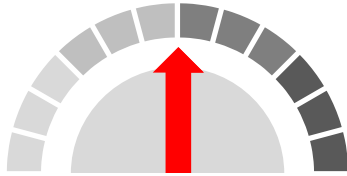


ANNUAL R3VIEW 2024 v 2023



A mixed bag for tenants

R3 - Market leader in research

This year sees the second publication of R3's Annual Review research to include a detailed analysis of the market in London by area ad postcodes. R3 continues to lead the way in this area, sharing its research with the broader industry to complement its exceptional capabilities to deliver best-in-class relocation services.

The market is easing for tenants

2023 was a very tough year for tenants, with demand outstripping supply consistently. This restricted choice, imparting upward pressure on rent levels. For much of 2024, in contrast, a lower volume of prospective tenants has eased this pressure on supply and has stabilised the market for now.

Overall, R3's data-led analysis year on year reaffirms this and shows an annual increase for typical expat areas standing at 2.9% across London (FIGURE 1) against 10.6% last year, with some areas such as North West and South East (FIGURE 2) even showing a marginal decline of 0.5% and 0.3% respectively.

FIGURE 1 – ANNUAL INCREASE

Across all typical expat areas 2024 v 2023

2.9% 10.6%

Overview of the London market

This average increase has not been uniform across London (FIGURE 2 below) although the overall rates of increase have eased significantly year on year except for South West (North) driven primarily by Belgravia, Chelsea and South Kensington seeing a resurgence in popularity.

The overall average weekly London rent stands at £875 (FIGURE 4 overleaf), an increase of 1.7% on 2023, and can vary significantly across postcodes, with hot spots in prime and super prime areas of London including Notting Hill, Kensington, South Kensington, Belgravia and Chelsea, in particular (FIGURE 3 overleaf).

R3's analysis goes even further, showing the overall rate of increase can often be very different when looking at different sizes of property from one bedroom all the way to

FIGURE 2 – OVERVIEW OF THE LONDON MARKET

Overview of rental increases / (decreases) 2024 v 2023 in the main residential neighbourhoods of London

