

# FindaProperty.com RENTAL Price Index: Soaring Supply Hits Rental Values

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- Surge in rental property supply has pushed monthly UK rental asking prices down by 1.2% and 4.8% over the year.
- Average rents in February 2009 were £830pcm compared with £840pcm in January 09 and £872pcm in February 2008.
- Increased tenant activity reduced the average time a property is on the market by one day to 70 days over the month, but time on the market remains up 15 days year-on-year.
- In London, areas that are heavily dependent on City workers as tenants such as City of London, Tower Hamlets and Kensington & Chelsea are experiencing significant rental price falls, in some cases up to 11.7% (=£221). More affordable outer London boroughs are proving much more resilient.
- Excess supply and falling rents is a pattern replicated across most of the UK regions. The North West experienced the worst decline – annual rental prices here are down by 14.3% to £592pcm from £645pcm.
- UK Rental yield remains unchanged at 4.6% for the fourth consecutive month.

Andrew Smith, Head of Research, comments:

“The credit crunch and the downturn in the sales market have led to a very significant increase in activity in the rentals market. This is most dramatically demonstrated by the amount of stock currently available – a trend in part being driven by frustrated vendors listing their properties on the rental market and in part by an increase in turnover as tenants become more willing to move to secure better properties or more affordable rents. As a consequence, supply levels have soared and this has hit rental values, which continue to decline.

Check the full FindaProperty.com Rental Index to review a further breakdown of the data.

## METHODOLOGY:

The FindaProperty.com Rental Index is created using a statistical methodology developed by Calnea Analytics, the company who produce the official Land Registry house price index. FindaProperty.com chose Calnea in order to ensure that the data was analysed to the highest possible standards by a company with an outstanding track record in the analysis of house price information.

The FindaProperty.com Rental Index is an asking prices index which measures:

- Changes in house prices and rental values at UK level, regional level, city level and London borough level.
- A gross rental yield figure calculated using average sale and rental values
- Time on the market (number of days a property is listed)
- Supply levels – the number of properties listed
- Demand levels – based on rental enquiries generated by FindaProperty.com

-Ends-

For further information, please contact:

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<http://www.findaproperty.com/rental-index.aspx>

About FindaProperty.com

FindaProperty.com is a leading property website with a comprehensive search facility for house-hunters to find a home – both sales and rentals.

Also on the site, you will find independent editorial on the housing market, guides on different aspects of the buying, selling and renting processes, plus local information including council tax rates, school tables, crime rates, comments from people living in each area and in-depth guidebooks and photo albums to give a general feel for an area.

Launched in 1997, FindaProperty.com now publishes the details of over 650,000 properties from over 9,900 agents. FindaProperty.com attracts over 2.7 million unique visitors generating 70 million page impressions a month.