to tenants staying put and increased property pricing deterred buy to let landlords. With these combined factors, along with press statements advising rents were increasing and some new landlords looking to get higher returns, it was inevitable that rents would rise. It may be a bit early to comment but so far this year, demand for two and three bedroom houses is strong, supply is weak so prices may well continue to rise."



West Midlands

The average recorded rent for Q4 2014 in the West Midlands is £654 per month, which is an insignificant fall of around -1% compared to the Q3 2014 rent of £660. Versus the Q4 2013 average rent of £649, this shows an increase of just £5, year on year.

Comparing the annual average rent for 2014 of £655 to the 2013 annual average of £642, this indicates an overall small increase of 2%.

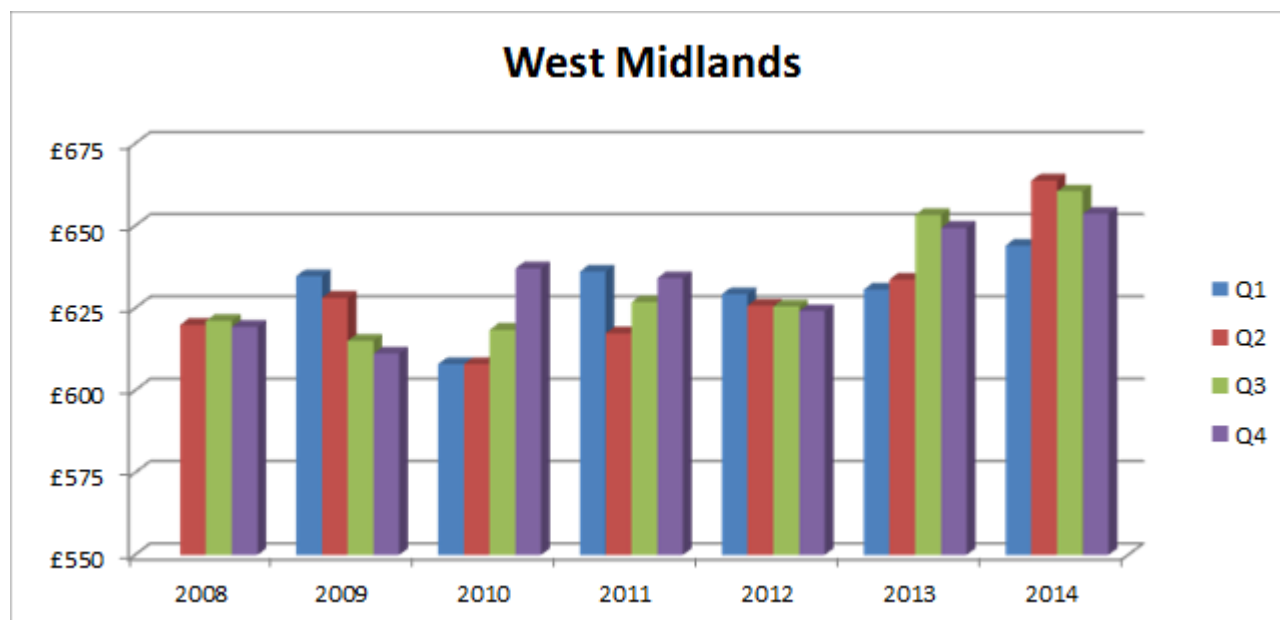
During Q4 2014, half of offices in the West Midlands experienced stable rents, a quarter rents fell slightly and a quarter rents increased slightly, including Rugby and Hereford.

Local buy-to-let expert commentary:

Bobby Singh of Belvoir Kettering, Corby and Coventry reports *“Since the end of 2014, trends in the market have begun to improve and we have found that rents are on the increase. It has also been noticed that more people are beginning to buy investment properties, and many of these are the older generation who wish to invest rather than save to gain a better source of income. Some have downsized to live in for themselves or have bought to rent out.*

*“In **Coventry**, there is a lack of supply but a considerable amount of demand in certain sectors of the market which unfortunately means that some areas of the market are not moving as fast as others, ie families sized properties are not moving due to demands of schooling, size of property and travelling distances to and from work.*

“We are seeing the start of high demand for single person accommodation, as students are now starting to look for their properties. This has seen a rise in smaller properties being sought after, where students were once happy to share, they are now looking for more of a self-contained unit.”



Yorkshire

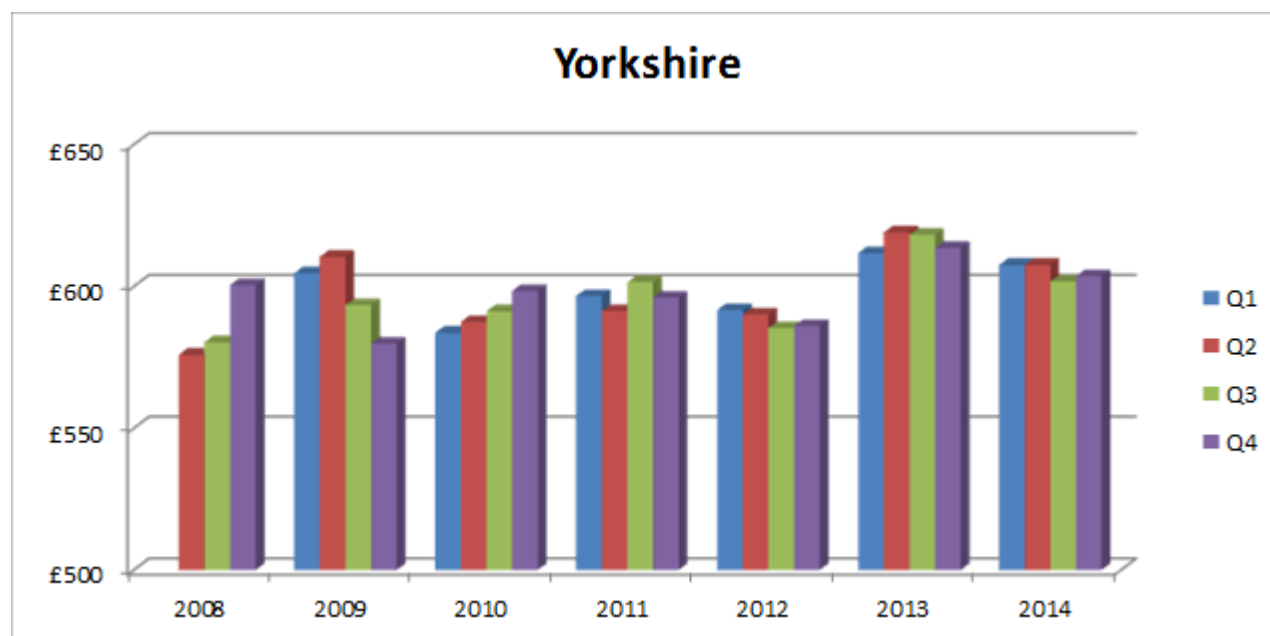
For Yorkshire, the Q4 2014 average recorded rent is £604 per month. Versus the Q3 2014 rent of £602, this shows a very slight rise of just £2. Compared to the Q4 2013 average rent of £614, this would indicate a small year on year decrease of around -1.5%.

For 2014, the annual average rent recorded is £605 per month, which is around -1.75% less than the 2013 annual average of £616.

Around two-thirds of offices in Yorkshire experienced stable rents during Q4 2014, with the remaining third split between small rises, including Selby and Goole, and small falls.

Local buy-to-let expert commentary:

Peter Johnson of Belvoir Skipton reports *"Smaller properties in the town of Skipton, up to £700 rental, have increased slightly over the last 12 months, by about 5 %. This is due mainly to supply and demand. Skipton is proving extremely popular at the moment (good employment and good schools). It was voted best small town in 2014. The tour-de France also highlighted the area, which is very good news for us. Rents between £700 to £1,000 have remained fairly static, and the more modern properties have probably moved up a little. Beyond £1,000 they may well have fallen slightly. Rates and energy costs on bigger properties make achieving rent increases more challenging. Rents on rural properties (no mains gas) have remained fairly constant. Concerns over energy costs tend to restrict rental growth."*



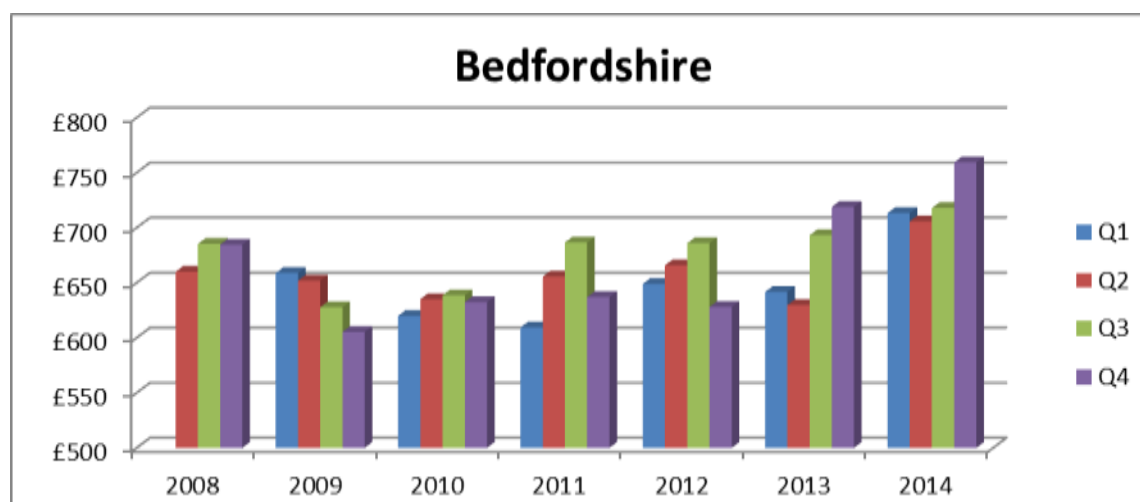
Belvoir Rental Trends by County

This is where we compare the Q4 2014 rental averages to Q3 2014 averages, and how they are performing year on year on a county by county basis.

For Bedfordshire, the average rent for Q4 2014 is £759 per month. Compared to a Q3 2014 average of £718 per month, the figures indicate an increase of around 5.75%. Versus Q4 2013 and an average rent of £719, this shows a year on year increase of 5.5%.