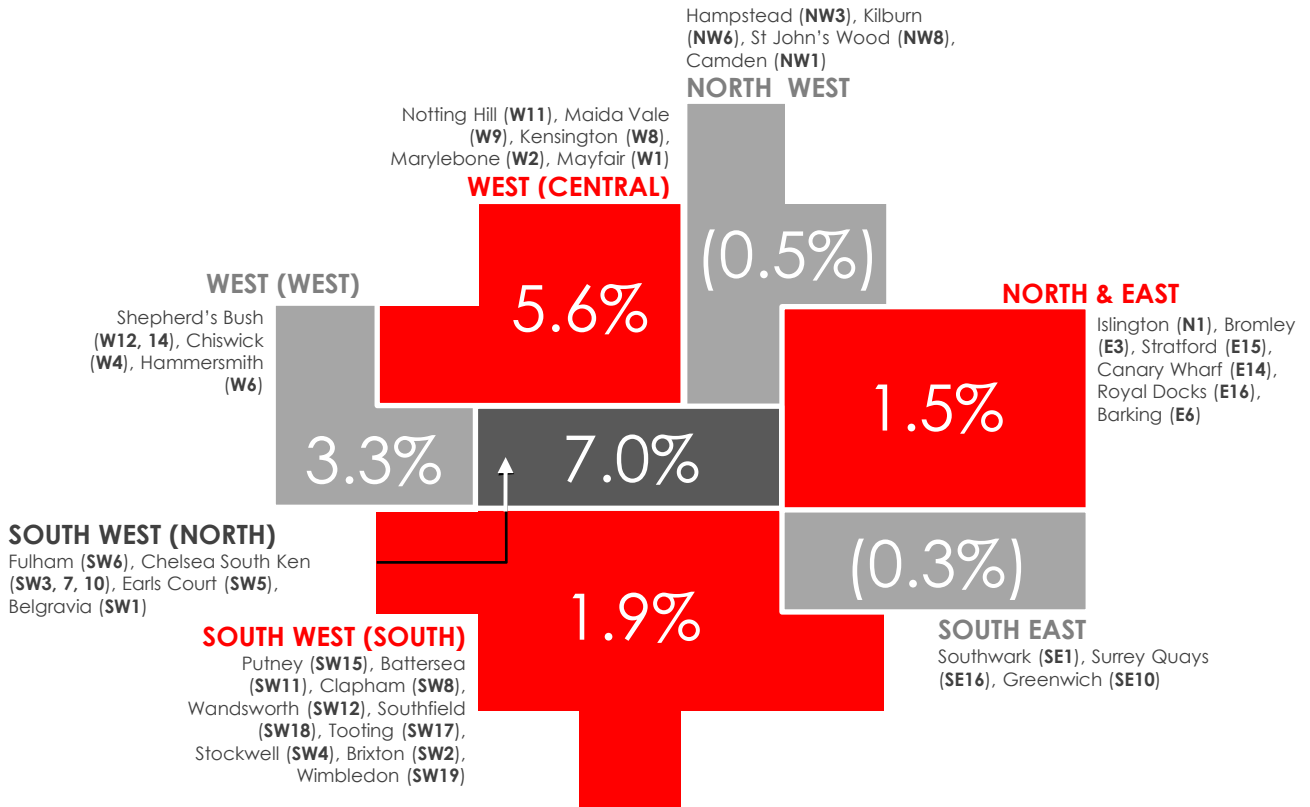


FIGURE 3 – OVERVIEW OF AVERAGE WEEKLY RENTS SEP 24 v SEP 23

Overview of average **WEEKLY** rental for the main residential neighbourhoods of London across 1 through to 4 bedrooms

