

Detailed Analysis of the Pattern of Registered Social Landlord Rents: 2001/02 – 2006/07

Source document for the Dataspring Report to the Housing Corporation

Chihiro Udagawa April 2008

Further Information: Dataspring, Cambridge Centre for Housing and Planning Research, University of Cambridge, 19 Silver Street, Cambridge, CB3 9EP Tel: 01223 337118 www.dataspring.org.uk





Detailed analysis of the current pattern of registered social landlord rents: 2001/02 – 2006/07

Summary

The objective of this paper is to examine the pattern of Registered Social Landlord (RSL) rents across the country looking at:

- The pattern of rents in 2006 /07;
- How rents have changed over time;
- How rents vary between different regions and types of local authorities; and
- How rents vary across property sizes.

One of the main reasons for the work is to clarify the extent to which the 2002 rent restructuring regime has effectively generated greater consistency and coherence between areas and property sizes. To this end, we examine the consistence and coherence of actual net rents and their relationship to target rents. A more general objective is to provide an evidence base both in the context of regulation and for individual RSLs to understand how their own rent structures relate to the overall patterns of rents across the country and for different property sizes.

The analysis uses the Regulatory and Statistical Return (RSR) over the period from 2001/02 to 2006/07 and concentrates on net rents and service charges. The report consists of four sections examining current RSL rent patterns; changes in rents over the five year period from 2001/02 to 2006/07 at different spatial levels; rents by property size; and finally the rent relativities between neighbouring local authorities (LAs).

1. In 2006/07:

- The national average net rent for all property sizes was £66.66 per week.
- At the regional level, London had the highest average net rents at £81.45 and Yorkshire and the Humber the lowest at £54.81.
- The national average service charge for all property sizes was £4.54 per week.
- At the regional level, London had the highest service charge at £6.94 and the South West the lowest at £3.43.
- 2. The pattern of net rent increases over the past five years shows that:
 - The national average net rent for all property sizes continuously increased over the period. The increase was £10.98 or 19.7%, from £55.68 in 2001/02 to £66.66 in 2006/07.
 - Average net rents in all nine regions increased steadily over the same period with the exception of a single year, 2002/03, in Yorkshire and the Humber.
 - Differences in average rents between regions rose over the period for each property size. The range of average rents for 2-bed units rose by £7.82 from £18.71 in 2001/02 to £26.53 in 2006/07, an increase of over 40%.

- The rental differences between property sizes decreased at the national level: the net rents of bedsits and 1-bed properties rose more rapidly than those for 2-bed units, while those for 3-bed and 4+ bed properties rose less rapidly. As a result the range of average rents from bedsits to 4+ bed units decreased from £33.19 (£73.68 £ 40.49) in 2001/02 to £30.60 (£83.65 £53.05) in 2006/07.
- With respect to the adjustment to target rents, only in 2002/03, was the annual growth of the national average net rent at 1.52%, below the rent increase guideline specified of 2.2%. Thereafter the annual actual rate of increase was above the benchmark level but below the 'guideline + £2' level. In the last year the rate was 3.69% as compared to the 3.2% guideline.
- Regions followed the national trend, with rates under the 'guideline + £2 level'. Only in 2004/05 for London and the South East were increases above these levels.
- 3. Looking at rents by property size at LA level in 2006/07 in more detail the picture shows that:
 - Average net rents increased with property size across most LAs. Setting the rent for a 2-bed property = 1.00, the average net rents across LAs, from bedspaces to 6+ bed units respectively were; 0.68, 0.74, 0.86, 1.00, 1.11, 1.21, 1.31 and 1.42.
 - Average net rents across all size categories except bedspaces, were consistently related to those for 2-bed units. One and 3-bed units were particularly closely related.
 - Average service charges varied in a quite different way. Again setting service charges for 2-bed units = 1.00, the medians for bedsits and 3-bed units were 1.45 and 0.66 respectively. Thus smaller properties have larger charges implying a smaller range for gross net rents.
 - Generally service charges have declined over the period. Service charges depend on an individual property's attributes. As a result there is a far less consistent pattern across authorities and property size than there is for net rents.
- 4. Looking at rents between neighbouring areas the analysis shows that:
 - Net rents are determined in part by local factors. LAs' average net rents are positively and significantly related to those of their surrounding areas. This is true for all properties taken together and generally for each property size.
 - However, there were some inconsistencies by property size between neighbouring areas where LA average net rents diverged from their neighbours. For example, Wakefield, in Yorkshire and the Humber, had an average net rent for 3-bed properties (£54.14) lower than the surrounding areas' equivalent (£69.42). The adjacent town of Kirklees, on the other hand, had a 3-bed units' average net rent of £71.93, compared with its neighbours' equivalent of £57.39.
 - The gap between net and target rents, in a given LA as compared to that for neighbouring authorities was similar but not statistically generally significant, reflecting past differences in rent determination at the local level.
- 5. Overall the pattern of RSL rents is moving towards that for target rents and so relates more closely to relative capital values and incomes. As a result regional disparities have increased. The range across property sizes has reduced in a way that is consistent with the weightings in the formula. The major exception to this pattern is with respect to bedspaces and to a lesser extent the largest units.

Table of contents

Section 1	Introduction3
Section 2	RSL rent patterns at national and regional levels5
2.1 Net r	ents5
2.2 Deve	elopment in net rents from 2001/02 to 2006/079
2.3 Serv	ice charges26
2.4 Disp	arities between net rents and target rents30
Section 3	RSL rents patterns at the LA level31
3.1 Net r	ents31
3.2 Serv	ice charges50
3.3 Disp	parities between average net rents and average target rents52
Section 4	The relationship between property sizes and RSL rents at the LA level83
4.1 Net ı	rents83
4.2 Serv	ice charges105
4.3 Targ	et rents111
Section 5	The relationship between rents in neighbouring LAs129
5.1 Net ı	rents130
5.2 Serv	ice charges158
5.3 Disp	arities between average net rents and average target rents162
Section 6	Summary and conclusions166

Section 1 Introduction

In 2000 the rent restructuring regime was first set out in the Housing Green Paper (DETR) with the objectives of bringing greater coherence to rent structures across the whole social sector and relating rents more closely to fundamentals. As a baseline for reviewing the rent restructuring regime, Dataspring analysed the pattern of average registered social landlord (RSL) rents at different spatial levels using the 2005/06 data.

The analysis also assessed the extent to which average rents had converged towards target rents, which were introduced by the government in April 2002 as part of the rent restructuring framework. The framework required Housing Associations (HAs) to adjust their existing rents to target rents by 2010 based on a formula taking account of local income, property size and property value. This suggests that RSL rent patterns should be reviewed in terms of size effect and local effects in which the former is related to property value while the latter is related to local incomes and property values and are thus to some extent, a reflection of local economic fundamentals.

This paper both updates the report produced on the current pattern of the RSL rents in 2005/06¹ and examines the pattern of change since 2001/02. It has four main sections:

- A detailed description of the current patterns for 2006/07 of RSL rents at national, regional and LA levels.
- Analysis of the changes of RSL net rents between 2001/02 and 2006/07 at national and regional levels.
- Analysis of property size effects on RSL rents at LA level.
- Analysis of local effects on RSL rents at LA level.

Average net weekly RSL rents are calculated as a case-weighted average for the corresponding area. The source of the RSL rent data is the Regulatory and Statistical Return (RSR) covering the period from 2001/02 (the year before the implementation of the rent restructuring regime) and 2006/07. For details of the data see *Dataspring, Guide to Local Rent 2007 Data Part II: Social Landlords Rents.*²

The RSR 2006/2007 data in this paper:

- cover HA rent levels as at 31 March 2007;
- include all HAs that completed the long version of the RSR and made a valid return (In general those HAs that own or manage more than 250 dwellings and/or bedspaces, including shared ownership dwellings, complete the long version of the RSR);
- are for general needs assured and secure tenancies combined, as at 31 March 2007; and;
- cover only general needs housing including Estate Renewal Challenge Fund stock, but excluding all supported housing and housing for older people.

The paper is structured as follows:

Section 2 describes the pattern of RSL net rents and service charges at national and regional levels, and examines the development of RSL net rents and their disparities which target rents between 2002/03 and 2006/07. Section 3 presents a similar analysis of net rents and service charges at the LA level. Section 4 examines RSL rents by property size at the LA level. Section 5 investigates the relationship between local factors on RSL rents at

¹ A Report to the Housing Corporation entitled 'Detailed analysis of the current pattern of registered social landlord (RSL) rents 2005/06.'

² Available from http://www.dataspring.org.uk/outputs/detail.asp?OutputID=153

the LA level by comparing these rents with those in the neighbouring LAs. Section 6 summarises some of the key points arising from the above analyses and draws some conclusions.

Section 2 RSL rent patterns at national and regional levels

This section presents patterns of average RSL rents and service charges by property size at the regional level in 2006/07 followed by the developments of the RSL net rents since 2001/02, the year before the introduction of target rents. It also assesses how far average net rents have moved towards target rents between 2002/03 and 2006/07.

2.1 Net rents

Table 2.1 presents average net rents for England and the nine regions.

- The national average net rent for all property sizes was £66.66 per week.
- This is expressed as an index of 1.01 by using the average net rent of 2-bed units for each region = 1.00 for reference.
- At the regional level, London had the highest average net rent (£81.45) and Yorkshire and the Humber showed the lowest (£54.81).
- The indices for all the nine regions were close to one, varying narrowly from 1.00 to 1.02.
- This implies that average net rents for 2-bed units could be a proxy for those for all stock.

Region	£	2-bed = 1.00	Stock
London	81.45	1.00	247,818
South East	77.37	1.02	217,671
South West	66.77	1.02	132,501
East Midlands	61.36	1.00	68,948
East of England	68.78	1.02	153,294
West Midlands	60.66	1.01	182,148
Yorkshire & the Humber	54.81	1.00	136,764
North East	55.91	1.01	98,562
North West	59.04	1.02	289,677
England	66.66	1.01	1,527,383

Table 2.1 Average net rent by region: all property sizes

Tables 2.2 to 2.6 present average net rents by property size.

- At national level, the indices rose with property size from 0.75 to 1.52, which suggests that overall net rents reflect property sizes.
- This pattern was consistent across all the nine regions with exceptions that the South West had higher average rents for bedspaces than for 3-bed units' rent and the East of England's 5-bed units' rent exceeded its 6+ bed units' rent.
- London showed the highest averages for all size categories except bedspaces in the smallest category the South East had the highest (£73.04).
- In terms of the 2-bed index, however, London showed the highest only for 3-bed (1.13). Yorkshire and the Humber had the highest for the largest three categories, while the North East held the highest for bedsits and 1-bed units. For bedspaces, the South West showed the highest.
- Yorkshire & the Humber had the lowest averages for bedsits, 1-, 2- and 3-bed units, while the North East held the lowest for the remaining four categories.

• With respect to the index, the South East had the lowest averages for bedsits and 1bed properties while the North East did so for the 4- and 5-bed categories. For the remaining three categories (bedspaces, 3- and 6+ bed units), London, the East Midlands and the East held the lowest respectively.

Table 2.2 Average het rent by region in 2006/07. bedspaces				
Region	£	2-bed = 1.00	Stock	
London	48.18	0.59	1,097	
South East	52.63	0.69	193	
South West	73.04	1.11	96	
East Midlands				
East of England	42.55	0.63	35	
West Midlands	46.95	0.78	169	
Yorkshire & the Humber				
North East	40.43	0.73	47	
North West	45.45	0.78	9	
England	49.67	0.75	1,646	

			0000/07	1 1
aneravy C.C. alder	not ront hu	roaion in	2006/07	nadenacae
I a D C Z Z A V C A U C			2000/07.	neusnaces

Table 2.3 Average net rent by region in 2006/07: bedsits

Table 2.5 Average her	пенсоут	egion in 2000/07. Deusit	3
Region	£	2-bed = 1.00	Stock
London	61.87	0.76	6,733
South East	55.71	0.73	3,100
South West	49.76	0.76	1,316
East Midlands	46.07	0.75	816
East of England	49.21	0.73	2,509
West Midlands	47.93	0.80	2,634
Yorkshire & the Humber	41.31	0.76	1,567
North East	44.82	0.81	540
North West	45.47	0.78	1,530
England	53.05	0.80	20,745

Table 2.4 Average net rent by region in 2006/07: 1-bed units

Region	£	2-bed = 1.00	Stock
London	70.61	0.87	71,872
South East	64.75	0.85	45,001
South West	56.75	0.86	23,802
East Midlands	53.78	0.87	12,986
East of England	58.24	0.86	28,846
West Midlands	53.88	0.90	37,698
Yorkshire & the Humber	47.68	0.87	34,246
North East	50.32	0.90	20,811
North West	51.66	0.89	54,253
England	58.36	0.88	329,515

|--|

Region	£	2-bed = 1.00	Stock	
London	81.11	1.00	90,913	
South East	76.09	1.00	80,066	
South West	65.66	1.00	53,226	
East Midlands	61.66	1.00	27,147	
East of England	67.59	1.00	57,593	
West Midlands	60.19	1.00	66,600	
Yorkshire & the Humber	54.58	1.00	47,699	
North East	55.61	1.00	39,391	
North West	58.01	1.00	102,155	
England	65.97	1.00	564,790	

Region	£	2-bed = 1.00	Stock
London	91.97	1.13	62,721
South East	85.08	1.12	83,403
South West	72.18	1.10	50,740
East Midlands	64.51	1.05	26,272
East of England	74.64	1.10	59,454
West Midlands	64.09	1.06	68,890
Yorkshire & the Humber	58.89	1.08	48,596
North East	59.22	1.06	35,031
North West	62.49	1.08	120,983
England	71.16	1.08	556,090

Table 2.7 Average net rent by region in 2006/07:	4-bed units

Region	£	2-bed = 1.00	Stock	
London	102.35	1.26	12,551	
South East	93.95	1.23	5,655	
South West	79.73	1.21	3,134	
East Midlands	71.77	1.16	1,551	
East of England	83.68	1.24	4,437	
West Midlands	73.53	1.22	5,381	
Yorkshire & the Humber	70.16	1.29	4,110	
North East	62.56	1.12	2,475	
North West	68.71	1.18	9,883	
England	82.69	1.25	49,177	

Table 2.8 Average net rent by region in 2006/07: 5-bed units

Region	£	2-bed = 1.00	Stock
London	108.58	1.34	1,553
South East	103.14	1.36	211
South West	87.99	1.34	157
East Midlands	79.57	1.29	141
East of England	87.54	1.30	338
West Midlands	81.47	1.35	622
Yorkshire & the Humber	82.35	1.51	457
North East	64.52	1.16	252
North West	74.19	1.28	699
England	90.62	1.37	4,430

|--|

Region	£	2-bed = 1.00	Stock
London	118.66	1.46	378
South East	114.08	1.50	42
South West	102.25	1.56	30
East Midlands	89.28	1.45	35
East of England	86.14	1.27	82
West Midlands	90.84	1.51	154
Yorkshire & the Humber	86.05	1.58	89
North East	78.43	1.41	15
North West	80.37	1.39	165
England	99.99	1.52	990





2.2 Development in net rents from 2001/02 to 2006/07

Figures 2.1 and 2.2 set out the trend in national and regional average net rents for all property sizes since 2001/02. Recall that rents examined in this paper are those for general needs housing for which the definition was modified in the 2005 RSR. Up to the 2004 RSR, general needs housing included some dwellings classified as sheltered housing for older people. In the 2005 RSR the sheltered housing classification was abolished and dwellings that met certain design criteria moved out of the general needs and into a new category, 'housing for older people'.³

- The national average net rent for all property sizes continuously increased over the past five years. The increase for the period was £10.98 (or 19.7%) from £55.68 in 2001/02 to £66.66 in 2006/07.
- The average net rents of all the nine regions have also steadily increased for the same period with an exception of Yorkshire and the Humber in 2002/03.
- London has the highest rent throughout the period, while the lowest was observed in the North East until 2003/04 and in Yorkshire and the Humber afterwards. The regional order of the average net rents, however, has not drastically changed for these five years.
- The range of regional averages has increased for the period. In 2001/02, the highest rent of £65.21 in London and the lowest of £46.25 in the North East a range of £18.96. This compares with the latest range of £26.64 from £81.45 in London to £54.81 in Yorkshire and the Humber. The growth of the range for the period was, thus, 40.5%.
- The widening regional difference is largely the result of the rent restructuring regime, which reflects market disciplines (the details are explained in Section 3).

³ The other changes in the RSR data collections were the North West region's integration with Merseyside in 2004/05 and the threshold for HAs to complete the long version of the RSR form in 2006/07 – before the change HAs that own or manage more than 250 units (i.e., homes and/or bedspaces, including shared ownership dwellings) filled the form, and the threshold was raised to those with 1,000 units for 2006/07.



Figure 2.1 Average net rent by region, 2001/02 - 2006/07: all property sizes pt.1 (£)



Figure 2.2 Average net rent by region, 2001/02 - 2006/07: all property sizes pt.2 (£)

Figures 2.3 to 2.14 set out the regional rent figures by property size. Please note that rent data for bedspaces were available since 2002/03.

- Overall the average rents increased regardless of sizes or regions within the period of 2001/02 to 2006/07 with some exceptions, bedspaces in some regions.
- Over the past five years (four years for bedspaces), the increases in the national averages were, in order of small to large size respectively, £6.11 (or 14.0%), £12.56 (31.0%), £9.84 (20.3%), £9.69 (17.2%), £8.80 (14.1%) and £9.97 (13.5%).
- London had the highest rents throughout the period for all size categories except bedspaces' rents in 2006/07, while the lowest rents were frequently observed either in Yorkshire and the Humber or the North East. The former held the lowest mainly for smaller size properties and the latter for larger sizes.
- The ranges of the regional averages have been expanded across all size categories. For example, in 2001/02, the range for 2-bed units was £18.71 (from £47.18 in the North East to £65.89 in London), comparing £26.53 in 2006/07 (from £54.58 in Yorkshire and the Humber to £81.11 in London).
- This widening regional variation was due to the rent restructuring regime.



Figure 2.3 Average net rent by region, 2001/02 - 2006/07: Bedspaces pt.1 (£)

Figure 2.4 Average net rent by region, 2001/02 - 2006/07: Bedspaces pt.2 (£)





Figure 2.5 Average net rent by region, 2001/02 - 2006/07: Bedsits pt.1 (£)

Figure 2.6 Average net rent by region, 2001/02 - 2006/07: Bedsits pt.2 (£)





Figure 2.7 Average net rent by region, 2001/02 - 2006/07: 1-bed units pt.1 (£)

Figure 2.8 Average net rent by region, 2001/02 - 2006/07: 1-bed units pt.2 (£)





Figure 2.9 Average net rent by region, 2001/02 - 2006/07: 2-bed units pt.1 (£)

Figure 2.10 Average net rent by region, 2001/02 - 2006/07: 2-bed units pt.2 (£)





Figure 2.11 Average net rent by region, 2001/02 - 2006/07: 3-bed units pt.1 (£)

Figure 2.12 Average net rent by region, 2001/02 - 2006/07: 3-bed units pt.2 (£)





Figure 2.13 Average net rent by region, 2001/02 - 2006/07: 4+ bed units, pt.1 (£)

Figure 2.14 Average net rent by region, 2001/02 - 2006/07: 4+ bed units, pt.2 (£)



Figures 2.15 to 2.24 display the annual growth rate of the average rents for all size categories over the past five years for England and each region. The figures also plot lines explaining the guideline limit of net rent growth and the guideline limit plus $\pounds 2$ – the price portion is converted to a percentage of the previous year's net rent. While allowing gradual convergence between actual rents and target rents, the rent restructuring regime restrict the increase in individual rents by the guideline limit. From 1 April 2002, the guideline has been

RPI (all items) +0.5%, although, in addition, individual property rents may change by up to a further \pm 2 to move towards target rents.⁴

- In 2002/03, the national growth rate (1.52%) was below the guideline (2.2%). Afterwards the annual growth over-performed the benchmark level but it has remained under the 'guideline + £2' level for the observation period. The latest rate was 3.69% compared to 3.2% of the guideline and 6.31% of the additional level.
- Overall the nine regions followed the national trend. They have kept their annual growth rates at least under the guideline + £2 level. The exceptions were observed in 2004/05 for London and the South East.
- The two regions, however, repressed the rent growth comfortably enough to follow the rent restructuring regime. The latest rates were 4.54% for London and 3.62% for the South East, compared to the additional regulatory levels of 5.77% and 5.88% for each.
- Considering these changing patterns, it is reasonably projected that the rent growth will not breach the guideline + £2 level in the very near future.



Figure 2.15 Average net rent growth, guideline and guideline + \pounds 2 for England, 2002/03 – 2006/07: all properties (%)

⁴ For details, see Housing Corporation; Circular 04/06: Rents, Rent Differentials and Service Charges for HA; November 2006.



Figure 2.16 Average net rent growth, guideline and guideline + \pounds 2 for London, 2002/03 – 2006/07: all properties (%)

Figure 2.17 Average net rent growth, guideline and guideline + \pounds 2 for the South East, 2002/03 – 2006/07: all properties (%)





Figure 2.18 Average net rent growth, guideline and guideline + \pounds 2 for the South West, 2002/03 – 2006/07: all properties (%)

Figure 2.19 Average net rent growth, guideline and guideline + \pounds 2 for the East Midlands, 2002/03 – 2006/07: all properties (%)





Figure 2.20 Average net rent growth, guideline and guideline + \pounds 2 for the East of England, 2002/03 – 2006/07: all properties (%)

Figure 2.21 Average net rent growth, guideline and guideline + \pounds 2 for the West Midlands, 2002/03 – 2006/07: all properties (%)





Figure 2.22 Average net rent growth, guideline and guideline + \pounds 2 for Yorkshire and the Humber, 2002/03 – 2006/07: all properties (%)







Figure 2.24 Average net rent growth, guideline and guideline + \pounds 2 for the North West, 2002/03 – 2006/07: all properties (%)

Figures 2.25 to 2.28 compare the average net rent indices (2-bed units' average rent as a base price) between 2001/02 and 2006/07 for England and the nine regions.

- At the national level, the smallest two sizes (bedsits and 1-bed properties) saw increases in the indices. Bedsits rose by 0.08 points from 0.72 in 2001/02 to 0.80 in 2006/07 while 1-bed properties increased by 0.02 points from 0.86 to 0.88.
- By contrast, the largest two sizes (3- and 4+ bed properties) experienced declines by -0.03 points and -0.04 points respectively.
- This implies that rent variations in terms of property sizes have narrowed for the observation period. Indeed the range of the average rents from bedsits to 4+ bed units was £33.19 (£73.68 £ 40.49) in 2001/02 compared to £30.60 (£83.65 £53.05).
- The mostly likely explanation for this is the introduction of the rent restructuring regime. Bedsits and 1-bed properties were more likely to have a net rent that is more than 10% below target rent that is specified in the regime than larger-sized properties in the observation period.⁵
- Some readers might be wondering if the rises for the smaller sizes could be associated with the definition change for general needs housing in the 2005 RSR, which moved dwellings for older people out of the category, since mainly bedsits and 1-bed properties were subject to the change. Knight, Grant and Whitehead (2005), however, revealed that in the 2005 RSR the effect of the categorical change was observed in the gross rents and service charges (not net rents).⁶ In addition, they have observed that sheltered housing tends to have higher rents than non-sheltered

⁵ For example, see Dataspring (2005) Guide to Local Rent Part II: Social Landlord Rents Commentary.

⁶ Knight, Grant and Whitehead (2005) Impact of Changes in Definitions in Supported Housing and Housing for Older People between the RSR 2004 and 2005. (http://www.dataspring.org.uk/Downloads/Full%20Report2%2008.05.06.pdf). They reported, for example that the decrease in the average service charge for 1-bed properties was considerable £2.36 in 2005/06.

housing.⁷ This suggests that the exclusion of housing for older people had not upward but downward impacts on smaller sized properties' rents, which would have depicted opposite pictures to Figures 2.25 and 2.26.

- At the regional level, the changes in the indices overall followed the national pattern with some exceptions. For the bedsit indices, all the regions saw increases the largest one was observed in Yorkshire and the Humber by 0.1 points; from 0.66 in 2001/02 to 0.76 in 2006/07.
- The 1-bed units' indices rose in all the nine regions except the North East and the North West. London and the East of England showed the largest increases of 0.03 points for each.
- Six regions experienced decreases in the 3-bed units' indices, while three showed marginal rises. The sharpest drop was observed in London by 0.04 points; from 1.17 to 1.13 points.
- Four or more bedrooms indices decreased across all the nine regions except the North East. The largest decline was observed, again, in London by 0.06 points; from 1.34 to 1.28.



Figure 2.25 Average net rents for bedsits by region: 2001/02 and 2006/07 (2-bed = 1.00)

⁷ The findings were based on data from CORE (COntinuous REcording), which is a system developed jointly by the National Housing Federation and the Housing Corporation and is managed by the Centre for Housing Research at the University of St Andrews. CORE is used to record information on HA lettings and sales in England.



Figure 2.26 Average net rents for 1-bed units by region: 2001/02 and 2006/07 (2-bed = 1.00)

Figure 2.27 Average net rents for 3-bed properties by region: 2001/02 and 2006/07 (2-bed = 1.00)





Figure 2.28 Average net rents for 4+ bed units by region: 2001/02 and 2006/07 (2-bed = 1.00)

2.3 Service charges

Table 2.10 presents average service charges for England and the nine regions.

- The national average service charge for all property sizes was £4.54 per week
- This is expressed as an index of 0.96 by using the 2-bed units' national average as a reference.
- At the regional level, London had the highest rent (£6.94) and South West the lowest (£3.43).
- The indices varied from 0.92 to 1.13 across the regions the range appeared wider than the equivalent for the average net rents.

Region	£	2-bed = 1.00	Stock
London	6.94	0.93	150,810
South East	4.19	0.96	100,640
South West	3.43	1.03	59,320
East Midlands	4.06	1.13	32,112
East of England	3.91	1.05	58,949
West Midlands	3.58	0.94	94,026
Yorkshire & the Humber	4.02	0.98	54,751
North East	4.47	0.98	33,944
North West	3.78	0.92	117,278
England	4.54	0.96	701,830

Table 2.10 Average service charge by region, 2006/07: all property sizes

Tables 2.11 to 2.18 present average service charges by property size.

• At the national level, the indices appeared high for smaller property sizes, in particular for bedsits (3.21), while remaining moderate for larger property sizes.

- London had the highest averages for all property size categories except bedsits and 6+ bed units, as the East Midlands showed the highest for the two categories. The regions with the lowest averages varied depending on size categories.
- Compared with net rents, the indices for service charges varied widely and less regularly across the regions and the size categories.
- This is probably because service charges were more strongly associated with each rental property's features and less related to size or regional factors, than net rents were.

Region	£	2-bed = 1.00	Stock
London	18.11	2.42	555
South East	13.31	3.05	80
South West	14.21	4.25	58
East Midlands			0
East of England	16.24	4.38	35
West Midlands	6.20	1.63	161
Yorkshire & the Humb	ber		0
North East	15.48	3.38	47
North West	6.07	1.48	8
England	15.13	3.21	944

Table 2.11 Average service charge by region, 2006/07: bedspaces

Table 2 12	Average service	charge by	region	2006/07 bedsits
	Therage Service	onarge by	TOGION,	

Region	£	2-bed = 1.00	Stock
London	7.10	0.95	5,091
South East	6.50	1.49	2,406
South West	5.11	1.53	1,001
East Midlands	8.52	2.37	752
East of England	8.07	2.18	1,783
West Midlands	5.53	1.46	2,346
Yorkshire & the Humber	6.82	1.67	1,093
North East	8.11	1.77	523
North West	6.54	1.60	1,234
England	6.81	1.44	16,229

Region	£	2-bed = 1.00	Stock
London	7.41	0.99	46,289
South East	5.18	1.19	28,192
South West	4.89	1.46	15,674
East Midlands	5.94	1.65	10,307
East of England	5.20	1.40	17,198
West Midlands	4.74	1.25	28,830
Yorkshire & the Humber	5.21	1.27	19,573
North East	5.30	1.16	12,314
North West	4.90	1.20	36,870
England	5.58	1.18	215,247

	Table 2.14 Average	service charge	by region,	2006/07: 2-bed units
--	--------------------	----------------	------------	----------------------

Region	£	2-bed = 1.00	Stock
London	7.48	1.00	58,303
South East	4.37	1.00	41,304
South West	3.34	1.00	25,546
East Midlands	3.59	1.00	12,008
East of England	3.71	1.00	23,918
West Midlands	3.80	1.00	37,104
Yorkshire & the Humber	4.09	1.00	18,861
North East	4.58	1.00	12,937
North West	4.10	1.00	42,403
England	4.72	1.00	272,384

Table 2.15 Average	service char	ge by region, 2006/0	7: 3-bed units
Region	£	2-bed = 1.00	Stock

Region	£	2-bed = 1.00	Stock
London	5.53	0.74	32,610
South East	2.74	0.63	26,190
South West	2.09	0.63	15,785
East Midlands	2.16	0.60	8,429
East of England	2.30	0.62	14,487
West Midlands	1.75	0.46	23,284
Yorkshire & the Humber	2.14	0.52	13,356
North East	2.85	0.62	7,342
North West	2.17	0.53	33,611
England	2.85	0.60	175,094

Table 2.16 Average	e service charg	e by region,	2006/07: 4-bed units	
			•	

Region	£	2-bed = 1.00	Stock
London	5.02	0.67	6,969
South East	2.58	0.59	2,379
South West	2.30	0.69	1,200
East Midlands	2.40	0.67	557
East of England	2.67	0.72	1,406
West Midlands	1.85	0.49	2,043
Yorkshire & the Humber	2.75	0.67	1,570
North East	1.77	0.39	722
North West	2.39	0.58	2,872
England	3.31	0.70	19,718
England	3.31	0.70	19,718

Region	£	2-bed = 1.00	Stock
London	5.56	0.74	777
South East	1.89	0.43	75
South West	2.04	0.61	48
East Midlands	2.36	0.66	53
East of England	2.93	0.79	104
West Midlands	2.36	0.62	201
Yorkshire & the Humber	2.89	0.71	241
North East	1.82	0.40	50
North West	3.01	0.73	230
England	3.90	0.83	1,779

Table 2.18 Aver	age service ch	harge by re	gion, 2006/	'07: 6+ be	d units
			J /		

Region	£s	2-bed = 1.00	Stock
London	5.70	0.76	216
South East	3.68	0.84	14
South West	1.84	0.55	8
East Midlands	8.12	2.26	6
East of England	1.29	0.35	18
West Midlands	1.87	0.49	57
Yorkshire & the Humber	3.59	0.88	57
North East	3.29	0.72	9
North West	4.50	1.10	50
England	4.45	0.94	435



2.4 Disparities between net rents and target rents

Table 2.19 presents disparities between average net rents and average target rents. The disparity is calculated by subtracting an average net rent from an average target rent and is expressed as percentage of net rent.⁸ The figures fall in the outside of a \pm 5% range are shaded in the table.

- At the national level, the disparity for all property sizes was 4.49%.
- Three size categories (bedspaces, 1- and 2-bed units) showed disparities within a range of ±5%.
- Of nine regions, six fell in a range of ±5% for all property sizes, while London, Yorkshire and the Humber, and the North East failed to do so.
- By size category, the disparities in the South East and the East Midlands were within the benchmark range for all categories.
- The South West and the West Midlands were also within this range except in one category for each region, while the East of England and the North West had tolerable disparities for all categories except for two categories in each region.
- Five regions showed disparities above 5% for 3-bed units.

