

Press Release

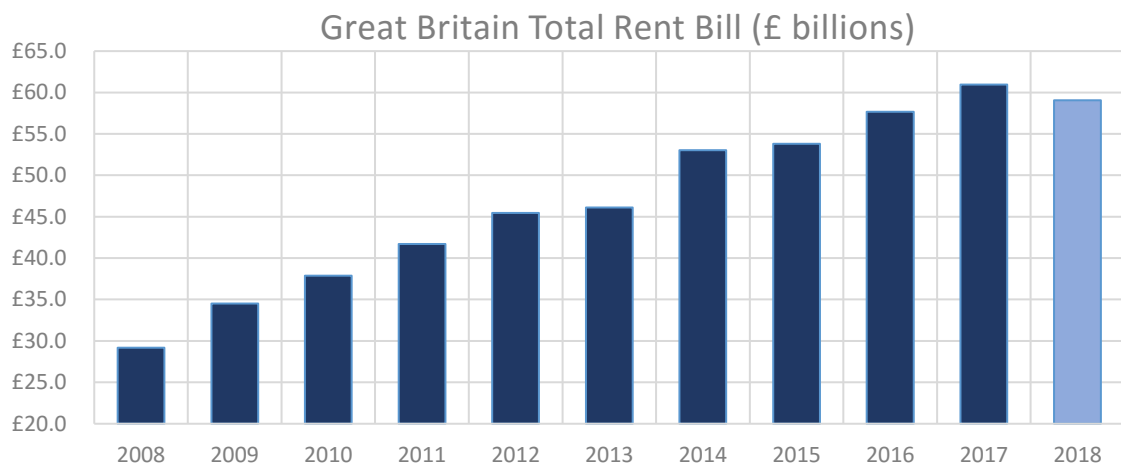
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Hamptons International Monthly Lettings Index – January 2019

Tenants spend £59.1 billion on rent in 2018
£1.9 billion less than in 2017 and the first annual fall in over 10 years

- Tenants in Great Britain paid £59.1 billion in rent in 2018, £1.9 billion less than in 2017
- Over the last 10 years the total rent bill has grown by £29.9 billion in Great Britain
- Nine out of 11 regions saw their total rent bill fall last year, but London saw the biggest drop of (-£0.62 billion)
- The rate of rental growth has slowed over the last 12 months in Great Britain. In January the average cost of a new let rose 0.6% year-on-year compared with 2.4% in January 2018



Source: Hamptons International

Last year private tenants in Great Britain paid £59.1 billion on rent, £1.9 billion less than in 2017. This is the first annual fall in over 10 years (table 1). The fall has been driven by a drop in the number of households renting and rental growth stagnating.

However, over the last 10 years the total rent bill has increased by £29.9 billion in Great Britain. During this period the number of households privately renting has grown by 1.7 million (+52%), meanwhile rents have increased by 12.4%.

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One-year change

Nine out of 11 regions in Great Britain saw a fall in their total rent bill over the last year; the East Midlands (£0.13 billion) and the North East (£0.06 billion) were the only regions to see a rise. London saw the biggest drop off in the total amount of rent paid by tenants. Tenants in the capital paid £20.6 billion in rent in 2018, £0.62 billion less than in 2017 (table 2).

Ten-year change

However, over the last 10 years the rental bill increased in every region. The biggest rise in the amount of rent paid by tenants was in London where the total rental bill grew by £10.53 billion over the 10-year period. After London, tenants in the South East (£14.19 billion) and the East (£3.05 billion) saw their rental bills rise the most. Meanwhile Wales saw the smallest rise in the total amount of rent paid by tenants over the last decade, up £0.07 billion (table 2).

Rental growth

The rate of rental growth has slowed over the last 12 months in Great Britain. In January the average cost of a new let rose 0.6% year-on-year compared with 2.4% in January 2018 (table 3). London led the slowdown over the last year, but rents have gradually started to rise again. The average cost of a new let in the capital rose 0.6% year-on-year in January. Meanwhile the South East and South West both recorded rents falling -0.5% year-on-year (table 3).