The 2014 annual average rent of £724 compared to the annual average for 2013 of £675, this indicates a year on year increase in rents of 7.25%.

See **'South East'** write up for comment from the local offices.



Berkshire

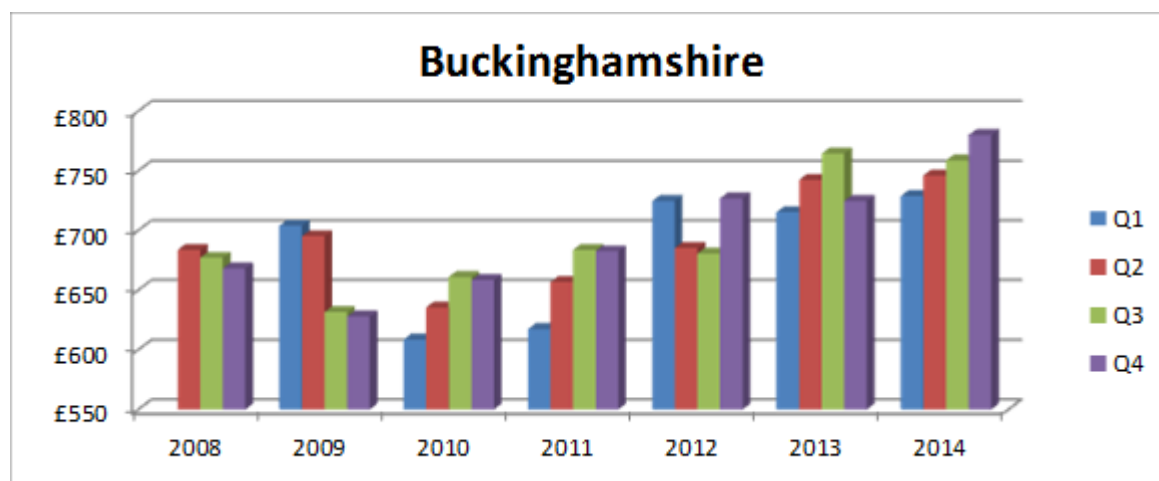
Dominik Potworowski of Belvoir Maidenhead reports *“Rents on average have gone up by around 10% between Q4 in 2013 and Q4 in 2014. There has been a lot of movement in the market due to a large increase in buy to let demand, and this will continue to rise. The winners currently are properties which have an asking price of around £1,000pcm and two bed houses, closely followed by two bed flats. However, there has been a slight dip in price concerning larger 4 to 5 bed houses, which traditionally range between £2,000 and £3,000pcm. We are now seeing these reduced by around 5%.*

“Going forward, I think in the first quarter of the 2015 year, rental prices will level out with more properties coming on which makes it a tenants’ market. However, for the rest of the year, I suspect there will be a slight increase again due to several factors, such as the price of fuel dropping and energy prices either being frozen or indeed also dropping, therefore tenants will have more money to spend on rent leading to landlords potentially increasing the rent.”

In Milton Keynes, Buckinghamshire, the Q4 2014 average monthly rent is £780. Compared to £759, which is the Q3 2014 average rent, this would indicate a 2.75% increase in rental levels. Versus the Q4 2013 average of £725 per month, this shows a rise of around 7.75%, year on year.

Comparing the 2014 annual average rent of £753 to the 2013 annual average of £737, overall rents have experienced small increases of just over 2%, showing a steady rise in rents over the last four years.

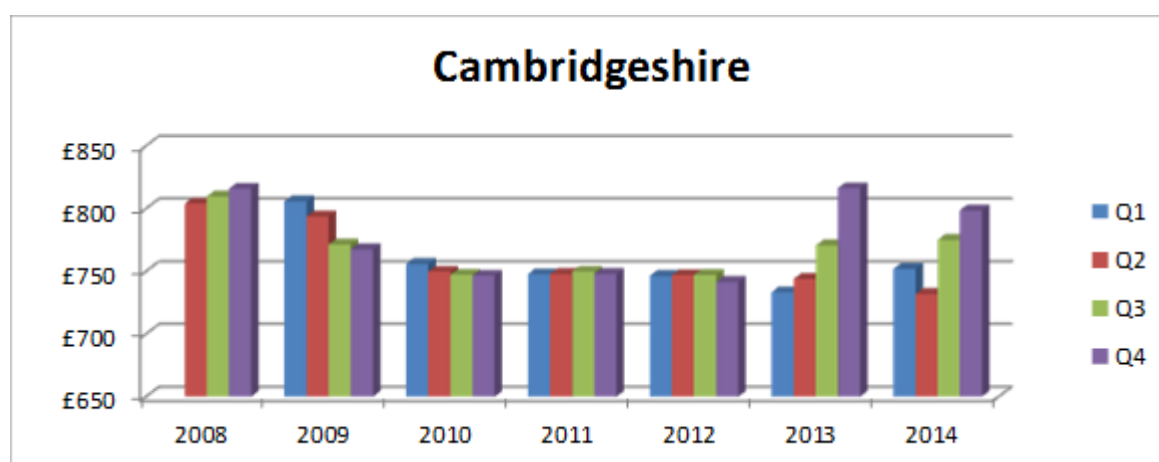
See **'South East'** write up for comment from the Milton Keynes office.



The average monthly rent recorded for Cambridgeshire in Q4 2014 is £799. Compared to the Q3 2014 average rent of £775, this would indicate an increase of around 3%. Versus the Q4 2013 rental average of £816, this shows a small year on year fall of around -2%.

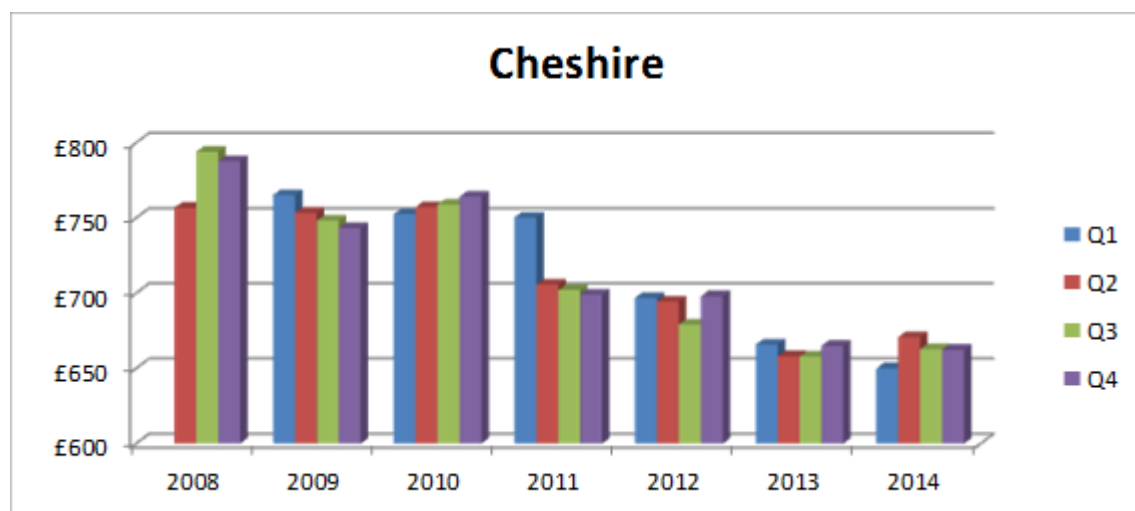
The Cambridgeshire annual average rent for 2014 is £767, compared to the 2013 annual average of £766 per month, this shows only £1 difference in rental levels, suggesting across the region rents are static to rising since the start of the index.

See **'East Anglia'** write up for comment from the local offices.



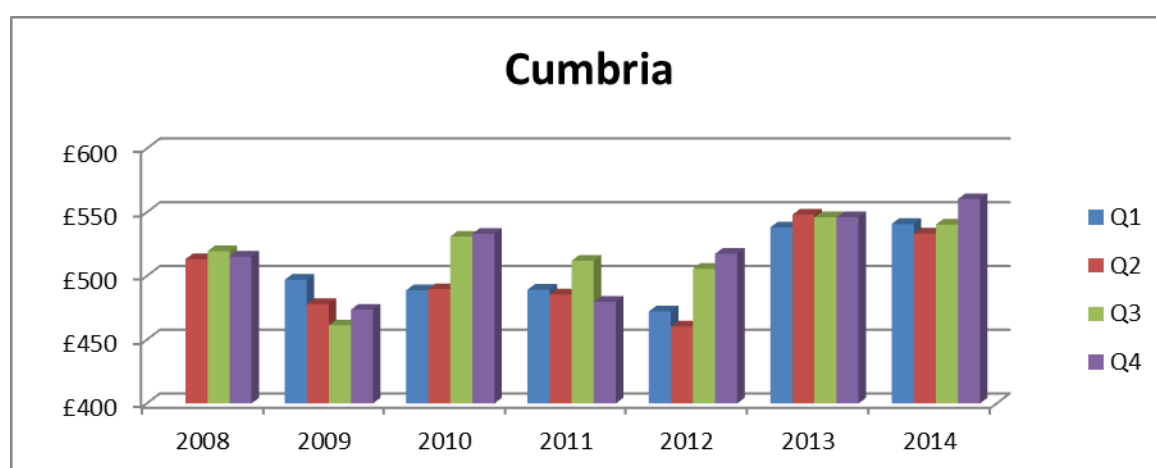
For Cheshire, the average rent for Q4 2014 is £662, which is only £1 less than the Q3 2014 average of £663 per month. Versus the Q4 2013 average of £665, this shows a small £3 year on year fall in rental levels.

The 2014 annual average for Cheshire is £661, £1 less than the 2013 annual average. The last two years have seen lower rents than 2012 and 2011, but this is partly falls in some areas, but is also due to the addition of the Crewe office which has an average of £550 rent per month versus the £700 per month average from other aggregated office rents.



