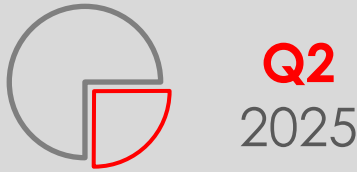


MARKET R3VIEW Q2 2025



Demand keeps on rising...

Renters rights postponed

On 24 June 2025, the Government has published a list of additional amendments to the Bill, which, in theory, will have to be debated and agreed by both Houses. While there is nothing controversial, The House of Commons and House of Lords have begun their summer

recess on July 22, 2025, and will return on September 1, 2025. During this period, neither House will meet to conduct business and so these amendments will have to wait until the Autumn to be debated and for the Bill to pass.

This will push the legislation receiving Royal Assent until then with full implementation of the changes not crystallising until 2026.

For a full review of the this new legislation, please refer to R3's summary here [LINK](#).

Steady rental market

In the quarter to 30 June 2025, rents of prime properties have shown a slight decline of 3.2% but this is set against a steady but slow increase in rents overall since the end of 2022.

Our indices are showing that during period rents have increased by

7.6% over two and half years. Following a period of low demand in 2024 through February 2025, recent increases in demand have started to reduce inventory levels. This decline comes after stocks had begun to replenish during a time of relatively subdued inflows into the Capital.

What next for rents?

It is possible that a sustained and healthy transactional volume will now begin to apply some pressure on rents, together with possible increases linked to the Renters Rights legislation when it comes later in the year.

London continues to remain a complex, busy market and recent economic indicators suggest this will not ease off over the remainder of 2025.

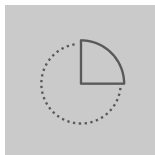
Finally...

The R3 team wishes you all a great summer ahead!

FIGURE 1 – Property Market Dashboard: Quarterly summary of key performance indicators

Our Research: R3 stands alone in how it develops research within the relocation world

Below the different areas of research R3 covers with weblinks to relevant pages on our website



Market R3views
 Quarterly updates on the rental market
[GoToPage](#)



AR3A Insights
 Quarterly analysis of over 50 postcodes
[GoToPage](#)

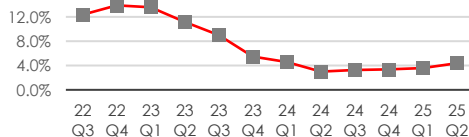


Legal Briefs
 Six-monthly legal updates for tenants
[GoToPage](#)



Market Insights
 Quarterly updates on the sales market
[GoToPage](#)

RPI



Apr 4.5%
 May 4.3%
 Jun 4.4%

RPI All Items: % change over 12 months

RPI is a measure of inflation. Rising RPI in the last quarter is more notable due to four quarters at below 4%. Increase predominantly driven by petrol and utility costs. Inflation targets remain at 2% in the medium term and we expect a stable RPI over the remainder of the year.

Source: Office of National Statistics – Retail Price Index

Rental Tracker

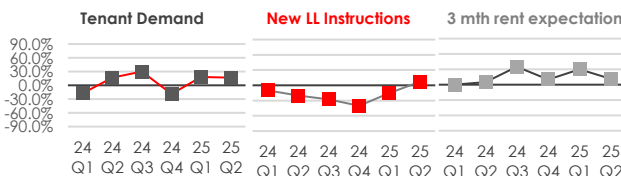
AREAS	AVG. PCM	QTR CHANGE	ANNUAL CHANGE
National Avg. (NA)	£1,308	1.5 %	+0.7 %
NA exc. London	£1,127	1.8%	+2.2 %
London	£2,078	0.9%	-1.2 %

Rental Price Tracker

The last quarter has seen a definite shift upwards for rents across the UK and in London, with the London market slightly more subdued at just 0.9% increase. The market is moving upwards however, and the annual change does begin to reflect this. We expect this trend to continue for the rest of the year.

Source: HomeLet Rental Index Report Sep 24

RICS Lettings Survey (London)



3 mths % change responses (down/up/same)

Stable rental demand recorded for Estate Agents and Landlords, with upward trend in instructions (demand – which reflects what we are seeing on the ground). Rent expectations over the next three months is subdued indicating some possible easing of demand over the next quarter.

Source: RICS Monthly Market Surveys

FIGURE 2 – R3 RENTAL INDEX & YIELD: Prime and Super Prime Rental Index & Yield – started Q1 2019, base 100 against Prime.
 Frustrated with the lack of open and reliable consolidated rental data in London, R3 started its own **two rental tracking indices** in Q1 2019.

