

# BELVOIR!

the lettings specialist

**December 2013**

**(Q4 13)**

**Rental Index**

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## Belvoir Rental Index December 2013: Top 10 Report Highlights

1. Average rents across England for Q4 2013 were £685 per month for offices which have traded consistently over the last five years and is an increase year on year.
2. The average rent recorded in the UK for all offices, including new offices, was £716 per month, which is a slight fall year on year.
3. The average rents in Scotland for Q4 2013 were £571, which is a slight increase year on year.
4. In Wales, average rents for Q4 2013 were £631, which is a 2% increase year on year.
5. Average rents in Northern Ireland remained very static during Q4 2013.
6. Areas yet to recover to 2008 heights in Quarter 4 2013 are the North East, East Midlands and North West.
7. The area recovering to 2008 heights is East Anglia.
8. Areas where rents exceed the 2008 heights include South East, South West, Yorkshire, West Midlands and London.
9. There are 18 counties where Belvoir has been trading since 2008 that show average rents are yet to recover to the heights of 2008, including Kent, Leicestershire and Hampshire.
10. Rents in only one county, Great Manchester, is on a par with the 2008 level and 15 counties have seen rent rises versus heights recorded in 2008, including Worcestershire, Lincolnshire and Derbyshire.

## National Rental Trends

In England, for offices which have traded consistently over the last five years, Quarter four 2013 average rents fell by £2 to £685 versus Quarter three 2013. When comparing the 2013 annual average monthly rent of £687 against the 2012 annual average of £682, there was only an increase of £5, year on year. Overall, since the height of 2008 and subsequent rental market low, there has been relatively steady growth since the latter part of 2010.

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

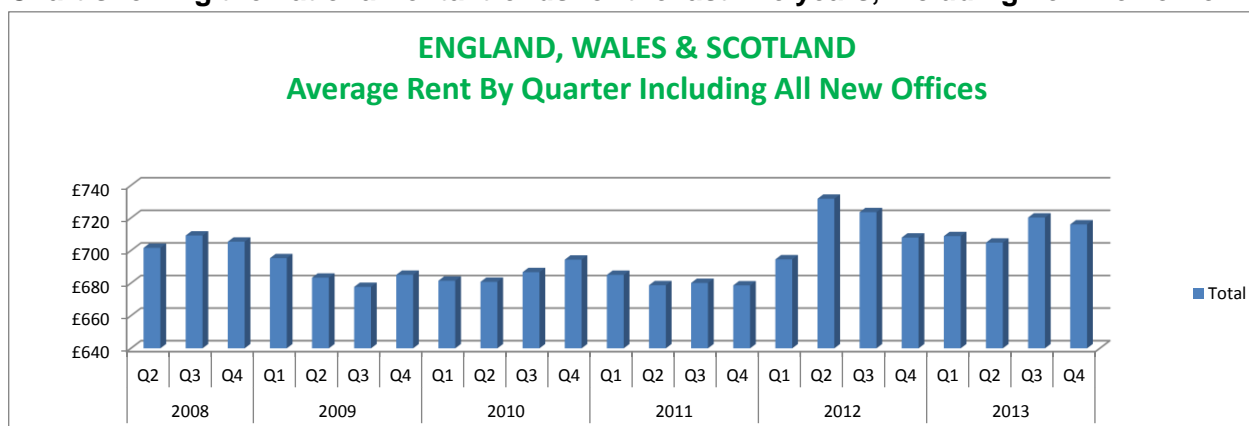


For all offices in England, Wales and Scotland including new Belvoir offices, the average monthly rent for Quarter four 2013 was £716 being slightly down on the Quarter three 2013 average rent of £720 per month.

The annual average monthly rent for 2013 of £713 versus the 2012 average rent of £715 showed a slight fall of £2.

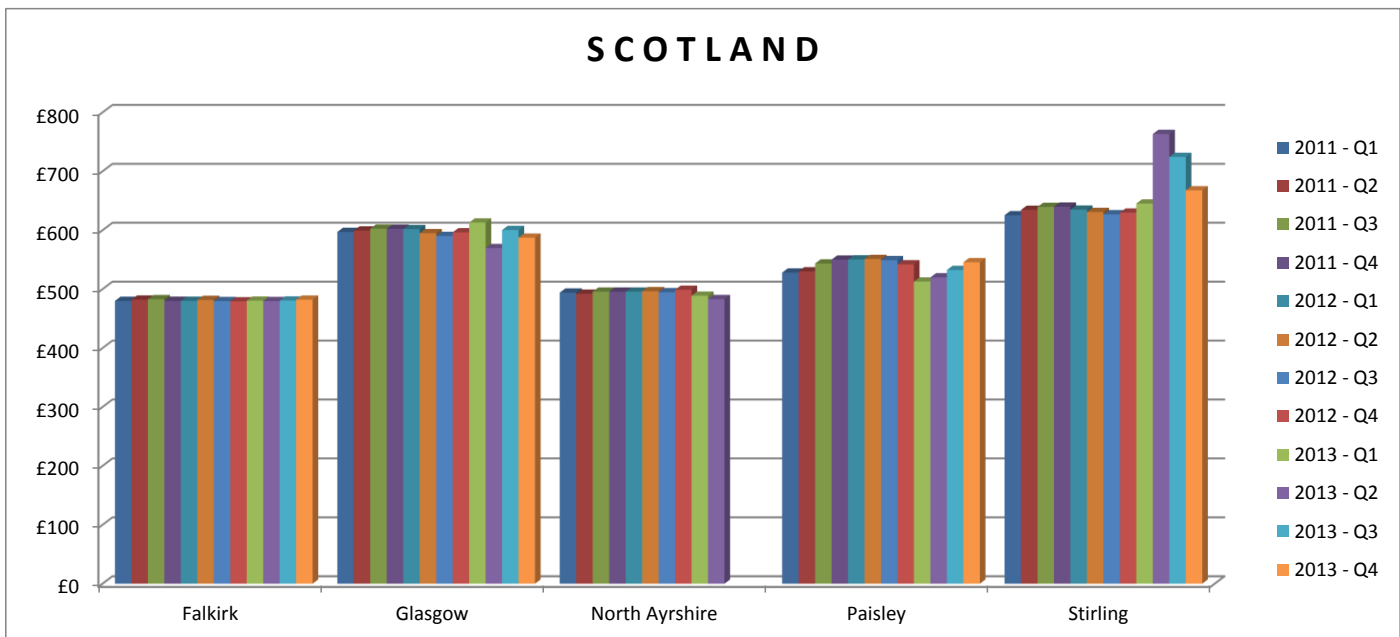
Since the highs and lows of the rental market in 2008/09, the overall picture has been fairly static until the early part of 2012, when the average quarterly rent rose to £732 per month. This 'spike' in rents is attributed to a number of additional new Belvoir offices opening. Since this time, the average quarterly rent has experienced slight fluctuations, but a general small, upward trend.

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



**Dorian Gonsalves, CEO of Belvoir Lettings** commented *“With property prices stabilising in 2013 and turning to growth in high demand areas, landlords are starting to benefit from the investment gains capital growth gives. However, from a rental perspective we’ve learned they move in line with wages. As wages hardly changed in 2013, rents too remained pretty stable, even falling back in some areas. If investors can gain from capital growth while tenants can keep the same rent levels, the private rental sector achieves a win win for everyone.”*

## Summary for Scotland



In Scotland, the Quarter four 2013 average monthly rent of £571 is just over -2% down compared to the Quarter three 2013 average rent of £584. The 2013 annual average monthly rent of £570 versus the 2012 annual average of £550 shows an increase of just over 3.6% year on year maintaining growth just above inflation.

### Falkirk

Average monthly rents in this area continue to remain static. The average monthly rent of £482 for Quarter four 2013 is up just £1 versus Quarter three 2013 for *two bed flats*. There has been very little movement in average rents since the start of 2011.

**Mike Campbell of Belvoir Falkirk** reports *“We experienced very low volumes in December but our average rent for 2013 was £462 for all properties and £437 for two bedroom flats. I think Quarter four 2013 pretty much followed the overall annual theme of stability in rents. Within this, some parts of Scotland showed modest increases, others, modest softening. The notable exception to this of course, would be the oil fuelled Aberdeen rental market which experienced a significant increase in rent and a lack of supply.*

*“There are two specific points worth making about 2013 that had the potential to impact either directly or indirectly on rents. Firstly, in the autumn of 2012 there was a legal clarification that meant letting agents could no longer charge tenants any fees in Scotland. It was widely assumed this would lead to a significant increase in rent because agents would seek to make good their loss of income by passing costs on to landlords and to tenants in higher rents. This simply hasn't happened Secondly the publication of the 2011 census data in 2013 showed that as many Scots rent in the PRS as they do in either Council or RSL tenancies. This is a major social shift and we have to go back to around the time of WW1 as the last time we saw this.*

*“In terms of 2014 I think it will be more of the same. Recent regulatory changes to the sector, not least of which are new requirements through the recent revisions to the Repairing Standard, will bring increased costs to landlords but I think there will be limited scope for this to feed through into increases in rents which are ultimately constrained by average incomes.”*

### **City of Glasgow**

The Quarter four 2013 average monthly rent is £587, which is a slight fall of -2% on Quarter three 2013 of £600. In 2013, the annual average monthly rent was £592, compared to the 2012 annual average of £596 this is down by just £4 year on year.

### **Paisley**

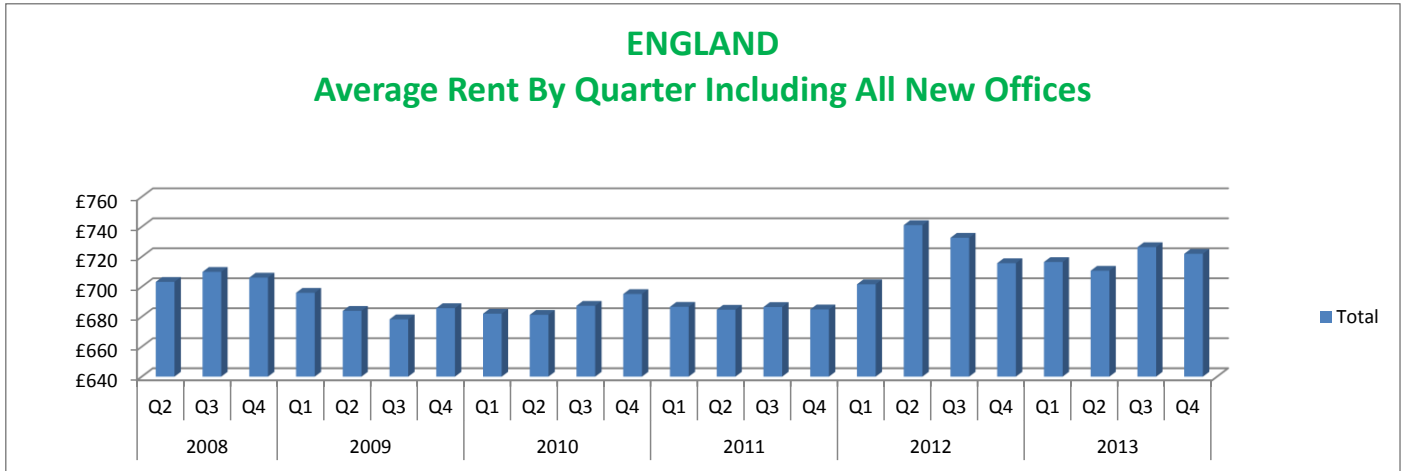
The average monthly rent for Quarter four 2013 is £546 is up by just over 2.5% versus the Quarter three 2013 average of £532. The 2013 annual average monthly rent was £528, which is down by -3.5% compared to the 2012 annual average of £548.

**Denise Rhodes** from **Belvoir Paisley** comments "*Quarter four 2013 was our highest quarter of the year in terms of turnover. Rental values for flats dropped due to oversupply, and for houses, rents increased slightly due to under supply. There were a number of new entrants to the market in Renfrewshire in 2013, bringing the total to 66 agents operating in the area according to the Rightmove competitor analysis. I expect to continue with strong growth in 2014 through taking market share from competitors and continuing to benefit from the weak sales market in the area which is showing no sign of recovery.*"

### **Stirling**

The quirk in average rents due to more houses on the market has started to settle down in the final quarter of 2013. Overall, rents have remained fairly static bar the growth during the year which was due to a change in the mix of properties advertised (see *Appendix*).

## Summary for England

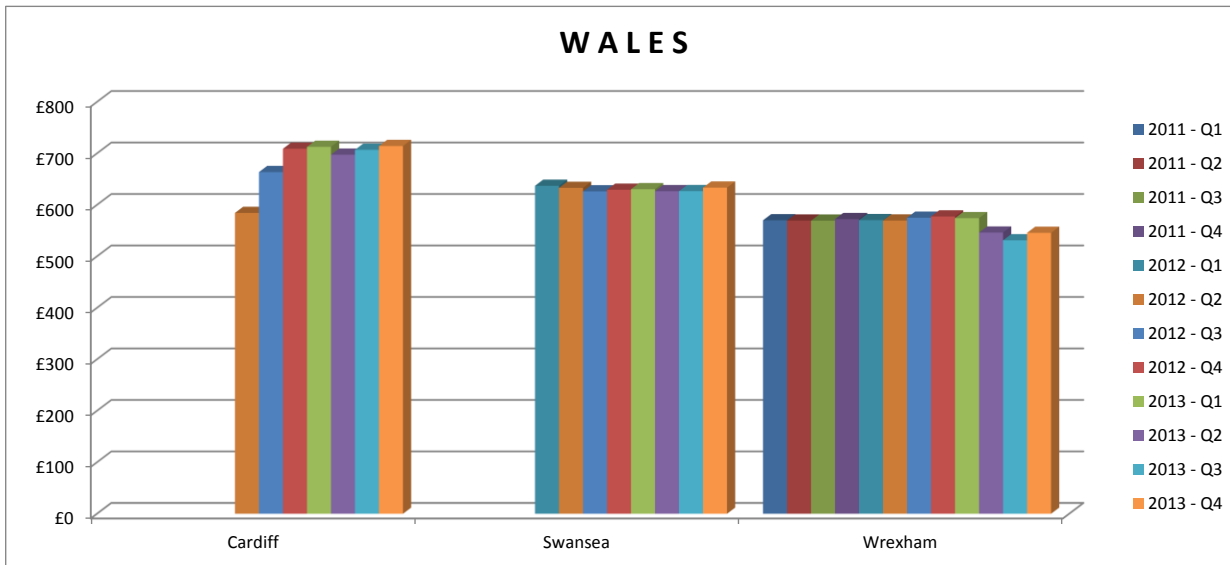


In England, the Quarter four 2013 average rents for all offices, including new offices, fell slightly to £722 per month versus the Quarter three 2013 average rent of £726.