Region	All sizes	bedspaces	bedsits	1-bed	2-bed	3-bed	4-bed	5-bed	6+ bed
London	9.34	0.68	11.39	10.83	8.79	8.22	10.34	14.37	15.70
S. E.	1.90	-0.68	-0.77	1.16	1.10	2.83	2.79	2.52	0.90
S. W.	1.09	-18.88	0.36	0.25	-0.03	2.48	1.93	-0.99	-2.92
E. M.	0.86	n/a	-1.52	-1.49	-1.28	3.91	2.79	-1.76	-0.60
East	3.58	39.74	5.16	3.26	2.83	4.31	3.49	3.19	1.01
W. M.	3.86	-0.09	-2.46	-0.15	2.16	7.55	2.46	2.55	1.00
Y & H	8.54	n/a	7.58	6.59	7.90	10.80	3.56	-0.36	2.43
N. E.	5.19	6.90	4.60	1.39	3.42	8.44	10.92	15.64	8.70
N. W.	3.29	10.56	1.30	0.43	1.65	5.57	4.37	3.03	2.12
England	4.49	-0.32	5.07	3.94	3.33	5.66	5.77	7.61	7.90

Table 2.19 Disparities between net rents and target rents (%), 2006/07

Note: Figures outside of a ±5% range are shaded.

⁸ Net rent stock without target rents is included in the calculation of the disparities. However, to gain an overall picture of the disparities across England we have assumed that the bias arose from including these units is negligible. The total number of stock that had net rent reported was 1,527,383 while those with both net rent and target rent was 1,527,379.

Section 3 RSL rent patterns at the LA level

This part presents patterns of the RSL rents' key variables by property size at the LA (LA) level.

3.1 Net rents

All property sizes:

Figure 3.1 presents distribution and statistics of 354 English LAs' average net rents for all property sizes.

- The median of the 354 average net rents was £68.65 per week.
- The range was £43.12 from £48.44 to £91.56.
- The distribution pattern of the 354 averages did not appear as a normal curve.
- There were peaks in the pattern around £65 and £83, hinting that the English LAs could be bisected by this variable.



Figure 3.1 Average net rents for LAs, 2006/07: all property sizes

Note: 'Mean' in the figure represents a simple average of the relevant LAs' averages, and thus is not identical with the national average in the previous section.

Tables 3.1 and 3.2 present 20 LAs with high and low average net rents.

- Wokingham showed the highest average net rent of £91.56 per week. This was followed by Woking (£89.19) and Mole Valley (£88.43).
- All of the 20 LAs with the highest average net rents were in southern regions 11 were in London, seven were in the South East, and the remaining two were in the East of England.
- Newcastle-under-Lyme showed the lowest, at £48.44. This was followed by Derwentside (£49.78) and North Lincolnshire (£49.98).
- Half of the 20 lowest were in the North East. Six were in Yorkshire and the Humber, three were the West Midlands, and the remaining one was in the East Midlands.

LA	Region	£	Stock
Wokingham	South East	91.56	830
Woking	South East	89.19	621
Mole Valley	South East	88.43	335
Croydon	London	88.23	7,573
Tandridge	South East	88.17	555
Hillingdon	London	87.45	4,196
Redbridge	London	87.44	2,329
Epping Forest	East of England	86.99	1,042
Camden	London	86.80	6,383
Windsor & Maidenhead	South East	86.73	6,165
Kingston-upon-Thames	London	86.71	1,399
City of London	London	86.48	174
Wandsworth	London	85.97	7,287
Barnet	London	85.84	4,290
Slough	South East	85.78	2,091
Three Rivers	East of England	85.74	679
Havering	London	85.58	1,495
Ealing	London	85.26	6,819
Westminster	London	85.21	9,907
Runnymede	South East	85.20	507

Table 3.1 LAs with high average net rents, 2006/07: all property sizes

Table 3.2 LAs with low average net rents, 2006/07: all property sizes

LA	Region	£	Stock
Newcastle-under-Lyme	West Midlands	48.44	8,028
Derwentside	North East	49.78	7,372
North Lincolnshire	Yorkshire and The Humber	49.98	8,156
Calderdale	Yorkshire and The Humber	50.38	12,777
Wakefield	Yorkshire and The Humber	51.20	31,177
North East Lincolnshire	Yorkshire and The Humber	51.58	8,035
Wansbeck	North East	51.69	201
Bradford	Yorkshire and The Humber	52.55	25,544
Newcastle-upon-Tyne	North East	53.04	4,132
East Staffordshire	West Midlands	53.46	5,019
Chester-le-Street	North East	53.49	355
Pendle	North West	53.72	2,857
Tynedale	North East	53.91	3,535
Chorley	North West	53.96	4,813
Blyth Valley	North East	54.82	1,179
Copeland	North West	54.86	6,029
Sheffield	Yorkshire and The Humber	54.86	11,975
Stafford	West Midlands	54.89	5,187
Preston	North West	54.91	9,332
West Lindsey	East Midlands	54.91	3,666

Bedspaces:

There were 57 LAs which held stock of this size category. Figure 3.2 presents distribution and statistics of those LAs' average net rents.

- The median of the 57 average net rents was £50.29 per week.
- The range was £87.19, which is much wider than the equivalent for all property sizes.
- The standard deviation (£17.10), which is the second largest following that for 6+ bed units, confirmed a wide variation of average net rents for this size category.
- This hints that rents of bedspaces would be influenced by each property's characteristics (e.g. shared facilities, equipment or location).

Figure 3.2 Average net rents for LAs, 2006/07: bedspaces



Tables 3.3 and 3.4 present 20 LAs with high and low average net rents.

- Purbeck showed the highest average net rent of £105.46 per week.
- This was followed by Mendip (£83.10) and West Berkshire (£78.42). Including these, several LAs on the list had a fairly small stock of bedspaces, providing the usual caveat to interpreting their figures.
- Of the 20 LAs with the highest average net rents, half were in London, seven were in the South East and three in the South West.

- Medway had the lowest average net rent of £18.27. This was followed by Southampton (£18.74) and Rother (£19.63), but they did not have ample enough stock to treat their figures without caution.
- Of the 20 lowest, seven were in the South East, six were in London and three were in the West Midlands.
- As London is a major holder of bedspaces, LAs in this region frequently appeared on both the highest and lowest lists.

LA	Region	£	Stock
Purbeck	South West	105.46	28
Mendip	South West	83.10	24
West Berkshire	South East	78.42	14
Croydon	London	76.71	1
Hackney	London	72.59	8
Kingston-upon-Thames	London	70.55	25
Windsor & Maidenhead	South East	66.67	21
Sevenoaks	South East	65.94	30
Lambeth	London	65.53	15
East Devon	South West	64.72	2
Richmond-upon-Thames	London	64.68	14
New Forest	South East	63.35	8
Kensington & Chelsea	London	61.34	25
Spelthorne	South East	61.32	41
Enfield	London	61.12	10
Hounslow	London	58.53	157
Elmbridge	South East	58.51	10
Chiltern	South East	57.00	5
Tower Hamlets	London	56.29	15
Westminster	London	55.33	41

Table 3.3 LAs with high average net rent, 2006/07: bedspaces

Table 3.4 LAs with low av	rage net rent, 2006/07: bedspaces
---------------------------	-----------------------------------

LA	Region	£	Stock
Medway	South East	18.27	5
Southampton	South East	18.74	14
Rother	South East	19.63	5
Crawley	South East	21.45	9
Bromley	London	22.17	4
Southwark	London	27.60	17
Bexley	London	28.72	3
Lewisham	London	29.47	82
Cannock Chase	West Midlands	30.58	3
Dartford	South East	33.26	24
Bolton	North West	35.42	2
Worcester City	West Midlands	37.21	2
Mole Valley	South East	37.56	2
Stevenage	East of England	40.31	29
Newcastle-upon-Tyne	North East	40.43	47
Sefton	North West	40.80	2
Stratford-on-Avon	West Midlands	41.04	4
Greenwich	London	41.38	78
Newham	London	43.09	380
Bath & North East Somerset	South West	44.41	28
Bedsits:

There were 280 LAs which held stock of this size category. Figure 3.3 presents distribution and statistics of those LAs' average net rents.

- The median of the 280 average net rents was £50.66 per week.
- The range of the averages was £38.74 and the standard deviation (£7.72). Both dispersion values were much smaller than the equivalents for bedspaces.
- The distribution pattern of the averages appeared reasonably close to a normal curve peaking around £50.

Figure 3.3 Average net rents for LA, 2006/07: bedsits



Tables 3.5 and 3.6 present 20 LAs with high and low average net rents.

- Chiltern showed the highest average net rent of £73.81 per week. This was followed by Woking (£72.18) and Epsom & Ewell (£71.67).
- Of the 20 LAs with the highest average net rents, 12 were in London and five were in the South East.
- Pendle had the lowest average rent of £35.07. This was followed by Rochdale (£36.65) and Doncaster (£36.84).

• Of the lowest 20, eight were in the North West while five in Yorkshire and the Humber and three in the West Midlands.

LA	Region	£	Stock
Chiltern	South East	73.81	35
Woking	South East	72.18	12
Epsom & Ewell	South East	71.67	28
Southwark	London	70.99	193
Ashfield	East Midlands	68.49	3
Westminster	London	68.11	471
Kensington & Chelsea	London	67.60	896
Brent	London	67.47	49
Hammersmith & Fulham	London	67.36	416
Thurrock	East of England	65.68	51
Redbridge	London	65.59	27
Hertsmere	East of England	65.29	90
Surrey Heath	South East	65.05	26
Barking & Dagenham	London	64.69	6
Wandsworth	London	64.43	239
Slough	South East	64.36	4
Ealing	London	64.32	197
Camden	London	63.53	321
Havering	London	63.34	11
City of London	London	63.33	38

Table 3.5 LAs with high average net rent, 2006/07: bedsits

Table 3.6 LAs with low average net rent, 2006/07: bedsits

LA	Region	£	Stock
Pendle	North West	35.07	15
Rochdale	North West	36.65	8
Doncaster	Yorkshire and The Humber	36.84	6
Arun	South East	36.97	10
Calderdale	Yorkshire and The Humber	37.16	82
Chester	North West	37.19	24
South Lakeland	North West	38.17	4
Stafford	West Midlands	38.24	18
Darlington	North East	38.27	13
Bradford	Yorkshire and The Humber	38.44	492
Macclesfield	North West	38.98	32
Staffordshire Moorlands	West Midlands	39.22	39
North Lincolnshire	Yorkshire and The Humber	39.35	80
Dudley	West Midlands	39.40	34
South Derbyshire	East Midlands	39.40	4
Halton	North West	39.41	2
Congleton	North West	39.53	7
Wirral	North West	39.78	69
Mid Suffolk	East of England	39.82	1
Wakefield	Yorkshire and The Humber	40.16	110

All the 354 English LAs held stock of this size category. Figure 3.4 presents distribution and statistics of those LAs' average net rents.

- The median of the 354 averages net rents was £58.31 per week.
- The range was £43.17 and the standard deviation was £7.67.
- Both figures were much smaller than the equivalents for bedspaces.
- The distribution pattern was slightly skewed to the higher part but overall the shape is not significantly far from a normal curve, peaking at around £57.



Figure 3.4 Average net rents for LAs, 2006/07: 1-bed units

Tables 3.7 and 3.8 present 20 LAs with high and low average net rents.

- City of London showed the highest net rent of £85.49 per week. This was followed by Westminster (£78.62) and Camden (£77.95).
- The 20 highest LAs on the list were shared between London (11) and the South East (nine).
- North Lincolnshire had the lowest rent of £42.32. This was followed by neighbouring North East Lincolnshire (£43.13), and Derwentside (£43.44).
- Of the 20 lowest, six LAs were each in the North East and the North West, while five were in Yorkshire and the Humber.

LA	Region	£	Stock
City of London	London	85.49	51
Westminster	London	78.62	4,464
Camden	London	77.95	2,377
Wandsworth	London	76.09	2,907
Kingston-upon-Thames	London	75.35	403
Mole Valley	South East	74.90	58
Richmond-upon-Thames	London	74.82	2,633
Kensington & Chelsea	London	73.85	4,171
Brent	London	73.53	3,192
Hammersmith & Fulham	London	73.43	3,936
Ealing	London	73.24	2,205
Windsor & Maidenhead	South East	73.11	1,741
Barnet	London	72.86	858
Woking	South East	72.70	65
Oxford	South East	72.53	676
Runnymede	South East	72.34	162
Winchester	South East	72.28	501
Wokingham	South East	72.17	98
South Bucks	South East	72.02	852
Spelthorne	South East	72.00	1,398

Table 3.7 LAs with high average net rent, 2006/07: 1-bed units

Table 3.8 LAs with low average net rent, 2006/07: 1-bed units

LA	Region	£	Stock
North Lincolnshire	Yorkshire and The Humber	42.32	1,261
North East Lincolnshire	Yorkshire and The Humber	43.13	2,042
Derwentside	North East	43.44	487
Newcastle-under-Lyme	West Midlands	43.58	1,795
Chorley	North West	43.62	1,146
Easington	North East	44.45	349
Sedgefield	North East	44.79	166
Calderdale	Yorkshire and The Humber	45.16	5,337
Bradford	Yorkshire and The Humber	45.19	7,898
Wansbeck	North East	45.27	114
Hyndburn	North West	45.53	312
Wakefield	Yorkshire and The Humber	45.73	5,741
Pendle	North West	46.21	557
Chester	North West	46.68	854
Stafford	West Midlands	46.87	614
Copeland	North West	47.08	517
Preston	North West	47.47	2,717
West Lindsey	East Midlands	47.73	565
Tynedale	North East	47.80	1,076
South Tyneside	North East	47.90	904

All the 354 English LAs held stock of this size category. Figure 3.5 and Map 3.1 present distribution and statistics for average net rents.

- The median of the 354 average net rents was £68.06 per week.
- The range was £46.43 and the standard deviation was £9.58.
- The distribution pattern was slightly skewed towards the higher part but overall the shape is not significantly far from a normal curve, peaking at around £67.
- High averages were observed mainly in the southern regions while low averages were found in the northern regions.

Figure 3.5 Average net rents for LA, 2006/07: 2-bed units



Median	Std. Dev.	Range	Min.	Max.	Ν
66.32	9.58	46.43	48.09	94.52	354
Note: As Figure 3.1					

Note: As Figure 3.1.

Map 3.1 Average net rents for 2-bed units



Tables 3.9 and 3.10 present 20 LAs with high and low average net rents.

- City of London showed the highest net rent of £94.52 per week. This was followed by Kingston-upon-Thames and Westminster (£89.76 for each).
- Of the LAs with the highest average net rents, nine were in London, eight were in the South East, and the remaining three were in the East of England.
- Newcastle-under-Lyme had the lowest rent of £48.09. This was followed by Derwentside (£48.33) and North Lincolnshire (£48.51).
- Of the 20 lowest, six were each in the North West and Yorkshire and the Humber while four each were in the North East and West Midlands.

LA	Region	£	Stock
City of London	London	94.52	38
Kingston-upon-Thames	London	89.76	617
Westminster	London	89.76	3,265
Camden	London	88.94	2,084
Wandsworth	London	88.57	2,294
Hillingdon	London	88.06	1,913
Three Rivers	East of England	87.11	264
Wokingham	South East	86.80	342
Runnymede	South East	86.67	173
Tandridge	South East	86.63	238
Crawley	South East	86.53	380
Brentwood	East of England	86.43	123
Mole Valley	South East	86.08	158
Ealing	London	85.43	2,656
Woking	South East	85.36	187
Epping Forest	East of England	85.26	423
Barnet	London	84.82	2,011
Croydon	London	84.62	2,820
Slough	South East	84.50	919
Windsor & Maidenhead	South East	84.47	1,848

Table 3.9 LAs with high average net rent, 2006/07: 2-bed units

Table 3.10 LAs with low average net rent, 2006/07: 2-bed units

LA	Region	£	Stock
Newcastle-under-Lyme	West Midlands	48.09	2,944
Derwentside	North East	48.33	4,214
North LincoInshire	Yorkshire and The Humber	48.51	2,371
Calderdale	Yorkshire and The Humber	50.40	4,084
Wakefield	Yorkshire and The Humber	50.57	12,400
North East Lincolnshire	Yorkshire and The Humber	50.89	2,273
Bradford	Yorkshire and The Humber	52.31	7,814
Chester	North West	52.54	2,065
Pendle	North West	52.95	1,129
Copeland	North West	52.96	2,316
Newcastle-upon-Tyne	North East	53.47	1,532
Sheffield	Yorkshire and The Humber	53.54	4,288
Stafford	West Midlands	53.59	2,035
Tynedale	North East	53.65	1,322
Chorley	North West	53.69	1,701
Sefton	North West	53.73	5,097
Hyndburn	North West	53.86	1,497
Blyth Valley	North East	53.88	297
East Staffordshire	West Midlands	53.98	1,785
Staffordshire Moorlands	West Midlands	54.15	811

All the 354 English LAs held stock of this size category. Figure 3.6 presents distribution and statistics for average net rents.

- The median of the 354 average net rents was £75.25 per week.
- The range was £49.83 and the standard deviation was £11.91.
- The distribution pattern showed two peaks around £69 and £86.

Figure 3.6 Average net rents for LAs, 2006/07: 3-bed units



Tables 3.11 and 3.12 present 20 LAs with high and low average net rents.

- Ealing showed the highest net rent of £101.23 per week. This was followed by Three Rivers (£100.30) and Wandsworth (£100.09).
- Of the 20 LAs with the highest average net rents, 11 were in London and seven were in the South East.
- Newcastle-under-Lyme had the lowest rent of £51.40. This was followed by North Lincolnshire (£52.99) and Derwentside (£53.08).
- Of the 20 lowest, six were each in the West Midlands and Yorkshire and the Humber. Three were in the North East.

LA	Region	£	Stock
Ealing	London	101.23	1,390
Three Rivers	East of England	100.30	226
Wandsworth	London	100.09	1,522
Wokingham	South East	99.89	354
City of London	London	99.78	47
Mole Valley	South East	99.05	116
Tandridge	South East	98.81	186
Westminster	London	98.32	1,416
Kingston-upon-Thames	London	98.23	241
Windsor & Maidenhead	South East	97.92	2,412
Camden	London	97.87	1,141
Hillingdon	London	97.75	1,184
Epping Forest	East of England	97.48	383
Runnymede	South East	97.46	157
Bracknell Forest	South East	97.29	331
Havering	London	97.14	620
Redbridge	London	96.74	683
Barnet	London	96.72	1,061
Bexley	London	95.94	3,837
Slough	South East	95.91	510

Table 3.11	LAs with high	average net	rent, 2006/07:	3-bed units
			,	

Table 3.12 LAs with low average net rent, 2006/07: 3-bed units

LA	Region	£	Stock
Newcastle-under-Lyme	West Midlands	51.40	3,031
North Lincolnshire	Yorkshire and The Humber	52.99	4,243
Derwentside	North East	53.08	2,592
Wakefield	Yorkshire and The Humber	54.14	12,475
East Staffordshire	West Midlands	56.10	1,975
North East Lincolnshire	Yorkshire and The Humber	56.76	3,409
North Norfolk	East of England	56.92	2,345
West Lindsey	East Midlands	57.15	1,466
Walsall	West Midlands	57.30	10,747
Bradford	Yorkshire and The Humber	57.32	8,191
Calderdale	Yorkshire and The Humber	57.37	2,922
Pendle	North West	57.49	1,091
Copeland	North West	57.51	2,919
Stafford	West Midlands	57.83	2,402
Shrewsbury & Atcham	West Midlands	58.04	2,450
Erewash	East Midlands	58.10	2,251
Sunderland	North East	58.27	10,743
Hartlepool	North East	58.28	3,183
Sheffield	Yorkshire and The Humber	58.32	4,256
Staffordshire Moorlands	West Midlands	58.50	1,315

There were 349 LAs which held stock of this size category. Figure 3.7 presents distribution and statistics of those LAs' average net rents.

- The median of the 349 average net rents was £82.19 per week.
- The range was £64.63 and the standard deviation was £13.93.
- The distribution pattern was slightly skewed towards the higher part and showed two peaks around £74 and £96.

Figure 3.7 Average net rents for LAs, 2006/07: 4-bed units



Tables 3.13 and 3.14 present 20 LAs with high and low average net rents.

- Fareham showed the highest net rent of £118.01 per week. This was followed by Mole Valley (£114.46) and Epping Forest (£112.89). However, small stock for these LAs provides the usual caveat to interpreting their figures.
- Of the 20 LAs with the highest average net rents, half were in the South East and eight were in London.
- Newcastle-under-Lyme had the lowest rent of £53.38. This was followed by North Lincolnshire (£56.16) and Fylde (£56.54).
- Of the 20 lowest, seven were in the North East and five each were in the West Midlands and the North West.

LA	Region	£	Stock
Fareham	South East	118.01	6
Mole Valley	South East	114.46	1
Epping Forest	East of England	112.89	11
Camden	London	110.36	367
Ealing	London	110.25	314
Tandridge	South East	110.24	18
Wycombe	South East	109.87	40
Reading	South East	109.53	62
Winchester	South East	108.89	8
Wandsworth	London	108.71	285
Croydon	London	108.20	611
Windsor & Maidenhead	South East	108.06	103
Wokingham	South East	107.56	36
Enfield	London	107.55	289
Bromley	London	107.40	549
St Albans	East of England	107.28	48
Redbridge	London	107.26	136
Elmbridge	South East	106.74	91
Harrow	London	106.29	109
Woking	South East	105.96	10

Table 3.13 LAs with high average net rent, 2006/07: 4-bed units

Table 3.14 LAs with low average net rent, 2006/07: 4-bed units

LA	Region	£	Stock
Newcastle-under-Lyme	West Midlands	53.38	190
North Lincolnshire	Yorkshire and The Humber	56.16	198
Fylde	North West	56.54	39
Derwentside	North East	57.64	74
Wigan	North West	57.72	4
Easington	North East	58.65	19
Wakefield	Yorkshire and The Humber	58.98	441
Hartlepool	North East	59.76	193
Copeland	North West	60.06	226
East Staffordshire	West Midlands	60.39	88
Sunderland	North East	60.96	1,060
Stafford	West Midlands	61.65	117
Walsall	West Midlands	62.13	410
Wansbeck	North East	62.19	6
Durham	North East	62.23	32
West Lindsey	East Midlands	62.24	82
Shrewsbury & Atcham	West Midlands	62.28	138
Chorley	North West	62.33	94
Knowsley	North West	62.42	1,165
Middlesbrough	North East	62.43	319

There were 246 LAs which held stock of this size category. Figure 3.8 presents distribution and statistics of those LAs' average net rents.

- The median of the 246 average net rents was £88.57 per week.
- The range was £77.96 and the standard deviation was £15.70.
- The distribution pattern showed two peaks around £75 and £110.

Figure 3.8 Average net rents for LAs, 2006/07: 5-bed units



Tables 3.15 and 3.16 present 20 LAs with high and low average net rents.

- Gravesham showed the highest net rent of £127.22 per week with only one property of this size. This was followed by Camden (£121.26) and Rushmoor (£117.75).
- Of the 20 LAs with the highest average net rents, half were in London and seven were in the South East.
- West Lancashire had the lowest rent of £4.26. This was followed by Derby (£50.80) and Derwentside (£56.54). All of them had fairly small stock of this property size.
- Of the 20 lowest, eight were in the North West, five were in the North East and four were in the East Midlands.

LA	Region	£	Stock
Gravesham	South East	127.22	1
Camden	London	121.26	51
Rushmoor	South East	117.75	10
Chelmsford	East of England	117.66	1
Woking	South East	117.58	1
Westminster	London	116.72	20
Harrow	London	115.36	28
Kensington & Chelsea	London	115.27	20
Ealing	London	114.95	26
Elmbridge	South East	114.88	8
Tendring	East of England	114.77	6
Wealden	South East	114.72	1
Hounslow	London	114.65	34
Slough	South East	114.24	18
Croydon	London	114.23	48
Bromley	London	113.85	33
Greenwich	London	113.65	32
Merton	London	112.94	4
Epsom & Ewell	South East	112.43	2
Forest of Dean	South West	111.52	1

Table 3.15 LAs with high average net rent	, 2006/07: 5-bed units
---	------------------------

Table 3.16 LAs with low average net rent, 2006/07: 5-bed units

LA	Region	£	Stock
West Lancashire	North West	49.26	1
Derby	East Midlands	50.80	3
Derwentside	North East	56.54	5
West Lindsey	East Midlands	60.90	1
Hartlepool	North East	61.48	17
Sunderland	North East	62.28	130
Salford	North West	63.60	10
Stafford	West Midlands	63.65	1
Sefton	North West	64.45	28
Carlisle	North West	64.78	3
Redcar & Cleveland	North East	65.25	27
Copeland	North West	65.30	11
Derbyshire Dales	East Midlands	66.14	7
Middlesbrough	North East	66.35	37
Allerdale	North West	66.45	2
Stoke-on-Trent	West Midlands	66.59	4
North Lincolnshire	Yorkshire and The Humber	66.86	3
Halton	North West	66.89	30
Pendle	North West	66.93	2
Amber Valley	East Midlands	67.46	8

6+ bed units:

There were 152 LAs which held stock of this size category. Figure 3.9 presents distribution and statistics of those LAs' average net rents.

- The median of the 152 average net rents was £99.55 per week.
- The range was £109.73 and the standard deviation was £20.43.
- Both figures were the largest among the all property size categories.
- The distribution pattern was slightly skewed towards the higher part and peaked around £93.



Figure 3.9 Average net rents for LAs, 2006/07: 6+ bed units

Tables 3.17 and 3.18 present 20 LAs with high and low average net rents.

- Shepway showed the highest net rent of £170.08 per week. This was followed by Spelthorne (£155.85) and Colchester (£155.78). All of the LAs had only one property of this size for each.
- Of the 20 LAs with the highest average net rents, nine were in London while eight in the South East.
- North East Lincolnshire had the lowest rent of £60.35. This was followed by Vale Royal (£66.93) and Burnley (£68.63). The three LAs showed a fairly small stock of this property size.

• Of the 20 lowest, seven were in the North West and four were in the West Midlands while three each in the North East and the East of England.

LA	Region	£	Stock
Shepway	South East	170.08	1
Spelthorne	South East	155.85	1
Colchester	East of England	155.78	1
Test Valley	South East	152.08	1
Reigate & Banstead	South East	151.20	1
Camden	London	143.78	27
Worcester City	West Midlands	140.31	1
Bexley	London	135.03	3
Tunbridge Wells	South East	134.76	2
Wandsworth	London	133.31	3
Southwark	London	131.23	5
Chiltern	South East	128.46	1
Telford & Wrekin	West Midlands	128.17	3
Slough	South East	126.72	2
Waltham Forest	London	124.97	9
Hounslow	London	124.31	1
Islington	London	120.95	11
Enfield	London	119.75	10
Ealing	London	118.02	6
Windsor & Maidenhead	South East	117.66	1

Table 3.17 LAs with high average net rent, 2006/07: 6+ bed units

Table 3.18 LAs with low average net rent, 2006/07: 6+ bed units

LA	Region	£	Stock
North East Lincolnshire	Yorkshire and The Humber	60.35	5
Vale Royal	North West	66.93	4
Burnley	North West	68.63	1
St Helens	North West	69.76	2
Sefton	North West	70.08	7
Hyndburn	North West	70.38	1
Shrewsbury & Atcham	West Midlands	70.67	2
Boston	East Midlands	71.14	2
Middlesbrough	North East	71.24	4
Liverpool	North West	71.71	26
Herefordshire	West Midlands	72.27	1
Staffordshire Moorlands	West Midlands	72.47	1
East Staffordshire	West Midlands	72.53	1
Hartlepool	North East	73.64	1
Great Yarmouth	East of England	73.93	14
Wakefield	Yorkshire and The Humber	74.04	2
King's Lynn & West Norfolk	East of England	74.45	2
Wyre	North West	74.91	1
North Norfolk	East of England	75.47	7
Newcastle-upon-Tyne	North East	75.99	6

3.2 Service charges

This part examines average service charges at the LA level for all property sizes.

Figure 3.10 presents distribution and statistics for average service charges.

- The median of the 354 average service charges was £4.12 per week.
- The range was £10.74 from £0.89 to £11.63.
- The distribution pattern of the averages was not far from to a normal curve peaking around £4.2.

Figure 3.10 Average service charges for LAs, 2006/07: all property sizes



Tables 3.19 and 3.20 present 20 LAs with high and low average service charges.

- Sefton showed the highest service charge of £11.63 per week. This was followed by Derwentside (£10.11), which had the second lowest net rent, and Kensington and Chelsea (£9.92).
- Of the 20 LAs with the highest average service charges, 12 were in London and three were in the East of England, while two each in the North East and the North West.

- North Norfolk had the lowest average service charge of £0.89. This was followed by South Shropshire (£1.29) and Wear Valley (£1.34).
- Of the 20 lowest, five in the North West and four each were in South West and the West Midlands, while two each in the East Midlands, the North East and the South East.

LA	Region	£	Stock
Sefton	North West	11.63	2,975
Derwentside	North East	10.11	564
Kensington & Chelsea	London	9.92	5,913
City of London	London	9.37	174
Lambeth	London	8.49	10,408
Newcastle-upon-Tyne	North East	8.41	3,128
Southend-on-Sea	East of England	8.36	1,827
Hammersmith & Fulham	London	8.33	4,127
Hackney	London	8.27	8,634
Harlow	East of England	8.27	615
Knowsley	North West	8.14	1,509
Epsom & Ewell	South East	7.91	1,648
Islington	London	7.70	5,680
Haringey	London	7.68	3,614
Southwark	London	7.68	6,510
Tower Hamlets	London	7.57	17,325
Westminster	London	7.40	7,575
Rochford	East of England	7.30	462
Brent	London	7.18	6,468
Enfield	London	7.11	2,689

Table 3.19 LAs with high average service charge, 2006/07: all property sizes

Table 3.20 LAS with low average service charge. 2006/07: all property size	Table 3.20 LAs with	low average service charge.	2006/07: all p	roperty sizes
--	---------------------	-----------------------------	----------------	---------------

LA	Region	£	Stock
North Norfolk	East of England	0.89	3,287
South Shropshire	West Midlands	1.29	980
Wear Valley	North East	1.34	326
Pendle	North West	1.38	2,435
South Bucks	South East	1.41	1,033
Easington	North East	1.44	655
Restormel	South West	1.50	2,711
Test Valley	South East	1.50	4,711
Lichfield	West Midlands	1.53	3,343
St Helens	North West	1.57	12,890
Amber Valley	East Midlands	1.61	3,775
Shrewsbury & Atcham	West Midlands	1.64	1,785
South Gloucestershire	South West	1.64	2,893
Hyndburn	North West	1.72	977
Newcastle-under-Lyme	West Midlands	1.73	7,649
West Somerset	South West	1.75	1,072
Teignbridge	South West	1.78	3,060
Burnley	North West	1.80	3,697
Allerdale	North West	1.83	3,812
Boston	East Midlands	1.86	1,100

3.3 Disparities between average net rents and average target rents

This part examines first the disparities between average net rents and average target rents at the LA level for all property sizes. It then compares the disparity between average net rents average target rent for each property size with the 2-bed units equivalent at LA level. The disparity is calculated as in Section 2, and an index used in this section is explained by subtracting the 2-bed units' disparity from that of an examined property size.⁹ The unit of measurement is, thus, a percentage point.

All property sizes:

Figure 3.11 presents the distribution and statistics for disparities between average net rents and average target rents.

- The median of the disparities for 354 LAs was -0.10%.
- The range was 47.47 points from -13.33% to 34.14%.
- The distribution pattern was reasonably close to a normal curve, peaking around 1.5%.

