



Rent growth accelerates over the quarter

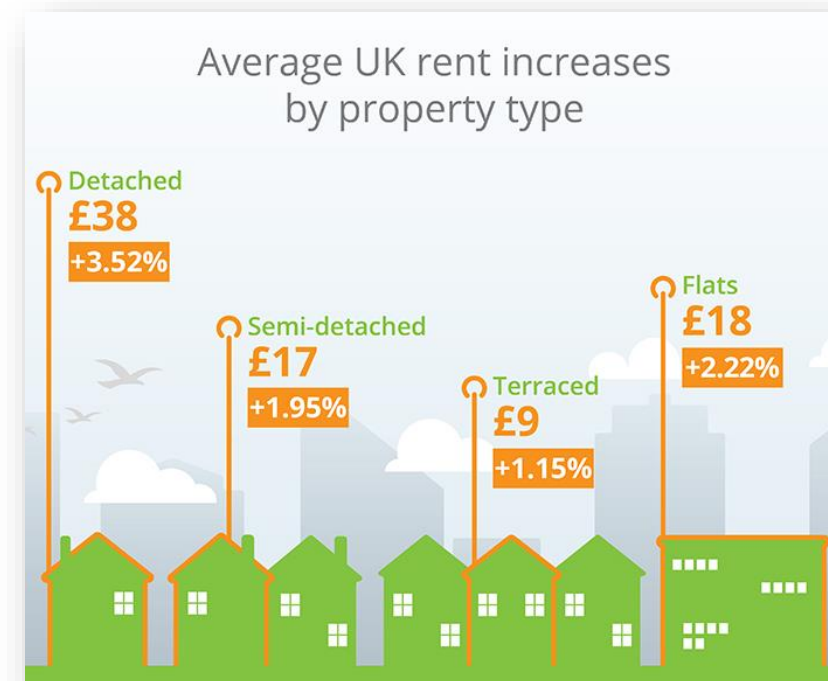
The DPS Rent Index Q3 2021

Q3 2021 saw growth in average rents accelerating across much of the UK according to the latest DPS Rent Index. **Average UK rent now costs £818, up £14 (1.74%) from Q2, compared to a £4 (0.50%) rise during Q3.** Over the last 12 months rents have increased by 4.87%, up £38 from £780.

Rents rose across all property types both in the last quarter and annually. **Detached housing continues to show the strongest growth in average rents**, rising £38 (3.52%) to £1,117, compared to flats which rose £18 (2.22%) to £830, terraced housing which lifted by £9 (1.15%) to £792, and semi-detached properties, up £17 (1.95%) to £891 across the last quarter.

Demand for detached high, but availability low

Detached properties experienced the most significant growth in average rents over the last year, with an overall increase of £91 (8.87%). In the same period, we've seen the number of deposits protected for detached properties decrease by 17%. This suggests that the **demand for larger properties observed during the pandemic remains, lack of availability is driving rental growth and longer tenancies.**

