



The largest quarterly dataset of UK rental activity. Q1 report (January – March 2025)

Rents rise to new record despite boost in supply

- The average advertised rent of homes outside of London has risen to a new record this quarter of £1,349 per calendar month (pcm), however it is the smallest increase in rents at this time of year since 2020:
 - London rents also rise by 0.1% (+£3) to a 14th consecutive new record of £2,698 pcm this quarter
- This quarter’s increase in rents comes despite a boost in new supply into the rental market:
 - The number of new properties coming into the market in March was 11% ahead of the same period last year, and the overall number of rental homes now available is 18% ahead of last year
 - The number of prospective tenants looking to move is 7% lower than March last year
 - An increase in first-time buyer activity at the start of this year is likely taking some demand away from the rental market
- The average number of enquiries per rental property this quarter is 12, cooling from 16 at this time last year, but still over double the five in Q1 2019. However, there are regional variations in supply and demand:
 - A typical rental home in London sees eight enquiries, compared with 18 in the North West
- A quarter of rental properties are seeing a reduction in the advertised price, the most at this time of year since 2018, a sign of a less frenetic market
- There are still no major signs of the upcoming Renters’ Rights Bill affecting market activity, however there are set to be wider implications for both tenants and landlords

National average asking rent for all property types (excluding Greater London)			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2025	£1,349	+0.6%	+4.5%
Q4 2024	£1,341	-0.2%	+4.7%
Greater London average asking rent for all property types			
Quarter	Avg. asking rent per month	Quarterly change	Annual change
Q1 2025	£2,698	+0.1%	+2.5%
Q4 2024	£2,695	+0.1%	+2.4%
Inner and Outer London			
	Avg. asking rent per month	Quarterly change	Annual change
Inner London	£3,182	+0.1%	+2.5%
Outer London	£2,345	+0.2%	+2.5%



Overview

The average advertised rent of new properties coming onto the market outside of London has risen by 0.6% this quarter to a new record of £1,349 per calendar month (pcm).

Despite the rise in average rents, this is the smallest increase across Great Britain excluding London at this time of year since 2020.

Average advertised rents in London also rose by just £3, or 0.1%, to a 14th consecutive record of £2,698 pcm. The average advertised rent in London is now 2.5% higher than at this time last year.

These record rents come despite a boost in supply into the rental market. The number of new properties coming into the market in March was 11% ahead of the same period last year, and the overall number of rental homes available is 18% ahead of last year.

Meanwhile, the number of prospective tenants looking to move is 7% lower than at this time last year.

An increase in buy-to-let lending is helping to bring more supply into the rental market. The latest snapshot from UK Finance shows that at the start of this year, the number of new buy-to-let loans is up by 32% compared to the start of last year.

Another factor likely helping is a transition from some renters into the first-time buyer market.

In the first quarter of 2025, the number of sales being agreed in the typical first-time buyer sector was 7% higher than the same period a year ago, while the number of prospective new first-time buyers getting in touch to move was 5% higher. A rush to move before stamp duty tax rose in England from 1st April, and slightly improved mortgage rates compared with last year, encouraged activity.

In the rental market, compared with pre-pandemic 2019, the number of tenants looking to move is still 10% higher, and the number of available properties is 33% lower. This highlights the persisting imbalance between supply and demand despite the market easing.

This ongoing mismatch between supply and demand means that a typical rental home across Great Britain this quarter is still receiving 12 enquiries. While this has cooled from an average of 16 at the start of last year, it is still more than double the average of five seen over the first three months of 2019.

However, there are regional variations in supply and demand dynamics, which will likely make the market feel even busier in some local areas.

London currently has the best balance of supply and demand, though there are still an average of eight applications for every property. By contrast, a typical rental home in the North West gets 18 enquiries.

A knock-on impact of cooler demand and increasing choice for tenants appears to be an increase in the number of rental homes that see a reduction in the advertised price.

A quarter of rental properties are seeing a reduction in the advertised price, the most at this time of year since 2018.

It is also a sign of stretched affordability, with more landlords having to reduce the advertised price to find a tenant.



Over the last five years, average rent rises have outpaced increases in wages. Average earnings are up by 31% since 2020, versus a 40% increase in rents.

There are still no major signs of the upcoming Renters' Rights Bill affecting rental market activity. However, the Bill is set to have many wider implications for tenants, landlords and agents.