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

“The total amount of rent paid by tenants in Great Britain fell for the first time in over a decade last year. Despite average rents rising 0.4% in 2018, fewer people renting homes meant the total rent bill shrank by £1.9 billion since 2017.

“Over the last 12 months rental growth in Great Britain has slowed. Rental growth has fallen from 2.4% in January 2018 to 0.6% last month. The slowdown over the last year was mainly driven by London, but rents are now gradually starting to rise again in the capital. Meanwhile the South East and South West both recorded falling rents last month.”

Table 1 – Total rent paid in Great Britain (£ billions rounded)

GB	
2008	£ 29.2
2009	£ 34.5
2010	£ 37.9
2011	£ 41.7
2012	£ 45.5
2013	£ 46.1
2014	£ 53.0
2015	£ 53.8
2016	£ 57.7
2017	£ 60.9
2018	£ 59.1
YoY Change	-£ 1.9
10Y Change	£ 29.9

Source: Hamptons International

Table 2 – Total rent paid by each region (£ billion)

	2018 Rent Bill	1Y Change	10Y Change
East Midlands	£ 2.7	£ 0.13	£ 1.70
East	£ 5.0	-£ 0.11	£ 3.05
North East	£ 1.3	£ 0.06	£ 0.62
North West	£ 4.3	-£ 0.02	£ 2.59
Scotland	£ 2.9	-£ 0.09	£ 1.31
South East	£ 8.8	-£ 0.04	£ 4.19
South West	£ 4.2	-£ 0.11	£ 2.10
Wales	£ 1.5	-£ 0.05	£ 0.07
West Midlands	£ 3.3	-£ 0.36	£ 1.84
Yorks & Humber	£ 3.3	-£ 0.49	£ 1.89
London	£ 20.6	-£ 0.62	£ 10.53
GB	£ 59.1	-£ 1.88	£ 29.9

Source: Hamptons International

Table 3 – New lets

	Jan-19	Jan-18	YoY
Greater London	£ 1,714	£ 1,704	0.6%
Inner London	£ 2,644	£ 2,612	1.2%
Outer London	£ 1,537	£ 1,531	0.3%
South East	£ 1,037	£ 1,042	-0.5%
South West	£ 784	£ 787	-0.5%
East	£ 943	£ 925	2.0%
Midlands	£ 678	£ 669	1.3%
North	£ 625	£ 623	0.4%
Wales	£ 652	£ 646	0.9%
Scotland	£ 639	£ 634	0.7%
Great Britain	£ 963	£ 958	0.6%

Source: Hamptons International

Please note the Hamptons International Monthly Lettings Index for February will be released on Friday 15 March 2019, embargoed for 00.01 hours Monday 18 March 2019.

Ends

For further information, please contact:

Alison Blease
Head of Research PR, Hamptons International
Tel: +44 (0) 776 96 77 825
Email: bleasea@hamptons-int.com

About the Hamptons International Monthly Lettings Index

In May 2018, the Countrywide Lettings Index was re-branded the Hamptons International Monthly Lettings Index. Hamptons International, part of the Countrywide Group, continues to run the index. The methodology and time series remain the same. The index has been running since 2012. From May 2018 the index has included an inner and outer London split.

In June 2017, the methodology was changed to reduce the impact of seasonality and volatility in the rental market. The index is a mix adjusted series, rent and rental growth figures for each month are 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 and the published monthly rental figures are an average of the new lets and renewals of tenancies over a rolling three month period. /..

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.

Hamptons International celebrates 150th Anniversary

In 2019 Hamptons International celebrates its 150th birthday. The estate agency business, headed by George Hampton, opened its doors in 1869 with an office in Pall Mall and eight members of staff.

150 years on and Hamptons International has a network of over 90 offices in London and the South of the UK employing over 1,000 members of staff.