



News Release

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Subject:	Rise in rents for larger homes continued into last quarter of 2020, says The DPS

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RISE IN RENTS FOR LARGER HOMES CONTINUED INTO LAST QUARTER OF 2020, SAYS THE DPS

Quarterly Rent Index suggests pandemic is pushing tenants to seek more space

Bristol, - UK rent levels continued to rise faster for larger properties during the last quarter of 2020, according to The Deposit Protection Service (The DPS).

In the latest edition of its quarterly Rent Index, which is based on its database of 1.8 million current tenancies and 13 years of data, The DPS shows that the average monthly cost of renting a detached property in the UK between October and December 2020 was £1,055: £29 (2.83%) more than in Q3 2020 and £57 (5.71%) more than Q4 2019.

Average rent for semi-detached homes increased to £847 in Q4 2020: £19 (2.29%) more than in the previous quarter (Q3) and £33 (4.05%) more than in the same period the previous year (Q4 2019).

However, although the rate of increase in the cost of renting a flat rose faster in Q4 2020 than earlier in the year, it grew at a much slower rate than larger properties, reaching £803: £8 (1.01%) more than in Q3 2020 and £9 (1.13%) more than in Q4 2019.

Average rent by property type					
Property type	Q4 2020	Q3 2020	<u>2020 Q4 vs 2020 Q3 % change</u>	Q4 2019	<u>2020 Q4 vs 2019 Q4% change</u>
Detached	£1,055	£1,026	2.83%	£998	5.71%
Semi-detached	£847	£828	2.29%	£814	4.05%
Flats	£803	£795	1.10%	£794	1.13%
All	£792	£780	1.54%	£773	2.46%

Matt Trevett, Managing Director at The DPS, said: "Lockdown has meant many more people are spending longer at home, including far more extensive remote working, and as a consequence more tenants are seeking larger properties with more space.

"While there seems to be a particular focus on detached and semi-detached properties, the rental market as a whole remained remarkably resilient throughout much of 2020, despite broader economic uncertainties and restrictions that affected home viewings and public movement during the first national lockdown."

Paul Fryers, Managing Director at Zephyr Homeloans which, like The DPS, is part of the Computershare Group, said: "Zephyr Homeloans saw a significant increase in buy-to-let mortgage applications in the last half of 2020, further suggesting a continued overall resilience in the UK rental market.

"Increased demand for detached and semi-detached properties will be of particular interest to the sector, with both landlords and tenants looking to adjust to the new circumstances that the pandemic has brought."

The UK's largest protector of deposits said that average overall UK rent increased to £792 during Q4 2020: £12 (1.54%) more than in Q3 2020 and £19 (2.46%) more than Q4 2019.

Regional figures

London rents continued to drop during the period, standing at £1,317: £5 (0.38%) lower than in Q3 2020 and £28 (2.08%) less than Q4 2019.

This drop was biggest in Central London, where average rent was £1,377 in Q4 2020: £54 (3.77%) less than during the same period in 2019 (£1,431) and £14 or 1.01% less than Q3 2020.

The capital remains proportionately the most expensive area in which to rent property, with costs standing at 39% of average UK income.

Two other regions experienced a decline in average rent between Q3 and Q4 2020: the North East, where it fell by £9 (1.70%) to £520, and Yorkshire, where it fell by £12 (-2.15%) to £546.

The West Midlands experienced the largest percentage rise (£24 or 3.85%) during Q4 2020, reaching £647.

The North East remained the cheapest region during Q4 2020, with rents 23% of average UK income.

For more information, see The DPS' blog: <https://depositprotection.com/news/latest-news/2021/average-rents-grow-throughout-2020-the-dps-rent-index-q4-2020/>

Region	Average Rent Q4 2020	Change since Q3 2020 (£)	% Change since Q4 2019
London	£1,317	-£5	-2.08%
South East	£923	£23	5.25%
South West	£780	£18	4.56%
East	£831	£16	0.97%
East Midlands	£612	£13	5.15%

West Midlands	£647	£24	5.89%
Yorkshire	£546	-£12	4.20%
North West	£616	£10	3.36%
North East	£520	-£9	0.39%
Scotland	£652	£19	6.54%
Wales	£606	£14	2.89%
NI	£551	£15	0.55%

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Notes

1. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.
2. Statistics on the proportion of wages spent on rent is taken from the ONS. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ashe1997to2015selectedestimates/current>
3. Figures for inflation originate from the Consumer Price Index (CPI) inflation average for October to December 2020
4. Between Q4 2019 and Q4 2020, Outer London rents rose by just £1 or 0.08%
5. An image illustrating rent increases across property types is also available

About The DPS

The Deposit Protection Service's custodial tenancy deposit protection scheme is accredited by the Government. It is provided free of charge, and funded entirely by the interest earned from deposits held in the scheme. The DPS was approved by the UK government to run an insured TDP scheme in September 2012 in addition to the approval it has already been granted by the UK government in respect of the custodial scheme. The DPS is run by [Computershare Investor Services PLC](#). Online self-service allows landlords to register and make deposit payments, transfers and repayments 24 hours a day. Help and advice is available through a dedicated call centre during office hours. An impartial Dispute Resolution Service helps to resolve any disputes quickly and without the need for court action.

For more information, visit www.depositprotection.com.

About Computershare Limited (CPU)

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications. We also specialise in corporate trust, bankruptcy, class action and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 12,000 employees worldwide.

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