

LANDBAY[®]

Rental Index

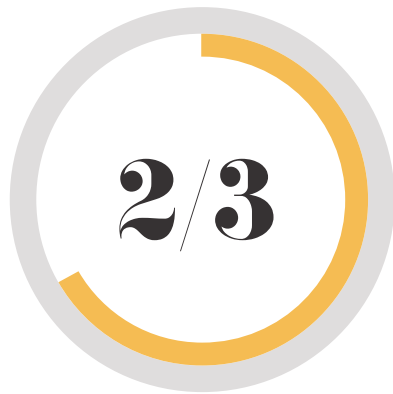
Powered by MIAC
Results for August 2016

Key Findings

Index by Bedroom



Average UK Rents Compared to Disposable Income



■ Rents ■ Wages

For those living in one bed properties, on average rent now accounts for two thirds of income after tax.

August UK Average Rents by Number of Bedrooms

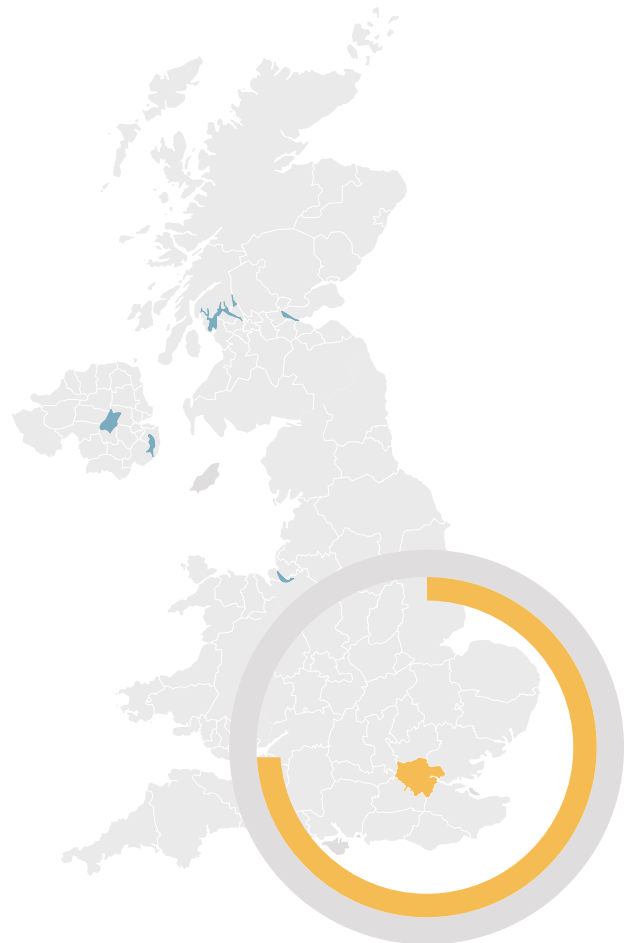
1^x  **£1,010**

2^x  **£1,149**

3^x  **£1,314**

Average rents for one, two and three bed properties hit £1,010, £1,149 and £1,314 in August.

Average London Rents Compared to Disposable Income



74% ■ Rents ■ Wages

In London, on average almost three quarters (74%) of disposable income is spent on rent.¹

Index by Bedroom

Average one bed now £1,000 per month, as over two thirds of disposable income is spent on rent

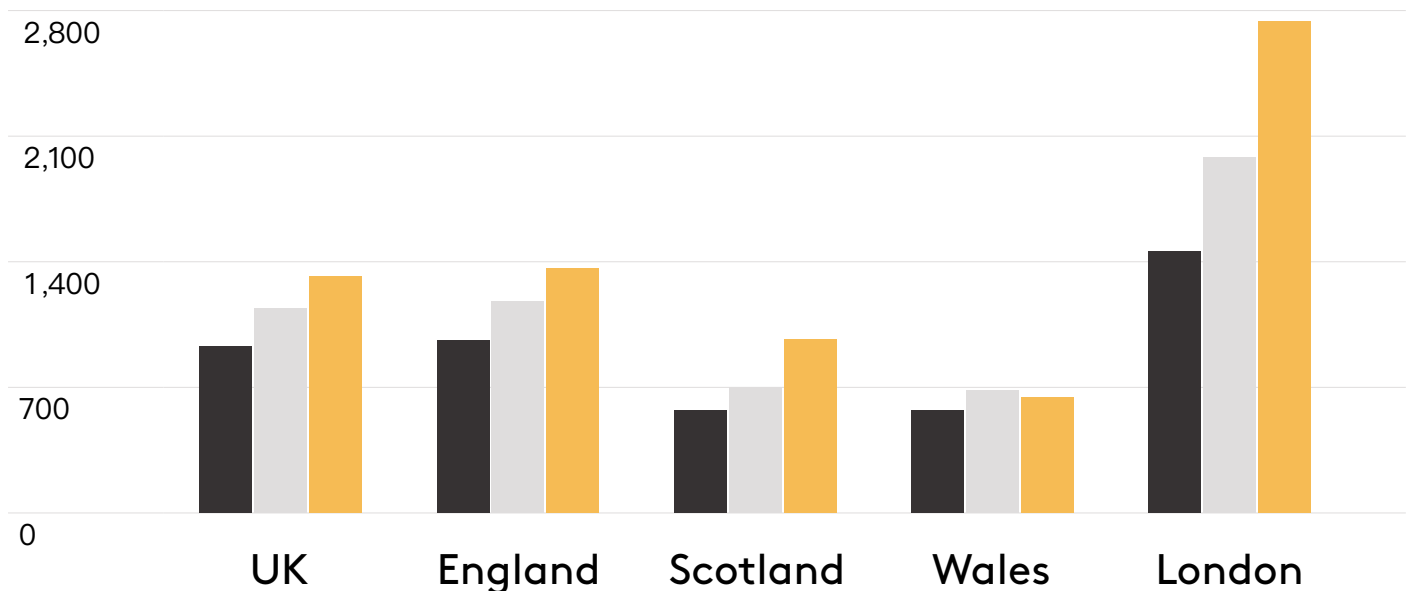
The average rent for a one bed property in the UK hit £1,010 in August 2016, now over two thirds (67%) of the average disposable income of £1,497¹. There are signs that rental pressure is easing on tenants, as one bed rents grew by 0.1% last month, and 1.7% over the last year, behind wage growth of 2.4%².

