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Analytical Report

Rental Market Analysis(January, 2025)

Intelligence Team

Overview

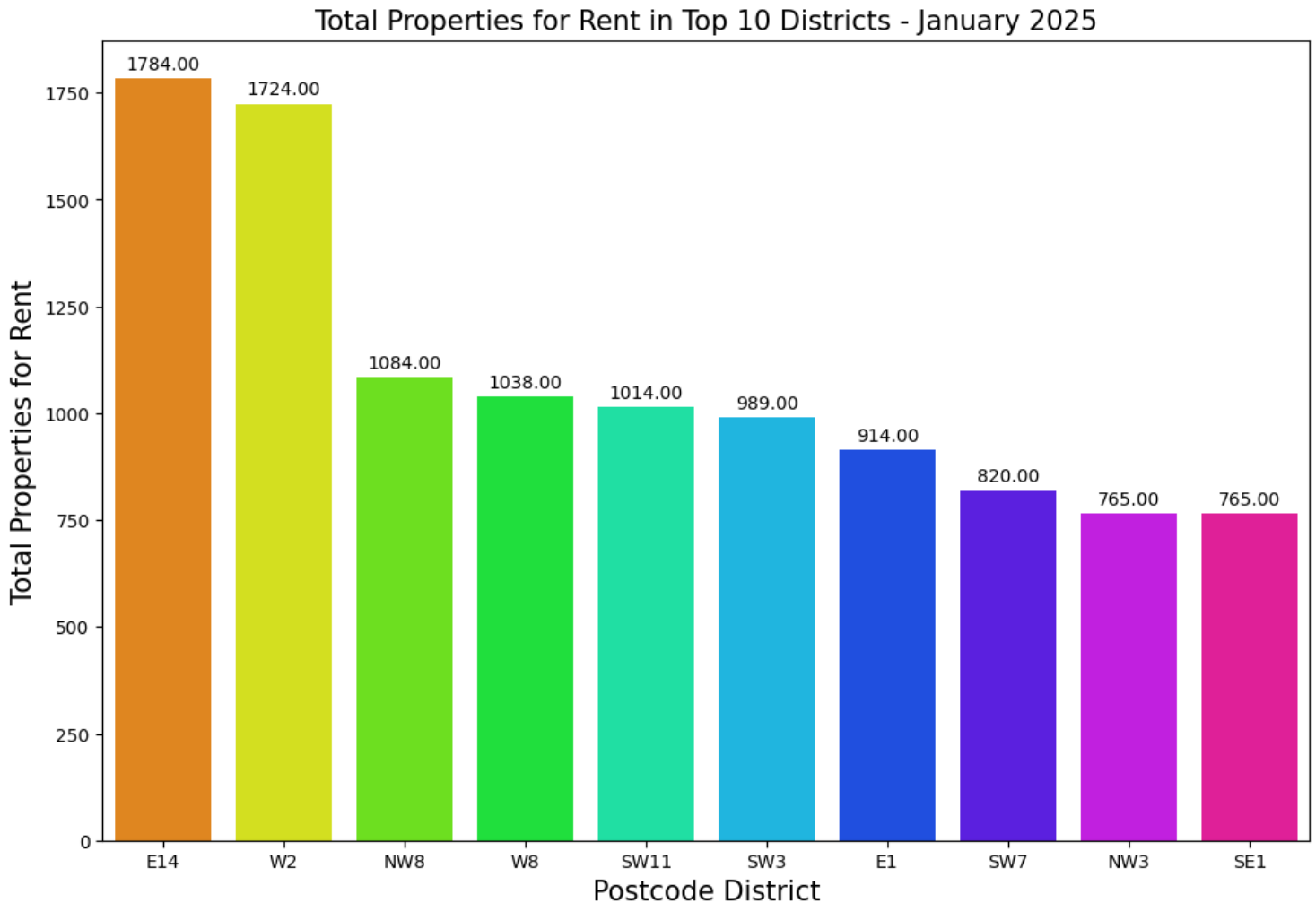
The following report represents information on rental properties in various postcode districts in London.

