



## Rents reach record highs as demand continues to outweigh supply

*Rents reached record levels at the end of 2022 as landlords continue to lose confidence in the rental market*

- New data from leading flatshare site SpareRoom reveals rents reached an all-time high in Q4 2022, with the average UK room rent increasing 13% year-on-year
- The data also reveals the average cost to rent a room in Greater London went over £900 per month for the first time ever in September 2022 and has continued to increase, with the average rent in December at £949 per month
- Demand reached a 9 year high in August 2022, but things have since calmed down. Yet demand continues to far outweigh supply as the number of rooms available decreased over 2022
- A recent poll suggests that 2023 will see a further decline in supply, with 41% of landlords either looking to reduce their portfolio in 2023 or exit the rental market altogether

New data from leading flatshare site [SpareRoom](#) reveals that the current chaos in the UK rental market shows no sign of resolving itself, with rents in Q4 2022 reaching an all-time high yet again as housing supply continues to dwindle, with little sign of things changing anytime soon\*.

In a year dominated by the cost-of-living crisis, data reveals UK rents increased by 13%, comparing Q4 2022 with Q4 2021. As of December 2022, the average UK room rent was £731\*\*.

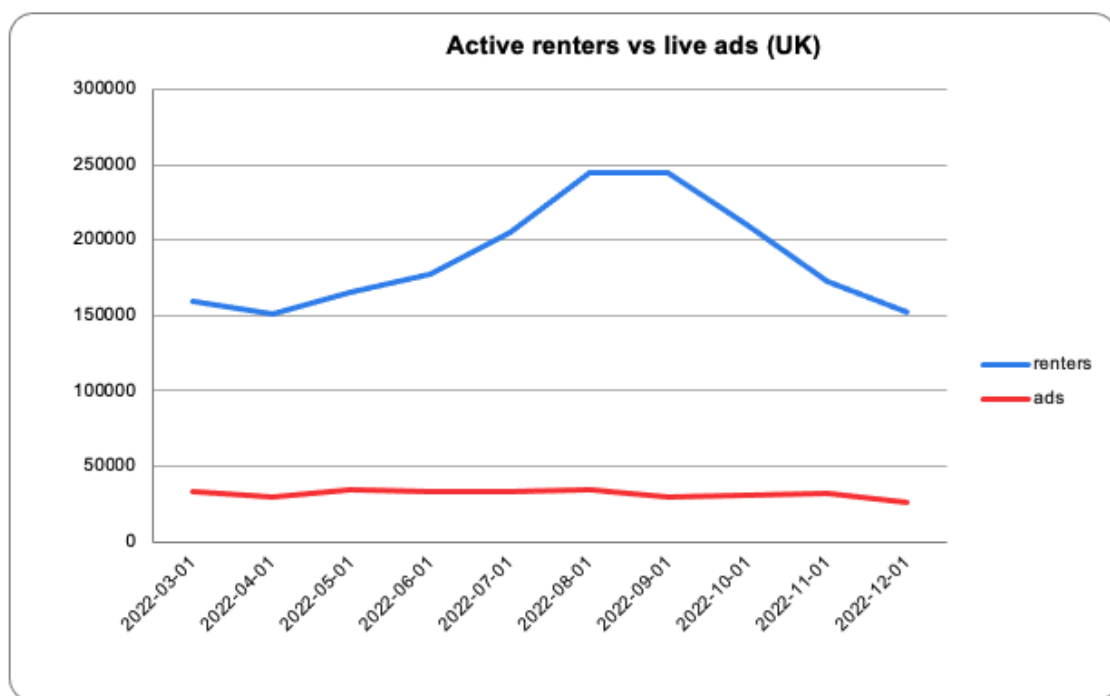
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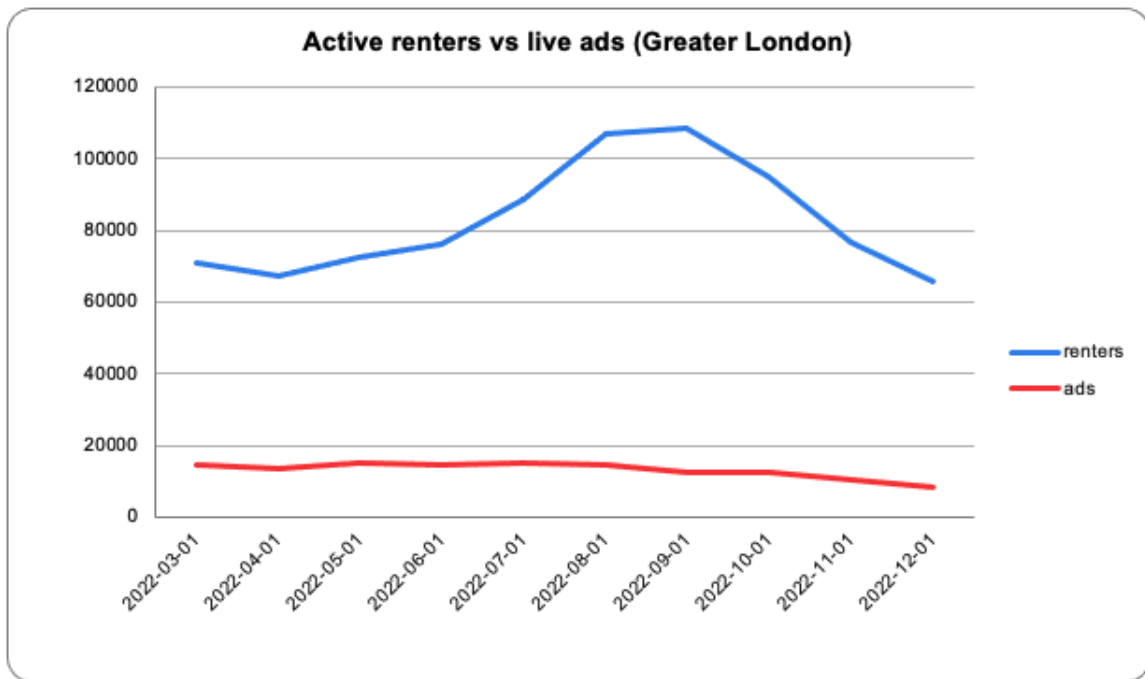
Comparing Q4 2022 with Q4 2021 the Capital saw the biggest increase in room rents across all UK regions. Scotland was the only UK region to experience a decrease (-6%) in average rents, however this is due to rents being inflated in Q4 2021 in the Glasgow area due to the Cop26 summit.

