

BELVOIR!

March 2014

(Q1 14)

Rental Index

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Belvoir Rental Index March 2014: Top 10 Report Highlights

1. Across England, the average rent for Q1 2014 is £685 per month for offices which have traded consistently over the last five years and is a year on year decrease.
2. The average rent recorded in the UK for all offices, including new ones, for Q1 2014 is £717 per month, being a slight year on year rise.
3. Average rents in Scotland for Q1 2014 were £577, which for the majority of offices is either a small fall all static, bar Stirling.
4. Across Wales, the average rent for Q1 2014 is £648, a slight 1.5% increase year on year.
5. Demand in Northern Ireland remained strong during Q1 2014 with good stock coming to the market.
6. In Q1 2014, the areas yet to recover to 2008 heights include the North East, East Midlands, East Anglia and North West.
7. The area recovering to 2008 heights in Q1 2014 is Yorkshire.
8. Areas where rents exceed the 2008 heights in Q1 2014 are the South East, South West, West Midlands and London.
9. There are 14 counties where Belvoir has been trading since 2008 that show average rents are yet to recover to the heights of 2008, including Lincolnshire, Norfolk and Dorset.
10. 15 counties have seen rent rises versus heights recorded in 2008, including Warwickshire, Staffordshire and Wiltshire. Rents in two counties, Essex and North Yorkshire, are on a par with the 2008 level.

National Rental Trends

For all offices in England which have traded consistently over the last five years, the Quarter one 2014 average rent fell year on year by £5 to £685 versus the Quarter one 2013 average of £690. When comparing Quarter one 2014 to the annual average for 2013 of £687, this shows a small fall of £2.

Overall, there has been fairly steady growth in rents from Quarter three 2010, post the high of 2008 and market low of 2009 although for 2014 so far, it looks like rents have, in the main, levelled off.

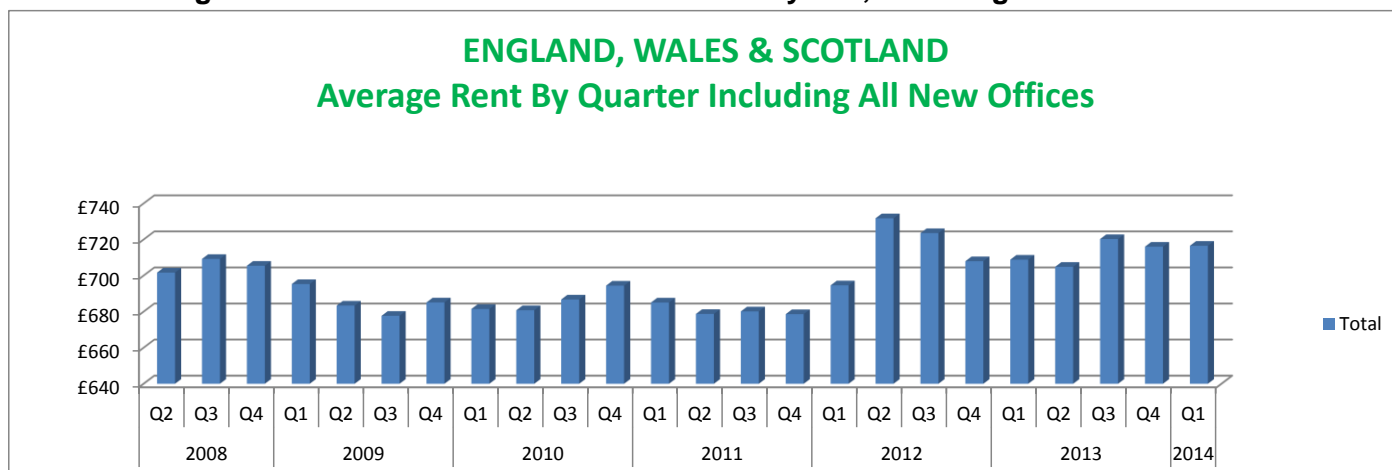
Chart showing the national rental trends for the last six years over consistently trading offices



For all offices in England, Wales and Scotland including new Belvoir offices, the average monthly rent for Quarter one 2014 is £717, which equates to just over a 1% increase year on year, compared to Quarter one 2013 average of £709 per month.

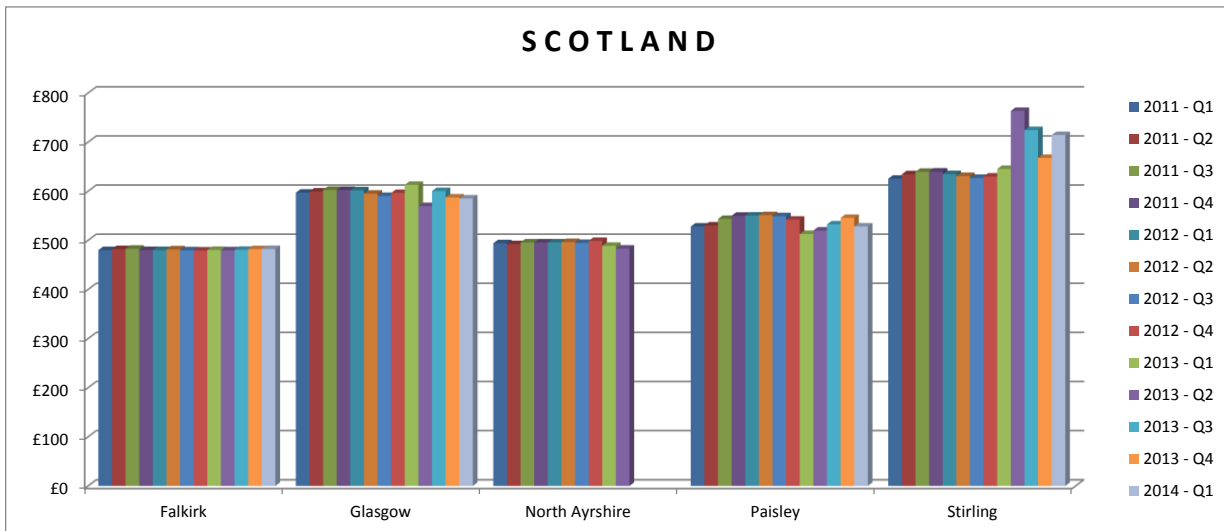
The Quarter one 2014 average rent compared to the annual average monthly rent for 2013 of £713, also shows an overall increase of £4, albeit that rents have remained fairly stable for the previous three Quarters.

Chart showing the national rental trends for the last six years, including new Belvoir offices



Dorian Gonsalves, Director of Commercial and Franchising, Belvoir Lettings says *“For the last 12 months, rents in the majority of places across the Belvoir group have remained steady. This is good news for tenants as it means below inflation wage rises have been reflected in rents. For landlords though it means making sure they are keeping track of expenses and where possible reducing costs – especially via some of the mortgage deals currently available.”*

Summary for Scotland



In Scotland, the average monthly rent for Quarter one 2014 is £577, which as the chart above shows is pretty much the same for all offices bar Stirling which is showing an increase.

Falkirk

The average monthly rents in Falkirk remain static. The Quarter one 2014 average monthly rent of £482 is only £2 higher versus Quarter one 2013 for *two bed flats*. There has been insignificant movement in the Falkirk average rents since early 2011.

Mike Campbell of Belvoir Falkirk reports *“My data suggests that rents have risen by +1% on Q1 2013, well below the Scottish average. The absence of anything approaching winter weather in January produced higher than normal demand side activity but this tailed off in February, and the first half of March remained sluggish before settling into something more akin to ‘normal’. The gradual drift down of rents in Falkirk (due to low average salaries and low/negative wage inflation) over the past few years may be coming to an end.”*

City of Glasgow

In Glasgow, the average monthly rent for Quarter one 2014 is £585, which shows a small year on year fall of -4.5% on Quarter one 2013 of £613. Compared to the annual average rent of £592 for 2013, this shows an insignificant decrease of around -1%.

Sharon Walker of Belvoir Glasgow comments *“The first quarter of the year is fairly quiet for us and this year was just the same. Rents remain the same. We have seen more Landlords wishing to sell their properties as the market seems to be improving slightly.”*

Paisley

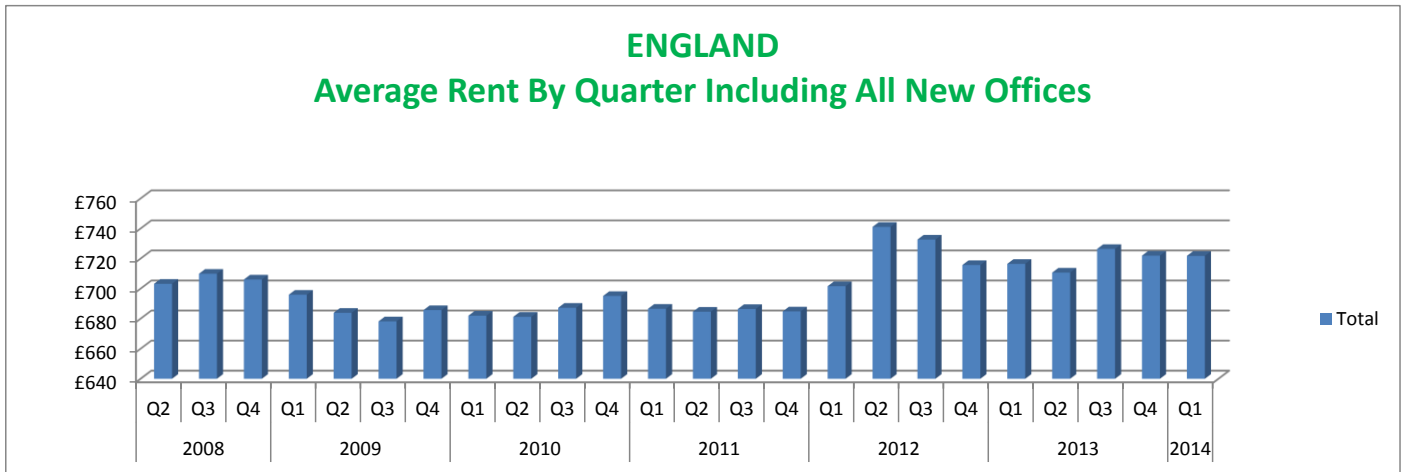
The average rent in Paisley for Quarter one 2014 is £528, compared to an average of £513 in Quarter one 2013, this would indicate a small rise of just under 3% year on year. Versus the annual average rent for 2013 of £528, there shows no real change to rental levels.

Denise Rhodes from Belvoir Paisley says *“Paisley grew 32% compared with Q1 last year, with growth coming from a buoyant rental market and increasing market share in the area. Rental rates remain stable.”*

Stirling

Average monthly rents for Stirling have remained fairly static bar the growth during 2013 and the early part of 2014, which was due to a change in the mix of properties advertised (see Appendix).

Summary for England



The Quarter one 2014 average rent for all offices, including new offices, in England, is £722 per month, versus the Quarter one 2013 average rent of £716, this suggests a slight year on year increase.

Comparing the Quarter one 2014 average monthly rent of £722 to the 2013 annual average of £719, the figures suggest a slight increase of just £3. During 2013, the reality is that for most offices, rents have remained fairly stable and have continued to do so though out the first quarter of this year.

The main reason for the England average showing an small increase across the group though is therefore due to the Belvoir Group's expansion, as we are adding offices in London and the South which have higher than the current average rents.

For example, in this quarter's data we have included new offices for Uxbridge which has an average rent of £1,250 per month and Chelsea is coming in at around £2,000 per month. Over recent months we have new offices in Haywards Heath and Basingstoke, their average rents range from £1,150 per month to £1,178, way above Belvoir's average of £722 per month.

Summary for Northern Ireland

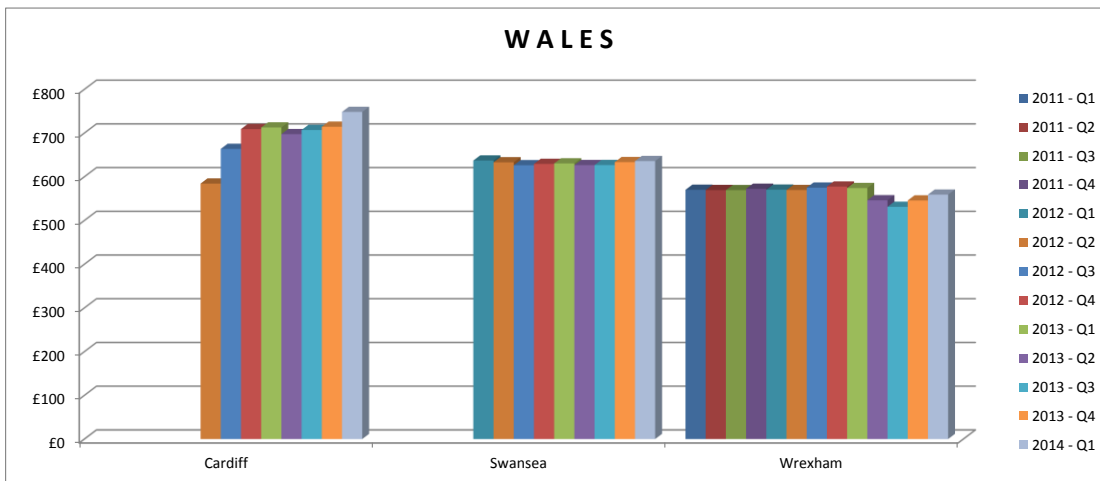
Bangor

Jackie Burns of **Bangor** says "The first quarter has been fabulous – February was a super month when we had much more demand than properties to let. I think we practically ran out of houses to offer tenants.

Investment landlords are generally buying much nicer properties and finishing them to a high standard. This in turn gets a good quality tenant who is willing to pay a little more rent for their new home. There is excellent tenant demand and with our influx of investment landlords we are getting a good stock of properties across the board to offer. We are finding that tenants are staying longer in properties. Renting has become a life style choice rather than a stop gap.

This year we are definitely seeing an increase in Landlords who have either inherited a property and decided to keep it as an investment, or new Landlords who see an investment property as their pension."

Summary for Wales



The Quarter one 2014 average monthly rent for Wales is £648, a slight year on year increase of just under 1.5% versus Quarter one 2013 average rent of £639. Compared to the annual average rent for 2013 of £629, this would indicate a rise of around 3%.

Swansea

In Swansea, the Quarter one 2014 average monthly rent is £636, which is a year on year increase of £6 compared to the Quarter one 2013 average of £630 per month. Versus the annual average for 2013 of £629, this shows a slight increase of around 1%. Overall, rents continue to be fairly stable.