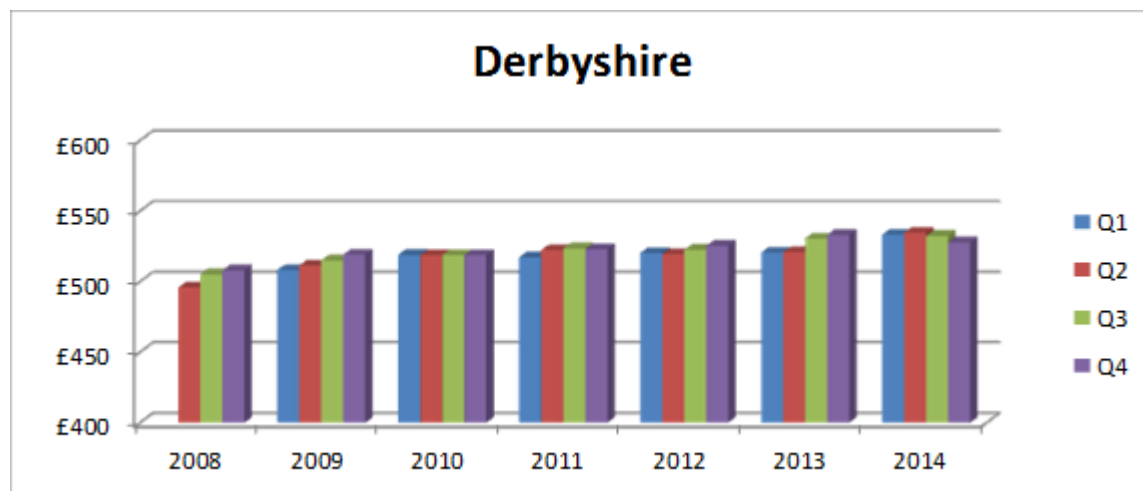
In Cumbria, the Q4 2014 average rent is £560 per month. Compared to the Q3 average of £540, the figures reveal an increase of around 3.75%. Versus the Q4 2013 average of £546, this indicates a rise of 2.5%, year on year.

For 2014, the annual average rent for Cumbria is £544, compared to £545, the annual average for 2013, a difference of just £1 suggesting there are no real changes, year on year.



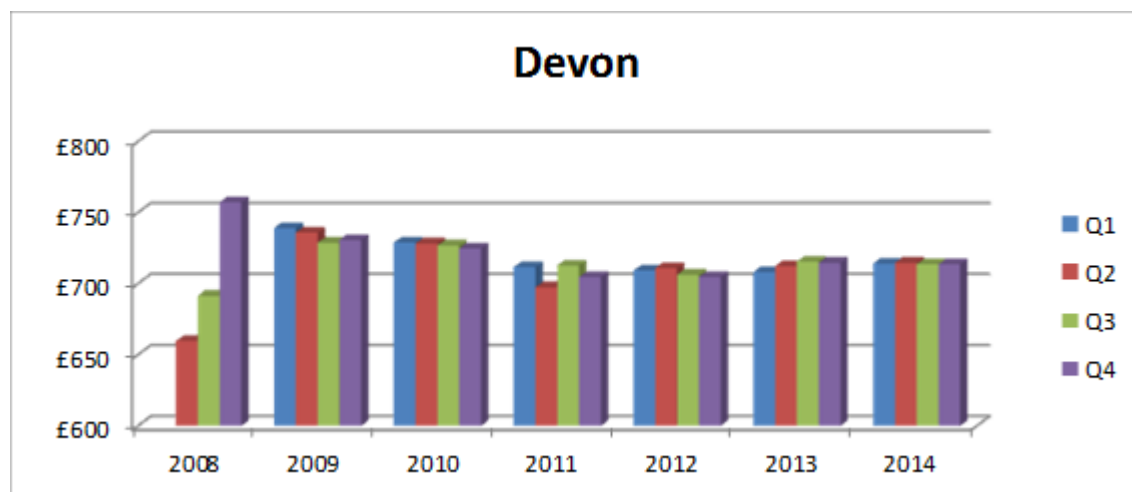
The average recorded rent for Derbyshire for Q4 2014 is £528, versus the £532 which is the Q3 2014 average monthly rent, which is only £4 less. Comparing this to the Q4 2013 average of £533, there is a year on year difference of -£5.

The 2014 annual average is £532 compared to the 2013 annual average rent of £527, which also has a difference of -£5. Overall, rents have remained remarkably static since the start of the index seven years ago.



In Plymouth, Devon, the Q4 2014 average rent is £714 per month, which is the same as the average for Q3 2014, and only £1 less than the Q4 2013 average rent of £715.

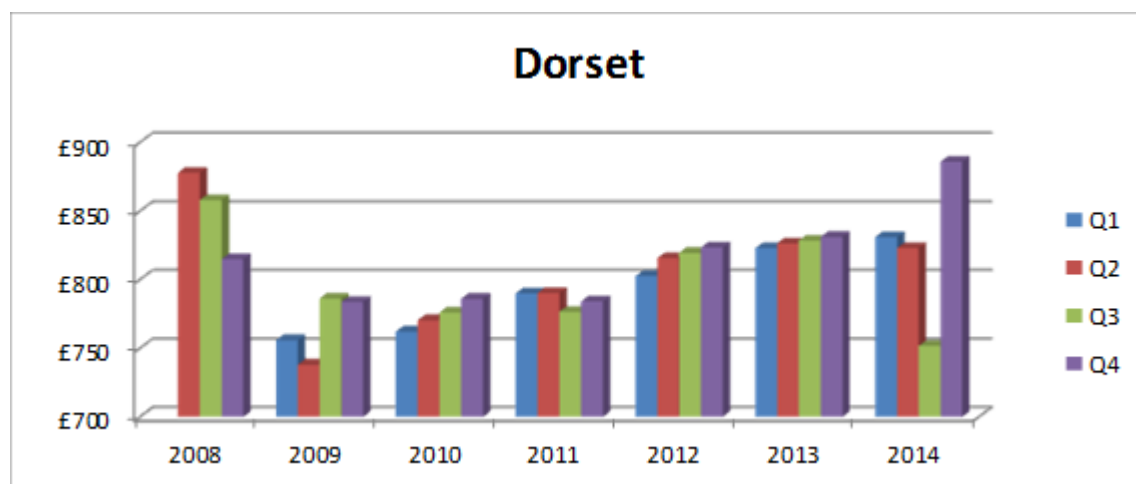
There is also only £1 difference between the 2014 and 2013 annual average rents for Devon, which are £714 and £713 respectively. Overall, rents continue to remain stable for the last four years.



The average monthly rent for Dorset in Q4 2014 is £886. Compared to £752, being the Q3 2014 average, this indicates an almost 18% increase in rental levels. Versus the Q4 2013 average of £831, this shows an increase of around 6.5%, year on year. The increase in rental levels is primarily down to higher rents being achieved in Christchurch, whilst rents in Highcliffe have remained absolutely static throughout 2014.

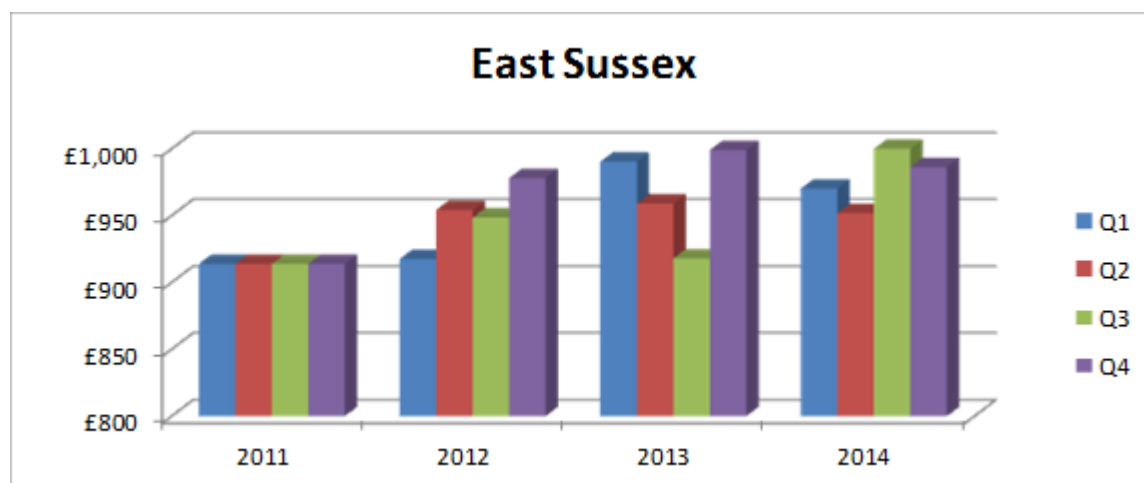
The more robust measure of the Dorset annual average for 2014 is £823 per month, compared to the 2013 average of £827, which would indicate a small overall fall of £5.

See **'South West'** write up for comment from the local offices



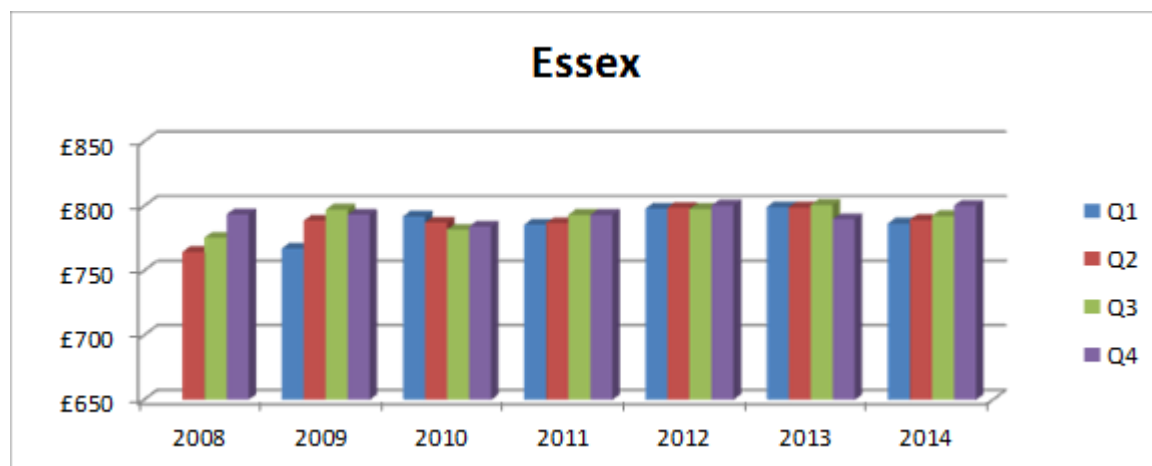
For East Sussex, the average monthly rent for Q4 2014 is £986. Versus the Q3 2014 average of £1,009, the figures reveal a fall of -2.25%. Compared to Q4 2013 and an average rent of £999, rents have declined by-1.25%.