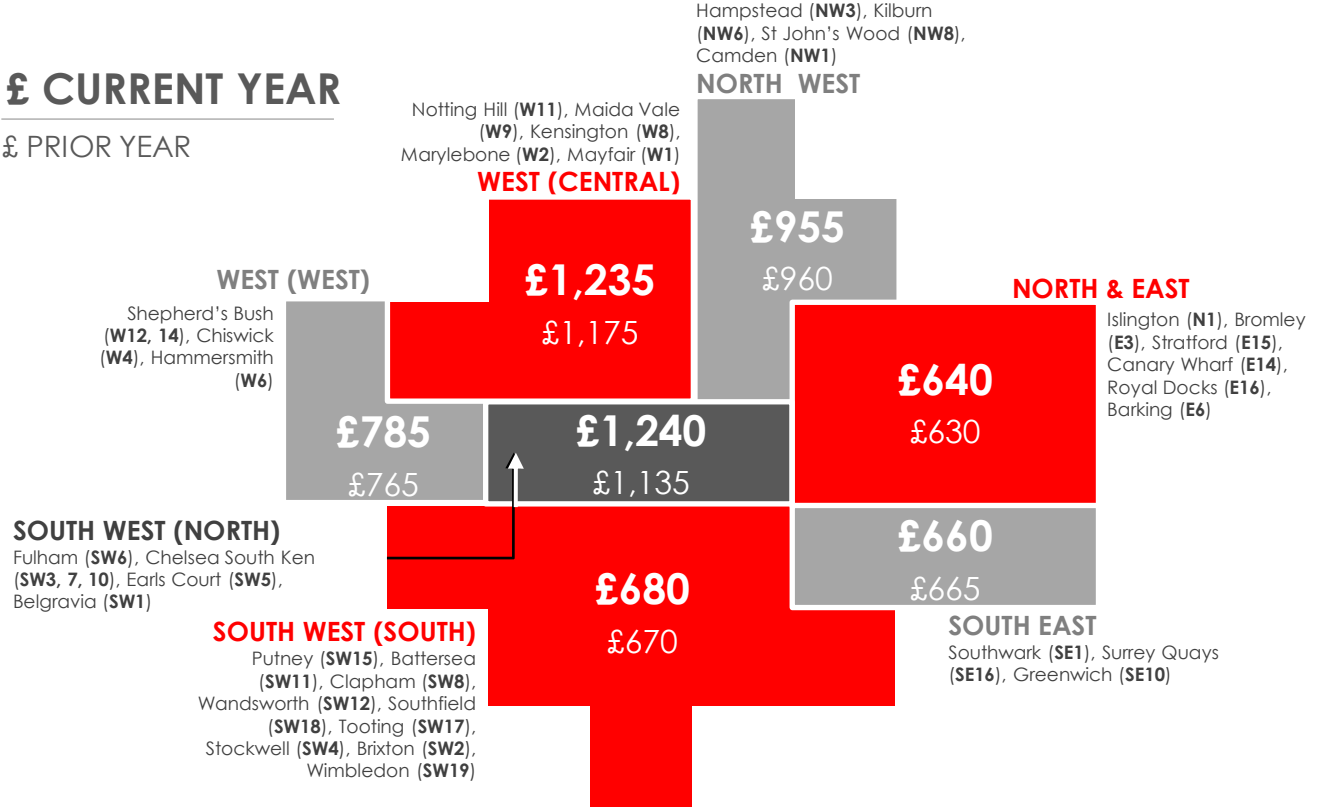


FIGURE 4 – WEEKLY RENT

Average London weekly rent 2024 v 2023

£875 £860

four beds (FIGURE 5 overleaf).

A landlord's market

A landlord's market is characterised by low stock and high rents, as a result of periods of sustained levels of high demand and limited availability of properties on the market.

Despite some local differences, and one or two exceptions, rents across postcodes and sizes have increased across the board. We predicted last year that the market would stabilise and this has indeed

been the case, but not sufficiently to shift the trend away from the market being a Landlord's market towards a more balanced position.

Now that rent increases have slowed considerably compared to previous years, we expect the market to continue to ease for tenants.

Area by area guide

In line with last year, we provide in depth analysis of each residential area in London showing average rent by property size as at Sept 2024, comparative data for Sep 2023, and change over the period.

Additionally, you will find insights into whether the market in each specific postcode favours landlords or tenants, along with our perspective on the current market dynamics in each area and general trends to watch out for

over the next 12 months.