Comparing the 2013 annual average monthly rent of £719 against the 2012 annual average of £723, there was a slight drop of £4, year on year.

Looking long term since the height of 2008 and low of 2009, average rents remained fairly steady up until the end of 2011, with rents increasing in the first half, and subsequently dropping back slightly in the second half of 2012. In 2013, rents have remained more stable with a variation of just 2% between the highest and lowest quarterly rental averages.

## Summary for Wales



In Wales, the Quarter four 2013 average monthly rent of £631 is around 1.5% up compared to the Quarter three 2013 average rent of £622. The 2013 annual average monthly rent of £629 versus the 2012 annual average of £617 shows an increase of 2% year on year, just below inflation.

### Swansea

The average monthly rent for Quarter four 2013 is £633 is up by around 1% versus the Quarter three 2013 average of £627.

The 2013 annual average monthly rent was £629, which is just £1 less than the 2012 annual average of £630, so year on year, average monthly rents remained static.

**Ben Davies of Belvoir Swansea** reports *“December was a mixed bag really, as we listed 18 properties, conducted 18 move-ins, but only let 8 properties. Certainly, Q4 of 2013 was good in terms of stock intake, move-ins could have been better and the number of properties under application was down on where we needed to be due to a poor December. We were able to focus on growth in 2013 by securing a second office in Mumbles which we will be opening in summer 2014. Due to a new university campus being built, there have been several new developments built in the area with landlords buying up new investment properties and looking to rent them through ourselves, but with one eye of the capital appreciation 5-10 years down the line.*

*“My prediction for Swansea is we will continue to grow with the opening of the second office. I think that if lending for first time buyers becomes more accessible, we will have a smaller pool of good quality tenants which we will have to fight harder to attract. I do not see a rise in rents for the Swansea area, unfortunately due to the fact that wages are not increasing here at all.”*

### Wrexham

In Quarter four 2013, the average rent was £546 per month, compared to £531 per month being the Quarter three 2013 average, which is an increase of 3%. The annual average monthly rent for 2013 was £549 versus £573 in 2012, representing an actual fall of around -4% year on year. From the start of 2011, rents remained pretty static until Quarter two and three of 2013 when they experienced a small drop, but recovered in the final Quarter of the year.

### Cardiff

In Cardiff, the Quarter four 2013 average monthly rent was £714, which is a £7 increase on Quarter three 2013. Comparing the annual average monthly rent from 2013 of £708 with £672 from 2012, there has been just over a 5% increase in rents, year on year.



## **Summary for Northern Ireland**

### **Newtownards**

**Trevor Burns** from **Newtownards** comments *“In Quarter four, there was good tenant demand, but this did slow down a bit earlier than normal. Usually this happens in early to mid-December, but we noticed it slowing down at the end of November. Landlord enquiries and investor interest though was good.*

*In the second half of 2013 we saw an improvement in tenant demand and landlord enquiries, with investors starting to buy rentals again. The sales market also started to improve with sales volume and prices heading up again.*

*Not everyone was successful though. In 2013, we saw several landlords lose properties due to repossessions and benefit tenants were also struggling to pay the full rent due to the benefit cuts. There were also some job losses in the local market, with several prominent companies closing.*

*My predictions for 2014 are tenant demand will remain strong, with the percentage of the population renting to continue growing. Investors will continue to see property as a good investment, while landlords with high mortgages will struggle if the interest rates rise this year leading to more repossessions during the year.”*

### **Bangor**

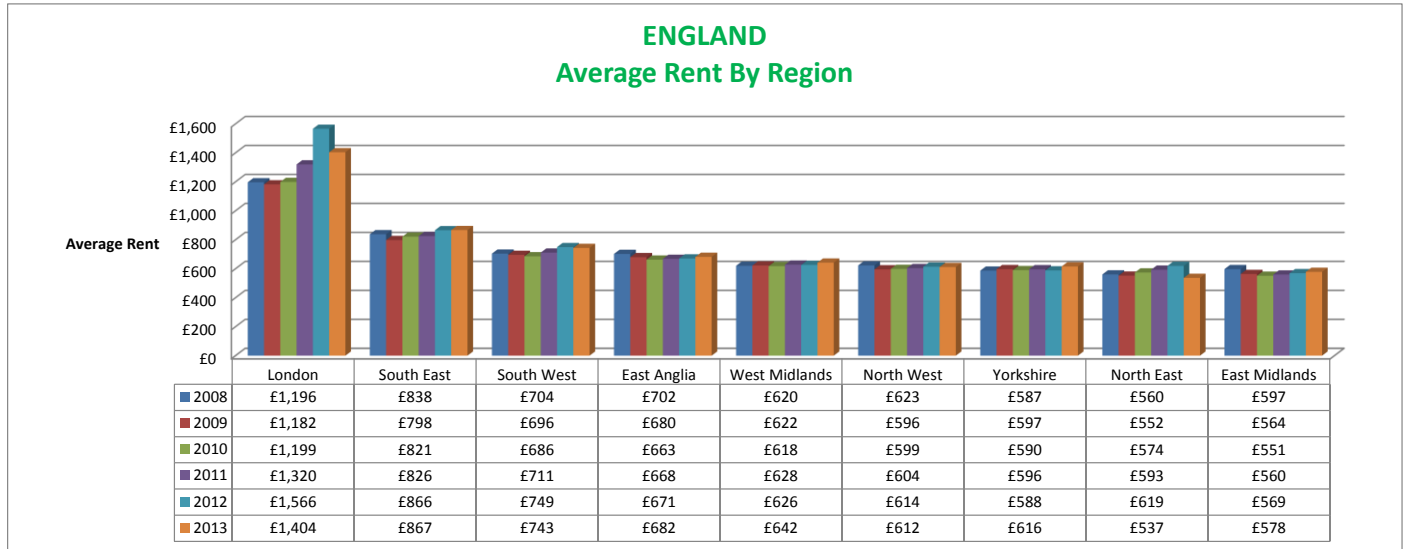
**Jackie Burns** of **Bangor** says *“The last quarter of 2013 was mixed with October and November busy, but December slowed down dramatically, as expected, and enquiries during the month were very limited. January 2014 has started off with great gusto both with tenants and new landlords. We have been run off our feet.*

*“We expect 2014 to be an excellent year. A number of our current landlords are looking to buy new investment properties. Generally, landlords are now taking our advice and bringing their properties up to a good standard, which in turn brings us a better standard of tenant. We are also noticing that since the introduction of the Tenancy Deposit Scheme in Northern Ireland, landlords who managed the properties themselves have now decided to take a fully managed service. This is all very positive for us. Purchase prices are creeping up, so Landlords are keen to get off the starting block and buy now.”*

# Belvoir Regional Rental Trends Summary

Average rents nationally vary from around £537 through to £682 per month for the majority of regions in the country. In the South East, monthly rents have remained fairly static at £867 year on year, with average rents in the South West slightly down from £749 in 2012 to £743 per month in 2013. In London, the average monthly rent for 2013 rent fell back to £1,404.

**Chart showing average rents by region 2008 to 2013 for all Belvoir English Offices by Region**



In London, 2013 rents finished the year lower than the 2012 average but remained above the 2011 average. In the South East, average rents for 2012 and 2013 remained fairly static, and at the end of 2013, average monthly rents were around 3.5% up on 2008. In the South West, rents fell back slightly in 2013 from 2012, and remain around 5.5% above the 2008 high.

Average rents in East Anglia for 2013 were £682, which is slightly above the 2012 average, but remain -3% down on the 2008 high of £702.

In the East Midlands, average rents were £578 in 2013 and are -3% down on the 2008 height of £597. Rents in the West Midlands for 2013 were £642, which is around 3.5% above the £620 high of 2008.

Average rents in Yorkshire in 2013 were £616, which is slightly under 5% up on the 2008 high of £587.

There has been very little change in rental levels in the North West over the past two years, and in 2013 the average rent was £612, and remains around -1.75% down on the 2008 high.

The average rents shown for the North East are not really reflective of the real picture due to the huge differences in types of properties and values within the region. Please see the North East regional rental trends analysis for more information.

# Belvoir Regional Rental Trends

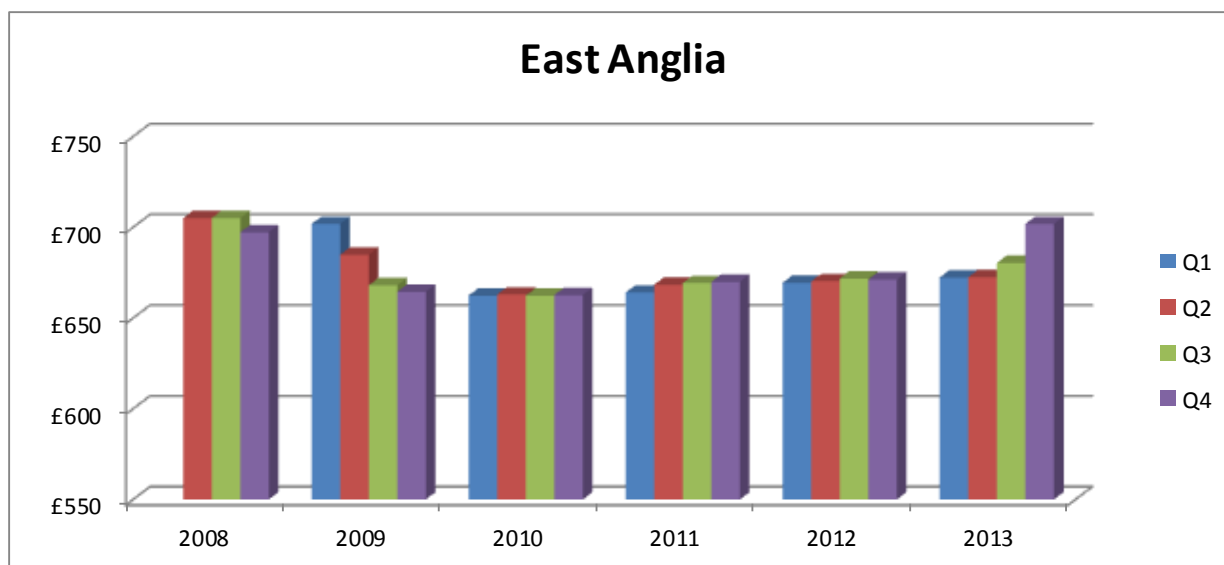
## East Anglia

The average rent for Quarter four 2013 was £702 per month, which is around 3% up the Quarter three 2013 average of £680. The annual average monthly rent for 2013 was £682 versus £671 in 2012, a rise just below inflation of 1.5%.

Post the highs and lows of 2008 and 2009, the East Anglia region has experienced steady growth albeit with a rise in rents in the final Quarter of 2013 almost matching the high of 2008. During Quarter three 2013, the majority of the offices in East Anglia saw fairly static rents.

**Terry Lucking of Belvoir Peterborough and Cambridge** comments *“We experienced the best end to the year on record for Peterborough and Cambridge. We launched Belvoir Sales in July 2013, with 30 properties sold STC in the first six months.*

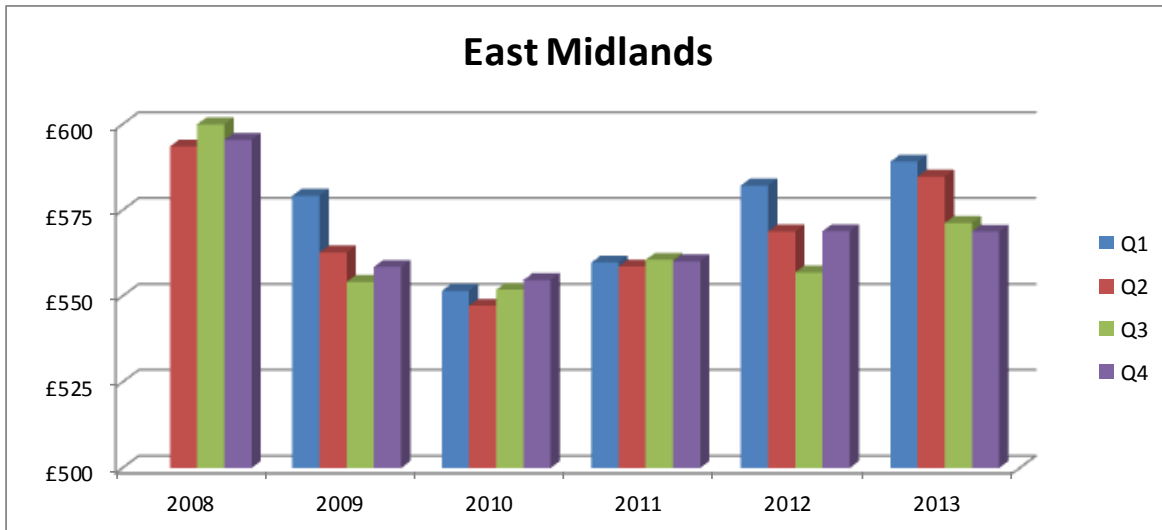
*“I see no real change in rents in the past three months in either area, and I do not expect rents to increase during 2014, as there will be and already is a significant rise in instructions and buy to let investors - actually more activity than in 2007. I feel any increase in tenant demand will be met with increased supply.”*



## East Midlands

In the East Midlands, the Quarter four 2013 average monthly rent was £569, and when compared to £571 per month in Quarter three 2013, this is an insignificant rise of just £2. The annual average monthly rent for 2013 was £578 versus the 2012 annual average of £569 per month, equating to a small increase of around 1.5% year on year.