Comparing the 2014 annual average rent of £979 to the 2013 annual average of £967, this would indicate a small increase of around 1.25%.



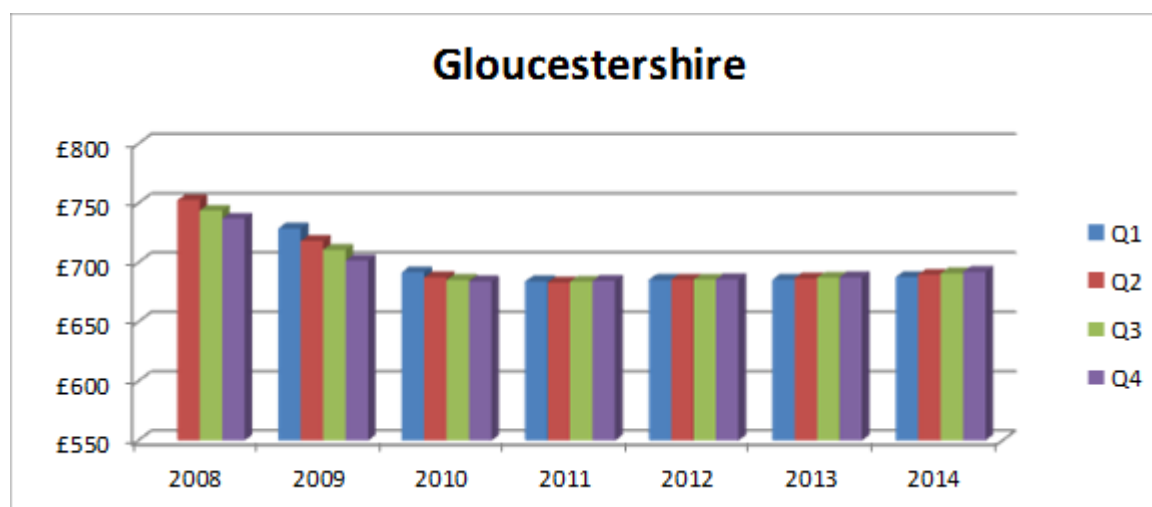
The average monthly rent recorded for Essex in Q4 2014 is £800. Compared to the Q3 2014 average rent of £792, this equates to around a 1% increase. Versus the Q4 2013 average of £790, the figures reveal a slight increase of 1.25%, year on year.

The 2014 annual average rent for Essex is £792 per month, compared to £797, the 2013 annual average rent, showing an overall fall of just £5, but suggests rents have pretty much not changed since 2009, five years ago.



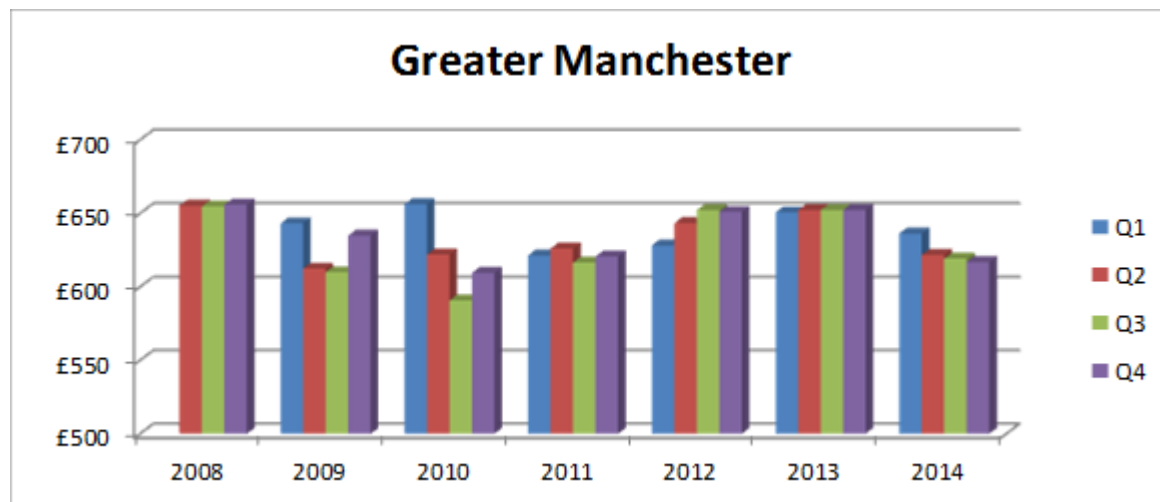
In Gloucestershire, for Q4 2014, the average monthly rent is £692, which is only £1 more than the Q3 2014 average of £691. Compared to the Q4 2013 average rent of £688, this shows a small year on year increase of just £4.

Looking at the 2014 annual average for Gloucestershire, compared to the 2013 annual average, £690 and £697, respectively, there is a small overall increase of only £3. Rents in the county remain stable as they have since 2009.



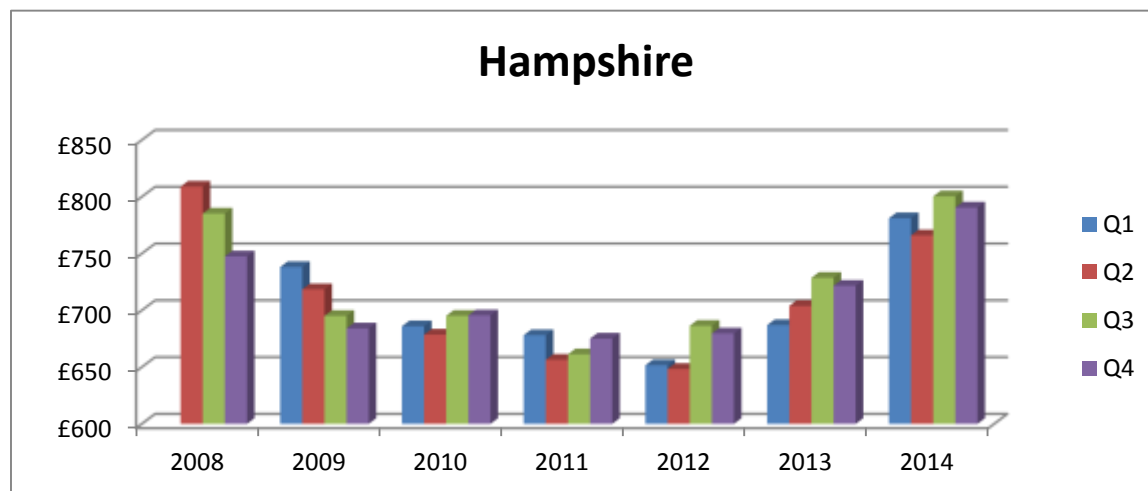
The Great Manchester average monthly rent for Q4 2014 is £617. Compared to the Q3 2014 average of £619, there is only £2 difference. Versus £652, which is the Q4 2013 average rent, this would indicate a decrease of around -5.25%, year on year.

There has also been a -4.5% fall in rents when comparing the 2014 annual average of £623 and £652, the 2013 annual average. Overall, rents during the majority of 2014 have remained fairly static.



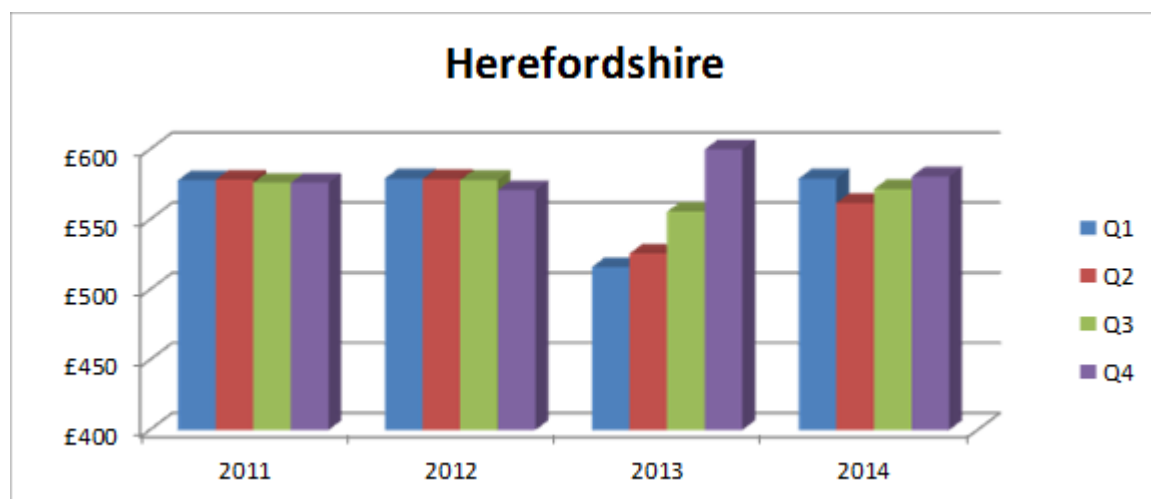
The average recorded in Hampshire for Q4 2014 is £791, which shows a very slight fall of around -1% when compared to the Q3 2014 rent of £800 per month. Versus the Q4 2013 average rent of £722, the figures would indicate a year on year increase in rents of 9.5%.

The annual average rent for Hampshire in 2014 is £785, compared to the 2013 annual average of £711, also indicating an almost 10% increase in rents. However, the increase in rental levels is mainly due to the inclusion of three new offices, Southampton, Basingstoke (New Street) and Tadley in 2014, compared to 2013, with average rents ranging from around £750 through to £1,190 per month. Rents in the remaining offices are static to rising.