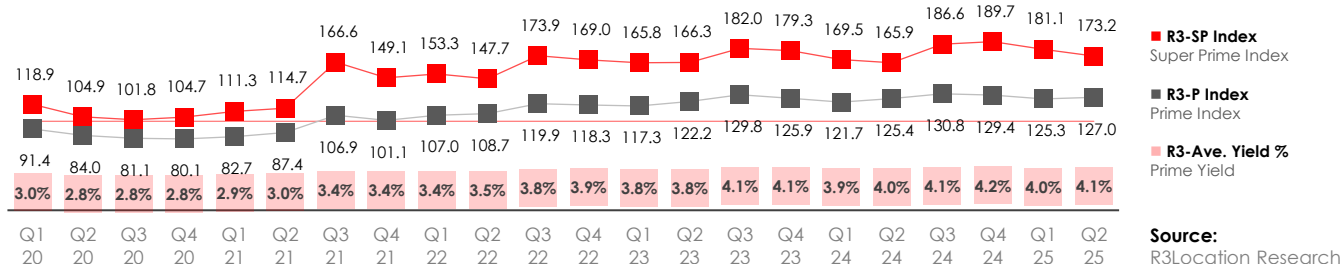
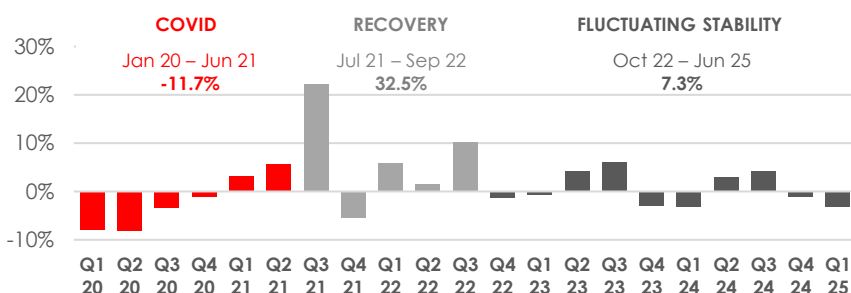


FIGURE 2 & 3 - Analysis

The market has remained broadly stable since Q4 2022, with modest declines in Q1 and Q2 2025 suggesting continued balance. This represents an average increase in London Prime markets of approx. 2.5% per annum over the last two and a half year. This slow, steady rise is, we believe, set to continue for the remainder of 2025. The new renters' rights bill, when it passes in the Autumn, may put additional upwards pressure on rents.

FIGURE 3 – QUARTERLY RENTAL % CHANGE

Quarterly Prime and Super Prime Rents % change



Marco Previero

Director and Research Lead at R3

"While the second quarter has seen an easing of rents, strong demand persists. Together with some of the changes brought forward by the Renters' Rights Bill when it is implemented later in the year, this may drive prices higher in the last quarter of the year, by lowering supply and put pressure on prices to factor in additional Landlord's obligations when renting.

FIGURE 4 – Spotlight on...

Every quarter R3 includes a Spotlight On section. This month, the focus is on the **R3's AR3A Insights**.

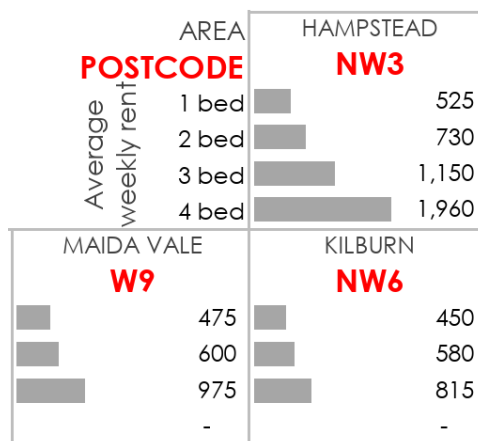
R3Location invests in research on an ongoing basis. As part of its commitment to produce leading research within the relocation industry, it produces quarterly AR3A Insights with average rent information for a multitude of post codes in London, the Thames Valley area, the Midlands and seven of the UK regions.

We are the only relocation company in the UK providing free qualitative research on the market. We believe it is important because clients want to engage with relocation experts who are able to gather, understand and analyse information about the local market and filter it down to its operational team.

No one else in our industry does it.

FIGURE 4 – SPOTLIGHT ON... AR3A Insights

R3 stands alone in how it develops research within the relocation world



Access our guides

Representative data is shown on the left. You can access all AR3A insights on our website, by following the links below:

- London 
- Thames Valley 
- Midlands 
- UK Regions 