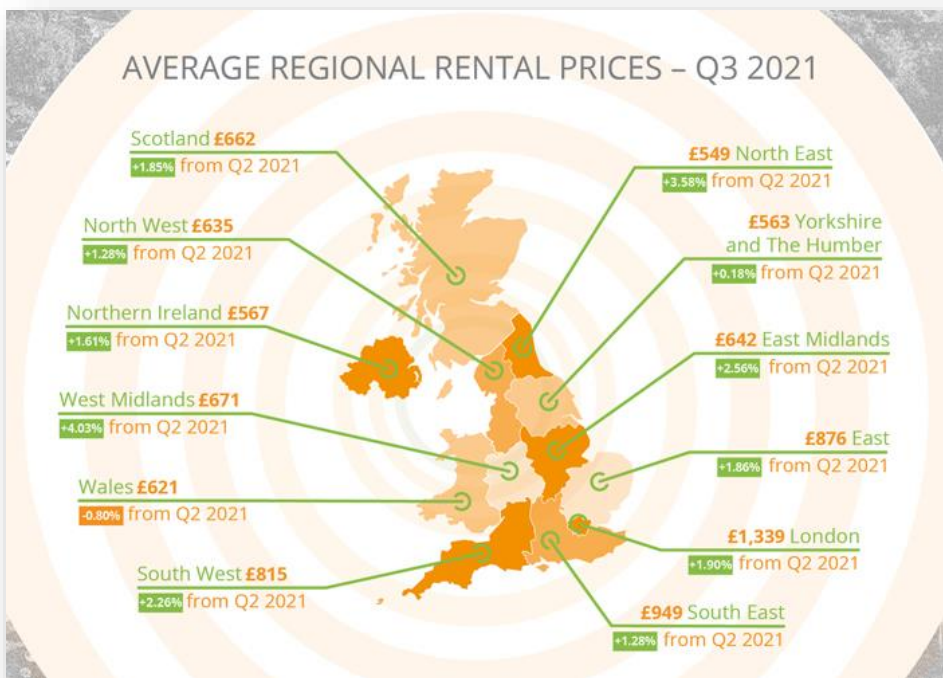


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Rents across the regions reflect robust demand

Regional rental growth has been widespread this quarter. **All regions have experienced growth, apart from Wales which saw** a small drop of £5 (-0.80%) from £626 to £621, although annually rents in the region have risen £29 (4.90%). When compared to Q3 2020, average rents in all regions have increased, reflecting the sustained demand in the rental market.



The West Midlands experienced the highest percentage growth over the quarter, up 4.03% (£26) to £671. The region also saw the highest percentage growth when compared to Q3 2020, rising 7.70% (£48). The North East shows the second highest percentage increase in average rents for the quarter, rising by 3.58% (£19), though at £549 it remains the least expensive region in which to rent.

The East saw the highest annual growth in terms of average rental value, climbing 7.48% (£61) to £876. **The region has seen significant rental growth across all property types.** In keeping with the national picture, detached properties have risen most. In the last quarter alone, average rents for detached housing increased £67 (5.63%) to £1,258 and annually, rents for these properties have risen £132 (11.72%). Comparatively, semi-detached properties have grown by £92 (9.81%) to £1,030 since Q3 2020, whilst terraced properties are up £82 (9.76%) to £922, and flats have risen by £44 (5.83%) to £799.

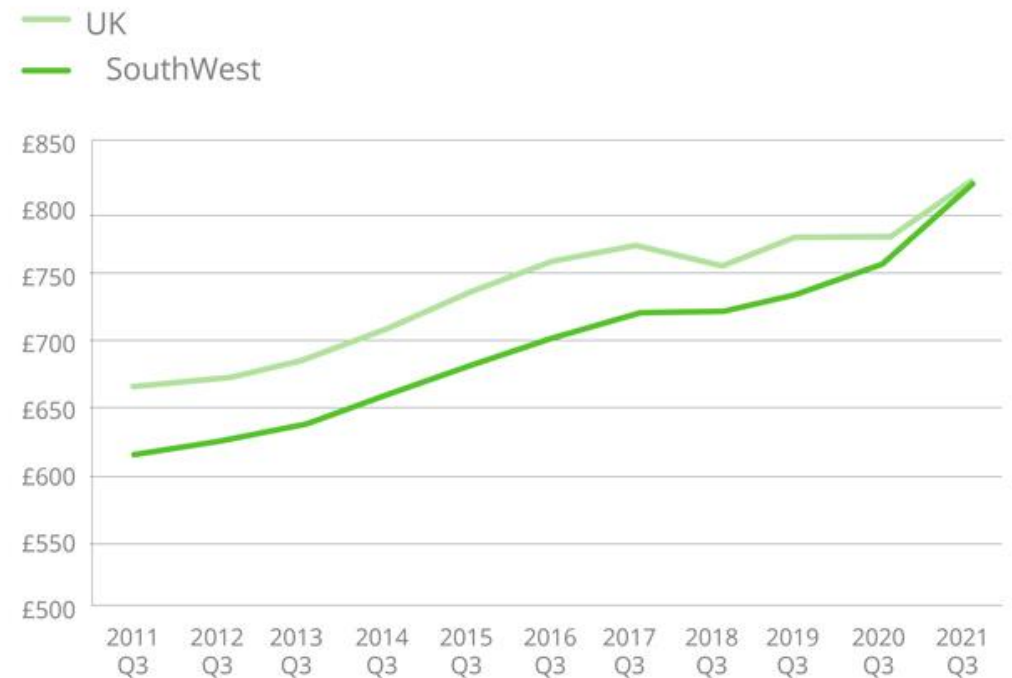
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Second highest in terms of annual rental value growth is the South West. The region remains fourth overall in terms of average cost behind London, the South East and East regions, but the **growth in rents in this region continues to outpace national average rent growth.** This difference in the pace of rental growth is reflected in the narrowing gap in average rents between the two, to near parity.