Ben Davies of Belvoir Swansea says *“January was the only truly successful month of the quarter which is in line with last year. I am predicting a busy summer and autumn as the demand has certainly now picked up. Rents have overall remained the same.”*

Wrexham

The Quarter one 2014 average rent is £559 per month, which shows a slight fall year on year of -2.5% compared to the Quarter one 2013 average of £574 per month. Compared to the 2013 annual average rent of £549 per month, this shows a slight increase of just below 2%.

Vaughan Schofield of Belvoir Wrexham comments *“Generally speaking, the volumes in terms of supply of property is consistent with the first quarter of last year, the throughput of tenants however has been slower with only January holding its own with last year's total viewing figures.”*

The quality of property though, has changed, with many of the reluctant Landlords taking their properties off the letting market and putting the property on the ‘For Sale’ market. These properties were very often former homes and tended to be in very good condition with a high level of fixtures and fittings, as would expect of owner occupier residential dwellings. Understandably therefore, these ‘high end’ rentals are beginning to dwindle in number/availability and are reducing the mean rental average of the stock I have available to let - interestingly though, of the few of these type of properties which have continued to be on the letting market their rental yields have increased significantly, with properties attaining up to 12% increases in rental values greater than where they were last year.

From the second half of March onwards, the volume of viewing appointments has dropped with even weekend viewings being up to a third less than earlier this year.”

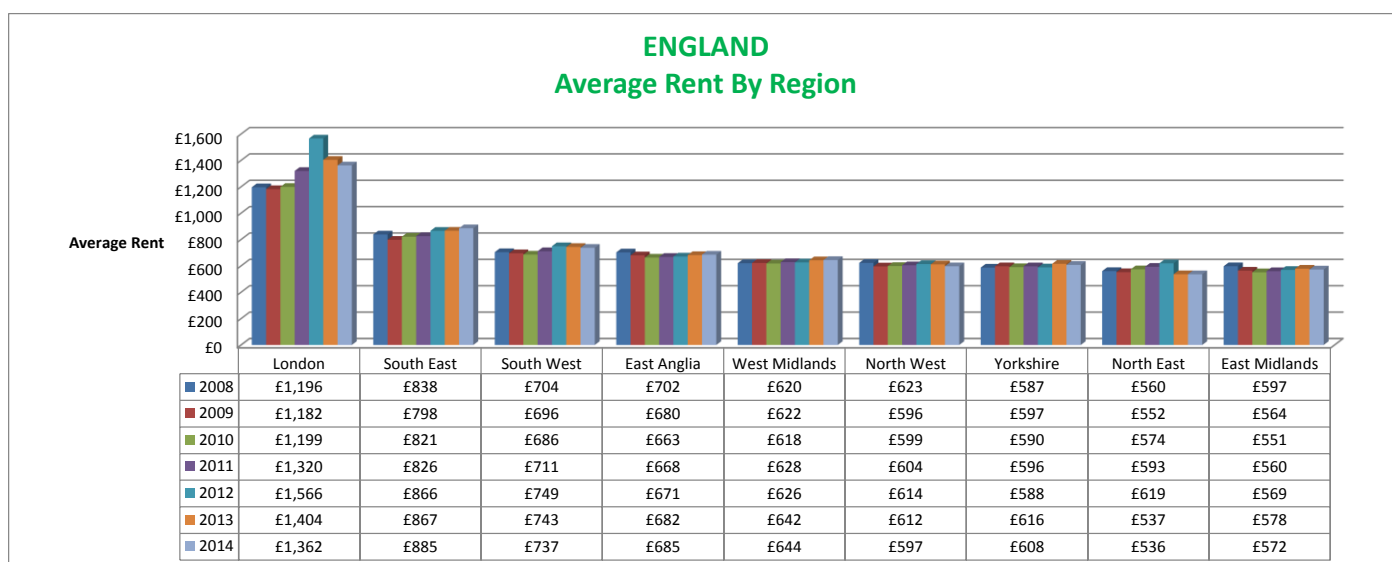
Cardiff

The average monthly rent in Cardiff for Quarter one 2014 is £748, shows a year on year increase of around 5% versus an average monthly rent for Quarter one 2013 of £713. Compared to the annual 2013 average rent of £708, this indicates an increase of just over 5.5%.

Belvoir Regional Rental Trends Summary

In England, average monthly rents vary from around £536 through to £685 for the bulk of the national regions. In the South East, monthly rents have shown some year on year increases to £885 from £867 per month in 2013. Average rents in the South West have dropped back slightly from £743 per month in 2013 to £737 in 2014. In London, the average monthly rent for 2014 also dropped to £1,362 per month from £1,404 in 2013.

Chart showing average rents by region 2008 to 2014 for all Belvoir English Offices by Region



Rents in **London** for the first Quarter of 2014 are around -3% down on the 2013 average, but have stayed above the 2011 average. **South East** average rents for Quarter one 2014 are around 5.5% up on the height of 2008. In the **South West**, rents fell back slightly in the first Quarter of 2014 from 2013, and are around 4.75% above the £704 high of 2008.

In **East Anglia**, rents for the first Quarter of 2014 are £685, slightly down on the 2013 average of £682 and remain around -2.5% down on the £702 height of 2008.

Average rents in the **East Midlands** are £572 for the first Quarter of 2014, slightly down on the 2013 average of £578 around -4 lower than the £597 high of 2008. **West Midlands'** rents for 2014 are £644, very slightly down on 2013 and around 3.75% up on the 2008 height of £620.

In **Yorkshire**, average rents for the first Quarter of 2014 are £608, which is up on £616 for 2013 and +3.5% versus the 2008 high of £587.

North West rents for the first Quarter of 2014, dropped back to £597 from the 2013 average of £612 and remains around -4% down on the £623 height of 2008.

The average rents shown for the **North East** are not a true reflection of the real picture due to the enormous differences in types of properties and values within the region. Please see the North East regional rental trends analysis for more detailed information.

Belvoir Regional Rental Trends

East Anglia

In East Anglia, the average rent for Quarter one 2014 is £685 per month, which is just under a 2% increase year on year when compared to the Quarter one 2013 average rent of £672. Versus the 2013 annual average rent of £682, this shows a small rise of £3.

During the first Quarter of 2014, half of the offices recorded stable rents, with the remaining half were equally split with slight falls and rises.

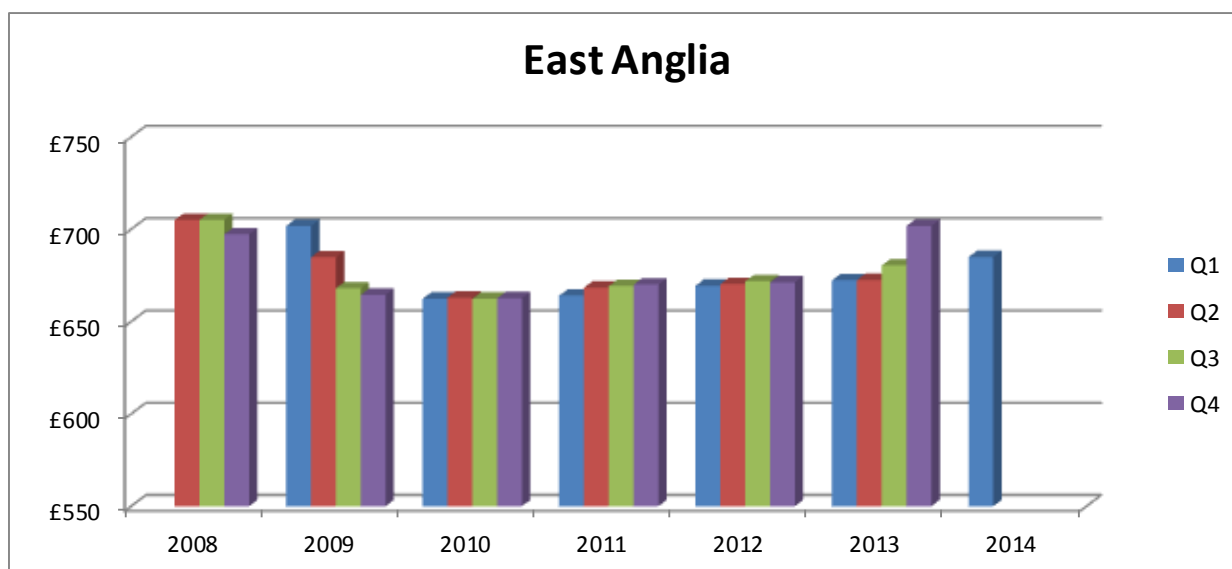
Terry Lucking of Belvoir Peterborough comments *“We have seen an increase in demand in Peterborough comparing results from Quarter one 2013 to Quarter one 2014. Over Quarter one, we have increased our lets for 2014 by 50% on some months which is a great result and shows that demand is well and truly increasing in Peterborough.”*

Rental prices in Peterborough have not increased dramatically since Quarter one 2013, so are steady. The prices for rent in Peterborough vary and reflect the condition of the property and where it is located.

In Peterborough, houses tend to have a lower rental price when located closer to the City Centre as they are older and not modern (internally and externally). Newer developments outside of the City Centre are very popular and properties rent well in those areas.

Looking back to Quarter one 2013 to what the rents are like now – I would say that there has been a £25 increase in rental price which was been reflected by Peterborough’s growing City.

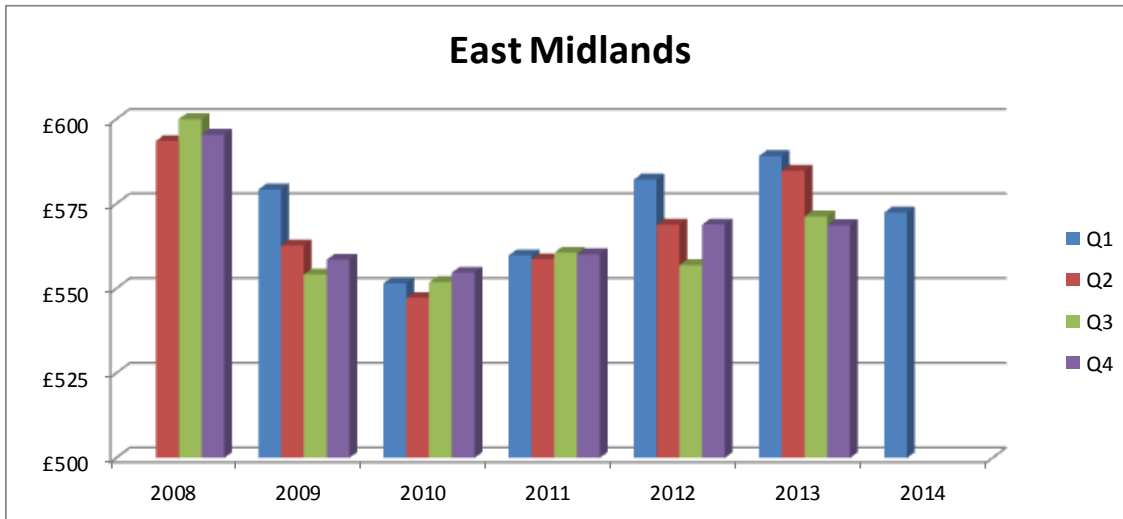
We have seen a large increase in investor enquiries in Peterborough, and this is mainly due to the regeneration plans in the area and the success of the rented sector here. We have a young university now in Peterborough which bought along with it, new investors wanting to invest in student accommodation and to deal with future student demands.”



East Midlands

The Quarter one 2014 average rent is £572 per month for the East Midlands, and compared to the Quarter one 2013 average of £589 per month, this indicates a small year on year fall of around -3%. When compared to the annual average rent of £578 for 2013, this shows a slight fall of 1%.

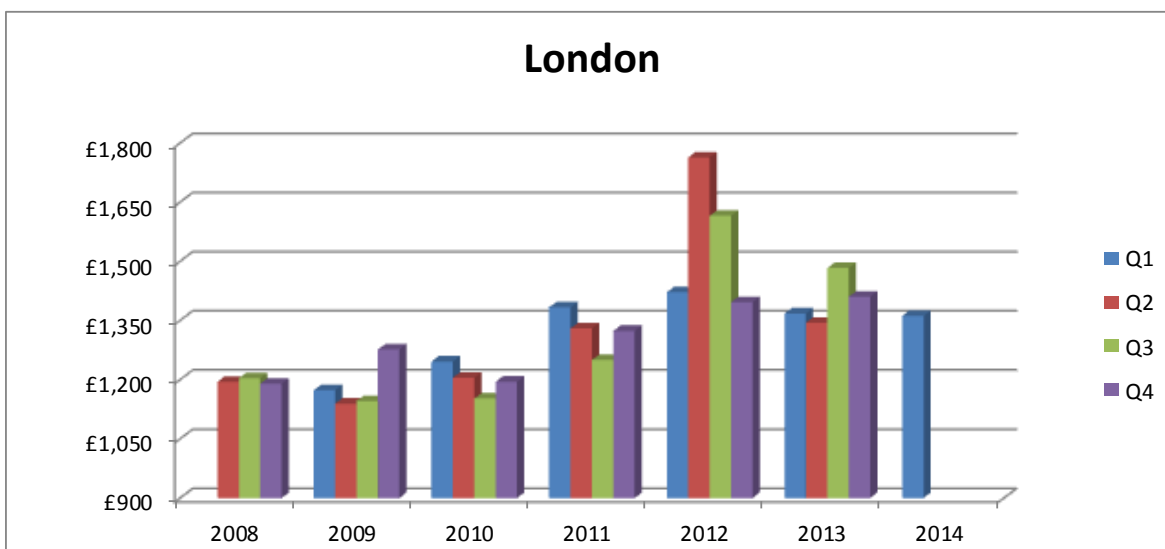
In the East Midlands during Quarter one, average rents for 50% of the offices remained stable, 25% of offices recorded slight falls, with the remaining 25% recording slight rises, including Kettering and Market Harborough.



London

In London, the Quarter one 2014 average monthly rent is £1,362, which is a £4 year on year fall when compared to the Quarter one 2013 average rent of £1,368, this is despite adding average rents of £2,000 per month from Chelsea to the data. Versus £1,404 which is the annual average for 2013, this shows around a -3% decrease in rents, putting rents in London into context, versus those claiming rents are 'extortionate' in the capital.

Due to the diverse range of properties in London, average rents usually vary quite dramatically. For example, during Quarter one, average rents in Camden were £2437, £1,570 in Balham and £784 in Basildon. Half of the offices registered static rents, a quarter slight falls and a quarter slight increases. A new office opened at the start of March in Chelsea and Fulham.



