

# HOW MUCH ARE ACTUAL RENTS?

By David Lawrenson

**Whenever a landlord is setting rents – either for a new tenancy or adjusting rents at an annual review – it is good to know what the local market rents are.**

Fortunately, the ONS collect rental data, and publish it quarterly. It can be useful but has some limitations as I shall explain.

The data that feeds all this is obtained from private rented sector lettings by the Valuation Office Agency (VOA), an arm of the government. Landlords, letting agents and tenants across the country contribute the information, which is mainly used to help Rent Officers provide valuations for housing benefit purposes and for Rent Act 1977 Fair Rent registrations.

For London, the Mayor of London's office publishes the median rents by postcode, borough and for properties by number of bedrooms. This is then used in the London Rent Map, which is rather useful. The link is here: <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/london-rents-map> (It is a cool map. However, do note that Mr Khan and his friends do not seem to have updated it for a few months.)

All the VOA data covers a period of 12 months. It tracks rent trends while smoothing out the data too. At a time of fast rising rents, as we have had recently, the data is somewhat out of date. In London.

So, how can you use this data when adjusting rents as part of your annual rent reviews?

Well, here is how I do it.

I write to my tenants to tell them how the new rent compares with the lowest priced property advertised on Rightmove of a similar type (say two-bedroom flats) in the same postcode area or borough.

Usually, this looks good, as my rents are often very competitive with the lowest equivalent currently marketed flat or house with the same number of bedrooms in the same postcode or borough at the Rightmove portal.

But of course, the newly advertised rents showing at Rightmove will be higher than the VOA data for two reasons:

- First, because the VOA data is a little out of date and rents are usually inflating.
- Second, because good landlords with good tenants (like me) are not constantly trying to keep their current tenants plugged in, in line with the rents being asked for the newly marketed properties at Rightmove. (They don't mind drifting a bit lower than market rents if it means they get to keep good tenants.)

I did this exercise earlier this year for my properties in SE13, London.

If we look at two-bed properties in SE13, the median rent shown by the VOA is £1,500 per month for a typical two-bed property (and £1,428 for all the Lewisham borough), but the very cheapest two-bed property available on Rightmove right now in SE13 is £1,600 and the median at Rightmove is around £2,100.

So, as you can see, there is quite a difference between VOA/Mayor data and Rightmove asking rents for advertised properties.

Still, the VOA source data is the only one that tracks actual rents, albeit a little behind time – and is still a useful, albeit limited, guide to what real landlords are charging right now.

## The data links you need

### Data Set A

The following release is updated monthly, Private rent and house prices, UK - Office for National Statistics (ons.gov.uk): <https://bit.ly/YPN193-DL1>

Full link: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/april2024>

### Data Set B

There is this accompanying dataset, UK House Price Index: monthly price statistics - Office for National Statistics (ons.gov.uk): <https://bit.ly/YPN193-DL2>

Full link: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/ukhousepriceindexmonthlypricestatistics>

This includes local authority estimates and estimates by property type and number of bedrooms.

### Data Set C

The ONS also publish the following semi-automated tool, Housing prices in your area - Office for National Statistics (ons.gov.uk): <https://bit.ly/YPN193-DL3>

Full link: <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/housingpricesinyourarea/2024-03-20>

### Data Set D

For London for rents, the relevant data is published on the ONS website here, Private rental market in London: January 2023 to December 2023 - Office for National Statistics (ons.gov.uk): <https://bit.ly/YPN193-DL4>, and forwarded to the relevant person at London government. (Someone needs to get onto Khan to get the data on his Rent Map updated from this source!)

Full link: <https://www.ons.gov.uk/economy/inflationandpriceindices/adhocs/1830privaterentalmarketinlondonjanuary2023todecember2023>

**Finally, kudos to the ONS. They are a department that replies to emails – and promptly. Well done to them!**

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