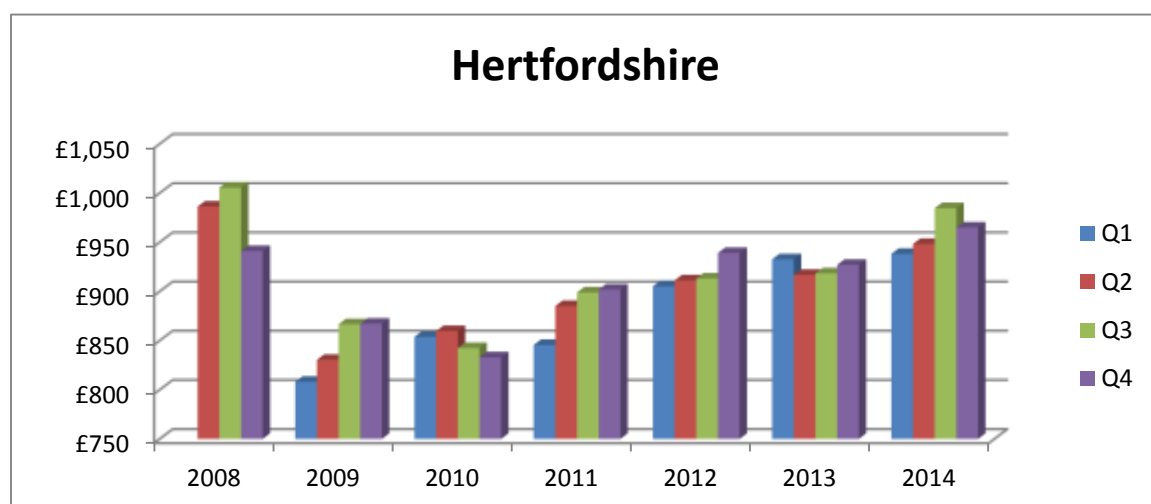
In Herefordshire, the average rent for Q4 2014 is £581 per month. Versus the Q3 2014 average of £572, would indicate a small rise of around 1.5%. Compared to the Q4 2013 average monthly rent of £605, this shows a contrasting year on year fall of just below -4%.

When comparing the 2014 and 2013 annual average rents of £573 and £551, respectively, this reveals an increase of around 4%. Rental levels in 2014 are now at a similar level to those seen in 2011 and 2012, but appear to be relatively steady for the last four years.



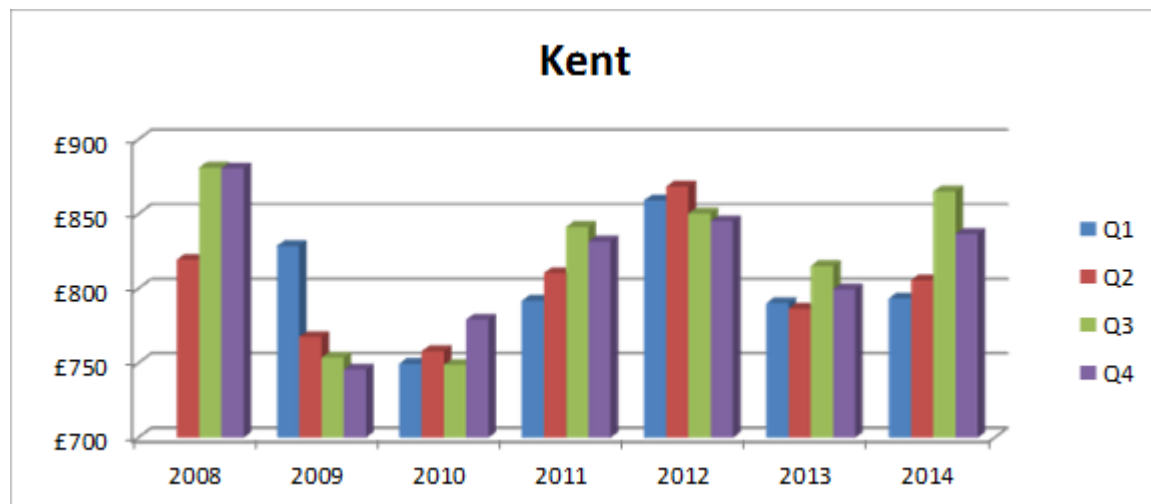
The Q4 2014 average rent recorded is £965 for Hertfordshire, compared to £985 in Q3 2014, which shows a fall of -2%. Versus the Q4 2013 average rent of £927, this would indicate a year on year increase of 4%.

The 2014 annual average rent for Hertfordshire is £959 against £924 per month in 2013, revealing a rise of around 3.75%. Average rents remain lower than the height of the market in 2008 though and the rises are mostly restricted to average rents in Hitchin and Watford.



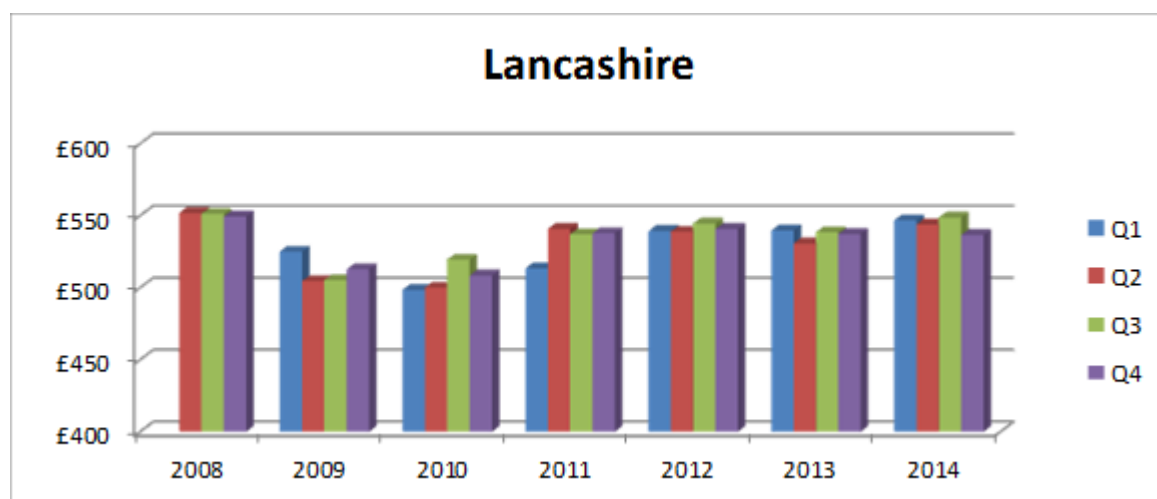
In Kent, the average rent for Q4 2014 is £837 per month. Compared to the average monthly rent for Q3 2014 of £865, suggesting rents are falling back by -3.25% while still being up from a quarterly perspective year on year by 4.5%.

Comparing the 2014 annual average rent of £826 to the 2013 annual average of £798, this also suggests rents have risen year on year by 3.5%.



The Q4 2014 average monthly rent for Lancashire is £537. Comparing this to the Q3 2014 average £549, this shows a small fall of around -2%. Versus the Q4 2013 rental average, there is no year on year change.

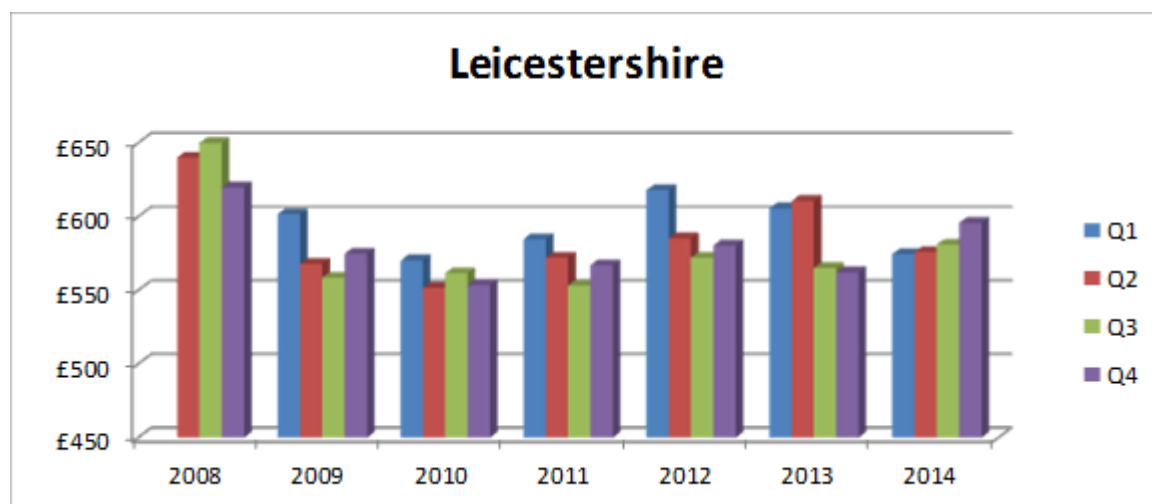
The annual average for 2014 in Lancashire is £544 compared to £537 for the previous year, giving a slight 1.25% increase. Albeit rents have increased in 2014 they are still fairly steady over time and are just recovering to the 2008 average.



For Leicestershire, the Q4 2014 average monthly rent is £596. Comparing this to the Q3 2014 average rent of £581, this would indicate an increase of just over 2.5%. Versus the Q4 2013 average of £562 per month, this shows a rise of 6%, year on year.

The 2014 annual average is £582 per month, compared to the 2013 annual average of £586 which in contrast shows that average rents for 2014 vs 2013 have fallen by £4.