Figure 3.11 The disparity between average net rents and average target rents for LAs (%): all property sizes



9 This means that net rent stock without target rents are included in calculation of the disparities.

Table 3.17 presents the number of LAs whose disparities were within a rage of \pm 5% and the proportion of all LAs reporting target rents.

- In total, 202 LAs kept their disparities within the benchmark range.
- The largest provider of those LAs was the South East (42). This was followed by the East of England (31) and the South West (30).
- Looking at the proportions, 57.1% of all LAs reporting target rents kept their disparities within a range of ±5%.
- The largest proportion was observed in the South West (66.7%). This was followed by the East of England (64.6%) and the South East (62.7%).
- The smallest proportion was found in Yorkshire and the Humber (42.9%). This was followed by the West Midlands (44.1%) and London (48.5%).

Region	no. of Las within ±5% (a)	no. of LAs reporting target (b)	a/b (%)
London	16	33	48.5
South East	42	67	62.7
South West	30	45	66.7
East Midlands	21	40	52.5
East of England	31	48	64.6
West Midlands	15	34	44.1
Yorkshire & the Humber	9	21	42.9
North East	14	23	60.9
North West	24	43	55.8
England	202	354	57.1

Table 3.21 LAs whose disparities were within ±5% by region, 2006/07: all property sizes

Note: Net rent data are based on stock with target rents.

Tables 3.22 to 3.24 present 20 LAs with small and large disparities. Recall that the disparity is calculated by subtracting average net rent from average target rent and thus LAs whose average net rent is above a target level will show negative disparities.

- Exeter showed the smallest disparity of -0.02%. This was followed by Three Rivers (0.03%) and New Forest (0.06%).
- Of the 20 LAs with the smallest disparities, seven were in the South East, four were in the South West while two each in the East Midlands, London, the North West and the East Midlands.
- In terms of a large disparity due to average net rents above targets, Isle of Wight showed the largest disparity of -13.33%. This was followed by Oadby and Wigston (-12.48%) then Thanet (-11.40%).
- Of the 20 LAs with the largest disparities for this reason, seven were in the South East, four were in the East Midlands, three were in the West Midlands and two each in the East of England and the North West.
- With respect to large disparities due to average net rents being below targets, Kensington and Chelsea showed the largest disparity of 34.14%. This was followed by Wakefield (23.61%) and Hammersmith and Fulham (23.15%).
- Of the 20 LAs with the largest disparities for that reason, eight were in London, three each were in the East of England and the West Midlands while two were in Yorkshire and the Humber.

LA	Region	Gap (%)	Target rent	Net rent	Gap (£)
Exeter	South West	-0.02	61.96	61.97	-0.01
Three Rivers	East of England	0.03	85.77	85.74	0.03
New Forest	South East	0.06	79.29	79.24	0.05
South Northamptonshire	East Midlands	-0.10	72.09	72.16	-0.07
Waltham Forest	London	-0.10	80.22	80.30	-0.08
Redbridge	London	-0.13	87.33	87.44	-0.11
West Wiltshire	South West	0.14	69.40	69.30	0.10
North Wiltshire	South West	0.19	69.14	69.01	0.13
Arun	South East	0.20	79.91	79.75	0.16
Kingston-upon-Hull	Yorkshire and The Humber	0.21	58.64	58.52	0.12
North Dorset	South West	0.26	74.46	74.27	0.19
Tandridge	South East	0.26	88.40	88.17	0.23
Daventry	East Midlands	0.28	68.23	68.04	0.19
Surrey Heath	South East	0.29	78.53	78.30	0.23
Reading	South East	-0.30	82.58	82.83	-0.25
Ribble Valley	North West	-0.31	63.86	64.06	-0.20
Mid Suffolk	East of England	-0.32	67.48	67.70	-0.22
Gravesham	South East	-0.35	79.75	80.03	-0.28
Oxford	South East	0.36	81.67	81.38	0.29
Hyndburn	North West	-0.38	55.47	55.68	-0.21

Table 3.22 L	As with sr	mall di	sparities	between	average	net ren	its and	average	target	rents,
2006/07: all	property s	sizes								

Table 3.23 LAs with large disparities due to high net rents, 2006/07: all property sizes

LA	Region	Gap (%)	Target rent	Net rent	Gap (£)
Isle of Wight	South East	-13.33	64.70	74.65	-9.95
Oadby & Wigston	East Midlands	-12.48	61.17	69.89	-8.72
Thanet	South East	-11.40	62.98	71.08	-8.10
Kerrier	South West	-10.42	56.71	63.31	-6.60
Mansfield	East Midlands	-9.20	57.77	63.62	-5.85
Dover	South East	-9.17	64.97	71.53	-6.56
Castle Point	East of England	-9.17	75.81	83.46	-7.65
Southend-on-Sea	East of England	-9.08	68.56	75.41	-6.85
Tamworth	West Midlands	-8.92	60.78	66.73	-5.95
Rochdale	North West	-8.84	55.82	61.23	-5.41
Hastings	South East	-8.46	65.18	71.20	-6.02
Wear Valley	North East	-8.16	54.12	58.93	-4.81
Wolverhampton	West Midlands	-8.12	59.05	64.27	-5.22
North Kesteven	East Midlands	-8.02	58.76	63.88	-5.12
Poole	South West	-7.96	71.83	78.04	-6.21
Wyre	North West	-7.89	64.53	70.06	-5.53
Leicester	East Midlands	-7.75	58.12	63.00	-4.88
Barnsley	Yorkshire and The Humber	-7.74	58.20	63.08	-4.88
Cannock Chase	West Midlands	-7.67	60.39	65.41	-5.02
Eastbourne	South East	-7.61	69.11	74.80	-5.69

LA	Region	Gap (%)	Target rent	Net rent	Gap (£)
Kensington & Chelsea	London	34.14	106.56	79.44	27.12
Wakefield	Yorkshire and The Humber	23.61	63.29	51.20	12.09
Hammersmith & Fulham	London	23.15	100.05	81.24	18.81
Shrewsbury & Atcham	West Midlands	23.07	68.97	56.04	12.93
Isles of Scilly	South West	21.00	75.64	62.51	13.13
Islington	London	20.56	96.35	79.92	16.43
Vale Royal	North West	19.50	74.41	62.27	12.14
Mid Bedfordshire	East of England	19.00	80.28	67.46	12.82
Derbyshire Dales	East Midlands	18.62	70.52	59.45	11.07
Westminster	London	18.41	100.90	85.21	15.69
Newcastle-under-Lyme	West Midlands	17.65	56.99	48.44	8.55
Lambeth	London	17.49	88.81	75.59	13.22
West Oxfordshire	South East	16.83	81.86	70.07	11.79
Stafford	West Midlands	16.18	63.77	54.89	8.88
Hertsmere	East of England	16.09	92.62	79.78	12.84
Richmond-upon-Thames	London	15.26	92.68	80.41	12.27
Camden	London	15.13	99.93	86.80	13.13
Wandsworth	London	14.77	98.67	85.97	12.70
North East Lincolnshire	Yorkshire and The Humber	14.48	59.05	51.58	7.47
Forest Heath	East of England	14.47	69.44	60.66	8.78

Table 3.24 LAs with	large disparities due	to low net rents,	2006/07: all	property sizes

Bedspaces:

We now look at a relationship between 'net-target' disparities for bedspaces and those for 2bed properties. Figure 3.12 plotted 57 LAs, which reported the relevant information for bedspaces, according to the two variables. The X axis expresses a reference disparity while the Y axis represents that for bedspaces.

- The scatter pattern of the 57 LAs did not clearly show a relationship between the two variables.
- In fact, the correlation coefficient (0.141) was too small to conclude that the two variables are positively associated with one another.
- This means that a LA with net rents converging towards targets for 2-bed properties did not necessarily show such progresses for bedspaces.



Figure 3.12 Bedspaces vs. 2-bed properties: disparity between net and target rents (%)

Figure 3.13 presents distribution and statistics of the disparity indices for bedspaces.

- The average and median of the indices for the 57 LAs were -2.72 and -2.79 percentage points respectively.
- The range was significant 105.60; from -53.64 to 51.95.
- The distribution pattern shows that the majority of the 57 LAs were in the range of ±10 points.





Table 3.25 LAs with small disp	parity indices ((%-points): beds	paces
--------------------------------	------------------	-----------	---------	-------

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock			
West Wiltshire	South West	0.01	0.00	-0.01	4			
Bexley	London	0.19	-0.17	-0.36	3			
Mole Valley	South East	0.31	-0.19	-0.50	2			
Sandwell	West Midlands	-0.49	-9.65	-9.16	23			
Waltham Forest	London	-0.49	0.00	0.49	23			
Bromley	London	-1.04	-0.18	0.86	4			
Newcastle-upon-Tyne	North East	1.20	6.90	5.70	47			
Ealing	London	-1.34	5.14	6.47	25			
Tower Hamlets	London	1.50	14.00	12.50	15			
Enfield	London	1.74	-0.34	-2.09	10			

Note: Disparities outside of a $\pm 5\%$ range are shaded.

Table 3.26 LAs with positively large disparity indices (%-points): bedspaces

	Pagian	Disparity	Disparity	2-bed disparity	Target
LA	Region	index	(70)	(70)	SLOCK
Stevenage	East of England	51.95	52.07	0.12	29
Cannock Chase	West Midlands	47.37	38.55	-8.82	2
Bolton	North West	30.94	27.75	-3.18	2
Worcester City	West Midlands	17.05	18.62	1.57	2
Crawley	South East	9.53	-0.75	-10.27	9
Bristol	South West	9.51	8.70	-0.81	7
Bath & North East Somerset	South West	8.17	20.47	12.30	28
Southampton	South East	8.15	0.11	-8.05	14
Crewe & Nantwich	North West	7.81	9.44	1.64	2
Wandsworth	London	6.85	20.84	13.99	18

Tables 3.25 to 3.27 present the ten LAs with the smallest and largest disparity indices for bedspaces.

- West Wiltshire showed the smallest disparity index of 0.01 percentage points the LA which the average net rent converged towards the target completely for bedspaces and almost fully for 2-bed properties (Table 3.25). The second smallest was observed in Bexley (0.19 points) and the third was in Mole Valley (0.31 points).
- Including them, six LAs in the smallest index table placed their convergences within a ±5% benchmark range both for bedspaces and 2-bed properties.
- By region, six LAs were in London and one each in the South West, the South East, the West Midlands and the North East.
- Stevenage had the largest index in positive terms (51.07 points; Table 3.26). Although the average net rent for 2-bed properties converged towards the target in the LA, the equivalent for bedspaces was much smaller than their target (52.07%). The second largest was observed in Cannock Chase (47.37 points) and the third in Bolton (30.94 points).
- Eight LAs in the table had their disparities for bedspaces above 5%. The remaining two LAs kept the disparities comfortably within a benchmark range but failed to do so for 2-bed properties.
- By region, two LAs were each in the West Midlands, the North West, the South East and the South West.
- Purbeck held the largest index in negative terms (-53.64 points) due to its negatively wide disparity for bedspaces (-53.56%) despite the good performance of 2-bed properties (Table 3.27). This was followed by Hackney (-31.57 points) and Kensington & Chelsea (-30.15 points).
- Half of the LAs in the table set their average net rents outside of a ±5% cohort for bedspaces.
- By region, six were in London and two each in the South West and the South East.

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Purbeck	South West	-53.64	-53.56	0.09	28
Hackney	London	-31.57	-22.03	9.54	8
Kensington & Chelsea	London	-30.15	6.00	36.15	25
Lambeth	London	-23.08	-3.88	19.20	15
Hammersmith & Fulham	London	-22.93	0.00	22.93	20
Islington	London	-22.92	-2.77	20.15	65
Rother	South East	-21.40	-28.68	-7.28	5
Richmond-upon-Thames	London	-19.30	-4.53	14.77	14
Wycombe	South East	-16.23	-17.44	-1.21	5
Mendip	South West	-10.68	0.00	10.68	24

Table 3.27 LAs with negatively large disparity indices (%-points): bedspaces

Bedsits:

- Figure 3.14 plotted 280 LAs according to net and target rents disparities for bedsits against those for 2-bed properties.
- The scatter pattern of the 280 LAs appeared positive but the correlation coefficient (0.491) was not large enough to confirm that the relationship was significant.
- This implies that a LA with net and target rents convergence for 2-bed properties might have similar progress for bedsits but without certainty.

Figure 3.14 Bedsits vs. 2-bed properties: disparity between net and target rents (%)



Figure 3.15 presents distribution and statistics of disparity indices for bedsits.

- Both the average of the indices for the 280 LAs was 0.90 points while the median was -0.35.
- The range was fairly large, 73.14; from -27.91 to 45.24.
- The distribution pattern appeared reasonably close to a normal curve, peaking around nil percentage points.



Figure 3.15 Disparity index (percentage points from 2-bed units' disparity): bedsits

Tables 3.28 to 3.30 present the 20 LAs with the highest and lowest disparity indices for bedsits.

- Breckland showed the smallest disparity index of -0.02 percentage points (Table 3.28). The disparities for bedsits and 2-bed properties were comfortably within a ± 5% rage (2.29% and 2.30% respectively).
- The second smallest index was observed in Lewisham (-0.04 points). This was owing to that the both examined and referred property sizes kept their average net rents below the targets by similar margins. The third was in North Somerset (0.15 pints).
- Sixteen LAs in the table placed their net and target rent disparities within a ±5% benchmark range both for bedsits, while 15 did so for 2-bed properties.
- By region, four were in London and three each in the East Midlands, the South West and the South East.
- Harlow had the largest index in positive terms (45.24 points) as its average net rent for bedspaces was far below the target (52.07%) while that for 2-bed properties was far above (-7.86%; Table 3.29). The second largest was observed in Cannock Chase (47.37 points) and the third in Bolton (30.94 points).
- All LAs in the table kept their average net rents more than 5% below their targets for bedsits.
- By region, six were in the North West and three were in the East.
- Vale Royal held the largest index in negative terms (-27.91 points) due to its negatively wide disparity for bedspaces (-9.75%) and positively wide disparity for 2-

bed properties (18.16%; Table 3.27). This was followed by Salford (-24.53 points) and Surrey Heath (-19.52 points). The two LAs successfully kept their disparities for 2-bed properties within a \pm 5% range but their bedsits average net rents were considerably below the targets.

- Sixteen LAs in the table held their average net rents above the targets by more than 5% for bedsits.
- By region, five were in the South West and three each in the North West, the South East and London.

	Devien	Disparity	Disparity	2-bed	Torret stock
LA	Region	Index	(70)	uisparity (%)	Target Stock
Breckland	East of England	-0.02	2.29	2.30	38
Lewisham	London	-0.04	8.00	8.04	105
North Somerset	South West	0.15	2.49	2.34	98
Wyre Forest	West Midlands	0.16	4.92	4.76	13
Hillingdon	London	0.22	0.56	0.34	42
Mid Suffolk	East of England	0.24	0.00	-0.24	1
Worthing	South East	-0.26	2.25	2.51	143
Gateshead	North East	0.27	1.11	0.84	26
Craven	Yorkshire and The Humber	0.27	-0.85	-1.12	8
Allerdale	North West	0.30	0.62	0.33	12
Luton	East of England	-0.34	-2.62	-2.28	18
Hinckley & Bosworth	East Midlands	-0.36	-4.71	-4.35	2
Sevenoaks	South East	-0.37	5.28	5.65	38
Ealing	London	0.40	6.87	6.47	197
Rotherham	Yorkshire and The Humber	0.41	-4.78	-5.19	1
North Wiltshire	South West	0.42	0.00	-0.42	21
South Gloucestershire	South West	0.48	6.68	6.20	55
Barnet	London	-0.48	3.49	3.97	103
Liverpool	North West	0.48	1.16	0.68	198
South Oxfordshire	South East	-0.49	1.79	2.27	12

Γahle 3 28 Ι Δs	with small	disparity indices	(%-noints) hedsits

Note: As Table 3.25.

Table 3.29 LAs with positively large disparity indices (%-points): bedsits

IA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Harlow	East of England	45.24	37.37	-7.86	88
Kirklees	Yorkshire and The Humber	35.74	29.20	-6.54	21
Tonbridge & Malling	South East	34.05	37.51	3.47	2
Arun	South East	33.45	34.51	1.06	10
Rochdale	North West	33.19	26.49	-6.70	8
Darlington	North East	31.51	25.35	-6.16	13
Suffolk Coastal	East of England	29.99	43.77	13.79	37
Halton	North West	27.09	29.48	2.40	2
Forest Heath	East of England	25.29	41.21	15.92	30
Macclesfield	North West	21.50	27.24	5.75	32
Bexley	London	20.21	19.85	-0.36	272
Durham	North East	18.31	9.68	-8.63	2
Dudley	West Midlands	18.21	13.71	-4.50	34
Wyre	North West	16.19	7.35	-8.84	21
Doncaster	Yorkshire and The Humber	16.19	11.51	-4.69	6
South Derbyshire	East Midlands	16.00	9.11	-6.89	4
South Lakeland	North West	15.49	14.23	-1.26	4
Chesterfield	East Midlands	15.38	12.04	-3.34	3
Stafford	West Midlands	15.18	27.72	12.54	18
Pendle	North West	15.08	17.65	2.57	15

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Vale Royal	North West	-27.91	-9.75	18.16	16
Salford	North West	-24.53	-25.00	-0.47	36
Surrey Heath	South East	-15.92	-18.45	-2.53	26
Southwark	London	-15.39	-9.09	6.31	193
Runnymede	South East	-15.08	-4.64	10.44	8
Penwith	South West	-14.97	-23.01	-8.04	40
Mid Devon	South West	-13.58	-17.91	-4.33	13
North Shropshire	West Midlands	-13.03	-19.62	-6.59	1
Forest of Dean	South West	-12.02	-3.88	8.14	3
Taunton Deane	South West	-11.95	-14.57	-2.63	5
Preston	North West	-11.95	-9.04	2.91	98
Lichfield	West Midlands	-11.39	-13.96	-2.57	15
Erewash	East Midlands	-11.05	-5.46	5.59	21
Crawley	South East	-10.82	-21.10	-10.27	63
West Somerset	South West	-10.75	-9.32	1.43	3
Kingston-upon-Hull	Yorkshire and The Humber	-10.71	-9.78	0.93	26
Mansfield	East Midlands	-10.59	-19.67	-9.08	11
North East Lincolnshire	Yorkshire and The Humber	-10.57	3.84	14.40	159
Kensington & Chelsea	London	-10.44	25.71	36.15	896
City of London	London	-10.37	-0.55	9.82	38

Table 3.30 LAs	with negatively	v large dispa	ritv indices	(%-points)): bedsits
	with hogativor	y laigo alopa	inty mailed		

Figure 3.15 plotted 354 LAs according to net and target rents disparities for 1-bed properties against those for 2-bed properties.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.843, confirming the significance.
- This means that in each LA, when the average net rent converged towards target for 2-bed properties, it was likely to have the similar progress for 1-bed properties.



Figure 3.15 1-bed properties vs. 2-bed properties: disparity between net and target rents (%)

Figure 3.16 presents distribution and statistics of disparity indices for 1-bed properties.

- The average and median of the indices for the 354 LAs were -0.10 and -0.07 points respectively.
- The range was 45.25 (from -26.85 to 18.57), and the standard deviation was 3.95, which was much smaller than the equivalents in smaller size categories.
- The distribution pattern appeared close to a normal curve peaking around the median of the indices.



Figure 3.16 Disparity index (percentage points from 2-bed units' disparity): 1-bed properties

Tables 3.31 to 3.33 present the 20 LAs with the highest and lowest average disparity indices for 1-bed properties.

- Worthing showed the smallest disparity index of 0.00 percentage points (Table 3.31). The disparities both for 1- and 2-bed properties were comfortably within a ± 5% range (2.52% and 2.51% respectively). This was followed by King's Lynn and West Norfolk (-0.04 points or 1.51% and 1.55% for 1- and 2-bed properties respectively).
- The third smallest index was observed in Derwentside (0.05 points) but this was due to that the both examined and referred property sizes held the average net rents apparently below the targets by similar margins.
- Thirteen LAs in the table placed their net and target rent convergences within a ±5% benchmark range both for 1- and 2-bed properties.
- By region, four were in the East and three each in the South East and the North West.
- Test Valley had the largest index in positive terms (18.57 points) largely because its average net rent for 1-bed properties was far below the target (20.70%; Table 3.32). The second largest was observed in Bexley (10.89 points), which also showed a poor performance for 1-bed properties. The third LA, Sedgefield (10.90 points), by contrast, breached a benchmark level for 2-bed properties (-8.86%).
- Eleven LAs in the table kept their disparities outside of a ±5% range for 1-bed properties.
- By region, seven were in the South East while four were in the East.
- Guildford held the largest index in negative terms (-26.85 points) mainly because its 2-bed units' average net rent was far below the target (29.94%; Table 3.32). This

was followed by Middlesbrough (-13.89 points), whose average net rent for 1-bed properties was much above the target (-7.02%) while the reference equivalent was below the target (6.87%). Vale Royal had the third largest of -12.72 points.

- Twelve LAs in the table held their disparities outside of a ±5% range for 1-bed properties.
- By region, six were in the South East, four were in the South west and three each in the North East and London.

		Disparity	Disparity	2-bed	
LA	Region	index	(%)	disparity (%)	Target stock
Worthing	South East	0.00	2.52	2.51	955
King's Lynn & West Norfolk	East of England	-0.04	1.51	1.55	1388
Derwentside	North East	0.05	8.29	8.24	487
Cambridge	East of England	-0.05	4.68	4.72	529
Dacorum	East of England	0.06	0.51	0.45	335
Fylde	North West	-0.06	-0.42	-0.36	279
Thurrock	East of England	-0.07	-1.51	-1.45	277
Camden	London	0.08	13.42	13.33	2293
Hartlepool	North East	0.08	6.03	5.94	1494
Southwark	London	-0.10	6.21	6.31	3558
Bolsover	East Midlands	0.10	-5.95	-6.05	126
Copeland	North West	0.12	8.37	8.25	517
South Ribble	North West	-0.12	-2.14	-2.02	610
Herefordshire	West Midlands	-0.13	2.60	2.74	1369
Waveney	East of England	0.15	5.23	5.08	276
Reading	South East	0.16	-0.22	-0.38	454
Bedford	East of England	0.19	-2.04	-2.23	2394
Teignbridge	South West	-0.19	-3.03	-2.84	310
Maidstone	South East	-0.21	-0.54	-0.33	1203
High Peak	East Midlands	-0.21	-2.46	-2.25	109

Table 3.31 LAs with small disparity indices (%-points): 1-bed properties

Note: As Table 3.25.

1 A	Region	Disparity	Disparity (%)	2-bed disparity (%)	Target
Test Valley	South East	18.57	20.70	2.13	1326
Bexlev	London	11.26	10.89	-0.36	2513
Sedgefield	North East	10.90	2.03	-8.86	166
Aylesbury Vale	South East	10.50	17.40	6.90	1662
Gosport	South East	9.88	3.99	-5.89	314
West Oxfordshire	South East	9.79	28.48	18.69	532
Adur	South East	9.02	2.84	-6.18	57
Chester-le-Street	North East	8.81	2.17	-6.64	208
Easington	North East	8.10	1.03	-7.07	349
Bath & North East Somerset	South West	7.60	19.90	12.30	1859
Chorley	North West	7.47	15.98	8.51	1146
South Kesteven	East Midlands	7.11	2.42	-4.69	105
Suffolk Coastal	East of England	7.04	20.83	13.79	805
Swale	South East	6.82	4.75	-2.07	846
Forest Heath	East of England	6.82	22.74	15.92	596
Ribble Valley	North West	6.67	2.97	-3.70	109
Hart	South East	6.19	8.84	2.65	334
Broxbourne	East of England	6.12	3.07	-3.05	669
North Kesteven	East Midlands	5.75	-5.14	-10.89	74
Watford	East of England	5.70	6.61	0.91	246

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Guildford	South East	-26.85	3.09	29.94	282
Middlesbrough	North East	-13.89	-7.02	6.87	2163
Vale Royal	North West	-12.72	5.44	18.16	363
Staffordshire Moorlands	West Midlands	-10.37	-2.14	8.24	205
South Bucks	South East	-9.64	-1.03	8.62	852
Richmond-upon-Thames	London	-9.42	5.35	14.77	2630
Mid Bedfordshire	East of England	-8.60	5.15	13.75	692
Isles of Scilly	South West	-7.93	14.38	22.31	5
West Berkshire	South East	-7.93	1.63	9.57	1336
Penwith	South West	-7.22	-15.26	-8.04	341
Teesdale	North East	-7.01	-11.61	-4.60	63
North Hertfordshire	East of England	-6.83	4.40	11.23	1414
Greenwich	London	-6.67	-3.22	3.45	2193
Runnymede	South East	-6.43	4.01	10.44	162
Lambeth	London	-6.05	13.16	19.20	4677
Mole Valley	South East	-6.00	-6.50	-0.50	57
Mid Devon	South West	-5.74	-10.07	-4.33	93
Kerrier	South West	-5.39	-17.59	-12.20	835
Thanet	South East	-5.22	-13.94	-8.72	1367
Sunderland	North East	-5.09	-1.86	3.23	5693

Table 3.33 LAs with negatively large disparity indices ((%-points): 1-bed	properties
--	-----------	----------	------------

Figure 3.17 plotted 354 LAs according to net and target rents disparities for 3-bed properties against those for 2-bed properties.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.869, confirming the significance.
- This means that in each LA, when the average net rent converged towards target for 2-bed properties, it was likely to have the similar progress for 3-bed properties.



Figure 3.17 3-bed properties vs. 2-bed properties: disparity between net and target rents (%)

Figure 3.18 presents the distribution and statistics for disparity indices for 3-bed properties.

- The average of the indices for 354 LAs was 1.73 while the median was 1.50.
- The range was 46.35 (from -30.87 to 15.61) and the standard deviation was 3.94, which was much smaller than the equivalents for the smallest two size categories.
- The distribution pattern appeared close to a normal curve, peaking around 1.50.



Figure 3.18 Disparity index (percentage points from 2-bed units' disparity): 3-bed properties

Tables 3.34 to 3.36 present the 20 LAs with the highest and lowest average disparity indices for 3-bed properties.

- Gloucester and Salford shared the smallest disparity indices of -0.01 percentage points (Table 3.34). The average net rents for 3- and 2-bed properties were slightly above the targets by a similar margin in each LA. The third smallest index was in Derwentside (-0.02 points).
- Thirteen LAs in the table placed their net and target rent convergences within a ±5% benchmark range for 3- and 2-bed properties.
- By region, four were in the East and three each in the South East, Yorkshire and the Humber and the East Midlands.
- Derbyshire Dales had the largest index in positive terms (15.61 points; Table 3.35). The LA's 2-bed units' average net rent was below the target (10.78%) and the equivalent for 3-bed units was further below (26.39%). The second and third largest were observed in City of London (12.47 points) and Richmond-upon-Thames (11.79 points) – both had similar reasons for their large indices.
- Seventeen LAs in the table kept their disparities outside of a ±5% range for 3-bed properties.
- By region, five were in the West Midlands and four were in the South East.
- As seen for 1-bed properties, Guildford held the largest index in negative terms (-26.85 points) for 3-bed properties (Table 3.36). This is because its reference disparity was considerably large. The LA, however, had a good performance of convergence towards the target for 3-bed properties. The second largest was

Chester (-8.52 points). The LA's 3-bed units' average net rent was below the target (8.61%) and the reference equivalent was further below (17.13%). For similar reasons Forest Heath had the third largest of -7.10 points.

- Thirteen LAs in the table held their disparities outside of a ±5% range for 3-bed properties.
- By region, six were in the East while four each in the South East and the North.

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Gloucester	South West	-0.01	-4.97	-4.96	352
Salford	North West	-0.01	-0.48	-0.47	1252
Tynedale	North East	-0.02	-0.87	-0.86	1003
Peterborough	East of England	0.03	2.59	2.56	3817
Runnymede	South East	0.05	10.50	10.44	157
East Riding	Yorkshire and The Humber	-0.08	-0.86	-0.78	503
Bridgnorth	West Midlands	0.09	-6.60	-6.69	56
Mid Suffolk	East of England	-0.12	-0.37	-0.24	179
Stevenage	East of England	-0.12	0.00	0.12	351
Portsmouth	South East	0.13	-4.39	-4.52	991
Richmondshire	Yorkshire and The Humber	-0.14	-7.84	-7.70	125
Bolsover	East Midlands	0.14	-5.91	-6.05	292
Westminster	London	-0.14	17.45	17.59	1416
Scarborough	Yorkshire and The Humber	0.15	1.52	1.37	2203
Durham	North East	0.17	-8.46	-8.63	404
Mansfield	East Midlands	0.18	-8.90	-9.08	670
Uttlesford	East of England	0.18	-4.80	-4.98	236
Dartford	South East	0.18	-3.38	-3.56	268
Solihull	West Midlands	-0.18	-0.27	-0.09	452
Kettering	East Midlands	-0.19	-3.21	-3.02	237

Table 3.34 As with small disparity	indicos (%_nointe	· 3-bod	nronortios
Table 3.34 LAS with Small dispant	y muices (70-points	. S-Deu	properties

Note: As Table 3.25.

Table 3.35 LAs with positively large disparity indices (%-points): 3-bed properties

Disparity Disparity 2 bod						
LA	Region	index	(%)	disparity (%)	stock	
Derbyshire Dales	East Midlands	15.61	26.39	10.78	1326	
City of London	London	12.47	22.29	9.82	47	
Richmond-upon-Thames	London	11.79	26.56	14.77	2100	
Hambleton	Yorkshire and The Humber	11.49	16.95	5.46	1578	
Mid Bedfordshire	East of England	10.98	24.73	13.75	2821	
Vale of White Horse	South East	10.60	15.93	5.33	2283	
Middlesbrough	North East	10.41	17.28	6.87	6374	
Walsall	West Midlands	10.37	19.44	9.07	10747	
Stratford-on-Avon	West Midlands	9.96	18.57	8.61	2107	
Erewash	East Midlands	9.67	15.27	5.59	2250	
East Staffordshire	West Midlands	9.19	13.53	4.33	1975	
Shrewsbury & Atcham	West Midlands	9.17	26.64	17.47	2450	
Broxbourne	East of England	8.76	5.71	-3.05	1271	
Mole Valley	South East	8.65	8.15	-0.50	116	
Crawley	South East	8.47	-1.81	-10.27	401	
Rugby	West Midlands	8.43	3.86	-4.57	635	
Fylde	North West	8.39	8.03	-0.36	560	
North Dorset	South West	8.15	5.31	-2.84	1072	
Penwith	South West	8.05	0.01	-8.04	1277	
West Berkshire	South East	7.94	17.51	9.57	3036	

Table 6.66 E. to With hegalitory large departy indiced (76 points), o bod properties						
	Pagion	Disparity	Disparity	2-bed disparity	Target	
	Region	IIIUEX	(/0)	(/0)	SIUCK	
Guildford	South East	-30.87	-0.93	29.94	386	
Chester	North West	-8.52	8.61	17.13	2220	
Forest Heath	East of England	-7.10	8.81	15.92	887	
Suffolk Coastal	East of England	-7.09	6.69	13.79	1994	
Rochford	East of England	-6.92	-7.88	-0.96	203	
Rochdale	North West	-6.51	-13.21	-6.70	1978	
Blyth Valley	North East	-6.07	-7.18	-1.11	437	
Bexley	London	-5.82	-6.18	-0.36	3836	
Havant	South East	-5.69	-6.38	-0.69	1706	
West Oxfordshire	South East	-5.40	13.29	18.69	1931	
Tendring	East of England	-5.01	-9.70	-4.69	517	
Oadby & Wigston	East Midlands	-4.99	-15.01	-10.02	85	
King's Lynn & West Norfolk	East of England	-4.72	-3.17	1.55	2905	
South Staffordshire	West Midlands	-3.70	1.97	5.67	1831	
Bury	North West	-3.59	-4.78	-1.19	371	
Wigan	North West	-3.54	-3.61	-0.07	393	
Southend-on-Sea	East of England	-3.42	-11.71	-8.29	761	
Harrow	London	-3.23	-2.97	0.26	780	
Ealing	London	-3.15	3.32	6.47	1377	
Swale	South East	-3.09	-5.16	-2.07	3058	

Table 2.26 Ac with	nogativaly lar	no dicpority i	indiana (0/)	pointe): 2 hod	nronortion
TADIE 3.30 LAS WITH	negatively larg	je uispanty i	1101065 (70-	points). S-beu	properties
4-bed units:

Figure 3.19 plotted 349 LAs according to net and target rents disparities for 4-bed properties against those for 2-bed properties.