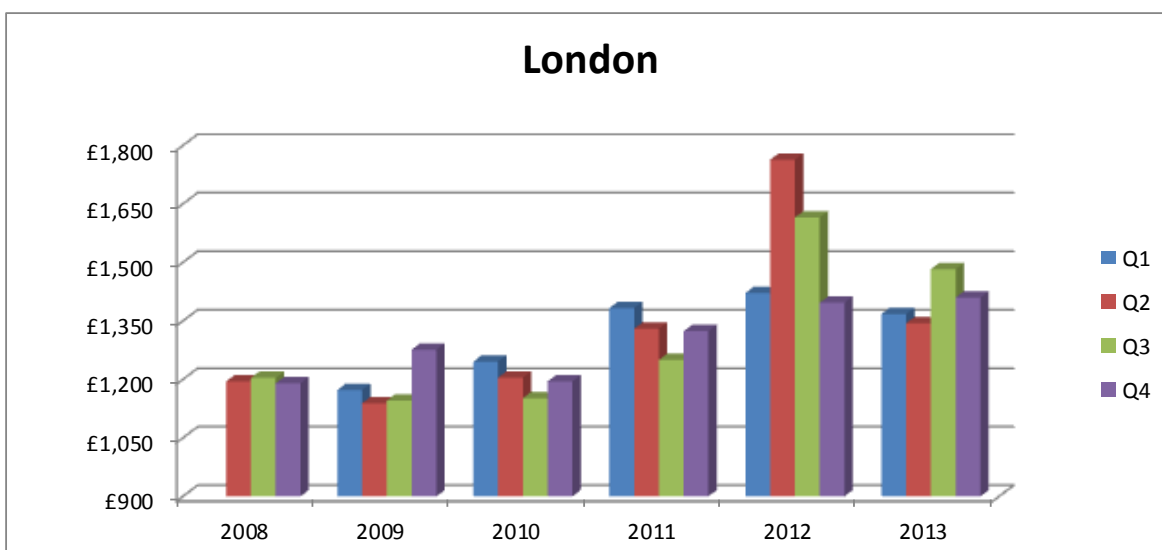
Although average rents experienced steady growth through 2010 and 2011, in 2012 and the first half of 2013 rents fell back slightly and levelled in the second half of 2013.



## London

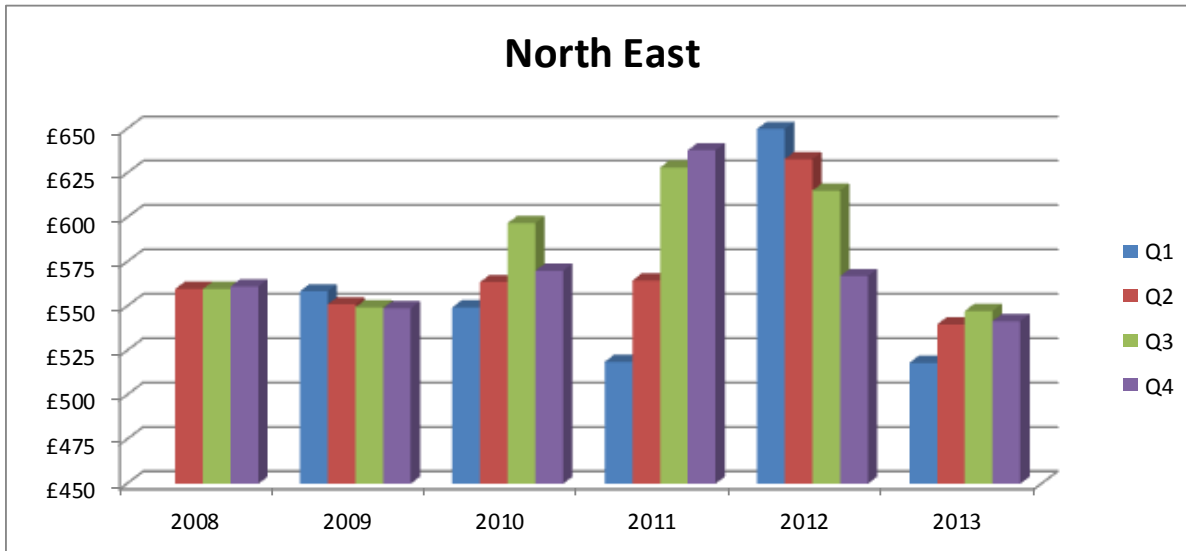
Monthly rents for Quarter four 2013 in London show an average of £1,410, a fall of 5% compared to Quarter three 2013 average rent of £1,483. Comparing the annual average monthly rent year on year, in 2013 this was £1,404 and 2012 £1,566 which is just over a -10% fall, but this is more due to a change in mix of offices than actual large rent fluctuations.

The London rental averages do vary from month to month due to the diverse range of property rents throughout the region, for example, Camden rents are £2,400 per month, compared to Basildon where rents are around £790.



## North East

Rents in the North East can be quite erratic, which is mainly due to the variable rents in Newcastle. Sunderland and Tynedale monthly rents remain fairly static.



### Newcastle upon Tyne

**Howard King** of the **Newcastle upon Tyne** office says “Quarter four 2013 had a strong start but then faded off in the second half as people's attention changed to the holiday period. During 2013, we experienced a very difficult student market, and a high demand for city centre properties, but there was a lack of supply which was frustrating.”

“I believe in 2014, demand in the city centre will remain strong but we will be limited by the lack of supply. The student market will have a tough year and in many areas outside the city centre, this could cause a downward pressure on rental values. However, good properties in the right areas will rent well with a modest increase in rental values. I think the cheaper end of the rental market will see an increase in rent arrears and defaults on the tenancy agreement, as housing benefits are cut and family budgets are put under further pressure.”

### Sunderland

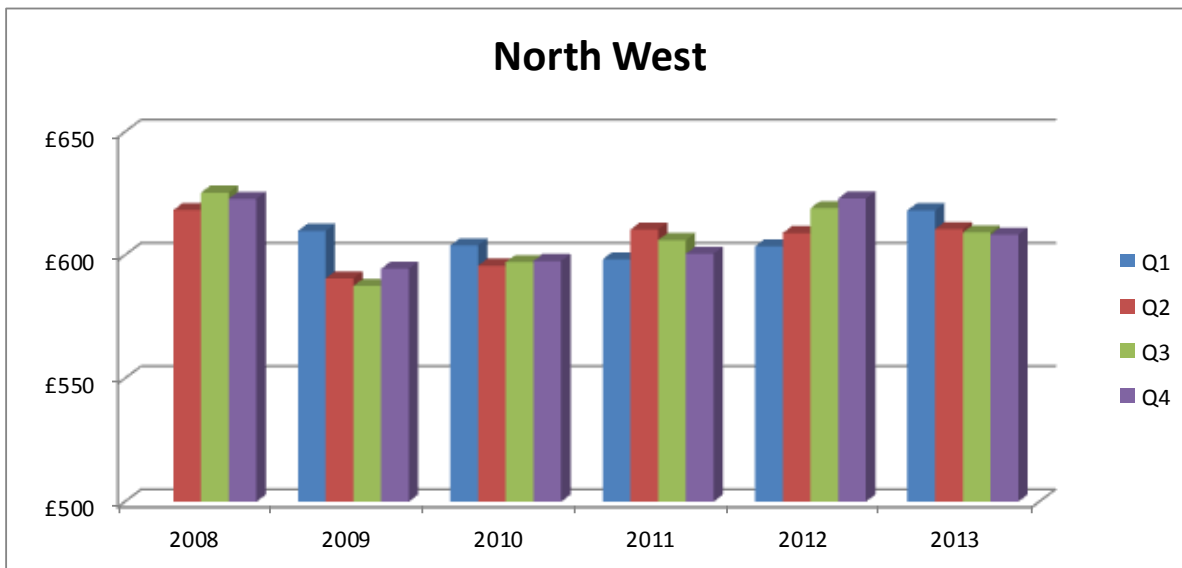
**Neil Whitfield** of **Belvoir Sunderland** comments “Through Quarter four 2013, the market has been quite tough. Two to three bed family homes are still renting well, however, city centre (or nearby) flats/apartments are suffering due to a lack of tenants, which has led to rent reductions. Normally the student market is buoyant, but not in 2013 due to a number of factors but predominantly due to an unusual lack of students looking to rent, and those who did, wanted smaller units and/or bills included. Serious buy to let investors are starting to come back into the market and taking guidance on what/where to buy. However, the steady trickle of reluctant landlords looking to sell is becoming more regular (whenever tenants give notice, ‘reluctant landlords’ tend to try the sales market).

“For 2014, I see a significant number of reluctant landlords looking to sell up. However, there should be a consistent number of investors looking to buy in Sunderland due to better yields than you can get elsewhere. There may be a possibility of looking at small rent increases on family homes, but definitely no rent rises on city centre flats and apartments unless tenant demand dramatically increases or there is a significant reduction in the amount of available property.”

## North West

Average rents for Quarter four 2013 were £608 per month, just £1 down versus Quarter three 2013. The annual average rent for 2013 was £612 per month compared to £614 in 2012, a small £2 fall.

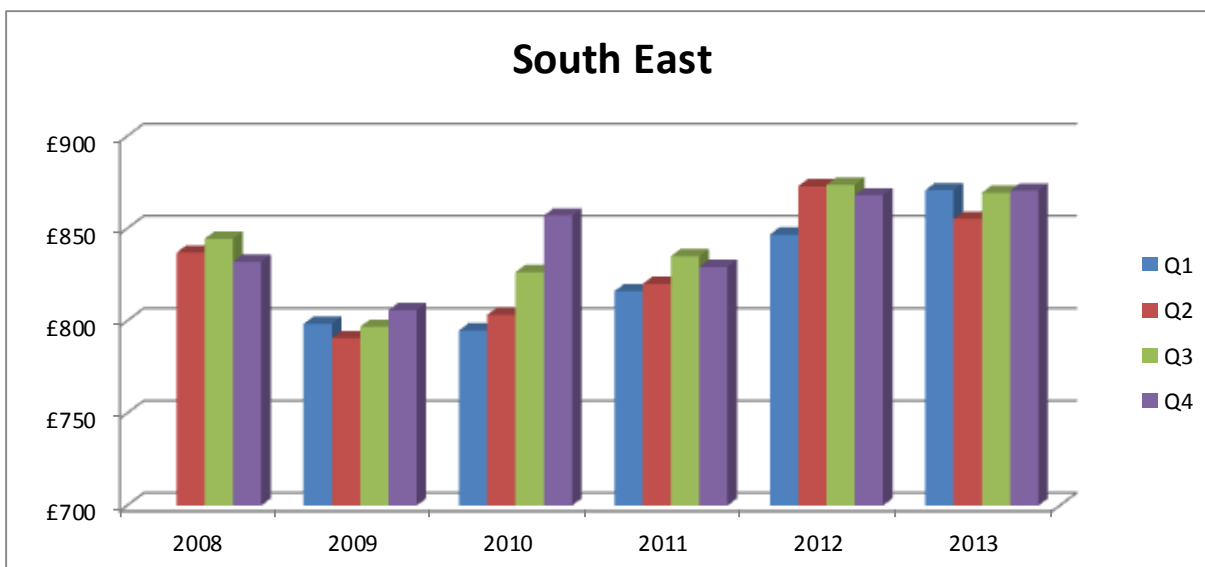
After the peak in 2008 and low of 2009, rents in the North West only showed slight movements through 2010 and 2011. Rents picked up in 2012 but levelled out in 2013.



## South East

The average rent recorded during Quarter four 2013 for the South East was £871 per month, versus £869 per month in Quarter three 2013, this is only an increase in rents of £2. Comparing the annual average rent for 2013 of £867 and 2012 of £866 rents are static year on year.

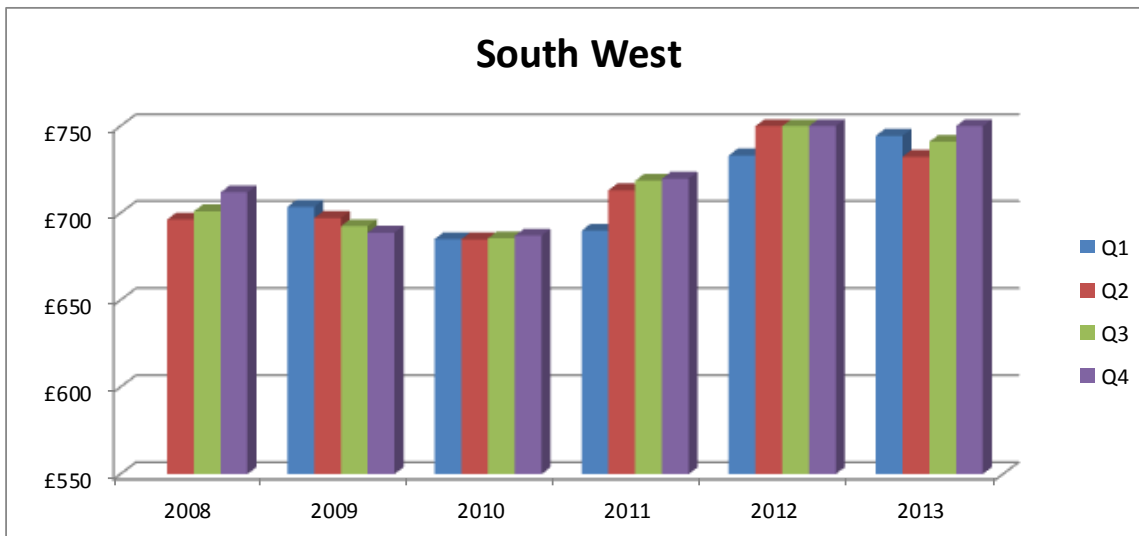
Over time, the South East has experienced rental growth since the low of 2009 which has been fairly steady, but rents have remained fairly static throughout 2012 and 2013.



## South West

In the South West, the average monthly rent for Quarter four 2013 was £753, compared to Quarter three 2013 of £741, this is just over a 1.5% increase. The annual average rent for 2013 in the region was £743, which is £6 less than the 2012 annual average of £749.