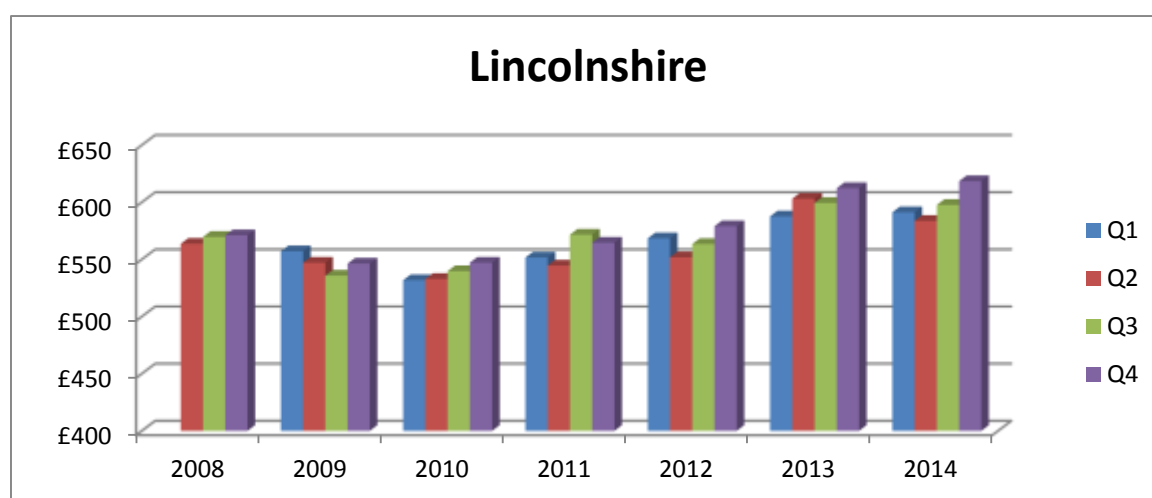
See '**East Midlands**' write up for comment from the local offices



In Lincolnshire, the Q4 average rent for 2014 is £618, compared to Q3 2014 of £598 per month which is an increase of 3.25%. Versus the Q4 2013 average monthly rent of £612, this would indicate a movement of rents upwards by 1% year on year.

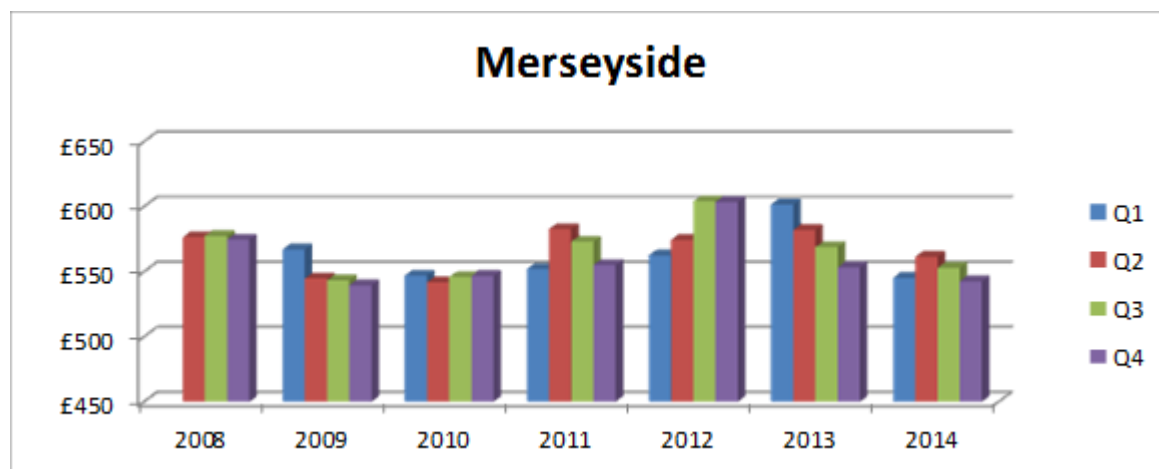
Comparing the 2014 annual average rent of £598 to the 2013 annual average of £601 per month, this in contrast shows a small overall annual decline of £3, although the chart below shows average rents in Lincolnshire have been slowly rising since 2010.

See '**East Midlands**' write up for comment from the local offices



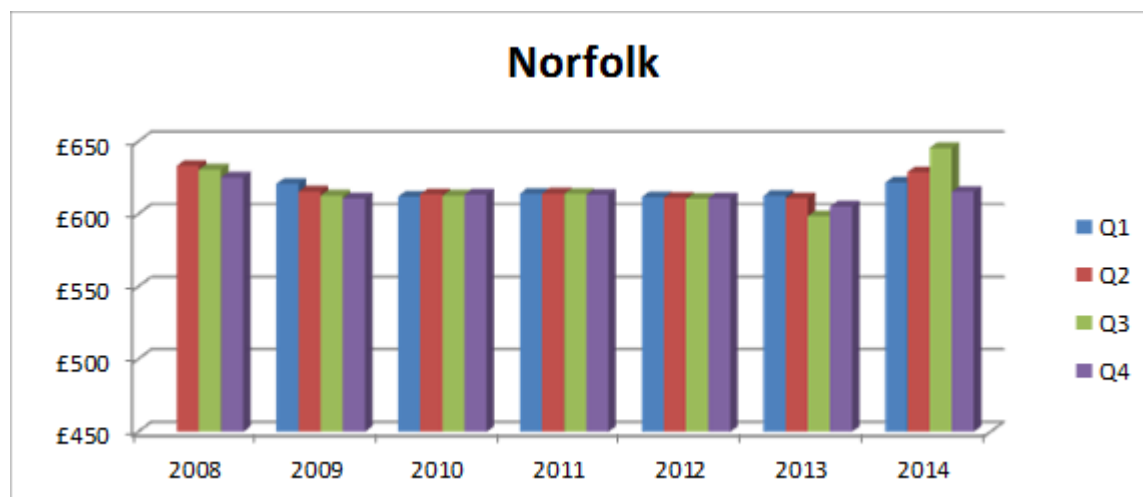
The Q4 2014 average monthly rent in Merseyside is £543 which is 2% lower than the Q3 2014 average of £553. Compared to the same quarter last year, rents have also fallen by -2%.

For Merseyside, the annual average for 2014 is £551 per month, compared to an annual average of £576 in 2013, suggesting a larger year on year fall of -4.25% than from one quarter to the next.



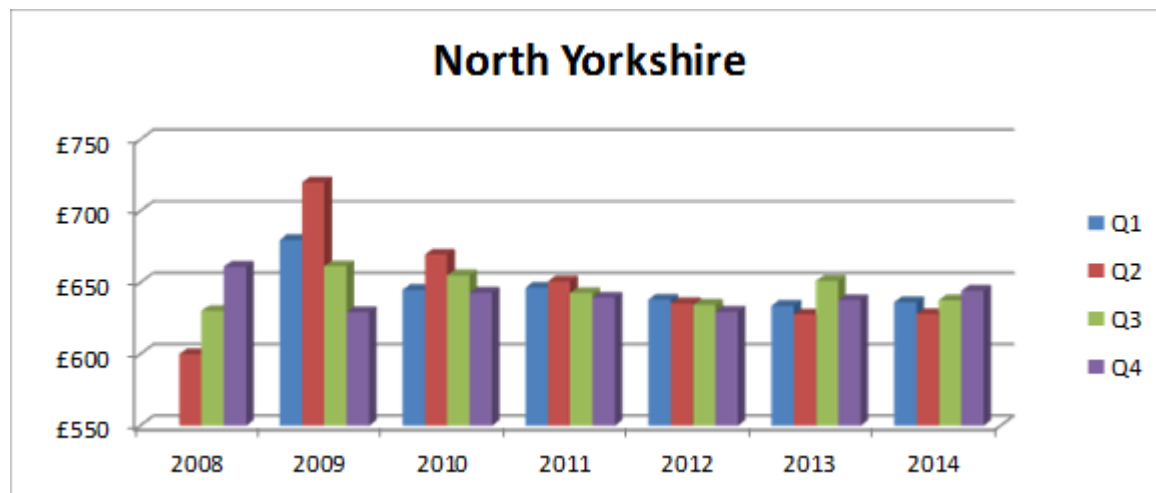
In Norfolk, the Q4 2014 average recorded rent is £615 per month compared to Q3 2014 of £646 per month which shows a decrease of -4.75%. Compared to Q4 2013 average rent of £605, current rents are just over 1.5% higher than the same time last year.

As the chart below shows, rents in Norfolk have been pretty flat since 2009 until 2014 when rents have started to show an upward trend which indicates a rise in rents of 3.5%.



The average monthly rent recorded for Q4 2014 in North Yorkshire is £644 versus £638 in Q3 2014, a slight increase of just under 1%. There is also a slight year on year increase of just under 1%, when compared to the Q4 2013 average rent, which was also £638.

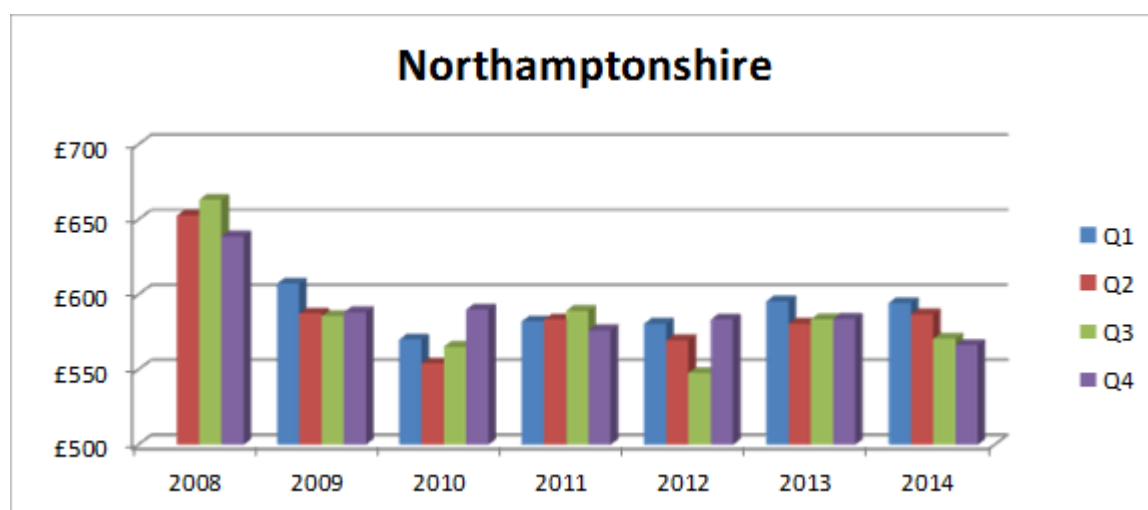
With only a £1 difference between the 2014 and 2013 annual average monthly rents of £637 and £638, indicating rents remain fairly static in North Yorkshire and have been for the last four years.



For Northamptonshire, the average monthly rent recorded for Q4 2014 is £567 versus Q3 2014's £571, a difference of just £4. Comparing this to Q4 last year's average rent of £584, this would indicate a small decline in rental levels, year on year, of just under -3%.

