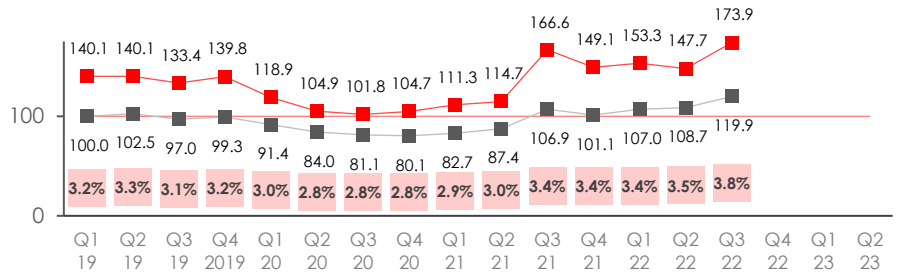


FIGURE 3 Frustrated with the lack of open and reliable consolidated rental data in London, R3 started its own **two rental tracking indices** in Q1 2019.

The combination of continued low supply of stock, and sustained high levels of demand over the summer months, has had a material impact on the rental market. Prices have experienced a sharp increase. R3's expectation is that this will settle, subject to any longer term impact of the "mini-budget" on the sales market.

FIGURE 3 – R3 RENTAL INDEX & YIELD

Prime and Super Prime Rental Index & Yield – started Q1 2019, base 100 against Prime.



Source: R3Location Research

■ R3-SP Index Super Prime Index ■ R3-P Index Prime Index ■ R3-Ave. Yield % Prime Yield



Marco Previero

Director and Research Lead at R3

“Rent levels in London are up by some 17% to 19% annually, with the sharpest increase in the last quarter reflecting a continued squeeze on stock levels as a result of increased demand over the summer period – always a busier time for the relocation industry and people moving. We expect things to settle over the coming months.”

AR3A INSIGHTS Every quarter, R3Location produces its own research which it publishes on its website and is available to all. The most recent one is now available.

R3 has **published** its latest AR3A Insights research to include London, the lower Thames Valley region, and Birmingham and its commuter belts. We will be adding **one more** shortly, so do look out for it!

You can access these and other valuable (free) research on our [website](#).

AR3A INSIGHTS



Anna Barker

Director and Operations Lead at R3



“Our research efforts are in direct response to clients' needs. They value data that's helpful to their relocating employees. R3 is the only DSP engaging in this activity.”

FIGURE 5 – Spotlight on... forecast

Every quarter R3 includes a *Spotlight On* section. This month, the focus is on **rent level forecast over the coming years**.

Forecasting isn't straightforward at the best of times (in fact, like the weather, the more into the future we look, the less likely we'll get it right). In the current economic environment, with upward pressure on inflation and interest rates, and a cost of living crisis – it's almost impossible – so reader beware of how you interpret these figures as they probably can't be relied on!

Source (for tables on the right):

1. Knight Frank (06/22) UK House Price Forecasts revised up for 2022 [Weblink](#)
2. Savills Market Update (10/22) [Weblink](#)
3. Hamptons Autumn forecast 2022 [Weblink](#)

FIGURE 5 – SPOTLIGHT ON... RENT FORECAST

High level view of latest available rent forecast from three key estate agents

LONDON	2023	2024	2025	2026
Knight Frank	3.5%	2.5%	2.5%	2.0%
Savills	4.0%	3.5%	3.5%	3.0%
Hamptons Int'l	6.0%	5.0%	5.0%	-
AVERAGE	4.5%	3.7%	11.0%	2.5%
UK WIDE	2023	2024	2025	2026
Knight Frank	3.5%	3.0%	3.0%	2.5%
Savills	3.7%	3.2%	3.2%	3.0%
Hamptons Int'l	5.0%	5.0%	4.0%	-
AVERAGE	4.1%	3.7%	3.4%	2.7%

R3 forecast 2023

UK WIDE
3.5%

LONDON PRIME
2.5%

LONDON SUPER PRIME
2.0%