- The scatter pattern of the 349 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.710, confirming the significance.
- This means that a LA whose average net rents converged towards targets for 2-bed properties were highly likely to show the similar progresses for 4-bed properties.

Figure 3.19 4-bed properties vs. 2-bed properties: disparity between net and target rents (%)



Figure 3.20 presents the distribution and statistics for disparity indices for 4-bed properties.

- The average and median of the indices for 349 LAs were 3.05 and 2.97 points respectively.
- The range was 47.30 and the standard deviation was 5.81, which was much smaller than the equivalents for the two smallest size categories.
- The distribution pattern appeared close to a normal curve, peaking around 3 percentage points.



Figure 3.20 Disparity index (percentage points from 2-bed units' disparity): 4-bed properties

Tables 3.37 to 3.39 present the 20 LAs with the highest and lowest average disparity indices for 4-bed properties.

- Peterborough had the smallest disparity index of -0.01 percentage points (Table 3.37). In the LA, the average net rents for 4- and 2-bed properties were slightly above the targets by a similar margin.
- The second smallest (-0.02 points) was shared by Carlisle and Malvern Hills but with different degrees of rent progresses. In Carlisle the average net rents were above the targets by more than 5% both for examined and referred property sizes, but Malvern Hills kept the average net rents marginally above the targets for the two sizes.
- Thirteen LAs in the table placed their net and target rent convergences within a ±5% benchmark range for 4-bed properties while twelve did so for 2-bed properties.
- By region, five were in the South West while four were in the East.
- North Kesteven had the largest index in positive terms (22.43 points; Table 3.38). While the LA's 4-bed units' average net rent was greatly below the target (11.54%), the equivalent for the reference property size was considerably above the target (-10.89%).
- The second largest was seen in Harlow (21.87 points) for the similar reason. Kingston-upon-Thames had the third largest of 21.49 points. Although the average net rent for 2-bed properties converged towards the target, it failed to have a similar progress for 4-bed properties.

- Eight LAs in the table kept their disparities outside of a ±5% range for 4-bed properties, while the remaining two did so for the 2-bed properties.
- By region, four were in the East Midlands and three each were in the East and the South East.
- Chester-le-Street had the larges index in negative terms (-24.88 points; Table 3.39). The LA's average net rent was above the target for reference property size (-6.64%) and significantly above (-31.52%) for 4-bed properties. The second largest was observed in Guildford, whose disparities were 5.55% and 29.94% for 4- and 2-bed properties respectively.
- The third was in Forest Heath (-14.16 points), which kept its average net rent for 4bed properties less than 5% below the target but failed to do so for 2-bed properties.
- Thirteen LAs in the table held their disparities outside of a ±5% range for 4-bed properties.
- By region, five were in the North West while three each in the North East and the East.

IA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Peterborough	Fast of England	-0.01	2.55	2.56	494
Carlisle	North West	-0.02	-5.08	-5.06	116
Malvern Hills	West Midlands	-0.02	-3.19	-3.16	64
Islington	London	-0.03	20.12	20.15	466
Walsall	West Midlands	-0.04	9.03	9.07	410
Burnley	North West	0.05	-5.43	-5.48	147
Chichester	South East	-0.05	7.04	7.10	120
Cheltenham	South West	-0.06	-3.01	-2.95	45
Derby	East Midlands	-0.07	-0.06	0.02	134
Taunton Deane	South West	0.09	-2.54	-2.63	42
East Hampshire	South East	-0.13	2.11	2.24	118
Derwentside	North East	-0.13	8.10	8.24	74
Harrow	London	0.14	0.40	0.26	109
Chelmsford	East of England	0.15	-0.61	-0.76	114
Gosport	South East	0.16	-5.74	-5.89	63
Carrick	South West	0.23	-4.94	-5.17	14
Mid Suffolk	East of England	0.24	0.00	-0.24	15
Bournemouth	South West	-0.25	-2.78	-2.53	35
Tendring	East of England	-0.26	-4.95	-4.69	43
West Wiltshire	South West	-0.28	-0.30	-0.01	202

Table 3.37 LAs with small disparity indices (%-points): 4-bed properties

Note: As Table 3.25.

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
North Kesteven	East Midlands	22.43	11.54	-10.89	5
Harlow	East of England	21.87	14.01	-7.86	28
Kingston-upon-Thames	London	21.49	25.00	3.51	74
Derbyshire Dales	East Midlands	20.44	31.22	10.78	35
Fylde	North West	19.78	19.42	-0.36	39
Wigan	North West	18.81	18.75	-0.07	4
Epsom & Ewell	South East	17.51	18.23	0.72	43
Hambleton	Yorkshire and The Humber	16.30	21.77	5.46	136
Brentwood	East of England	15.01	10.74	-4.27	3
Middlesbrough	North East	13.18	20.05	6.87	319
Basildon	East of England	12.73	7.20	-5.53	355
Wellingborough	East Midlands	12.65	15.33	2.68	21
Stafford	West Midlands	12.39	24.93	12.54	117
North Dorset	South West	11.82	8.98	-2.84	65
Ashford	South East	11.65	6.91	-4.74	21
Amber Valley	East Midlands	11.60	13.24	1.64	89
Penwith	South West	11.52	3.48	-8.04	127
Cannock Chase	West Midlands	11.36	2.54	-8.82	14
Gravesham	South East	11.27	10.90	-0.37	19
Hartlepool	North East	11.16	17.10	5.94	193

Note: As Table 3.25.

Table 3.39 LAs with negatively large disparity indices (%-points): 4-bed properties

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Chester-le-Street	North East	-24.88	-31.52	-6.64	7
Guildford	South East	-24.39	5.55	29.94	33
Forest Heath	East of England	-14.16	1.76	15.92	62
Suffolk Coastal	East of England	-11.98	1.80	13.79	96
Chester	North West	-11.51	5.62	17.13	123
Calderdale	Yorkshire and The Humber	-10.43	3.68	14.11	267
West Oxfordshire	South East	-9.87	8.82	18.69	94
Pendle	North West	-9.76	-7.19	2.57	62
Alnwick	North East	-7.75	-9.27	-1.52	1
East Lindsey	East Midlands	-7.10	-4.74	2.36	85
Hyndburn	North West	-6.67	-6.87	-0.20	80
Bradford	Yorkshire and The Humber	-6.46	-1.26	5.20	938
Mendip	South West	-5.21	5.47	10.68	60
Newcastle-upon-Tyne	North East	-5.00	0.70	5.70	90
High Peak	East Midlands	-4.97	-7.22	-2.25	8
Preston	North West	-4.90	-1.98	2.91	201
Castle Point	East of England	-4.77	-12.26	-7.49	4
Oswestry	West Midlands	-4.62	-10.88	-6.26	6
Rochdale	North West	-4.51	-11.21	-6.70	291
Bridgnorth	West Midlands	-4.37	-11.06	-6.69	1

Note: As Table 3.25.

5-bed units:

Figure 3.21 plotted 246 LAs according to net and target rents disparities for 5-bed properties against those for 2-bed properties.

- The scatter pattern of the 246 LAs showed a positive relationship between the two variables but without significance.
- The correlation coefficient was 0.439.
- This implies that a LA with net and target rents convergence for 2-bed properties might have similar progress for 5-bed properties but without certainty.



Figure 3.21 5-bed properties vs. 2-bed properties: disparity between net and target rents (%)

Figure 3.22 presents the distribution and statistics for disparity indices for 5-bed properties

- The average and median of the indices for 246 LAs were 3.42 and 3.07 points respectively.
- The range was fairly large 113.61 from -44.75 to 68.86.
- The distribution pattern appeared roughly close to a normal curve, peaking around 3 percentage points.





Tables 3.40 and 3.42 present the 20 LAs with the highest and lowest average disparity indices for 5-bed properties.

- Wigan had the smallest disparity index of -0.07 percentage points (Table 3.40) in which average net rents were almost equal to targets for 5- and 2-bed properties. The second smallest was seen in Chester (0.19 points) but the LA had average net rents far below the targets both for 5- and 2-bed properties. The third was in South Bedfordshire (0.32 points), which kept the net and target rent disparities within a ±5% range for both sizes.
- Thirteen LAs in the table placed their net and target rent convergences within a ±5% benchmark range for 5-bed properties.
- By region, five each were in the East and the South East while four were in the North West.
- Derby had the largest index in positive terms (68.86 points; Table 3.41). While the 2bed units' average net rent successfully converged towards the target, the equivalent for 5-bed properties was significantly below the target (68.88%).
- The second largest was seen in West Lancashire (47.88 points), which had the average net rent for 5-bed properties greatly below the target (41.74%) while keeping the equivalent for 2-bed properties above the target (-61.4%). Worthing was the third (38.35 points) mainly because of a poor rent progresses for 5-bed properties.
- All LAs in the table kept their average net rents more than 5% below their targets for 5-bed properties.
- By region, five were in the South East and three were in London.

- Forest of Dean had the larges index in negative terms (-36.61 points; Table 3.42). The LA's average net rent for 5-bed properties was above the target (-36.61%) while the equivalent for 2-bed properties was below the target (8.14%). This was followed by West Oxfordshire (-31.80 points) and Wakefield (-30.11 points) for similar reasons.
- Eighteen LAs in the table held their disparities outside of a ±5% range for 5-bed properties.
- By region, four each were in the South West and the East, while three each were in the South East, North West and the East Midlands.

1.4	Region	Disparity	Disparity	2-bed disparity (%)	Target
Wigan	North West	0.07	0.00	-0.07	4
Chester	North West	0.07	17 32	17 13	1
South Bedfordshire	Fast of England	0.10	-2.56	-2.88	5
North Typeside	North East	0.32	1.65	1 33	7
Manchester	North West	0.52	-0.77	-1.26	104
Wycombo	South East	0.50	-0.77	-1.20	2
South Somoroot	South West	0.51	-0.71	-1.21	3
	South Vest	0.53	5.20	4.07	2
Brighton & Hove	South East	-0.54	-7.09	-0.55	9
Mid Bedfordshire	East of England	0.63	14.39	13.75	6
Ryedale	Yorkshire and The Humber	-0.64	3.92	4.56	2
Reading	South East	-0.88	-1.27	-0.38	7
Tameside	North West	-0.91	-1.15	-0.24	40
Leeds	Yorkshire and The Humber	0.96	-1.23	-2.19	114
Test Valley	South East	-0.98	1.15	2.13	1
Huntingdonshire	East of England	-1.00	3.96	4.96	6
Plymouth	South West	1.04	-5.09	-6.13	5
Luton	East of England	1.06	-1.23	-2.28	38
Southampton	South East	1.24	-6.81	-8.05	1
Colchester	East of England	1.24	-4.83	-6.08	3
Sedgefield	North East	-1.37	-10.23	-8.86	1

|--|

Note: As Table 3.25.

		Disparity	Disparity	2-bed	Target
LA	Region	index	(%)	disparity (%)	stock
Derby	East Midlands	68.86	68.88	0.02	3
West Lancashire	North West	47.88	41.74	-6.14	1
Worthing	South East	38.35	40.86	2.51	1
Wandsworth	London	29.36	43.35	13.99	19
Kingston-upon-Thames	London	28.13	31.64	3.51	4
Christchurch	South West	26.09	30.80	4.71	1
Carlisle	North West	23.97	18.91	-5.06	3
Derbyshire Dales	East Midlands	23.84	34.62	10.78	7
Epsom & Ewell	South East	23.68	24.41	0.72	2
Medway	South East	23.10	15.14	-7.96	1
Kerrier	South West	22.41	10.20	-12.20	1
Vale of White Horse	South East	21.86	27.18	5.33	11
Wealden	South East	20.96	13.00	-7.96	1
Hertsmere	East of England	20.73	33.90	13.17	25
Castle Morpeth	North East	20.03	15.94	-4.10	2
Harlow	East of England	19.58	11.71	-7.86	1
Redcar & Cleveland	North East	19.32	27.13	7.81	27
Richmond-upon-Thames	London	19.06	33.83	14.77	6
Stafford	West Midlands	19.01	31.55	12.54	1
York	Yorkshire and The Humber	18.10	17.75	-0.35	6

Table 3.41 I As with	positively large	e disparity ir	ndices (%-	points): 5-bed	properties
		, alopanty n			proportioo

Note: As Table 3.25.

Table 3.42 LAs with negatively large disparity indices (%-points): 5-bed properties

	_ ·	Disparity	Disparity	2-bed	Target
LA	Region	index	(%)	disparity (%)	stock
Forest of Dean	South West	-44.75	-36.61	8.14	1
West Oxfordshire	South East	-31.80	-13.12	18.69	4
Wakefield	Yorkshire and The Humber	-30.11	-8.75	21.36	8
Chorley	North West	-24.72	-16.20	8.51	1
Hyndburn	North West	-23.03	-23.24	-0.20	2
Suffolk Coastal	East of England	-22.38	-8.59	13.79	2
Oadby & Wigston	East Midlands	-22.16	-32.17	-10.02	1
Thanet	South East	-20.06	-28.78	-8.72	1
Rushmoor	South East	-19.16	-10.73	8.42	10
Chelmsford	East of England	-18.93	-19.68	-0.76	1
Forest Heath	East of England	-18.11	-2.19	15.92	3
Newcastle-under-Lyme	West Midlands	-17.36	-1.68	15.68	2
Burnley	North West	-16.62	-22.09	-5.48	8
Erewash	East Midlands	-14.48	-8.88	5.59	4
Cheltenham	South West	-13.59	-16.53	-2.95	3
Ipswich	East of England	-13.36	-11.43	1.93	11
North West Leicestershire	East Midlands	-13.29	-17.28	-3.99	1
Sedgemoor	South West	-12.87	-17.84	-4.97	1
North Devon	South West	-12.46	-15.89	-3.43	6
Scarborough	Yorkshire and The Humber	-11.15	-9.78	1.37	2

Note: As Table 3.25.

6+ bed units:

Figure 3.23 plotted 152 LAs according to net and target rents disparities for 6+ bed properties against those for 2-bed properties.

- The scatter pattern of the 152 LAs showed a positive relationship between the two variables but without significance.
- The correlation coefficient was 0.467.
- This implies that a LA with net and target rents convergence for 2-bed properties might have similar progress for 5-bed properties but without certainty.

Figure 3.23 6+ bed properties vs. 2-bed properties: disparity between net and target rents (%)



Figure 3.24 presents the distribution and statistics for disparity indices for 6+ bed properties.

- The average of the indices for 152 LAs was 1.41 and the median was 1.39.
- The range was fairly large 109.24 from -45.04 to 64.20.
- The distribution pattern was roughly close to a normal curve peaking around 1.5 percentage points.



Figure 3.24 Disparity index (percentage points from 2-bed units' disparity): 6+ bed units

Tables 3.43 to 3.45 present the 20 LAs with the highest and lowest average disparity indices for 6+ bed properties.

- West Wiltshire had the smallest disparity index of -0.03 percentage points (Table 3.43) by converging its average net rent towards the target almost completely both for 6+ and 2-bed properties. The second smallest was seen in Erewash (-0.12 points) but the LA had average net rents more than 5% below the targets both for examined and referred sizes. The third was in Hyndburn (0.13 points), which set the average net rents fairly close to the targets for both sizes.
- Eight LAs in the table placed their net and target rent convergences within a ±5% benchmark range for 6+ bed properties.
- By region, five were in the South East and four were in the South West.
- Wandsworth the largest index in positive terms (64.20 points; Table 3.44). While the LA had the average net rent for 2-bed properties fairly below the target (13.99%), the disparity between the net and target rents was much greater (78.19%) for 6+ bed properties. Vale Royal had the second largest of 61.45 points for similar reasons. The third was observed in Ready (44.09 points), which the 2-bed units' average net rent successfully converged towards the target, but the equivalent for 6+ bed properties was significantly below the target (43.70%).
- All LAs in the table kept their average net rents more than 5% below their targets for 6+ bed properties.
- By region, nine were in London and two each in the North West, the South East, the West Midlands, Yorkshire and the Humber and the East.

- Shepway had the larges index in negative terms (-45.04 points; Table 3.45). The LA kept its average net rent for 2-bed properties within a ±5% range but the equivalent for 6+ bed properties was greatly above the target (-49.15%). Worcester City had the second largest of -42.05 points for similar reasons.
- The third was observed in Knowsley (-36.13 points), which had the average net rent for 6+ bed properties far above the target while keeping the equivalent for 2-bed properties below the target.
- All LAs in the table kept their average net rents more than 5% above their targets for 5-bed properties.
- By region, five were in the North West while four each in the South East and the West Midlands.

Table 3.43 LAS with small disparity indices (%-points). Of bed properties							
LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock		
West Wiltshire	South West	-0.03	-0.04	-0.01	5		
Erewash	East Midlands	-0.12	5.47	5.59	2		
Hyndburn	North West	0.13	-0.07	-0.20	1		
Tower Hamlets	London	0.28	12.78	12.50	126		
Maidstone	South East	0.32	-0.01	-0.33	1		
Hertsmere	East of England	0.46	13.64	13.17	1		
Waltham Forest	London	-0.53	-0.04	0.49	9		
Sevenoaks	South East	0.55	6.21	5.65	2		
Havant	South East	0.85	0.16	-0.69	1		
Bath & North East Somerset	South West	0.89	13.19	12.30	1		
West Berkshire	South East	1.03	10.60	9.57	1		
Sheffield	Yorkshire and The Humber	1.17	6.14	4.97	7		
South Oxfordshire	South East	1.25	3.52	2.27	2		
Bristol	South West	-1.54	-2.35	-0.81	1		
Trafford	North West	1.54	8.74	7.21	23		
Stratford-on-Avon	West Midlands	-1.58	7.03	8.61	2		
Ealing	London	1.69	8.16	6.47	6		
Peterborough	East of England	-2.08	0.48	2.56	6		
North Hertfordshire	East of England	2.12	13.35	11.23	1		
Mendip	South West	-2.35	8.33	10.68	1		

Table 3.43 LAs with small disparity indices (%-points): 6+ bed properties

Note: As Table 3.25.

LA	Region	Disparity index	Disparity (%)	2-bed disparity (%)	Target stock
Wandsworth	London	64.20	78.19	13.99	3
Vale Royal	North West	61.45	79.61	18.16	4
Reading	South East	44.09	43.70	-0.38	2
Sandwell	West Midlands	41.48	32.33	-9.16	12
Kingston-upon-Thames	London	37.20	40.71	3.51	1
Enfield	London	27.19	25.10	-2.09	10
York	Yorkshire and The Humber	26.31	25.96	-0.35	2
Merton	London	24.76	26.16	1.40	2
Greenwich	London	24.36	27.81	3.45	2
Poole	South West	21.06	10.64	-10.42	1
Portsmouth	South East	19.83	15.31	-4.52	4
Kensington & Chelsea	London	19.82	55.96	36.15	3
Wolverhampton	West Midlands	19.79	11.61	-8.18	1
Mid Bedfordshire	East of England	19.72	33.47	13.75	1
Blackburn with Darwen	North West	19.12	11.83	-7.30	12
Lewisham	London	18.59	26.64	8.04	8
Hammersmith & Fulham	London	18.56	41.48	22.93	4
South Cambridgeshire	East of England	17.24	21.76	4.51	3
Croydon	London	15.88	13.17	-2.72	5
North East Lincolnshire	Yorkshire and The Humber	15.69	30.09	14.40	5

Note: As Table 3.25.

Table 3.45 LAs with negatively large disparity indices (%-points): 6+ bed properties

		Disparity	Disparity	2-bed	Target
LA	Region	index	(%)	disparity (%)	stock
Shepway	South East	-45.04	-49.15	-4.11	1
Worcester City	West Midlands	-42.05	-40.47	1.57	1
Knowsley	North West	-36.13	-29.62	6.51	5
Test Valley	South East	-33.77	-31.64	2.13	1
Forest Heath	East of England	-33.05	-17.13	15.92	1
Colchester	East of England	-31.51	-37.59	-6.08	1
Chorley	North West	-31.34	-22.83	8.51	1
Chester	North West	-28.84	-11.71	17.13	3
Reigate & Banstead	South East	-28.75	-23.69	5.06	1
Telford & Wrekin	West Midlands	-26.43	-32.61	-6.17	3
Gloucester	South West	-22.71	-27.66	-4.96	1
Wigan	North West	-22.28	-22.35	-0.07	1
Bexley	London	-21.88	-22.25	-0.36	3
Scarborough	Yorkshire and The Humber	-21.58	-20.21	1.37	1
Spelthorne	South East	-19.55	-10.53	9.02	1
Nottingham	East Midlands	-17.99	-21.97	-3.97	1
Coventry	West Midlands	-17.34	-16.94	0.41	17
Stoke-on-Trent	West Midlands	-16.79	-22.34	-5.55	2
Pendle	North West	-15.89	-13.32	2.57	1
Ipswich	East of England	-15.71	-13.78	1.93	3

Note: As Table 3.25.

Section 4 The relationship between property sizes and RSL rents at the LA level

In the previous sections, we investigated pattern of the current RSL rents mainly in terms of weekly rent prices. This and the following sections examine RSL rents by two other measurements – indices for size effects and for local effects. The main reason for selecting these two indices arises from the rent-restructuring regulations, which introduced target rents.

This section first investigates size factors by using an index expressed as below:

Index= Average key variable for a size category of interest Average key variable for 2-bed category

If size factors exist, then the indices will show some regular patterns by increase in property size – for example, rising according to the ascending order of property size categories and valuing less than 1.0 for size categories smaller than 2-bed units whilst being more than 1.0 for larger size categories.

4.1 Net rents

Bedspaces:

First, we will look at a relationship between average net rents for bedspaces and those for 2bed properties. Figure 4.1 plotted 57 LAs, which reported net rents for bedspaces, according to the two variables. The X axis expresses a reference rent while the Y axis represents an average net rent for bedspaces.

- The scatter pattern of the 57 LAs failed to show a significant positive relationship.
- In fact, the correlation coefficient was 0.104, which means the two variables are not strongly positively associated with one another.¹⁰

This means that a LA with high (low) rents for 2-bed units did not always hold high (low) rents for bedspaces.

¹⁰ A correlation coefficient rages from -1 to +1, and if two variables of interest have a significantly positive (or negative) relationship, the figure will be close to +1 (or -1). The value is not directly presented but can be derived by the square root of the R sq in the figure.



Figure 4.1 Bedspaces vs. 2-bed properties: average net rents (£)

Figure 4.2 presents distribution and statistics of the net rent indices for bedspaces.

- The average and median of the indices for the 57 LAs were 0.67 and 0.68 respectively.
- The range was 1.29; from 0.24 to 1.53. This means that for the LA with the maximum values, the bedspaces average rent was higher than 2-bed equivalent.
- The distribution pattern shows that the majority of the 57 LAs were in the range 0.60 to 0.80.





Tables 4.1 and 4.2 present the 20 LAs with highest and lowest average net rent indices for bedspaces.

- It was Purbeck and Mendip who had average bedspace rents higher than those for 2bed units – their indices were 1.53 and 1.35 respectively.
- Following them, East Devon showed the third highest of 1.00. But the LA held stock of two properties.
- Looking at LAs with ample stock, Walsall, which did not appear in the list of the highest average net rents (Table 3.3), showed a high index of 0.87.
- This implies that the LA's bedspace rents were comparatively high in comparison with 2-bed units' rents.
- Of the 20 LAs with the highest rents, six were in London, five were in the South West, four were in the South East and three were in the North West.
- Southampton showed the lowest index of 0.24, which means the average net rent for bedspaces was less than a quarter of the 2-bed units' equivalent. This was followed by Medway and Crawley (0.25 for each).
- Several LAs in this list also failed to have ample stock, so that interpretation of the figures would not be conclusive.
- Of the 20 LAs with the lowest rents, half were in London and six were in the South East.

LA	Region	2-bed = 1.00	£	Stock
Purbeck	South West	1.53	105.46	28
Mendip	South West	1.35	83.10	24
East Devon	South West	1.00	64.72	2
West Berkshire	South East	0.98	78.42	14
Hackney	London	0.95	72.59	8
Croydon	London	0.91	76.71	1
Lambeth	London	0.89	65.53	15
Sevenoaks	South East	0.89	65.94	30
Walsall	West Midlands	0.87	47.57	137
Lancaster	North West	0.84	54.21	3
New Forest	South East	0.82	63.35	8
Windsor & Maidenhead	South East	0.79	66.67	21
West Wiltshire	South West	0.79	52.77	4
Kingston-upon-Thames	London	0.79	70.55	25
Crewe & Nantwich	North West	0.79	47.01	2
Richmond-upon-Thames	London	0.78	64.68	14
Sedgemoor	South West	0.76	51.95	3
Sefton	North West	0.76	40.80	2
Newcastle-upon-Tyne	North East	0.76	40.43	47
Enfield	London	0.75	61.12	10

Table 4.1 LAs with high average net rent indices: bedspaces

Table 4.2 LAs with low average net rent indices: bedspaces

LA	Region	2-bed = 1.00	£	Stock
Southampton	South East	0.24	18.74	14
Medway	South East	0.25	18.27	5
Crawley	South East	0.25	21.45	9
Bromley	London	0.27	22.17	4
Rother	South East	0.27	19.63	5
Southwark	London	0.34	27.60	17
Lewisham	London	0.38	29.47	82
Bexley	London	0.39	28.72	3
Dartford	South East	0.43	33.26	24
Mole Valley	South East	0.44	37.56	2
Cannock Chase	West Midlands	0.46	30.58	3
Greenwich	London	0.52	41.38	78
Newham	London	0.52	43.09	380
Stevenage	East of England	0.52	40.31	29
Waltham Forest	London	0.58	45.62	23
Bolton	North West	0.58	35.42	2
Camden	London	0.59	52.41	15
Wandsworth	London	0.59	52.64	18
Stratford-on-Avon	West Midlands	0.60	41.04	4
Hammersmith & Fulham	London	0.61	50.73	20

Bedsits:

- Figure 4.3 plots average net rents for bedsits against the average net rents for 2-bed units, according to figures reported by 280 LAs.
- The scatter pattern of the 280 LAs showed a positive relationship.
- The correlation coefficient was 0.767.
- This means that a LA with high (low) rents for 2-bed units was likely to hold high (low) rents for bedsits.

Figure 4.3 Bedsits vs. 2-bed properties: average net rents (£)



Figure 4.4 presents distribution and statistics of net rent indices for bedsits.

- Both the average of the indices for the 280 LAs was 0.75 while the median was 0.74.
- These compared with a weight for this size category (0.80) used for target rent calculation.
- The range was 0.58; from 0.49 to 1.07. This means that for the LA with the maximum values, the bedsits average rent was higher than the 2-bed units' equivalent.
- The distribution pattern appeared reasonably close to a normal curve, peaking around 0.75.



Figure 4.4 Average net rent index (2-bed = 1.00): bedsits

Tables 4.2 and 4.3 present the 20 LAs with the highest and lowest average net rent indices for bedsits.

- It was Ashfield and Salford who charged average bedsit rents higher than those for 2-bed units their indices were 1.07 and 1.01 respectively. They were followed by North East Lincolnshire and Vale Royal (0.95 for each).
- However, some of these LAs (in particular, Ashfield) held too small stock to interpret the figures without caution.
- Of the 20 LAs charging the highest rents, five were in the North West while three each were in the East Midlands and the West Midlands.
- London, which had 12 LAs with the highest rents measured by rent prices (Table 3.5), held only one LA in the highest index list.
- Arun showed the lowest index of 0.49. This was followed by Harlow (0.53) then South Lakeland (0.55). Several LAs in the list failed to have ample stock to interpret the figures unequivocally.
- Of the 20 with the lowest rents, five were in the South East while four each in the East of England and the North West.

Table 4.5 LAS with high average het fent indices, bedsits				
LA	Region	2-bed = 1.00	£	Stock
Ashfield	East Midlands	1.07	68.49	3
Salford	North West	1.01	60.36	36
North East Lincolnshire	Yorkshire and The Humber	0.95	48.49	159
Vale Royal	North West	0.95	54.88	16
Hartlepool	North East	0.94	52.58	13
Chiltern	South East	0.93	73.81	35
Rushcliffe	East Midlands	0.92	52.85	6
Erewash	East Midlands	0.90	51.86	21
Thurrock	East of England	0.90	65.68	51
Kerrier	South West	0.89	56.72	13
Newcastle-under-Lyme	West Midlands	0.89	42.78	64
Preston	North West	0.89	49.32	98
Allerdale	North West	0.88	51.40	12
Penwith	South West	0.88	56.33	40
Epsom & Ewell	South East	0.88	71.67	28
Southwark	London	0.88	70.99	193
Wyre	North West	0.87	60.30	21
Walsall	West Midlands	0.87	47.66	181
South Tyneside	North East	0.87	48.10	3
Stratford-on-Avon	West Midlands	0.85	58.30	37

Table 4.3 LAs with high average net rent indices: bedsits

Table 4.4 LAs with low average ne	net rent indices: bedsits
-----------------------------------	---------------------------

LA	Region	2-bed = 1.00	£	Stock
Arun	South East	0.49	36.97	10
Harlow	East of England	0.53	41.34	88
South Lakeland	North West	0.55	38.17	4
Tonbridge & Malling	South East	0.57	43.05	2
South Derbyshire	East Midlands	0.58	39.40	4
Bexley	London	0.59	43.89	272
Three Rivers	East of England	0.60	52.50	57
Dudley	West Midlands	0.60	39.40	34
Mid Suffolk	East of England	0.60	39.82	1
Ashford	South East	0.62	47.52	8
Doncaster	Yorkshire and The Humber	0.62	36.84	6
Dartford	South East	0.63	48.05	24
Rochdale	North West	0.63	36.65	8
Darlington	North East	0.63	38.27	13
Broxbourne	East of England	0.64	51.42	273
Kirklees	Yorkshire and The Humber	0.64	40.72	21
Macclesfield	North West	0.65	38.98	32
Harrow	London	0.65	51.50	25
Havant	South East	0.65	46.45	190
Congleton	North West	0.65	39.53	7

1-bed units:

Figure 4.5 plotted 354 LAs, which reported net rents for 1-bed properties, according to average net rents for this size category and the 2-bed category.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.959, confirming this significance.
- This means that a LA with high (low) rents for 2-bed properties was likely to charge high (low) rents for 1-bed properties.

Figure 4.5 1-bed properties vs. 2-bed properties: average net rents (£)



Figure 4.6 presents distribution and statistics of net rent indices for 1-bed properties.

- The average and median of the indices for the 354 LAs were both 0.86.
- These compared with a weight for this size category (0.90) used for target rent calculation.
- The range was 0.25, which was much smaller than the equivalents in smaller size categories.
- The distribution pattern appeared close to a normal curve peaking around the median of the indices.