Key Metrics

- Total properties for rent: This value indicates the total number of properties available on the market for rental purposes in a month.
- Average transaction per month: The average number of properties rented out per month.
- Months of inventory: The amount of time it takes for the said “total properties for rent” to be rented out.
- Turnover percentage per month: The proportion of properties that change hands each month.
- Days on the market: The average number of days it takes for a property to be rented out.
- Market Rating: This value provides a qualitative assessment of the market type based on certain criteria including demand, rental price etc.
- Landlords Market: Market with high demand and less supply.
- Balanced Market: Market with approximately equal demand and supply.
- Tenants Market: Market with high supply and less demand.

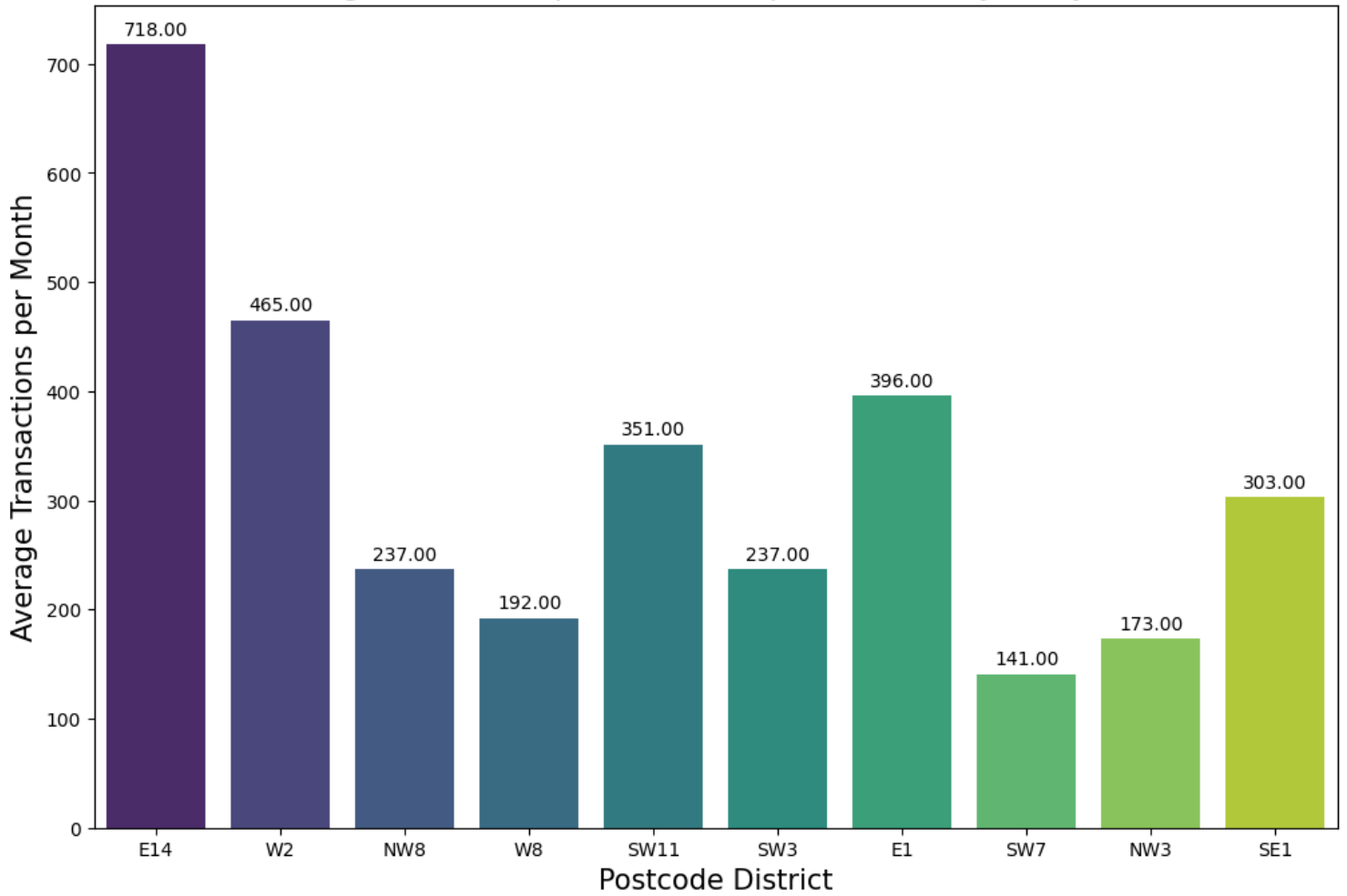
High-level Analysis

The following analysis provides an overview of the rental market in several postcode districts for January 2025.



