# Newly let rents fall for first time in five years as London leads decline, but renewal rents keep rising



Average private rents in Great Britain fell in July for the first time since August 2020, according to industry data, signalling a tentative easing in a market that has pushed household budgets hard in recent years. Estate agent Hamptons reported that the average rent on a newly let property was down 0.2% year‑on‑year in July, a shift from the sustained, above‑inflation increases seen over the past five years and backed by transaction-level data gathered by Connells.

The headline national fall masks substantial regional divergence. Greater London recorded the steepest annual decline — around 3% in July and the seventh consecutive month of falls — while Wales, north‑east England and Yorkshire and the Humber also saw annual reductions. By contrast rents were still rising in seven of the 11 English regions, with the East Midlands, West Midlands and the south‑west among the strongest. Official and industry indices show the pattern of cooling is uneven across the country.

Several converging factors explain the lull. After a sequence of interest‑rate cuts over the past year, mortgage costs for some buy‑to‑let landlords have eased, reducing the immediate pressure to pass on higher borrowing costs to tenants. Lower mortgage rates have also encouraged some renters to explore home purchase, taking a little demand out of the rental market, Hamptons’ analysis said.

Supply-side dynamics have contributed to the change in momentum. Rightmove’s rental tracker shows the number of available properties to rent is materially higher than a year ago — roughly 15% up on the same period last year — with longer times to let and an increasing share of listings being reduced in price. Connells’ market reports, which draw on tens of thousands of transactions, provide similar evidence of improving availability in parts of the country.

Yet the picture for existing tenants is starker. Hamptons highlighted that rents on renewed tenancies continued to rise in July, up by roughly 4.5% year‑on‑year, so many sitting tenants remain exposed to significant cost increases when their contracts are renewed.

Even with the small annual fall in newly let rents, the level of rents remains far above pre‑pandemic norms. Industry figures put the average monthly rent for a new let at around £1,370–£1,375; by one widely quoted measure this is about 34% higher than in August 2020. Official statistics published by the Office for National Statistics show a slightly different but consistent picture of slowing rent inflation and notable regional differences.

Affordability pressures persist beyond headline rent movements. Barclays’ property analysis finds that housing typically absorbs close to a third of renters’ take‑home pay — about 30.8% — compared with just over a quarter for homeowners with mortgages. Barclays’ data and consumer surveys also show falling saving rates for deposit funds and growing numbers of would‑be buyers saying they cannot afford to purchase where they live, underscoring how rent inflation continues to constrain routes into home ownership.

Hamptons’ research also flagged structural change in the investor base: around one in five buy‑to‑let companies set up in Britain this year were owned by non‑UK national shareholders, a rise from earlier in the decade. The firm noted a shifting mix of investor origins and said Brexit had altered the share of EU‑based involvement since 2016.

There is some divergence between private industry indices and official statistics, and analysts caution that short‑term month‑on‑month shifts can reverse. The ONS publishes the Price Index of Private Rents and other official measures that are used to benchmark the market; its latest bulletins show slowing annual increases but underline how regional patterns and methodology differences can produce varying headline rates.

“After five years of relentless rent rises, the market has paused for breath,” said Aneisha Beveridge, head of research at Hamptons, in commentary accompanying the firm’s lettings index. Nonetheless, she and other analysts stressed that the pause is fragile: renewal rents are still climbing, supply improvements are patchy, and wider affordability challenges mean many households will continue to feel squeezed despite the recent easing. Hamptons has downgraded its rental‑growth expectations for 2025 accordingly, while urging caution about reading a single month’s data as a clear turning point.