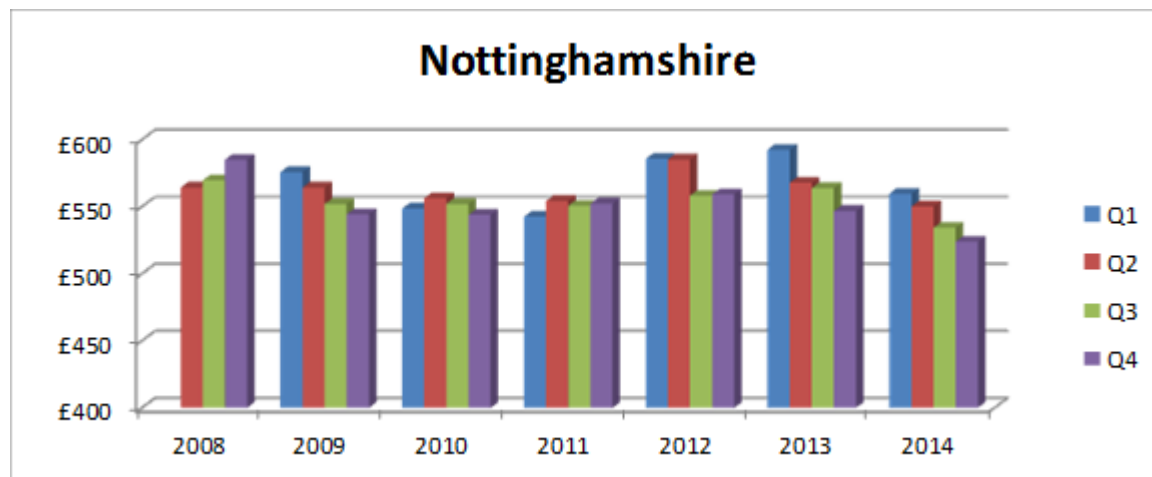
The annual average rent for 2014 was £578 versus the 2013 average of £586, shows in contrast rents were 1.25% less.

See '**East Midlands**' write up for comment from the local offices.



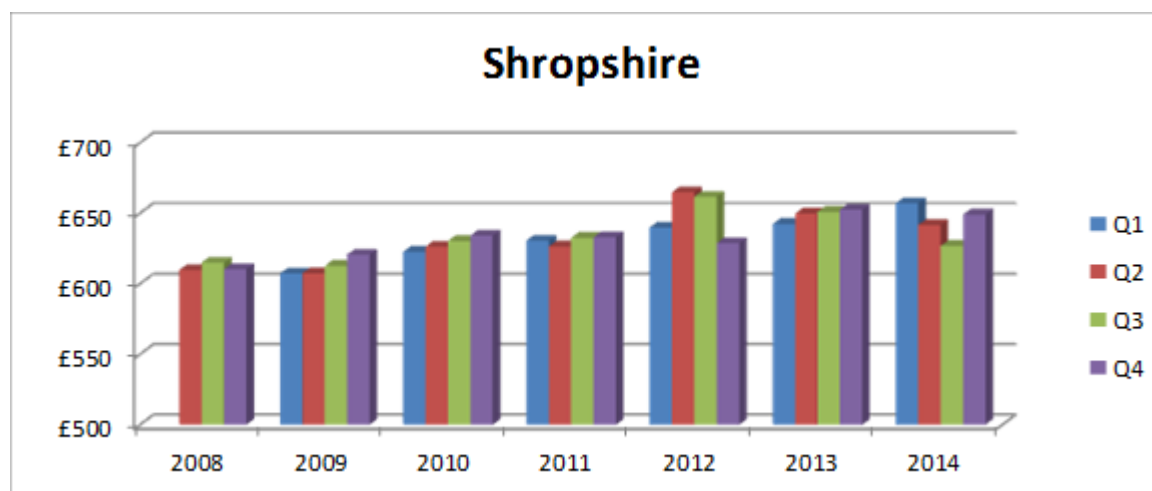
In Nottinghamshire, the average monthly rent for Q4 2014 is £524, compared to the Q3 2014 average of £534, showing a small fall of -1.75%. Comparing this to last year's quarter, rents were down even more, by -4.25%

Looking at the annual average rent for 2014 in Nottinghamshire of £541, compared to 2013's £568, this shows rents have fallen by -4.75% over the year.



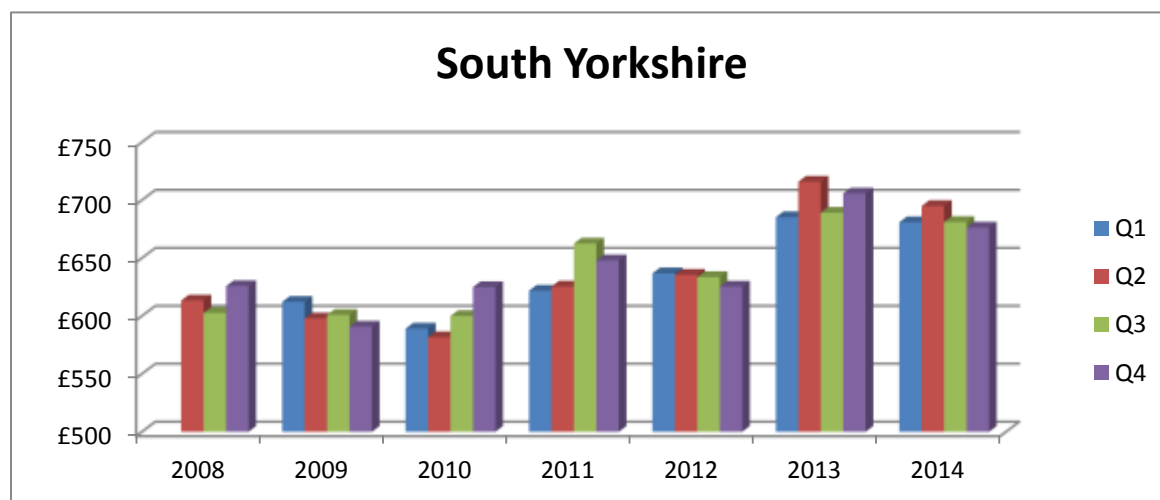
For Shropshire, the Q4 2014 average rent is £649 per month, showing a 3.5% rise versus Q3 2014's rents. This Quarter's average though shows a slight fall compared with the same quarter the previous year of £4.

Overall, comparing the 2014 annual average rent of £644 to 2013, rents are up by just £5 per month.



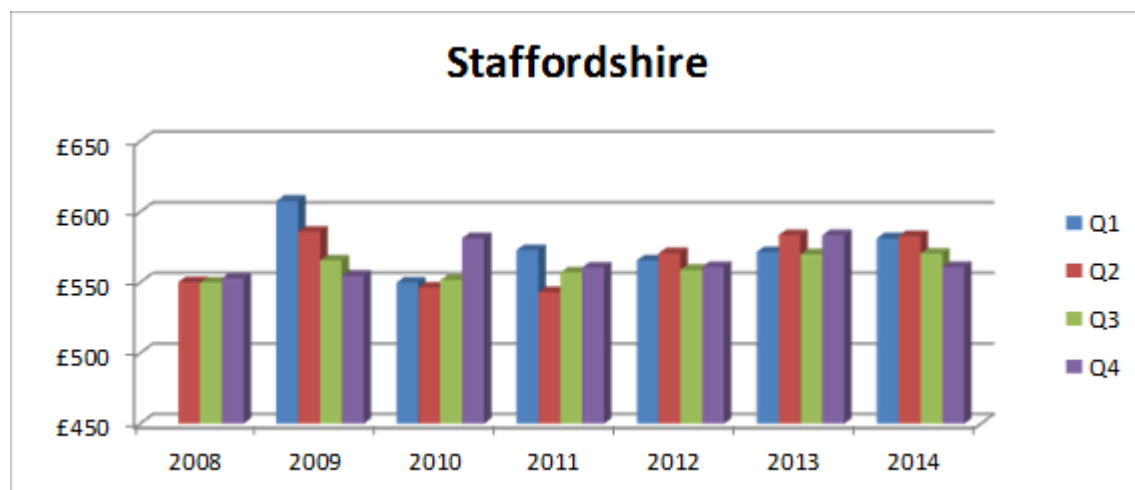
The average monthly rent in South Yorkshire for Q4 2014 is £676 which is £5 less than the previous quarter. Comparing to last year's Q4 2013 rents are even lower with a -4.25% decline.

The annual average rent for South Yorkshire in 2014 is £683, compared to 2013, this is a fall in rents of -2.25%. However, overall, rent levels were fairly stable throughout 2014.



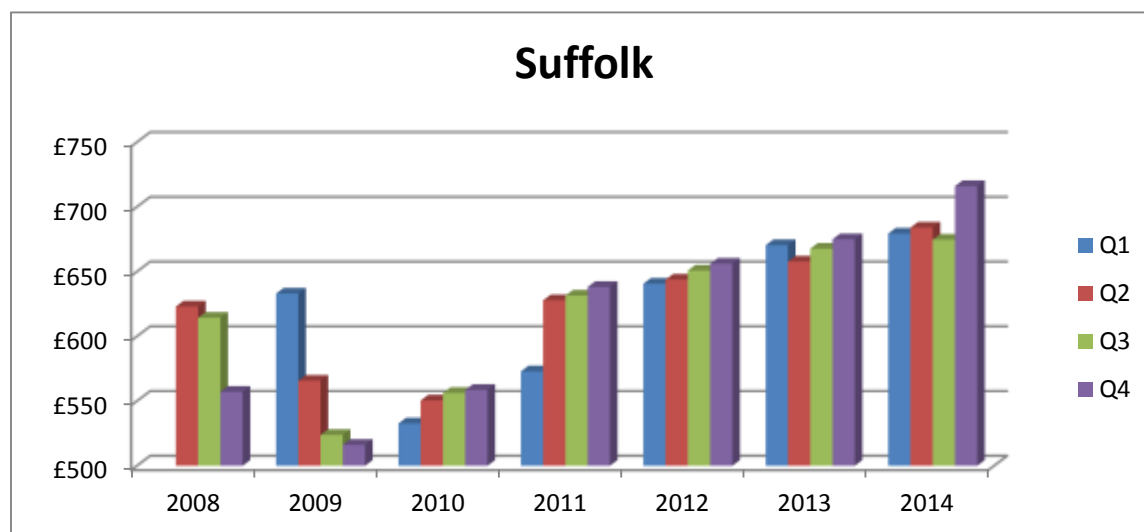
In Staffordshire, the Q4 2014 average rent recorded is £561 per month, which is a small decrease of -1.75% when compared to the Q3 2014 average rent of £571. Looking at rents in Q4 14 versus Q4 13, rents have fallen by -4%, year on year.