Commentary from London agents

Jeremy Wasden of Belvoir Uxbridge says: *“Estate agents in West Drayton are enjoying the current windfall provided by the swift turnaround of smaller property in West Drayton and the rising prices. House prices in West Drayton have risen on average by around 7% over the last year, but we do have examples where studio flats changed hands for £90,000 in Dec 2012 and are now on the market for £119,950. The area is experiencing an uplift around the station, driven by investor interest in Crossrail, especially amongst smaller property.”*

In the area, property priced above £200,000 is currently advertised on the market for an average of around 69 days and for property priced below £200,000 this average time on the market drops to a pacey 21 days. With the price rises, yields have dropped, but West Drayton studios with an average rent of £638pcm valued at around an average £122,450, still demonstrate a yield over 6%.”

Dominik Potworowski of Belvoir Maidenhead comments *“The property market in Maidenhead and the surrounding areas is on the increase. Many houses and flats are coming onto the market and having offers accepted within 24hours. The average semi-detached house price is £372,000 whereas a flat is £245,000. This is mainly due to the buy to let investors looking to cash in on the huge regeneration that is happening in the town and also with the Crossrail project in the near future. There are many new build flats/houses and offices currently being built in Maidenhead, suggesting that companies plan to relocate to the area.”*

Property investment close to Crossrail stations is predicted to rise according to reports from GVA and Evening Standard which suggest the increase in property prices in Maidenhead could rise by up to 35% in the next 10 years which is great for investors seeking good capital growth. The average yield currently expected in Maidenhead is around 5%.”

Rachel Circus of Belvoir Enfield comments *“2014 has started with a bang in Enfield with high tenant demand for properties. In 2013, Enfield was identified as one of the top three buy-to-let hotspots in Greater London by HSBC and it's not difficult to see why that's true. The average property value in the borough is £357,000 which is considerably lower than other areas in London and therefore very attractive to investors. Rents are also relatively low with two bedroom properties ranging from £1,050 - £1,250pcm, this and excellent transport links into the centre of town make this a great area for commuters.”*

Edmonton, and in particular Lower Edmonton (N18), is attracting a lot of interest from investors who are not only benefiting from some of the highest yields in London, but are also realising that the regeneration taking place in Edmonton and the neighbouring area of Tottenham, together with the planned regeneration to the east of Enfield will have a very positive impact on Capital Growth in the long term.”

North East

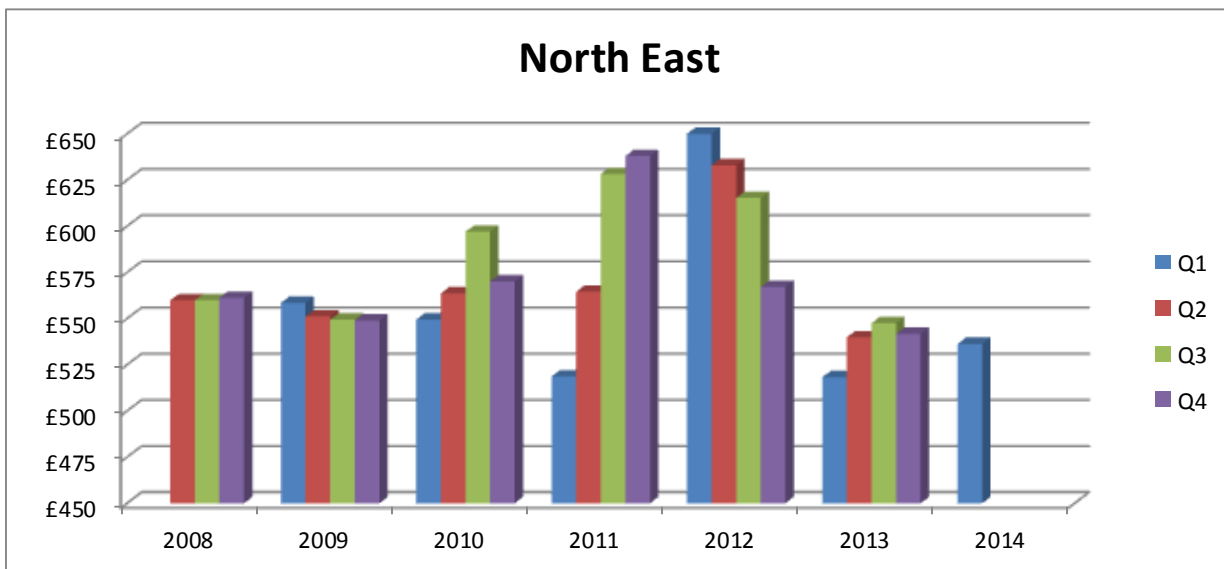
Average monthly rents in the North East have a tendency to be quite erratic, which is mainly due to the variable rents in Newcastle. However, Sunderland and Tynedale monthly rents continue to be fairly static.

Newcastle upon Tyne

Sarah Pritchard of the **Newcastle upon Tyne** office says *“The first quarter of the year has been very demanding with many peaks and troughs. We had a strong January with a high demand for property in the City Centre which prompted a slight increase in rental values. February and March again, high demand but viewers are dictating the market by wanting good quality properties at an affordable price which is keeping the rental prices static and landlords are having to invest money to update their properties in order to achieve a good rental value on their property.*

The student market has dipped in certain area’s I believe this may be due to an increase in city centre student accommodation being newly constructed, which has also lead to students leaning towards high specification properties.

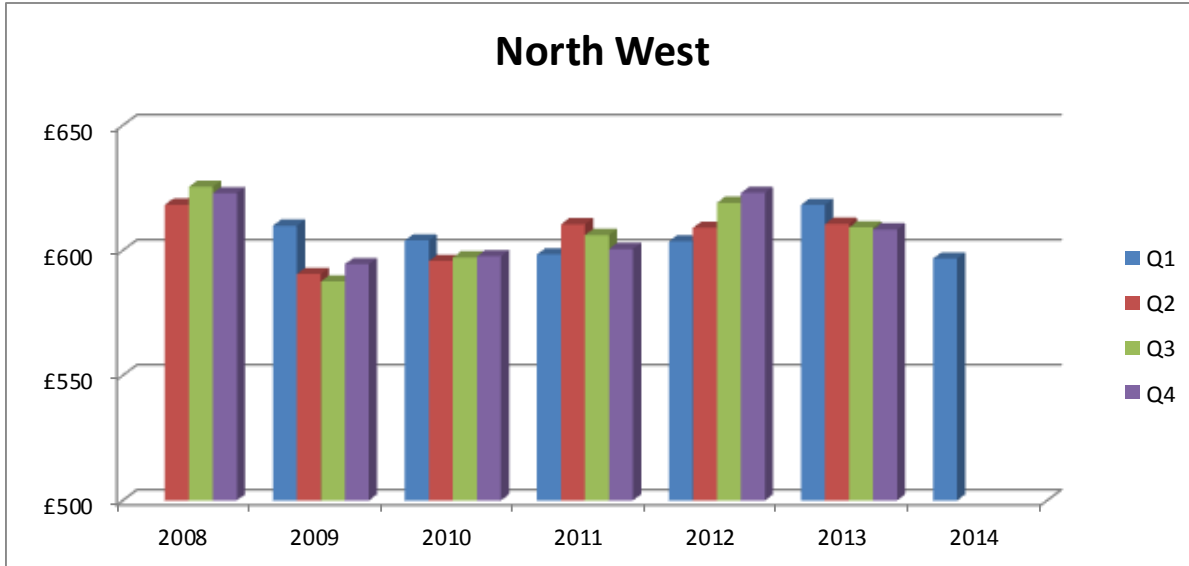
Heading into Easter, the market has decreased slightly but, we are expecting a high demand again after the Easter Break.”



North West

Average monthly rents recorded for the North West in Quarter one 2014 were £597, compared to the Quarter one 2013 average rent of £618, these are down around -3% year on year. Versus the annual average rent of £612 per month for 2013, this indicates a small fall of around -2.5%.

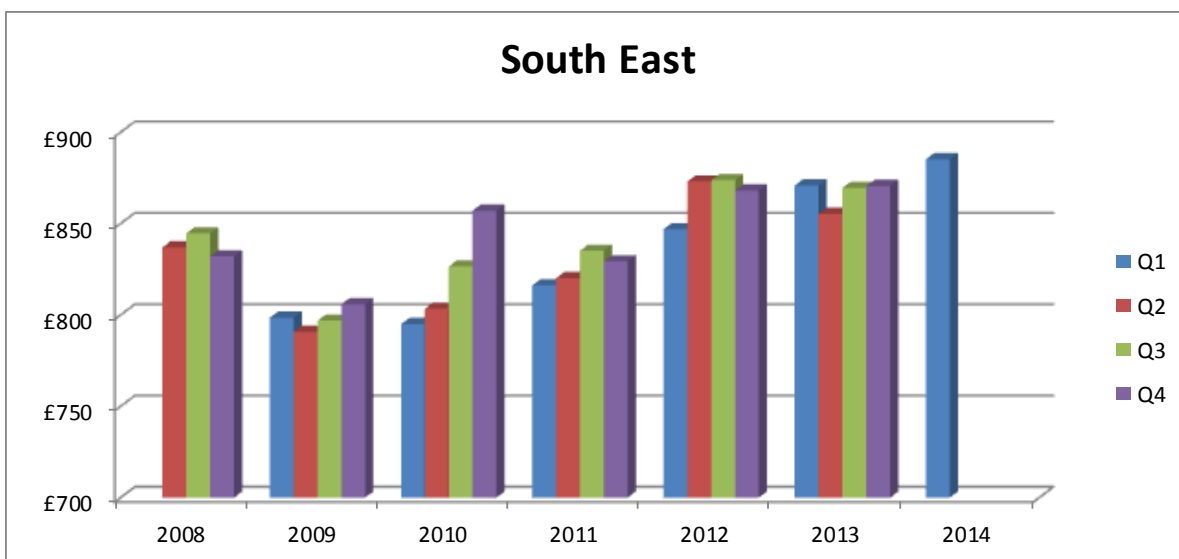
In the North West, average rents for two-thirds of offices remained stable, the rest showed a mix of small falls or small rises, including Liverpool South and Burnley.



South East

In the South East, the average rent for Quarter one 2014 is £885 per month, which is a year on year increase of just over 1.5% when compared to the Quarter one 2013 average of £871 per month. Compared to the annual average of £867 for 2013, this indicates a 2% increase in rents.

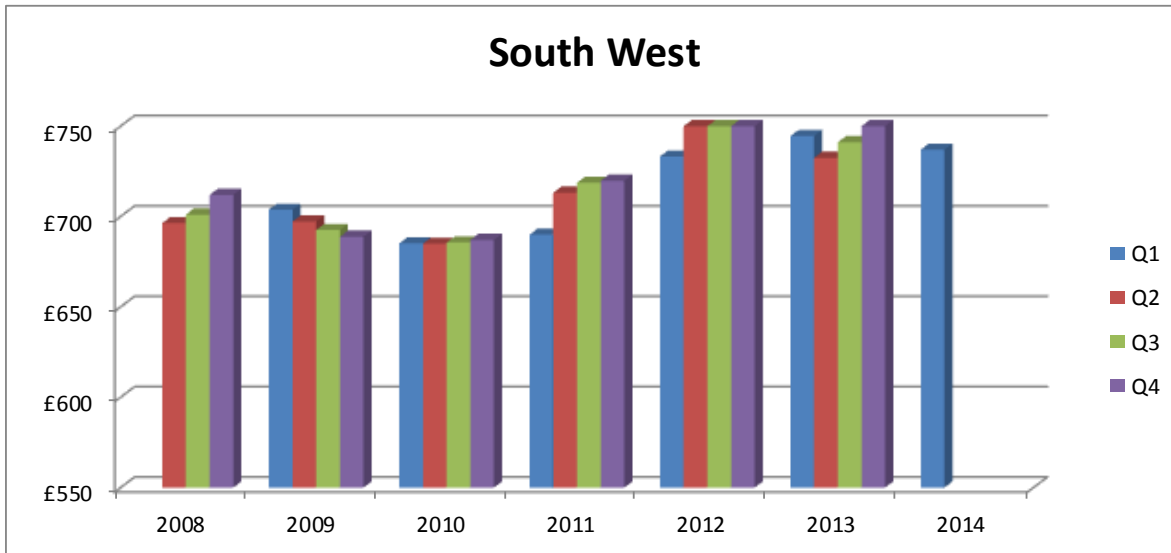
Rents remained stable for just under half of the offices in the South East during Quarter one, with the remaining half equally split between small rental falls and small rises, including Watford and Guildford.



South West

The average monthly rent for Quarter one 2014 in the South West is £737, compared to the Quarter one 2013 average rent of £744 per month, this shows a slight fall of just under -1% year on year. When compared to the annual average rent for 2013 in the South West of £743, this shows an insignificant fall of around -0.75%, suggesting rents in the South West are static.

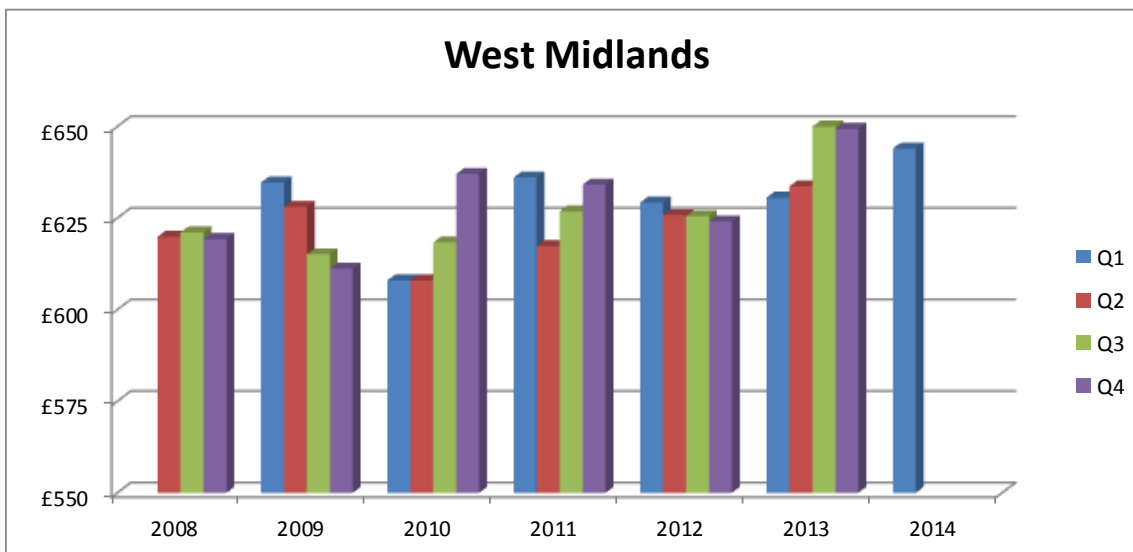
Around two-thirds of the offices recorded fairly static rents in Quarter one, with the remaining third of offices recording slight falls.