Figure 4.6 Average net rent index (2-bed = 1.00): 1-bed units

Tables 4.5 and 4.6 present the 20 LAs with the highest and lowest average net rent indices for 1-bed properties.

- Staffordshire Moorlands held the highest index of 0.98. This was followed by Walsall (0.96), Penwith and Sunderland (0.95 for each).
- Of the 20 LAs with the highest indices, seven were in the North West while three each were in the South East and the West Midlands.
- Isles of Scilly and Test Valley shared the lowest indices of 0.74. The former LA, however, had a fairy small stock for this size category. The third lowest was observed in Sedgefield (0.76).
- Of the 20 lowest, seven were in the South East, five in the East of England and four in the North West.

LA	Region	2-bed = 1.00	£	Stock
Staffordshire Moorlands	West Midlands	0.98	53.32	227
Walsall	West Midlands	0.96	52.36	5,195
Penwith	South West	0.95	61.01	341
Sunderland	North East	0.95	53.12	5,693
Vale Royal	North West	0.94	54.38	363
South Bucks	South East	0.93	72.02	852
Sheffield	Yorkshire and The Humber	0.93	49.73	2,874
Oldham	North West	0.93	54.21	706
Lambeth	London	0.92	67.87	4,684
Bury	North West	0.92	54.78	608
Kerrier	South West	0.92	58.39	835
Stoke-on-Trent	West Midlands	0.92	53.90	977
Wyre	North West	0.92	63.29	619
Manchester	North West	0.91	52.68	5,671
Cherwell	South East	0.91	63.89	578
Chiltern	South East	0.91	71.95	889
Blackburn with Darwen	North West	0.91	54.37	2,038
Tameside	North West	0.91	52.94	3,711
Rushcliffe	East Midlands	0.91	52.44	137
Newcastle-upon-Tyne	North East	0.91	48.61	1,373

Table 4.5 LAs with high average net rent indices: 1-bed units

Table 4.6 LAs with low average net rent indices: 1-bed units

_

LA	Region	2-bed = 1.00	£	Stock
Isles of Scilly	South West	0.74	47.91	5
Test Valley	South East	0.74	53.78	1,326
Sedgefield	North East	0.76	44.79	166
Easington	North East	0.77	44.45	349
Adur	South East	0.77	59.88	57
Crawley	South East	0.77	66.38	276
Gosport	South East	0.77	57.61	316
Eastbourne	South East	0.77	57.15	290
Broxbourne	East of England	0.78	62.61	679
Swale	South East	0.79	59.59	850
Bexley	London	0.79	58.31	2,513
Basildon	East of England	0.79	59.66	528
Stevenage	East of England	0.80	61.11	243
Babergh	East of England	0.80	52.42	121
Hillingdon	London	0.80	70.42	883
Three Rivers	East of England	0.80	69.67	122
Caradon	South West	0.80	49.93	54
Wansbeck	North East	0.80	45.27	114
Berwick-upon-Tweed	North East	0.80	48.52	65
Arun	South East	0.80	60.56	152

3-bed units:

Figure 4.7 plots 354 LAs which reported net rents for 3-bed properties, according to average net rents for this size category and the 2-bed category.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.974, confirming this significance.
- This means that a LA with high (low) rents for 2-bed properties was highly likely to charge high (low) rents for 3-bed properties.



Figure 4.7 3-bed properties vs. 2-bed properties: average net rents (£)

Figure 4.8 presents the distribution and statistics for net rent indices for 3-bed properties.

- The average of the indices for 354 LAs was 1.10 while the median was 1.11.
- These compared with a weight for this size category (1.05) used for target rent calculation.
- The range was 0.35, which was much smaller than the equivalents for the smallest two size categories.
- The distribution pattern appeared close to a normal curve, peaking around 1.10.





Tables 4.7 and 4.8 present the 20 LAs with the highest and lowest average net rent indices for 3-bed properties.

- Bexley held the highest index of 1.30. This was followed by Chester and Southendon-Sea (1.24 for each).
- Of the 20 LAs with the highest indices, eight were in the South East and six were in London with three in the East of England.
- Newark & Sherwood showed the lowest index of 0.95, followed by Derbyshire Dales (0.97). This means that these two LAs' average net rents for 3-bed properties were lower than those for 2-bed properties.
- Of the 20 lowest, seven were in the East Midlands while three each in the North East and the West Midlands.

Table 4.7 LAs with high average net rent indices: 3-bed units				
LA	Region	2-bed = 1.00	£	Stock
Bexley	London	1.30	95.94	3,837
Chester	North West	1.24	65.24	2,220
Southend-on-Sea	East of England	1.24	88.99	810
Havant	South East	1.23	88.00	1,706
Lewes	South East	1.23	82.47	228
Havering	London	1.22	97.14	620
Rochford	East of England	1.22	91.75	217
Harrow	London	1.19	94.74	780
Castle Morpeth	North East	1.19	66.82	53
Ealing	London	1.18	101.23	1,390
Waltham Forest	London	1.18	92.03	2,574
Elmbridge	South East	1.17	93.55	1,495
Tendring	East of England	1.17	86.20	517
Enfield	London	1.16	94.83	1,472
North Wiltshire	South West	1.16	76.73	2,294
Reigate & Banstead	South East	1.16	88.21	2,049
Arun	South East	1.16	87.39	757
Windsor & Maidenhead	South East	1.16	97.92	2,412
Bracknell Forest	South East	1.16	97.29	331
East Hampshire	South East	1.16	91.35	1,785

	Table 4.7 LA	s with hiah	average	net rent	indices:	3-bed	units
--	--------------	-------------	---------	----------	----------	-------	-------

Table 4.8 LAs with low average net rent indices: 3-bed properties

LA	Region	2-bed = 1.00	£	Stock
Newark & Sherwood	East Midlands	0.95	63.92	601
Derbyshire Dales	East Midlands	0.97	59.91	1,326
Fylde	North West	1.01	58.88	560
Erewash	East Midlands	1.01	58.10	2,251
Stratford-on-Avon	West Midlands	1.01	69.10	2,107
Ashfield	East Midlands	1.02	64.83	482
Crawley	South East	1.02	88.00	401
North Norfolk	East of England	1.02	56.92	2,345
Amber Valley	East Midlands	1.02	61.43	2,529
Darlington	North East	1.02	61.85	429
Ribble Valley	North West	1.03	69.12	93
Hambleton	Yorkshire and The Humber	1.03	62.36	1,578
Durham	North East	1.03	60.38	404
West Lindsey	East Midlands	1.04	57.15	1,466
Bassetlaw	East Midlands	1.04	67.63	336
Kerrier	South West	1.04	65.85	1,311
Coventry	West Midlands	1.04	61.34	6,565
Cherwell	South East	1.04	72.82	2,842
East Staffordshire	West Midlands	1.04	56.10	1,975
Sunderland	North East	1.04	58.27	10,743

4-bed units:

Figure 4.9 plotted 349 LAs, which reported net rents for 4-bed properties, according to average net rents for this size category and the 2-bed category.

- The scatter pattern of the 349 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.939, confirming this significance.
- This means that a LA with high (low) rents for 2-bed properties was highly likely to charge high (low) rents for 4-bed properties.



Figure 4.9 4-bed properties vs. 2-bed properties: average net rents (£)

Figure 4.10 presents the distribution and statistics for net rent indices for 4-bed properties.

- The average and median of the indices for 349 LAs were both 1.21.
- These compared with a weight of 1.10 for this and larger sizes properties used in target rent calculation.¹¹
- The range was 0.54, which was much smaller than the equivalents for the two smallest size categories.
- The distribution pattern appeared close to a normal curve, peaking around the median.

¹¹ The largest size category for target rent calculation is '4+ bed'.



Figure 4.10 Average net rent index (2-bed = 1.00): 4-bed units

Tables 4.9 and 4.10 present the 20 LAs with the highest and lowest average net rent indices for 4-bed properties.

- Fareham held the highest index of 1.50 but the figure was based on a small stock. This was followed by Calderdale (1.43) and Bradford (1.42).
- Of the 20 LAs with the highest indices, eight were in the South East, and three each in the North West and Yorkshire & the Humber.
- Fylde showed the lowest index of 0.97, this means the LA's average net rent for 4bed properties were lower than the 2-bed units' equivalent. The second lowest was Wigan (1.00) with small stock. This was followed by Cannock Chase and Easington (1.01 for each).
- Of the 20 lowest, eight were in the East Midlands, five were in the North East and three in the North West.

LA	Region	2-bed = 1.00	£	Stock
Fareham	South East	1.50	118.01	6
Calderdale	Yorkshire and The Humber	1.43	72.02	269
Bradford	Yorkshire and The Humber	1.42	74.39	938
Chester	North West	1.41	74.24	123
Sheffield	Yorkshire and The Humber	1.40	74.73	352
Chelmsford	East of England	1.37	99.50	114
Pendle	North West	1.37	72.47	62
Rochdale	North West	1.36	79.36	291
Wycombe	South East	1.36	109.87	40
Teignbridge	South West	1.36	83.11	64
Havant	South East	1.35	96.72	127
Reading	South East	1.35	109.53	62
Lewes	South East	1.34	90.04	7
Harrow	London	1.34	106.29	109
Elmbridge	South East	1.33	106.74	91
Mole Valley	South East	1.33	114.46	1
Epping Forest	East of England	1.32	112.89	11
Enfield	London	1.32	107.55	289
Eastbourne	South East	1.32	97.45	65
Carrick	South West	1.32	83.40	14

Table 4.9 LAs	with high averag	e net rent indices:	4-bed p	roperties

Table 4.10 LAs with low average net rent indices: 4-bed properties

LA	Region	2-bed = 1.00	£	Stock
Fylde	North West	0.97	56.54	39
Wigan	North West	1.00	57.72	4
Cannock Chase	West Midlands	1.01	66.47	14
Easington	North East	1.01	58.65	19
Derbyshire Dales	East Midlands	1.02	62.84	35
Newark & Sherwood	East Midlands	1.03	69.21	36
Bassetlaw	East Midlands	1.05	68.72	10
Ashfield	East Midlands	1.06	67.70	1
Durham	North East	1.07	62.23	32
Hambleton	Yorkshire and The Humber	1.07	64.50	136
Bolsover	East Midlands	1.07	69.74	5
Amber Valley	East Midlands	1.07	64.51	89
Ashford	South East	1.07	82.43	21
Hartlepool	North East	1.07	59.76	193
West Lancashire	North West	1.08	73.59	19
North Kesteven	East Midlands	1.08	69.58	5
Chester-le-Street	North East	1.08	64.15	7
South Derbyshire	East Midlands	1.08	73.31	7
North Shropshire	West Midlands	1.09	69.38	6
Sunderland	North East	1.09	60.96	1,060

5-bed units:

Figure 4.11 plotted 246 LAs, which reported net rents for 5-bed properties, according to average net rents for this size category and the 2-bed category.

- The scatter pattern of the 246 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.777, confirming this significance. However the degree was slightly smaller than the equivalents for the other property sizes around 2-bed units.
- This means that a LA with high (low) rents for 2-bed properties was likely to charge high (low) rents for 5-bed properties.



Figure 4.11 5-bed properties vs. 2-bed properties: average net rents (£)

Figure 4.12 presents the distribution and statistics for net rent indices for 5-bed properties.

- The average and median of the indices for 246 LAs were both 1.31.
- These compared with a weight of 1.10 for 4+ bed category used in target rent calculation.
- The range was 1.17, which was larger than the equivalents for the previous four size categories but smaller than that of bedspaces.
- The distribution pattern appeared close to a normal curve, peaking around 1.3.



Figure 4.12 Average net rent index (2-bed = 1.00): 5-bed units

Tables 4.11 and 4.12 present the 20 LAs with the highest and lowest average net rent indices for 5-bed properties.

- Forest of Dean and Hyndburn held the highest index of 1.89. This was followed by Newcastle-under-Lyme (1.73). But all the figures were based on a small stock.
- Of the 20 LAs with the highest indices, five each were in the North West and the South East, and four were in Yorkshire & the Humber.
- There were four LAs whose average net rents for 5-bed properties were lower than those for 2-bed properties. They were West Lancashire (0.72), Derby (0.84), Hammersmith and Fulham (0.91), and Worthing (0.96). Except Hammersmith and Fulham, these LAs did not have ample stock.
- Of the 20 lowest, five were in the South East, four each in the North West and the East Midlands and three were in the North East.

LA	Region	2-bed = 1.00	£	Stock
Forest of Dean	South West	1.89	111.52	1
Hyndburn	North West	1.89	101.60	2
Newcastle-under-Lyme	West Midlands	1.73	83.14	2
Gravesham	South East	1.69	127.22	1
West Oxfordshire	South East	1.65	110.40	4
Bradford	Yorkshire and The Humber	1.64	85.61	170
Wakefield	Yorkshire and The Humber	1.63	82.64	8
Chelmsford	East of England	1.62	117.66	1
Calderdale	Yorkshire and The Humber	1.61	81.26	64
Harrogate	Yorkshire and The Humber	1.61	110.75	1
Burnley	North West	1.59	93.93	8
West Dorset	South West	1.59	109.32	2
Wealden	South East	1.58	114.72	1
Tendring	East of England	1.56	114.77	6
Chorley	North West	1.55	83.00	1
Preston	North West	1.53	85.10	11
Hastings	South East	1.53	101.78	17
Chester	North West	1.51	79.57	1
Rushmoor	South East	1.51	117.75	10
Bexley	London	1.51	111.35	9

Table 4.11 LAs with high average net rent indices: 5-bed properties

Table 4.12 LAs with low average net rent indices: 5-bed properties

LA	Region	2-bed = 1.00	£	Stock
West Lancashire	North West	0.72	49.26	1
Derby	East Midlands	0.84	50.80	3
Hammersmith & Fulham	London	0.91	75.43	63
Worthing	South East	0.96	68.53	1
Rother	South East	1.00	72.46	2
Medway	South East	1.05	77.69	1
Salford	North West	1.07	63.60	10
Derbyshire Dales	East Midlands	1.07	66.14	7
Carlisle	North West	1.08	64.78	3
Kingston-upon-Thames	London	1.09	97.39	4
Kerrier	South West	1.09	68.99	1
West Lindsey	East Midlands	1.10	60.90	1
Hartlepool	North East	1.10	61.48	17
Blackpool	North West	1.11	73.26	11
Sunderland	North East	1.11	62.28	130
Amber Valley	East Midlands	1.12	67.46	8
Eastbourne	South East	1.12	82.85	1
Vale of White Horse	South East	1.13	81.38	11
Redcar & Cleveland	North East	1.13	65.25	27
Barnet	London	1.13	96.14	29

6+ bed units:

Figure 4.13 plotted 152 LAs, which reported net rents for 6+ bed properties, according to average net rents for this size category and the 2-bed category.

- The scatter pattern of the 152 LAs showed a relatively positive relationship between the two variables.
- The correlation coefficient was 0.683, which is the second lowest following that of bedspaces only one size category failed to show statistically positive relationship.
- This means that a LA with high (low) rents for 2-bed properties was likely to charge high (low) rents for 6+ bed properties to some extent.

175.00 0 0 0 0 150.00 0 0 six_puls_b_net_rent 0 0 0 0 125.00 o 0 0 0 00 0 00 0 0 100.00 0 0 o 0 0 o 75.00 0 R Sq Linear = 0.467 0 40.00 60.00 80.00 two_b_net_rent

Figure 4.13 6+ bed properties vs. 2-bed properties: average net rents (£)

Figure 4.14 presents the distribution and statistics for net rent indices for 6+ bed properties.

- The average of the indices for 152 LAs was 1.48 and the median was 1.42.
- These compared with a weight of 1.10 for 4+ bed category used in target rent calculation.
- The range was 1.34, which was the largest among the all size categories.
- The distribution pattern was slightly skewed to the higher part and the cohort containing 1.4 appeared the most frequent.





Tables 4.13 and 4.14 present the 20 LAs with the highest and lowest average net rent indices for 6+ bed properties.

- Worcester City held the highest index of 2.43 and this was followed by Shepway (2.38) and Telford and Wrekin (2.16). But all the figures were based on a small stock.
- Of the 20 LAs with the highest indices, five were in the North West, four were in the South East, and three each in the South West and the West Midlands.
- Wyre had the lowest index of 1.09. This was followed by Poole (1.15), Vale Royal and Burnley (1.16 for each). All the four LAs were with a fairy small stock.
- Of the 20 lowest, five each were in the East of England and the North West, while three were in the West Midlands.

LA	Region	2-bed = 1.00	£	Stock
Worcester City	West Midlands	2.43	140.31	1
Shepway	South East	2.38	170.08	1
Telford & Wrekin	West Midlands	2.16	128.17	3
Newcastle-under-Lyme	West Midlands	2.13	102.48	2
Colchester	East of England	2.09	155.78	1
Test Valley	South East	2.09	152.08	1
Knowsley	North West	2.05	116.41	5
Reigate & Banstead	South East	2.00	151.20	1
Erewash	East Midlands	1.90	109.28	2
Spelthorne	South East	1.87	155.85	1
Chester	North West	1.86	97.87	3
Congleton	North West	1.86	112.46	1
Bury	North West	1.84	109.48	1
Bexley	London	1.83	135.03	3
Torbay	South West	1.81	113.35	6
Rossendale	North West	1.77	100.08	1
Bradford	Yorkshire and The Humber	1.75	91.67	41
South Somerset	South West	1.73	109.11	3
Tewkesbury	South West	1.73	112.77	2
Derby	East Midlands	1.69	102.18	1

Table 4.13 LAs with high average net rent indices: 6+ bed properties

LA	Region	2-bed = 1.00	£	Stock
Wyre	North West	1.09	74.91	1
Poole	South West	1.15	88.75	1
Vale Royal	North West	1.16	66.93	4
Burnley	North West	1.16	68.63	1
North East Lincolnshire	Yorkshire and The Humber	1.19	60.35	5
St Helens	North West	1.20	69.76	2
Worthing	South East	1.20	85.70	2
Liverpool	North West	1.22	71.71	26
Westminster	London	1.22	109.63	5
Great Yarmouth	East of England	1.23	73.93	14
Suffolk Coastal	East of England	1.24	77.45	3
Herefordshire	West Midlands	1.24	72.27	1
Breckland	East of England	1.24	76.09	12
South Cambridgeshire	East of England	1.27	94.55	3
Middlesbrough	North East	1.27	71.24	4
Shrewsbury & Atcham	West Midlands	1.27	70.67	2
York	Yorkshire and The Humber	1.27	83.63	2
Sandwell	West Midlands	1.28	84.67	12
Boston	East Midlands	1.28	71.14	2
Dacorum	East of England	1.28	101.95	2

4.2 Service charges

This part examines average service charge indices for small size properties.

Bedsits:

Figure 4.15 plotted 265 LAs which reported service charges for bedsits, according to average service charges for this size category and the 2-bed category.

- The scatter pattern of the 265 LAs failed to show a positive relationship.
- The correlation coefficient was 0.200.
- This means that a LA with high (low) service charges for 2-bed units did not always charge high (low) service charges for bedsits.





Figure 4.16 presents distribution and statistics for net rent indices for bedsits.

- The average and median of the indices for 265 LAs were 1.83 and 1.45 respectively, which means the majority of average service charges for bedsits were higher than those for 2-bed properties.
- This is probably because bedsits had more communal facilities subject to service charges than 2-bed properties.
- The range appeared relatively large (7.40 from 0.11 to 7.51).

• The distribution pattern was skewed to the higher part, but the majority of the LAs held indices of less than 2.00.



Figure 4.16 Average service charge index (2-bed = 1.00): bedsits

Tables 4.15 and 4.16 present the 20 LAs with the highest and lowest service charge indices for bedsits.

- Burnley held the highest index of 7.51, followed by Darlington (6.95). The third highest was Barnsley (6.85). The stock sizes of all the three LAs were smaller than 20.
- Of the 20 LAs with the highest indices, four each were in the East Midlands, the East of England and the North West. Three were in Yorkshire and the Humber.
- East Dorset had the lowest index of 0.11. This was followed by Suffolk Coastal (0.27) and East Hertfordshire (0.28). Including these however, several LAs did not have ample enough stock to interpret their figures without caution.
- Of the 20 lowest, four each were in London and the North West while three each in the South East and the South West.
| LA | Region | 2-bed = 1.00 | £ | Stock |
|--------------------|--------------------------|--------------|-------|-------|
| Burnley | North West | 7.51 | 10.74 | 15 |
| Darlington | North East | 6.95 | 23.48 | 13 |
| Barnsley | Yorkshire and The Humber | 6.86 | 22.37 | 15 |
| Doncaster | Yorkshire and The Humber | 6.86 | 17.08 | 6 |
| Harlow | East of England | 6.67 | 29.96 | 88 |
| St Helens | North West | 6.27 | 10.97 | 40 |
| Allerdale | North West | 5.99 | 12.15 | 12 |
| South Ribble | North West | 5.50 | 17.06 | 9 |
| North Lincolnshire | Yorkshire and The Humber | 5.43 | 11.63 | 24 |
| Boston | East Midlands | 5.42 | 5.53 | 17 |
| Lincoln | East Midlands | 5.28 | 14.99 | 24 |
| South Holland | East Midlands | 5.08 | 10.66 | 1 |
| Warwick | West Midlands | 4.99 | 24.41 | 73 |
| Durham | North East | 4.95 | 12.97 | 2 |
| Uttlesford | East of England | 4.83 | 16.57 | 8 |
| South Norfolk | East of England | 4.82 | 17.58 | 7 |
| North Devon | South West | 4.40 | 10.79 | 1 |
| Fenland | East of England | 4.21 | 11.87 | 3 |
| North Shropshire | West Midlands | 4.02 | 14.20 | 1 |
| West Lindsey | East Midlands | 4.01 | 12.95 | 18 |

Table 4 15 I	As with high	averane	service	charge	indices.	hedsits
	.As with high	i average	201 1100	unarge	indices.	Deusits

Table 4.16	LAs with lo	w average	service	charge	indices:	bedsits
10010 1110		n avorago	0011100	onlargo		Souche

LA	Region	2-bed = 1.00	£	Stock
East Dorset	South West	0.11	0.28	6
Suffolk Coastal	East of England	0.27	1.73	18
East Hertfordshire	East of England	0.28	1.53	7
Redbridge	London	0.33	2.26	18
Wirral	North West	0.33	1.61	28
Brent	London	0.33	2.70	27
West Dorset	South West	0.34	1.08	3
Lewisham	London	0.38	2.44	29
Stafford	West Midlands	0.38	1.30	17
Staffordshire Moorlands	West Midlands	0.39	1.18	34
Surrey Heath	South East	0.40	2.33	3
Restormel	South West	0.43	0.63	26
Redcar & Cleveland	North East	0.43	1.82	31
Maidstone	South East	0.48	1.38	70
Canterbury	South East	0.52	2.87	15
Derbyshire Dales	East Midlands	0.56	0.93	37
Pendle	North West	0.56	0.62	14
Bury	North West	0.56	2.83	10
Macclesfield	North West	0.56	1.78	3
Ealing	London	0.60	4.23	129

3-bed units:

Figure 4.17 plots 352 LAs which reported net rents for 3-bed properties, according to average service charges, for this size category and the 2-bed category.

- The scatter pattern of the 352 LAs showed a positive relationship.
- The correlation coefficient was 0.706.
- This means that a LA with high (low) service charges for 2-bed units was likely to charge high (low) service charges for 3-bed units.



Figure 4.17 3-bed properties vs. 2-bed properties: average service charges (£)

Figure 4.18 presents the distribution and statistics for the service charge indices for 3-bed properties.

- The average of the indices for 352 LAs was 0.69 and the median was 0.66, implying that the majority of average service charges for 3-bed properties were lower than those for 2-bed properties.
- This pattern did not apply to average net rents which increased according to property size enlargement.
- The range (1.83- from 0.20 to 2.03) was much smaller than the equivalent for bedsits.
- The distribution pattern was skewed slightly to the higher part, and the majority of the LAs held indices of less than 0.75.



Figure 4.18 Average service charge index (2-bed = 1.00): 3-bed units

Tables 4.17 and 4.18 present the 20 LAs with the highest and lowest service charge indices for 3-bed properties.

- Staffordshire Moorlands held the highest index of 2.03 with stock of 17. This was followed by Rushmoor and North Dorset (1.49 for each).
- Of the 20 LAs with the highest indices, five were in the East of England, and three each in the West Midlands, the East Midlands and the South East.
- Hastings had the lowest index of 0.20. This was followed by Wolverhampton (0.22) and Havering (0.23).
- Of the 20 lowest, five were in the West Midlands, and four each in the North West and the South East.

LA	Region	2-bed = 1.00	£	Stock
Staffordshire Moorlands	West Midlands	2.03	6.07	17
Rushmoor	South East	1.49	6.89	278
North Dorset	South West	1.49	2.87	121
Oswestry	West Midlands	1.48	3.40	70
Sedgefield	North East	1.45	2.81	69
Tendring	East of England	1.45	2.53	245
Hyndburn	North West	1.43	2.23	221
Brentwood	East of England	1.30	3.18	117
Sevenoaks	South East	1.29	3.88	376
Derbyshire Dales	East Midlands	1.25	2.08	72
Bolsover	East Midlands	1.24	3.61	69
Broadland	East of England	1.21	2.30	175
Tunbridge Wells	South East	1.21	2.46	346
Basildon	East of England	1.19	3.24	394
Babergh	East of England	1.18	2.77	173
Shrewsbury & Atcham	West Midlands	1.18	1.53	1,057
Craven	Yorkshire and The Humber	1.17	3.36	36
Carlisle	North West	1.13	2.50	62
Torridge	South West	1.12	2.11	122
North West Leicestershire	East Midlands	1.12	4.34	338

Table 4.17 LAs with high average service charge indices: 3-bed units

Table 4.18 LAs with low average service charge indices: 3-bed units

LA	Region	2-bed = 1.00	£	Stock
Hastings	South East	0.20	1.29	1,600
Wolverhampton	West Midlands	0.22	1.66	195
Havering	London	0.23	1.75	336
High Peak	East Midlands	0.24	1.66	25
Congleton	North West	0.25	1.09	24
Eastleigh	South East	0.28	1.15	328
Sunderland	North East	0.30	1.37	2,269
Wyre Forest	West Midlands	0.31	1.77	1,752
Stoke-on-Trent	West Midlands	0.31	0.86	513
Fareham	South East	0.32	2.24	93
Bridgnorth	West Midlands	0.33	0.77	12
Knowsley	North West	0.33	3.49	197
Castle Point	East of England	0.33	2.08	101
Harrogate	Yorkshire and The Humber	0.33	1.59	80
Salford	North West	0.33	1.96	484
Easington	North East	0.34	0.60	83
Bracknell Forest	South East	0.34	1.57	176
Ellesmere Port & Neston	North West	0.35	2.46	25
East Hertfordshire	East of England	0.36	1.99	71
Dudley	West Midlands	0.36	1.61	789

4.3 Target rents

This part examines the average target rent indices for all categories except bedspaces.

Bedsits:

Figure 4.19 plotted 280 LAs, which reported target rents for bedsits, according to average target rents for this size category and the 2-bed category.

- The scatter pattern of the 280 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.861, confirming this significance. The figure was higher than the net rents' equivalent.
- This positive pattern means that a LA with high (low) target rents for 2-bed units was likely to hold high (low) target rents for bedsits.



Figure 4.19 Bedsits vs. 2-bed properties: average target rents (£)

Figure 4.20 presents the distribution and statistics for the target rent indices for bedsits.

- Both of the average and median of the indices were 0.75.
- These compared with a weight for this size category (0.80) used for target rent calculation.

- The two statistics were almost equal to the equivalents for the average net rent indices. ¹²
- The range was 0.46 narrower than the range of the average net rent indices (0.58).
- The distribution was skewed slightly to the higher part but appeared reasonably close to a normal curve peaking around 0.75.



Figure 4.20 Average target rent index (2-bed = 1.00): bedsits

Tables 4.19 and 4.20 present the 20 LAs with the highest and lowest average target rent indices for bedsits.

- Three LAs Ashfield, Wyre and Durham set their average bedsit target rents higher than those for 2-bed units their indices were 1.07, 1.03 and 1.02 respectively. However, their small stock provides a caveat to the interpretation of the figures.
- Of the 20 LAs with the highest indices, five were in the North West, four were in the North East and three each in the East of England and the South East.
- Five LAs marked the lowest of 0.61 City of London, Harrow, Crawley, Mid Suffolk and Runnymede. The last two had stock smaller than ten.
- Of the 20 lowest, eight were in the South East while six were in the South West.

¹² The statistics were rounded figures so they are not strictly speaking identical. Readers will notice the similar expressions in the remaining part of this section.

Table 4.19 LAS with high average larger rent indices, becaus				
LA	Region	2-bed = 1.00	£	Stock
Ashfield	East Midlands	1.07	63.08	3
Wyre	North West	1.03	64.73	21
Durham	North East	1.02	54.26	2
South Tyneside	North East	0.92	51.81	3
Stratford-on-Avon	West Midlands	0.91	67.15	37
Chiltern	South East	0.90	74.08	35
Hartlepool	North East	0.90	53.08	13
Allerdale	North West	0.89	51.72	12
Kirklees	Yorkshire and The Humber	0.88	52.61	21
Halton	North West	0.88	51.03	2
Kerrier	South West	0.88	48.85	13
Thurrock	East of England	0.87	62.53	50
North East Lincolnshire	Yorkshire and The Humber	0.86	50.35	159
Forest Heath	East of England	0.86	60.17	30
Suffolk Coastal	East of England	0.86	61.06	37
Rushcliffe	East Midlands	0.86	52.42	6
Rochdale	North West	0.85	46.36	8
Rushmoor	South East	0.85	71.82	7
Sefton	North West	0.85	51.68	56
Darlington	North East	0.84	47.97	13

Table 4.19 LAs with high average target rent indices: bedsits

Table 4.20 LAs with	low average target rent indices: bedsits	
	5 5	

LA	Region	2-bed = 1.00	£	Stock
Mid Suffolk	East of England	0.61	39.82	1
City of London	London	0.61	62.98	38
Harrow	London	0.61	48.36	25
Runnymede	South East	0.61	58.63	8
Crawley	South East	0.61	47.72	63
Bournemouth	South West	0.62	45.43	20
West Somerset	South West	0.63	42.79	3
Ashford	South East	0.64	46.67	8
Brentwood	East of England	0.64	52.62	1
South Lakeland	North West	0.64	43.60	4
New Forest	South East	0.65	50.12	2
Bracknell Forest	South East	0.65	55.61	91
Arun	South East	0.65	49.73	10
Mid Devon	South West	0.66	40.38	13
West Wiltshire	South West	0.66	44.12	90
Portsmouth	South East	0.66	47.22	102
West Berkshire	South East	0.67	58.28	102
Forest of Dean	South West	0.67	42.62	3
North Shropshire	West Midlands	0.67	39.91	1
Taunton Deane	South West	0.67	45.25	5

1-bed units:

Figure 4.21 plots 354 LAs which reported target rents for 1-bed properties, according to average target rents for this size category and the 2-bed category.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.970, confirming this significance.
- This means that a LA with high (low) target rents for 2-bed properties was highly likely to have high (low) target rents for 1-bed properties.



Figure 4.21 1-bed properties vs. 2-bed properties: average target rents (£)

Figure 4.22 presents the distribution and statistics for the target rent indices for 1-bed properties.