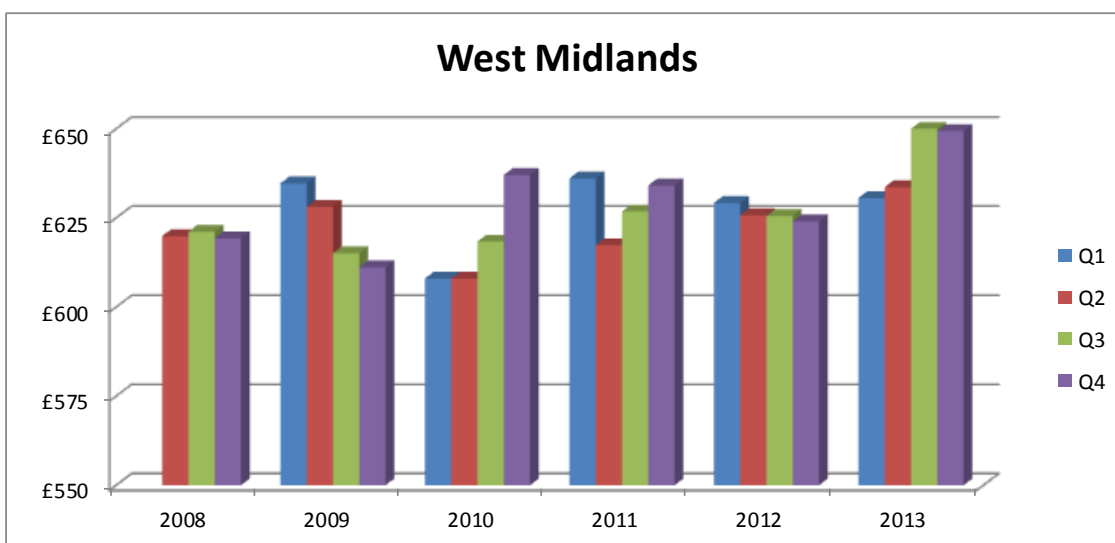
After the market height in 2008, rents gradually reached their low in 2010. From 2011 onwards, there has been good rental growth with average rents finishing 2013 just over 5.5% up on 2008 high.



## West Midlands

The average rent shown for Quarter four 2013 in the West Midlands was £649 per month, versus the Quarter three 2013 average rent of £653, which is a slight fall of £4. Comparing the annual average monthly rent for 2013 of £642 and £626 for 2012, this shows an in line with inflation 2.5% increase year on year.

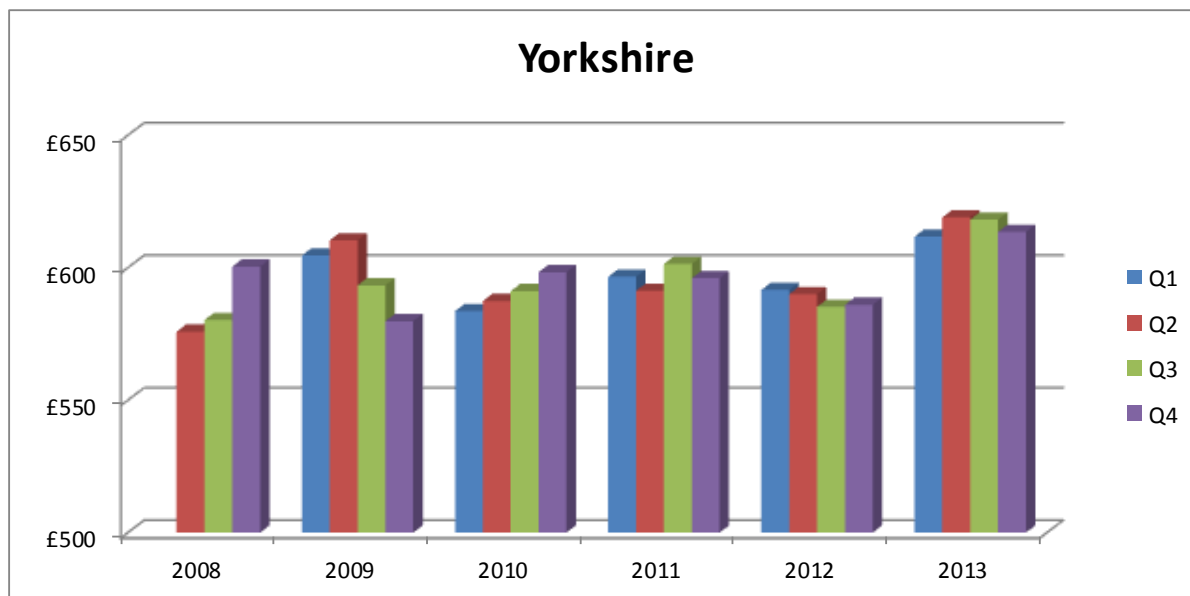
Since 2008, rents do appear to have been rather erratic. There was a low in 2010, followed by a relatively flat market through 2011 and 2012. 2013 picked up in the latter part of the year, showing a quarterly average rent 6.75% higher than in 2010, mainly due to the opening of the Evesham and Harborne offices in 2013 where rents range from around £750 and £1,100 per month.



## Yorkshire

The average monthly rent recorded during Quarter four 2013 was £614, compared to the Quarter three average rent of £618, this shows a slight fall of £4. The annual average monthly rent for 2013 was £616, compared to £588 in 2012. Year on year, this is an inflation busting 4.75% increase in rents.

Overall, since a peak and fall in 2009, average rents have had steady growth during 2010 and 2011, with a slight fall in 2012 and a rise in 2013. Average rents finished the year around 6.5% above the 2008 low.



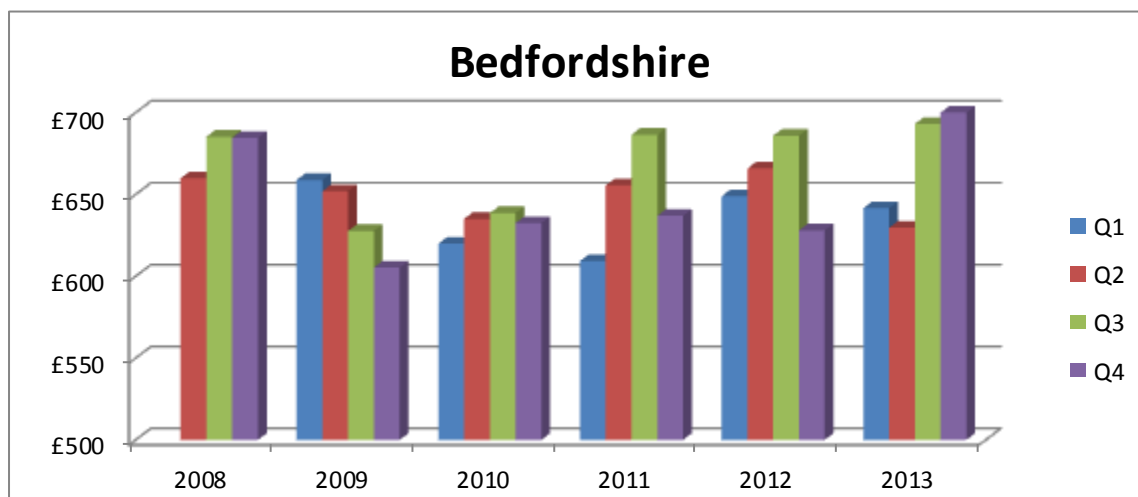


## Belvoir Rental Trends by County

This is where we compare the latest Quarter four rental averages to Quarter three averages and how they are performing year on year on a county by county basis.

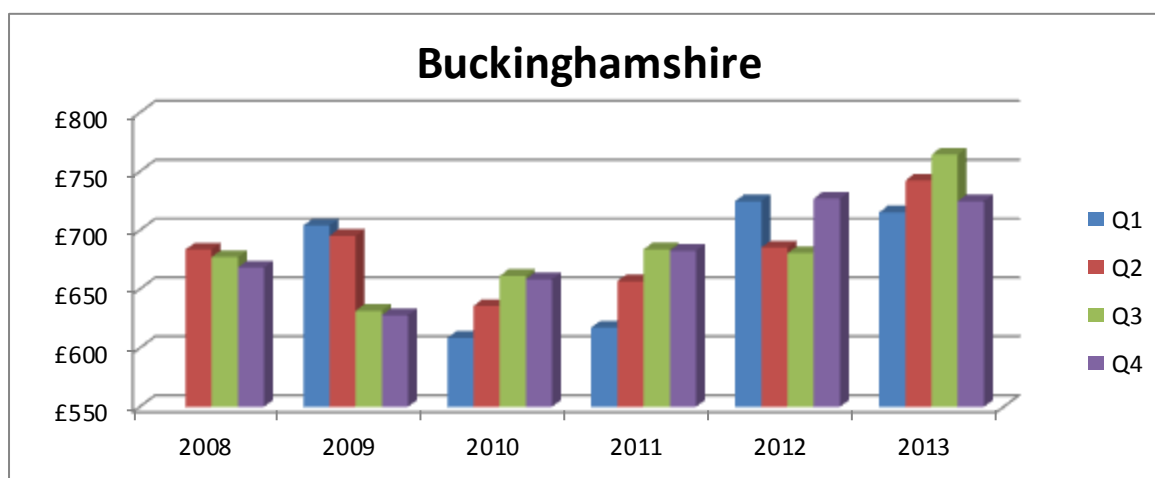
The average monthly rent for Bedfordshire in Quarter four 2013 was £719, versus the Quarter three monthly rental of £693, a rise of just below 4%. The annual average monthly rent for 2013 was £675, versus the annual average for 2012 of £657, which is 3% up year on year.

Subsequent to the low of 2009 and steady rental growth in 2010, rental averages have fluctuated and rents in the last Quarter of 2013 and were only up by 5% versus the high of 2008, five years ago.



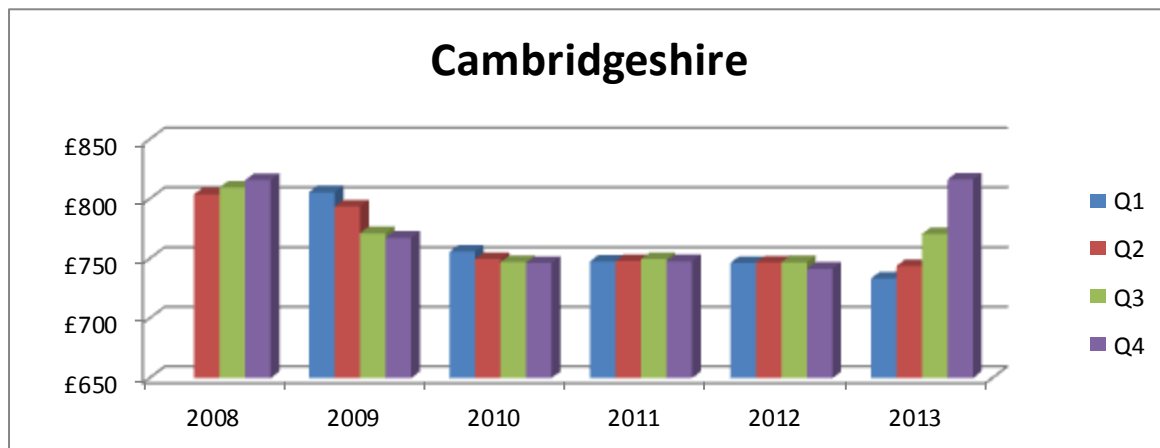
In Buckinghamshire, in Quarter four 2013, the average rent was £725 per month. Compared to the Quarter three rental average of £764, this is around a -5% fall. As a year on year comparison, the annual average for 2013 showed the monthly rent to be £737 versus the 2012 annual average of £704, this equates to a rise of around 4.5%.

Overtime, Buckinghamshire has experienced some growth since the lows in 2010 of the rental market, and 2013 rents were just 3% higher than previous highs seen in 2009.

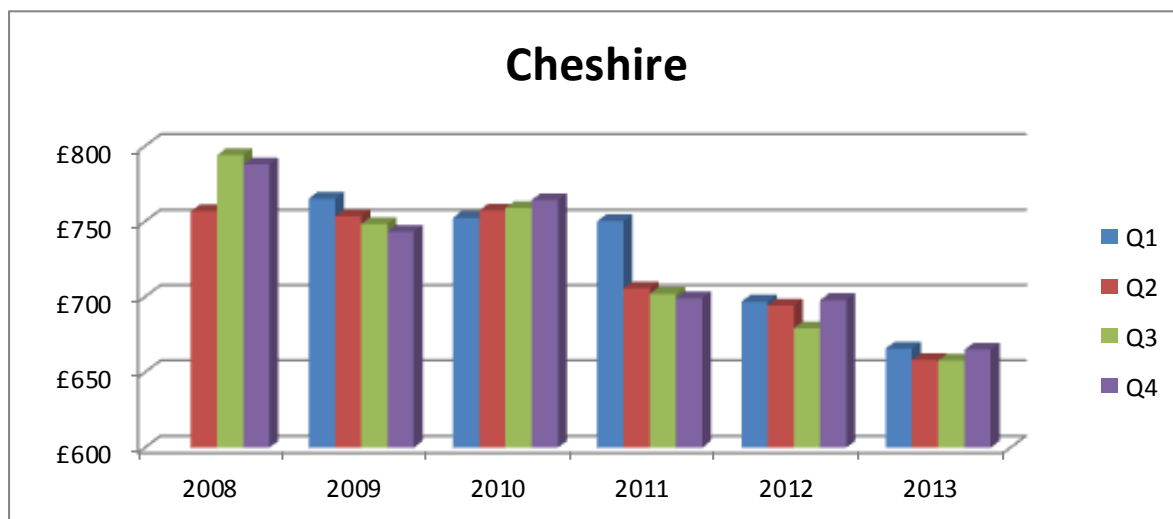


The Quarter four 2013 average rent for Cambridgeshire was £816 per month. The Quarter three average was £771 per month, which is just under a 6% increase. The annual average rent in 2013 was £766 per month, versus the 2012 annual average of £745. This shows a rise of just under 3% year on year.

Average rents in Cambridgeshire have been fairly static between 2010 and the first half of 2013, but increased through Quarter three and four, ending the year at exactly the same level as previous heights seen in 2008.

