

BELVOIR!

**December 2015
(Q4 15)**

Rental Index

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Belvoir Rental Index December 2015 (Q4): Rental Variations

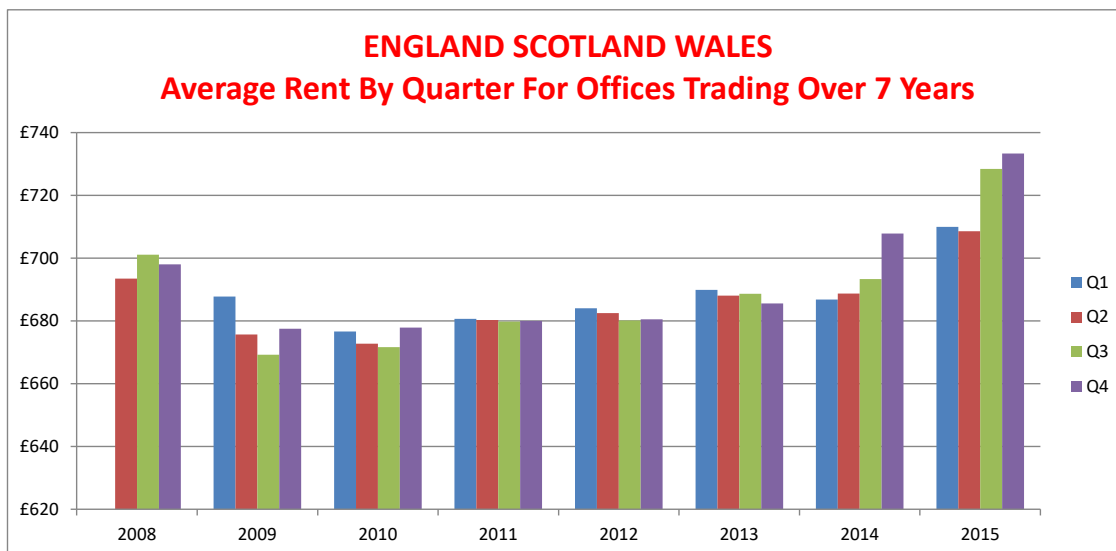
1. The average monthly rent recorded in the UK (excl NI) for Q4 2015 is £771. This is an increase of 3.5% versus Q4 2014 and a 5.5% increase versus average annual rents for 2014.
2. In Q4 2015, where Belvoir offices have been trading since 2008, average rents are still below their 2008 high in nine counties, including North Yorkshire, Lancashire and Hertfordshire.
3. 21 Belvoir counties exceeded the 2008 rental height during Q4 2015. These include Norfolk, Wiltshire and Staffordshire.
4. Amanda Campbell of Falkirk commented *"The average rent for a 2 bed flat was £465 and demand continues to be particularly strong for 1 and 2 bed flats."*
5. Craig McCracken of Belfast reports *"The rental market in Belfast is quite strong at present. I would estimate that rents have increased by £25 - £50 per month for properties over £500, typically 2 bed apartments and 3 bed semi-detached family style homes."*
6. Ben Davies of Swansea says *"The last quarter has been excellent and we are seeing landlords looking to expand before the stamp duty increase and rents have been increasing at a fair price for all."*
7. Domenica Young of the Weston super Mare office reports *"The market for rental properties in Weston-super-Mare is consistently buoyant with demand for properties far outstripping supply. This trend has been seen across all property types."*
8. Charlotte Baker of the Melton Mowbray office reports *"2015 saw the first six months with a low availability of rental properties on the market. After June we saw many more properties coming onto the market. The last six months of the year saw rent prices hold at the levels seen at the start of the year but not increase further and demand still high so properties not on the market for long."*
9. Peter Huane of the Rochester office comments *"Stock levels are tight with some landlords coming out of the market due to the government changes to taxation and stamp duty. Rent levels are sharply up with properties going for at least £100 pcm more than even recent market conditions."*
10. Craig Johnson of Newcastle under Lyme reports *"If you compare Q4 2015 to Q4 2014 I would say we have noticed a small rise in rental levels, maybe 3%. We have seen a huge rise in student properties brought on board to us in the last year and although they are much more difficult to handle, they are by far the most profitable."*

National Rental Trends

In England, Scotland and Wales, for offices which have been trading consistently over the last seven years, there was a 3.5% year on year increase in monthly rents from £708 Q4 2014 to £733 in Q4 2015.

Comparing Q4 2015 to the 2014 annual average rent, there was an increase of around 5.5%.

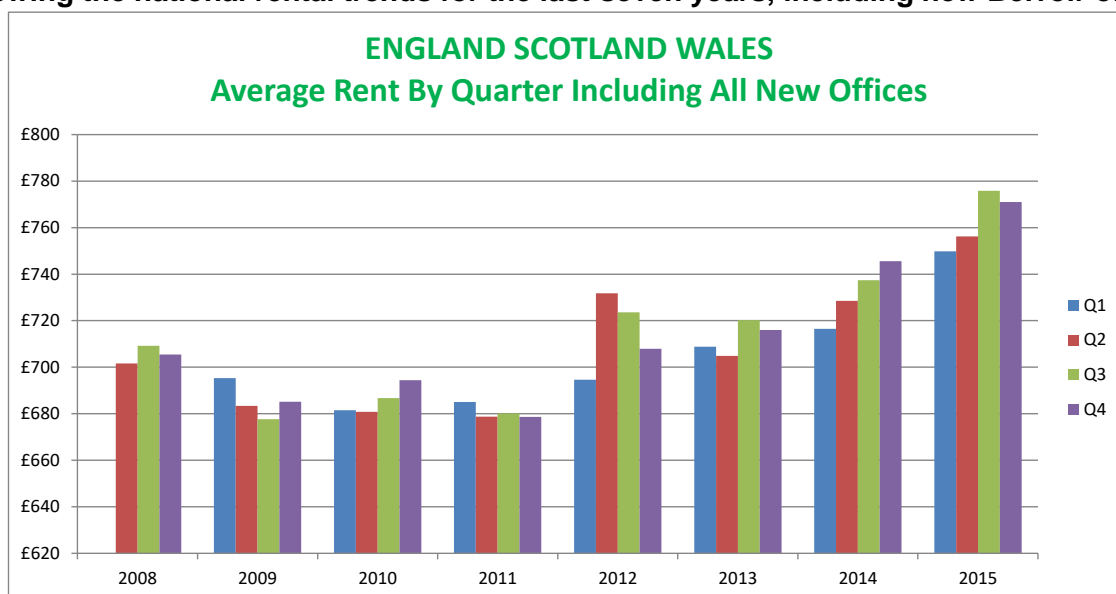
Chart showing the national rental trends for the last seven years over consistently trading offices



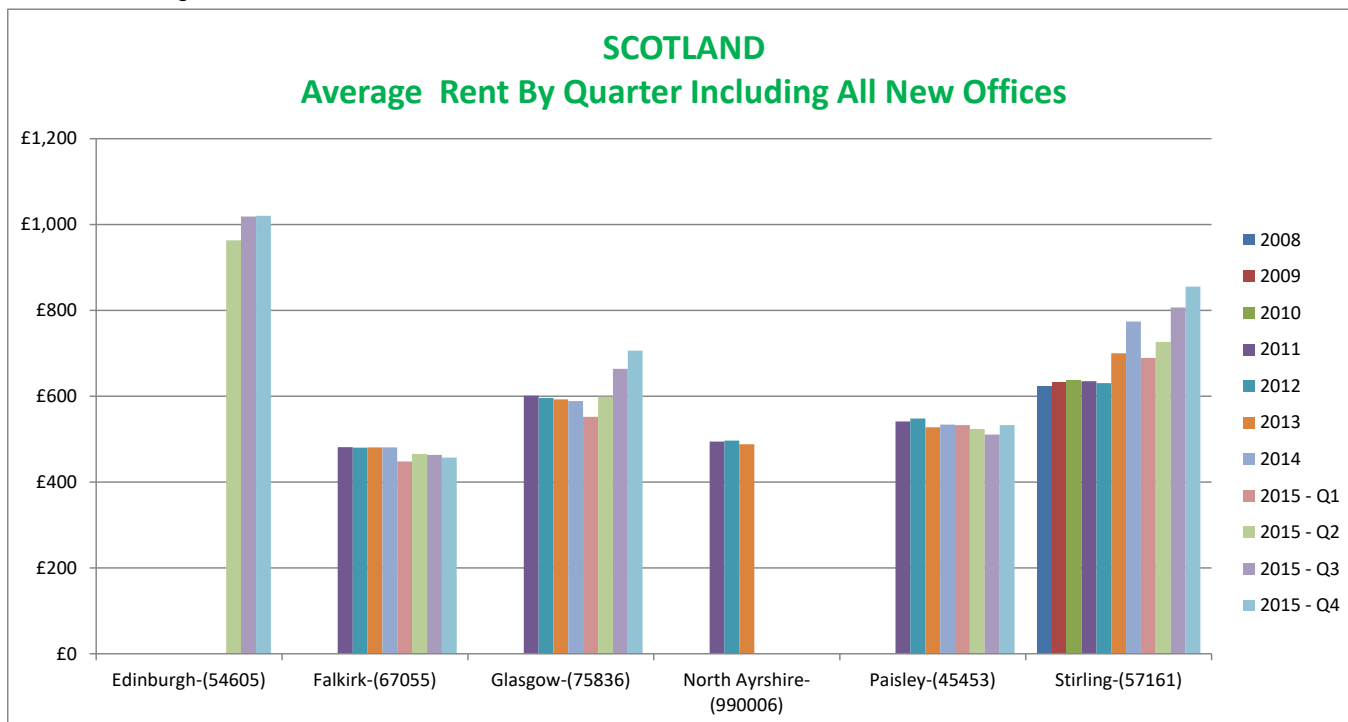
For all offices in England, Wales and Scotland, including the new Belvoir offices, the average rent recorded for Q4 2015 is £771 per month. Versus the Q4 2014 average of £746, this indicates an increase of just over 3.25%, year on year.

Comparing the Q4 2015 average to the 2014 annual average rent, this shows rents increasing by 5.25%.

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



Summary for Scotland



Falkirk

In Falkirk, the average rent recorded for Q4 2015 is £457 per month, which is a year on year fall of around -5.25% compared to the Q4 2014 average of £483. **Amanda Campbell of Falkirk** commented *“The average rent for a 2 bed flat was £465 and demand continues to be particularly strong for 1 and 2 bed flats.”*

City of Glasgow

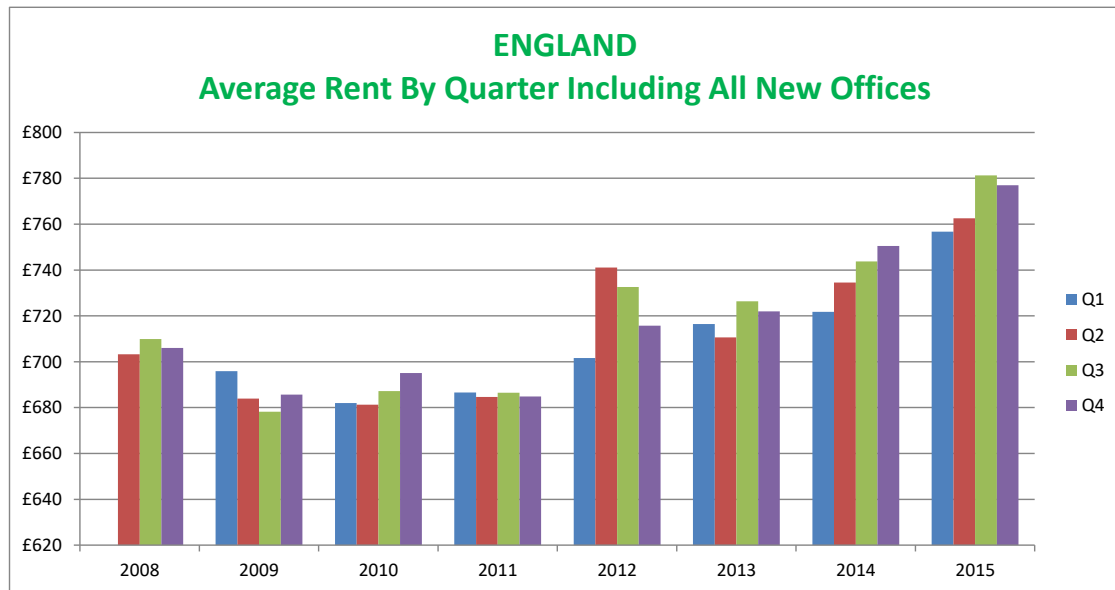
For Glasgow, the average monthly rent for Q4 2015 is £706 per month, although the stats suggest a big increase, **Sharon Walker of Glasgow** says: *“We were very busy in quarter four, with very little properties left to rent and demand was high for one/two bedroom, quality properties. We were able to increase the rent slightly in popular areas.”* As such, it appears rents are increasing slightly but not as high as the raw stats suggest.

Local buy-to-let expert commentary:

Nick Horan of Dundee says *“In Dundee and surrounding areas the last quarter of 2015 pretty much rolled out as expected. The levels of rental enquires dropped away increasingly the closer to Santa’s take off we got, as it does each year. Thus stock levels across the board went up and from what I could see this was true for most agents. That’s not to say that there were no lettings to be done merely that the market slowed noticeably over this period, it then tends to take off with a bang in January, partly due to the increase in relationship breakdowns over the sprouts and the in-laws visiting. This year we also had a significant increase in new properties coming on stream (compared to the same period in 2014) and enquiries from potential property investors.”*

Joseph Curran of Stirling says *“The Stirling office has been very busy. Low property stock coupled with high tenant demand is impacting on rental levels, which are increasing.”*

Summary for England



In England, for all Belvoir offices, including new ones, the average rent recorded for Q4 2015 is £777 per month, which is a year on year increase of around 3.5% versus the Q4 2014 average of £750.

Comparing the Q4 2015 average monthly rent to the 2014 annual average, this shows a 5.25% increase.

Local buy-to-let expert commentary:

Angela Parton from **Burton upon Trent** comments *“The demand for rental properties in Burton remains buoyant. There was very little change in the market between October to December 2015, as demand continues to outstrip supply of new rental properties. In December there were approximately 120 properties available to let on Rightmove compared to approximately 520 properties for sale. The shortage of rental properties in Burton has meant that landlords can look to achieve on average 3-4% increase in rental income over the last 12 months. I do not see any difference in trend during 2016 for the lettings market and more properties becoming available for sale.”*

Melanie Carter of the **Evesham** office reports *“We experienced a busy time in the run up to Christmas, which quietened down over the festive period, but picked up again at the start of the year. High demand coupled with a supply shortage caused rental levels to increase around 3% over 2015, on all sizes of property. There are a number of buy to let investors looking to increase their portfolios prior to the tax changes taking place. As far as 2016 is concerned, we anticipate a similar year to 2015, with the rental market remaining strong.”*

Steve Slawson from **Worcester** comments *“We had a quiet end to the year but it’s picked up rapidly since we’ve been back after Xmas/New Year, with both tenant enquiries and also landlords looking for advice to buy further properties before the stamp duty increase kicks in.”*

Rents are rising slightly but the increase is being driven by the tenant demand for a particular property/ area. It’s not happening across the board. On the whole, I’m confident that despite the stamp duty increase coming in April it will be a busy year for lettings driven by strong tenant demand for the right properties.”