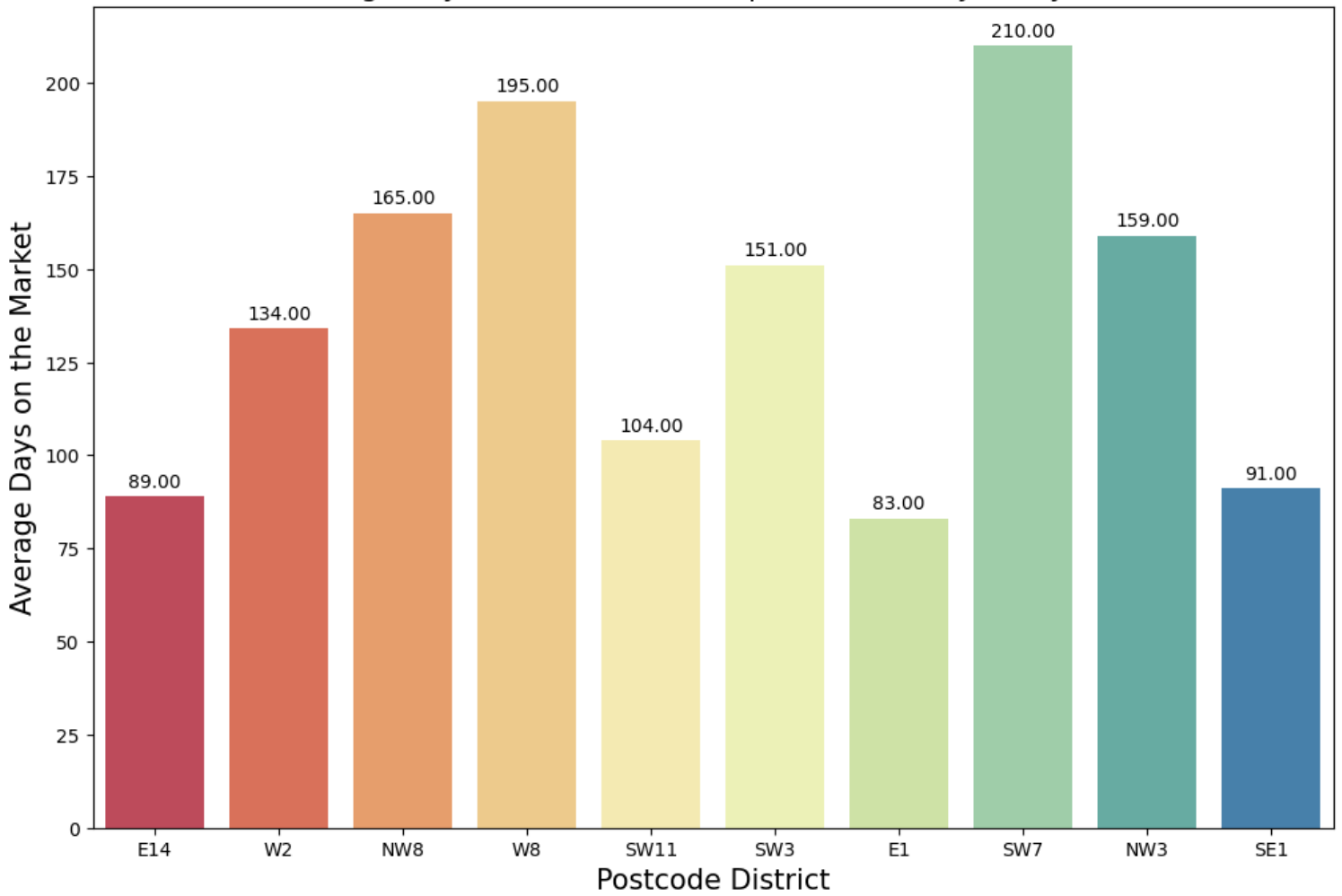
In January 2025, the data indicates a rental market with varying dynamics across districts, predominantly favouring landlords in high-demand areas like E14 and W2, where property availability is significantly higher. Balanced markets are observed in districts like NW8 and W8, suggesting a more equitable supply-demand relationship. Overall, the market leans toward landlord advantage, particularly in densely populated or central areas, while balanced conditions are more common in slightly less saturated regions. This reflects a competitive rental landscape with localised variations in market power.