Region	Average monthly room rent Q4 2022	Average monthly room rent Q4 2021	Annual change Q4 2022 vs Q4 2021
East Anglia	£601	£523	15%

East Midlands	£512	£451	13%
North East	£493	£425	16%
North West	£523	£453	15%
Northern Ireland	£484	£421	15%
Scotland	£606	£641	-6%
South East	£657	£574	15%
South West	£594	£528	12%
Wales	£530	£450	18%
West Midlands	£495	£439	13%
Yorkshire and Humberside	£507	£444	14%
<b>London</b>	<b>£935</b>	<b>£768</b>	<b>22%</b>
<b>UK</b>	<b>£660</b>	<b>£584</b>	<b>13%</b>

Demand for properties was at an all-time high in late summer/early autumn, while supply was at a 9 year low. To put this into context - there were 245,351 renters searching and only 34,085 rooms available. Although demand dropped in the lead up to Christmas, the number of rooms also decreased over 2022. This, combined with cost-of-living increases, mean things are incredibly tough for renters right now.





One factor in the drop in supply is landlords' continuing loss of confidence in the rental market. A recent SpareRoom poll suggests that the next 12-months will see a further decline in supply, with 41% of landlords/agents either looking to reduce their portfolio in 2023 or exit the rental market altogether. Over half (57%) of those surveyed admitted to not having confidence in the rental market right now, landlord confidence has decreased over the last 18 months\*\*\*.

**Matt Hutchinson, Director at SpareRoom, said:** *"Although demand has eased since the record peaks we saw in August and September, the combined effect of low supply and the cost-of-living crisis means rents have continued to rise. The last 12-months has seen rents across the UK hit record highs and, unless new supply comes into market over the coming months, it's hard to see those rents come down meaningfully in 2023."*

*"High rents not only make it difficult for tenants who need to move now, it also means that many stay put to avoid paying more rent. Unless people are able to move freely, the impact on the economy could be significant. Work is the key reason people move, but if a potential pay rise is wiped out by having to pay more rent, lots of people will simply stay where they are."*

**-ENDS-**

\* Average monthly room rents (UK room ads inclusive of bills) from Q4 2022, compared with Q4 2021. London data covers E, EC, N, NW, SE, SW, W & WC postcodes

\*\* Active renter numbers, supply and average rent per month for UK and Greater London

\*\*\* Survey conducted by SpareRoom landlords/agents between December 2022 with 716 respondents. Please see results from previous confidence surveys below for context:

	Dec 2022 (716 respondents)	July 2022 (921 respondents)	Feb 2022 (647 respondents)	Sept 2021 (1,471 respondents)	June 2021 (326 respondents)
Are you confident in the rental market right now?	All UK	All UK	All UK	All UK	All UK
Yes	43%	53%	60%	44%	52%
No	57%	47%	40%	56%	48%

#### **About SpareRoom**

SpareRoom is the UK's leading flatshare site with over 12 million registered users. Founded in the UK in 2004, the company expanded into the US market in 2011 and has had nearly 2 million registered users.