Summary for Northern Ireland

Local buy-to-let expert commentary:

Craig McCracken of Belfast comments: *"The rental market in Belfast is quite strong at present. I would estimate that rents have increased by £25 - £50 per month for properties over £500. These properties typically would be the 2 bed apartment market and the 3 bedroom semi-detached family style house. The standard good 2 bed apartment would now achieve £650 - £700 per month versus £600-£625 in 2014.*

The rental market for the terraced house would not have increased, and the reason I find for this is that the properties are not normally in as good condition, hence more difficult to increase the rent.

The big positive I found last year, which hopefully will continue in 2016, is that landlords are now more positive about their properties and view them as an asset and not as a liability, and are prepared to make improvements which will increase their monthly rental income and also increase the value of the property.

My concern would still be there seems to be a lot of landlords who are only paying interest only and not on a repayment which is ok whilst interest rates are low, but is a hand to mouth situation, whereas the landlords who are on debt reduction will be in a stronger position over the coming years. With a 10 - 20% increase in property values and the same in debt reduction, makes a huge difference."

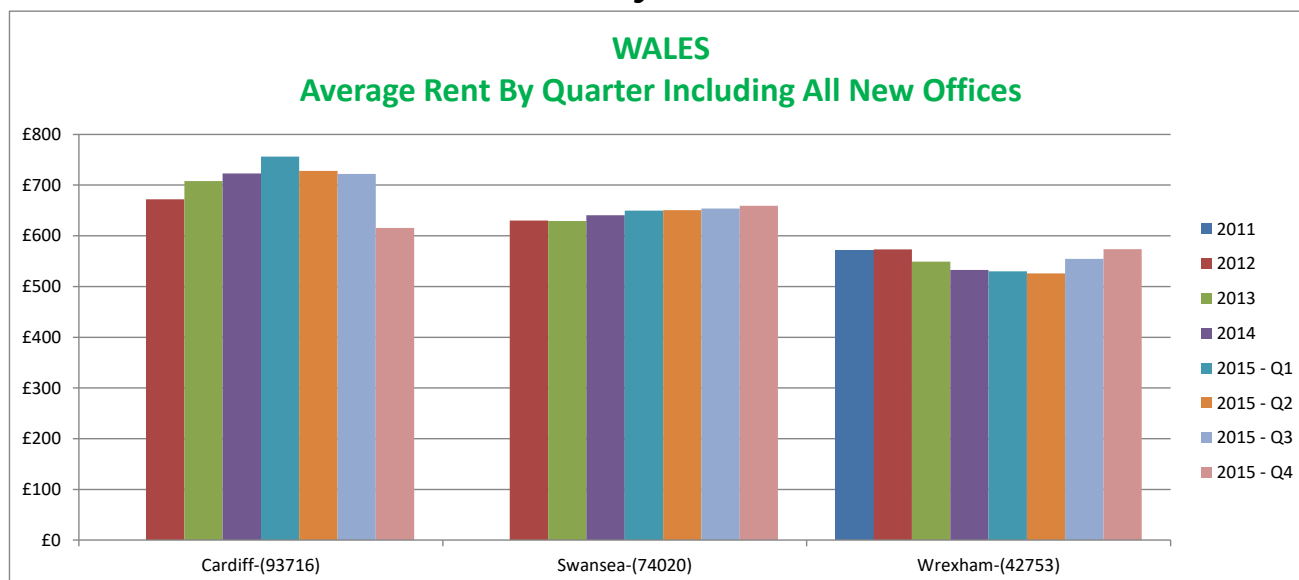
Trevor Burns of Newtownards & County Down says *"The rental market here is still suffering from a lack of supply. Good quality properties are renting quickly, with high tenant demand. Rents are creeping upwards, and we are increasing most of the rents as their tenancies are renewed.*

Unfortunately, the latter part of 2015 also saw a number of rentals being repossessed. We lost over 40 properties last year in this way. Perhaps the threat of an interest rate rise by the Bank of England pushed the mortgage companies/banks to act."

Jackie Burns of Bangor reports *"Q4 2015 has been a very slow time for us. The investment landlords are no longer buying due to the increase in purchase prices and we have lost quite a number of managed properties as Landlords are now selling. This on top of the repossessions mentioned above.*

The good news is there is still very high tenant demand and a lack of properties available. Unfortunately we don't see this changing any time soon."

Summary for Wales



Swansea

The average monthly rent for Q4 2015 in Swansea is £659, +1.75% year on year versus Q4 2014. Comparing Q4 2015 average to the 2014 annual average of £641, this shows a slightly higher increase in rents of around 2.75%.

Local buy-to-let expert commentary:

Ben Davies of Swansea reports *“The last quarter has been an excellent one for us considering it can be very mixed when you include the months of November and December. November especially took us by surprise when we completed 33 move-ins which is the kind of numbers we achieve in the perceived busy months!”*

Despite the concerted attacks on landlords and the buy-to-let industry as a whole, we are not seeing the mass exodus of landlords many had predicted. On the contrary, we are seeing landlords looking to expand before the stamp duty increase and rents have been increasing at a fair price for all.

Rent Smart Wales has been introduced as of the 23rd November and the cut off for this will be the 23rd November 2016. It hasn't had any impact on the market in my opinion, apart from the high charges that agents will have to pay in Wales, which is somewhere in the region of £5k for a five year licence!”

Cardiff

For Cardiff, the average monthly rent recorded in Q4 2015 is £615, indicates a fall in rents, but in reality, **Rob Price of Belvoir Cardiff** reports *“Rents are edging up slowly in Cardiff but we are not experiencing large increases”* suggesting the stats aren't reflecting what is actually happening at the local office.

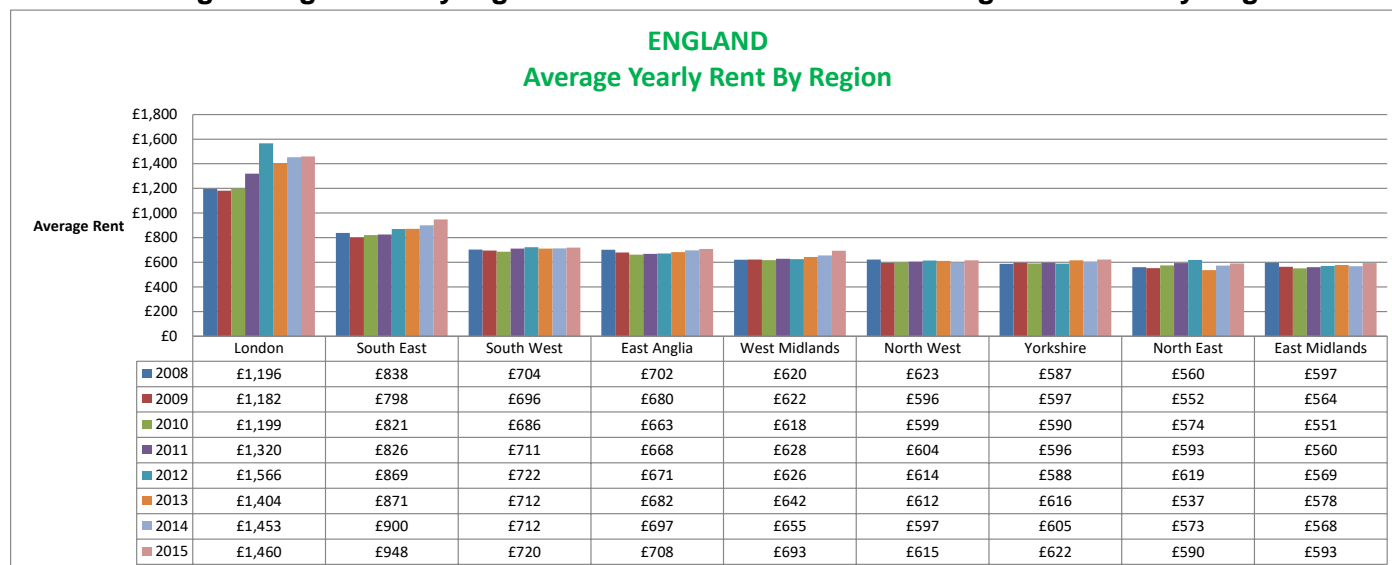
Wrexham

In Wrexham, the average monthly rent for Q4 2015 is £574, which is around a 9.5% increase versus Q4 2014, and a 7.75% increase over the 2014 annual average. Looking back at average rents for Wrexham we saw falls from 2012 when the average was around £570, so although this looks like rents are rising, they are actually recovering to levels seen in 2012.

Belvoir Regional Rental Trends Summary

Average monthly rents vary from £590 in the North East, £720 in the South West, £948 in the South East, through to £1,460 in London.

Chart showing average rents by region 2008 to 2015 for all Belvoir English Offices by Region



The average monthly rent for 2015 in **London** is £1,460, which is only £7 more when compared to the 2014 annual average of £1,453. London rents are now around 22% up on the 2008 height.

In the **South East** the 2015 average monthly rent is £948, which is around a 5.25% increase versus the annual average for 2014 of £900. This is 13% above the high of 2008.

The **South West** average rent for 2015 is £720 per month, an increase of just over 1% on the 2014 annual average of £712. Rents in the South West are only 2.25% higher than in 2008.

In **East Anglia**, the average monthly rent for 2015 is £708, which is 1.5% up on the 2014 annual average and now exceeds the 2008 high of £702 per month by £6.

For the **East Midlands**, the 2015 average recorded rent is £593 – up 4.5% compared to the 2014 annual average of £568. Rents are now just £4 below the heights seen in 2008.

The average monthly rent in the **West Midlands** for 2015 is £693, an increase of around 5.75% versus the 2014 average of £655 per month, and around 11.5% above the height of 2009.

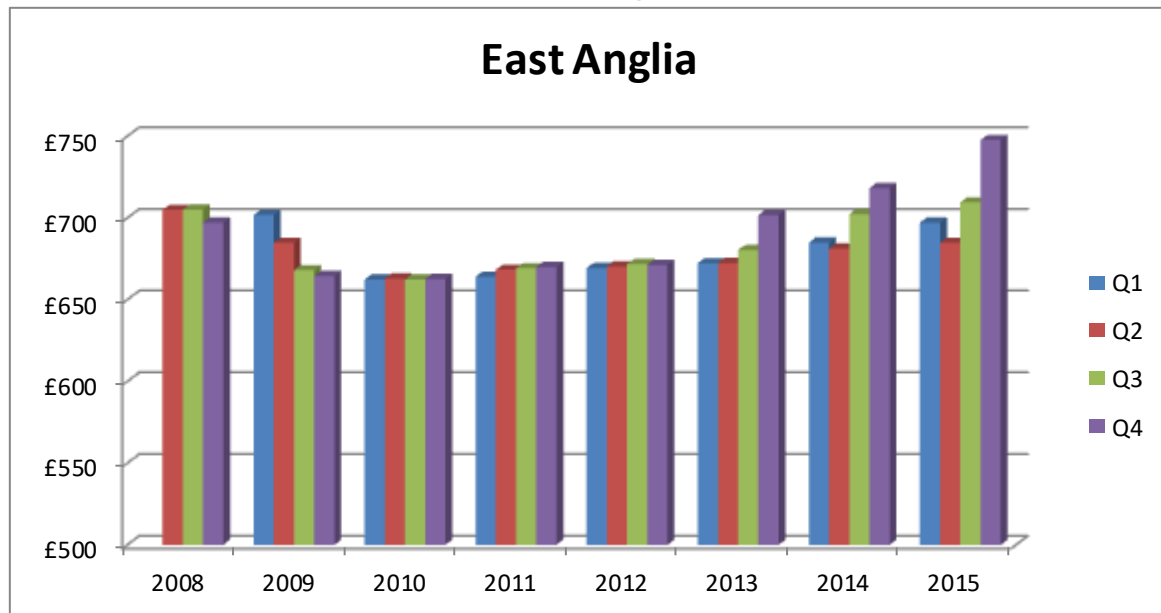
In **Yorkshire**, the 2015 annual average is £622, which is around 2.7% up on the 2014 average, and about 4.25% higher than the 2009 high of £597.

The annual average rent in 2015 for the **North West** is £615 per month, which is a 3% increase versus the 2014 average of £597, but these levels are still -1.25% lower than height of 2008.

The **North East** average monthly rents shown are not an accurate reflection of what's really happening due to the immense differences in property types and values within this area. For more detailed information, please see the North East regional rental trends analysis.

Belvoir Regional Rental Trends

East Anglia



In East Anglia, the average rent recorded for Q4 2015 was £748 per month. Versus the average for Q4 2014 of £718 per month, this indicates an increase, year on year, of just over 4%.

Comparing the Q4 2015 average to the 2014 annual average rent of £697, this shows a much higher increase of around 7.25%.

All East Anglian offices experienced small rises during Q4 2015.

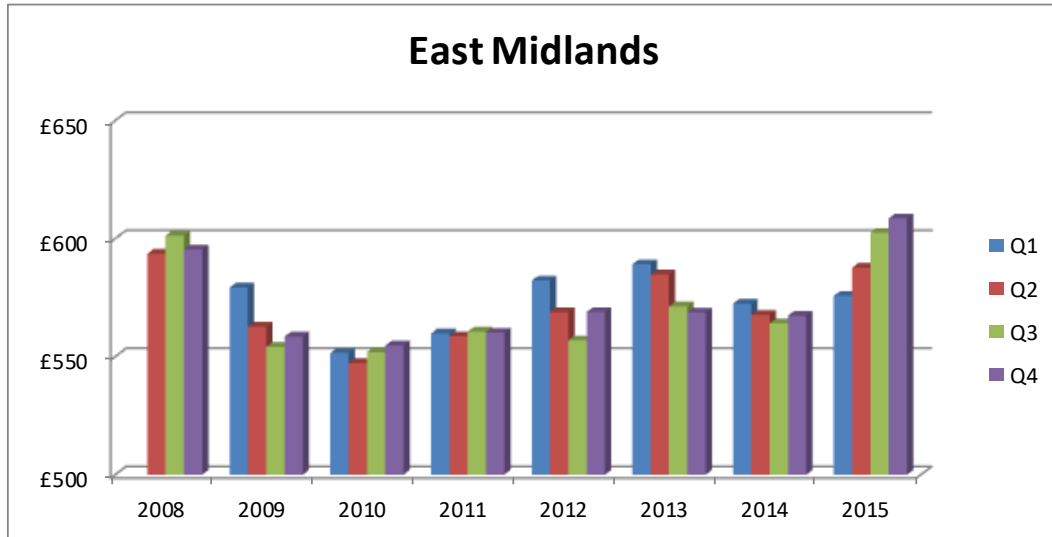
Local buy-to-let expert commentary:

Georgina Gray of the **Cambridge** office reports “October was a busy month, and the change we have seen is that the student/peak summer months are starting later each year, and carrying though to the end of October rather than compressed just into August and September. November and December were quiet months, as expected in the Cambridge market. We see mainly families and professionals moving in these months, and the majority of investors do not start their search again until the New Year, which has certainly started off 2016 with a lot of activity.