West Midlands

The recorded average rent for Quarter one 2014 in the West Midlands is £644 per month, which is around 2% up, year on year, on the Quarter one 2013 average rent of £631. Compared to the annual average monthly rent for 2013 of £642, there is only a £2 increase.

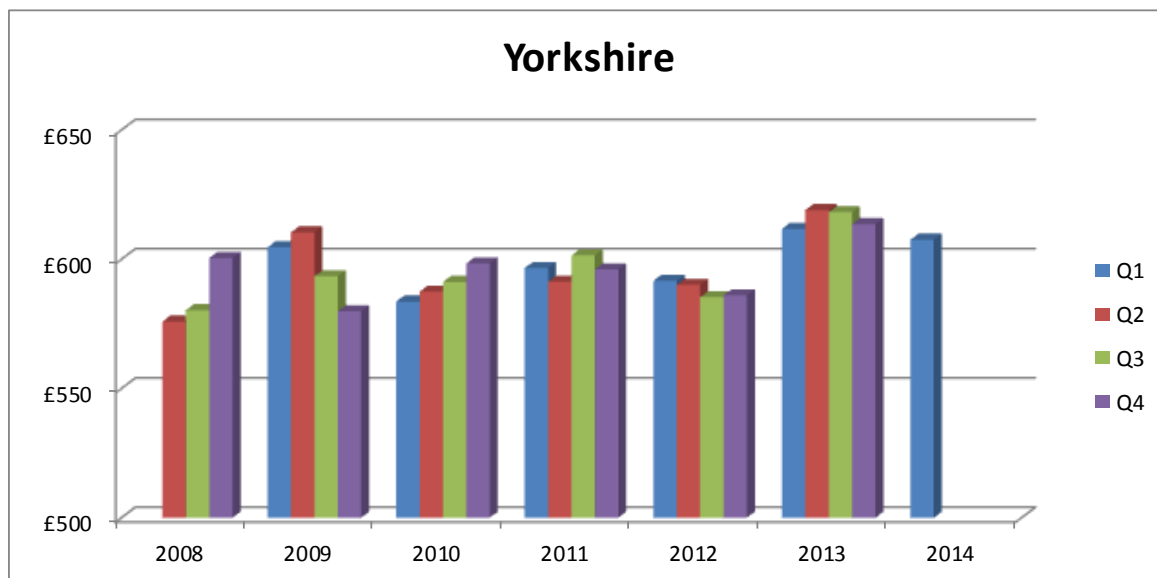
During the first Quarter, 50% of offices registered stable rents, with the remaining 50% equally split between slight falls and rises, including Tamworth and Leamington Spa.



Yorkshire

In Yorkshire, the average monthly rent for Quarter one 2014 was £608, compared to the Quarter one 2013 average rent of £612 per month, this shows a small year on year fall of £4. Versus the annual average rent of £616, this shows a slight fall of just below -1.5%.

In Yorkshire, a quarter of the offices recorded slight rises, including Skipton and York, with the remaining three quarters equally split between stable rents and slight falls.

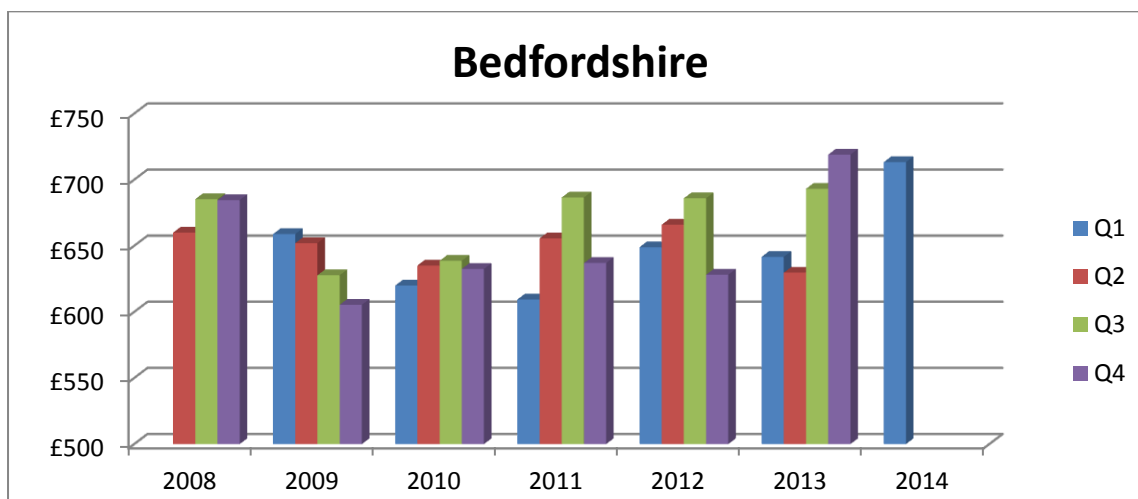


Belvoir Rental Trends by County

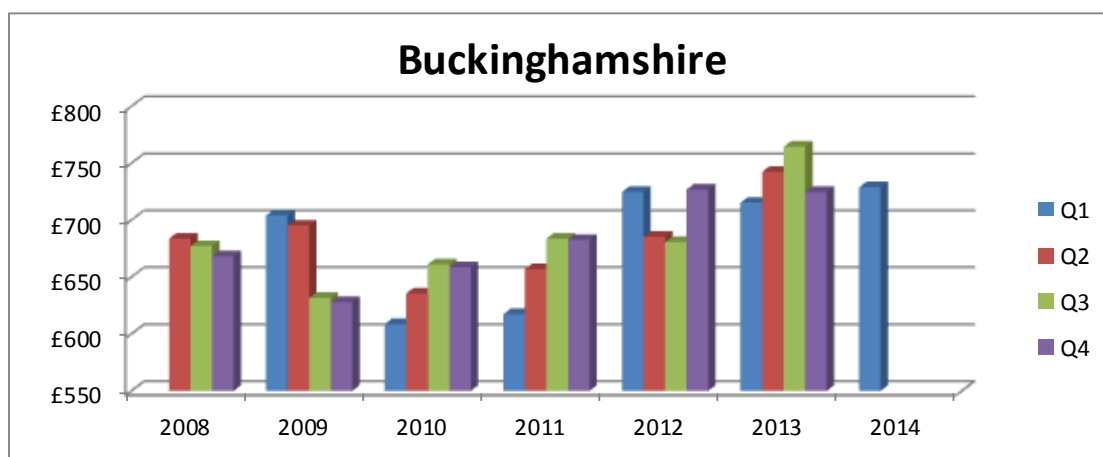
This is where we compare the latest Quarter one 2014 rental averages to Quarter one 2013 averages and how they are performing year on year on a county by county basis.

In Bedfordshire, in Quarter one 2014, the average rent was £713 per month. Compared to the Quarter one 2013 rental average of £642, this is around an 11% increase year on year, although this increase is actually attributed to the opening of the Dunstable office in August 2013, with rents averaging around £910 per month. Average monthly rents in the other offices remained fairly stable throughout 2013.

Comparing the Quarter one 2014 average monthly rent with the 2013 annual average rent of £675 per month, this would indicate an increase in rents of around 5.5%.

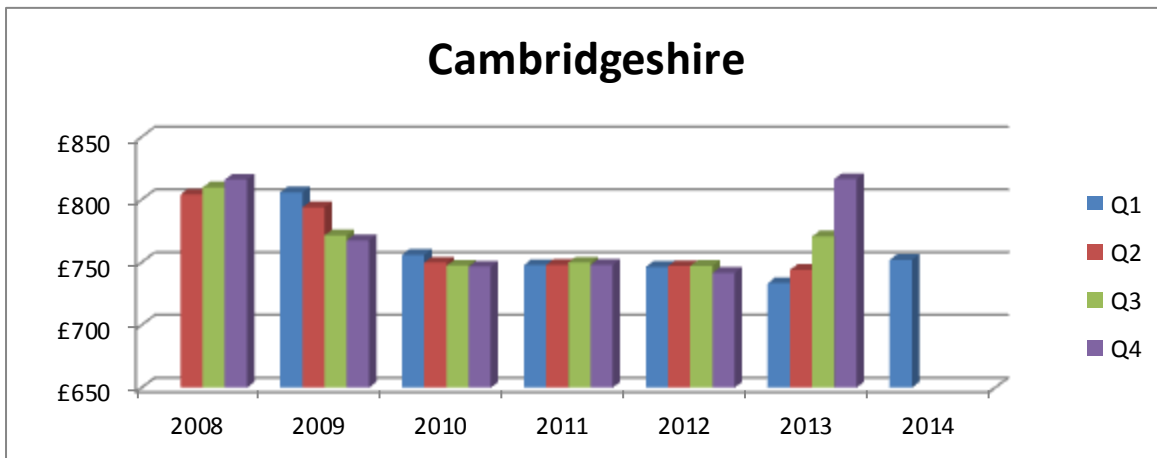


The average monthly rent recorded in Quarter one 2014 for Milton Keynes in Buckinghamshire is £729 versus the Quarter one 2013 average of £715 per month, this shows a small increase of just under 2% year on year. Comparing the Quarter one 2014 monthly average rent to the 2013 annual average, this indicates a small fall of around -1%.

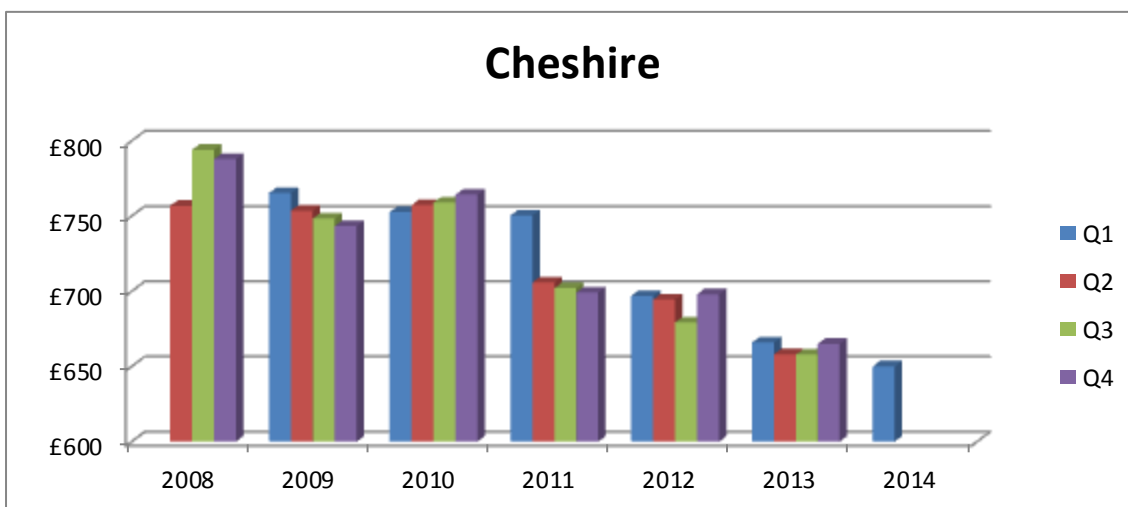


The average monthly rent for Quarter one 2014 in Cambridgeshire is £752, versus the Quarter one 2013 average rent recorded of £733 per month, this equates to around a 2.5% increase year on year. Compared to the annual average for 2013 of £766, this shows a slight fall of just under -2%.

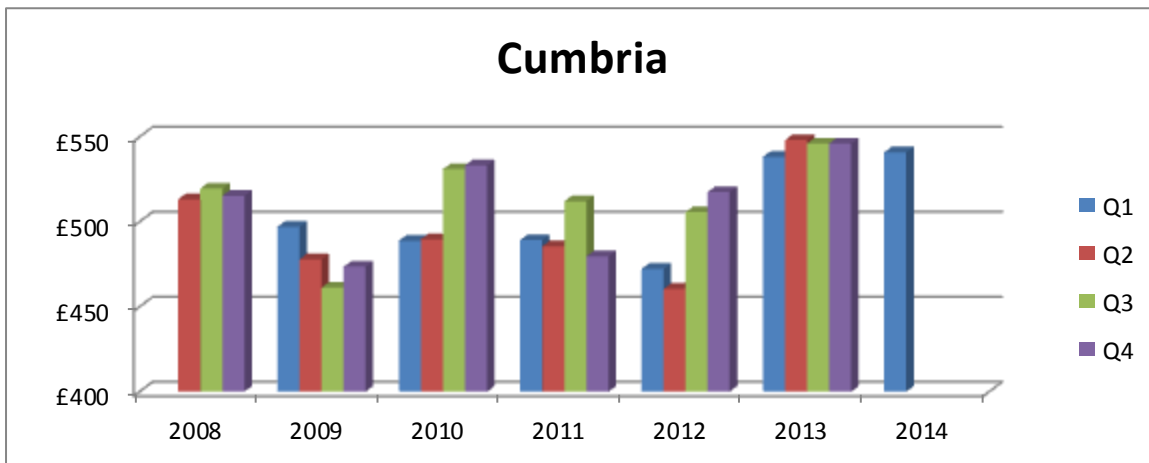
See 'East Anglia' write up for comment from the local offices.



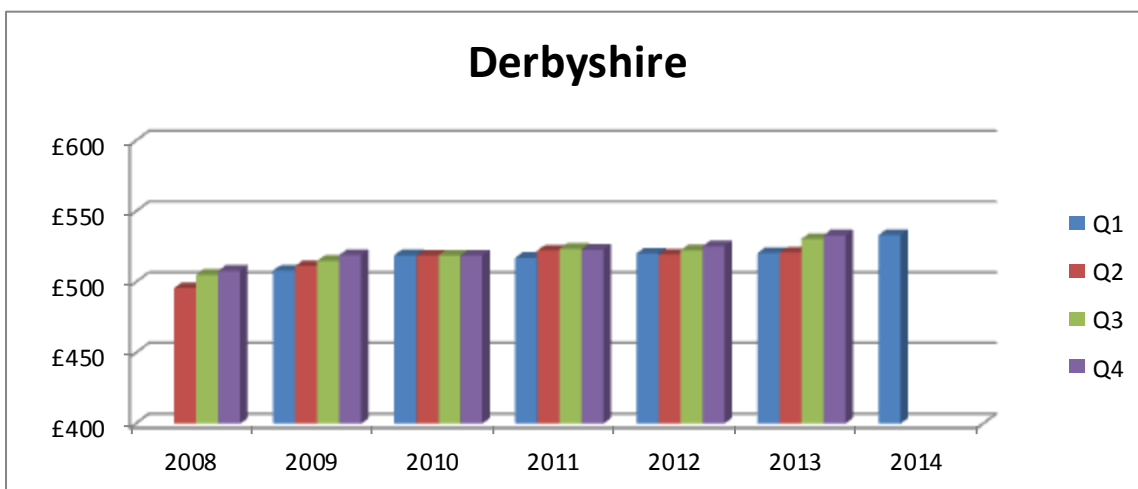
In Cheshire, the average rent recorded for Quarter one 2014 is £650 per month. Compared to £666 per month being the average monthly rent for Quarter one 2013, this indicates a small year on year fall of just below -2.5%. Versus the annual average rent for 2013 in Cheshire of £662 per month, this shows a slight fall in rents of around -1.75%.