- The average and median of the indices were both 0.86. These compared with a weight for this size category (0.90) used for target rent calculation.
- The two figures were nearly equal to the equivalents for the net rent indices (0.86 for each).
- The range was 0.27 marginally wider than the range of the net rent indices (0.25).
- The maximum (0.94) was less than 1.00, which means that no average target rents for 1-bed properties were higher than those for 2-bed properties.
- The distribution was skewed slightly towards the lower parts but appeared reasonably close to a normal curve peaking around 0.86.



Figure 4.22 Average target rent index (2-bed = 1.00): 1-bed units

Tables 4.21 and 4.22 present the 20 LAs with the highest and lowest average target rent indices for 1-bed properties.

- Rother and Rother shared the highest index of 0.94. This was followed by Walsall (0.93).
- Of the 20 LAs with the highest indices, four each were in the North East and the North West, while four were in the East of England.
- Guildford had the lowest index of 0.66. This was followed by Isles of Scilly (0.69 with stock of 5), Middlesbrough, Bracknell Forest, and Melton (0.78 for each).
- Of the 20 lowest, seven were in the South East, five were in the South West and four were in the North East.

LA	Region	2-bed = 1.00	£	Stock
Rother	South East	0.94	63.10	137
Rochdale	North West	0.94	50.78	1,078
Walsall	West Midlands	0.93	55.34	5,195
Newcastle-upon-Tyne	North East	0.92	52.22	1,373
Suffolk Coastal	East of England	0.92	65.27	805
Durham	North East	0.92	49.01	326
Great Yarmouth	East of England	0.92	58.10	228
Forest Heath	East of England	0.91	63.64	596
Oldham	North West	0.91	51.98	706
East Lindsey	East Midlands	0.91	52.23	391
Stoke-on-Trent	West Midlands	0.91	50.48	977
Redcar & Cleveland	North East	0.91	56.26	2,837
Bury	North West	0.90	53.18	608
Chiltern	South East	0.90	74.20	889
Breckland	East of England	0.90	56.54	692
Chester-le-Street	North East	0.90	50.00	208
Sefton	North West	0.90	55.08	2,280
Sheffield	Yorkshire and The Humber	0.90	50.70	2,671
Ellesmere Port & Neston	North West	0.90	54.62	94
Sunderland	North East	0.90	52.13	5,693

Table 4.21 LAs with high average target rent indices: 1-bed units

Table 4.22 LAs with lo	w average target rent indices: 1-bed units	

LA	Region	2-bed = 1.00	£	Stock
Guildford	South East	0.66	72.38	282
Isles of Scilly	South West	0.69	54.80	5
Middlesbrough	North East	0.78	46.63	2,163
Bracknell Forest	South East	0.78	66.76	508
Melton	East Midlands	0.78	51.31	43
Runnymede	South East	0.79	75.24	162
Berwick-upon-Tweed	North East	0.79	47.14	65
Wansbeck	North East	0.80	44.18	114
Greenwich	London	0.80	65.62	2,193
West Berkshire	South East	0.80	69.65	1,336
Wokingham	South East	0.80	68.92	98
Braintree	East of England	0.80	58.69	145
Shepway	South East	0.81	55.34	231
Teesdale	North East	0.81	46.38	63
Caradon	South West	0.81	46.66	54
Crawley	South East	0.81	62.81	269
Ashfield	East Midlands	0.81	47.88	82
Taunton Deane	South West	0.81	54.77	200
Cotswold	South West	0.81	60.94	689
Poole	South West	0.81	56.40	316

3-bed units:

Figure 4.23 plots 354 LAs which reported target rents for 3-bed properties, according to average target rents for this size category and the 2-bed category.

- The scatter pattern of the 354 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.979, confirming this significance.
- This means that a LA with high (low) target rents for 2-bed properties almost always showed high (low) target rents for 3-bed properties.



Figure 4.23 3-bed properties vs. 2-bed properties: average target rents (£)

Figure 4.24 presents the distribution and statistics for the target rent indices for 3-bed properties.

- The average and median of the indices were 1.12 for each. These compared with a weight of this size category (1.05) used for target rent calculation.
- The two statistics were fairly close to the equivalents for the net rent indices (1.10 for the average and 1.11 for the median).
- The range was 0.40 slightly wider than that of the net rent indices (0.35).
- The minimum (0.86) was less than 1.00, which means that for a LA with this figure, the average target rents for 3-bed properties were lower than those for 2-bed properties.
- The distribution pattern appeared close to a nominal curve, peaking at around the median.



Figure 4.24 Average target rent index (2-bed = 1.00): 3-bed units

Tables 4.23 and 4.24 present the 20 LAs with the highest and lowest average target rent indices for 3-bed properties.

- Mole Valley held the highest index of 1.25. The second highest (1.24) were shared by Havering, Castle Morpeth and Lewes.
- Of the 20 LAs with the highest indices, nine were in the South East, four were in London, and three each were in the East of England and the South West.
- Guidford had 3-bed units average target rents lower than 2-bed equivalent its index was 0.86. Newark and Sherwood had the second lowest (1.01) and Ashfield was the third (1.03).
- Of the 20 lowest, six were in the East Midlands, four each were in the North East and the East of England, while three were in the North West.

LA	Region	2-bed = 1.00	£	Stock
Mole Valley	South East	1.25	107.12	116
Havering	London	1.24	95.26	611
Castle Morpeth	North East	1.24	67.10	53
Lewes	South East	1.24	79.65	228
Hastings	South East	1.23	72.53	1,778
Bexley	London	1.22	90.01	3,836
Elmbridge	South East	1.20	101.82	1,495
Southend-on-Sea	East of England	1.19	78.57	761
Wandsworth	London	1.19	119.76	1,520
Hertsmere	East of England	1.18	105.62	2,121
Epping Forest	East of England	1.18	96.50	379
West Dorset	South West	1.18	80.55	1,951
Vale of White Horse	South East	1.18	89.75	2,283
Christchurch	South West	1.18	88.82	695
Southampton	South East	1.18	84.27	1,009
Windsor & Maidenhead	South East	1.18	101.11	2,412
North Wiltshire	South West	1.18	77.18	2,294
South Bucks	South East	1.18	99.03	1,024
City of London	London	1.18	122.02	47
Mid Sussex	South East	1.18	97.67	1,579

Table 4.23 LAs with high average target rent indices: 3-bed units

Table 4.24 LAs with low average target rent indices: 3-bed properties

LA	Region	2-bed = 1.00	£	Stock
Guildford	South East	0.86	93.34	386
Newark & Sherwood	East Midlands	1.01	65.50	601
Ashfield	East Midlands	1.03	61.19	482
Durham	North East	1.04	55.27	404
Oadby & Wigston	East Midlands	1.04	64.72	85
Suffolk Coastal	East of England	1.04	73.95	1,994
Breckland	East of England	1.04	65.21	2,930
Forest Heath	East of England	1.04	72.73	887
Cherwell	South East	1.04	73.68	2,842
East Lindsey	East Midlands	1.05	59.89	1,940
Easington	North East	1.05	56.37	249
Darlington	North East	1.05	59.48	429
Carlisle	North West	1.05	59.65	1,959
Scarborough	Yorkshire and The Humber	1.06	64.86	2,203
West Lancashire	North West	1.06	68.12	171
Peterborough	East of England	1.06	67.30	3,817
Mansfield	East Midlands	1.06	60.68	670
Rochdale	North West	1.06	57.80	1,978
South Kesteven	East Midlands	1.07	64.62	212
Blyth Valley	North East	1.07	56.85	437

4-bed units:

Figure 4.25 plots average target rents for 4-bed properties against the 2-bed category reported by 349 LAs.

- The scatter pattern of the 349 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.951, confirming this significance.
- This means that a LA with high (low) target rents for 2-bed properties almost always showed high (low) target rents for 4-bed properties.



Figure 4.25 4-bed properties vs. 2-bed properties: average target rents (£)

Figure 4.26 presents the distribution and statistics for the target rent indices of 4-bed properties.

- The average and median of the indices were both 1.24. These compared with a weight of 1.10 used in target rent calculation for 4+ bed units.
- The two statistics were almost identical to the equivalents for the net rent indices (1.21 for each).¹³
- The range was 0.75 wider than that of the net rent indices (0.54).
- The minimum (0.79) was less than 1.00, which means that for a LA with this figure, the average target rents for 4-bed properties were lower than those for 2-bed properties.

¹³ The statistics were rounded figures.

• The distribution pattern appeared close to a nominal curve, peaking at around 1.2.



Figure 4.26 Average target rent index (2-bed = 1.00): 4-bed units

Tables 4.25 and 4.26 present the 20 LAs with the highest and lowest average target rent indices for 4-bed properties.

- Fareham held the highest index of 1.54. This was followed by Epsom and Ewell (1.45) and Mole Valley (1.44). However, stock for the first and the third was not ample enough to interpret their figures without caution.
- Of the 20 LAs with the highest indices, eight were in the South East, four were in the East of England and three were in London.
- In Chester-le-Street, Harlow and Guildford, there were 4-bed units average target rents lower than the 2-bed equivalents their indices were 0.79 and 0.99 respectively. The third lowest was Bridgnorth (1.06).
- Including Chester-le-Street and Bridnorth, however, several LAs in the table held a fairly small stock.
- Of the 20 lowest, four each were in the North East, the East Midlands and the East of England, while three were in the West Midlands.

LA	Region	2-bed = 1.00	£	Stock
Fareham	South East	1.54	116.78	6
Epsom & Ewell	South East	1.45	119.67	43
Mole Valley	South East	1.44	123.17	1
Brentwood	East of England	1.41	116.28	3
Teignbridge	South West	1.40	83.18	64
Havering	London	1.39	106.71	48
Rochford	East of England	1.39	103.28	2
West Devon	South West	1.38	83.27	17
Tandridge	South East	1.38	118.01	18
Hastings	South East	1.38	81.11	190
North East Derbyshire	East Midlands	1.38	87.73	1
Shepway	South East	1.37	94.32	41
Chelmsford	East of England	1.37	98.89	114
Windsor & Maidenhead	South East	1.37	117.75	103
Hackney	London	1.36	114.33	1,003
Kingston-upon-Thames	London	1.36	126.39	74
Sheffield	Yorkshire and The Humber	1.36	76.45	352
Harlow	East of England	1.35	97.59	28
North Kesteven	East Midlands	1.35	77.61	5
Wycombe	South East	1.35	107.81	40

Table 4.25 LAs with high average target rent indices: 4-bed units

Table 4.26 LAs with low average target rent indices: 4-bed units

LA	Region	2-bed = 1.00	£	Stock
Chester-le-Street	North East	0.79	43.93	7
Guildford	South East	0.99	107.60	33
Bridgnorth	West Midlands	1.06	67.23	1
Breckland	East of England	1.07	67.13	151
Suffolk Coastal	East of England	1.07	76.27	96
Forest Heath	East of England	1.08	75.27	62
East Lindsey	East Midlands	1.09	62.27	85
West Lancashire	North West	1.09	69.93	19
Melton	East Midlands	1.09	71.54	2
Durham	North East	1.10	58.50	32
Alnwick	North East	1.10	62.05	1
Oadby & Wigston	East Midlands	1.11	68.77	6
Scarborough	Yorkshire and The Humber	1.11	67.95	100
Carlisle	North West	1.11	63.00	116
Newark & Sherwood	East Midlands	1.11	71.88	36
Easington	North East	1.12	60.41	19
Peterborough	East of England	1.12	71.14	494
Westminster	London	1.13	119.54	225
Walsall	West Midlands	1.13	67.74	410
Cannock Chase	West Midlands	1.13	68.16	14

5-bed units:

Figure 4.27 plots average target rents for 4-bed properties against the 2-bed category reported by 245 LAs.

- The scatter pattern of the 245 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.880, confirming this significance.
- This means that a LA with high (low) target rents for 2-bed properties almost always showed high (low) target rents for 4-bed properties.



Figure 4.27 5-bed properties vs. 2-bed properties: average target rents (£)

Figure 4.28 presents the distribution and statistics for the target rent indices of 4-bed properties.

- The average of the indices was 1.35 and the median was 1.34. These compared with a weight of 1.10 used in target rent calculation for 4-bed or larger properties.
- The two statistics were slightly lager than the equivalents for the net rent indices (1.31 for each).
- The range was 0.97 narrower than that of the net rent indices (1.17).
- The minimum (0.97) was less than 1.00, which means that for a LA with this figure, the average target rents for 5-bed properties were lower than those for 2-bed properties.
- The distribution pattern appeared close to a nominal curve, peaking at around 1.35.



Figure 4.28 Average target rent index (2-bed = 1.00): 5-bed units

Tables 4.27 and 4.28 present the 20 LAs with the highest and lowest average target rent indices for 4-bed properties.

- Wychavon held the highest index of 1.60. This was followed by Castle Morpeth and Maidstone (1.57 for each). Including them, almost all the LAs in the table had fairly small stock of this property size.
- The 20 LAs with the highest indices distributed across all the nine regions. Of them, six were in the South East.
- Hammersmith and Fulham had 5-bed average target rents lower than the 2-bed equivalent the index was 0.97. The second and third lowest were North West Leicestershire (1.02) and Scarborough (1.06). Many of the LAs with small stock.
- Of the 20 lowest, six were in the East of England, five were in the South West, and three were in the East Midlands.

LA	Region	2-bed = 1.00	£	Stock
Wealden	South East	1.94	129.63	1
Epsom & Ewell	South East	1.70	139.87	2
Harrogate	Yorkshire and The Humber	1.65	110.95	1
Tendring	East of England	1.65	115.78	6
Redditch	West Midlands	1.62	103.86	2
Lambeth	London	1.60	140.71	82
Wychavon	West Midlands	1.60	107.43	1
Castle Morpeth	North East	1.57	85.12	2
Maidstone	South East	1.57	103.45	4
Christchurch	South West	1.56	117.42	1
Hastings	South East	1.56	91.58	17
Bradford	Yorkshire and The Humber	1.54	84.71	170
Warrington	North West	1.54	95.10	7
Dartford	South East	1.54	113.72	1
Rushcliffe	East Midlands	1.53	93.79	1
Wandsworth	London	1.53	154.03	19
Southend-on-Sea	East of England	1.52	100.06	5
West Devon	South West	1.52	91.34	3
Chester	North West	1.52	93.35	1
Gravesham	South East	1.52	113.72	1

Table 4.27	' LAs with hia	h averade	target rent	indices:	5-bed u	nits

Table 4.28 LAs with low average target rent indices: 5-bed units

LA	Region	2-bed = 1.00	£	Stock
Hammersmith & Fulham	London	0.97	99.30	63
North West Leicestershire	East Midlands	1.02	61.45	1
Scarborough	Yorkshire and The Humber	1.06	65.40	2
Breckland	East of England	1.07	66.95	6
Suffolk Coastal	East of England	1.07	75.99	2
West Lancashire	North West	1.09	69.82	1
Oadby & Wigston	East Midlands	1.09	67.97	1
Forest Heath	East of England	1.11	77.21	3
Forest of Dean	South West	1.11	70.69	1
Bristol	South West	1.11	75.97	18
Tamworth	West Midlands	1.12	67.66	1
Sedgemoor	South West	1.12	72.56	1
South Northamptonshire	East Midlands	1.13	82.27	1
Thanet	South East	1.15	75.97	1
South Hams	South West	1.15	74.46	2
Oswestry	West Midlands	1.16	69.43	4
Colchester	East of England	1.17	81.69	3
Peterborough	East of England	1.17	73.95	70
Ipswich	East of England	1.17	75.99	11
North Devon	South West	1.17	71.01	6

6+ bed units:

Figure 4.29 plots average target rents for 4-bed properties against the 2-bed category reported by 150 LAs.

- The scatter pattern of the 150 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient was 0.861, confirming this significance.
- This means that a LA with high (low) target rents for 2-bed properties almost always showed high (low) target rents for 4-bed properties.



Figure 4.29 6+ bed properties vs. 2-bed properties: average target rents (£)

Figure 4.30 presents the distribution and statistics for the target rent indices of 4-bed properties.

- The average of the indices was 1.47 and the median was 1.46. These compared with a weight of 1.10 used in target rent calculation for 4-bed or larger properties.
- The two statistics were almost identical to the equivalents for the net rent indices (1.48 for the average and 1.42 for the median).
- The range was 0.75 wider than that of the net rent indices (0.54).
- The minimum (0.79) was less than 1.00, which means that for a LA with this figure, the average target rents for 4-bed properties were lower than those for 2-bed properties.
- The distribution pattern appeared close to a nominal curve, peaking at around 1.2.



Figure 4.30 Average target rent index (2-bed = 1.00): 6+ bed units

Tables 4.29 and 4.30 present the 20 LAs with the highest and lowest average target rent indices for 4-bed properties.

- Fareham held the highest index of 1.54. This was followed by Epsom and Ewell (1.45) and Mole Valley (1.44). However, stock for the first and the third was not ample enough to interpret their figures without caution.
- Of the 20 LAs with the highest indices, eight were in the South East, four were in the East of England and three were in London.
- In Chester-le-Street, Harlow and Guildford, there were 4-bed average target rents lower than the 2-bed equivalents their indices were 0.79 and 0.99 respectively. The third lowest was Bridgnorth (1.06).
- Including Chester-le-Street and Bridnorth, however, several LAs in the table held a fairly small stock.
- Of the 20 lowest, four each were in the North East, the East Midlands and the East of England, while three were in the West Midlands.

LA	Region	2-bed = 1.00	£	Stock
Wandsworth	London	2.35	237.54	3
Bury	North West	1.95	114.95	1
Newcastle-under-Lyme	West Midlands	1.94	107.99	2
Erewash	East Midlands	1.90	115.26	2
Reading	South East	1.89	152.47	2
Enfield	London	1.88	149.81	10
Sandwell	West Midlands	1.86	112.04	12
Portsmouth	South East	1.82	130.53	4
Greenwich	London	1.81	148.93	2
Plymouth	South West	1.76	97.41	1
Vale Royal	North West	1.76	120.21	4
Kingston-upon-Thames	London	1.75	162.84	1
Lambeth	London	1.72	150.93	32
Lewisham	London	1.70	142.81	8
Camden	London	1.70	171.36	27
Brighton & Hove	South East	1.69	114.33	2
Mid Bedfordshire	East of England	1.67	125.84	1
Hackney	London	1.66	139.32	29
Southwark	London	1.66	142.69	5
North Wiltshire	South West	1.66	108.72	4

Table 4.29 LAs with high average target rent indices: 6+ bed units

Table 4.30 LAs with low average target rent indices: 6+ bed units

LA	Region	2-bed = 1.00	£	Stock
Chorley	North West	1.04	60.58	1
Suffolk Coastal	East of England	1.07	75.99	3
Breckland	East of England	1.10	69.11	12
Wigan	North West	1.12	64.81	1
Mid Suffolk	East of England	1.16	75.99	1
Ipswich	East of England	1.17	75.99	3
Forest Heath	East of England	1.19	82.89	1
Wyre	North West	1.19	74.78	1
Gloucester	South West	1.20	76.61	1
Bolsover	East Midlands	1.21	73.95	1
North Norfolk	East of England	1.22	74.32	7
Bolton	North West	1.23	72.24	5
Manchester	North West	1.23	70.16	29
Burnley	North West	1.25	69.70	1
Coventry	West Midlands	1.26	74.69	17
Shepway	South East	1.26	86.49	1
Peterborough	East of England	1.27	80.15	6
St Helens	North West	1.27	76.29	2
Waveney	East of England	1.28	84.24	4
Stoke-on-Trent	West Midlands	1.28	71.08	2

Section 5 The relationship between rents in neighbouring LAs

This section examines local factors for RSL rents. If decisions on RSL rents are subject to fundamentals shared by neighbouring LAs, then a LA's RSL rent will be positively related to that of its surrounding area. To investigate this point, we will look at the degree of relatedness between these two variables. The neighbouring LAs' variable in this examination is expressed as a case weighted average of LAs surrounding a LA of interest.¹⁴ For example, neighbouring LAs' average net rents for Northampton are produced as below:

Example: Neighbouring LAs' average net rent (2-bed units)

Northampton borders three LAs – Daventry, the South, Northamptonshire and Wellington. Their average net rents for 2-bed units were:

LA	Average net rent	Stock
Daventry	67.91	526
South Northamptonshire	73.00	203
Wellingborough	66.00	184

Neighbouring LA's average net rent for Northampton is thus calculated:

 $(\pounds67.91 \times 526) + (\pounds73.00 \times 203) + (\pounds66.00 \times 184) = \pounds62,683.66$

526 + 203 + 184 = 913

\pounds 62,683.66 / 913 = \pounds 68.66 = the average net rent for Northampton's neighbouring LAs

Furthermore this section compares the two variables by calculating differences (a calculation example is as below).

Example: Difference between Northampton and the neighbouring LAs (average net rent for 2-bed units)

Northampton's average net rent for 2-bed units was £66.59 $(\pounds 68.66 - \pounds 66.59) / \pounds 66.59 * 100 = 3.11\% = the 'difference' for Northampton$

Local factors as RSL rent determinates (if they exist) are expected to reduce the differences. A wide difference, however, does not necessarily deny the existence of determinants. Even if these affect RSL rents their impacts will be blurred in a case where one (or a few) LAs in the comparison are impacted on by other unique factors. Reasons for wide differences would be worth investigating in the context of the rent restructuring framework, but this would be beyond the scope of this paper. Recall that rent information from the Scottish and Welsh LAs bordering England is not taken into consideration. Two-isle LAs are excluded from the examinations.

¹⁴ This study excludes those local factors of RSL rent determinants the extent to which adjacent local authorities are in fact connected (e.g. by transportation infrastructure). Thus local authority areas which are considered close in term of traffic links but which are not adjacent, have not been included in this study.

5.1 Net rents

All property sizes:

First, we will look at the relationship between the average net rent in each LA and the equivalent for its neighbouring LAs, for all property sizes. Figure 5.1 plots 352 LAs, according to these two variables. The X and Y axes express an average net rent for neighbouring LAs and a LA of interest, respectively.

- The scatter pattern of the 352 LAs showed a significant positive relationship between the two variables.
- The correlation coefficient, expressed by the square root of R sq in the figure, was 0.879, confirming this significance.
- This means that when an average net rent for a surrounding area was high (low), a LA's equivalent was likely to be high (low).

100.00 90.00 80.00 LA_variable o 70.00 0 0 60.00 6 50.00 R Sq Linear = 0.773 40.00 50.00 60.00 70.00 80.00 90.00 neighbour LAs variable

Figure 5.1 Average net rents vs. neighbouring LAs' average net rents: all property sizes

Figure 5.2 presents distribution and statistics for the differences between LAs' average net rents and the equivalent for their neighbouring LAs.

- The average of the differences for 352 LAs was -0.967% and the median was -1.43%.
- The range was 40.44 points (from -18.63% to 21.82%).

• The distribution pattern, which appeared reasonably close to a nominal curve peaking around -1.00%, presents the great majority of the LAs as falling in a ±10% cohort.

Figure 5.2 Differences between LAs' figures and their neighbouring LAs' equivalents: Average net rents for all property sizes (%)



Tables 5.1 to 5.3 present the 20 LAs with the smallest and largest differences. Recall that the difference is calculated by subtracting a LA's average rent from its neighbours' equivalent and is expressed as a percentage of the LA's net rent. Therefore a negative percentage indicates that a given LA's average rent is higher than its surrounding area's, for an equivalent property.

- Bury (0.05%) showed the smallest difference from the neighbouring LAs. The second and the third smallest differences were observed in Brent (-0.06%) and Sedgefield (0.07%).
- Of the 20 LAs with the smallest differences, four each were in the North West and the South East while three each were in the South West and the East of England.
- Wyre charged the highest average net rent compared with its surrounding area's standard – the LA's average net rent was £70.06 compared with the neighbours' equivalent of £57.01, providing a difference of -18.63%. The next highest differences were in Kirklees (-18.04%) and Harrogate (-16.25%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, seven were in Yorkshire and the Humber, five were in the North West while three each were in the East Midlands and the West Midlands.

- Preston charged the lowest average net rent compared with its surrounding area's standard – the LA's average net rent was £54.91 compared with the neighbours' equivalent of £65.51, providing a difference of 19.30%.
- The second and third largest were found in Walsall (18.22%) and North Lincolnshire (18.13%).
- Of the 20 LAs with the largest differences due to their comparatively low average net rents, five were in the South East, four were in the West Midlands, and three each in the North West and Yorkshire and the Humber.

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Bury	North West	0.05	59.83	59.86	2,135	57,400
Brent	London	-0.06	83.46	83.41	10,878	50,031
Sedgefield	North East	0.07	57.19	57.23	1,041	15,193
Norwich	East of England	0.10	62.67	62.73	2,818	8,452
Gloucester	South West	-0.10	67.57	67.50	1,092	4,130
Blyth Valley	North East	0.11	54.82	54.88	1,179	7,886
Babergh	East of England	0.14	66.61	66.70	1,066	19,697
Corby	East Midlands	0.14	64.31	64.40	630	4,673
Manchester	North West	0.15	59.34	59.43	29,887	51,970
Scarborough	Yorkshire & the Humber	-0.17	59.66	59.56	5,250	17,853
Southampton	South East	0.22	76.19	76.36	3,705	11,858
North West Leicestershire	East Midlands	-0.26	62.04	61.88	1,110	14,682
Allerdale	North West	0.31	58.94	59.12	7,445	15,115
Restormel	South West	0.33	63.53	63.74	3,308	2,375
Crawley	South East	0.35	80.57	80.85	1,158	15,538
North Devon	South West	-0.35	65.30	65.07	2,941	4,143
Elmbridge	South East	-0.42	82.71	82.36	3,885	16,831
Fareham	South East	-0.47	78.40	78.03	761	10,859
Knowsley	North West	0.48	58.30	58.58	15,904	78,614
Huntingdonshire	East of England	-0.48	66.52	66.20	7,266	34,117

Table 5.1 LAs with the smallest differences: average net rent for all property sizes

Table 5.2 LAs with average net rents higher than those of their neighbouring LAs: average net rent for all property sizes

		Difference	LA's	Neighbours'	Stock	Stock for
LA	Region	(%)	rent (£)	rent (£)	for LA	neighbours
Wyre	North West	-18.63	70.06	57.01	2,741	13,319
Kirklees	Yorkshire & the Humber	-18.04	65.13	53.38	3,163	85,515
Harrogate	Yorkshire & the Humber	-16.25	67.70	56.70	1,523	43,480
Eden	North West	-16.08	70.10	58.83	1,484	20,438
High Peak	East Midlands	-15.91	69.56	58.49	596	50,045
Bassetlaw	East Midlands	-14.90	65.17	55.46	707	19,176
Barnsley	Yorkshire & the Humber	-14.77	63.08	53.76	1,200	50,683
Selby	Yorkshire & the Humber	-14.50	64.78	55.39	869	48,078
West Lancashire	North West	-14.28	67.88	58.19	481	56,822
South Lakeland	North West	-14.01	69.08	59.40	745	18,030
Leeds	Yorkshire & the Humber	-13.91	61.62	53.05	9,864	62,276
Salisbury	South West	-13.56	80.03	69.18	1,364	34,473
East Riding	Yorkshire & the Humber	-13.44	66.51	57.57	1,341	23,363
Craven	Yorkshire & the Humber	-13.24	62.77	54.46	1,238	32,508
South Ribble	North West	-12.50	65.70	57.49	3,565	25,917
Cannock Chase	West Midlands	-12.49	65.41	57.24	938	40,056
Nuneaton and Bedworth	West Midlands	-12.36	67.46	59.12	1,032	24,060
Burnley	North West	-12.30	59.93	52.56	4,025	22,388
South Derbyshire	East Midlands	-12.18	67.58	59.35	510	26,015
Stoke-on-Trent	West Midlands	-11.87	58.78	51.80	3,595	15,637

	· · ·	Difference	LA's rent	Neighbours'	Stock for	Stock for
LA	Region	(%)	(£)	rent (£)	LA	neighbours
Preston	North West	19.30	54.91	65.51	9,332	8,222
Walsall	West Midlands	18.22	55.42	65.52	26,539	45,189
North Lincolnshire	Yorkshire & the Humber	18.13	49.98	59.04	8,156	7,219
Maidstone	South East	17.29	66.92	78.49	5,777	22,661
Coventry	West Midlands	16.92	57.74	67.51	20,687	6,279
Worcester City	West Midlands	16.68	57.92	67.58	5,129	9,523
Weymouth and Portland	South West	15.66	62.39	72.16	2,961	4,274
Worthing	South East	14.99	70.04	80.54	3,543	2,447
Chorley	North West	14.53	53.96	61.80	4,813	20,233
Plymouth	South West	13.99	59.31	67.61	4,796	3,646
Kingston upon Hull	Yorkshire & the Humber	13.65	58.52	66.51	3,208	1,341
Brighton and Hove	South East	12.18	72.35	81.16	3,933	5,654
Wirral	North West	12.10	58.78	65.89	15,029	282
Lewes	South East	12.10	69.20	77.57	731	9,468
Lambeth	London	12.07	75.59	84.71	15,361	38,381
Derwentside	North East	11.35	49.78	55.43	7,372	9,443
Chichester	South East	11.31	72.12	80.28	6,204	15,109
Sheffield	Yorkshire & the Humber	11.30	54.86	61.06	11,975	7,132
Shrewsbury and Atcham	West Midlands	11.30	56.04	62.37	4,379	14,680
North Norfolk	East of England	11.06	55.88	62.06	5,160	18,974

Table 5.3 LAs with average net rents lower than those of their neighbouring LAs: average net rent for all property sizes

Bedspaces:

Figure 5.3 plots the average net rents against the neighbouring LAs' equivalents, for 403 LAs which reported the relevant figures for bedspaces.

- The scatter pattern of the 43 LAs showed a reasonably positive relationship between the two variables.
- However, the correlation coefficient (0.144), which appeared the lowest among all size categories, did not fully support the significance of the relationship.
- This means that in general the bedspaces' average net rent for a LA was not strongly associated with the average of its surrounding LAs.
- In this respect, bedspaces' net rents might be influenced by individual properties' characteristics (e.g. shared facilities), which are blurring impacts of local factors on rents.



Figure 5.3 Average net rents vs. neighbouring LAs' average net rents: bedspaces

Figure 5.4 presents the distribution and statistics for the differences between LAs' average net rents and their neighbouring LAs' equivalents.

- The average of the differences for the 40 LAs was 13.57% and the median was 1.83%.
- The range was 308.47 points (from -70.42% to 238.05%), which was the widest among all size categories.

• The distribution pattern failed to shape a normal curve, skewed to higher part, implying that some LAs' average service charges were greatly lower than their neighbouring LAs' equivalents.

Figure 5.4 Differences between LAs' figures and their neighbouring LAs' equivalents: Average net rents for bedspaces (%)



Tables 5.4 to 5.6 present the 20 LAs with the smallest and largest differences.

- Sandwell showed the smallest difference of 0.66%. This was followed by Greenwich (-1.09%) and Camden (1.35%).
- Of the ten LAs with the smallest differences, seven were in London.
- New Forest held the highest average net rent compared with its surrounding area's standard the LA's average net rent was £63.35 compared with the neighbours' equivalent of £18.74, providing a difference of -70.42%. This was followed by Sevenoaks (-51.96%) and Mendip (-44.63%).
- Of the ten LAs with the largest differences due to their comparatively high average net rents, six were in London and three were in the South East.
- Southampton charged the lowest average net rent compared with its surrounding area's standard the LA's average net rent was £18.74 compared with the neighbours' equivalent of £63.35, providing a difference of 238.05%.
- This is partly because Southampton is adjacent to New Forest and in their neighbouring area only these two LAs reported net rents for bedspaces. Despite

their geographical proximity, the two LAs might not have similar determinants for bedspaces' rents.