Average rent growth in the South West vs UK overall growth





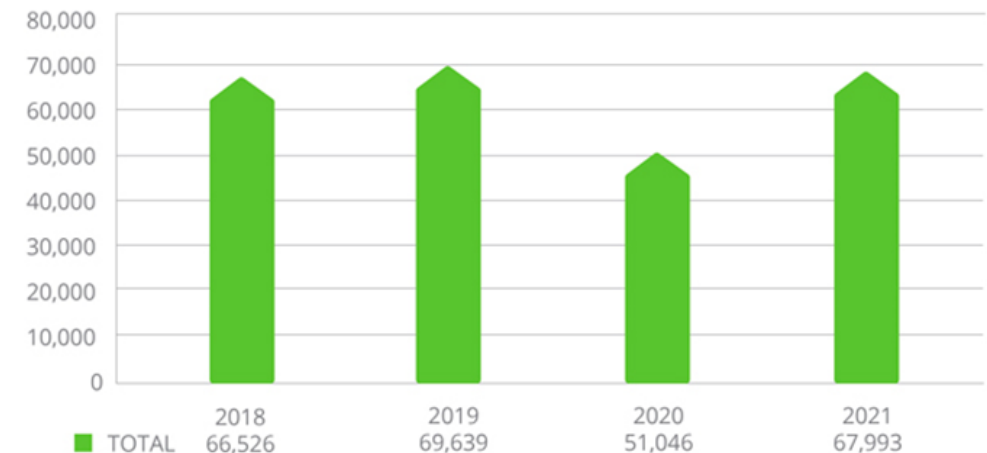
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London shows signs of bouncing back

Signs are emerging that the Capital is bouncing back. **Growth in the last quarter undid the rental falls of previous quarters**, adding £25 (1.90%) to Q2's 12-month low of £1,314. Average rents now stand at £1,339, up by £17 (1.29%) on 12 months ago, though still relatively modest when compared to the national average. **Another notable shift in the last twelve months is the increase in the number of deposits protected for properties in London.** Compared to Q3 2020, the number of deposits protected are up 17% and in the last six months are up by over 30% compared to the same six month period in 2020. It certainly looks like the demand for property in the Capital is back, which if it continues is likely to support prolonged rental growth.

Deposits protected with The DPS in London between April and September



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“Despite the roll-out of the coronavirus vaccination programme and the lifting of lockdowns, it seems that tenants are still prioritising more living space and are willing to pay for it.

“They are also staying in detached homes for longer and this, combined with lower availability of these properties, is driving up rents.

“The last quarter’s rent increases across all property types and most regions suggests a strong return of demand from tenants as employees start to go back into offices and students attend University in person this academic year.”

Matt Trevett, Managing Director, The DPS