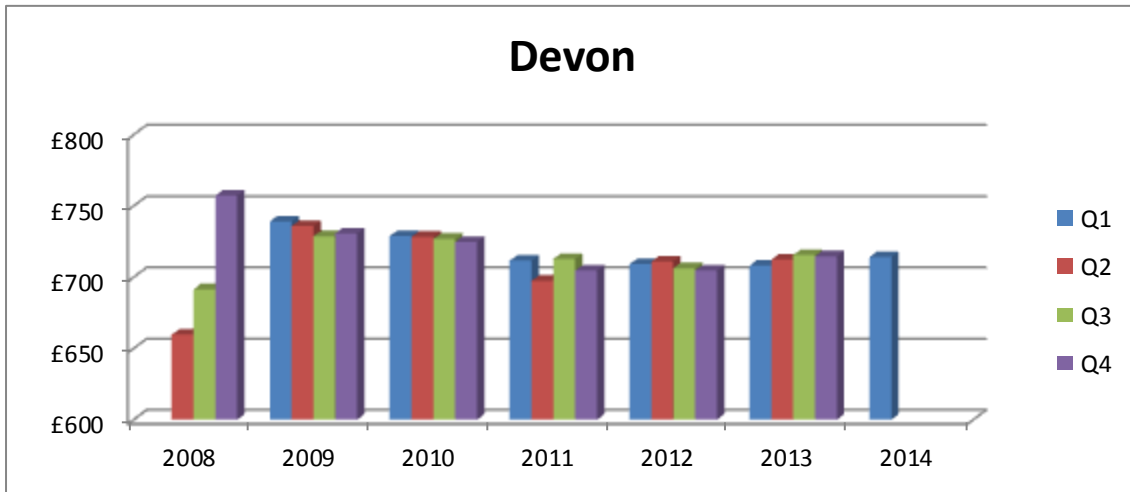
The average monthly rent recorded in Cumbria for Quarter one 2014 is £541, versus £538 per month being the average for Quarter one 2013, this would indicate a slight rise of just £3 year on year. Compared to the annual average rent for 2013 of £545, this shows a slight decrease in rents of just £4 per month. Overall, rents in Cumbria have remained fairly static during the last year.



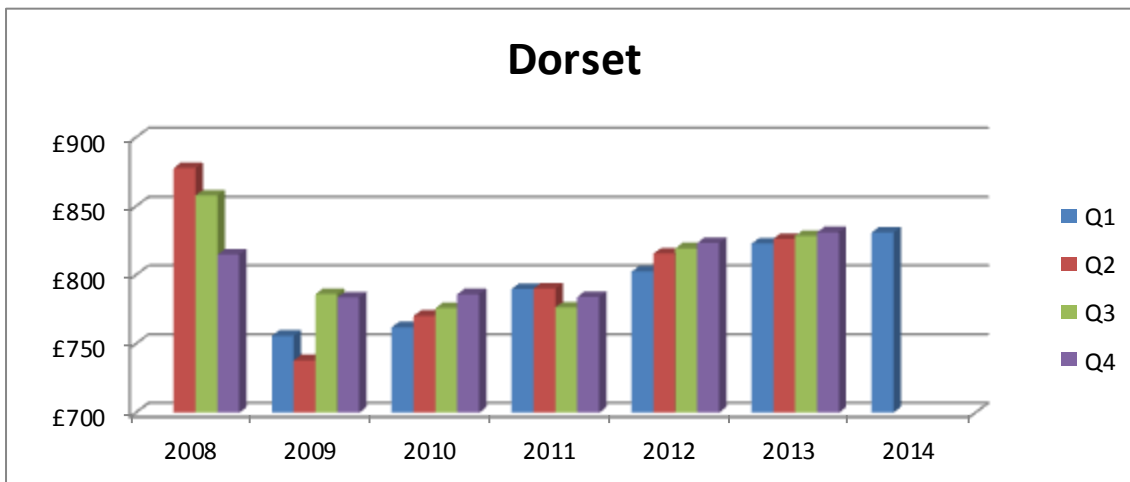
In Derbyshire, the average rent for Quarter one 2014 in Derbyshire is £533 per month, which is around 2.5% above the Quarter one 2013 rent of £521, year on year. Compared to the 2013 annual average rent of £527 per month, this would indicate a very slight rise of around 1%.



The average rent for Quarter one 2014 in Plymouth, Devon is £714 per month, compared to the average rent for Quarter one 2013 of £708 per month, this equates to a small rise of £6 year on year. Quarter one 2014 versus the annual average rent for 2013 of £713, this shows monthly rents have only risen by £1.



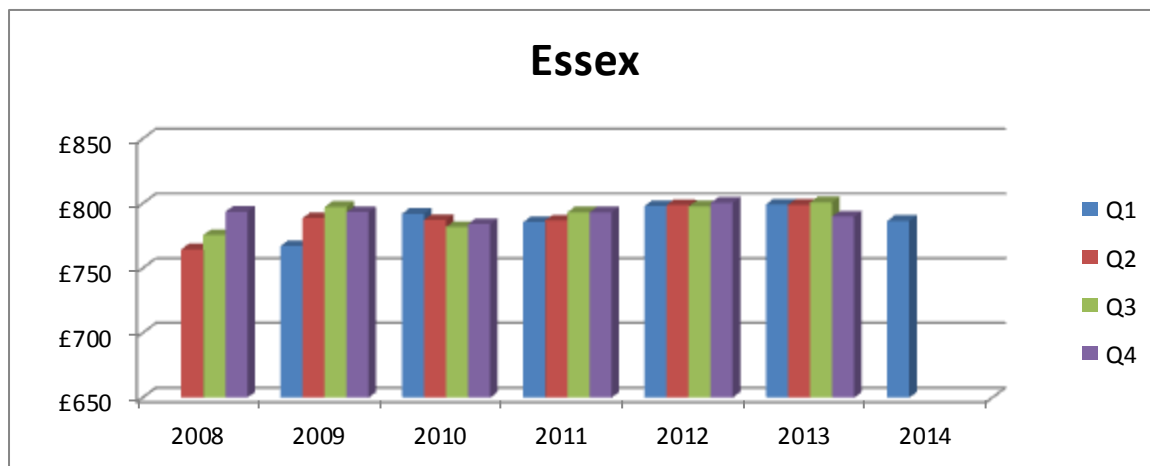
The average monthly rent recorded for Quarter one 2014 is £831, and as a year on year comparison, the Quarter one 2013 average rent was £823 per month, which indicates a very small increase of just 1%. Quarter one 2014 average rent versus the annual average rent for 2013 of £827 per month, this shows a rental rise of just £4 per month.



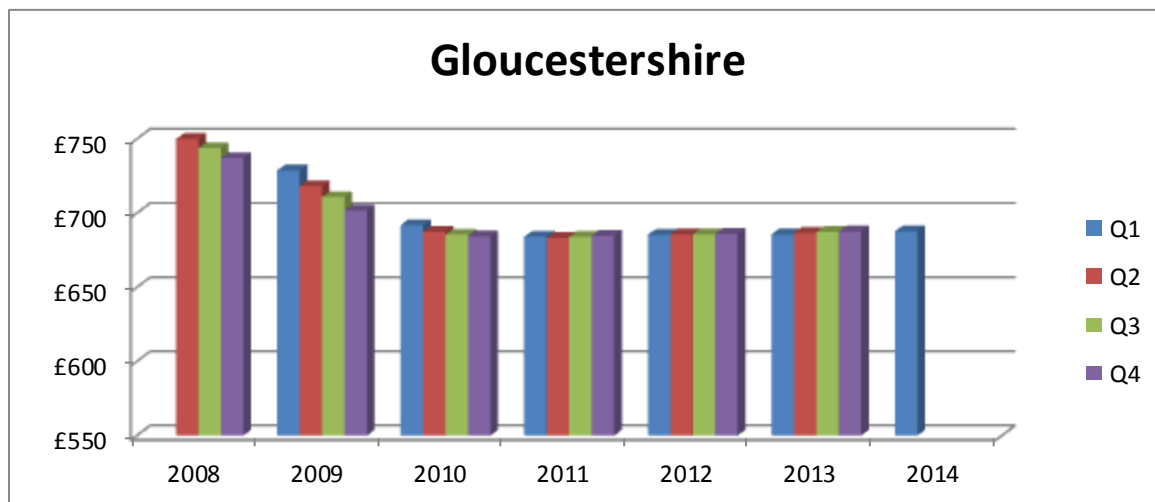
In East Sussex, the average rent for Quarter one 2014 is £970 per month, compared to the Quarter one 2013 average rent of £990 per month, this shows a slight decrease in rents of around -2% year on year. Versus £967 per month, which is the 2013 annual average rent for East Sussex, this shows a slight rent rise of £3 per month.



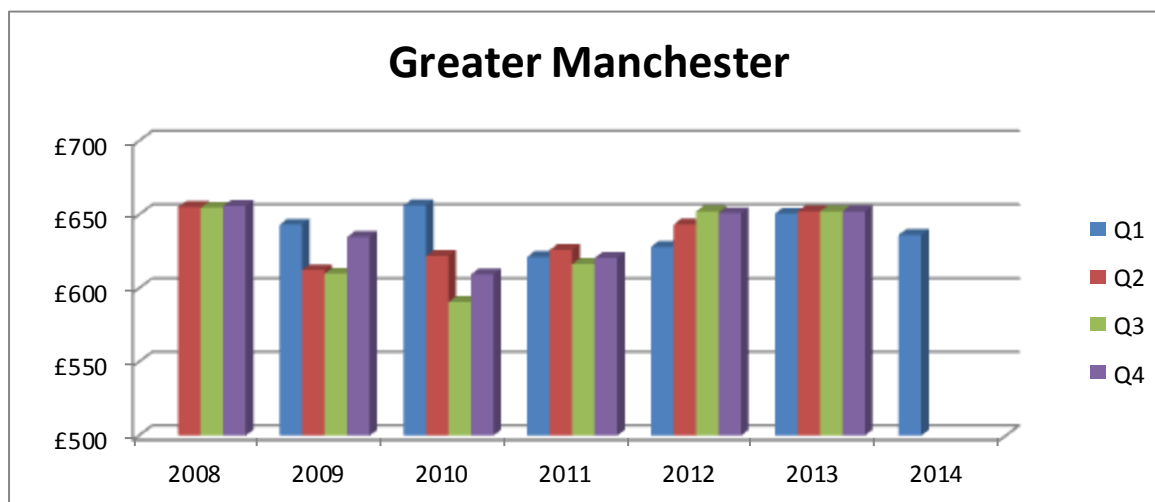
The Quarter one 2014 average monthly rent for Essex is £787, versus the average rent for Quarter one 2013 of £799 per month, which would indicate a very slight year on year fall of around -1.5%. Compared to the annual average monthly rent for 2013 of £797, this would indicate a small decrease of around -1.25% per month.



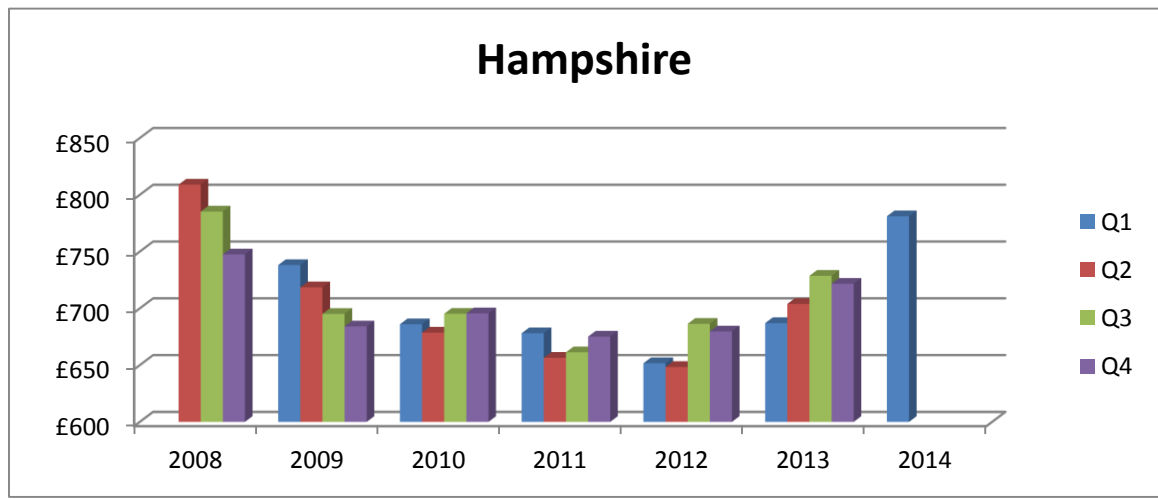
In Quarter one 2014, the average monthly rent for Gloucestershire is £688, which is up just £2 year on year versus the Quarter one 2013 average of £686 per month. Compared to the annual average monthly rent for 2013 in Gloucestershire of £687, this shows an insignificant increase of just £1. Overall, rents in Gloucestershire have remained fairly static for a number of years.