- The second lowest was Dartford (88.09%) followed by Bromley (81.01%).
- Of the ten LAs with the largest differences due to their comparatively low average net rents, four were in the South East and three were in London.

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Sandwell	West Midlands	0.66	47.26	47.57	23	137
Greenwich	London	-1.09	41.38	40.93	78	484
Camden	London	1.35	52.41	53.12	15	162
Westminster	London	1.83	55.33	56.34	41	125
Hounslow	London	-1.95	58.53	57.39	157	100
Brent	London	2.09	53.70	54.82	52	126
Spelthorne	South East	-2.48	61.32	59.80	41	202
Waltham Forest	London	-3.02	45.62	44.24	23	402
Haringey	London	-3.21	54.25	52.51	4	121
Bristol	South West	-4.12	46.32	44.41	7	28

Table 5.4 LAs with the smallest difference: bedspaces

Table 5.5 LAs with average net rents higher than those of their neighbouring LAs: bedspaces

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
New Forest	South East	-70.42	63.35	18.74	8	14
Sevenoaks	South East	-51.96	65.94	31.68	30	28
Mendip	South West	-44.63	83.10	46.01	24	35
Hackney	London	-38.30	72.59	44.79	8	487
Tower Hamlets	London	-27.46	56.29	40.83	15	565
Croydon	London	-26.48	76.71	56.40	1	19
Lambeth	London	-25.44	65.53	48.86	15	77
Kingston upon Thames	London	-19.04	70.55	57.12	25	44
Kensington and Chelsea	London	-11.93	61.34	54.02	25	172
Windsor and Maidenhead	South East	-9.12	66.67	60.59	21	46

Table 5.6 LAs with average net rents lower than those of their neighbouring LAs: bedspaces

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Southampton	South East	238.05	18.74	63.35	14	8
Dartford	South East	88.09	33.26	62.56	24	33
Bromley	London	81.01	22.17	40.13	4	194
Crawley	South East	75.10	21.45	37.56	9	2
Bath and North East Somerset	South West	62.76	44.41	72.28	28	35
Sedgemoor	South West	59.96	51.95	83.10	3	24
Cannock Chase	West Midlands	55.56	30.58	47.57	3	137
Mole Valley	South East	53.81	37.56	57.77	2	44
Lewisham	London	37.80	29.47	40.61	82	114
Southwark	London	35.33	27.60	37.35	17	116

Bedsits:

Figure 5.5 plots 274 LAs which reported the relevant figures for bedsits, according to their average net rents and neighbouring LAs' equivalents.

- The scatter pattern of the 274 LAs showed a reasonably positive relationship between the two variables.
- The correlation coefficient was 0.684, implying that there was a positive relationship between LAs and their surrounding areas in terms of the average net rents for this property size.
- In other words, when an average net rent for surrounding area was high (low), a LA's average could be (low) to some extent.



Figure 5.5 Average net rents vs. neighbouring LAs' average net rents: bedsits

Figure 5.6 presents the distribution and statistics for the differences between LAs' average net rents and their neighbouring LAs' equivalents.

- The average for the 274 LAs was 0.17% and the median was 0.43%.
- The range was 78.63 points (from -28.24% to 50.39%), which is narrower than that of bedspaces.
- The distribution pattern was relatively close to a normal curve peaking around no difference.



Figure 5.6 Differences between LAs' figures and their neighbouring LAs' equivalents: Average net rents for bedsits (%)

Tables 5.7 to 5.9 present the 20 LAs with the smallest and largest differences.

- Medway showed no difference between its average net rent and its neighbouring LAs' average. This was followed by Rugby (-0.08%) and Islington (0.13%).
- Of the 20 LAs with the smallest differences, six were in the East of England, while three each in London, the North West, the South East and the South West.
- Worthing held the highest average net rent compared with its surrounding area's standard the LA's average net rent was £51.52 whereas the neighbours' equivalent was £36.97, providing a difference of -28.24%. The second highest was Vale Royal (-27.44%) followed by Redditch (-26.65%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, five each were in the North West and the South East, while three each in the East of England and London.
- Arun held the lowest average net rent compared with its surrounding area's standard the LA's average net rent was £36.97 whereas the neighbours' equivalent was £55.60, providing a difference of 50.39%. This was followed by Chester (47.57%) and Bexley (34.36%).
- Of the 20 LAs with the largest differences due to their comparatively low average net rents, six each were in the South East and the North West.

|--|

		Difference		Neighbours'	Stock for	Stock for
LA	Region	(%)	LA's rent (£)	rent (£)	LA	neighbours
Medway	South East	0.00	50.49	50.49	14	136
Rugby	West Midlands	-0.08	48.91	48.87	10	1,233
Islington	London	0.13	61.47	61.55	315	892
Ipswich	East of England	0.14	42.34	42.40	124	38
Dacorum	East of England	-0.19	57.05	56.94	50	195
Crawley	South East	-0.20	60.48	60.36	63	365
Stockport	North West	0.20	45.10	45.19	55	450
Suffolk Coastal	East of England	0.28	42.47	42.59	37	133
Kensington and Chelsea	London	-0.34	67.60	67.37	896	1,646
Malvern Hills	West Midlands	0.35	45.63	45.79	1	293
St.Helens	North West	-0.46	43.34	43.14	40	69
Kingston upon Thames	London	-0.49	62.94	62.63	34	772
North Hertfordshire	East of England	0.52	52.28	52.55	88	268
New Forest	South East	-0.62	53.29	52.96	2	164
Manchester	North West	-0.68	45.91	45.60	286	329
Kerrier	South West	-0.69	56.72	56.33	13	40
Mid Devon	South West	-0.69	49.19	48.85	13	17
Penwith	South West	0.69	56.33	56.72	40	13
Uttlesford	East of England	-0.75	51.73	51.34	8	327
Bedford	East of England	-0.80	48.70	48.31	167	149

Table 5.8 LAs with average net rents higher than those of their neighbouring LAs: bedsits

		Difference	LA's	Neighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
Worthing	South East	-28.24	51.52	36.97	143	10
Vale Royal	North West	-27.44	54.88	39.82	16	100
Chiltern	South East	-26.65	73.81	54.14	35	207
Ashfield	East Midlands	-25.59	68.49	50.96	3	178
Salford	North West	-25.58	60.36	44.92	36	463
Braintree	East of England	-25.45	63.31	47.20	3	267
Havering	London	-22.58	63.34	49.04	11	357
Barking and Dagenham	London	-22.32	64.69	50.25	6	521
Woking	South East	-21.83	72.18	56.42	12	104
Burnley	North West	-21.57	47.20	37.02	15	100
West Lancashire	North West	-19.62	53.76	43.21	3	207
Craven	Yorkshire & the Humber	-18.35	46.98	38.36	8	512
Harrogate	Yorkshire & the Humber	-18.17	48.76	39.90	1	743
Wyre	North West	-18.16	60.30	49.35	21	103
East Cambridgeshire	East of England	-17.88	52.41	43.04	10	302
Thurrock	East of England	-17.34	65.68	54.29	51	69
Southwark	London	-17.34	70.99	58.68	193	1,527
Winchester	South East	-17.17	61.08	50.59	2	520
North Shropshire	West Midlands	-17.04	49.65	41.19	1	135
East Hampshire	South East	-16.88	62.16	51.67	11	482

Table 5.9 LAs with average net rents lower than those of their neighbouring LAs: bedsits

Table 5.9 LAS	with average het re	nts lower t	nan those t	or their neighbou	nng LAS.	Deasits
		Difference			Stock for	Stock for
LA	Region	(%)	LA's rent (£)	Neighbours' rent (£)	LA	neighbours
Arun	South East	50.39	36.97	55.60	10	359
Chester	North West	47.57	37.19	54.88	24	16
Bexley	London	34.36	43.89	58.97	272	676
Dudley	West Midlands	27.79	39.40	50.35	34	637
Tonbridge and Malling	South East	26.97	43.05	54.66	2	296
Plymouth	South West	26.66	41.37	52.40	27	5
Northampton	East Midlands	23.68	45.11	55.79	67	2
Hastings	South East	23.37	48.27	59.55	30	23
South Lakeland	North West	21.48	38.17	46.37	4	94
Harrow	London	21.44	51.50	62.54	25	540
Lewes	South East	20.17	47.01	56.49	28	315
Harlow	East of England	19.91	41.34	49.57	88	116
Rochdale	North West	19.75	36.65	43.89	8	412
Elmbridge	South East	19.72	52.63	63.01	70	677
Darlington	North East	19.70	38.27	45.81	13	75
Copeland	North West	19.06	40.39	48.09	40	16
Halton	North West	18.22	39.41	46.59	2	289
Sheffield	Yorkshire & the Humber	16.67	40.20	46.90	164	66
Wealden	South East	16.45	49.19	57.28	9	446
Macclesfield	North West	15.67	38.98	45.09	32	483

1-bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.7 plotted 352 LAs which reported the relevant figures for 1-bed properties.

- The scatter pattern of the 352 LAs showed a significantly positive relationship between the two variables.
- The correlation coefficient (0.843) confirmed the significance.
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low).



Figure 5.7 Average net rents vs. neighbouring LAs' average net rents: 1-bed units

Figure 5.8 presents the distribution and statistics for the differences between LAs' average net rents and their neighbouring LAs' equivalents.

- The average for the 352 LAs was -0.36% and the median was -0.75%.
- The range was 46.85 points, which significantly dropped from the equivalent for bedsits or bedspaces.
- The distribution pattern appeared relatively close to a normal curve peaking around 0.0%, showing that the great majority of the LAs fell in a cohort of ±10%.



Figure 5.8 Differences between LAs' figures and their neighbouring LAs' equivalents: Average net rents for 1-bed units (%)

Tables 5.10 to 5.11 present the 20 LAs with the smallest and largest differences.

- Stevenage had the smallest difference of -0.03%. This was followed by Torridge (-0.04%) and Three Rivers (0.14%).
- Of the 20 LAs with the smallest differences, six were in the East of England, four were in the South East, and three were in the West Midlands.
- Wyre held the highest average net rent compared with its surrounding area's standard the difference was -22.48%. This was followed by Harrogate (-18.72%) and Kirklees (-17.24%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, six were in Yorkshire & the Humber, four were in the North West, and three in the West Midlands.
- Chorley held the lowest average net rent compared with its surrounding area's standard the difference was 24.37%. This was followed by Test Valley (22.35%) and Preston (21.74%).
- Of the 20 LAs with the largest differences due to their comparatively low average net rents, five each were in the West Midlands, the North West and the South East.

		Difference	LA's rent	Neighbours'	Stock for	Stock for
LA	Region	(%)	(£)	rent (£)	LA	neighbours
Stevenage	East of England	-0.03	61.11	61.09	243	2,721
Torridge	South West	-0.04	52.11	52.09	52	1,062
Three Rivers	East of England	0.14	69.67	69.77	122	4,052
Watford	East of England	-0.16	68.13	68.02	252	1,417
Newcastle upon Tyne	North East	0.19	48.61	48.70	1,373	2,840
Bournemouth	South West	0.24	61.53	61.68	218	1,085
Fenland	East of England	-0.27	52.69	52.55	126	6,061
Swale	South East	-0.27	59.59	59.43	850	2,169
Islington	London	0.34	70.66	70.90	3,502	8,755
Knowsley	North West	0.35	50.72	50.90	2,310	12,525
Dudley	West Midlands	0.37	57.04	57.25	616	11,868
East Northamptonshire	East Midlands	0.38	55.41	55.62	477	7,040
Harlow	East of England	0.39	63.32	63.57	267	1,526
Forest Heath	East of England	0.41	51.85	52.06	596	3,774
South Staffordshire	West Midlands	0.42	52.58	52.80	584	9,803
Redditch	West Midlands	-0.42	57.35	57.11	324	2,405
Medway	South East	0.45	60.43	60.70	498	3,624
North West Leicestershire	East Midlands	0.45	53.61	53.85	248	2,371
Reading	South East	-0.47	67.84	67.52	454	2,192
Wycombe	South East	-0.49	67.77	67.44	362	5,999

Table 5.11 LAs with average net rents higher than those of their neighbouring LAs: 1-bed units

	Deview	Difference	LA's rent	Neighbours'	Stock for	Stock for
	Region	(%)	(£)	rent (£)	LA	neignbours
Wyre	North West	-22.48	63.29	49.06	619	3,567
Harrogate	Yorkshire & the Humber	-18.72	58.96	47.92	496	11,793
Kirklees	Yorkshire & the Humber	-17.24	56.37	46.65	935	22,701
City of London	London	-16.20	85.49	71.64	51	23,301
Stoke-on-Trent	West Midlands	-16.16	53.90	45.19	977	2,636
Winchester	South East	-14.24	72.28	61.99	501	5,729
Crewe and Nantwich	North West	-14.23	54.31	46.58	567	3,511
Craven	Yorkshire & the Humber	-13.73	53.97	46.56	286	9,493
Ellesmere Port and Neston	North West	-13.70	57.88	49.95	94	3,802
Salisbury	South West	-13.57	66.12	57.15	172	5,316
Barnsley	Yorkshire & the Humber	-13.46	56.08	48.53	206	10,833
Havering	London	-12.91	70.58	61.47	302	3,683
Bassetlaw	East Midlands	-12.71	55.84	48.74	96	3,528
Selby	Yorkshire & the Humber	-12.69	56.25	49.11	187	9,911
Malvern Hills	West Midlands	-12.19	60.28	52.93	718	4,822
Newark and Sherwood	East Midlands	-12.16	58.97	51.80	207	1,440
Doncaster	Yorkshire & the Humber	-11.77	52.69	46.49	490	8,319
East Cambridgeshire	East of England	-11.61	59.11	52.25	546	4,641
West Lancashire	North West	-11.49	56.59	50.09	105	9,110
Bridgnorth	West Midlands	-11.42	57.73	51.14	95	3,504

Table 5.12 LAs with average net rents lower than those of their neighbouring LAs: 1-	bed
units	

		Difference	LA's	Neighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
Chorley	North West	24.37	43.62	54.25	1146	4815
Test Valley	South East	22.35	53.78	65.80	1326	6473
Preston	North West	21.74	47.47	57.79	2717	1617
North Lincolnshire	Yorkshire & the Humber	20.53	42.32	51.01	1261	1295
Newcastle-under-Lyme	West Midlands	19.37	43.58	52.02	1795	2884
Wakefield	Yorkshire & the Humber	17.49	45.73	53.73	5741	4522
Chester	North West	17.10	46.68	54.66	854	1024
Easington	North East	16.81	44.45	51.92	349	7679
Bromsgrove	West Midlands	16.27	49.65	57.73	449	10895
Bexley	London	16.12	58.31	67.71	2513	6084
Worcester City	West Midlands	16.00	50.49	58.57	953	1895
Wyre Forest	West Midlands	15.43	48.54	56.03	350	3265
Hyndburn	North West	15.07	45.53	52.39	312	4064
West Oxfordshire	South East	15.02	54.39	62.56	532	2694
Wirral	North West	14.82	50.41	57.88	2585	94
Herefordshire	West Midlands	14.71	50.29	57.69	1370	1175
South Norfolk	East of England	14.55	48.33	55.36	460	2719
Lewes	South East	13.87	57.62	65.61	169	2295
Aylesbury Vale	South East	13.05	57.53	65.04	1662	4457
Hastings	South East	12.78	57.18	64.49	480	629
2-bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.9 plotted 352 LAs which reported the relevant figures for 2-bed properties.

- The scatter pattern of the 352 LAs showed a significantly positive relationship between the two variables.
- The correlation coefficient (0.876) confirmed the significance.
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low).



Figure 5.9 Average net rents vs. neighbouring LAs' average net rents: 2-bed units

Figure 5.10 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for 352 LAs was -1.17% and the median was -1.69%.
- The range was 40.32 points, which is the narrowest among all the size categories.
- The distribution pattern appeared relatively close to a normal curve peaking around -1.00%, showing that the great majority of the LAs fell in a cohort of ±10%.





Tables 5.13 to 5.15 present the 20 LAs with the smallest and largest differences.

- Pendle showed no difference between its average net rent and its neighbouring LAs' average. This was followed by Cambridge (-0.04%) and Redditch (-0.05%).
- Of the 20 LAs with the smallest differences, six were in the South West, four were in the East of England, and three in the South East.
- West Lancashire held the highest average net rent compared with its surrounding area's standard the difference was -17.28%. This was followed by Harrogate (-17.01%) and Kirklees (-16.42%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, seven were in Yorkshire & the Humber and five were in the North West while three were in the West Midlands.
- Wakefield held the lowest average net rent compared with its surrounding area's standard the difference was 23.04%. This was followed by North Lincolnshire (21.38%) and Newcastle-under-Lyme (19.34%).
- Of the 20 LAs, those with the largest differences due to their comparatively low average net rents, five each were in the West Midlands and the North West while three each in the South East and Yorkshire & the Humber.

Table 5.15 LAS With	the smallest	uniciciic	. <u>2 bcu u</u>	11103		
		Difference	LA's rent	Neighbours'	Stock for	Stock for
LA	Region	(%)	(£)	rent (£)	LA	neighbours
Pendle	North West	0.00	52.95	52.95	1,129	13,973
Cambridge	East of England	-0.04	74.51	74.48	396	650
Redditch	West Midlands	-0.05	66.24	66.21	465	5,658
Hounslow	London	-0.05	84.44	84.40	2,161	11,831
Torridge	South West	-0.10	62.27	62.21	221	2,292
Babergh	East of England	0.11	65.65	65.72	530	7,961
Dover	South East	0.11	72.36	72.44	550	2,125
Luton	East of England	-0.12	69.19	69.11	885	3,153
Daventry	East Midlands	0.15	67.91	68.01	526	5,295
Fenland	East of England	-0.16	62.41	62.31	437	11,457
Restormel	South West	-0.18	62.40	62.29	1,550	1,003
Slough	South East	-0.22	84.50	84.31	919	5,953
Bath and North East Somerset	South West	0.23	64.46	64.61	3,065	13,380
Cheltenham	South West	0.24	69.59	69.76	495	3,008
Stratford-on-Avon	West Midlands	-0.25	68.21	68.04	2,597	10,819
Gravesham	South East	-0.25	75.27	75.08	147	5,211
Warrington	North West	-0.28	58.06	57.90	921	18,059
East Devon	South West	-0.31	64.55	64.35	534	7,845
Swindon	South West	-0.41	70.18	69.89	823	8,052
Darlington	North East	0.45	60.55	60.82	302	3,195

Table 5 13 LAs with the smallest difference: 2-bed units

Table 5.14 LAs with average net rents higher than those of their neighbouring LAs: 2-bed units

		Difference	LA's	Neighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
West Lancashire	North West	-17.28	68.39	56.57	182	17,805
Harrogate	Yorkshire & the Humber	-17.01	68.90	57.18	579	14,604
Kirklees	Yorkshire & the Humber	-16.42	63.72	53.26	1,087	31,020
Wyre	North West	-15.56	69.01	58.27	910	4,340
Leeds	Yorkshire & the Humber	-15.43	62.09	52.51	3,724	22,220
South Lakeland	North West	-15.20	68.81	58.35	382	7,220
Bassetlaw	East Midlands	-14.64	65.31	55.75	265	6,785
Barnsley	Yorkshire & the Humber	-14.62	61.89	52.84	486	19,518
City of London	London	-14.61	94.52	80.71	38	24,721
High Peak	East Midlands	-14.51	68.00	58.13	231	19,690
Cannock Chase	West Midlands	-14.44	65.91	56.39	394	15,053
Selby	Yorkshire & the Humber	-14.00	64.00	55.04	340	19,095
North Shropshire	West Midlands	-13.76	63.88	55.09	223	14,430
Eden	North West	-13.51	68.02	58.83	557	8,467
Stoke-on-Trent	West Midlands	-13.40	58.74	50.87	1,555	5,790
Brentwood	East of England	-12.96	86.43	75.23	123	5,186
Bridgnorth	West Midlands	-12.53	67.91	59.40	137	9,137
Ellesmere Port and Neston	North West	-12.32	64.43	56.49	77	8,190
Doncaster	Yorkshire & the Humber	-12.19	59.33	52.10	551	17,487
Craven	Yorkshire & the Humber	-12.13	62.49	54.91	480	10,755

Table 5.15 LAs with average net rents lower than those of their neighbouring LAs: 2-bed units

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Wakefield	Yorkshire & the Humber	23.04	50.57	62.22	12,400	6,188
North Lincolnshire	Yorkshire & the Humber	21.38	48.51	58.88	2,371	3,011
Newcastle-under-Lyme	West Midlands	19.34	48.09	57.39	2,944	7,188
Walsall	West Midlands	17.66	54.77	64.44	9,789	16,709
Maidstone	South East	16.28	66.21	76.99	2,104	7,752
Lambeth	London	16.11	73.63	85.49	5,713	13,010
Preston	North West	15.99	55.65	64.55	2,674	3,058
Worcester City	West Midlands	15.83	57.81	66.96	1,555	3,525
Derwentside	North East	15.37	48.33	55.76	4,214	3,747
Sheffield	Yorkshire & the Humber	15.11	53.54	61.63	4,288	2,627
Coventry	West Midlands	15.09	59.10	68.02	7,063	2,563
Lewes	South East	13.72	67.21	76.43	299	3,463
Plymouth	South West	13.44	58.92	66.84	1,917	1,429
Chorley	North West	13.17	53.69	60.76	1,701	7,735
Chester	North West	12.41	52.54	59.06	2,065	3,389
Copeland	North West	12.03	52.96	59.33	2,316	3,387
Wirral	North West	11.51	57.78	64.43	4,558	77
Wyre Forest	West Midlands	11.26	57.98	64.51	1,454	6,811
Reigate and Banstead	South East	11.06	75.76	84.14	1,902	5,366
Weymouth and Portland	South West	11.05	61.88	68.72	1,194	1,697

3-bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.9 plotted 352 LAs which reported the relevant figures for 3-bed units.

- The scatter pattern of the 352 LAs showed a significantly positive relationship between the two variables.
- The correlation coefficient (0.873) confirmed the significance.
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low).



Figure 5.11 Average net rents vs. neighbouring LAs' average net rents: 3-bed units

Figure 5.12 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for the 352 LAs was -1.84% and the median was -2.11%.
- The range was 48.44 points, which significantly narrower than the equivalent for bedsits or bedspaces.
- The distribution pattern appeared relatively close to a normal curve peaking around 2.0%, and showed that the great majority of the LAs fell in a cohort of ±10%.



Figure 5.12 Differences between LAs' figures and their neighbouring LAs' equivalents: Average net rents for 3-bed units (%)

Tables 5.16 to 5.18 present the 20 LAs with the smallest and largest differences.

- The smallest three differences were observed in Ashfield (0.03%), Hambleton and Gosport (-0.03% for each).
- Of the 20 LAs with the smallest differences, four each were in the North West and the South East, while three each in the East Midlands and the North East.
- Kirklees held the highest average net rent compared with its surrounding area's standard the difference was -20.21%. This was followed by High Peak (-20.15%) and Harrogate (-18.72%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, seven were in Yorkshire & the Humber, four each were in the West Midlands and the North West, and three were in the East Midlands.
- Following the 2-bed units' case, Wakefield held the lowest average net rent compared with its surrounding area's standard the difference was 28.22%. This was followed by Walsall (23.91%) and Coventry (19.89%).
- Of the 20 LAs with the largest differences due to their comparatively low average net rents, six were in the West Midlands and three each in the South East and Yorkshire & the Humber.

	e smallest unterent			Netable errol	Ot a ala	Ote als fee
	Deview	Difference	LA's rent	Neighbours'	STOCK	Stock for
LA	Region	(%)	(£)	rent (£)	TOT LA	neignbours
Ashfield	East Midlands	0.03	64.83	64.85	482	6,138
Hambleton	Yorkshire & the Humber	-0.03	62.36	62.34	1,578	16,586
Gosport	South East	-0.03	85.76	85.73	653	1,224
Blackburn with Darwen	North West	0.05	64.91	64.94	3,309	6,625
Eastbourne	South East	-0.05	82.34	82.30	630	497
North Somerset	South West	0.07	72.46	72.51	2,220	5,975
Wansbeck	North East	0.08	61.80	61.85	53	490
Sefton	North West	0.10	61.17	61.23	6,555	25,041
Blackpool	North West	-0.12	69.43	69.35	320	1,720
Tynedale	North East	-0.16	60.74	60.64	1,003	6,609
Breckland	East of England	0.17	65.20	65.31	2,930	12,128
Harrow	London	-0.25	94.74	94.50	780	8,460
St.Helens	North West	0.28	61.17	61.34	8,323	16,125
Horsham	South East	0.28	86.29	86.53	1,896	5,369
West Berkshire	South East	-0.30	84.70	84.45	3,036	14,342
Cambridge	East of England	-0.32	82.06	81.80	494	542
West Lindsey	East Midlands	-0.38	57.15	56.93	1,466	10,814
South Kesteven	East Midlands	-0.41	66.09	65.82	212	4,797
Redcar and Cleveland	North East	-0.44	61.12	60.85	4,340	10,758
Bath and North East Somerset	South West	0.50	71.97	72.33	2,812	12,874

Table 5.17 LAs with average net rents higher than those of their neighbouring LAs: 3-bed units

	Pagion	Difference	LA's rent	Neighbours'	Stock	Stock for
LA	Region	(%)	(£)	rent (£)	TOP LA	neighbours
Kirklees	Yorkshire & the Humber	-20.21	71.93	57.39	749	27,617
High Peak	East Midlands	-20.15	77.23	61.67	238	16,919
Harrogate	Yorkshire & the Humber	-18.72	75.76	61.58	444	13,988
Wyre	North West	-18.41	74.40	60.70	1,160	4,926
Leeds	Yorkshire & the Humber	-18.34	69.29	56.58	2,281	22,176
North East Derbyshire	East Midlands	-17.82	73.72	60.58	83	9,214
Eden	North West	-17.70	76.12	62.65	693	7,261
South Lakeland	North West	-17.54	75.54	62.29	221	8,037
Doncaster	Yorkshire & the Humber	-17.18	67.12	55.59	407	18,915
St. Albans	East of England	-16.86	94.56	78.62	376	8,182
West Lancashire	North West	-16.80	73.98	61.55	171	27,395
Selby	Yorkshire & the Humber	-16.79	70.30	58.50	317	17,153
East Riding	Yorkshire & the Humber	-16.03	72.22	60.64	503	10,169
Barnsley	Yorkshire & the Humber	-15.82	67.44	56.77	472	18,694
Wolverhampton	West Midlands	-15.27	72.09	61.08	734	14,841
Oswestry	West Midlands	-15.21	69.03	58.53	117	2,546
North Shropshire	West Midlands	-14.66	71.15	60.72	96	17,661
Bassetlaw	East Midlands	-14.37	67.63	57.91	336	8,248
Nuneaton and Bedworth	West Midlands	-14.34	73.70	63.13	372	7,912
Salisbury	South West	-14.28	86.69	74.31	604	13,993

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Wakefield	Yorkshire & the Humber	28.22	54.14	69.42	12,475	4,226
Walsall	West Midlands	23.91	57.30	71.00	10,747	13,982
Coventry	West Midlands	19.89	61.34	73.54	6,565	2,095
Wirral	North West	19.32	61.66	73.57	7,240	106
Newcastle-under-Lyme	West Midlands	19.18	51.40	61.26	3,031	8,308
Maidstone	South East	18.75	72.75	86.39	2,249	9,557
Preston	North West	18.68	59.00	70.02	3,626	3,385
North Lincolnshire	Yorkshire & the Humber	18.40	52.99	62.74	4,243	2,712
Weymouth and Portland	South West	18.20	66.26	78.32	1,178	1,951
Worcester City	West Midlands	17.59	61.51	72.33	2,327	3,818
North Norfolk	East of England	17.29	56.92	66.76	2,345	7,742
Derwentside	North East	15.81	53.08	61.47	2,592	2,663
South Somerset	South West	15.61	65.85	76.13	3,275	6,244
Kingston upon Hull	Yorkshire & the Humber	14.96	62.82	72.22	931	503
Shrewsbury and Atcham	West Midlands	14.80	58.04	66.63	2,450	6,342
Wyre Forest	West Midlands	13.23	62.07	70.28	2,206	7,885
Lambeth	London	13.20	84.37	95.51	3,665	9,398
Surrey Heath	South East	13.08	83.69	94.64	1,183	6,032
Worthing	South East	13.08	77.66	87.82	1,304	1,092
North Hertfordshire	East of England	13.04	71.00	80.26	4,679	8,531

4-bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.13 plotted 348 LAs which reported the relevant figures for 4-bed units.

- The scatter pattern of the 348 LAs showed a significantly positive relationship between the two variables.
- The correlation coefficient (0.881) confirmed the significance.
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low).



Figure 5.13 Average net rents vs. neighbouring LAs' average net rents: 4-bed units

Figure 5.14 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for the 348 LAs was -0.74% and the median was -1.58%.
- The range was 49.54 points, which significantly narrower than the equivalent for bedsits or bedspaces.
- The distribution pattern appeared reasonably close to a normal curve peaking around -1.0%, and showed that the great majority of the LAs fell in a cohort of ±10%.



Figure 5.14 Differences of LAs' figures from their neighbouring LAs' equivalents: Average net rents for 4-bed units (%)

Tables 5.19 to 5.21 present the 20 LAs with the smallest and largest differences.

- Adur showed the smallest difference (0.02%). This was followed by Sutton Forest (0.03%), West Devon and King's Lynn and West Norfolk (-0.04% for each).
- Of the 20 LAs with the smallest differences, four each were in the South East and the South West while there each in London and the East Midlands.
- Eden held the highest average net rent compared with its surrounding area's standard the difference was -20.75%. This was followed by Oswestry (-20.67%) and Fareham (-18.02%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, six were in the West Midlands and three each were in the East of England, the North West and the South East.
- Fylde held the lowest average net rent compared with its surrounding area's standard the difference was 28.79%. This was followed by Walsall (26.69%) and Newcastleunder-Lyme (26.30%).
- Of the 20 LAs, those with the largest differences due to their comparatively low average net rents, six were in the West Midlands and three each were in the East of England, the North West and the South East.