Looking at annual averages, the difference in rents from 2014 versus 2013 is just £3 lower, so fairly insignificant.



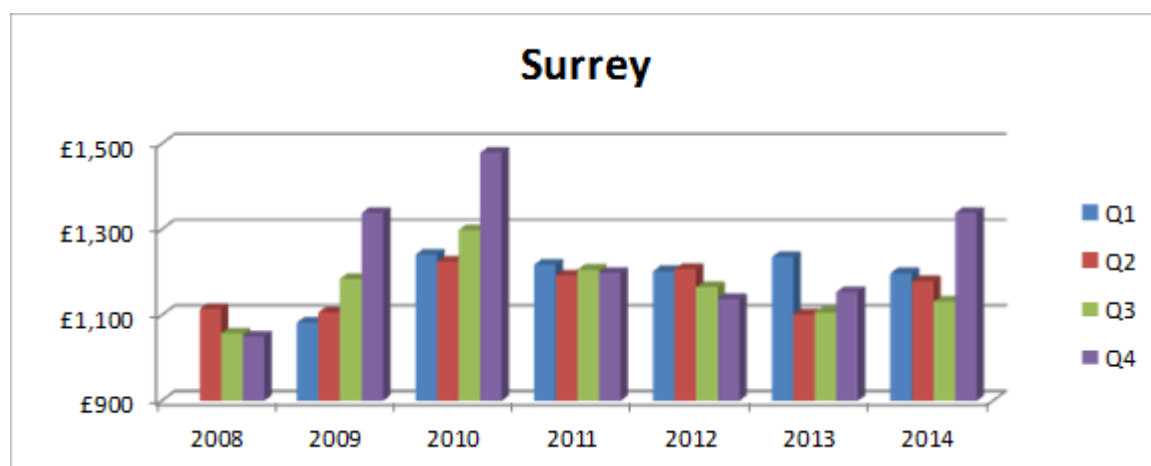
For Suffolk, the average recorded rent for Q4 2014 is £716 per month versus Q3 2014's average of £675, showing a rise of 6% which is also seen when comparing this quarter's rents to the Q4 2013 average.

The annual average rent for 2014 in Suffolk is £688, versus the 2013 annual average rent of £668, showing the rise is 3% year on year.



In Surrey, the average monthly rent recorded for Q4 2014 is £1,338. This suggests a big rise versus the previous quarter and the same quarter in 2013, but this is actually being caused by the mix in advertised properties in Woking, with some asking rents in excess of £5,000 pcm.

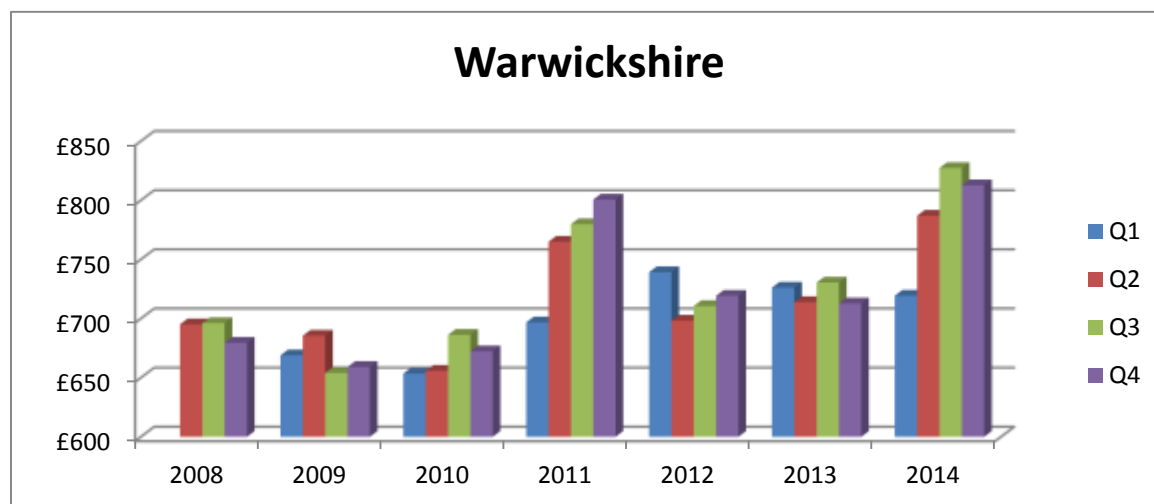
When the 2014 annual average rent of £1,211 is compared to 2013 rents have increased by 5.25% a little higher than rents achieved in 2010.



The average monthly rent recorded for Q4 2014 in Warwickshire is £813, down -1.75% on the previous quarter. Comparing this quarter to Q4 2013 average annual rent of £713 per month this suggests a 14% rise which is caused by high demand in both Coventry and Rugby which is raising rents for some tenants.

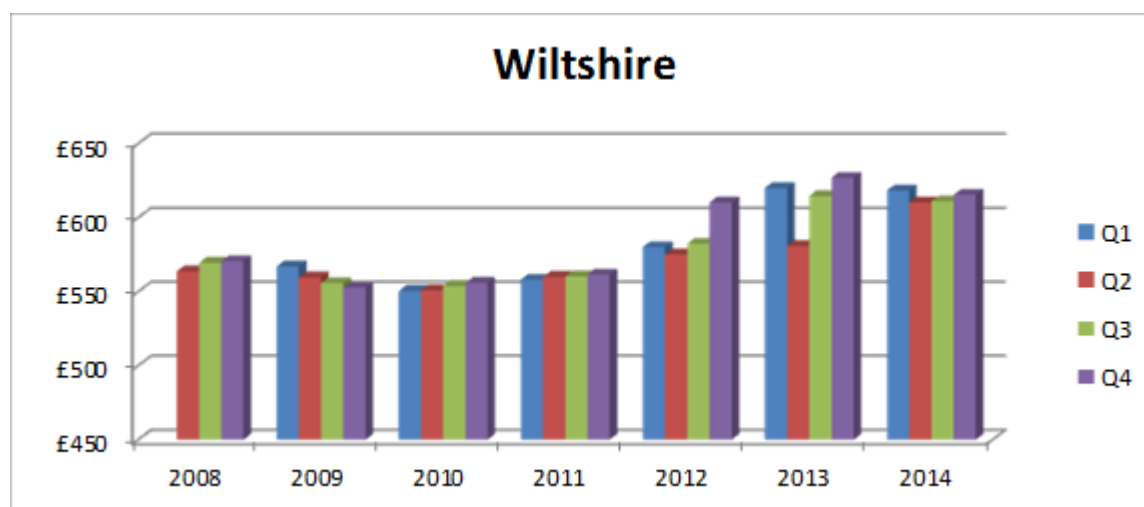
Comparing the 2014 annual average rent of £789, to the 2013 annual average of £721 per month, this shows an overall rise in rents of around 9.5%.

See '**West Midlands**' write up for comment from the local offices.



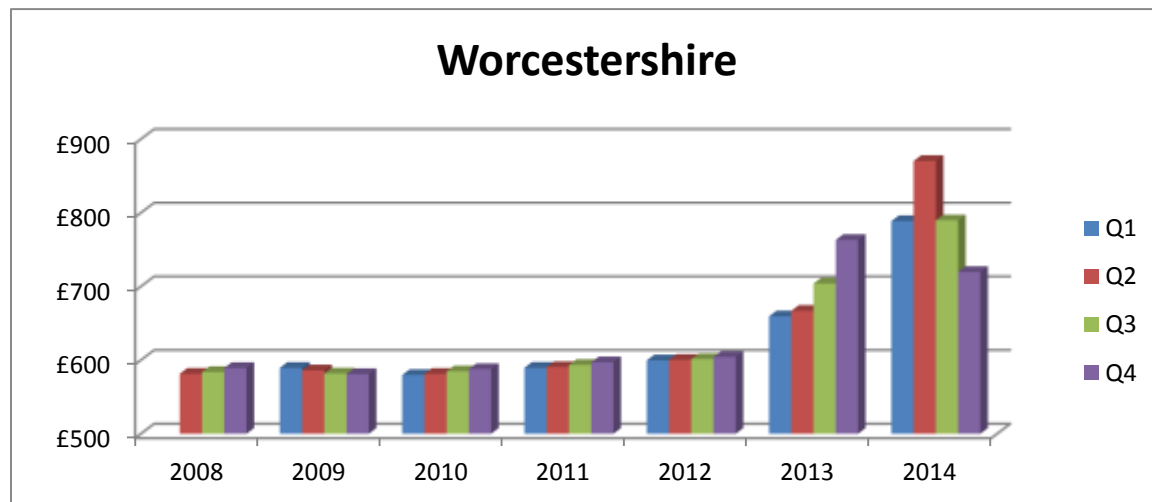
In Wiltshire, the average rent recorded for Q4 2014 is £615 per month, a £4 rise versus the previous quarter and a 2% fall versus the same quarter last year.

For 2014, the annual average rent recorded in Wiltshire is £614 per month, compared to 2013's £611, which suggests a £3 increase in rents year on year. Although rising since 2011, rent levels remained pretty static throughout 2014.



In Worcestershire, we cover two offices, Worcester and Evesham. The Average rent for Q4 2014 in Worcester is £615 per month. Evesham on the other hand, recorded an average monthly rent of £824 for Q4 2014.

The erratic nature of the rental levels since 2013 is due to the change in the number of properties being let at the lower level than previously quarters in 2014 and is more akin to the rental market seen during 2013.



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 six years

This is an analysis of rents across offices which have consistently traded across the six 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 2014.
2. All offices which have traded via the Belvoir brand over the last six 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.