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UK Rents Climb for Seventh Month as Demand Continues to Outstrip Supply

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The average cost of renting a home in the UK rose once again in July, marking the seventh consecutive monthly increase as high tenant demand continues to outweigh the number of available properties.

According to the July 2025 HomeLet Rental Index, average rents across the country have reached £1,313 per month, representing a 0.4% rise compared to June. The data reflects mounting pressure on the private rental market, where the balance between supply and demand remains increasingly out of step.

Outside of the capital, rental prices also followed the upward national trend. The average monthly rent across regions excluding London now stands at £1,132, also up by 0.4% month-on-month and 1.7% year-on-year. While some areas showed only marginal growth, others saw more pronounced movements.

Scotland posted the sharpest monthly increase at 2.1%, followed by Wales with a 1.6% rise and the North East climbing by 1.2%. On an annual basis, Yorkshire and Humberside led the way with a 4.5% increase. The North West and West Midlands both saw year-on-year rises of 2.3%, while rents in Greater London dipped slightly by 0.9%.

Will Eastman, head of legal at HomeLet and Let Alliance, believes broader economic and policy uncertainty is adding to the situation. “Rental prices continue to edge upwards, and market uncertainty appears to be playing a role,” he said.

“Legislative reform, rising costs, and shifting risk factors are prompting some landlords to reconsider their long-term plans, which could impact the supply of rental homes. The proposed Renters Rights Bill is one of several changes that, while well-intentioned, may inadvertently reduce confidence among some landlords. The Renters Rights Bill could have knock-on effects that are detrimental for all parties.”

The Renters Rights Bill, currently under discussion in Parliament, aims to introduce new protections for tenants. However, industry experts have warned that further regulation may backfire if landlords respond by exiting the market, thereby worsening the shortage of rental properties.

Some landlords are already looking for ways to mitigate their exposure without selling up. As Eastman explained, “Although some landlords may choose to leave the sector, many are instead exploring alternative ways to manage risk. Rent Guarantee Insurance, for example, is becoming more popular as a way for landlords to protect their rental income as they look for stability in an evolving market.”

The data from HomeLet underscores a key trend for 2025: despite regional fluctuations, the general direction of travel for rents across most of the UK remains upward. Though Greater London recorded a modest year-on-year fall, this does little to offset the broader increase being experienced elsewhere.

The figures also suggest that supply-side pressures are continuing to shape the market. With fewer landlords entering or remaining in the sector and tenant demand holding firm, rents are being pushed higher, especially in areas with limited affordable housing.

The monthly HomeLet Rental Index provides an overview of the rental market by tracking achieved rental values for newly agreed tenancies. It serves as a benchmark for landlords, letting agents, and policymakers monitoring shifts in the sector.