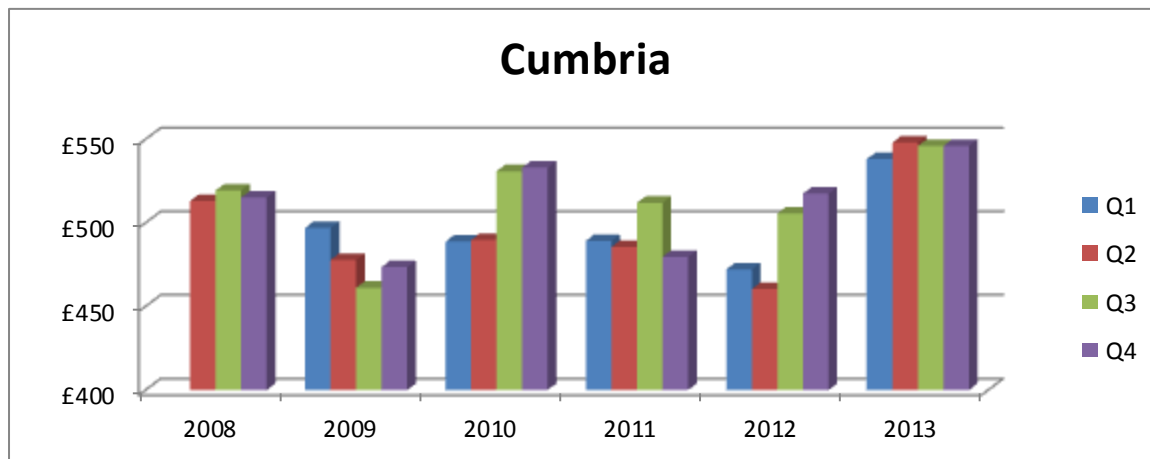


The average monthly rent for Cheshire in Quarter four 2013 was £665. Compared to £658 in Quarter three, this shows just a 1% rise. The yearly average rent for 2013 was £662 per month, and for 2012 this was £692, which shows a fall in rents of around 4.5% year on year. Average rents for the county still have some way to go to reach the high of 2008 having fallen over the last few years.



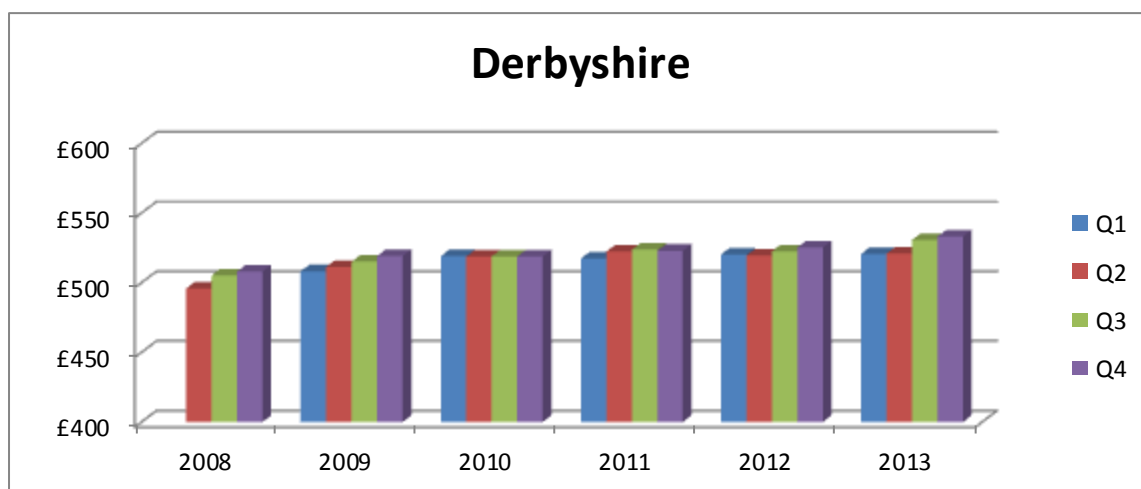
In Cumbria, the average rent for Quarter four 2013 of £546 per month is exactly the same as the Quarter three 2013. The 2013 annual average shows a rent of £545 per month, versus the 2012 annual average of £489, year on year this is an 11.5% increase.

Since the low of 2009, in Cumbria, average rents have fluctuated until 2013, where they have remained more stable throughout the region.



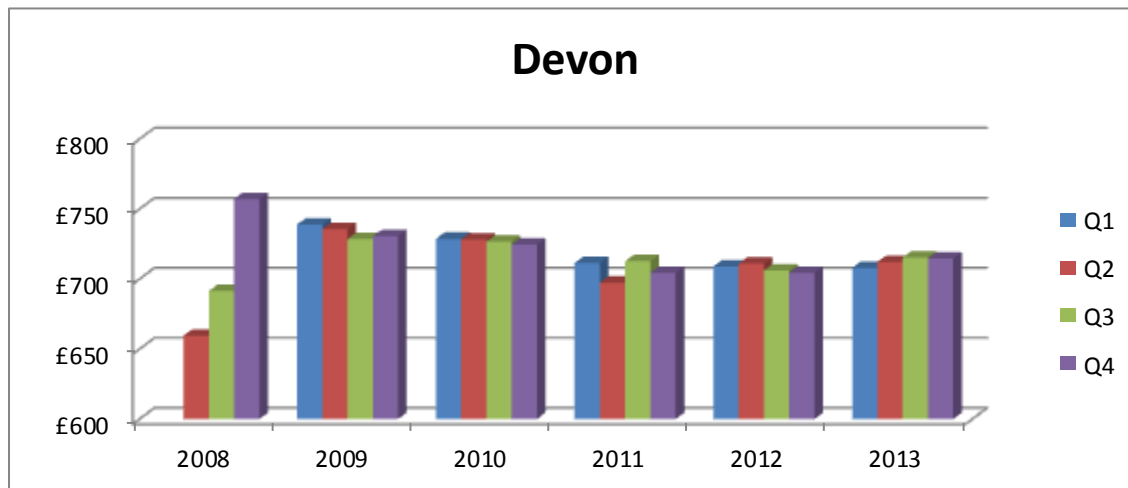
The average monthly rent for Quarter four 2013 in Derbyshire was £533, which is only a £2 increase on the Quarter three. For 2013, the annual average shows a rent of £527 a 1% increase versus 2012.

Since the start of 2008, any growth in rents has been very steady and slight, and equates to a 7.5% increase which is good versus other areas, but still below inflation.



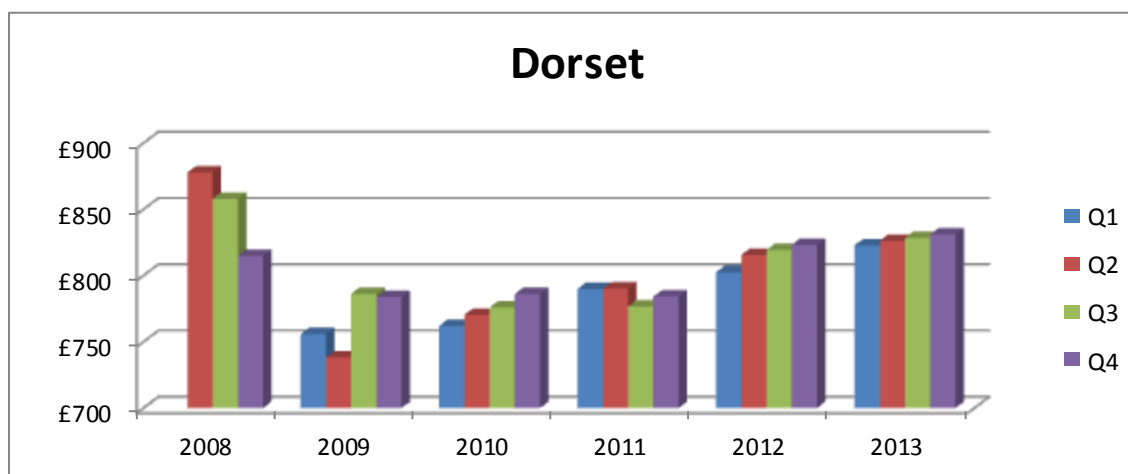
For Quarter four 2013, the monthly rent shows an average of £715, £1 less than the previous quarter. The annual average rent for 2013 was £713, versus £708 in 2012, year on year this is just £5 extra per month

After the high of 2008, average rents dropped back slightly and have remained pretty static since then. Currently rents are still 5% down versus 2008 height.



In Dorset, the average monthly rent for Quarter four 2013 was £831, £2 higher than the Quarter three. Year on year, the annual average for 2013 shows a rent of £827, which is a 1.5% increase on 2012.

After reaching a peak in 2008 of £878, monthly rents dropped back by around 19% in 2009, but then started to recover with some good steady growth between 2010 and the end of 2013, where rents finished the year just under 5.5% down on the height.



The average rent for East Sussex in Quarter four 2013 was £999 per month. Compared to £918 in Quarter three, this is a 9% increase. The annual average rent for 2013 was £967 and £951 in 2012, showing year on year the rise isn't so big as it's just 1.5% higher year on year.

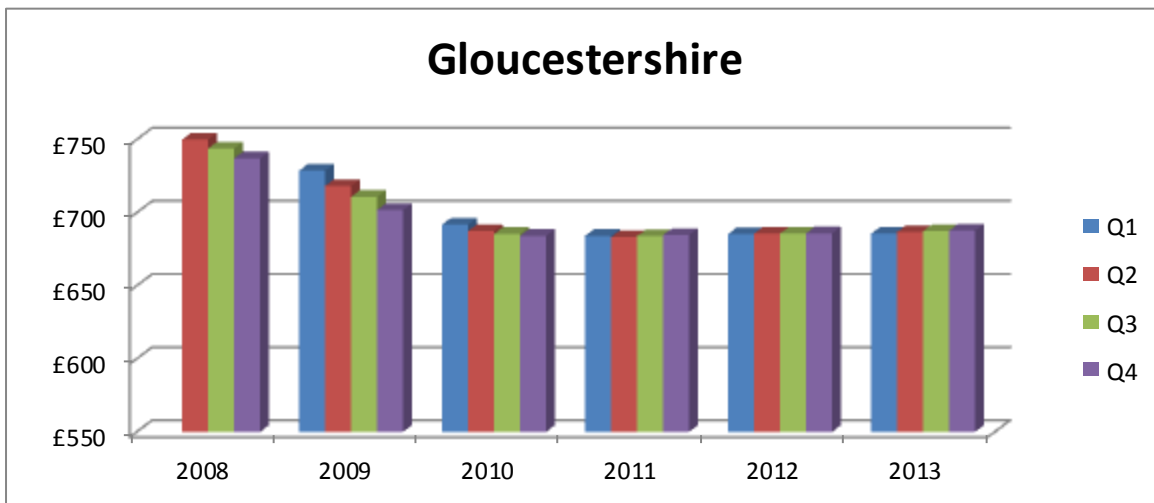


In Quarter four 2013, the average monthly rent for Essex was £790, which is a -1.5% decrease on the previous quarter. The annual average rent for 2013 was £797, versus the 2012 annual average of 799, so £2 less year on year.

Since the rental high of 2008 and subsequent low in 2009, there has been very little movement with rents remaining fairly static over the last four years.

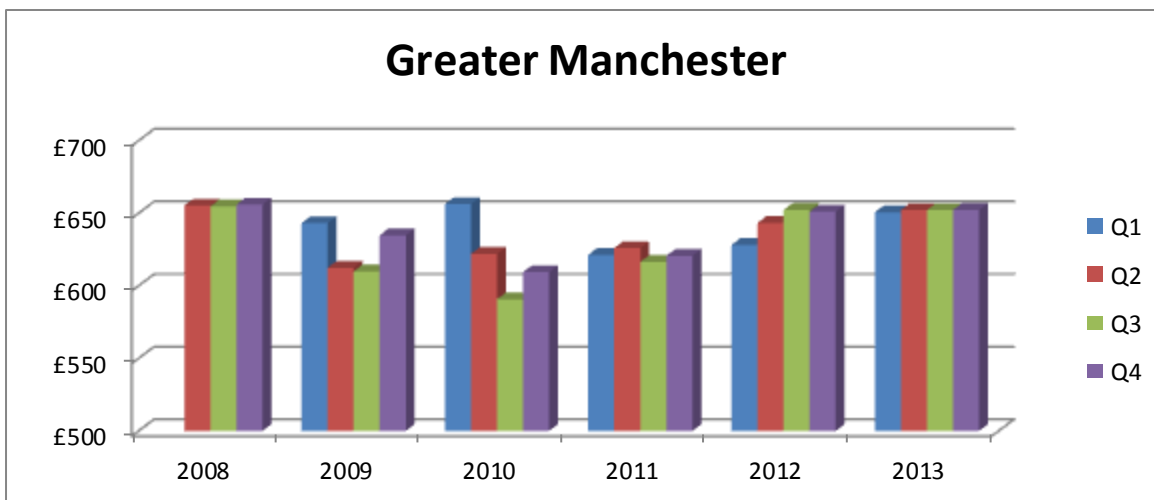


For Quarter four 2013, the average rent in Gloucestershire was £688 per month up just £1 based on the previous quarter. The annual average monthly rents for 2013 and 2012 were £687 and £686, so static. Since the height of the market in 2008, average rental levels reduced and have remained pretty static for the last four years running -8.5% below the height.



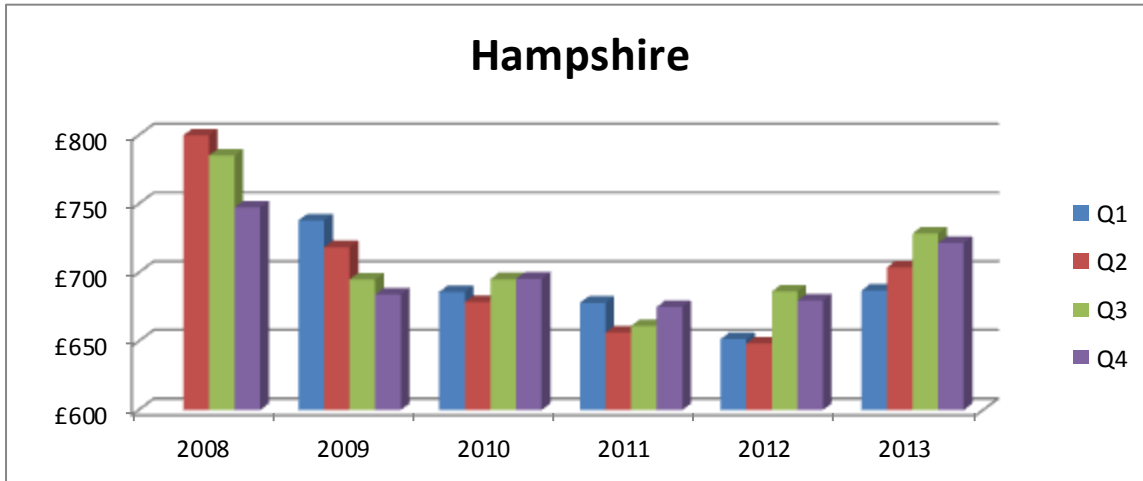
In Greater Manchester, the average monthly rent for Quarter four 2013 was £652, which is no change from Quarter three 2013. Comparing the average annual rent for 2013 of £652 and £644 of 2012, this shows just over a 1% increase year on year.