R3 leads the way

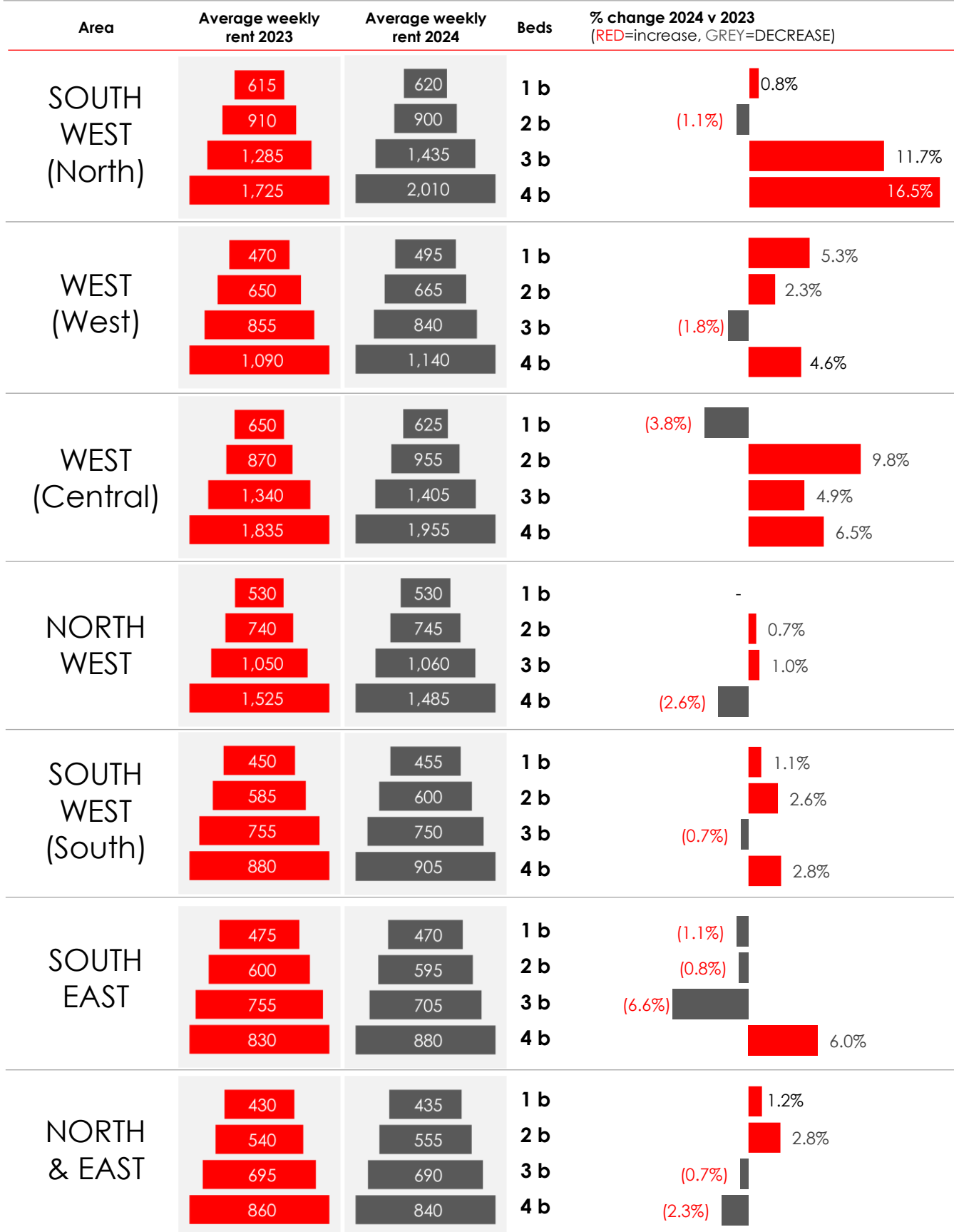
R3Location leads the way in data-led market research and intelligence in the context of the relocation industry. No other relocation management company or destination service provider can match R3 currently in this area.

We publish monthly and quarterly insights in the UK and often considered as thought leader in this area to complement and support the service excellence we are able to deliver on the ground, both for rentals but also for sales.

Please **get in touch** to find out how we can help you and your employee by leveraging on our knowledge over and above what the market has to offer and deliver exceptional services for your assignees relocating to the UK.

FIGURE 4 – RENTAL CHANGES 2024 v 2023

Overview of rental increases / (decreases) by area and size of accommodation, showing weekly average rent



SOUTH WEST (NORTH)

Fulham (SW6), Chelsea South Ken (SW3, 7, 10),
 Earls Court (SW5), Belgravia (SW1)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2023	615	910	1,285	1,725
2024	620	900	1,435	2,010
% change	0.8%	(1.1%)	11.7%	16.5%

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
SW1	Belgravia	LANDLORD
SW3	Chelsea	BALANCED
SW5	Earl's Court	LANDLORD
SW6	Fulham	LANDLORD
SW7	South Kensington	BALANCED
SW10	West Chelsea	LANDLORD

Background

South West London (North) is a popular destination for international expats, with areas still considered prime and super prime such as Chelsea, Belgravia, and South Kensington. The latter remains popular with French families looking to place their children at the Lycée Charles De Gaulle.

Rent levels

South West London has seen a resurgence in rent levels for 3 and 4 bedrooms and a more subdued market for smaller flats – where higher demand is countered by a greater level of supply at this level.

Chelsea and South Kensington have also benefitted from a resurgence in popularity this year, against favoured neighbourhoods in previous years such as Notting Hill and Kensington. Rental demand in this area is expected to remain strong with continued pressure on stock levels, in particular for bigger houses, though this may be affected by the upcoming budget and long-term effects of Brexit.