Rents increased slightly in 2015 from 2014, however rooms rents and student accommodation did not increase as much, as the standard family houses and flats.

We feel 2016 will be another busy year for investment in Cambridge, even with the changes in Stamp Duty and tax approaching; the city's capital growth opportunity for investors will remain a bigger driver for investment here. 2016 sees lots of student developments and further new build sites under way, growing the city at a fast pace, increasing the population and activity in the property market.”

East Midlands



For the East Midlands, the average rent for Q4 2015 is £609 per month. Compared to the Q4 2014 average, this shows a year on year increase of around 7.25%.

When comparing the Q4 2015 average to the 2014 annual average for 2014 of £568, this shows a similar increase in rents of just over 7%.

During Q4 2015, rents remained stable for 40% of offices in the East Midlands, with 40% showing small rises, including Hinckley and Nuneaton and Corby, and 20% of offices experiencing slight falls.

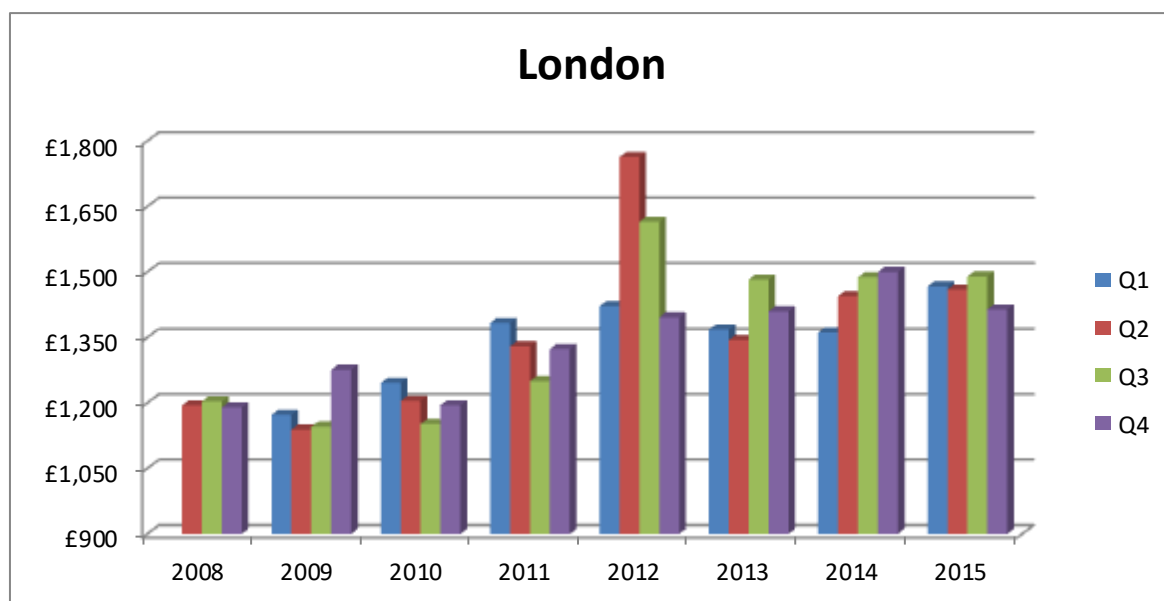
Local buy-to-let expert commentary:

Charlotte Baker of the **Melton Mowbray** office reports *“For Melton Mowbray, 2015 saw the first six months with a low availability of rental properties on the market. In our opinion less people moving so a lower turnover of rentals and less landlords buying as the impending election created uncertainty. This also created an opportunity to increase rents, with such low stock and lots of demand we saw properties coming onto the market and letting quickly for between 5% - 10% more than we would normally expect. After June we saw many more properties coming onto the market. Buy to let landlords moving forward and completing sales, tenants moving again. The last six months of the year saw rent prices hold at the levels seen at the start of the year but not increase further and demand still high so properties not on the market for long. For 2016 I expect (hope) it will continue in the same style as the last six months. It really was the uncertainty of the election that depressed the number of rental properties coming onto the market in the first six months of 2015. The demand from tenants was and will continue to be high. Until there is a major new build development in Melton Mowbray (still a few years away) there will be more demand than supply so rents will steadily increase at the usual rate for us - around 2%, and what comes onto the market will be let quickly.”*

Michael Keywood of the **Mansfield** office comments *“We’re experiencing good tenant demand, including non-Eastern European tenants, such as Italians. The supply of property is steady and there are a few new build developments nearing completion which hopefully will increase supply. Demand is particularly strong for 3 bed houses, and 1 / 2 bed flats, particularly those in good condition. We have seen a reduction in the number of ‘sole’ investors/accidental landlords, as they look to sell now the market is picking up, but there are also some investors who are purchasing large commercial properties to convert to residential flats. We have seen an increase in rents over the last few months, depending on the type and size of property.*

As far as 2016 is concerned, we’ll see what happens after the tax changes in the Spring, but I am confident that investments will shift more north, away from London, as the returns on property are very attractive and people still want to invest in property.”

London



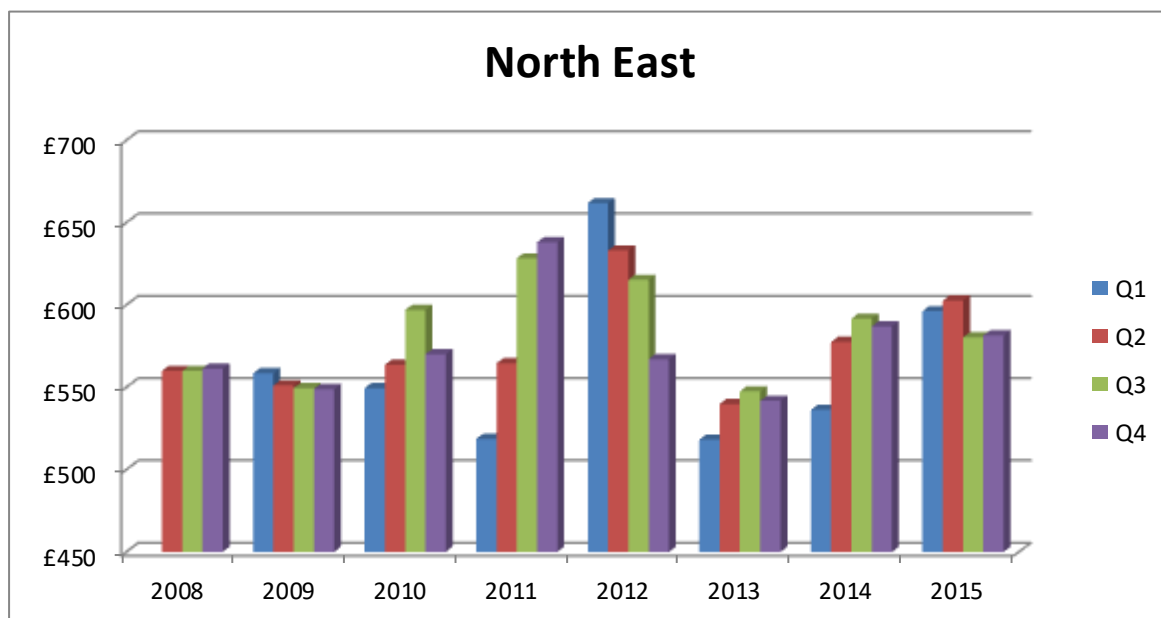
The average monthly rent recorded for London during Q4 2015 was £1,414, which shows year on year falls of around -5.75%, versus Q4 2014.

When comparing the Q4 2015 average to the 2014 annual average, this shows an overall decrease in rents of just under -2.75%.

Due to the diverse range of London properties, monthly average rents can show significant differences, such as, Basildon which has an average of £800 per month, Enfield at £1,206, through to Chelsea and Fulham at £2,263.

In London, average rents in just under half of offices experienced small falls in Q4 2015, including Balham and Stratford, with just over a quarter showing slight increases, including Enfield and Gants Hill, and just under a quarter experienced stable rents.

North East



In the North East region, rental averages have a propensity of being inconsistent, mostly due to the unpredictable and very diverse Newcastle rents.

Tynedale average monthly rents remain stable and are £541 for Q4 2015, Q4 2014 and the 2014 annual average.

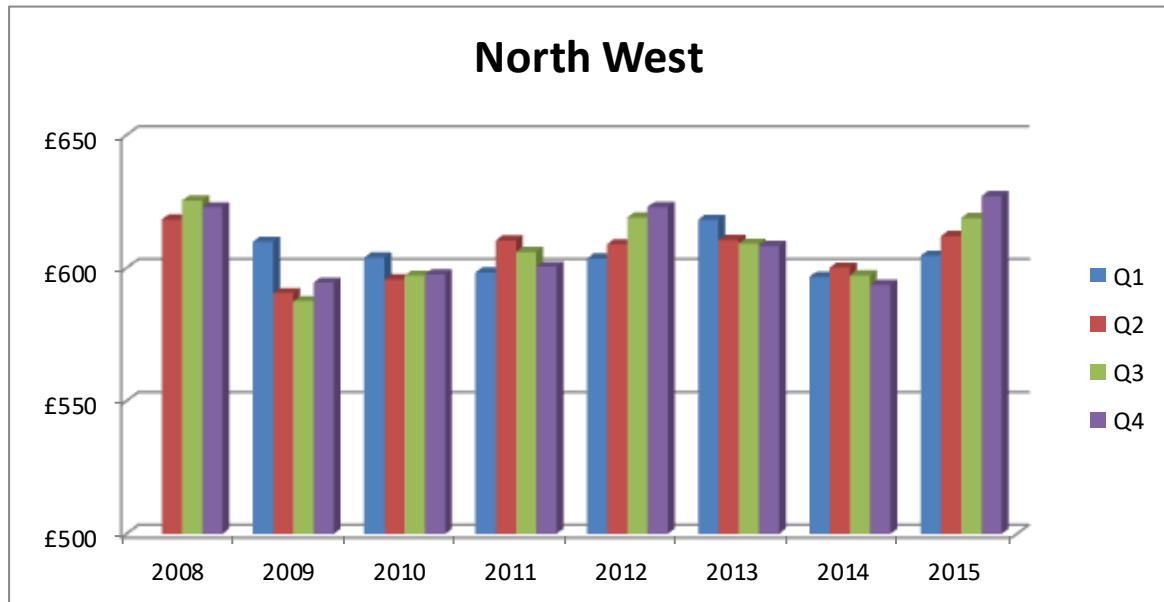
For **Sunderland**, the average rent for Q4 2015 is £558 per month, which shows a year on year slight fall of -1% versus the Q4 2014 average of £564. Compared to the 2014 annual average of £566, this also indicates a small fall of just under -1.5%.

Local buy-to-let expert commentary:

Howard King of the **Newcastle upon Tyne** office says *"The market in the last quarter was the same as the year before, but we did see rent increases for good properties, but there was still a downward pressure on rents in the benefit sector. Stock levels of good properties were low which affected lettings. We also saw the trend for tenants to stay longer."*

Neil Whitfield of the **Sunderland** office reports *"We are seeing a lot more activity in the property market in 2015 versus the previous year with almost double the number selling. Average prices are rising at around 4% versus 2014, but we still have some way to go before they reach their previous peak in 2008. From a rental perspective we are seeing a big jump in the number of properties available and this is impacting on demand and supply, so although we have a buoyant market, rents are essentially flat."*

North West



The average rent recorded in the North West for Q4 2015 is £627 per month. Versus the Q4 2014 average, this shows an increase of around 5.5%, year on year.

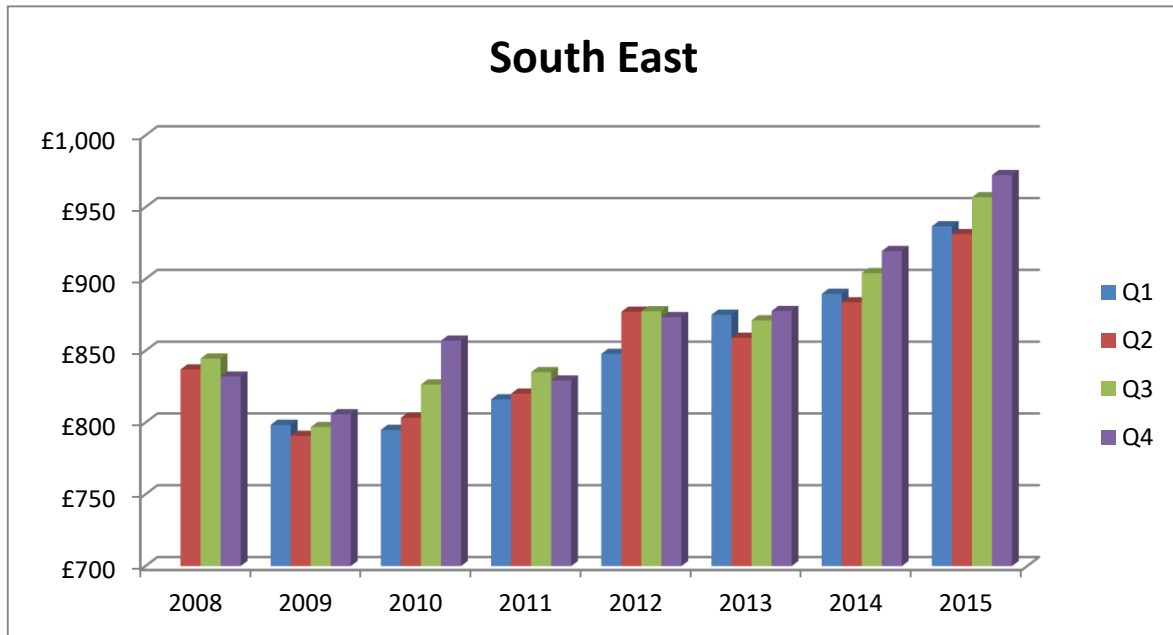
Compared to the 2014 annual average of £597 per month, this also indicates rental rises of around 5%.

Average monthly rents in the North West continued static for around half of offices in Q4 2015, with a quarter experiencing small increases, including Bolton and Liverpool South, and the remaining quarter showing slight falls.

Local buy-to-let expert commentary:

Michael Green of the **Burnley** office says *"In general, the rents have not changed much at all in the last five years. The rental market is buoyant as far as semis, detached and the higher quality terrace properties are concerned. Particular areas are doing better than others but the low end terrace properties are more difficult to shift."*

South East



In the South East, the average rent recorded in Q4 2015 is £972 per month. Versus Q4 2014, this shows year on year rental increases of 5.75%.

When compared to the 2014 annual average of £900 per month, this also shows an increase in rents of around 8%.

Half of offices in the South East experienced small rises in Q4 2015, including Margate and Newbury, with the remaining half equally split between stable and slight falls, including Dunstable.