Average rents in Great Manchester fluctuated after the 2008 high, but have remained relatively stable for the last 18 months. Levels are similar to 2008.

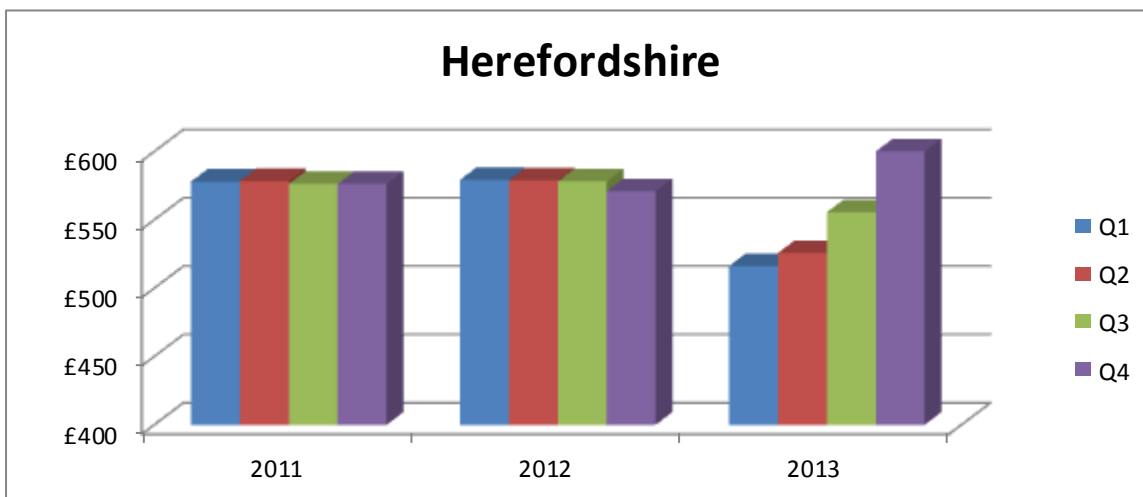


Quarter four 2013 average rents for Hampshire were £722 per month and £729 for Quarter three, which shows a 1% reduction. The annual average monthly rent for 2013 was £711 versus £666 for 2012, an increase of 6.5%.

After the height in 2008, average rents fluctuated slightly reaching a low in 2012. Having started to make some steady growth and recover through the last eighteen months, rents are around -11% down on 2008.

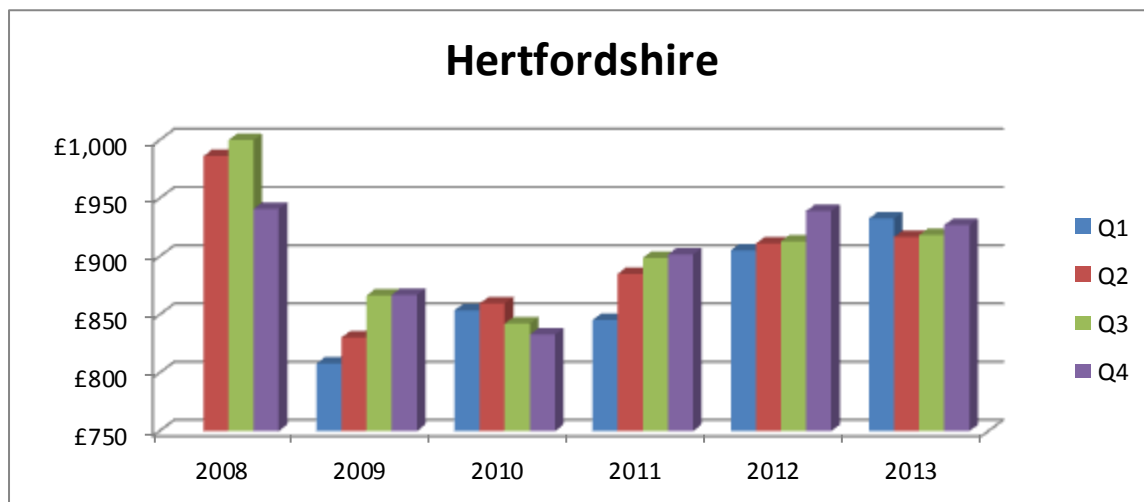


For Quarter four 2013, the average rent for Herefordshire was £605 per month. Versus the Quarter three 2013 rent of £556, this shows an increase of just below 9% mainly due to rents rising in the area. The annual average monthly rent for 2013 was £551 and £577 for 2012, showing year on year, although rents went up in the last quarter, they are actually -4.5% down overall due to lower rents earlier in 2013.



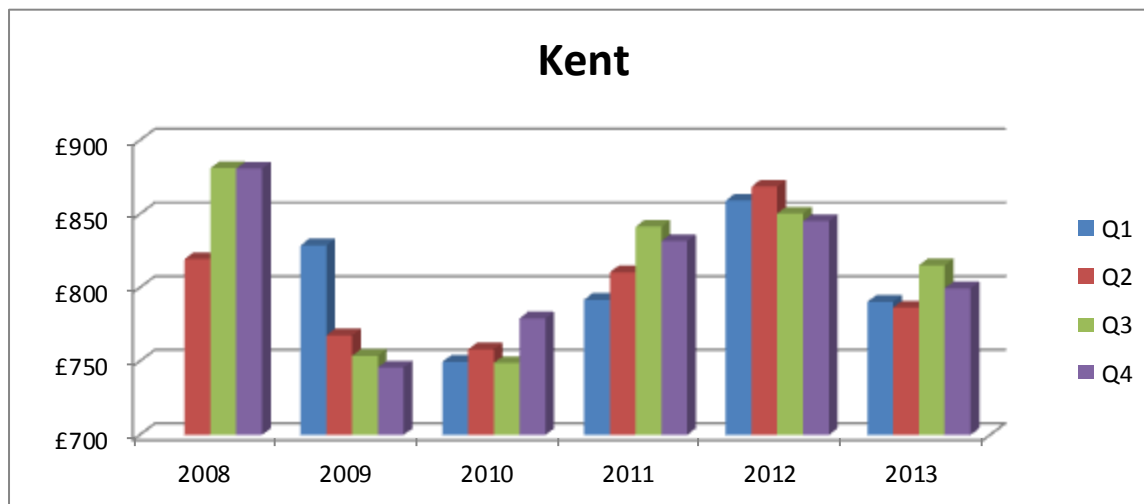
In Hertfordshire, the average rent for Quarter four 2013 was £927 per month. Compared to £918 in Quarter three, this shows a very slight increase of around 1%. In 2013, the annual average monthly rent was £924, which shows a small increase year on year of £6 over the 2012 annual average of £917.

In 2008, rents hit a high of around £1,000 per month, and subsequently fell to around £800 in 2009, mainly due to average rents falling half of the offices post the height of the market. Since this time, rental levels overall have made some steady growth, partly due to two new offices opening in 2011, but remain -8% down on 2008 levels.



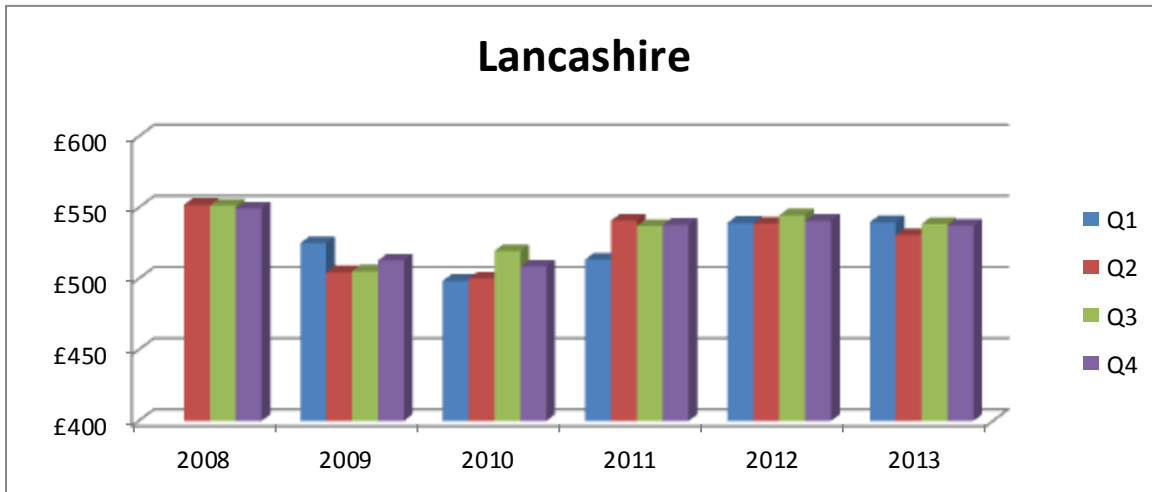
The Quarter four 2013 average monthly rent for Kent was £800. Versus the Quarter three average of £815, this shows a -2% reduction. The annual average rent for 2013 was £798, and in 2012 a rent of £856, showing a year on year fall of around -6.5%.

Since the market high and low of 2008/09, Kent rental levels have shown strong growth almost reaching the 2008 height during the second Quarter of 2012, however, rents fell back in 2013 in half of the offices reducing the overall rental average for the year.



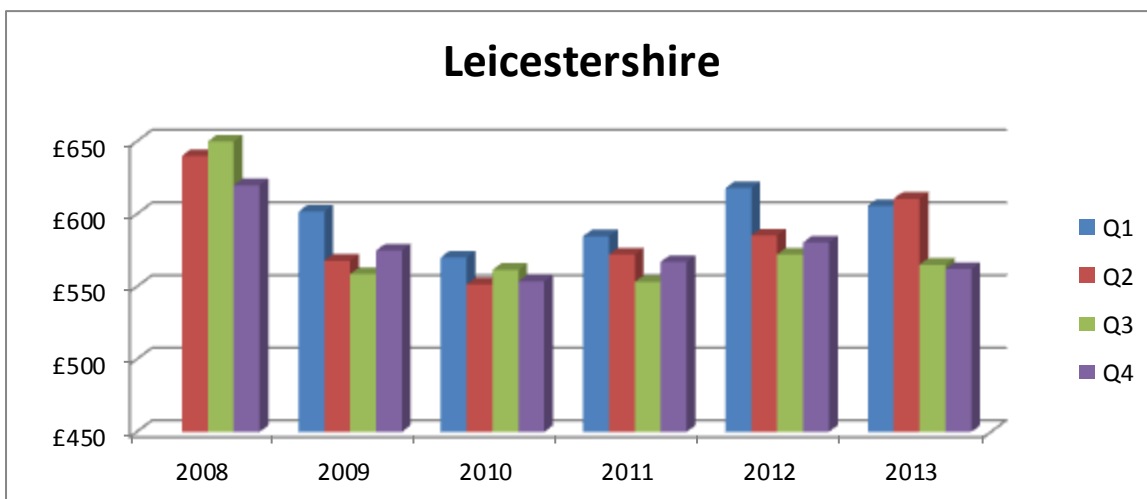


In Lancashire, the Quarter four 2013 average rent was £537 per month. Compared to the Quarter three 2013 average rent of £539, this shows a small fall of just £2. In 2013, the annual average rent was £537, £4 lower than paid in 2012. Rents have been fairly static over the last three years, and remain -2.5% down on the height of 2008.



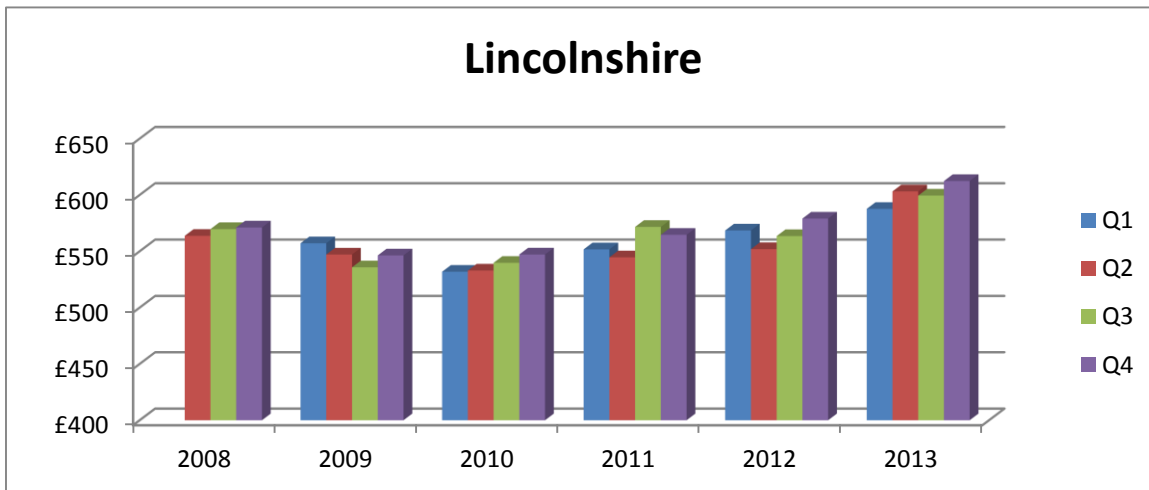
For Quarter four 2013, the average rent for Leicestershire was £562 per month. Compared to the Quarter three 2013 average rent of £565, this shows a small fall of £3. The annual average rent for 2013 was £586, £3 less per month than 2012.

Average rents in Leicestershire have made some improvements since the low of 2009, but rents remain slightly erratic and down by around 13% on the height of 2008, mainly due to a fall in rents for a third of the offices in the second half of 2013.