Rightmove's property expert Colleen Babcock says: "The rental market is still really busy, and as the regional picture shows, it's likely to feel even busier in some areas of Great Britain than others. It's good news for tenants that on the whole, the balance between supply and demand is improving. This is having a knock-on effect on rental prices, with rents increasing more slowly and more landlords reducing their advertised price."

Christian Balshen, lettings expert at Rightmove says: "I don't expect the Renters' Rights Bill to have much of an impact on market activity, but there are a lot of wider implications for tenants and landlords. The banning of rent in advance for example, may make it more difficult for some types of tenants to secure a home, particularly in high-demand areas. Supply and demand in the rental market is really varied at the moment across Great Britain. The number one thing landlords will still want, is a good, reliable, long-term tenant, and there's likely to be even more emphasis on this once the Bill comes into effect."

Expert views

Marc von Grundherr, Director at Benham & Reeves in London said: "We've seen a strong start to the year, with a surge in new listings entering the market, while tenant demand levels remain robust. The majority of landlords haven't been particularly phased by the Renters' Rights Bill. In essence, those providing good quality accommodation have little to worry about."

"Rental values have continued to climb which suggests that demand is still outstripping supply. International tenants remain a significant driving force within the London rental market, while the return to the physical workplace also remains a key factor."

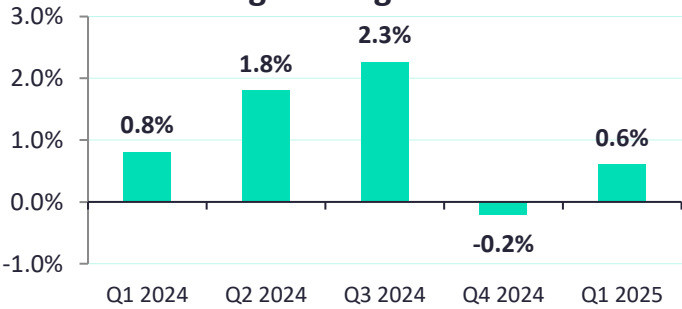
"The latest figures show that the number of new buy-to-let mortgages has increased considerably, as has the value of these loans. This activity is being driven by remortgages, which demonstrates the confidence that many buy-to-let investors still have within the sector, although there has also been an increase in new investment as well."



Regional supply and demand balance

Region	Enquiries Per Property in Q1
East Midlands	12
East of England	13
London	8
North East	11
North West	18
Scotland	15
South East	11
South West	14
UK	12
Wales	13
West Midlands	15
Yorkshire and The Humber	12