Average Transaction per Month in Top 10 Districts - January 2025



Index	Postcode District	Turn over(%) per Month
1	E14	40
2	W2	27
3	NW8	22
4	W8	19
5	SW11	35
6	SW3	24
7	E1	43
8	SW7	17
9	NW3	23
10	SE1	40

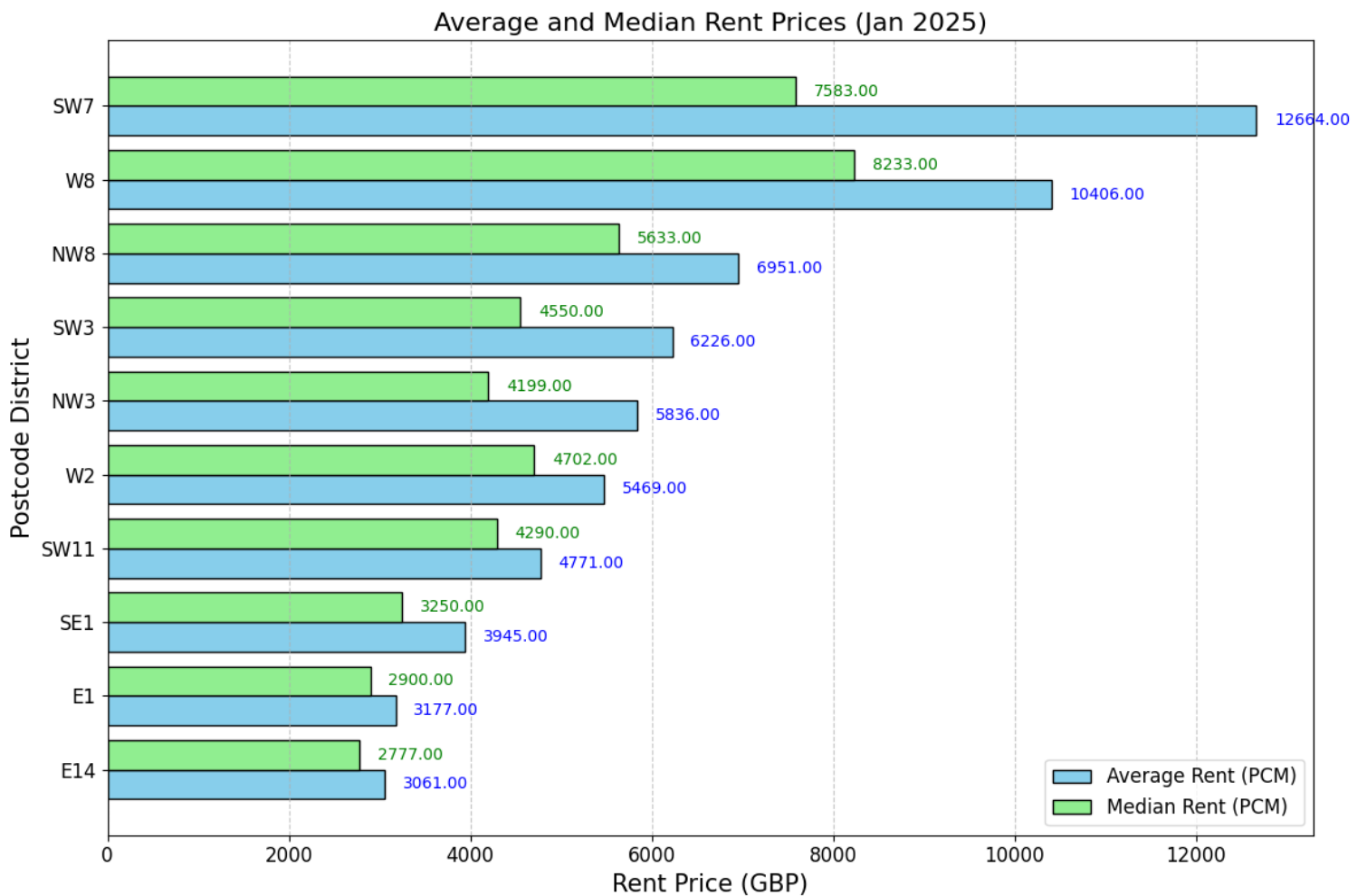
Average Days on the Market in Top 10 Districts - January 2025