The rental market

It is difficult to say why these trends appear in London over the years but they clearly have an effect on the market with the majority of postcodes in this area firmly favouring Landlords, with the exception of Chelsea and South Kensington, probably helped by a more balanced market for 1 and 2 bedrooms in particular.

SOUTH WEST (SOUTH)

Putney (SW15), Battersea (SW11), Clapham (SW8), Wandsworth (SW12), Southfield (SW18), Tooting (SW17), Stockwell (SW4), Brixton (SW2), Wimbledon (SW19)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2023	450	585	755	880
2024	455	600	750	905
% change	1.1%	2.6%	(0.7%)	2.8%

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
SW2	Brixton	LANDLORD
SW4	Stockwell	LANDLORD
SW8	Clapham	LANDLORD
SW11	Battersea	LANDLORD
SW12	Wandsworth	LANDLORD
SW15	Putney	LANDLORD
SW17	Tooting	LANDLORD
SW18	Southfield	LANDLORD
SW19	Wimbledon	LANDLORD

Background

South West London (South) can often be a good alternative to SW (N) for families on lower budgets, with average rents being half against its north SW cousin.

Rent levels

Much like the rest of London overall, this market has steadied significantly against the same period last year with average rental

growth of 1.9% across nine postcodes. High end developments such as Battersea Power Station and Nine Elms, coming at a premium, may skew a market that has traditionally been much more suited for families relocating to London and looking for good quality and affordable areas to live.

The rental market

This market remains, overall, a landlord's market, and remains popular with families looking for more affordable housing in friendly residential neighbourhoods.

WEST (WEST)

Shepherd's Bush (W12, 14), Chiswick (W4),
 Hammersmith (W6)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2022	470	650	855	1,090
2023	495	665	840	1,140
% change	5.3%	2.3%	(1.8%)	4.6%

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
W4	Chiswick	LANDLORD
W6	Hammersmith	LANDLORD
W12	Shepherd's Bush	LANDLORD
W14	West Kensington	LANDLORD

Background

West (West) remains dominated by Chiswick as the more popular borough in this area of London, providing good access to central London with a very suburban, leafy, family feel to the neighbourhood.

Rent levels

Average rents across postcodes and property sizes increased by 3.3% for the year to September, representing a marked slow down from the 16.5% experience in the 12 months to September 2023. In many ways, this area aligns with the broader trend in London of rent increases easing following a period

of steep growth post-COVID.

The Rental market

This area of London remains a Landlord's market, and in particular Chiswick in the West for families and Shepherd's Bush more centrally for singles and young professionals.

WEST (CENTRAL)

Notting Hill (W11), Maida Vale (W9), Kensington (W8), Marylebone (W2), Mayfair (W1)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2022	650	870	1,340	1,835
2023	625	955	1,405	1,955
% change	(3.8%)	9.8%	4.9%	6.5%

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
W1	Mayfair	LANDLORD
W2	Marylebone	LANDLORD
W8	Kensington	LANDLORD
W9	Maida Vale	LANDLORD
W11	Notting Hill	LANDLORD

Background

West Central includes prime and super prime areas of London such as Mayfair, Kensington and Notting Hill, and, to a certain extent, Marylebone too (which extends to the west into Paddington and the Paddington Basin in and around Merchant Square).

Rent levels

Rents increased, on average, by 5.6% to September 2024, slightly less than in the same period last year (7.4%) and more than the average for London overall - not surprising given the popular nature of areas such as Mayfair, Marylebone, Kensington and Notting Hill where good, larger property in particular, can be difficult to secure in a very mature market suitable mainly for the higher budgets.

The rental market

In line with other neighbourhoods, pressure on rent overall eased as a result of lower demand and an increasing level of stock.

Still, this remains a landlord's market but we expect this trend to start shifting towards a more balanced market as demand continues to lower and HNWIs await announcements in the budget that may affect their view as to whether to stay or look to move out of the UK entirely. Once to watch.