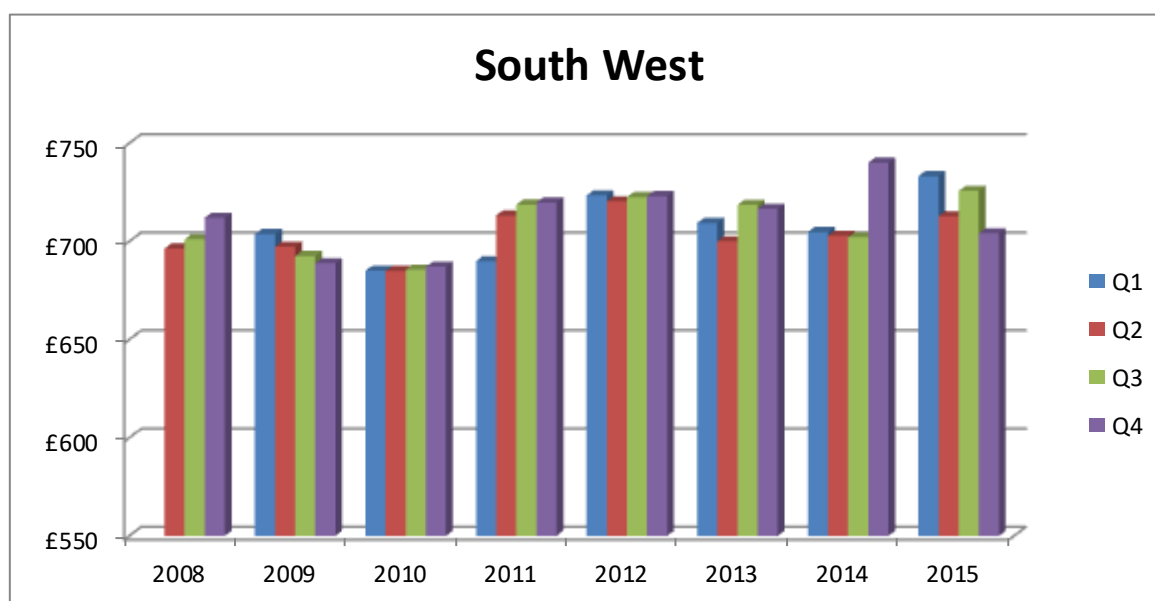
Local buy-to-let expert commentary:

Glenn Wakeham of the **Guildford** office reports *“Rents for student lets have risen about 7-8 % due to high demand from the University of Surrey expanding its numbers and not being able to build enough of their own halls of residence. Prices to buy are spiking especially on 1 bed flats which are good investments for landlords keen to complete before April’s change in SDLT. Overall rents continue to rise as demand outstrips supply and well presented 1 bed flats or good quality family homes of 3 beds going quickly.”*

Peter Huane of the **Rochester** office comments *“Stock levels are tight. Some landlords are coming out of the market due to the government changes to taxation and stamp duty. Rent levels are sharply up with properties going for at least £100 pcm more than even recent market conditions.”*

We’re seeing a few more of the ‘silver’ brigade investing before the stamp duty rise takes effect, in essence buying an income on their ‘pension pot’ as there is little prospect of any immediate or significant increases in the Bank of England base rate.”

South West



The average monthly rent recorded in the South West for Q4 2015 is £704, which is a year on year decrease of around -4.75%, versus the Q4 2014 average.

Compared to the 2014 annual average rent of £712 per month, this indicates a small overall fall of just under -1.25%.

In the South West, during Q4 2015, two-thirds of offices experienced stable rents, including Cheltenham and Gloucester, with just under a third showing falls and the remainder slight increases.

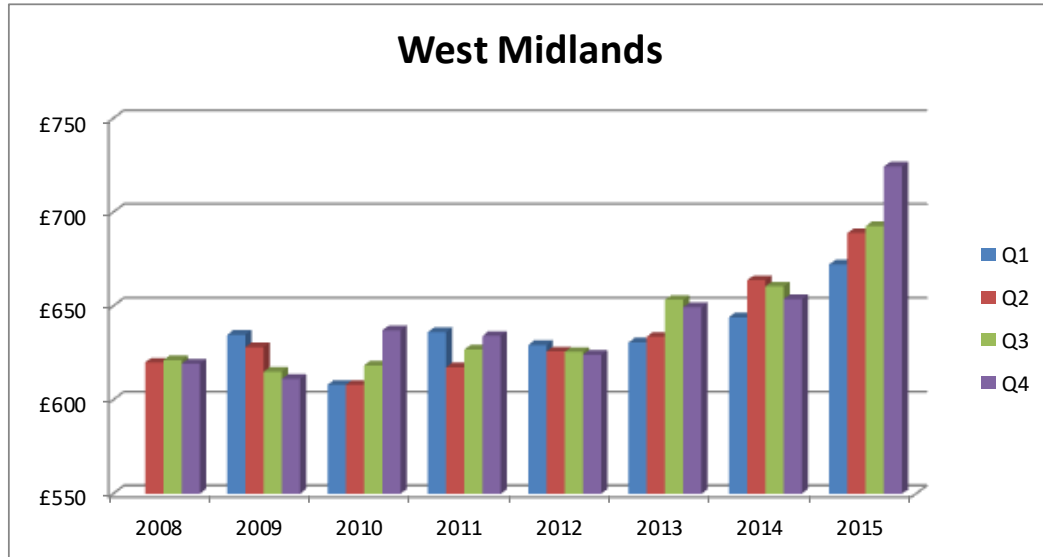
Local buy-to-let expert commentary:

Domenica Young of the **Weston super Mare** office reports *“The market for rental properties in Weston-super-Mare is consistently buoyant with demand for properties far outstripping supply month on month. This trend has been seen across all property types with strong demand for accommodation ranging from one to four beds. Unusually the end of the year 2015 was uncharacteristically busy compared to previous years.*

The most rented property in Weston-super-Mare during the final quarter was two beds – accounting for nearly half the market with one beds about a third. Having said that, we were still short of three and four beds to let.

Looking towards 2016, we expect to see demand remain consistently high as Weston-super-Mare has a high proportion of people opting to rent versus buying and from a landlord’s perspective, we feel this is a great area for investors to benefit from both high yields and capital growth.”

West Midlands



The average rent for the West Midlands is £724 per month, for Q4 2015. Versus the Q4 2014 average, this would indicate a year on year increase of just over 10.75%.

Compared to the annual average rent for 2014 of £655 per month, this also shows an overall increase of around 10.50%.

For Q4 2015, half of the offices have seen some rises versus 2014, however, a third of the offices saw no change year on year, and two offices actually saw a fall. It should also be noted that part of the reason for an apparent large rise in the West Midlands year on year, is due to the loss of three offices which had average rents of around £500, inflating the year on year difference.

Local buy-to-let expert commentary:

Craig Johnson of the **Newcastle under Lyme** office reports *"If you compare Q4 2015 to Q4 2014 I would say we have noticed a small rise in rental levels, maybe 3%. Our local area achieves the following averages:*

2 Bed Terraces - £425 (least popular property, far too many around causing landlords to either have to really bring them up to a good standard or lower their prices)

3 Bed Terraces - £475 (more popular than 2 beds and in short supply)

3 Bed Semis - £550 to £650 dependent upon size (most popular property and low void periods)

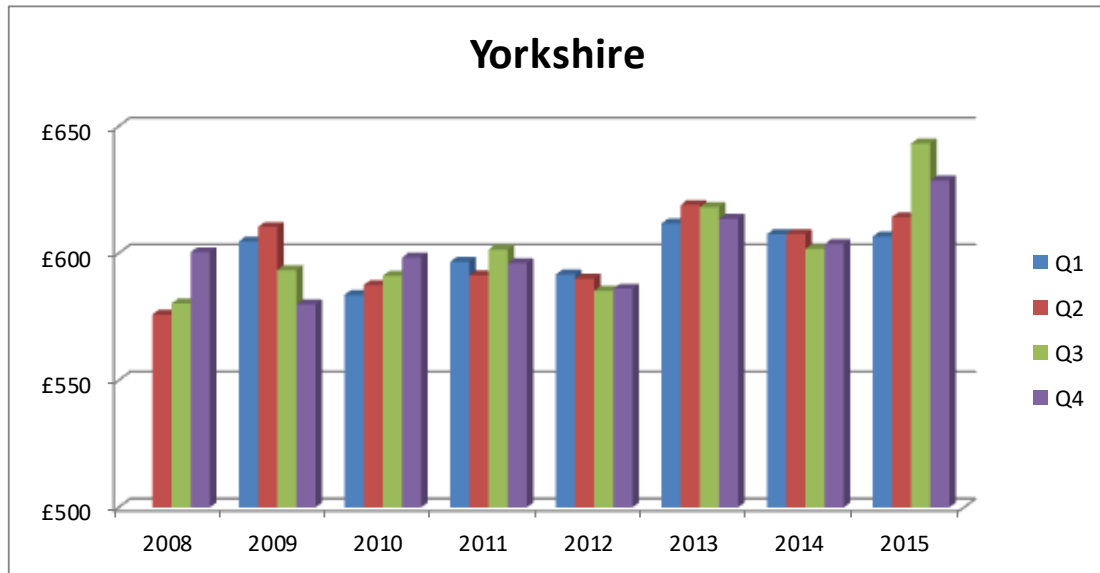
4 Bed Properties - vary depending upon size and location but very rare that we get any other than student accommodation listed below.

Student accommodation - 3 beds with a 4th room downstairs can achieve £1500 per month. We have seen a huge rise in student properties brought on board to us in the last year, we are not sure if this is due to landlords buying more student properties or other agents no longer wishing to deal with them. Although they are much more difficult to handle they are by far the most profitable. In some cases landlords are hitting 15% yields."

Rosie Callaway of the **Rugby** office reports *"The rental market continues to be buoyant in Rugby. Rents are continuing to steadily increase, but the main problem is there is not enough stock. Having said that, October was a record month for net increase in properties managed.*

2016 looks like it will continue to be good for rentals; no impact has yet been felt the forthcoming changes in taxes for landlords and stamp duty."

Yorkshire



For Yorkshire, the average rent recorded for Q4 2015 is £629 per month, which shows an increase of around 4%, year on year, compared to Q4 2014.

Versus the 2014 annual average rent of £605, this shows an overall increase of just under 4%.

In Yorkshire, the offices were equally split between small rises, including Sheffield and Leeds North West; stable rents, including Harrogate, and slight falls such as Thirsk, during Q4 2015.

Local buy-to-let expert commentary:

Mohammed Shakeel from **Leeds South** reports “We have received increasing interest for 1 & 2 bedroom properties (in-particular, flats/apartments). The typical profile of these tenants is young professional couples, both UK nationals and EU & Non-EU nationals. The primary motivations for wanting a flat/apartment are: cheaper energy bills, easier property maintenance (no-garden, easier to clean, etc). Therefore, rental prices have been increasing higher for these types of properties. Average rental price for a 1 bed flat is £450pcm and the average price for a 2 bed flat is £550pcm.

The second most popular property type is, modern 3 bedroom semi-detached and detached properties. As these are becoming ‘rarer’ on the rental market, the prices are fetching increasingly more of a premium, ranging from £650 - £750pcm.

As alluded to above, we are seeing less 3 bedroom+ family type houses which don’t always return a good yield for professional investors. In the latter quarter of 2015, a few landlords had already notified us of their firm commitment to exit the rental market, and as a result, sales are at various stages.

The typical landlords selling are the ‘accidental landlords’, anticipating being hit by the loss of the impending mortgage interest rate relief, and also looking to capitalise on selling now while the property prices have recovered to a near good enough level comparative to prior the 2007/2008 financial crash.”

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 Q4 2015 versus Q4 2014**. This helps to evaluate how rents are doing versus the same period in the previous year, taking some seasonality into account.

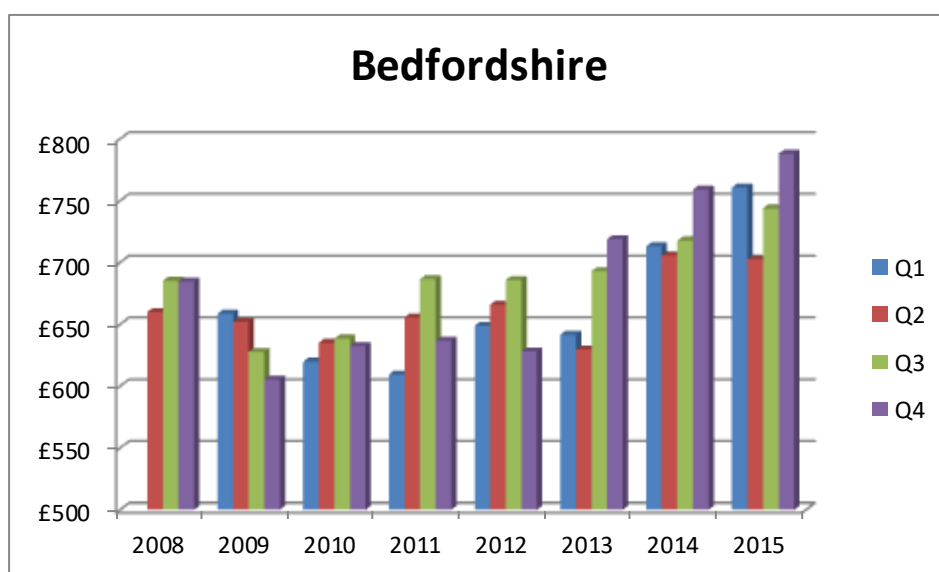
We also compare **the current average rent to the annual average for the previous year eg Q4 2015 versus 2014**. We find overtime that the annual rental average gives the most accurate picture of average rents for an area, so we compare the latest quarter to the previous year's average to see if it is 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 Q4 2015 rental averages to Q4 2014 averages, county by county, and how they are performing versus the 2014 annual averages.

Since running the index (2008) we find rents move broadly in line with wages and that large movements over and above +/-4% rarely happen. As such if we see a fall/rise larger than this we investigate further and explain what's actually happening, for example a new office or let is skewing the figures or if this is a true trend.

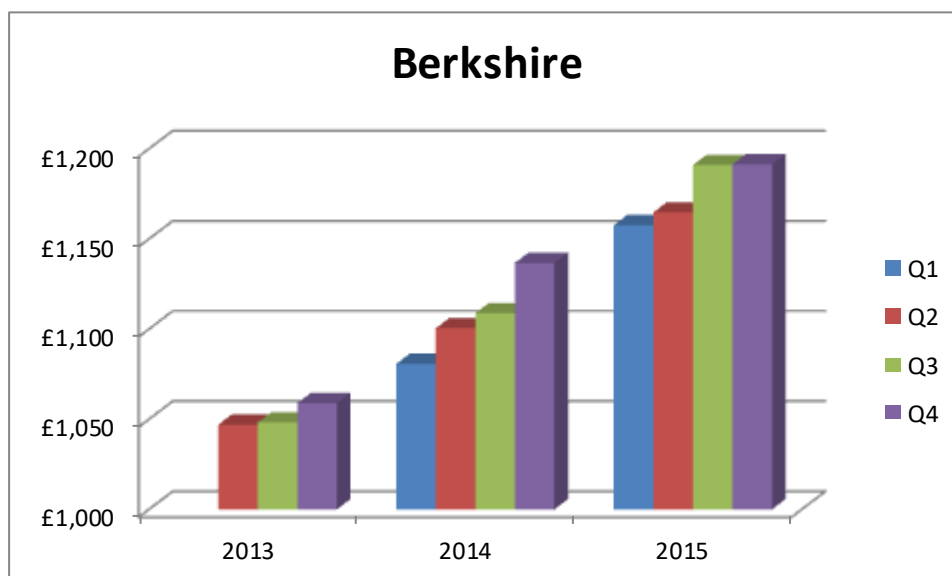
Bedfordshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Bedfordshire	£ 724	£ 788	8.84%	£ 64	3.79%

The county stats mask a mixed picture for Bedfordshire which by office show Bedford itself increasing versus 2014, Dunstable and Luton being almost static but the real cause of the inflated 8.84% rise is the loss of Biggleswade, which had average rents of around £600 a month.