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## Reference Map:

* Paragraph 1 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings), [[4]](https://www.connellsgroup.co.uk/market-reports/)
* Paragraph 2 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings), [[7]](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/july2025)
* Paragraph 3 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings)
* Paragraph 4 – [[5]](https://www.rightmove.co.uk/news/rental-price-tracker/), [[4]](https://www.connellsgroup.co.uk/market-reports/)
* Paragraph 5 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings)
* Paragraph 6 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings), [[7]](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/july2025)
* Paragraph 7 – [[6]](https://www.propertyreporter.co.uk/renters-face-setbacks-as-deposit-saving-hits-lowest-point-since-january-barclays.html), [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years)
* Paragraph 8 – [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years), [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings)
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* Paragraph 10 – [[3]](https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings), [[1]](https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years)

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## Bibliography

1. <https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years> - Please view link - unable to able to access data
2. <https://www.theguardian.com/money/2025/aug/11/average-private-rent-in-great-britain-falls-for-first-time-in-five-years> - The Guardian article reports that average private rents in Great Britain fell in July 2025 for the first time since August 2020, citing Hamptons data showing newly‑let rents down 0.2% year‑on‑year. It says Greater London saw the largest annual fall (about 3%), with declines also in Wales, north‑east England and Yorkshire and the Humber, while rents still rose in seven regions. The piece notes mortgage rate cuts have eased landlord costs and encouraged some tenants to buy, references Connells data, and cites Rightmove and Barclays figures on improved rental supply and the share of income renters spend on housing nationally.
3. <https://www.hamptons.co.uk/research/reports/market-insight-summer-2025/lettings> - Hamptons’ Market Insight (Summer 2025) and Monthly Lettings Index show rental growth slowing sharply. The report states the average rent in Great Britain is around £1,366 per month and that newly‑let rents rose only 0.4% year‑on‑year in June, the weakest increase since August 2020. Hamptons highlights regional divergence, with Greater London recording annual declines, and renewal rents rising faster than new lets. It attributes the cooling to lower mortgage rates enabling some tenants to buy, reduced landlord cost pressures, and a modest increase in rental supply; the firm downgraded its 2025 rental growth forecast accordingly and warned of future constraints.
4. <https://www.connellsgroup.co.uk/market-reports/> - The Connells Group market reports page hosts quarterly and monthly analyses of the UK housing and lettings market, drawing on tens of thousands of transactions across its estate agency, lettings, mortgage and valuation businesses. Its Q1 2025 and other market reports provide data on agreed rents, tenant demand, instructions and buy‑to‑let company activity used by journalists and analysts. Connells’ research is frequently cited alongside other industry indices to illustrate regional variations and trends, offering context on average agreed rents, supply, and lettings volumes for Great Britain that underpin broader media coverage of rental movements. Their data informs national commentary regularly.
5. <https://www.rightmove.co.uk/news/rental-price-tracker/> - Rightmove’s Rental Price Tracker and related press releases show advertised rents and supply trends across Britain. Its Q2 2025 tracker reported an increase in available rental properties of about 15% compared with the previous year, a slowing in tenant demand, longer times to let and a rise in the proportion of listings reduced in price. Rightmove publishes regional breakdowns and quarterly averages for advertised rents, noting that rents remain substantially higher than pre‑pandemic levels and that improved supply has started to ease competitive pressures in many areas, providing evidence of a cooling market. It is widely quoted by media outlets.
6. <https://www.propertyreporter.co.uk/renters-face-setbacks-as-deposit-saving-hits-lowest-point-since-january-barclays.html> - Property Reporter summarises Barclays' Property Insights, showing mortgage and rental spending rising and documenting how renters are increasingly squeezed. Barclays’ analysis finds housing typically consumes around 30.8 per cent of renters’ take‑home pay compared with roughly 26.6 per cent for homeowners with mortgages. The article reports falling proportions of renters saving for deposits, rising numbers saying they cannot afford to buy in their current area, and that rent inflation continues to limit first‑time buyers. The piece draws on Barclays’ proprietary transaction data and consumer surveys used to measure rentflation, saving behaviour and housing confidence.
7. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/july2025> - The Office for National Statistics (ONS) Private Rent and House Prices bulletin (July 2025) publishes the Price Index of Private Rents and UK House Price Index data. The release reports average private rents, regional inflation rates and levels; in June 2025 it estimated the UK average private rent at £1,344 per month with annual increases slowing, and detailed regional differences — London remained the most expensive area while the North East showed the highest annual inflation. The bulletin provides official statistics and methodology notes used by analysts to measure rental inflation and regional trends across Great Britain and the UK.