Index	Postcode District	Months of Inventory
1	E14	2.5
2	W2	3.7
3	NW8	4.6
4	W8	5.4
5	SW11	2.9
6	SW3	4.2
7	E1	2.3
8	SW7	5.8
9	NW3	4.4
10	SE1	2.5

Average and Median Prices Analysis

This bar chart compares the average and median rent prices across various postcode districts for January 2025. Each district displays two side-by-side bars, showing how average rents align with or differ from median rents. The visualisation highlights variations in rental pricing, revealing potential skewness or concentration of rents within districts.

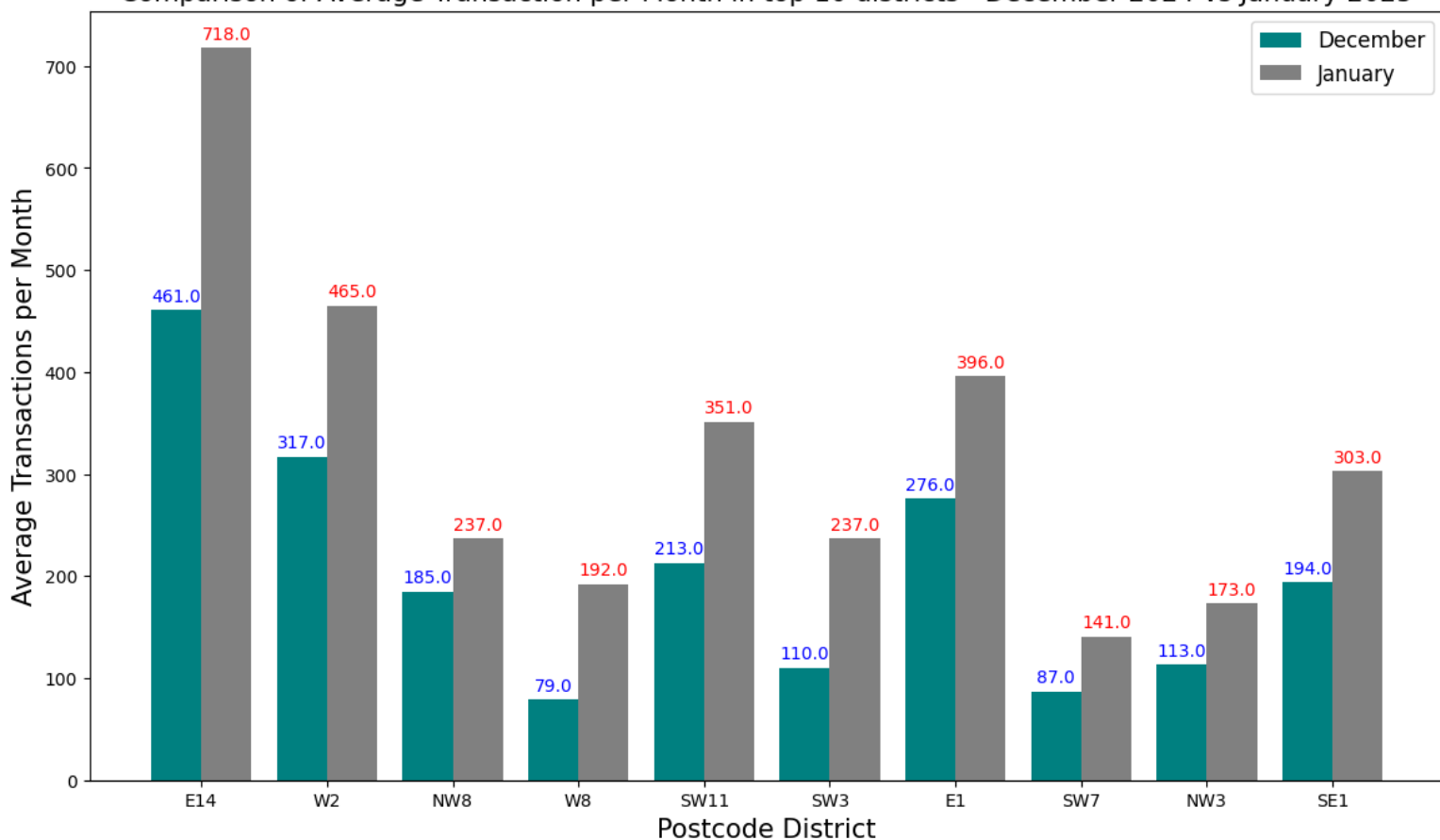


The rental market in these districts shows significant disparities in pricing, reflecting the varying desirability and demand across locations. Areas like W8 and SW7 stand out with exceptionally high mean and median rents, indicating their status as premium or high-demand neighbourhoods, likely due to factors such as central location, luxury