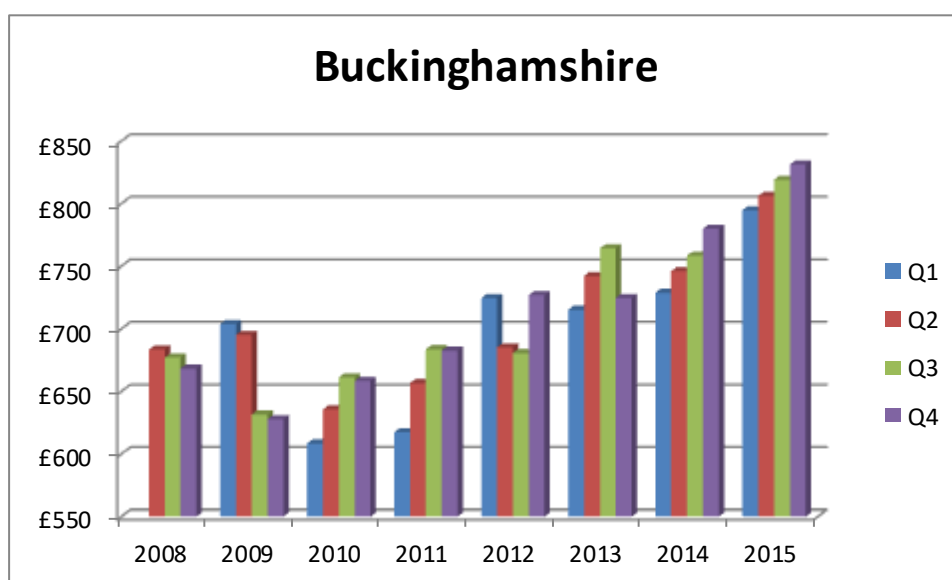
Berkshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Berkshire	£ 1,107	£ 1,191	7.65%	£ 85	4.81%

The county data does suggest that rents are rising Q4 vs the annual average for 2014, but we can see that this increase is now levelling off and that's partly due to the stats settling down having moved from one to three offices in the area.

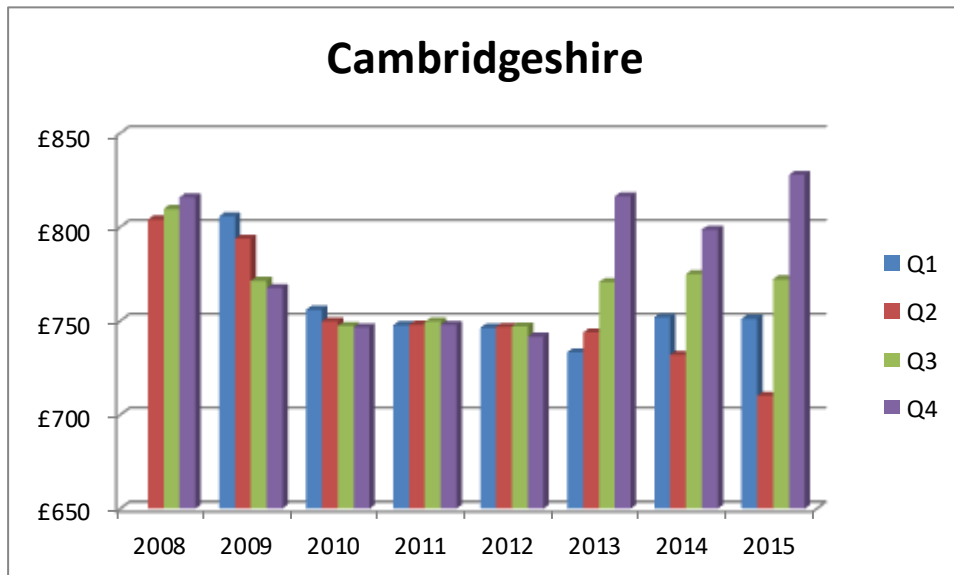
Buckinghamshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Buckinghamshire	£ 753	£ 831	10.34%	£ 78	6.58%

Milton Keynes has been experiencing good steady growth since early 2014, with rents increasing by around 1.5% each quarter through to the end of 2015.

Cambridgeshire

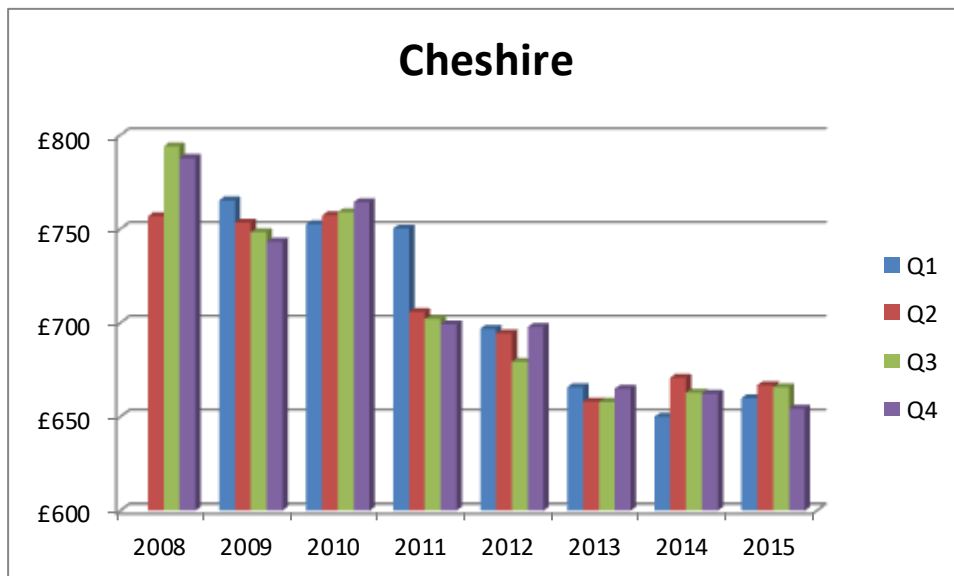


County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Cambridgeshire	£ 767	£ 828	7.95%	£ 61	3.64%

Georgina Gray of the **Cambridge** office explains “Rents increased slightly in 2015 from 2014, however rooms rents and student accommodation did not increase as much, as the standard family houses and flats.”

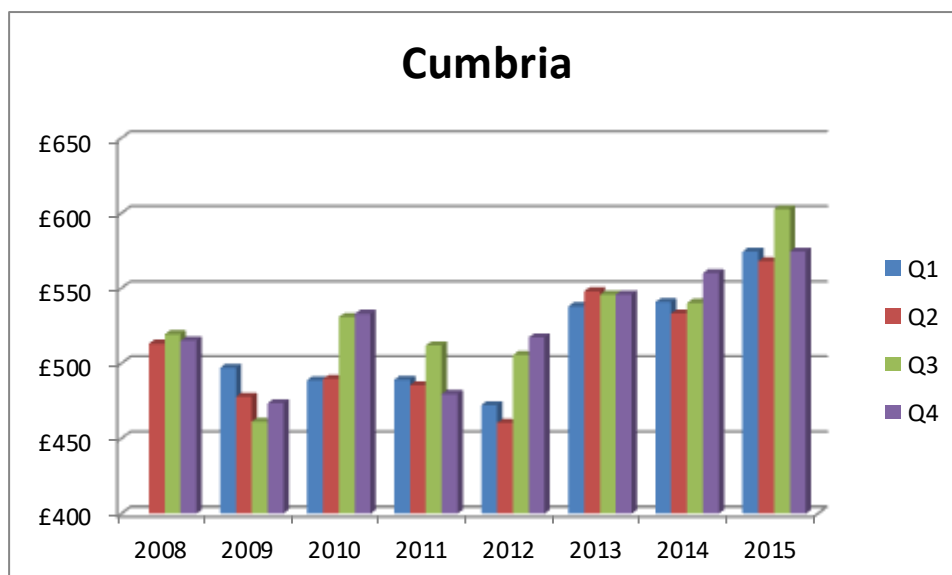
See ‘**East Anglia**’ write up for comment from local offices.

Cheshire



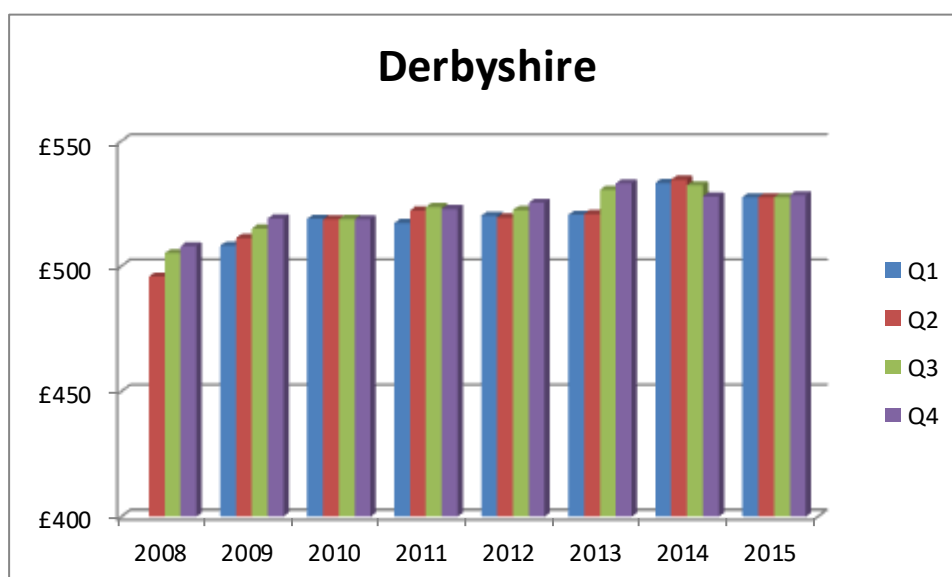
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Cheshire	£ 661	£ 654	-1.09%	-£ 7	-1.21%

Cumbria



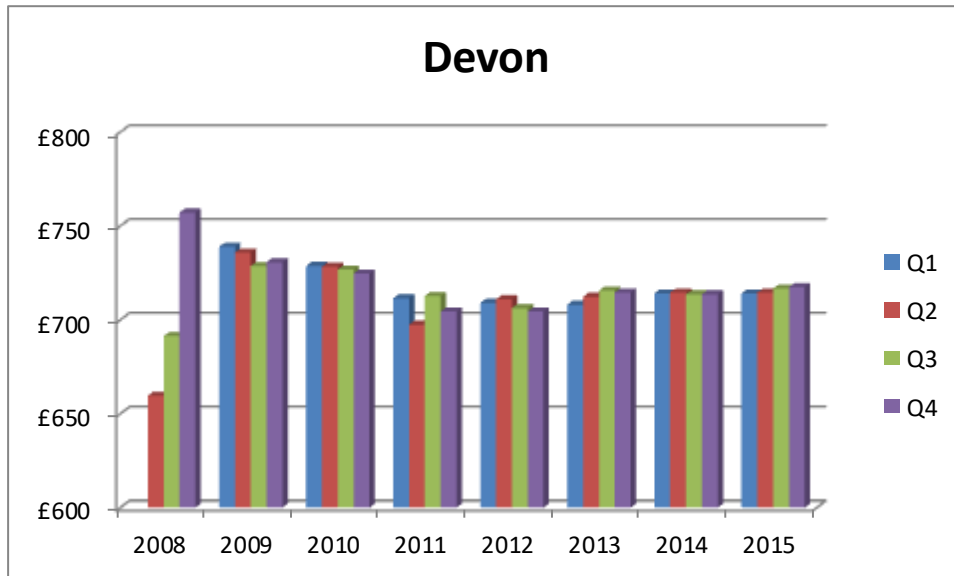
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Cumbria	£ 544	£ 575	5.65%	£ 31	2.55%

Derbyshire



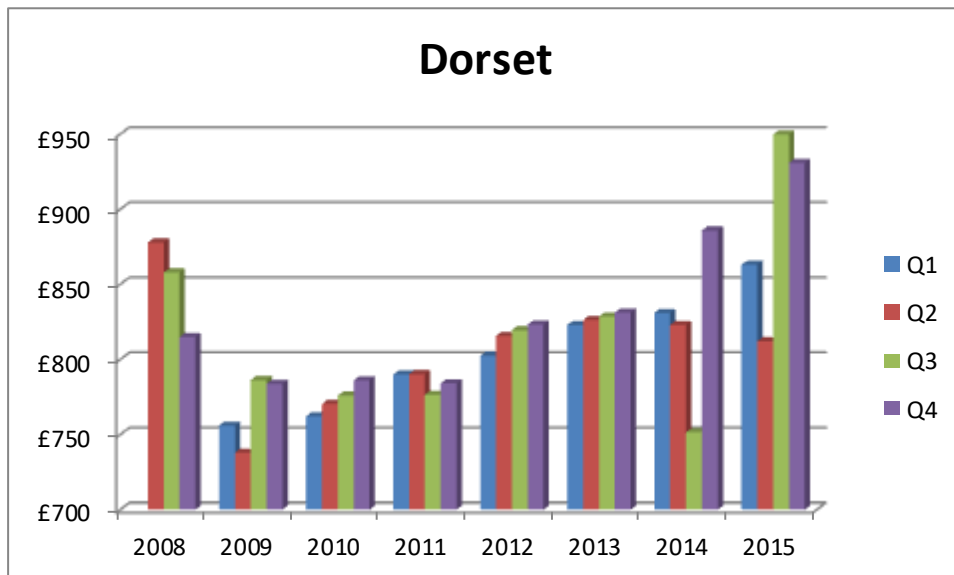
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Derbyshire	£ 532	£ 528	-0.68%	-£ 4	0.11%

Devon



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Devon	£ 714	£ 717	0.48%	£ 3	0.53%

Dorset



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Dorset	£ 823	£ 931	13.12%	£ 108	5.07%

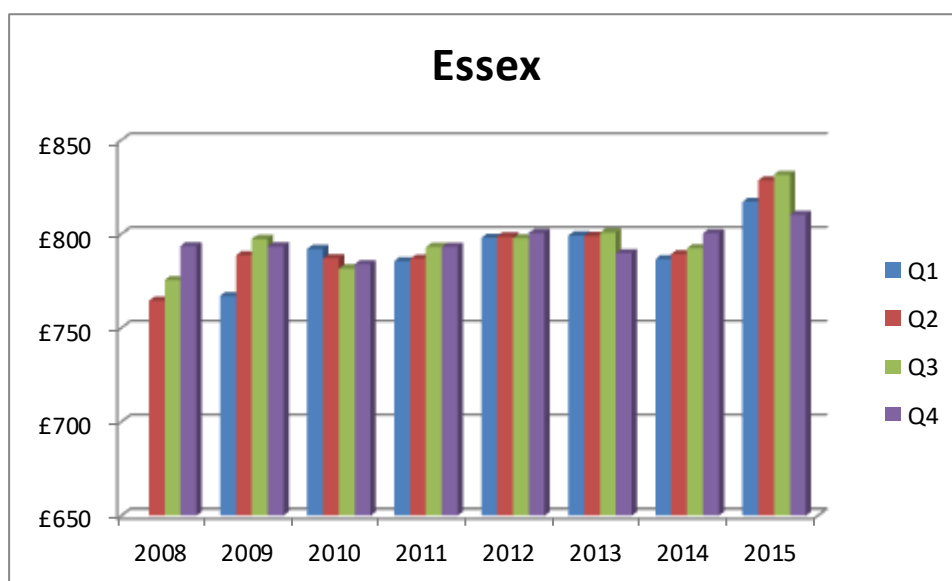
The Dorset averages don't quite reflect what's happening locally as we have moved from having two offices to one, and the Christchurch office is renting properties which are on average £1,000 per month. The high increases are more reflective of advertised property averages as opposed to changes year on year.