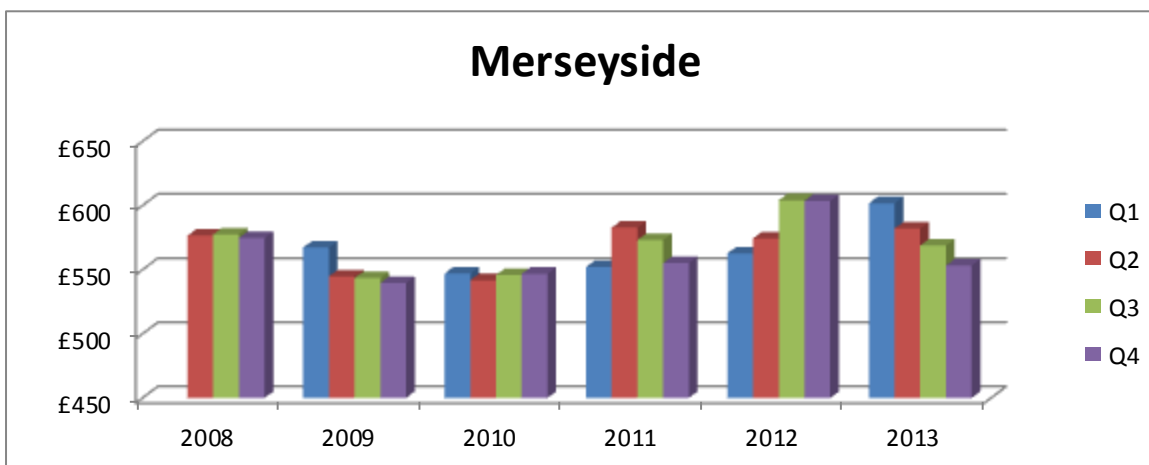
In Lincolnshire, the average rent for Quarter four 2013 was £612 per month. Versus the average rent for Quarter three of £599, this shows around a 2% increase. In 2013, the annual average shows a rent of £601 per month, compared to £566 for 2012, which is around a 6% increase year on year.

Post the high of 2008 and low of 2009, average rents in Lincolnshire have seen good steady growth, and ended 2013 around 7% up on 2008's level.



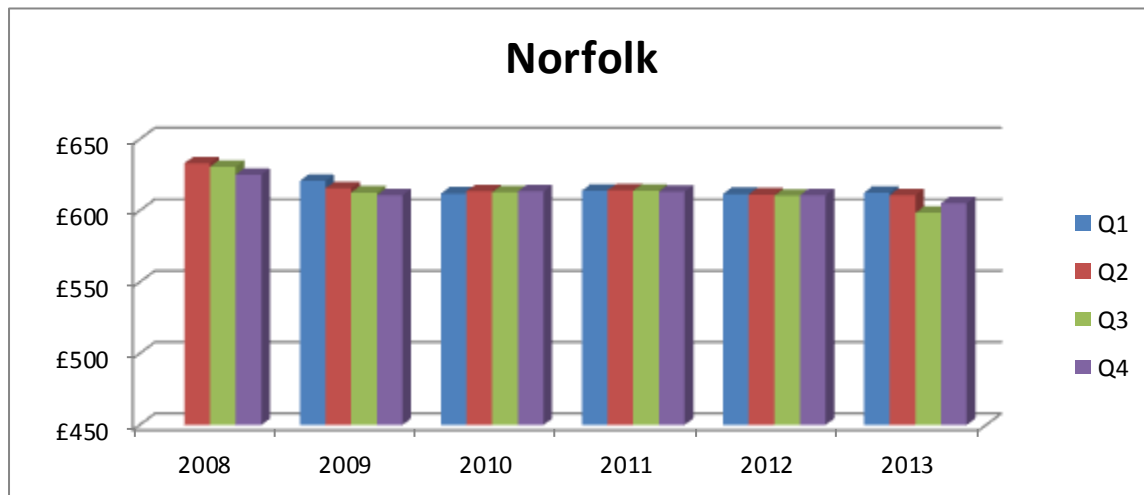
For Merseyside, the average Quarter four 2013 rent was £553 per month. Compared to the Quarter three average of £569, this shows a slight fall of just below -3%. Year on year, the annual average for 2013 was £576 and 2012 £587, -2% down.

From 2008 through to 2013, average rents have fluctuated between £540 and £604 per month, and having exceeded the high of 2008 during 2012, rents have subsequently dropped back slightly due to a fall in rents in a third of the offices.



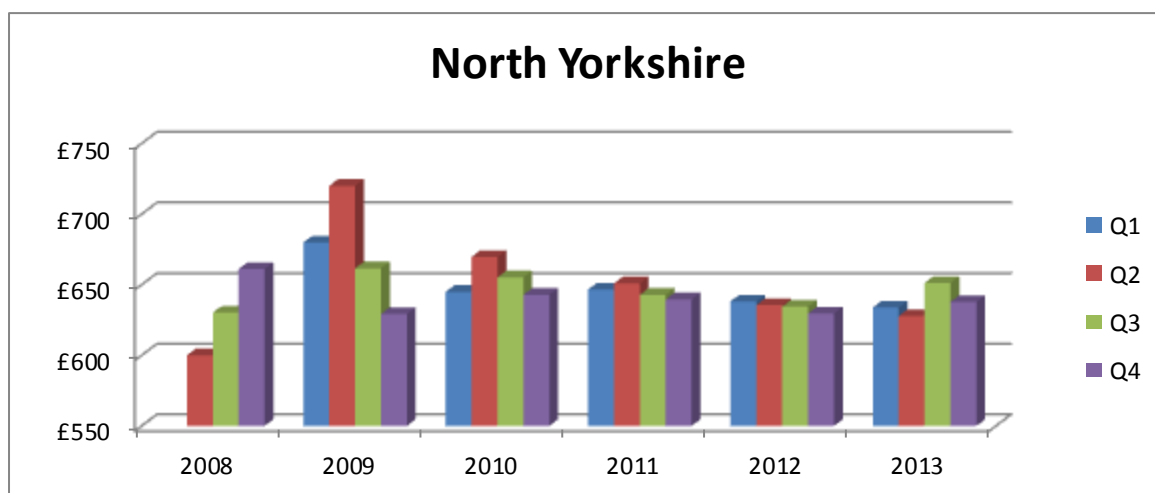
In Norfolk, the average monthly rent for Quarter four 2013 was £605, 1% more than Quarter three. The annual monthly average rent for 2013 was £607, compared to £611 in 2012, a small fall of just -0.5%.

Since the height of the market in 2008, and subsequent slight fall in 2009, rents have remained at a pretty static level for the last four years.



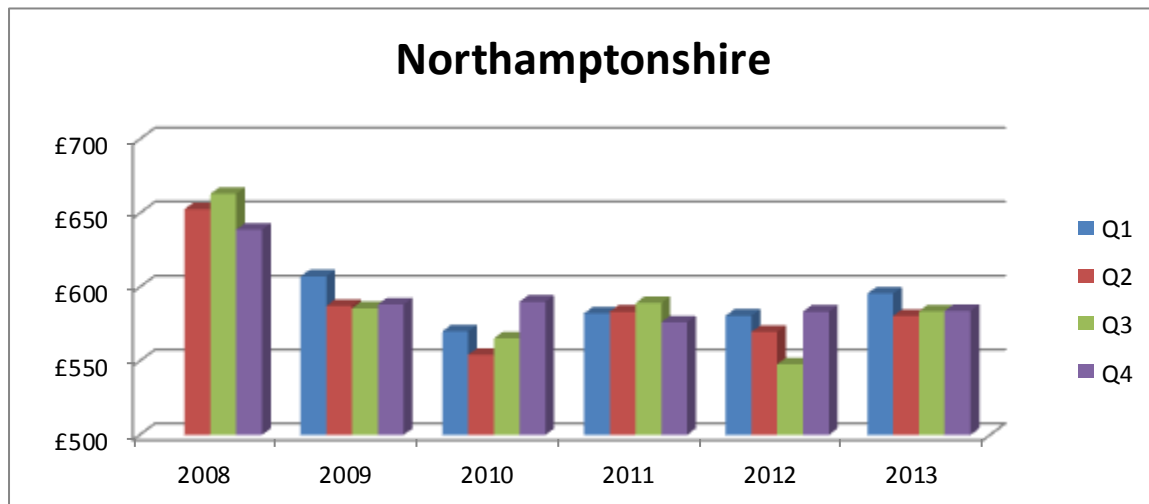
The Quarter four 2013 average rent for North Yorkshire is £638 per month. This is a -2% fall versus Quarter three. In 2013, the annual average rent was £638 per month, versus £634 in 2012, year on year there is only a small increase of £4.

In North Yorkshire, the peak of the rental market occurred during the second Quarter of 2009. Since this time, average rents have fluctuated slightly and remain around -11% down on the height of the market, mainly due to a sharp rise and then fall in rents in half of the offices, and subsequent change in the number of offices.



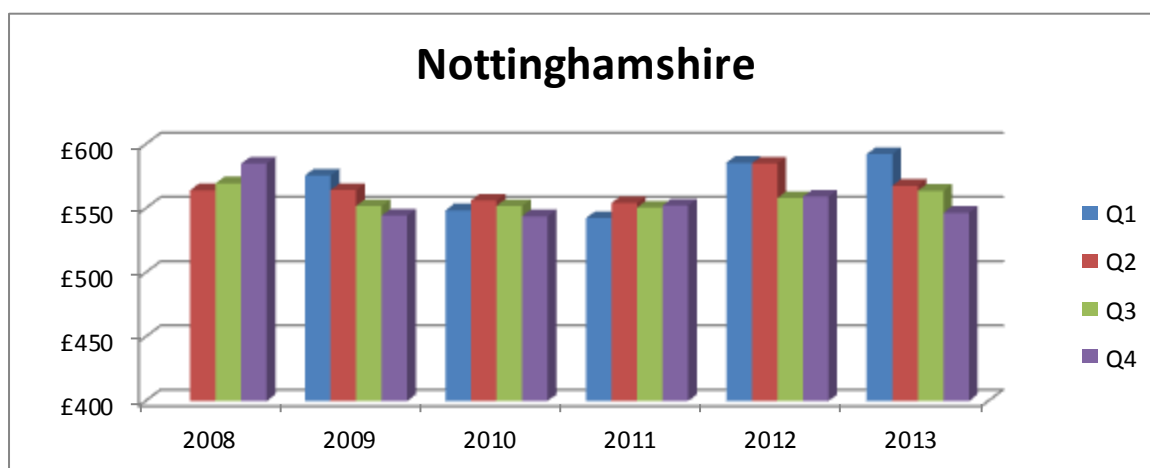
In Northamptonshire, the average rent for both Quarter four and Quarter three 2013 were £584 per month. The annual average rent for 2013 was £586, compared to the 2012 average of £570 per month 3% up.

Overtime Northamptonshire rents have fallen back since the heights of 2008. Bar a few rises and falls, rents in 2013 remained pretty static.

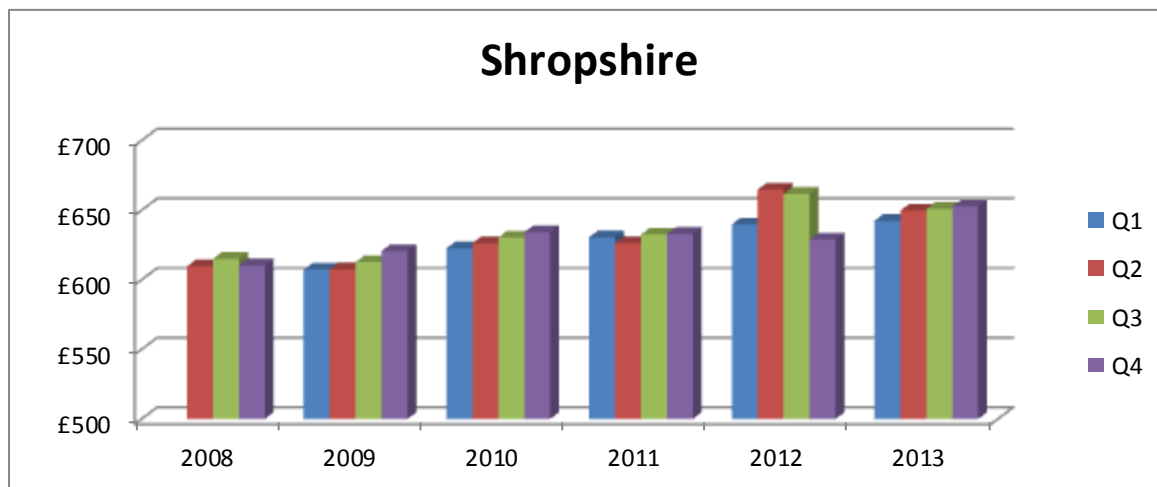


For Nottinghamshire, the average monthly rent for Quarter four 2013 was £547. Versus an average of £564 in Quarter three, this shows a quarterly fall of around -3%. In 2013, rents dipped in the second half of the year as in 2012. Year on year average rental prices fell by just £4.

After the market high in 2008, average rents in Nottinghamshire remained fairly static through to 2013, with the odd higher average in the early part of 2012 and 2013. Throughout this six year period, average rents have only varied by 9%.

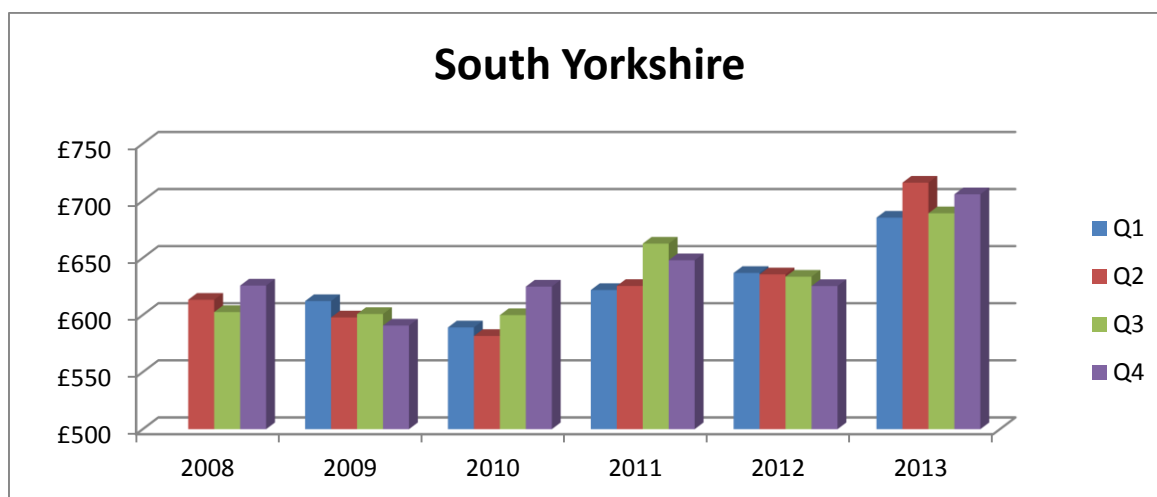


In Shropshire, the average monthly rent for Quarter four 2013 was £653. The Quarter three average rent was £651, which shows a small rise of just £2 when compared to the previous Quarter. The annual average monthly rent for Shropshire in both 2013 and 2012 was £649, showing no change year on year. Between 2008 and 2013, average rent levels have experienced good steady growth.