In London, the proportion of monthly income spent on rent is significantly higher. The average rent for a one bed home was £1,461 in August, compared to an average disposable income of £1,967³. For someone living in a one bed property in the capital, that's almost three quarters (74%) of take home pay going toward rent. Outside of London, this proportion is significantly lower, with just 41% of post-tax income handed over to the landlord each month.

Overall, rents across the UK grew by a modest 0.12% in August, taking annual growth to 1.83%, in a return to growth following a -0.02% fall in July. Rents grew across all regions bar London, where rents were broadly flat, dipping by -0.01%. The average UK rent regardless of property size is now £1,186, with London's average being £1,892, and the rest of the UK being £745 per month.

London leads the way in average UK rents

■ One-bed ■ Two-bed ■ Three-bed



¹ONS Regional gross disposable household income (GDHI): 1997 to 2014

²ONS Earnings and working hours, average weekly earnings growth rate (total pay)

³ONS Regional gross disposable household income (GDHI): 1997 to 2014

Index by Bedroom

All beds	YoY %	MoM %	Av. £
UK	1.83	0.12	1,186
England	1.84	0.12	1,218
Scotland	1.82	0.22	718
Wales	1.41	0.04	631
London	1.00	-0.01	1,892
UK without London	2.29	0.20	745

1 bed	YoY %	MoM %	Av. £
UK	1.67	0.09	1,010
England	1.66	0.08	1,044
Scotland	1.67	0.26	542
Wales	2.16	0.10	536
London	0.79	-0.05	1,461
UK without London	2.40	0.20	588

2 bed	YoY %	MoM %	Av. £
UK	1.78	0.12	1,149
England	1.79	0.11	1,184
Scotland	1.79	0.22	684
Wales	1.46	-0.03	647
London	0.80	-0.04	1,938
UK without London	2.29	0.20	703

3 bed	YoY %	MoM %	Av. £
UK	2.07	0.18	1,314
England	2.10	0.18	1,335
Scotland	2.06	0.17	1,104
Wales	1.40	0.16	605
London	1.44	0.08	2,702
UK without London	2.28	0.21	810

LANDBAY Rent Check

Rent Check is an online tool that allows tenants and landlords to validate movements in their own rents against others in their area in a fast and user-friendly way.

The postcode search widget harnesses sophisticated UK wide data from Landbay's monthly Rental Index, powered by MIAC. The index maps annual and monthly trends in advertised and actual rents, both geographically and by bedroom number, providing unique and sensitive insight into market movements and social mobility.

To validate your rent change by area and number of bedrooms, please visit rentcheck.landbay.co.uk

About the Landbay Rental Index, powered by MIAC

The Landbay Rental Index includes unique granular level detail, looking at local trends to the county and London Borough level, including further segmentations by number of bedrooms.

The credibility of any index is highly dependent on the breadth and depth of underlying data used, which is why this rental index utilises data from Zoopla, the British property website. Approximately 100,000 properties are analysed each month to form the index.

The rental values are mix adjusted by property type, number of beds and geography to ensure that any change in the composition of the data over time does not skew the results. The changes in rents are calculated based on matched samples of homogenous or identical data points over time. MIAC employs sophisticated smoothing techniques and interpolation to filter 'noise' and optimise the signal from the data.

Landbay and MIAC do not make any declaration regarding the accuracy or completeness of the Rental Index; collectively reserving the right to adjust the methodology and to edit or withdraw any reports or data. Landbay and MIAC shall not be liable for any decisions made or action taken in response to the published data.