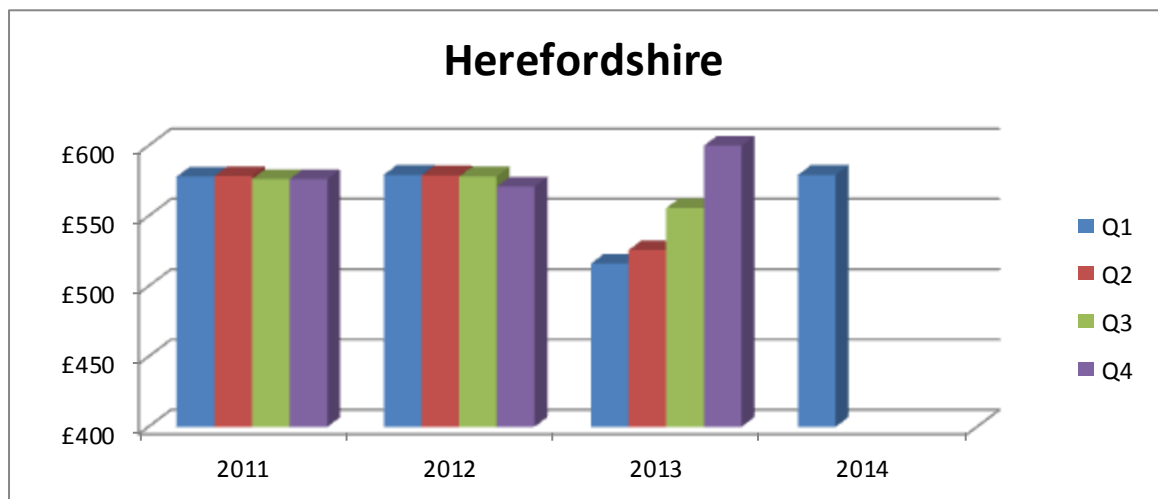
The monthly average rent in Greater Manchester for Quarter one 2014 is £636, versus £651 per month being the average rent for Quarter one 2013, this equates to around a -2.25% year on year decrease. Comparing Quarter one 2014 to the annual average rent for 2013 of £652, this shows a slight fall in rents of just under -2.4%.



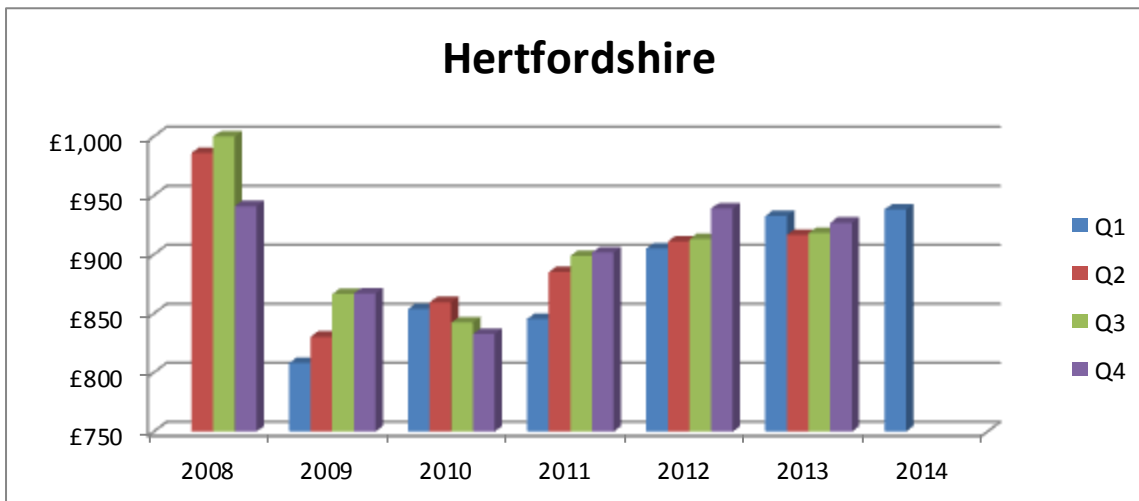
In Hampshire, the Quarter one 2014 average rent is £781 per month, compared to Quarter one 2013 and an average monthly rent of £687, this would suggest a rise in rents of 13.75%. However, these large rental increases are only due to the inclusion of two new offices for Quarter one 2014, Basingstoke (New Street) and Tadley, who currently have average monthly rents of around £817 and £1,190 respectively, way above the previous average for the region of just over £700 per month. Rents for Southsea and Waterlooville are pretty much the same year on year.



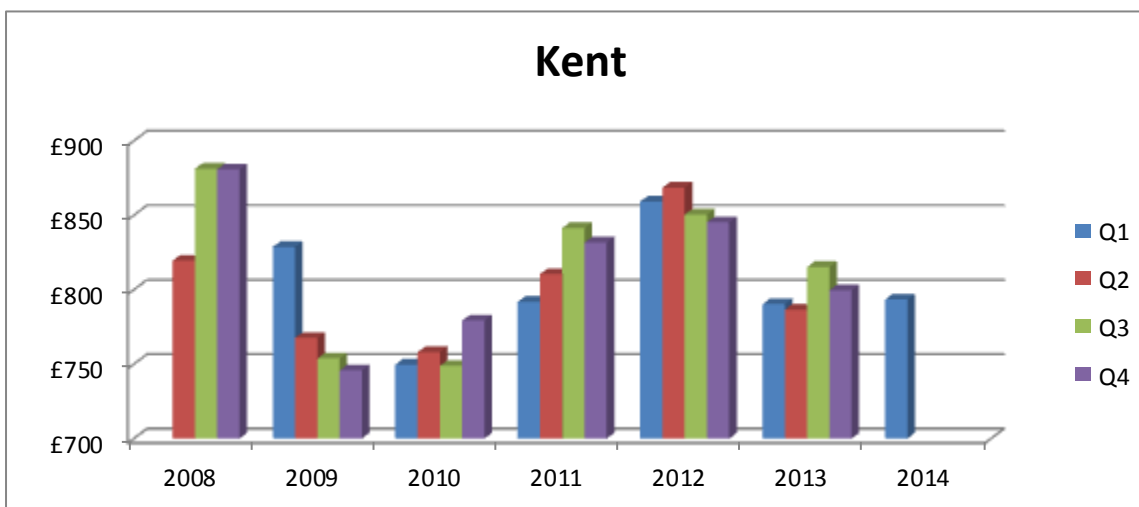
The average rent for Quarter one 2014 in Herefordshire is £579 per month. Compared to the Quarter one 2013 average rent of £516, this shows a year on year rise of around 12%. Versus the annual average rent for 2013 of £551, this indicates a more modest rise in rents of just over 5%. It should be noted however, that the Quarter one 2014 rental level is now in line with those of 2011 and 2012. This means the region experienced much lower rents during the early part of 2013 which led to subsequent rises in the latter part of 2013, so the increase year on year is really a 'recovery' back to previous levels.



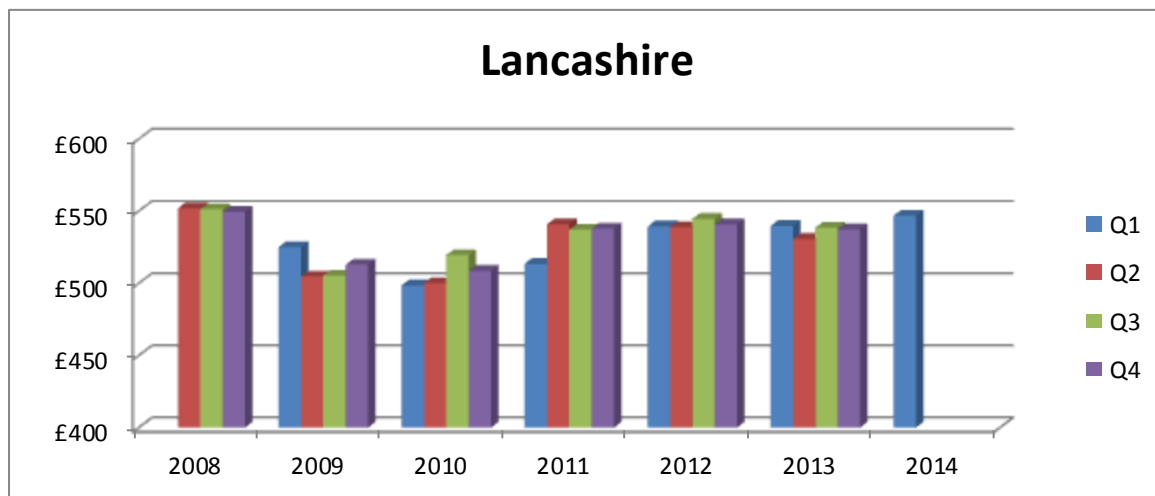
In Quarter on 2014, the average rent for Hertfordshire is £938 per month, versus an average monthly rent of £933 in Quarter one 2013, this shows a small rise of just £5, year on year. Quarter one 2014 compared to the 2013 annual average rent of £924, shows a very slight rise in rents of around 1.5%.



For Kent, the recorded average monthly rent for Quarter one 2014 is £793, compared to the Quarter one 2013 average rent of £790 per month, this is only a £3 year on year increase in rents. Versus £798 per month being the annual average rent for 2013, this indicates a very slight fall in rents of around -0.5%.

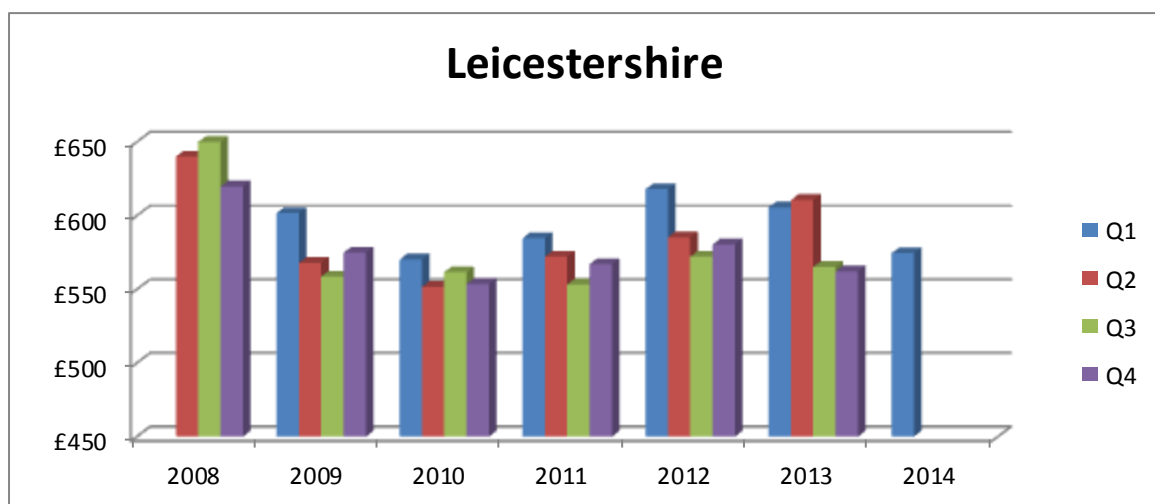


The average rent in Lancashire for Quarter one 2014 is £547 per month, versus the Quarter one 2013 average rent of £540 per month, this shows a very slight increase of just over 1.25% year on year. Compared to the 2013 annual average rent of £537 per month, this would indicate small rental rises of just below 2%.

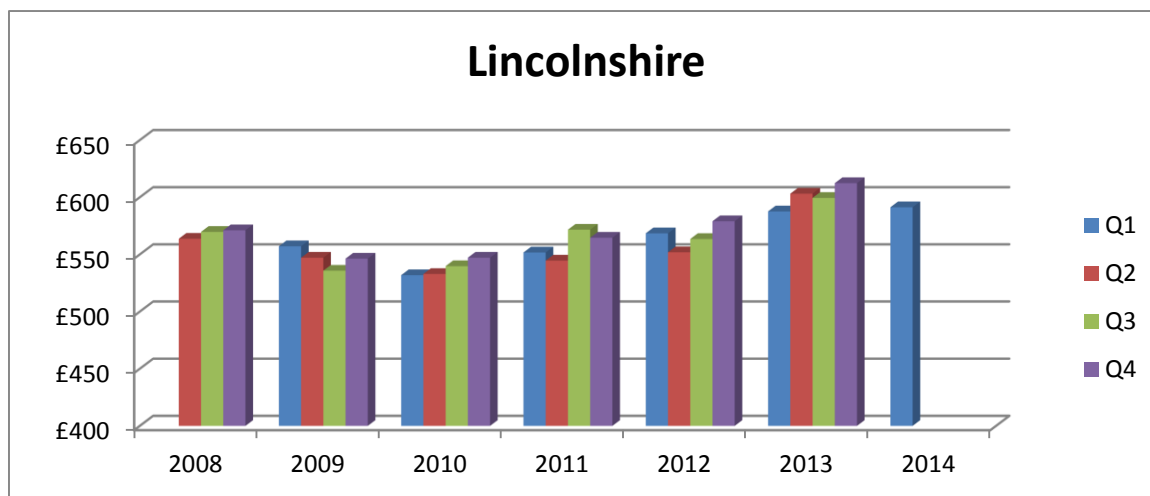


In Leicestershire, the average monthly rent for Quarter one 2014 is £575, versus a Quarter one 2013 average rent of £606 per month, which suggests a fall of around -5% year on year. Compared to the annual average rent for 2013 of £586, this shows small rental decreases of just under -2%.

However, looking at individual offices in the area, most are actually slightly up year on year, it's just the Market Harborough office which seems to have seen falls year on year which affect the overall county average.

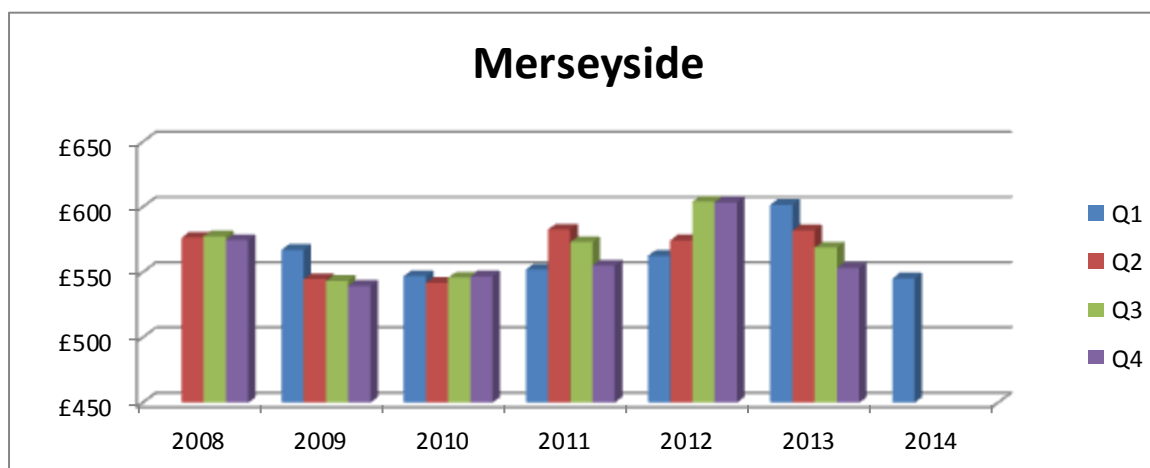


For Lincolnshire, the average monthly rent for Quarter one 2014 is £591. As a year on year comparison with the Quarter one 2013 average rent of £588 per month, this shows a small £3 increase in rents. Quarter one 2014 versus the 2013 annual average rent of £601, this would indicate a slight fall of around -1.5% in Lincolnshire rental levels.