properties, or proximity to amenities. In contrast, districts like E14 and E1 offer relatively more affordable options, suggesting they cater to a different demographic or have a higher supply of mid-range properties.

The gap between mean and median rents in certain areas, such as SW7 and NW8, highlights the presence of high-value outliers, likely luxury properties that skew the average upward. This disparity suggests a mix of housing options within these districts, catering to both high-income tenants and those seeking more moderately priced rentals. Overall, the data underscores a tiered rental market, with distinct price brackets reflecting the socioeconomic diversity and housing demand across different parts of the city.

Comparison: Dec 2024 vs Jan 2025

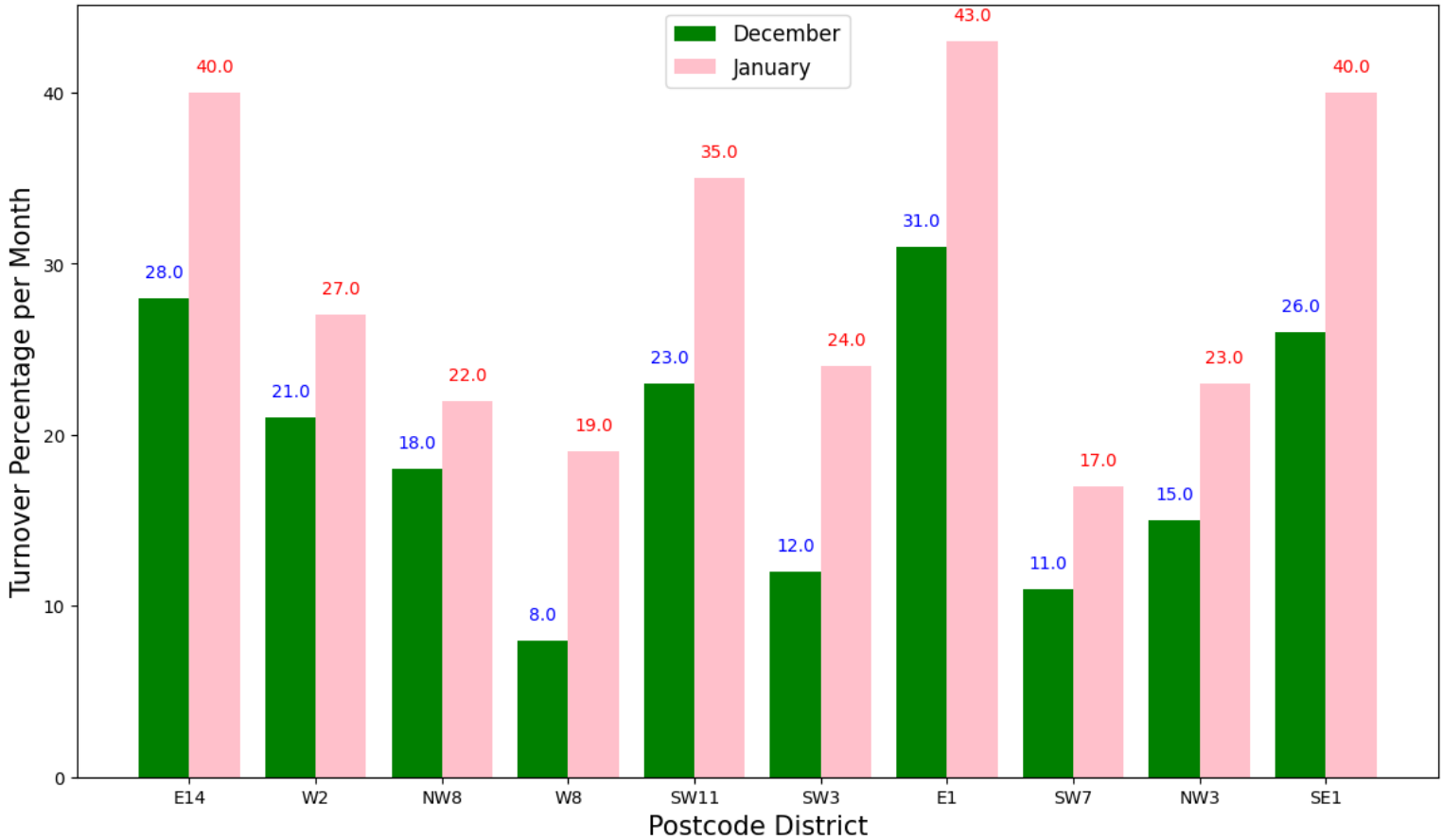
Comparison of Average Transaction per Month in top 10 districts - December 2024 vs January 2025



