



Press Release

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Hamptons International Monthly Lettings Index – August 2019

Tenants in their 20's spend a third of their income on room rents Brighton is the least affordable city to rent a room

- The average 21-29-year-old spent 34% of their pre-tax income on renting a room this year, down from 39% in 2017 (table 1)
- Brighton is the least affordable city to rent a room, with room rents accounting for 35% of a twenty-something tenant's income. London is in second place (34%) (table 2).
- It costs 31% more to rent a one-bedroom home than it does to rent a room in a shared house.
- The monthly Hamptons Lettings Index shows that the average rent of a newly let (whole) property rose to £998 pcm in August, 2.3% higher than the same time last year (table 4).

The average 21-29 year old renting a room in Great Britain spends over a third (34%) of their pre-tax income on rent (table 1). This year a single room within a house share cost £566 pcm to rent on average in Great Britain, a 1.2% rise from £559 pcm in 2018 (table 2).

Stronger income growth has meant that tenants in their 20's are spending less on rent than before. In 2017 tenants in their 20's spent 39% of their pre-tax income on room rent, but this has now fallen to 34% as affordability has improved (table 1).

Out of 20 of the largest cities in Great Britain, Brighton is the least affordable city to rent a room. The average cost of a room to rent in Brighton is £647pcm, which accounts for 35% of a 20-something tenant's pre-tax income. London is in second place, where room rents account for 34% of a 21-29 year old's income, followed by Glasgow (33%). Sheffield is the most affordable city on the list to rent a room, with room rents accounting for 25% of a tenant's income (table 2).

Half of Great Britain's biggest cities reported a year-on-year increase in room rents, while half reported a fall. Portsmouth recorded the strongest room rental growth, with the average cost of a

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room rising 7.0% since last year to £467 pcm. Meanwhile room rents in London rose 2.3% year-on-year (table 2).

Renters would have to pay 31% more to rent a one-bedroom home rather than renting a room in a house share. This would take up 47% of the average 21-29 years old's pre-tax income in Great Britain.

Lettings Index results – rental growth on whole properties

The average rent of a newly let (whole) property rose to £998 pcm in August, 2.3% higher than the same time last year. Two regions, the South East and South West posted rental growth above 5%. Meanwhile Scotland, Wales and the Midlands recorded small rental falls. Average rents in London grew 2.0% year-on-year (table 3).

Commenting Aneisha Beveridge, Head of Research at Hamptons International, said:

“Tenants in their twenties spend a third of their pre-tax income on room rents in Great Britain. Yet the cost of trading up to rent a one-bed home would take up nearly half of their earnings. With its large student population putting pressure on rental accommodation, Brighton is the most unaffordable city to rent a room in Great Britain. London follows in second place.

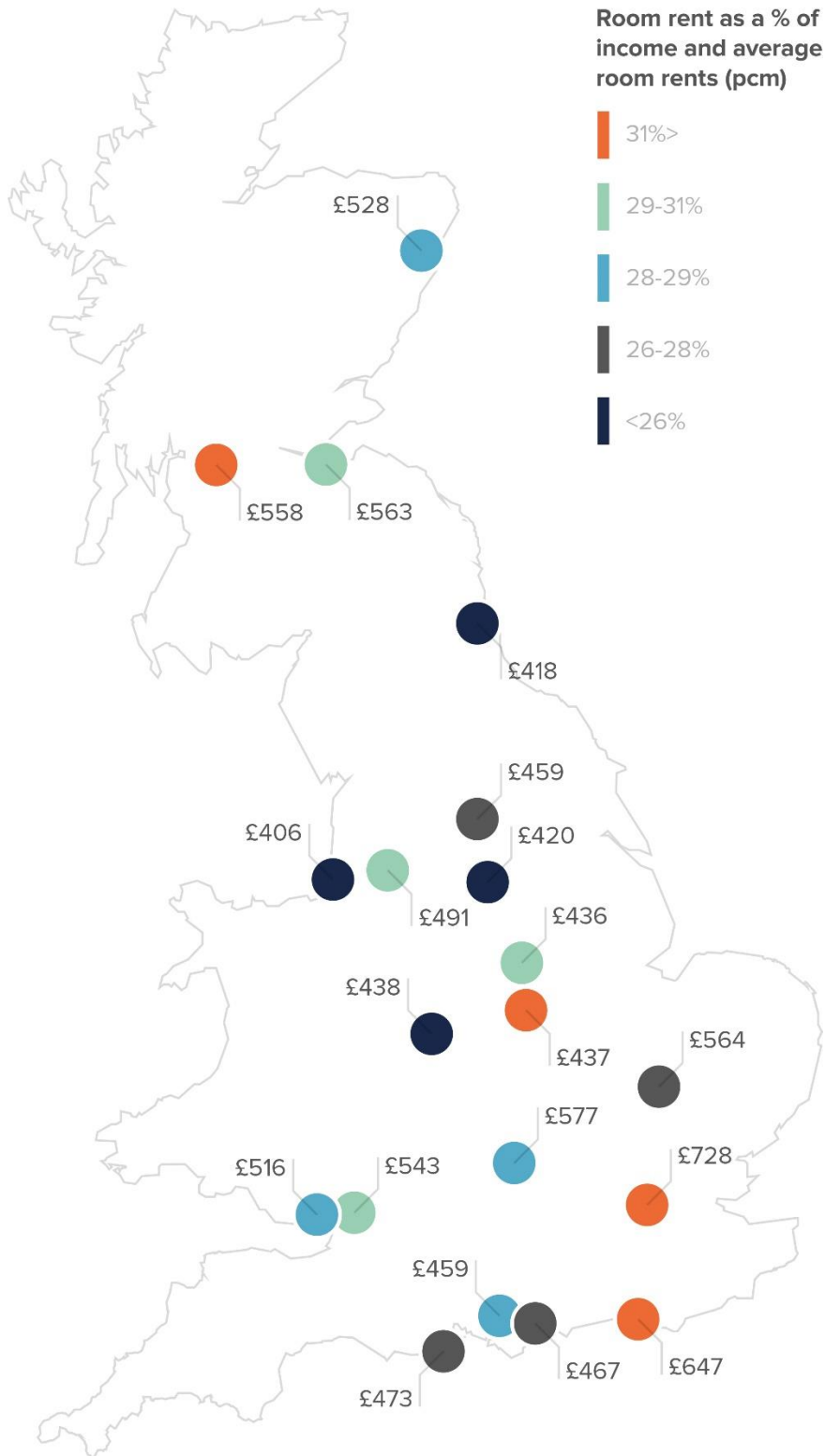
“Rental growth on newly let properties has doubled since August 2018. Rents rose 2.3% in August, more than twice the 1.0% recorded in August 2018. But this isn't even across the whole of Great Britain. The South East and South West recorded the strongest rental growth, meanwhile Scotland, Wales and the Midlands posted rental falls.”