NORTH WEST

Hampstead (NW3), Kilburn (NW6), St John's Wood (NW8), Camden (NW1)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2022	530	740	1,050	1,525
2023	530	745	1,060	1,485
% change	- %	0.7%	1.0%	(2.6%)

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
NW1	Camden	LANDLORD
NW3	Hampstead	BALANCED
NW6	Kilburn	LANDLORD
NW8	St John's Wood	BALANCED

Background

North West ranges from Hampstead (home of Hampstead Heath, North London's iconic green space) to the more central St John's Wood, popular for families with children at the ASL (American School in London). It offers a more affordable choice, for families in particular, with some marginal trade off on proximity to central London.

Rent levels

Following an increase of 14.8% last year, North West as an area remains flat this year (experiencing a slight decline of 0.5% on average) and, with the South East postcodes, the only area in London not to have seen, on average, rental levels increases.

The rental market

The two more popular postcodes (Hampstead and St John's wood, the latter popular with American families with children at the world renowned American School in London) remain balanced with supply and demand in equilibrium in a relatively slow moving, mature market.

NORTH & EAST

Islington (N1), Bromley (E3), Stratford (E15), Canary Wharf (E14), Royal Docks (E16), Barking (E6)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2022	430	540	695	860
2023	435	555	690	840
% change	1.2%	2.8%	(0.7%)	(2.3%)

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
N1	Islington	LANDLORD
E3	Bromley	LANDLORD
E6	Barking	LANDLORD
E14	Canary Wharf	LANDLORD
E15	Stratford	LANDLORD
E16	Royal Dock	LANDLORD

Background

North & East areas of London still represent best value against other postcodes. This is a market which caters for young professionals, with a good level of stock for 1 and 2 bedroom flats, in particular in Canary Wharf and Stratford, with Islington, and its proximity to the City and schools, making it popular with young families and young professionals.

Rent levels

It has the lowest average at £640 a week (nearly unmoved from £630 in 2023) with, proportionately, a significantly greater number of 2 and 3 beds making the area

particularly suitable for singles and young professionals, and mostly those working in and around Canary Wharf.

The rental market

While availability for 1 through to 3 beds is improving, all postcodes show signs of being markets favouring landlords, with availability of good stock in popular spots still an issues. As with the rest of London, this is slowly shifting towards a more balanced market, with Canary Wharf and Islington leading the

way. This makes it the only other area other than the North West not to experience rental growth.

The rental market

Despite flat rental levels over the last 12 months, steady volumes of demand against stable supply means that this area has not shifted from being a Landlord's market and is set, in our view, to continue to be Landlord dominant in the next 12 months.



SOUTH EAST

Southwark (SE1), Surrey Quays (SE16), Greenwich (SE10)

Average weekly rent 2024 v 2023

YEAR	1-bed	2-bed	3-bed	4-bed
2022	475	600	755	830
2023	470	595	705	880

% change (1.1%) (0.8%) (6.6%) 6.0%

Market Type by Postcode Sep 24

PC	Neighbourhood	Market Type
SE1	Southwark	LANDLORD
SE16	Surrey Quays	LANDLORD
SE10	Greenwich	LANDLORD

Background

Across the river, broadly south and south west of Canary Wharf, lie the increasingly popular areas of Southwark, Surrey Quays and Greenwich. They offer good value, and a more residential alternative to the high-rise nature of the housing market in Canary Wharf and Stratford.

Rent levels

The second most affordable neighbourhood in London (at £660 average weekly rent) after North & East area, it experienced a flat market in last 12 months with a slight decline in average rent of 0.3%.

About R3LOCATION

R3Location offers an exceptional range of relocation services to companies moving assignees to the UK. It is seen by many as market leader in the context of the relocation industry in the UK for its research capabilities.



Marco Previero FCA BFP
 DIRECTOR
 Research, Finance & Compliance

Fellow Chartered Accountant, Marco drives the research effort at R3 focusing on data-led market intelligence.

marco.previero@r3location.co.uk



Anna Barker
 DIRECTOR
 Operations, Client Relationships

Anna manages day to day operations at R3 and sits on the Board of the Association of Relocation Professionals (ARP)

anna.barker@r3location.co.uk

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