Table 5.19 LAs with t	he smallest difference	: 4-bed units
-----------------------	------------------------	---------------

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Adur	South East	0.02	93.02	93.04	23	423
Sutton	London	0.03	104.31	104.34	66	1,077
West Devon	South West	-0.04	79.28	79.25	17	251
King's Lynn and West Norfolk	East of England	-0.04	72.17	72.14	105	403
Hammersmith and Fulham	London	-0.06	104.38	104.32	385	2,002
Manchester	North West	0.11	71.12	71.20	937	1,560
Portsmouth	South East	0.11	97.08	97.19	131	204
Leicester	East Midlands	0.12	78.11	78.20	289	40
Dartford	South East	-0.13	94.20	94.08	22	689
Redcar and Cleveland	North East	-0.20	64.72	64.59	236	623
Torridge	South West	0.23	77.39	77.57	31	136
North West Leicestershire	East Midlands	0.25	70.81	70.99	21	269
Burnley	North West	0.29	71.32	71.53	147	464
Caradon	South West	-0.32	74.13	73.89	23	203
South Kesteven	East Midlands	-0.33	69.82	69.59	37	545
Waltham Forest	London	0.33	101.68	102.02	315	2,370
Warrington	North West	0.34	67.44	67.67	149	1,792
Lewisham	London	-0.36	102.15	101.78	412	2,978
Bracknell Forest	South East	0.37	103.41	103.79	43	224
North Devon	South West	0.42	78.14	78.47	61	96

Table 5.20 LAs with average net rents higher than those of their neighbouring LAs: 4-bed units

1.4	Destion	Difference	LA's rent	Neighbours' rent	Stock for	Stock for
LA	Region	(%)	(£)	(£)	LA	neighbours
Eden	North West	-20.75	82.89	65.69	8	389
Oswestry	West Midlands	-20.67	78.89	62.58	6	144
Fareham	South East	-18.02	118.01	96.74	6	247
Stoke-on-Trent	West Midlands	-17.74	69.56	57.22	61	336
Harrogate	Yorkshire & the Humber	-17.26	87.06	72.03	2	2,008
South Lakeland	North West	-16.80	76.54	63.68	15	421
Rutland	East Midlands	-16.73	84.17	70.09	7	113
St. Albans	East of England	-16.47	107.28	89.61	48	531
Malvern Hills	West Midlands	-15.23	86.25	73.11	64	691
Carrick	South West	-15.06	83.40	70.84	14	120
Doncaster	Yorkshire & the Humber	-14.78	70.89	60.41	51	766
Wolverhampton	West Midlands	-14.69	81.30	69.36	134	766
Nuneaton and Bedworth	West Midlands	-14.11	82.15	70.56	21	565
Stevenage	East of England	-13.95	97.45	83.86	52	268
Kettering	East Midlands	-13.86	84.42	72.72	5	122
Brentwood	East of England	-13.43	105.00	90.90	3	557
West Lancashire	North West	-13.41	73.59	63.72	19	2,209
Mole Valley	South East	-12.95	114.46	99.64	1	502
Winchester	South East	-12.70	108.89	95.06	8	973
Warwick	West Midlands	-12.69	83.29	72.72	29	677

Table 5.21 LAs with average net rents lower than those of their neighbouring LAs: 4-	-bed
units	

1.4	Region	Difference	LA's rent	Neighbours'	Stock	Stock for
Evido	North West	29.70	56.54	72.92	20	201
	North Midler de	20.79	00.04	72.02	39	0.004
waisali	vvest ividiands	26.69	62.13	78.71	410	2,234
Newcastle-under-Lyme	West Midlands	26.30	53.38	67.42	190	348
Weymouth and Portland	South West	25.19	69.86	87.46	78	66
Wakefield	Yorkshire & the Humber	23.04	58.98	72.57	441	1,243
Maidstone	South East	22.39	76.90	94.12	139	553
Wigan	North West	21.95	57.72	70.39	4	1,095
Worcester City	West Midlands	21.55	67.05	81.50	119	200
Wyre Forest	West Midlands	20.06	65.80	79.00	91	339
Chorley	North West	19.75	62.33	74.64	94	862
North Lincolnshire	Yorkshire & the Humber	19.09	56.16	66.88	198	169
Shrewsbury and Atcham	West Midlands	18.34	62.28	73.70	138	521
Coventry	West Midlands	18.22	69.60	82.28	512	120
North Hertfordshire	East of England	17.92	78.31	92.34	180	606
South Bucks	South East	15.83	91.52	106.01	37	463
Derwentside	North East	14.49	57.64	65.99	74	205
Rushcliffe	East Midlands	14.30	63.77	72.89	84	372
Basildon	East of England	13.95	85.86	97.84	356	151
East Northamptonshire	East Midlands	13.76	68.73	78.19	56	1,099
North Norfolk	East of England	13.54	62.72	71.21	66	343

5-bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.15 plotted 238 LAs which reported the relevant figures for 5-bed units.

- The scatter pattern of the 238 LAs showed a significantly positive relationship between the two variables.
- The correlation coefficient (0.733) confirmed the significance.
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low).



Figure 5.15 Average net rents vs. neighbouring LAs' average net rents: 5-bed units

Figure 5.16 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for the 238 LAs was 0.96% and the median was -0.72%.
- The range was 77.20 points, which is narrower than the equivalent for bedsits or bedspaces but wider than those for the other smaller size categories.
- The distribution pattern appeared relatively close to a normal curve peaking around 1.0%, and showed that the great majority of the LAs fell in a cohort of ±10%.



Figure 5.16 Differences of LAs' figures from their neighbouring LAs' equivalents: Average net rents for 5-bed units (%)

Tables 5.22 to 5.24 present the 20 LAs with the smallest and largest differences.

- Nuneaton and Bedworth showed the smallest difference (-0.02%). This was followed by Dartford (-0.04%) and Forest Heath (-0.05%). Recall that these LAs had fairly small stock of this property size.
- Of the 20 LAs with the smallest differences, five were in London, four were in the North West and three in the South East.
- Hastings held the highest average net rent compared with its surrounding area's standard the difference was -28.81%. This was followed by Forest of Dean (-27.63% with one property of this size in the area) and Wear Valley (-26.33% with two properties).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, six were in the South East and three were in the West Midlands.
- Hammersmith and Fulham held the lowest average net rent compared with its surrounding area's standard the difference was 48.69%. This was followed by Herefordshire and Derby (44.55% for each) both of them with small stock.
- Of the 20 LAs, those with the largest differences due to their comparatively low average net rents, five were in the South East while three were in the South West.

		Difference	LA's	Neighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
Nuneaton and Bedworth	West Midlands	-0.02	80.88	80.86	2	27
Dartford	South East	-0.04	110.72	110.68	1	14
Forest Heath	East of England	-0.05	78.94	78.90	3	28
Lewisham	London	-0.05	109.82	109.76	49	510
Basingstoke and Deane	South East	-0.11	105.51	105.39	13	10
Sedgemoor	South West	-0.16	88.32	88.18	1	45
Preston	North West	0.20	85.10	85.27	11	7
South Somerset	South West	-0.24	91.51	91.29	2	29
Kirklees	Yorkshire & the Humber	0.28	81.51	81.74	36	409
Mendip	South West	0.33	88.09	88.38	3	43
South Cambridgeshire	East of England	0.38	92.70	93.05	8	32
Newham	London	-0.56	109.47	108.86	77	624
Redbridge	London	-0.56	108.87	108.26	10	155
Kingston upon Hull	Yorkshire & the Humber	-0.57	75.81	75.38	7	3
Manchester	North West	-0.59	74.26	73.82	107	190
Hackney	London	0.63	108.72	109.40	128	647
Broxtowe	East Midlands	0.83	77.36	78.00	2	21
Blackburn with Darwen	North West	-0.86	81.85	81.15	72	46
Tower Hamlets	London	0.95	108.87	109.90	376	355
Knowsley	North West	-0.98	69.48	68.80	28	162

Table 5.23 LAs with average net rents higher than those of their neighbouring LAs: 5-bed units

LA	Region	Difference (%)	LA's rent (£)	Neighbours' rent (£)	Stock for LA	Stock for neighbours
Hastings	South East	-28.81	101.78	72.46	17	2
Forest of Dean	South West	-27.63	111.52	80.71	1	16
Wear Valley	North East	-26.33	81.25	59.86	2	6
Tendring	East of England	-25.21	114.77	85.84	6	3
Harrogate	Yorkshire & the Humber	-24.66	110.75	83.44	1	290
Hounslow	London	-22.25	114.65	89.14	34	103
Erewash	East Midlands	-21.19	85.22	67.16	4	15
Gravesham	South East	-20.26	127.22	101.44	1	6
West Oxfordshire	South East	-20.26	110.40	88.03	4	22
Southampton	South East	-19.31	110.04	88.79	1	2
West Dorset	South West	-18.43	109.32	89.17	2	5
Oadby and Wigston	East Midlands	-18.42	100.21	81.75	1	98
Hyndburn	North West	-18.25	101.60	83.06	2	80
South Bedfordshire	East of England	-16.51	108.01	90.18	5	48
Oxford	South East	-16.33	102.86	86.06	21	14
Wealden	South East	-15.80	114.72	96.59	1	11
Wychavon	West Midlands	-15.61	95.80	80.85	1	23
Redditch	West Midlands	-15.20	98.64	83.65	2	6
Stockton-on-Tees	North East	-15.05	76.63	65.10	6	82
Newcastle-under-Lyme	West Midlands	-13.93	83.14	71.56	2	10

Table 5.24 LAs with average net rents lower than those of their neighbouring LAs: 5-bed units

		Difference	LA's	Neighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
Hammersmith and Fulham	London	48.39	75.43	111.93	63	202
Herefordshire	West Midlands	44.55	77.15	111.52	5	1
Derby	East Midlands	44.45	50.80	73.38	3	12
West Lancashire	North West	41.82	49.26	69.86	1	77
Rother	South East	39.08	72.46	100.78	2	27
Eastbourne	South East	38.47	82.85	114.72	1	1
Medway	South East	32.71	77.69	103.10	1	10
Derwentside	North East	28.56	56.54	72.69	5	8
Weymouth and Portland	South West	28.04	85.38	109.32	1	2
Peterborough	East of England	27.85	71.00	90.77	70	7
Colchester	East of England	26.79	85.84	108.84	3	10
Pendle	North West	26.59	66.93	84.73	2	242
Exeter	South West	25.70	78.53	98.71	2	2
Vale of White Horse	South East	25.69	81.38	102.29	11	48
Hartlepool	North East	24.59	61.48	76.60	17	7
Leicester	East Midlands	22.58	81.75	100.21	98	1
East Devon	South West	21.90	74.67	91.02	1	27
Barking and Dagenham	London	21.51	91.02	110.60	14	128
Test Valley	South East	19.39	87.88	104.92	1	25
Stafford	West Midlands	19.07	63.65	75.79	1	51

6+ bed units:

According to their average net rents and neighbouring LAs' equivalents, Figure 5.17 plotted 129 LAs which reported the relevant figures for 6+ bed units.

- The scatter pattern of the 129 LAs showed a relatively positive relationship between the two variables.
- The correlation coefficient (0.612).
- This means that when an average net rent for surrounding area was high (low), a LA's average was likely to be high (low) to some extent.



Figure 5.17 Average net rents vs. neighbouring LAs' average net rents: 6+ bed units

Figure 5.18 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for the 129 LAs was 0.66% and the median was 1.02%.
- The range was 98.73, which is the second widest following the equivalent for bedspaces.
- The distribution pattern appeared relatively close to a normal curve peaking around 1.0% with long tails.





Tables 5.25 to 5.27 present the 20 LAs with the smallest and largest differences. The great majority of the LAs in the tables had fairly small stock of this property size in their areas.

- East Staffordshire showed the smallest difference (-0.08%). This was followed by Taunton Deane (-0.10%) and Greenwich (-0.14%).
- Of the 20 LAs with the smallest differences, four each were in London and the North West while three in the East of England.
- Telford and Wrekin held the highest average net rent compared with its surrounding area's standard the difference was -39.73%. This was followed by Knowsley (- 38.78%) and Colchester (-33.448%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, six were in the North West, five were in the South East, and three were in London.
- St. Helens held the lowest average net rent compared with its surrounding area's standard the difference was 59.00%. This was followed by Shrewsbury and Atcham (58.81%) and Tendring (52.95%).
- Of the 20 LAs, those with the largest differences due to their comparatively low average net rents, five were in the North West, four were in the West Midlands, and three each in the South East, the East of England and London.

		Difforence		Noighbours'	Stock for	Stock for
LA	Region	(%)	rent (£)	rent (£)	LA	neighbours
East Staffordshire	West Midlands	-0.08	72.53	72.47	1	1
Taunton Deane	South West	-0.10	102.38	102.28	1	5
Greenwich	London	-0.14	116.52	116.36	2	211
Wellingborough	East Midlands	0.23	93.04	93.25	1	5
Newham	London	0.39	116.47	116.92	68	168
Manchester	North West	-0.44	81.27	80.91	29	51
Luton	East of England	0.58	105.10	105.71	5	1
West Wiltshire	South West	0.60	95.74	96.31	5	6
Hackney	London	-0.61	117.47	116.75	29	222
Macclesfield	North West	-0.70	80.53	79.97	3	58
Ryedale	Yorkshire & the Humber	0.71	88.26	88.89	1	3
Tower Hamlets	London	0.73	116.27	117.12	126	112
North Norfolk	East of England	-0.77	75.47	74.89	7	28
Chorley	North West	0.80	78.50	79.13	1	19
Medway	South East	1.02	102.74	103.79	2	4
Stoke-on-Trent	West Midlands	1.04	91.53	92.48	2	3
Derby	East Midlands	-1.05	102.18	101.11	1	3
Bolton	North West	1.10	78.79	79.66	5	15
Oxford	South East	1.16	111.38	112.67	1	2
South Cambridgeshire	East of England	1.20	94.55	95.68	3	10

Table 5.26 LAs with average net rents higher than those of their neighbouring LAs: 6+ bed units

	Pegion	Difference	LA's rent	Neighbours'	Stock	Stock for
Telford and Wrekin	West Midlands	-39.73	128 17	77 25	3	3
Knowsley	North West	-38 78	116 41	71.20	5	35
Colchester	East of England	-33.44	155.78	103.69	1	2
Chester	North West	-31.61	97.87	66.93	3	4
Congleton	North West	-30.05	112.46	78.67	1	10
Test Valley	South East	-29.21	152.08	107.66	1	4
Bury	North West	-26.59	109.48	80.37	1	51
Forest Heath	East of England	-24.16	100.03	75.86	1	14
Reigate and Banstead	South East	-22.79	151.20	116.74	1	5
South Ribble	North West	-20.86	102.66	81.24	1	18
Chiltern	South East	-20.64	128.46	101.95	1	2
Spelthorne	South East	-20.53	155.85	123.85	1	4
Camden	London	-20.24	143.78	114.68	27	28
Tunbridge Wells	South East	-18.83	134.76	109.39	2	3
Rossendale	North West	-18.24	100.08	81.83	1	38
South Shropshire	West Midlands	-17.44	86.24	71.20	1	3
Gateshead	North East	-16.01	90.48	75.99	4	6
Bexley	London	-15.91	135.03	113.54	3	8
Wandsworth	London	-15.05	133.31	113.25	3	47
Erewash	East Midlands	-14.47	109.28	93.47	2	2

Table 5.27 LAs with average net rents lower than those of their neighbouring LAs: 6+ bed units

		Difference	LA's rent	Neighbours'	Stock for	Stock for
LA	Region	(%)	(£)	rent (£)	LA	neighbours
St.Helens	North West	59.00	69.76	110.92	2	6
Shrewsbury and Atcham	West Midlands	58.81	70.67	112.23	2	5
Tendring	East of England	52.95	101.85	155.78	1	1
Vale Royal	North West	38.23	66.93	92.52	4	7
Dacorum	East of England	26.00	101.95	128.46	2	1
Staffordshire Moorlands	West Midlands	24.89	72.47	90.51	1	9
Liverpool	North West	24.64	71.71	89.38	26	12
Burnley	North West	23.91	68.63	85.04	1	22
Basingstoke and Deane	South East	23.91	106.37	131.80	3	2
Wyre	North West	22.91	74.91	92.07	1	5
Amber Valley	East Midlands	20.36	84.76	102.02	1	4
Brent	London	20.17	109.76	131.90	4	45
Herefordshire	West Midlands	19.33	72.27	86.24	1	1
Newcastle upon Tyne	North East	19.07	75.99	90.48	6	4
Maidstone	South East	17.60	96.42	113.39	1	7
Windsor and Maidenhead	South East	15.95	117.66	136.43	1	3
Westminster	London	15.08	109.63	126.16	5	69
Haringey	London	13.93	111.67	127.23	8	86
North Shropshire	West Midlands	13.32	90.40	102.44	1	10
Suffolk Coastal	East of England	13.22	77.45	87.69	3	8

5.2 Service charges

This part compares LAs' average service charges with their neighbours' equivalents for 2bed properties.

2-bed units:

According to their average service charges and neighbouring LAs' equivalents, Figure 5.19 plotted 352 LAs which reported the relevant figures for 2-bed properties.

- The scatter pattern of the 352 LAs showed a positive relationship between the two variables.
- The correlation coefficient appeared moderate (0.590) the value was much smaller than the equivalent for average net rents of this size category.
- This means that when an average service charge for surrounding area was high (low), a LA's average was likely to be high (low). However, the likeliness was not as significant as that for average net rents.
- In this respect, service charges might be decided by individual property's factors (e.g. shared facilities' maintenance) in addition to local factors across neighbouring areas.

Figure 5.19 Average service charges vs. neighbouring LAs' average service charges: 2-bed units



Figure 5.20 presents distribution and statistics for the differences of LAs' average net rents from their neighbouring LAs' equivalents.

- The average for the 352 LAs was 11.81% and the median was 2.24%.
- The range was 312.95 points, which significantly wider than the equivalent for average net rents of this size category.
- The distribution pattern was skewed to higher part due to some outliers over 100%.

Figure 5.20 Differences of LAs' figures from their neighbouring LAs' equivalents: Average service charges for 2-bed properties (%)



Tables 5.28 to 5.30 present the 20 LAs with the smallest and largest differences.

- Christchurch showed no difference while Ealing (-0.14%) and Harrow (-0.15%) had the smallest differences.
- Of the 20 LAs with the smallest differences, six were in London and four were in the North West.
- Derwentside held the highest average service charge compared with its surrounding area's standard the difference was -74.66%. This was followed by Hastings (- 59.60%) and Sefton (-57.14%).
- Of the 20 LAs with the largest differences due to their comparatively high average net rents, four each were in the North West and the South East while three each were in the South West, the East Midlands and the North East.
- St. Helens held the lowest average service charge compared with its surrounding area's standard the difference was 238.29%. This was followed by South Bucks (222.45%) and Wear Valley (220.59%).

• Of the 20 LAs with the largest differences due to their comparatively low average net rents, four were in the North West while three each were in the East Midlands, the East of England, the South East and the West Midlands.

	D and a second s	Difference	LA's service	Neighbours'	Stock	Stock for
	Region	(%)	charge (£)	service charge (£)	tor LA	neignbours
Christchurch	South West	0.00	3.54	3.54	441	1,774
Ealing	London	-0.14	7.04	7.03	1,702	7,831
Harrow	London	-0.15	6.54	6.53	544	8,774
Redditch	West Midlands	0.29	3.46	3.47	319	1,139
Bexley	London	-0.31	6.55	6.53	3,197	6,303
Brent	London	-0.62	8.06	8.01	2,754	11,518
Swindon	South West	0.76	3.94	3.97	584	1,549
Cambridge	East of England	0.78	2.58	2.60	282	442
Carlisle	North West	0.90	2.22	2.24	1,046	2,080
Oxford	South East	-0.90	3.32	3.29	667	1,091
Southwark	London	1.01	7.92	8.00	2,317	15,584
East Riding	Yorkshire & the Humber	1.10	3.63	3.67	331	2,108
Lancaster	North West	-1.35	2.97	2.93	387	1,004
Oadby and Wigston	East Midlands	1.36	3.67	3.72	44	1,548
Gosport	South East	2.17	7.39	7.55	725	1,218
Westminster	London	2.22	8.56	8.75	2,413	11,371
South Ribble	North West	2.26	3.10	3.17	909	4,393
Selby	Yorkshire & the Humber	-2.33	4.73	4.62	150	4,931
Copeland	North West	2.61	2.30	2.36	669	1,880
North Tyneside	North East	2.65	5.29	5.43	1,051	1,893

Table 5.28 LAs with the smallest difference: service charges for 2-bed units

Table 5.29 LAs with average service charges h	higher than those of their neighbouring LAs:
2-bed units	

		Difference	LA's service	Neighbours'	Stock	Stock for
LA	Region	(%)	charge (£)	service charge (£)	for LA	neighbours
Derwentside	North East	-74.66	11.13	2.82	265	1,771
Hastings	South East	-59.60	6.51	2.63	1,326	342
Sefton	North West	-57.14	15.96	6.84	1,197	4,347
Breckland	East of England	-55.29	4.25	1.90	231	3,239
Southampton	South East	-52.75	5.82	2.75	1,151	3,555
South Lakeland	North West	-52.72	4.97	2.35	210	3,215
Derby	East Midlands	-51.95	4.10	1.97	998	1,392
Congleton	North West	-49.55	4.44	2.24	143	4,289
Teesdale	North East	-49.48	4.77	2.41	111	958
Northampton	East Midlands	-48.01	7.52	3.91	636	513
High Peak	East Midlands	-48.00	7.00	3.64	109	9,300
Torbay	South West	-47.69	4.97	2.60	613	1,305
Carrick	South West	-47.40	3.65	1.92	309	2,751
Brighton and Hove	South East	-46.77	6.03	3.21	1,326	1,282
Knowsley	North West	-46.57	10.65	5.69	675	9,980
Newcastle upon Tyne	North East	-45.69	7.20	3.91	1,069	2,680
Medway	South East	-45.60	5.46	2.97	912	2,262
Wyre Forest	West Midlands	-45.60	5.79	3.15	1,153	1,875
Exeter	South West	-45.22	4.60	2.52	768	1,368
Colchester	East of England	-45.12	4.10	2.25	787	1,806

		Difference	LA's service	Neighbours'		Stock for
LA	Region	(%)	charge (£)	service charge (£)	Stock for LA	neighbours
St.Helens	North West	238.29	1.75	5.92	3,250	3,337
South Bucks	South East	222.45	1.47	4.74	385	3,527
Wear Valley	North East	220.59	1.36	4.36	169	1,428
Pendle	North West	209.01	1.11	3.43	813	10,722
North Norfolk	East of England	197.03	1.01	3.00	1,550	1,066
Test Valley	South East	193.57	1.40	4.11	1,541	6,708
Lichfield	West Midlands	175.15	1.65	4.54	1,376	14,707
Burnley	North West	162.94	1.43	3.76	1,222	5,413
Shrewsbury and Atcham	West Midlands	153.08	1.30	3.29	478	2,429
South Shropshire	West Midlands	146.43	1.40	3.45	344	2,941
Derbyshire Dales	East Midlands	144.31	1.67	4.08	158	3,465
South Gloucestershire	South West	141.98	1.62	3.92	1,460	3,956
Restormel	South West	129.25	1.47	3.37	1,334	779
Easington	North East	128.49	1.79	4.09	416	4,433
Aylesbury Vale	South East	126.04	1.69	3.82	340	4,384
Boston	East Midlands	121.57	1.02	2.26	449	881
Maldon	East of England	108.02	2.12	4.41	608	2,316
Tendring	East of England	106.86	1.75	3.62	662	1,082
Amber Valley	East Midlands	97.77	1.79	3.54	1,113	1,832
Tameside	North West	91.58	2.73	5.23	4,354	4,381

Table 5.30 LAs with average service charges lower than those of their neighbouring LAs: 2-bed units

5.3 Disparities between average net rents and average target rents

This part compares LAs' disparity between an average net rent and an average target rent with their neighbouring LAs' equivalents. The disparity is calculated as in Section 2.¹⁵ As the disparity is measured by a percentage, the difference between the disparities is explained by subtracting a target LA's disparity from its neighbouring LAs' disparities, and is expressed by a percentage point. This part analyses the disparities for 2-bed properties.

2-bed units:

Figure 5.21 plots the disparities of 352 LAs which reported the relevant figures for 2-bed properties, against their neighbouring LAs' equivalents.

- The scatter pattern of the 352 LAs showed a weakly positive relationship between the two variables.
- The correlation coefficient appeared reasonably high (0.406), which is much smaller than the equivalent for average net rents of this size category.
- This means that when a disparity for the surrounding area was wide (narrow), a LA's average could be wide (narrow) but this pattern was not convincingly observed across England.

Figure 5.21 Disparities between average net rents and average target rents vs. neighbouring LAs' disparities (%): 2-bed units



¹⁵ Note that to create a neighbouring local authorities' disparity, first the relevant neighbour's average net rent and target rent are calculated (e.g., as in Section 5.1), and then by using the two variables the disparity will be measured. Thus, the result is different from a case-weighted average of disparities for each local authority in the neighbouring area.

Figure 5.22 presents the distribution and statistics for the differences between LAs' disparities and their neighbouring LAs' equivalents.

- The average for the 352 LAs was 1.45 points and the median was 1.85 points.
- The range was 45.81 points from -25.12 points to 20.69 points.
- The distribution pattern might be represented by a normal curve peaking at around 1.7 points but there were a few outliers at lower part.

Figure 5.22 Differences between LAs' figures and their neighbouring LAs' equivalents: Disparities between average net rents and target net rents for 2-bed units (%-point)



Tables 5.31 to 5.33 present the 20 LAs with the smallest and largest differences between the disparities.

- Wandsworth showed the smallest difference of 0.01 points the LA's net-target rents disparity was almost equal to the neighbouring authorities' equivalent. East Cambridgeshire (-0.06 pints) and Bromsgrove (0.12 points).
- Of the 20 LAs with the smallest differences, only three LAs failed to keep their disparity within the benchmark range of ±5%.
- By region, five were in the East of England and three each were in the East of England and the North East.
- Guildford had the largest difference in negative terms (-25.12 points) due to its positively wide disparity (29.94%), which means its average net rent was far smaller than its target. By contrast, its neighbours showed closeness of net and target rents.

- Similarly Wakefield held the second largest difference of -26.66 points and Shrewsbury and Atcham had the third (-22.54 points).
- All of the 20 LAs with the largest differences in negative terms failed to keep their disparities within the benchmark range.
- By region, there were four each in the East of England and the West Midlands while three were each in London, the North West and Yorkshire and the Humber.
- Barnsley held the largest difference in positive terms (20.69 points) due to its negatively wide disparity (-7.50%), which means its average net rent was well above the target and the neighbours' positive disparity (13.19%).
- This was followed by Doncaster (19.27 points) and Oswestry (19.21 points).
- Of the 20 LAs with the largest differences in positive terms, six had disparities within the benchmark range.
- By region, seven were in the West Midlands, five were in Yorkshire and the Humber and four were in the North West.

Table 5.31 LAs with the smallest differences: disparities between net rents and target rents for 2-bed units

	Region	Difference	LA's net rent differential (%)	Neighbours' net rent
Tojanbridao	South Wost	0.01	2.84	2.84
Foot Combridgeobiro	South West	0.01	-2.04	-2.04
East Cambridgeshire		-0.06	5.19	5.13
Bromsgrove	West Midlands	0.12	1.42	1.54
South Shropshire	West Midlands	-0.17	3.97	3.80
St.Edmundsbury	East of England	-0.18	4.71	4.53
Eden	North West	0.20	-2.87	-2.67
Cambridge	East of England	-0.21	4.72	4.51
Hinckley and Bosworth	East Midlands	-0.22	-4.35	-4.57
West Lindsey	East Midlands	-0.25	4.71	4.46
Amber Valley	East Midlands	-0.30	1.64	1.34
Berwick-upon-Tweed	North East	0.30	-1.82	-1.52
Torbay	South West	-0.30	-3.62	-3.92
Westminster	London	0.31	17.59	17.90
Alnwick	North East	0.32	-1.52	-1.20
Allerdale	North West	-0.34	0.33	-0.02
Vale of White Horse	South East	-0.35	5.33	4.97
Wansbeck	North East	-0.44	-1.58	-2.01
Boston	East Midlands	-0.45	0.54	0.09
Chesterfield	East Midlands	-0.46	-3.34	-3.80
Redbridge	London	-0.48	-0.53	-1.01

Table 5.32 LAs with the largest differences from the disparities between net rents and target rents (in negative terms): 2-bed units

1.4	Devien	Difference	LA's net rent	Neighbours' net
LA	Region	(%-point)	differential (%)	rent differential (%)
Guildford	South East	-25.12	29.94	4.82
Wakefield	Yorkshire & the Humber	-24.88	21.36	-3.52
Shrewsbury and Atcham	West Midlands	-22.54	17.47	-5.07
Kensington and Chelsea	London	-20.58	36.15	15.56
West Oxfordshire	South East	-14.04	18.69	4.65
Calderdale	Yorkshire & the Humber	-13.62	14.11	0.49
Chorley	North West	-13.12	8.51	-4.61
Forest Heath	East of England	-12.76	15.92	3.16
Vale Royal	North West	-12.17	18.16	5.99
Hertsmere	East of England	-11.87	13.17	1.30
Newcastle-under-Lyme	West Midlands	-11.83	15.68	3.85
Sefton	North West	-11.51	13.55	2.04
Stafford	West Midlands	-11.51	12.54	1.03
Islington	London	-11.34	20.15	8.80
Suffolk Coastal	East of England	-11.23	13.79	2.56
Mid Bedfordshire	East of England	-11.08	13.75	2.68
Lambeth	London	-10.92	19.20	8.28
Derwentside	North East	-10.69	8.24	-2.46
North East Lincolnshire	Yorkshire & the Humber	-10.60	14.40	3.80
Walsall	West Midlands	-10.30	9.07	-1.23

LA	Region	Difference (%-point)	LA's net rent differential (%)	Neighbours' net rent differential (%)
Barnsley	Yorkshire & the Humber	20.69	-7.50	13.19
Doncaster	Yorkshire & the Humber	19.27	-4.69	14.59
Oswestry	West Midlands	19.21	-6.26	12.95
Stoke-on-Trent	West Midlands	18.96	-5.55	13.41
Kirklees	Yorkshire & the Humber	17.02	-6.54	10.48
Cannock Chase	West Midlands	16.53	-8.82	7.71
Telford and Wrekin	West Midlands	15.86	-6.17	9.69
Leeds	Yorkshire & the Humber	15.01	-2.19	12.82
Ellesmere Port and Neston	North West	14.54	-6.02	8.51
Wolverhampton	West Midlands	13.58	-8.18	5.40
Crewe and Nantwich	North West	12.97	1.64	14.61
North Shropshire	West Midlands	12.91	-6.59	6.32
Burnley	North West	12.88	-5.48	7.40
Selby	Yorkshire & the Humber	12.82	-0.84	11.97
West Lancashire	North West	12.63	-6.14	6.49
Sandwell	West Midlands	12.09	-9.16	2.93
Wear Valley	North East	12.08	-9.86	2.22
Crawley	South East	11.90	-10.27	1.62
Harlow	East of England	11.79	-7.86	3.93
North Kesteven	East Midlands	11.60	-10.89	0.71

Table 5.33 LAs with the largest differences from the disparities between net rents and target rents (in positive terms): 2-bed units

Section 6 Summary and conclusions

This paper updates and develops the detailed analysis of the current pattern of the registered social landlord (RSL) rents using the latest RSR data and examines the development of net rents and service charges over the past five years, particularly in the context of the rent restructuring regime, which was introduced from 1 April 2002.

The analysis finds that the national average net rents for all property sizes continuously increased over the period from 2001/02 to 2006/07. Generally, rents for smaller properties have increased more rapidly than for all properties taken together. Those for three or more bedrooms have increased relatively less rapidly. As a result, rent differentials with respect to property size have narrowed over the study period.

There was also significant movement in terms of the progress of average net rents towards target rents. The annual regional rates of rent increases were generally above the guideline, i.e., RPI \pm 0.5% but remained below the 'guideline + £2' limit. Even in London where average net rents have sometimes increased above 'the guideline + £2' limit, the gap between the regional averages and target rents have become smaller over time.

LAs in London and the southern regions continuously have the highest average rents in each property category while those in the northern regions have the lowest. The range of regional averages, i.e., the highest minus the lowest, has widened. Rent patterns now relate more closely to regional relativities in capital values and show considerable consistency between LAs and their neighbouring authority areas.

In terms of size effects, the analysis shows coherence in net rents across England LAs. Average rents increased with size in a regular pattern. This consistent pattern, however, did not apply to average service charges. This is partly because smaller properties tend to have more communal facilities requiring service charges, and also because service charges are more likely to depend on an individual property's attributes.

In terms of local effects on net rents, locality appeared significant for all property size categories except bedspaces. This implies that social rents within each LA are influenced by each other geographically (at least across neighbouring LA areas) or share the same determinants for net rents. However, rents for bedspaces are more associated with individual properties. Local factors did not appear significantly to affect service charges. It was the individual property's characteristics, such as shared facilities, have a greater effect on service charges than local factors.