Hove (East Sussex)

County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Hove	£ 1,045	£ 1,176	12.52%	£ 131	11.06%

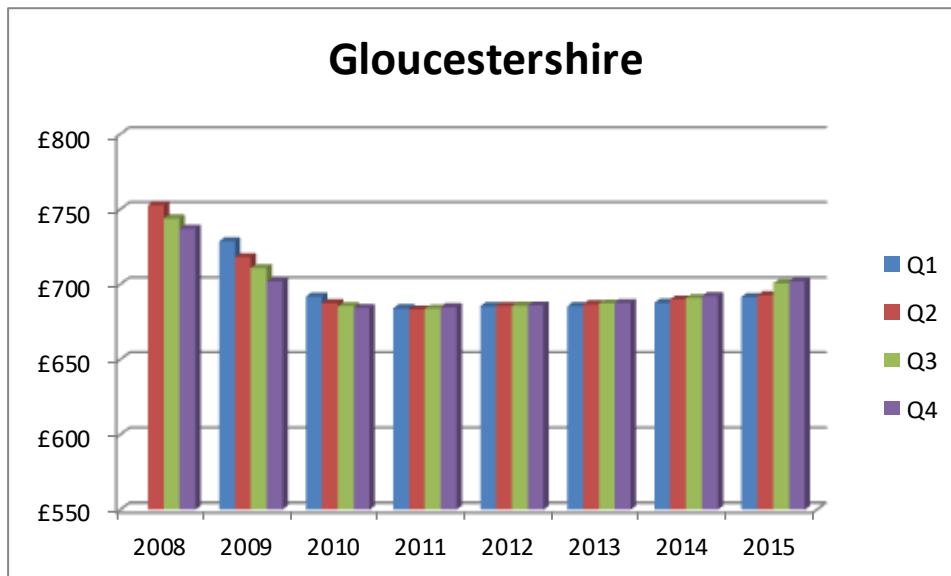
Average rents have been increasing steadily since 2014, however the latest data suggests that they have stabilised as averages this quarter were the same as Q3 2015.

Essex



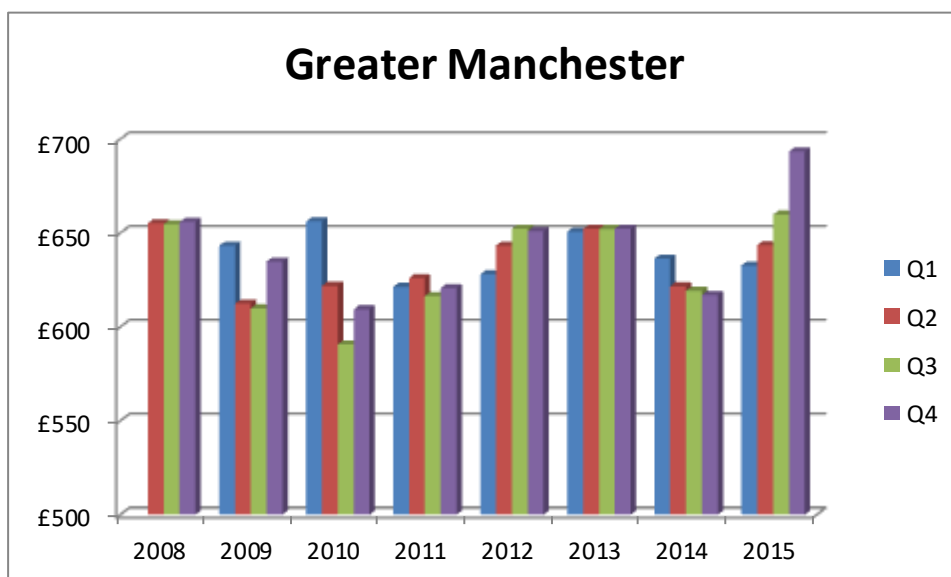
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Essex	£ 792	£ 810	2.27%	£ 18	1.23%

Gloucestershire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Gloucestershire	£ 690	£ 702	1.71%	£ 12	1.42%

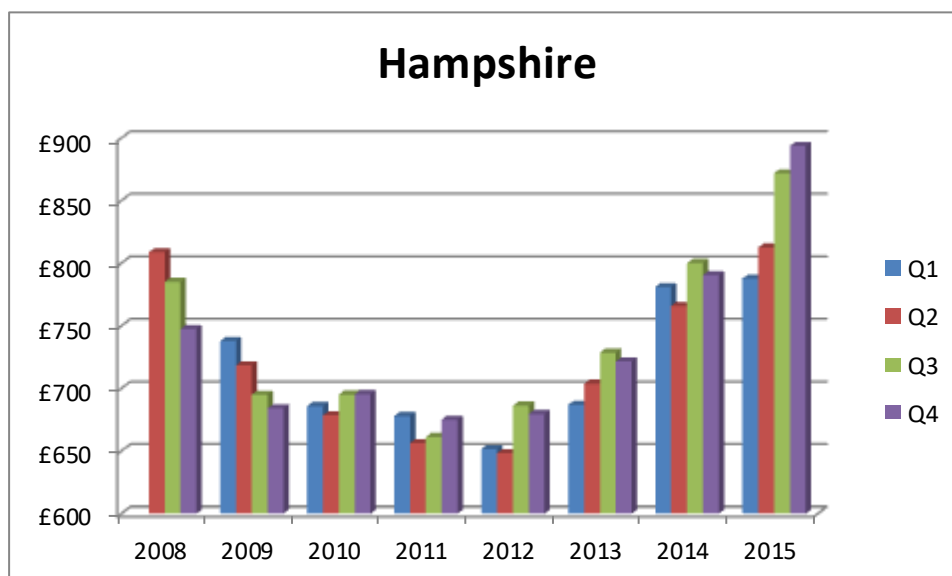
Great Manchester



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Greater Manchester	£ 623	£ 693	11.28%	£ 70	12.39%

The Greater Manchester area stats show a large increase purely due to the number of offices reducing from 10 to six in the area. In reality, of the six offices left, rents are fairly static.

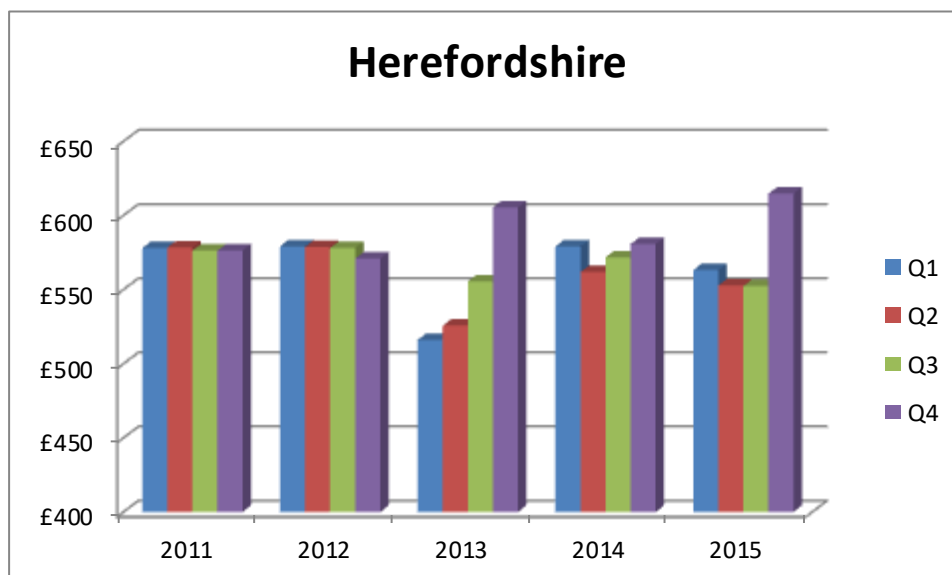
Hampshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Hampshire	£ 785	£ 894	13.81%	£ 108	13.08%

The higher recorded rents in Hampshire during Q4 2015 are primarily due to the inclusion of the new Aldershot & Farnham office, which opened in July 2015. With regards to what's driving the large increases, there are three offices where rents are rising, such as Southsea, while others did see small falls (Southampton and Tadley).

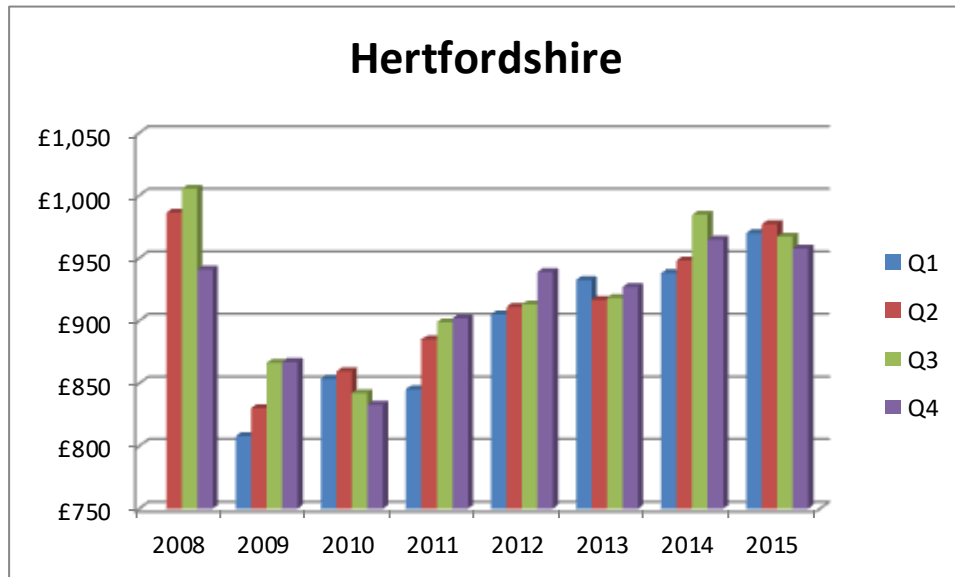
Herefordshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Herefordshire	£ 573	£ 615	7.21%	£ 41	5.86%

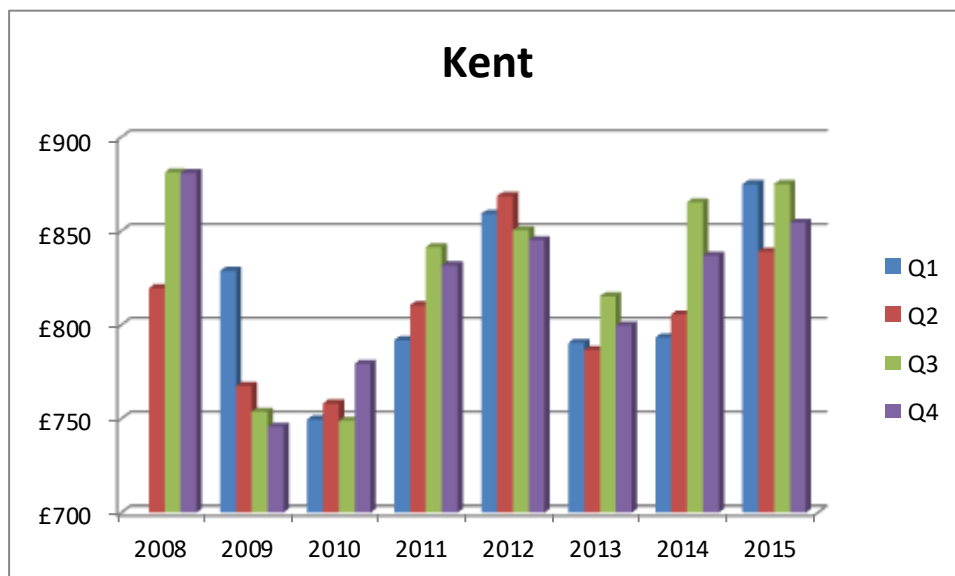
The higher recorded rents in Herefordshire during Q4 2015 are mainly due to a lack of quality stock, landlords increasing rents on new tenancies and slight rises on re-lets.