National quarterly change in average asking rents



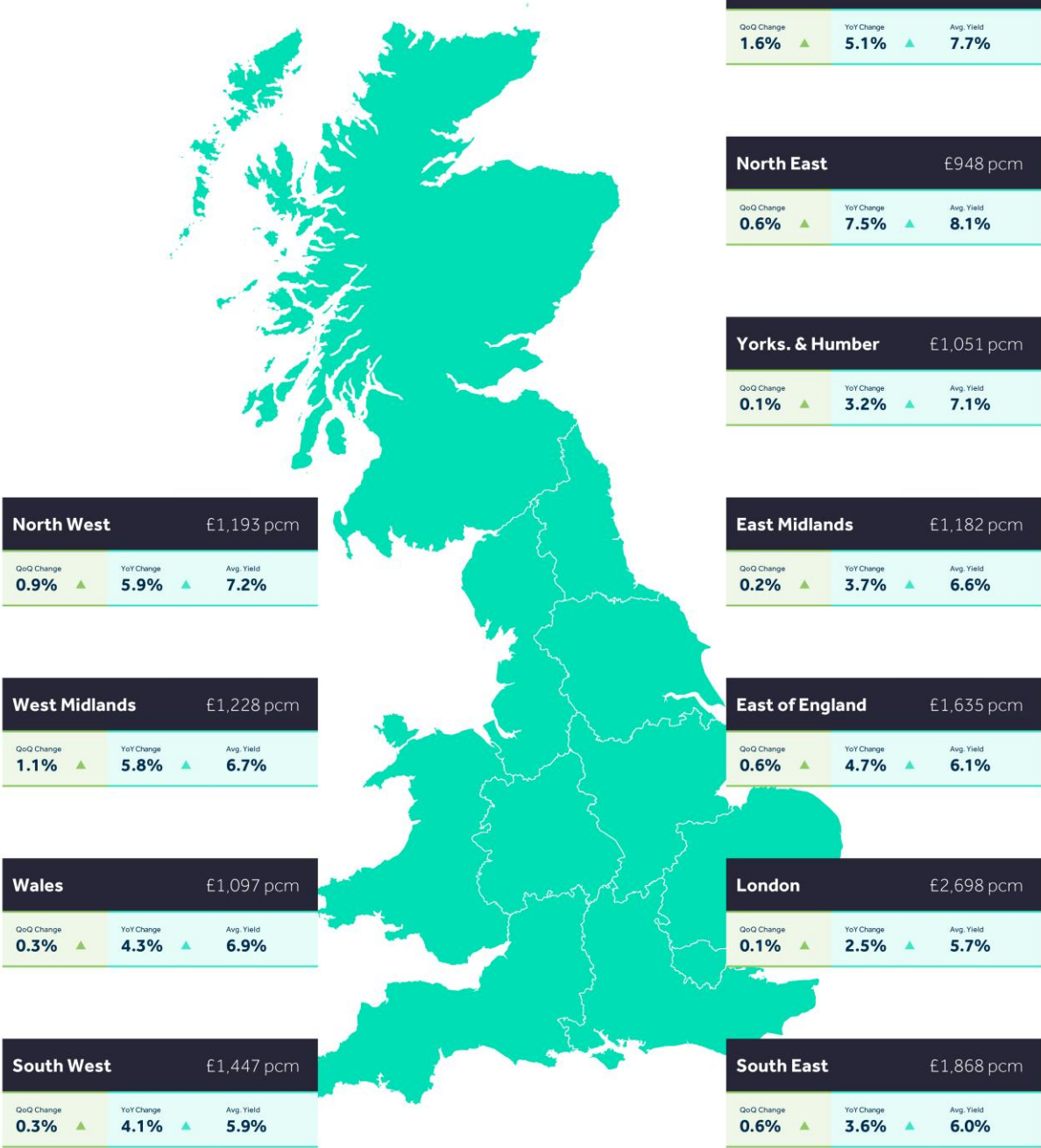


Regional trends

Rental Price Tracker

Q1 2025

● Increase from previous quarter ● Decrease from previous quarter





Landlord yields

Region	Average Landlord yield Q1 2025	Annual change in yield
Great Britain excl. London	6.3%	+0.2%
East Midlands	6.6%	+0.3%
East of England	6.1%	+0.3%
London	5.7%	+0.1%
North East	8.1%	+0.4%
North West	7.2%	+0.2%
Scotland	7.7%	+0.1%
South East	6.0%	+0.3%
South West	5.9%	+0.2%
Wales	6.9%	+0.1%
West Midlands	6.7%	+0.4%
Yorkshire and The Humber	7.1%	+0.3%

Rental price hotspots

Area	Region	Average asking rent per calendar month Q1 2024	Average asking rent per calendar month Q1 2025	Annual change
Chippenham, Wiltshire	South West	£930	£1,082	16.4%
Stockport, Greater Manchester	North West	£982	£1,141	16.1%
Coventry, West Midlands	West Midlands	£1,011	£1,153	14.1%
Newcastle Under Lyme, Staffordshire	West Midlands	£758	£863	13.8%
Milton Keynes, Buckinghamshire	South East	£1,269	£1,429	12.7%
Grimsby, Lincolnshire	Yorkshire and The Humber	£572	£641	12.0%
West Bromwich, West Midlands	West Midlands	£877	£981	11.9%
Carlisle, Cumbria	North West	£610	£681	11.6%
Birkenhead, Merseyside	North West	£686	£763	11.2%
Sheffield	Yorkshire and The Humber	£946	£1,046	10.6%



Editors' notes

The Rightmove Rental Trends Tracker methodology was updated as of Q3 2020 and all historic figures have been restated. The new methodology includes the latest mix adjustment figures.

The dataset is compiled from the asking rents of properties coming onto the market on Rightmove.co.uk. Rather than being a survey of opinions it is produced from factual data of actual asking prices of rental properties currently on the market. Rightmove's Rental Trends Tracker measures prices at the very beginning of the rental process.

Quarterly data: Rightmove measured 378,698 asking rents. The properties were advertised on Rightmove.co.uk by agents from 1st January – 31st March 2025. All short lets have been removed. All rents throughout are per calendar month.