The data reveals a clear shift in market activity from December 2024 to January 2025. In December, several districts showed signs of a slowdown, with rental markets experiencing lower average transactions and modest turnover rates. While the total number of available properties remained relatively steady in many areas, tenant activity was subdued, reflecting a cautious market sentiment. By January, however, there is a

marked increase in rental activity, as seen in higher average transactions and turnover percentages across most districts. This pickup suggests that despite the stable supply, demand has notably strengthened, driving a more dynamic rental market environment.

Comparison of Turnover Percentage per Month in top 10 districts - December 2024 and January 2025



These observations align perfectly with our 2024 year report, which forecasted a market slowdown in December 2024 and anticipated a rebound in January 2025. The real data confirms that December's lower activity levels have given way to a more vigorous market in the new year. For example, districts like E14 and SW11 not only maintained a healthy inventory of properties but also saw significant boosts in tenant transactions and turnover rates, underscoring the accuracy of our forecast. This recovery across diverse areas highlights a broader market pickup, validating our predictions and providing a positive outlook for the rental market moving forward.

Insights - January 2025

- Market Trends and Dynamics: The rental market in January 2025 shows a diverse set of dynamics across different districts. In several areas, particularly those rated as “Landlord’s,” brisk activity is evident through rapid turnovers and shorter days on market. These districts, where inventory often remains below three months, suggest a strong demand that enables landlords to maintain favourable conditions. Meanwhile, other regions maintain a more balanced dynamic, characterised by longer periods on market and extended inventory levels. Such contrasts indicate that while certain districts are experiencing a surge in tenant activity and competitive pricing, others are operating at a steadier pace, reflecting varied local conditions and tenant demographics.
- Market Fluctuations and Variability: There is notable variability in market performance from one district to another. Some areas witness significant activity with a high influx of new listings in just a couple of weeks, coupled with vigorous transaction rates, whereas other zones experience a slower market cycle with properties lingering on the market for longer periods. This fluctuation is further emphasised by differences in rental levels, with premium districts displaying higher average rents and extended inventory durations, contrasting with more active, lower-priced segments. Such variability points to the influence of local economic factors and property characteristics, highlighting that not all segments of the market respond uniformly to current rental demand.

- Market Possibilities and Opportunities: The current market landscape presents a range of opportunities for both landlords and tenants. For landlords, districts with strong demand and swift turnovers offer the potential to optimise rental yields and capitalise on a competitive environment. Conversely, areas with a balanced rating and higher months of inventory could present tenants with more negotiating power and attractive lease terms. Furthermore, the ongoing influx of new properties suggests a healthy level of market refreshment, opening up avenues for investment and strategic positioning. Overall, the diverse rental market dynamics not only reinforce the robustness of the current environment but also signal promising possibilities for future growth and targeted opportunities in various segments.