Table 1 – Proportion of a 21-29 year old tenants income spent on renting a room

Year	% of income spent on room rent
2015	36%
2016	38%
2017	39%
2018	34%
2019 (YTD)	34%

Source: Hamptons International & ONS

Map - % of tenants in their 20's pre-tax income spent on room rents & average room rents in 20 GB cities



Source: Hamptons International & ONS

Table 2 – Proportion of 21-29 year olds income spent on room rents in 20 GB cities

City	Average room rent (pcm) 2019	YoY Change	Rent as % of pre-tax income
Brighton	£ 647	1.4%	35%
London	£ 728	2.3%	34%
Glasgow	£ 558	6.9%	33%
Leicester	£ 437	4.8%	32%
Manchester	£ 491	2.6%	31%
Nottingham	£ 436	-3.1%	31%
Bristol	£ 543	3.8%	31%
Edinburgh	£ 563	-1.8%	30%
Aberdeen	£ 528	-0.8%	29%
Cardiff	£ 516	-7.3%	29%
Southampton	£ 459	-2.1%	28%
Oxford	£ 577	-0.5%	28%
Portsmouth	£ 467	7.0%	28%
Cambridge	£ 564	2.0%	28%
Leeds	£ 459	0.5%	27%
Bournemouth	£ 473	-1.2%	26%
Birmingham	£ 438	-0.4%	26%
Newcastle	£ 418	0.4%	26%
Liverpool	£ 406	-6.5%	25%
Sheffield	£ 420	-6.0%	25%
GB	£ 566	1.2%	34%

Source: Hamptons International & ONS

Table 3 – Average Rents of new lets (pcm)

Region	Aug-19	Aug-18	YoY
Greater London	£1,737	£1,703	2.0%
South West	£852	£808	5.5%
South East	£1,112	£1,053	5.6%
Scotland	£654	£658	-0.7%
Midlands	£685	£690	-0.6%
North	£656	£649	1.2%
East	£984	£957	2.8%
Wales	£659	£683	-3.5%
Great Britain	£998	£976	2.3%

Source: Hamptons International

Please note the Hamptons International Monthly Lettings Index for September will be released on Friday 11 October 2019, embargoed for 00.01 hours Monday 14 October 2019.

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About the Hamptons International Monthly Lettings Index

The Hamptons International Monthly Lettings Index (formerly the Countrywide Lettings Index) has been running since 2012. From May 2018 the index has included an inner and outer London split.

The index is a mix adjusted series, with rent and rental growth figures for each month based on a three-month rolling average. The most expensive decile of homes let are excluded to reduce volatility and the mix includes the most recently published government stock statistics.

The Hamptons International Lettings Index uses data from the Countrywide Group, Great Britain's largest letting agent, to track changes to the cost of renting. The index is based on the 90,000 homes let and managed by Countrywide in each year, adjusting for their location and type. It is based on achieved rather than advertised rents.

About Hamptons International

Hamptons International is a leading residential estate agent and property services company, operating in London and the South of the UK.

Hamptons International offers a wealth of award-winning services including UK and international Sales, Lettings, Property Management, Corporate Services, Residential Development, Development Land, Valuation Property Finance, and is a subsidiary of Countrywide, the UK's largest estate agency and property services group.