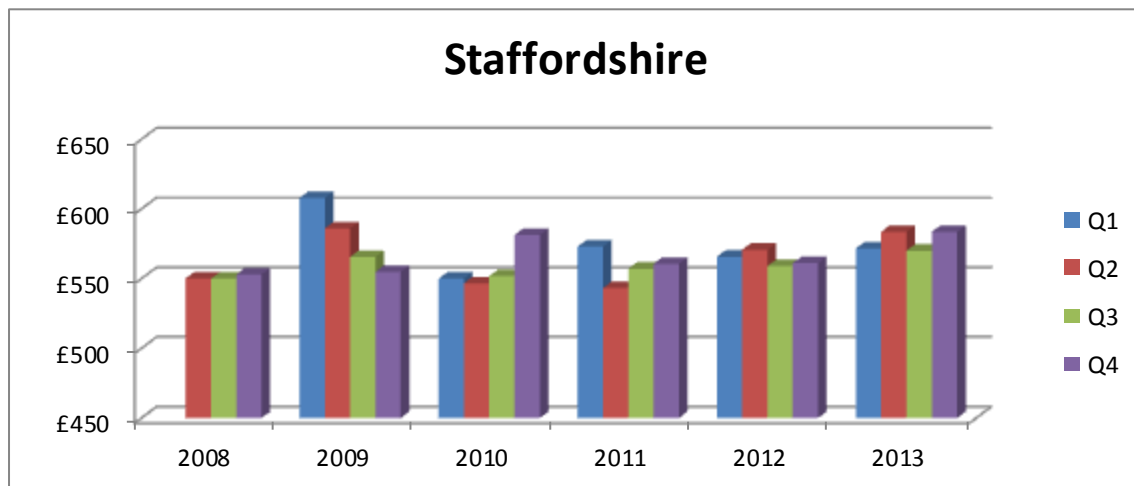
The average rent for Quarter four 2013 in South Yorkshire was £706 per month. Compared to the Quarter three average of £689 per month, this shows a small increase of 2.5%. The annual average rent for 2013 was £699, versus £633 in 2012, year on year this is around a 10.5% increase.

Post the height of 2008 and low of 2010, average rents have been gaining momentum in South Yorkshire, and ended 2013 around 13% up on the Quarter four 2008 level due to an increase in rents each year since 2010 for two-thirds of the offices.



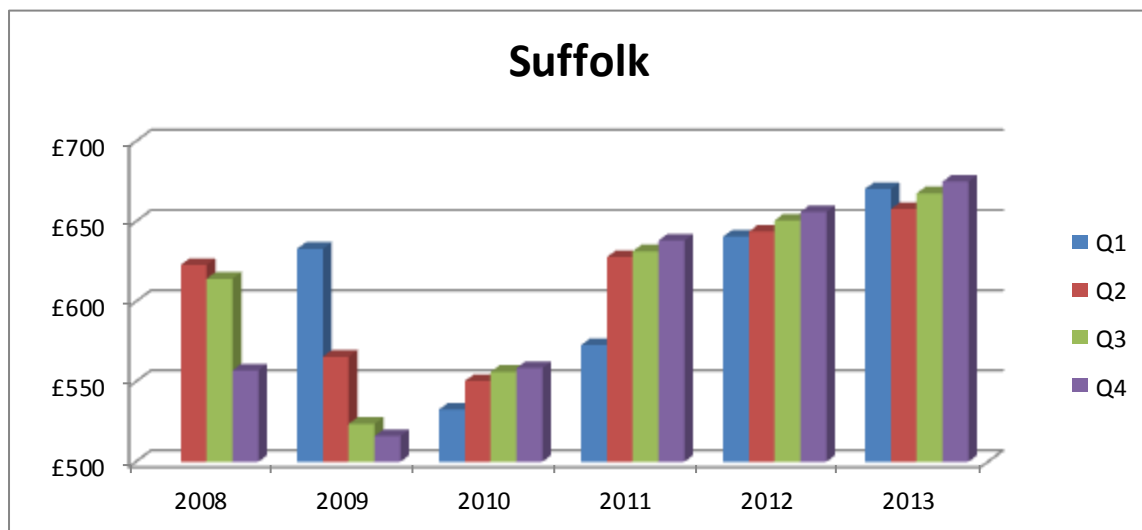
In Staffordshire, the average monthly rent for Quarter four 2013 was £584. Versus £570 per month for Quarter three 2013, this shows around a 2.5% increase. Annually, the average monthly rent for 2013 was £577, versus the 2012 annual average of £564, year on year this is around a 2.5% increase.

Between the rental high in Staffordshire in Quarter one 2009 and the last Quarter of 2013, average rents have experienced stable to steady growth and ended the year just shy of -4% on the 2009 height.

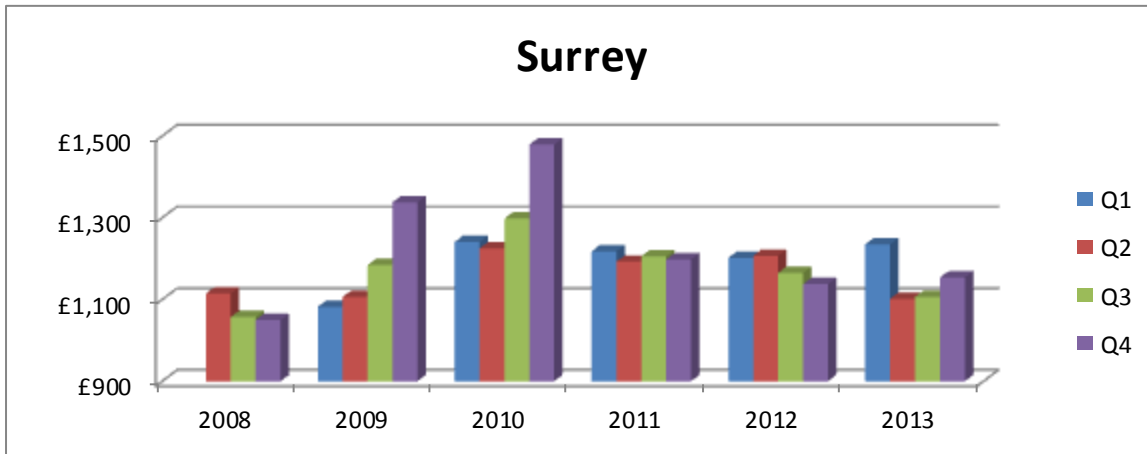


The Quarter four 2013 average rent for Suffolk was £675 per month. Compared to the Quarter three average of £668, this shows an increase of just over 1%. The annual average rent for 2013 was £668 per month, and compared to the 2012 average of £648, this shows a year on year increase of around 3%.

Average rents in Suffolk hit their low in the final Quarter of 2009, at an average rent of £516 per month. Due to the opening of a new office in Bury St Edmunds in 2011, when comparing this to the final Quarter of 2013, average rents appear to have risen by 31% over the past four years.

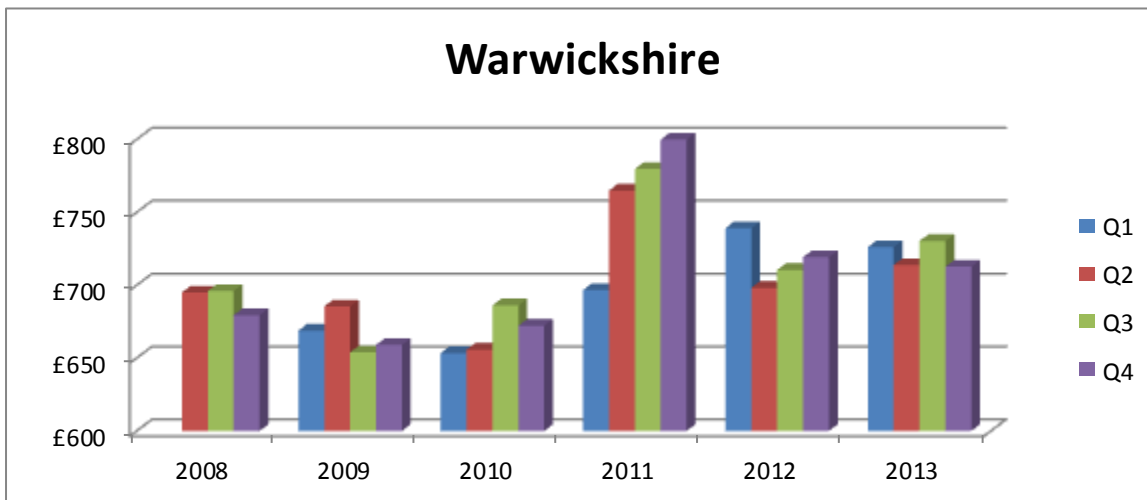


In Surrey, the Quarter four 2013 average rent shown was £1,153 per month. Compared to the Quarter three average rent of £1,106, this shows around a 4% increase. The annual average rent for 2013 was £1,149, versus £1,178 in 2012, suggesting wages are squeezing rental income.

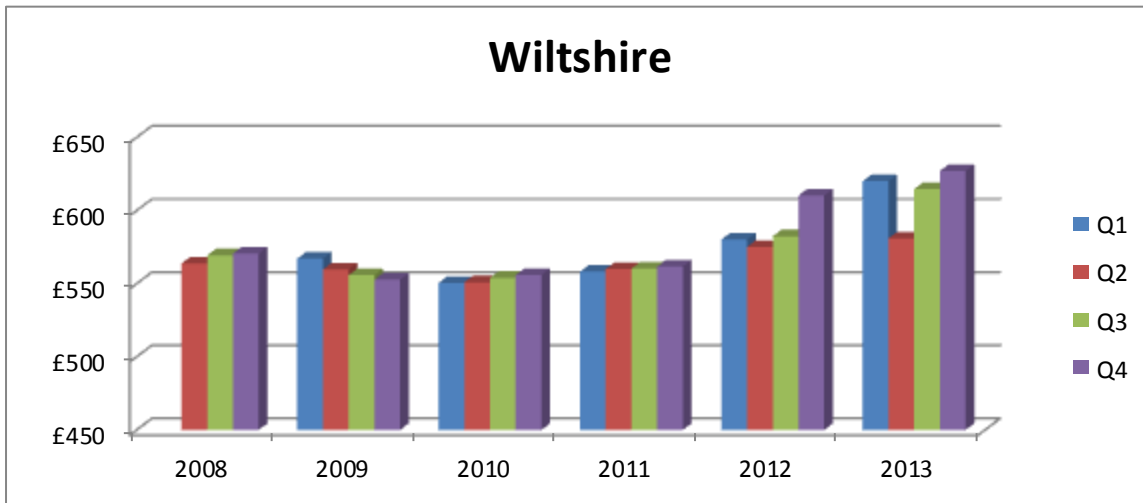


The Quarter four 2013 average rent recorded for Warwickshire was £713 per month. Versus the Quarter four average of £730, this shows a slight fall of just over -2%. In 2013, the annual average rent was £721 compared to the 2012 average of £716, year on year this indicates a slight rise of around 0.5%.

After the rental lows of 2009/2010, Warwickshire experienced rapid growth in rental averages during 2011, but subsequently settled down during 2013 to 2.5% above the high of 2008.

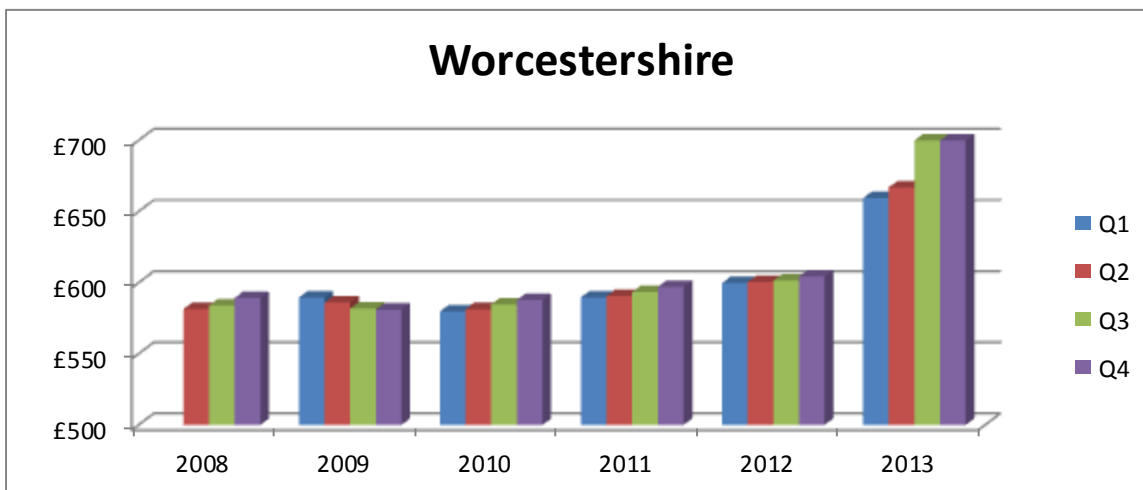


The average rent recorded for Quarter four 2013 in Wiltshire was £627 per month. Compared to the average rent for Quarter three of £615 per month, this represents a slightly less than 2% increase. The annual average monthly rent for 2013 was £611, versus £588 in 2012, this shows an increase of around 4% year on year, but this is mainly due to the opening of a new office in Devizes during 2012.



In Worcestershire, the Quarter four 2013 average monthly rent was £763. Versus the Quarter three average of £704 per month, this shows an increase of 8.5%.

As average rents experienced good steady growth from 2010 through to the end of 2012, the large increase in 2013, particularly in the second half of the year, could be attributed to the opening of a new office in Evesham early in 2013, where rents are currently averaging £824 per month. In 2013, the annual average monthly rent was £706, compared to an annual average of £601 per month in 2012, this represents an increase of around 17.5% year on year.





# Appendix

## Belvoir Rental Index 2008 to 2013

Over the last five 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 five years

This is an analysis of rents across offices which have consistently traded across the five 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 91 offices from 2008 to 2012.
2. All offices which have traded via the Belvoir brand over the last five 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:	$£1,540 / 3 = £513$ 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.