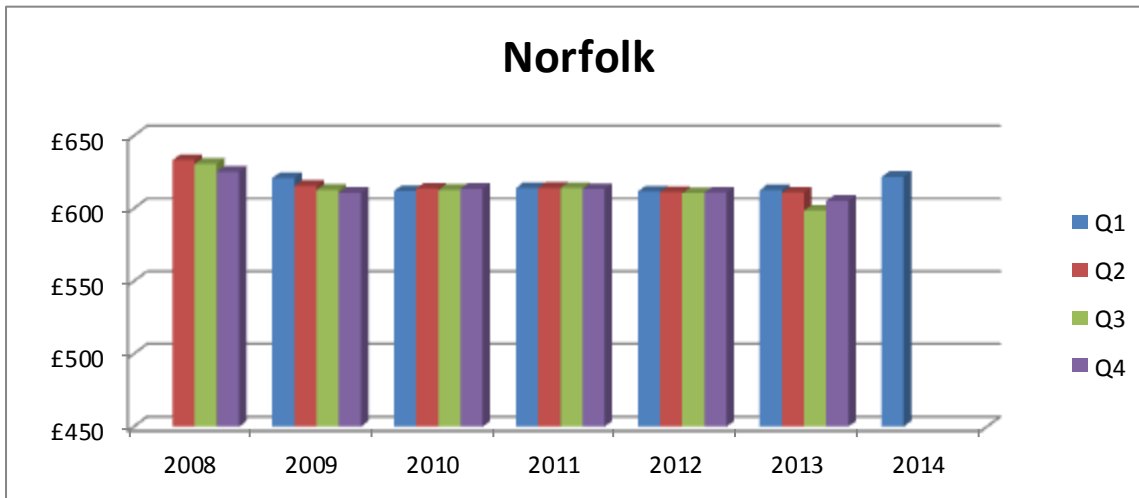


The average rent for Merseyside in Quarter one 2014 is £545 per month, compared to an average rent of £602 per month for Quarter one 2013, this would indicate a year on year fall in rents of around -9.25%. Versus the annual average rent for 2013 of £576 per month, this shows a decline in rental levels of just under -5.5%.

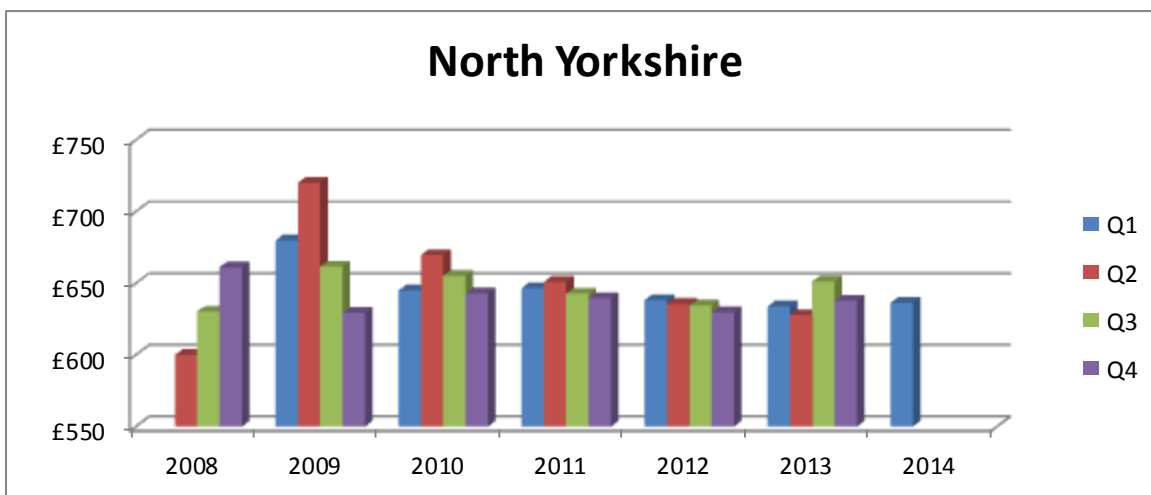
Average rents in Merseyside have fluctuated quite dramatically over the last couple of years, exceeding the 2008 heights, then falling from early 2013, and subsequently dropping slightly due to falls in rents for half of the offices in recent months.



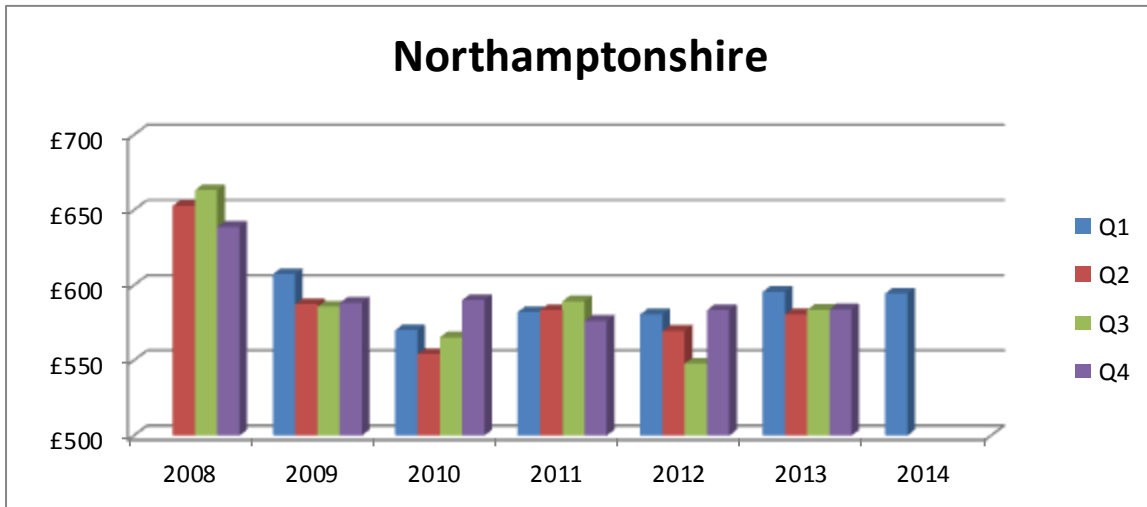
The average monthly rent in Norfolk for Quarter one 2014 is £622, compared to the Quarter one 2013 average rent of £613 per month, this shows a slight year on year increase in rents of around 1.5%. Quarter one 2014 versus the 2013 annual average rent of £607, this would indicate a small rise in rental levels of just under 2.5%.



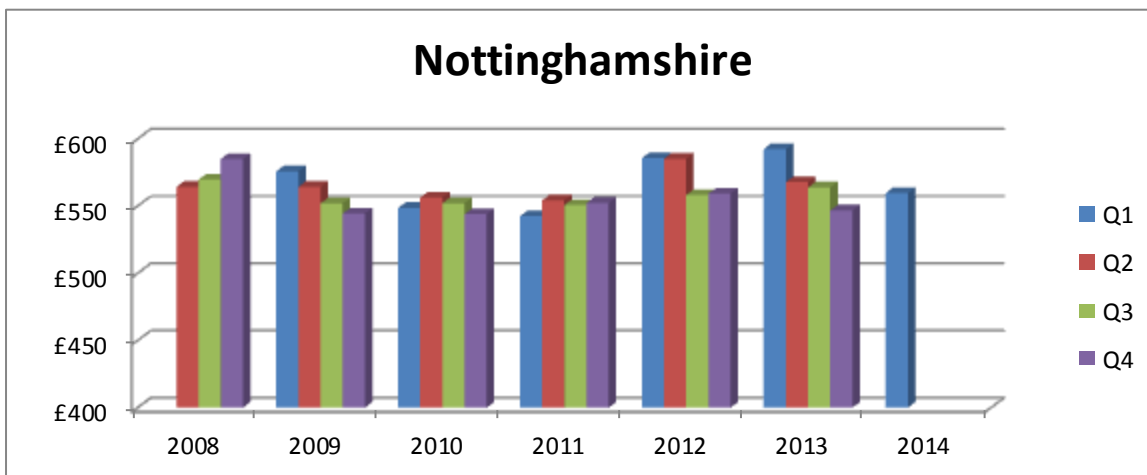
In North Yorkshire, the rental average for Quarter one 2014 is £636 per month. Versus £634 per month, being the Quarter one 2013 average rent, this shows an insignificant rise of £2, year on year. Compared to the annual average rent of £638 for 2013, this shows rents have fallen versus the annual average for last year by just £2.



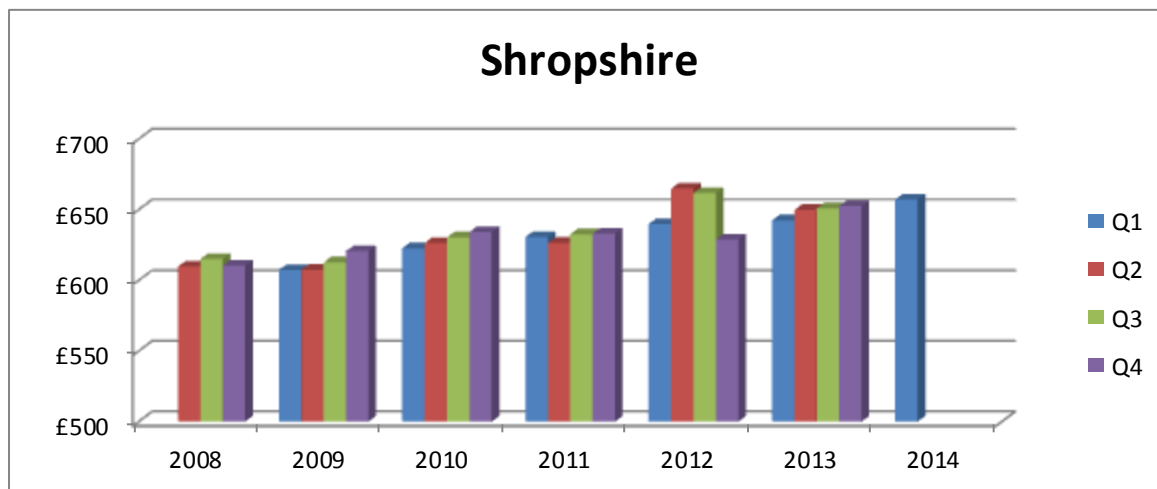
The average rent for Quarter one 2014 in Northamptonshire is £595 per month, compared to the Quarter one 2013 average of £596, there is only £1 difference, year on year. Versus the 2013 annual average rent for Northamptonshire of £586, this would indicate a very small rise in rental levels of just under 1.5%.



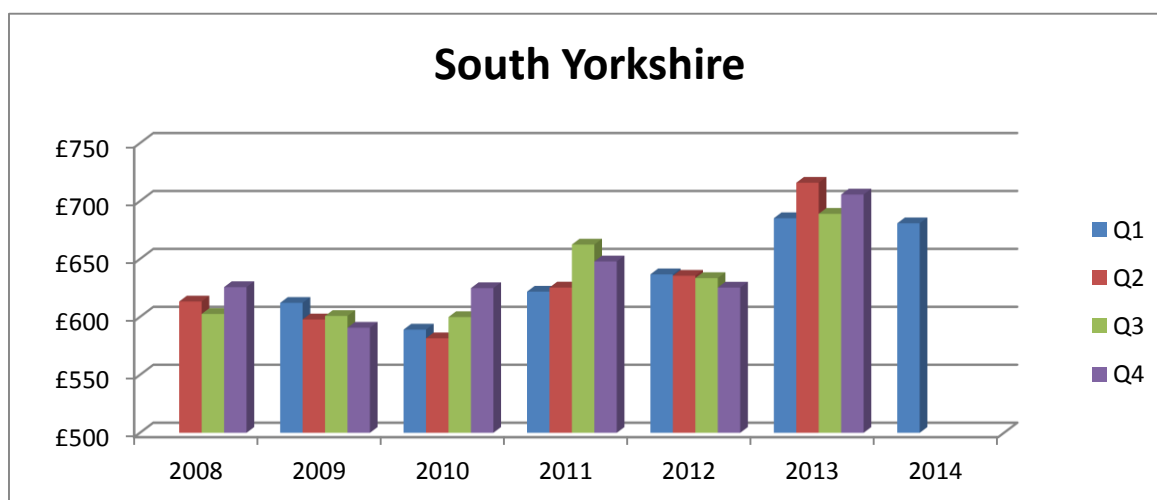
In Nottinghamshire, the average rent for Quarter one 2014 is £560 per month, versus the Quarter one 2013 average monthly rent of £592, this represents a decrease of around -5.5% year on year. Quarter one 2014 average rent compared to the annual average in Nottinghamshire for 2013 of £568 per month, shows very little overall movement in rents at less than 1.5% decrease.



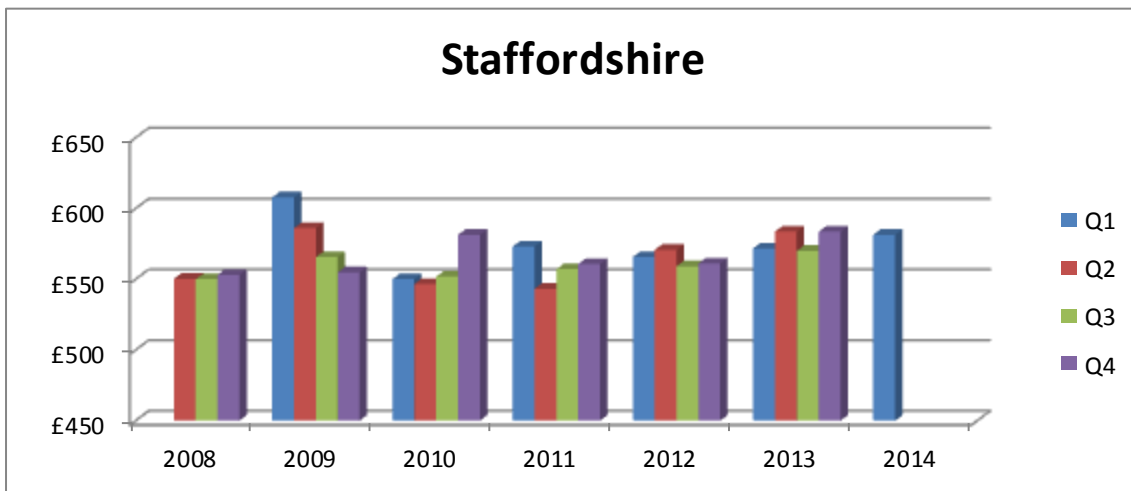
For Shropshire, the average recorded rent for Quarter one 2014 is £657, versus the Quarter one 2013 average rent of £642, this would indicate a small year on year rise of around 2.25%. Compared to the annual average rent for 2013 of £649, this shows a very small increase in rents of just 1.25%.



