



IS LONDON RENTAL RECOVERY NOW IN SIGHT?

- While UK house prices have been on the rise, London room rents continue to fall, but is the tide about to change? -

- **London continues to see a decline in average room rents, down 2% between Q2 2020 and Q2 2021**
- **Every London region experienced a drop year on year (YOY), with West and West Central London down 4%, followed by East Central, North and South West (all down 3%)**
- **Rents may be down in the capital, but interest is starting to return as demand vs supply is up by 71% YOY across the city**
- **Although the West Central region of London saw the biggest drop in room rents (down 4%) across the capital, the area also saw the biggest increase in demand vs supply YOY, up 191%**
- **Rents across the UK (excluding the capital) rose by 1% in the same period**
- **Of the UK's 50 largest towns and cities, Brighton experienced the biggest increase in demand vs supply, up 101% YOY**

While the market for buying and selling properties has been frantic nationally over the last few months, the rental market across London has been somewhat different; rents have been dropping since the pandemic began and remained down YOY in Q2 2021, according to new figures released today by flatsharing site by SpareRoom.

West Central and West London saw the biggest drops in room rents across the city, both down 4% when comparing Q2 2021 with Q2 2020. This is closely followed by East Central, North and South West, all down 3% YOY. In the capital, average rents fell by 2% from £724 in Q2 2020 to £708 in Q2 2021.

The biggest drops were in Chelsea (SW3) down 15%, Earls Court/West Brompton (SW5) down 11% and Dulwich (SE21), also down 11%. Meanwhile Balham (SW12), Winchmore Hill (N21) and Upper Edmonton (N18) saw the biggest increases, up 7%, 6% and 5%.

This negative trend in the capital continues to pull down national room rents, but when excluded from the rest of the UK, average rents across the country are actually up 1%.

However, we're starting to see interest pick back up in the capital, with demand vs supply up 71% YOY across the city. While West Central London may have seen the biggest regional drops in rent, it also experienced the biggest increase in demand vs supply (up 191% YOY), followed by East Central (up 133%) and South West (up 98%).

Across all UK regions, East Midlands, South West, Wales and Yorkshire & Humberside saw the biggest increase in room rents, all up 3%. In fact, the only regions outside London where rents fell were Northern Ireland (-2%) and West Midlands (-1%). Within the UK's 50 largest towns and cities Birmingham experienced a significant decrease in rents (-6%), followed by Middlesbrough (-3%), whilst Dundee and Peterborough saw the biggest increases, both up 9% YOY.

Looking at the demand vs supply of the UK's 50 largest towns and cities, Brighton experienced the biggest increase, up 101% YOY, followed by Poole and Edinburgh, both increasing by 81%.

The data is the latest to be compiled as part of SpareRoom's Quarterly Rental Index, a comprehensive overview of how the room rental market is performing across the country, based on over 400,000 room listings (sample size is the combined total across both Q2 2021 & Q2 2020).

Matt Hutchinson, SpareRoom director comments: "Our latest data shows rents in London falling year on year yet again, a trend that began with the start of the pandemic and has persisted ever since as people looked beyond life in the capital.

However, unlike the same quarter last year, we're now seeing demand for London rooms rentals outpacing supply. As more and more of us are vaccinated and industries like entertainment and the arts slowly starting to re-open, we can expect more people to return to our cities. That may mean the trend in negative rents begins to flatten and perhaps even reverse over the coming months."

- ENDS -

Notes to editors

For further detail on rent changes across the last year, please view the full reports here:

<https://www.spareroom.co.uk/media/rental-index>

*Demand vs supply data is based on the number of people actively looking for rooms vs the number of live room ads in a given area (for Q2 2021). 'Actively looking for a room' is defined as the number of individuals contacting room ads in an area during the period in question. This is then compared with the same data for Q2 2020.

About the Rental Index

SpareRoom's Quarterly Rental Index compares data from Q2 2021 with Q2 2020, based on 400,000+ UK room ads (inclusive of bills). Sample size is the combined total across both periods. Towns/cities/postcodes with a sample size of under 50 have been excluded from this report. London data covers E, EC, N, NW, SE, SW, W & WC postcodes

About SpareRoom

SpareRoom is the UK's leading flatshare site with over 10 million registered users. Founded in the UK in 2004, the company expanded into the US market in 2011 and has had nearly 1.5 million registered users.