Hertfordshire



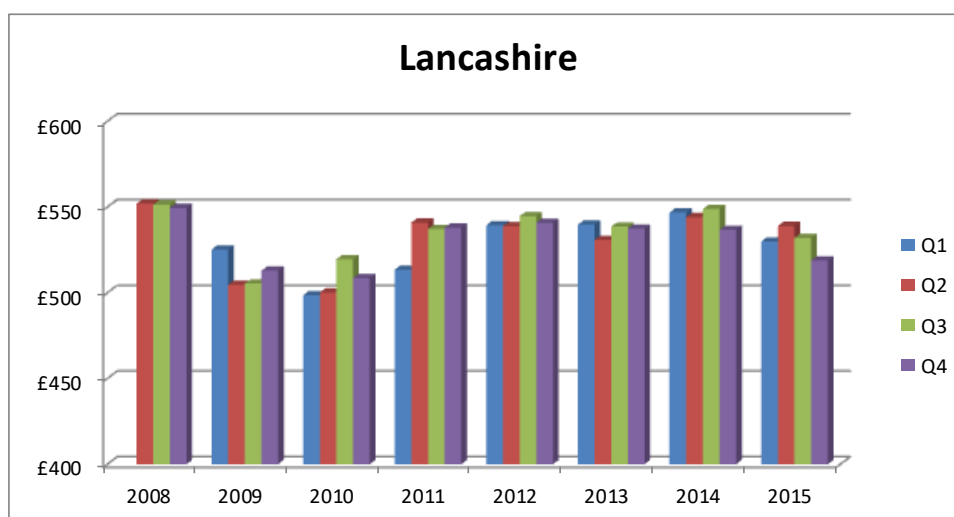
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Hertfordshire	£ 959	£ 958	-0.13%	-£ 1	-0.74%

Kent



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Kent	£ 826	£ 854	3.43%	£ 28	2.11%

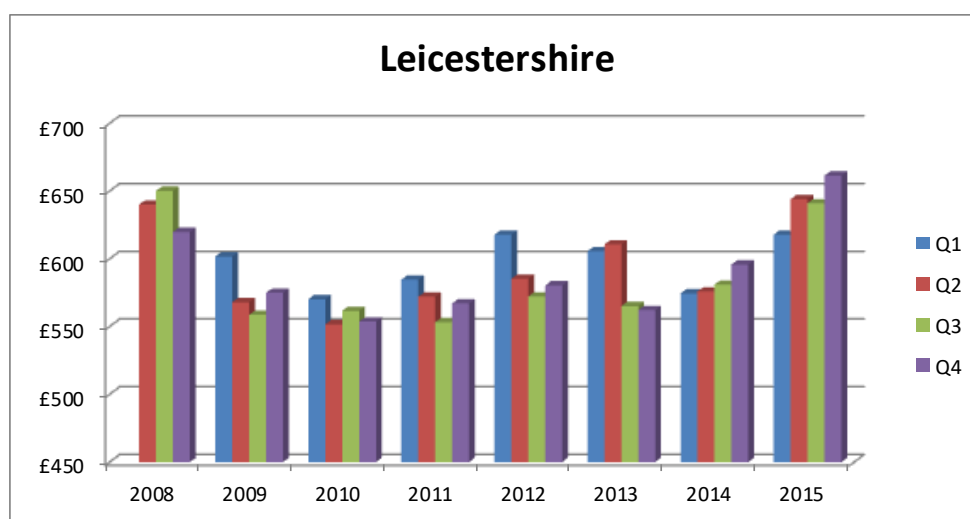
Lancashire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Lancashire	£ 544	£ 519	-4.65%	-£ 25	-3.33%

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

Leicestershire

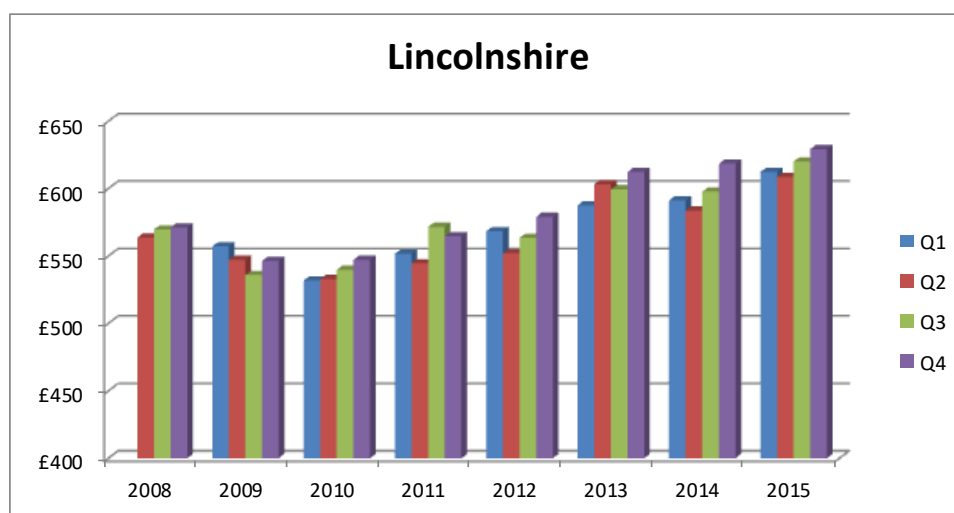


County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Leicestershire	£ 582	£ 661	13.68%	£ 80	11.01%

The large rise in the main has been driven by Market Harborough, however, three of the other offices are also seeing consistent rises while two remain stable.

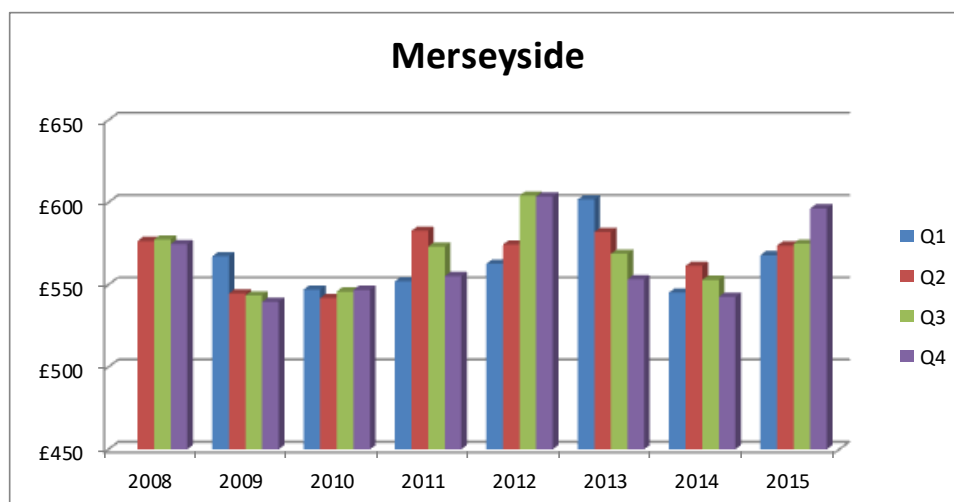
See **'East Midlands'** write up for comment from local offices.

Lincolnshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Lincolnshire	£ 598	£ 629	5.27%	£ 31	1.75%

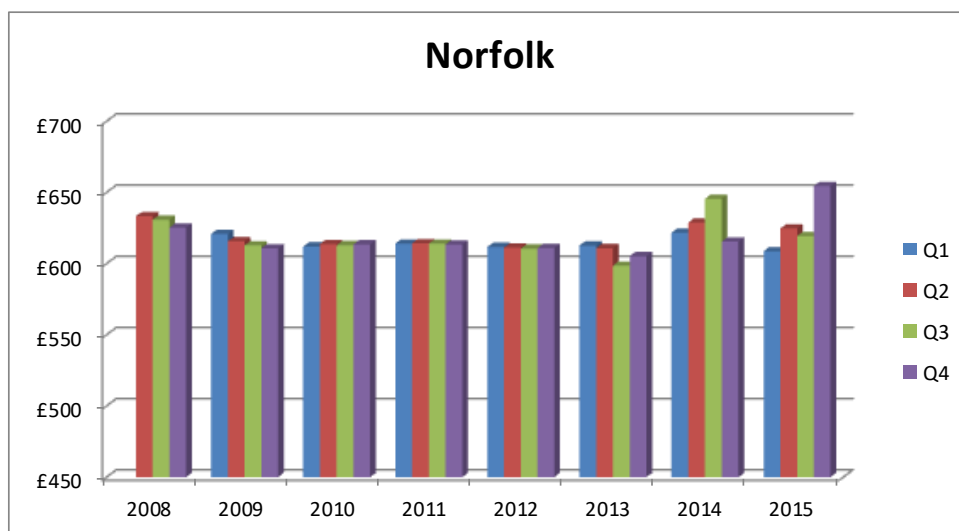
Merseyside



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Merseyside	£ 551	£ 596	8.33%	£ 46	9.91%

The high rental growth suggested for Merseyside in Q4 2015 are more due to rents varying from a low of £400 to over £1,300 per month for the Liverpool South office. In this quarter the mix of properties to rent is biased towards the higher end of the market, which drives an artificial increase in rent rises. In addition to higher than average lets in Liverpool South, St Helens has seen some increasing rents throughout the year while West Derby and Wirral have remained stable.

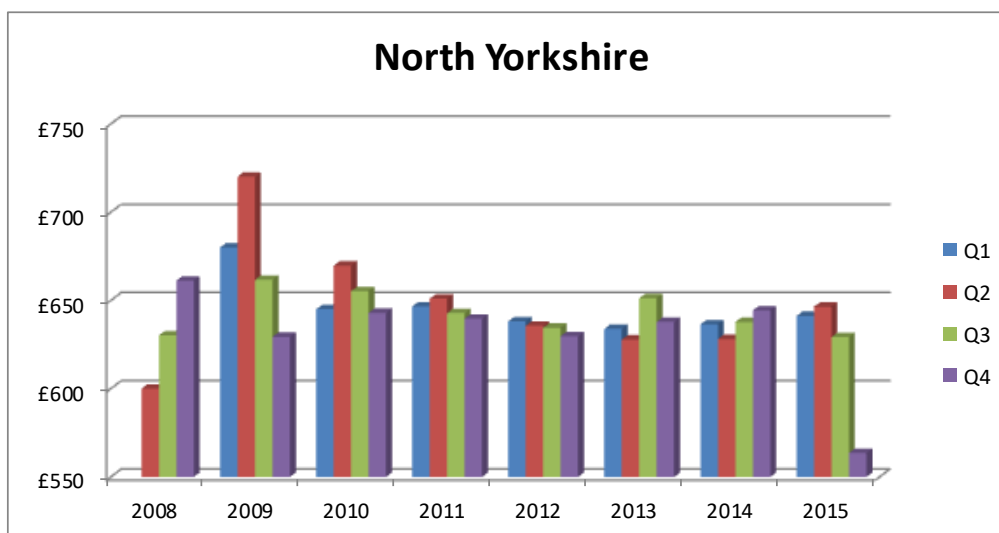
Norfolk



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Norfolk	£ 628	£ 655	4.24%	£ 27	6.36%

The Norfolk figures when broken down by office show a healthy increase in Kings Lynn, Watton being static while the loss of Norwich slightly inflated the 2015 versus 2014 increase.

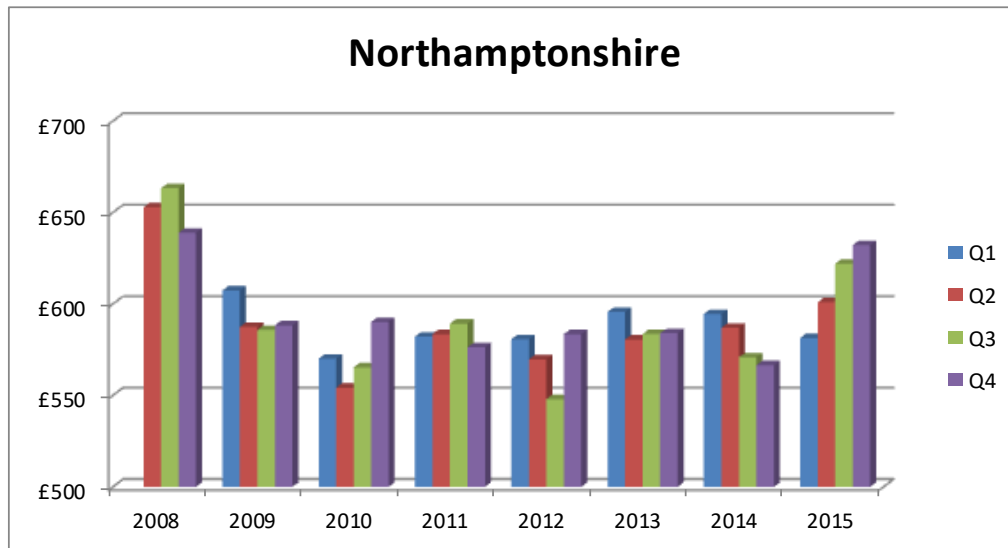
North Yorkshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
North Yorkshire	£ 637	£ 564	-11.49%	-£ 73	-12.54%

The larger than average fall in Q4 2015 rents is primarily due to the closure of the York office which had average rents of over £800 per month. Asking rents have also fallen slightly in Thirsk and Selby and Goole.

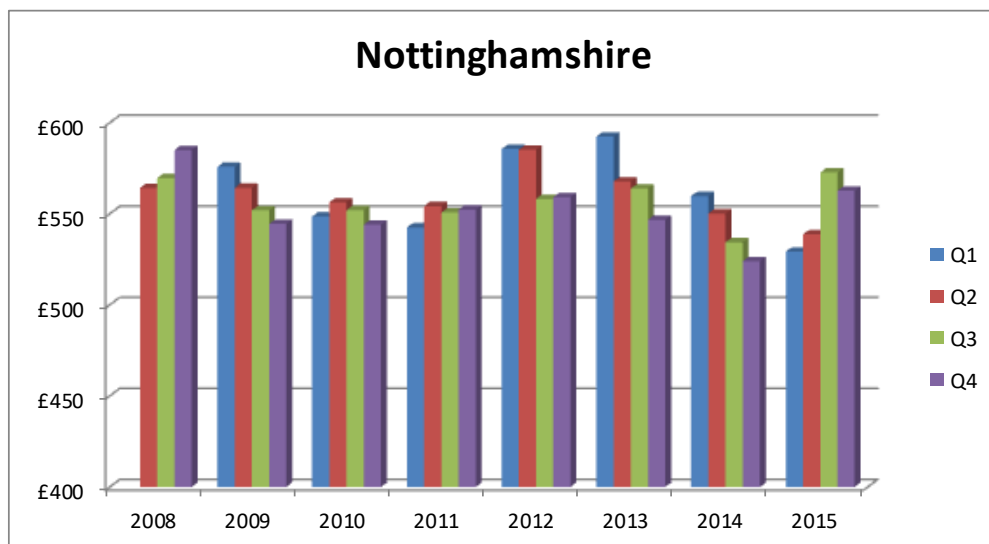
Northamptonshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Northamptonshire	£ 578	£ 632	9.37%	£ 54	11.58%

In the main, rents have remained stable in the county. The suggested increases by the stats are purely due to change in office ownership/reporting. See **'East Midlands'** write up for comment from local offices.