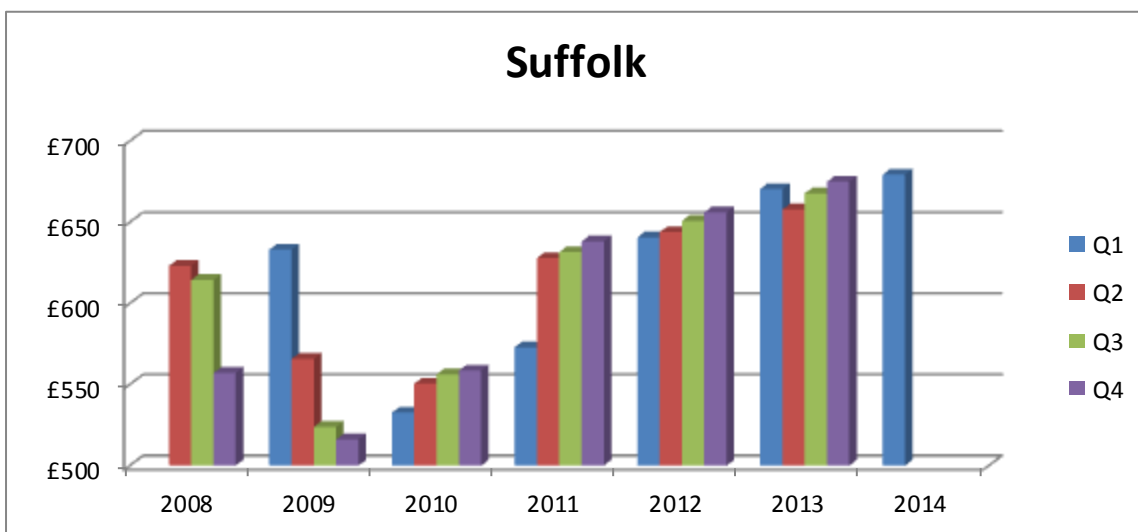
The Quarter one 2014 average monthly rent for South Yorkshire is £681, compared to the average for Quarter one 2013 of £685 per month, this is a slight fall of £4, year on year. Versus the 2013 annual average recorded rent for 2013 of £699, this equates to a small decrease in rent levels of around 2.50%.



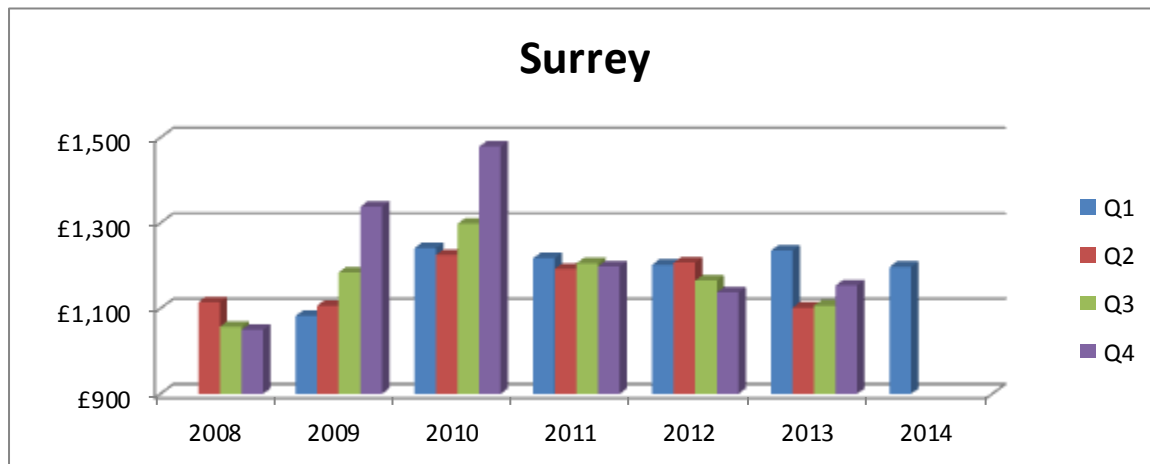
The average monthly rent in Staffordshire for Quarter one 2014 is £581, versus the average rent for Quarter one 2013 of £572 per month, year on year, this would indicate a small rise of just below 1.75%. Quarter one 2014 compared to the annual average for 2013 of £577 per month, this shows a very small increase in rents of less than 0.75%.



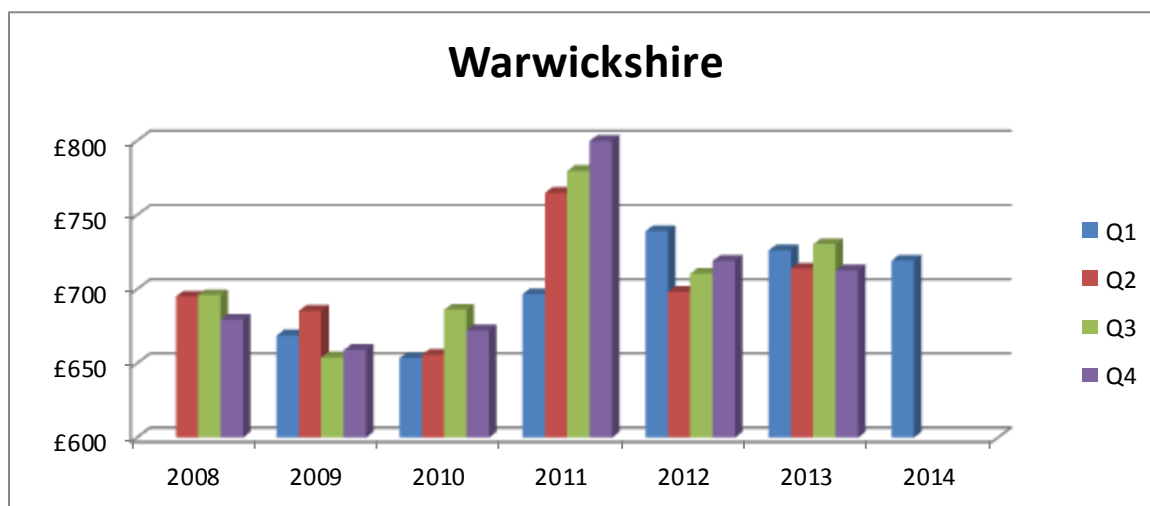
In Suffolk, the Quarter one 2014 average rent is £679 per month. Compared to the Quarter one 2013 average of £670 per month, this shows a small increase of just over 1.25%, year on year. Compared to the annual average rent for 2013 of £668 per month, this indicates a small rise of 1.75% in rental levels.



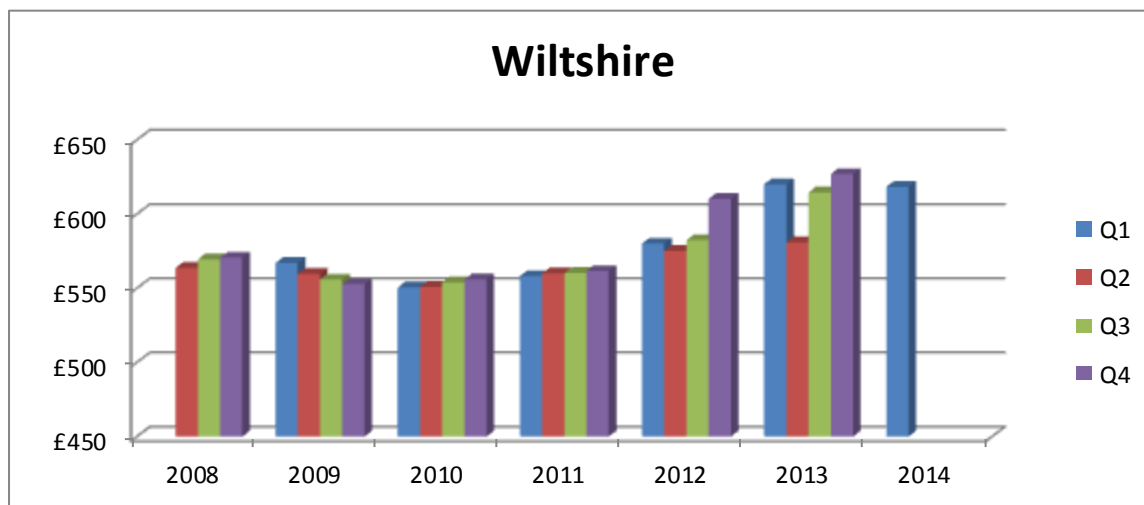
The Quarter one 2014 average rent recorded for Surrey is £1,197 per month, versus the average rent for Quarter one 2013 of £1,235, this would indicate a year on year decrease in rents of -3%. Quarter one 2014 compared to the 2013 annual average rent of £1,149 per month, shows an increase of around 4.25%. Overall, during the first quarter, rents fell for a third of offices in Surrey, a third rents increased, and for the remaining third of offices, rents remained unchanged.



In Warwickshire, the average monthly rent for Quarter one 2014 is £719, as a year on year comparison, the Quarter one 2013 average rent is £726 per month, which equates to a less than 1% yearly rental decrease. Quarter one 2014 versus the 2013 annual average rent of £721, this gives a fairly insignificant fall in rental levels of just £2, suggesting rents in Warwickshire are pretty static this Quarter and have been some for some months now.

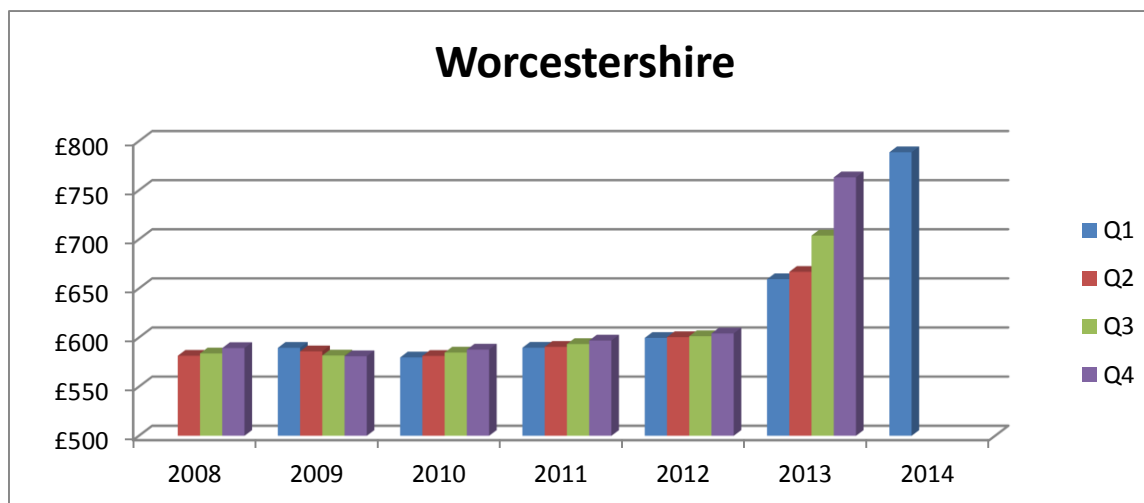


For Wiltshire, the average rent recorded for Quarter one 2014 is £618 per month, versus the Quarter one 2013 average rent of £620, this shows a very slight year on year decrease in rents of £2. Quarter one 2014 compared to the annual average rent recorded for 2013 of £611, indicates a small rise of 1.25% in rents, suggesting rents in the county of Wiltshire are pretty static.



There are two offices we cover in Worcestershire, Worcester itself and Evesham. The Worcester office shows average rents for the year of 2013 were £627 per month. During the first quarter of 2014, they showed a small fall for the start of the year.

In contrast, in Evesham, the average for 2013 was £824 per month, while during the first quarter of the year, rents have averaged over £900 per month, hence the higher increase in average rents for the region from half way through 2013 to date.



Appendix

Belvoir Rental Index 2008 to 2013

Over the last five years, Belvoir Lettings, one of the UK's top lettings only franchises has been tracking monthly rental price movements.

This report analyses the ups and downs of the rental market, not just at a national level, but breaking down monthly rental averages into London, the rest of England, Wales and Scotland as well as county level.

The data is created from average advertised rents. This isn't a perfect way of analysing rents, but most Belvoir agents advertised rents are set at levels they know tenants will pay, and worst case, they may on occasions be approximately 10% less. This doesn't though appear to prevent the index from identifying rental trends. To help ensure the monthly rents aren't too erratic and historic and existing trends can be identified, the average rents are calculated as three month simple averages.

In addition, we don't just produce rental statistics. We liaise directly with over 140 franchised offices to better understand the reality of what's driving rents up or down. We check trends the statistics are showing so we understand at ground level, exactly what they mean for landlords and tenants as well as what the statistics can tell us about the future.

The report breaks down the Belvoir Index analysis in two formats:-

Offices which have consistently traded over the last five years

This is an analysis of rents across offices which have consistently traded across the five years we have been tracking the index. Effectively, this analysis looks at rents on a 'like by like' basis, much as analysis is carried out when comparing like for like sales in retailing.

1. This data analyses 91 offices from 2008 to 2012.
2. All offices which have traded via the Belvoir brand over the last five years. This analysis looks at rents across all offices. We add an office after it has traded for nine months and can provide a three month simple average over a six month period. This data is particularly useful when analysing regional data as it analyses 139 offices, so increases the number of offices contributing to the data and thus makes the results more robust.

Level of data analysis

In this report we produce the following information:-

1. Average rental movements across the UK
2. Average rental movements across England, Wales and Scotland
3. Average rental movements by region: for example, East Midlands, London
4. Average rental movements by county: for example, Nottinghamshire, Shropshire
5. Commentary from Belvoir, the franchisor and local franchisees

How we analyse the data

The data is analysed on a three month simple average:-

Average rent:	£500
Average June rent:	£525
Average July rent:	£515
Total:	$£1,540 / 3 = £513$ will be the average July rental figure

We analyse the information on a month by month basis and a year on year basis. However, we also look at the data from the height of the rental market, the market low and whether the latest monthly data suggests rents are rising, falling or stabilising versus previous highs and lows.

The rents analysed are 'average' rents. In the main, we know that the annualised average rent is fairly accurate when considering the rents for the top two properties, for example, two and three bed houses in small and large urban areas, or one and two bed flats in city centres such as London.

Some of the data flaws happen on a month by month basis. For example, it is possible that some trends are affected by agents listing unusually high priced properties. For example, in Shrewsbury, we know the data accurately picks up trends over time, but tracks average rents at around 10% higher due to large, prestigious properties being rented on a regular basis.

In addition, we know data for some offices can show a rise in rents when the reality is that property stock is tight, so isn't as robust as normal, or a higher level of new build properties rent out at higher levels than second hand or previously lived in properties.