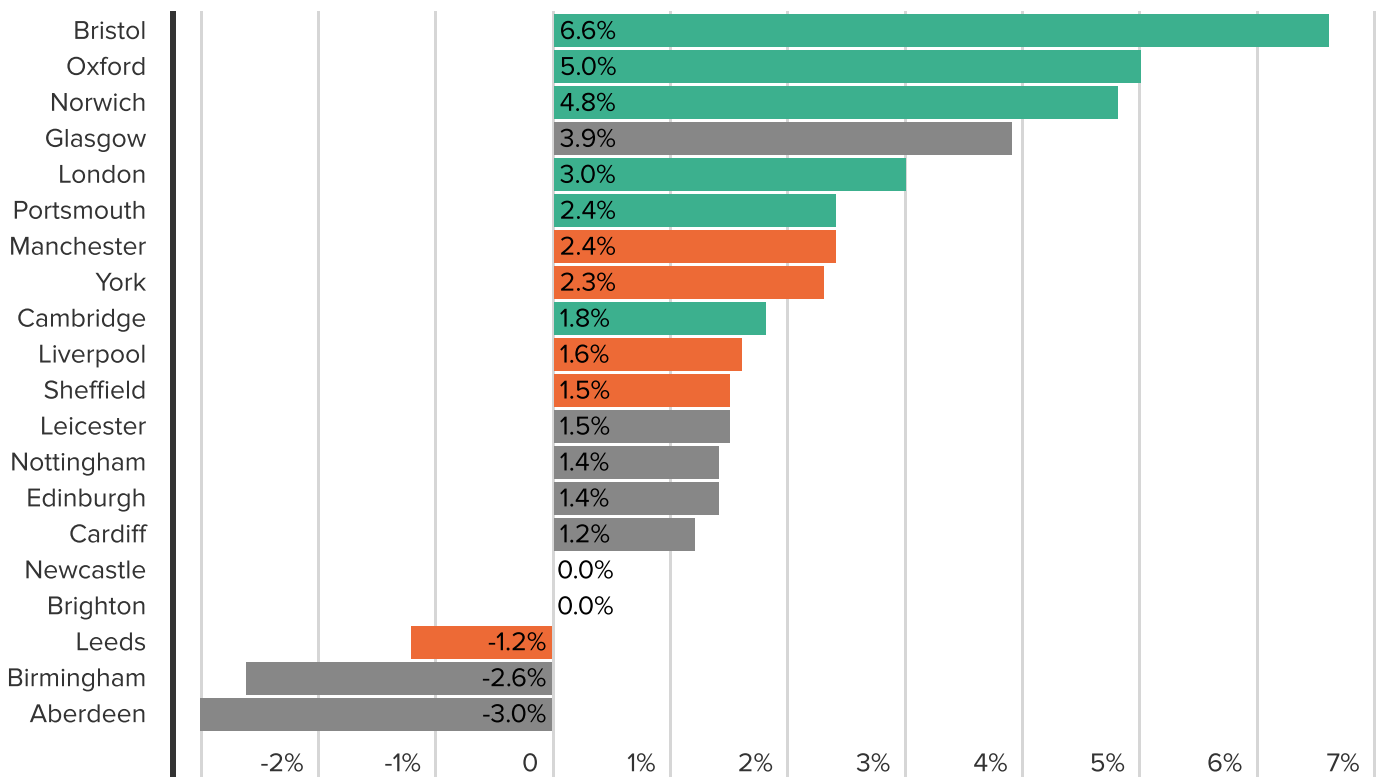


Southern cities post biggest rental growth as North-South rental divide widens

Year-on-year rental growth in Great Britain's biggest 20 cities



Source: Hamptons International

Cities in the South are now posting some of the country's strongest rental growth, widening the gap between them and the North. Analysis of the 20 largest cities across Great Britain, showed that in 2019 four out of the five that saw rents rise the most were in the South.

Bristol topped the list with average rents here rising 6.6% over last year, twice the average recorded in Great Britain. Oxford (5.0%), Norwich (4.8%), Glasgow (2.9%) and London (3.0%) made up the rest of the top five.