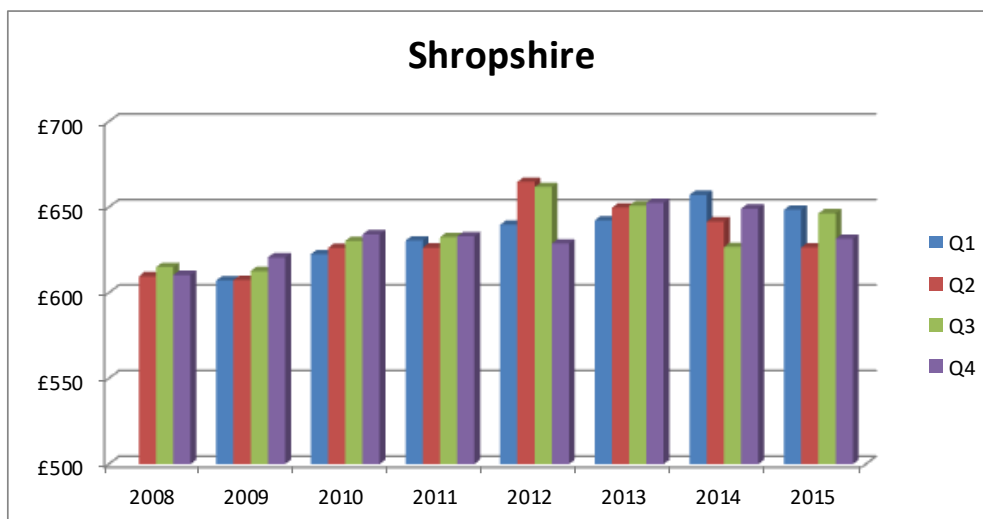
Nottinghamshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Nottinghamshire	£ 541	£ 563	3.98%	£ 22	7.38%

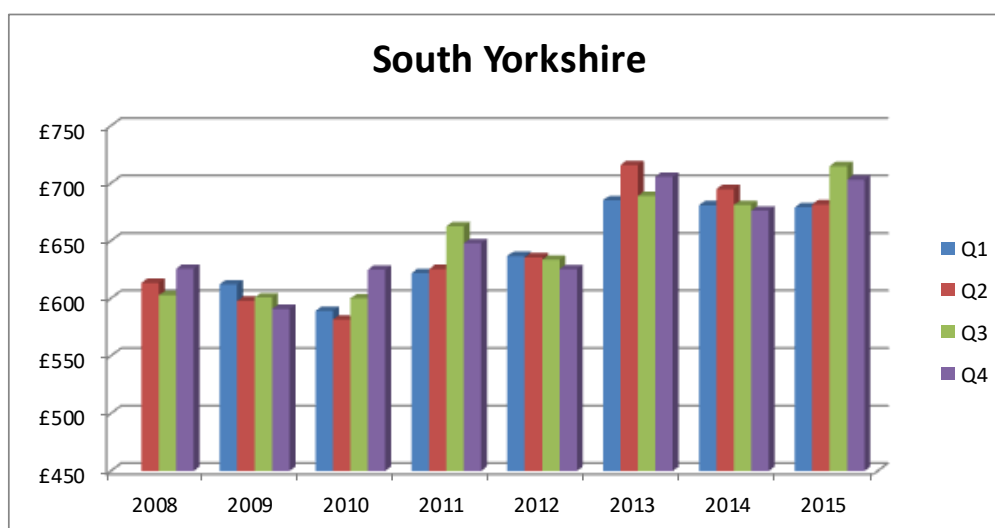
The apparent big rise Q4 15 versus Q4 14 is due to a jump in rents purely in the wealthy West Bridgford suburb. See **'East Midlands'** write up for comment from local offices.

Shropshire



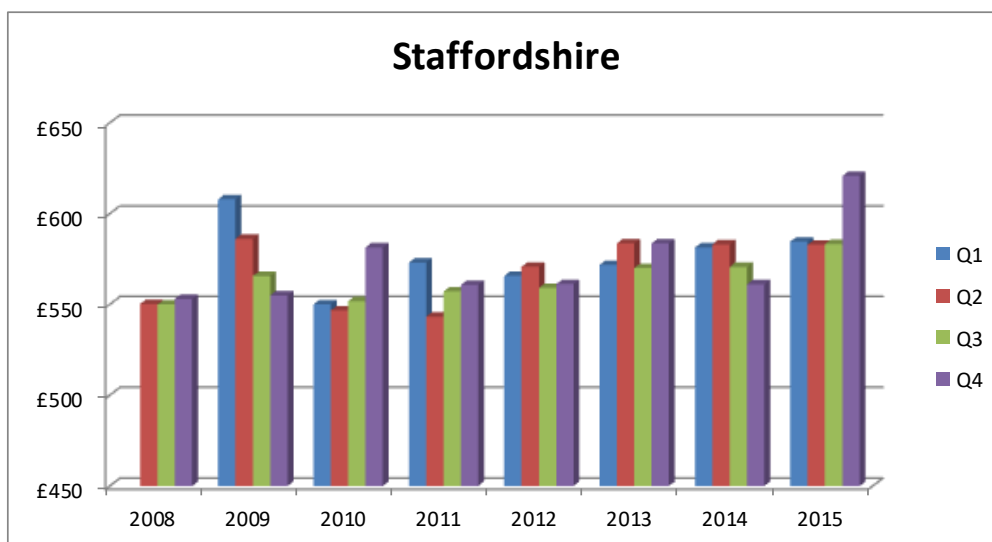
County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Shropshire	£ 644	£ 632	-1.89%	-£ 12	-2.71%

South Yorkshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
South Yorkshire	£ 683	£ 703	2.90%	£ 20	3.97%

Staffordshire

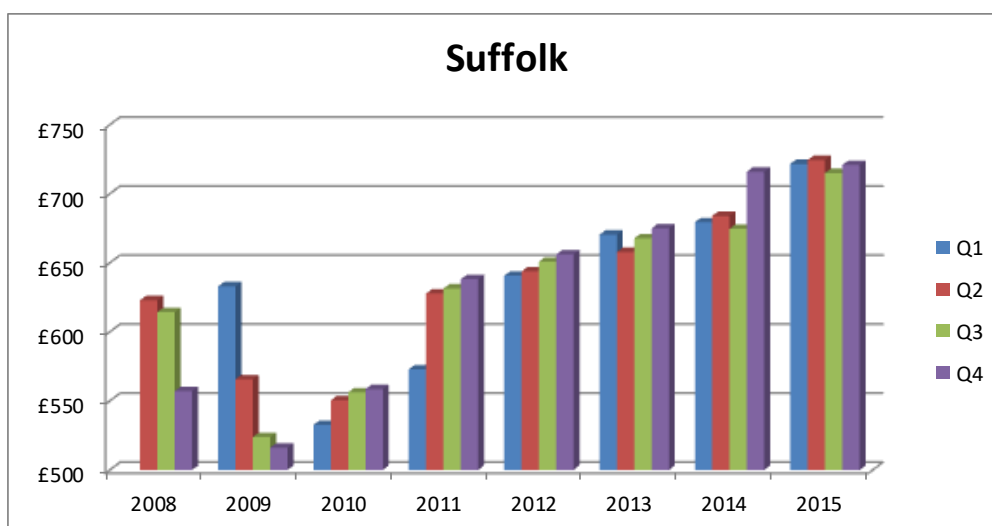


County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Staffordshire	£ 574	£ 621	8.13%	£ 47	10.63%

The higher rents recorded for Q4 2015 in Staffordshire are predominantly due to Newcastle under Lyme increasing its share of the student let market, thus raising advertised rent levels. Meanwhile Stafford, Stoke on Trent, Stone and Tamworth all saw rents being very steady, as the chart above shows.

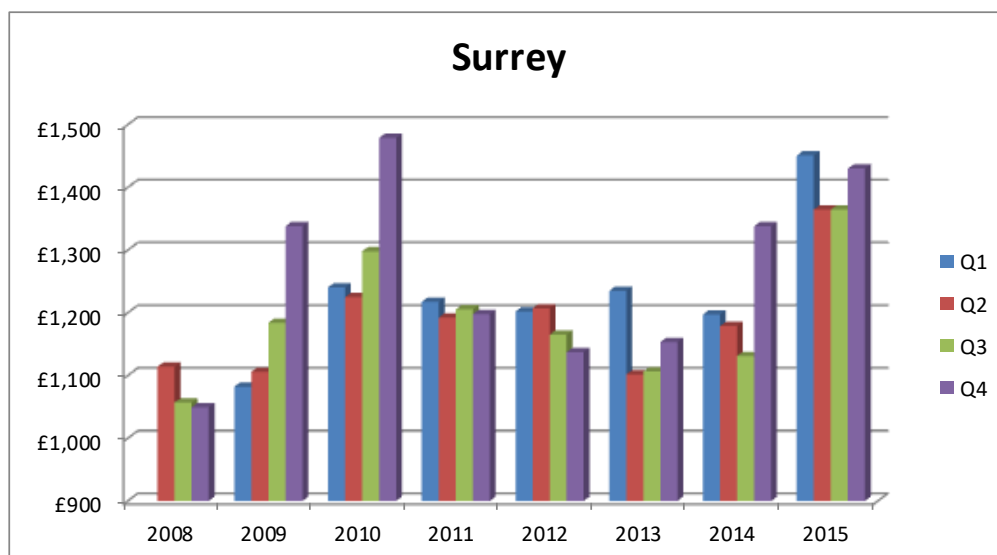
See '**West Midlands**' write up for comment from local offices.

Suffolk



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Suffolk	£ 688	£ 721	4.69%	£ 32	0.67%

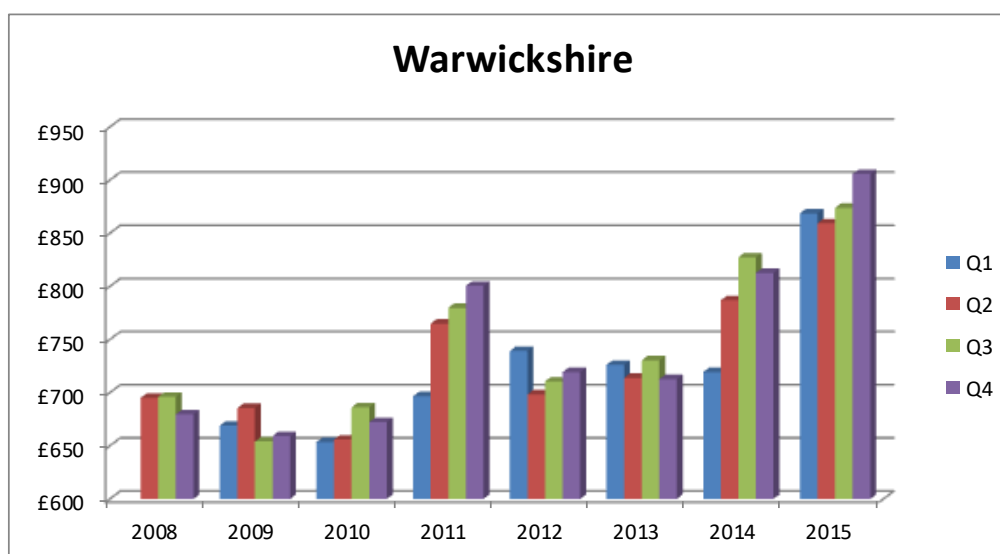
Surrey



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Surrey	£ 1,211	£ 1,430	18.05%	£ 219	6.87%

Rents in Surrey have been steadily rising since the end of 2013 and this has led to some large increases when comparing a quarter to the previous year's average. The Q4 2015 versus Q4 2014 shows that these rent rises are starting to soften. See **'South East'** write up for comment from local offices.

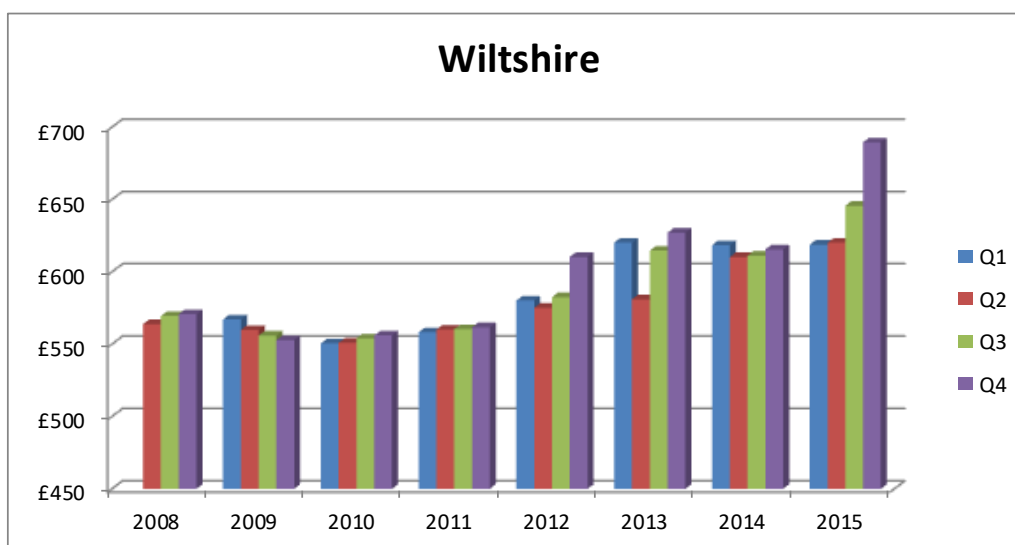
Warwickshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Warwickshire	£ 789	£ 906	14.81%	£ 117	11.45%

The high growth in average rents in Warwickshire during Q4 2015 is due to buoyant rent rises in Rugby and Leamington Spa where demand is exceeding supply. In comparison, Stratford upon Avon rents remain fairly stable over this quarter. See **'West Midlands'** write up for comment from local offices.

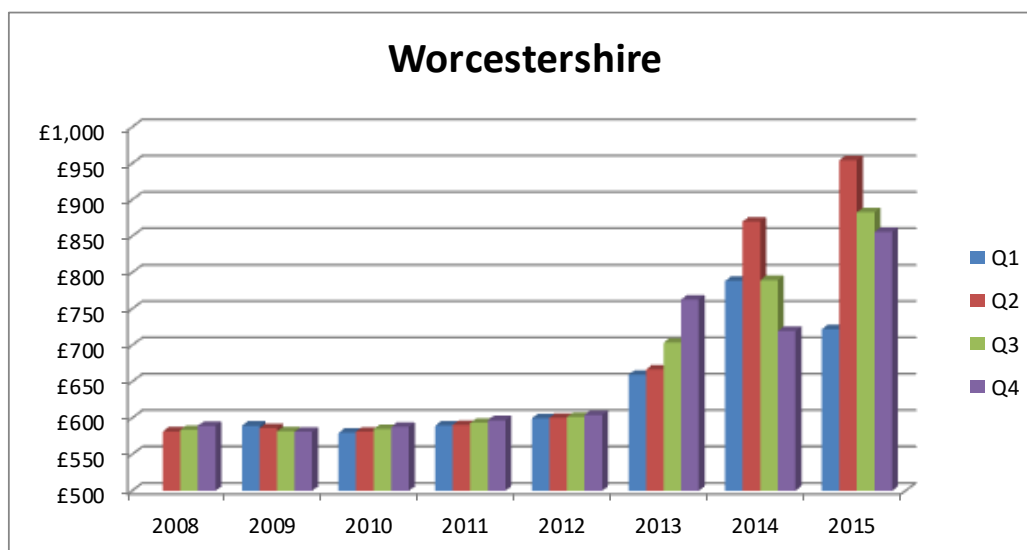
Wiltshire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Wiltshire	£ 614	£ 690	12.33%	£ 76	12.03%

The increase in average rents during the second half of 2015, is landlords catching up with rent rises after a period of stagnation, in comparison, nearby rents in Swindon remain fairly static.

Worcestershire



County	2014 Annual Average Rent	Average Rent in Q4 2015	Q4 2015 Average Rent vs 2014 Annual Average	Actual Rent Increase/Decrease Q4 15 vs 2014	Q4 2015 vs Q4 2014
Worcestershire	£ 792	£ 856	8.07%	£ 64	18.95%

Melanie Carter of the **Evesham** office reports *“High demand coupled with a supply shortage caused rental levels to increase around 3% over 2015, on all sizes of property.”* This suggests the high increases are more due to a change in the mix of property advertised.

Appendix

Belvoir Rental Index 2008 to 2015

Over the last seven 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 seven 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 2015.
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:	$\text{£1,540} / 3 = \text{£513}$ 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.