In fact, Brighton aside, all Southern cities moved up the rankings in 2019 compared with the previous year. Brighton headed the 2018 list but dropped to seventeenth place last year.



6.6%

average rise in rents across Bristol saw it top the league table of the top 20 cities across GB for rental growth.

Source: Hamptons International

Aberdeen, Birmingham and Leeds were the only cities to see rent falls last year. In a change of fortunes, Leeds which had the second highest rental growth in 2018, fell to eighteenth place last year. Most Northern cities now sit towards the middle of the top 20, a contrast to three years ago when they dominated the top of the league table.

As a result, the North-South rental divide has widened. The average rent of a home in the South today, costs £519 pcm or 80% more than one in the North. This is up from a gap of £497 pcm or 79% more in February 2019. In fact, the gap has risen 11% since February 2014 when a home in the South cost £396 pcm (or 69%) more than one in the North.

On a regional basis rental growth has increased across Great Britain, rising from 1.1% in February 2019 to 3.3% in February 2020.

Every region saw rents rise fast this year compared to the same point last, with rents in Scotland rising the most at 6.0%. The South West (5.7%) and the South East (3.9%) followed. This is a turnaround from last year when all of three of these regions saw rents fall.

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



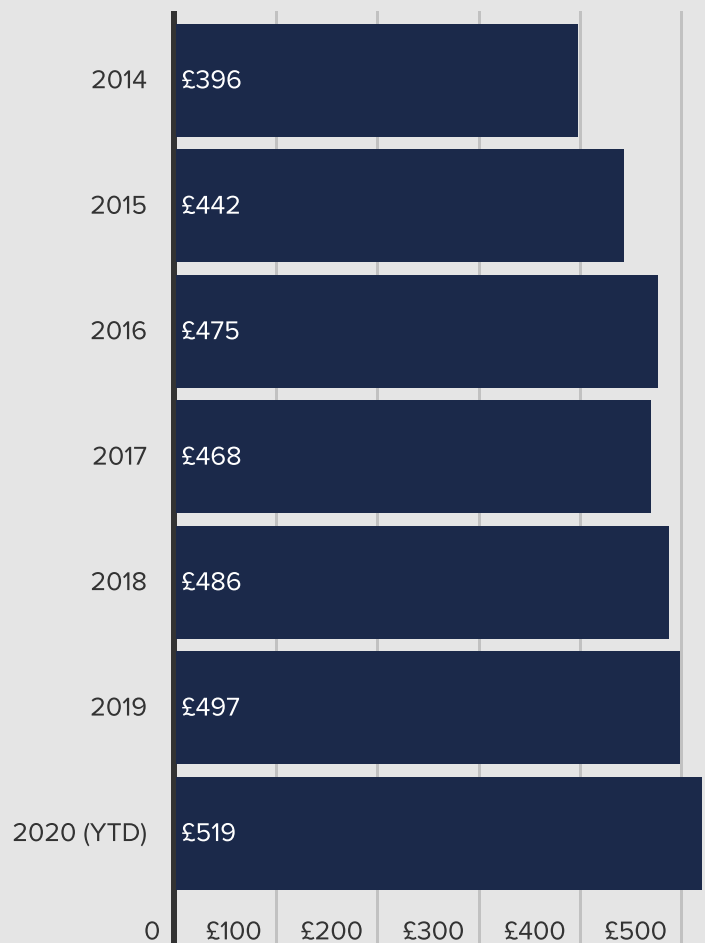
In a reversal of three years ago, cities in the South are now seeing stronger rental growth than those in the North.

Affordability barriers, making it harder for people to buy a home, tend to be higher in Southern cities. And it's in these areas where demand for rental properties often outpaces supply. In recent years this has been exacerbated by falling rental stock levels, particularly in the South, where taxation changes have hit lower yielding landlords hardest.

And it is the combination of these factors that has driven rental growth. As a result, the North-South rental divide has increased for the third year in a row and is now 11% wider than in 2014.



Gap between average rents in the North and South



Source: Hamptons International