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Private Rented Sector Report

December 2017



December 2017 PRS Report

RENTAL STOCK REACHES RECORD HIGH

Key Findings

- The number of tenants experiencing rent increases remained the same in December
- The supply of properties available to rent rose to a record high with 200 properties available per branch
- The average void period between tenancies remained at four weeks, the same as November
- The number of tenants successfully negotiating rent reductions decreased to 2.6 per cent, down from 3.0 per cent in November
- Tenants stayed in rental properties for 18 months on average

SUPPLY OF RENTAL STOCK

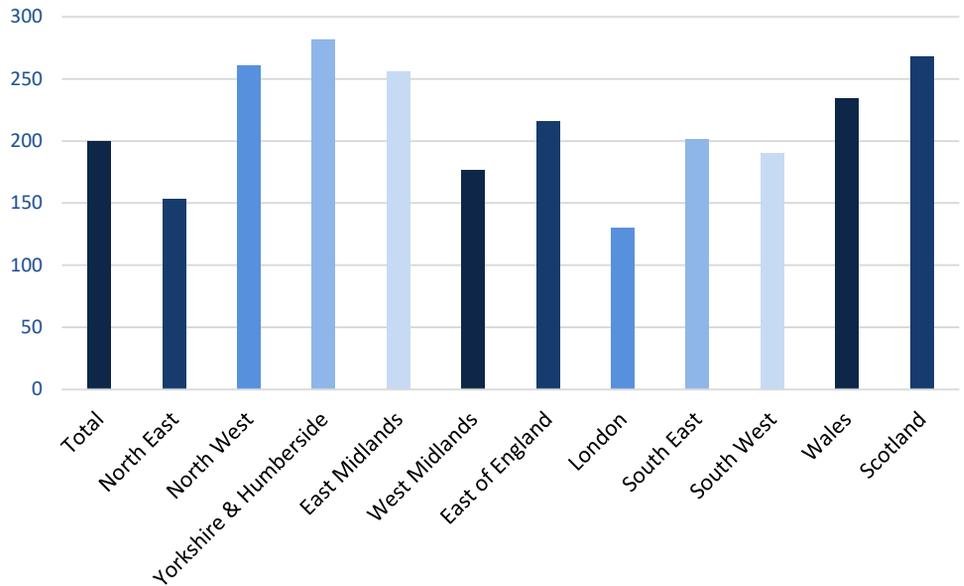
*The number of properties managed per member branch rose to **200***



The number of properties managed by letting agents rose from 192 in November, to 200 in December – the highest since records began. This is six per cent higher than December 2016 when agents managed 188 properties on average per branch. Prior to this, the highest level seen was 193, which was reported in January 2017, September 2016 and April 2015.

Supply was highest in Yorkshire and Humberside, where agents managed 282 on average per branch, and lowest in London where agents managed just 130.

Figure 1: Average number of properties managed per branch



RENT PRICES

The number of agents witnessing rent hikes remained at 16 per cent in December



In December, the number of letting agents witnessing rent increases for tenants remained the same, at 16 per cent. This is the same amount as November when it fell to the lowest level seen since records began in January 2015.

In line with this, the number of tenants successfully negotiating rent reductions decreased from three per cent in November to 2.6 per cent in December.

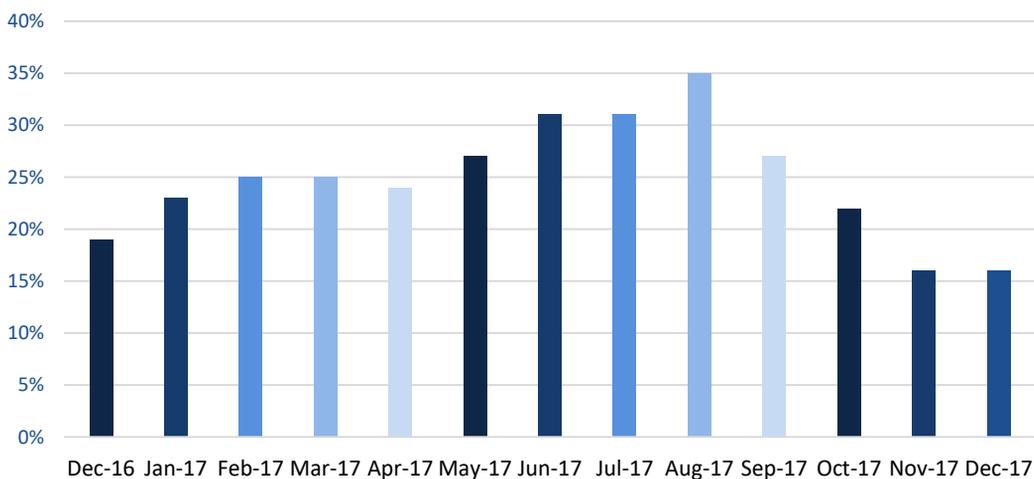


Figure 2: Percentage of agents witnessing rent hikes for tenants

NUMBER OF PROSPECTIVE TENANTS

*Average number of new prospective tenants in **December** was **59***



Demand for rental properties increased marginally in December, from 58 prospective tenants registered per branch in November, to 59. The highest recorded was in Wales, where agents registered 175 new prospective tenants, compared to North East where only 22 were registered.

VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies in December was **four weeks***



In December, the average void period between tenancies remained at four weeks, the same as November. However, in the West Midlands agents saw a void period of five weeks.

LENGTH OF TENANCY

*Average length of a tenancy in **December** was **18 months***



The average tenure was 18 months in December, remaining the same from the previous month. Tenancies were longest in Yorkshire & Humberside, where renters stayed for 21 months on average, and the shortest in Wales where they stayed for 14 months on average.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 273 ARLA member branches from 20th December 2017 to 15th January 2018. ARLA Propertymark Protected letting agents were surveyed on a number of key rental sector issues including supply and demand, the management of BTL properties, and monthly rent prices. www.opinium.co.uk

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About ARLA Propertymark

ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents; representing over 9,000 members. Our members operate to professional standards far higher than the law demands and we campaign for greater regulation in this growing and increasingly important sector of the property market. By using a ARLA Propertymark Protected agent, consumers have the peace of mind their agent will provide a professional service and their money is safeguarded by Propertymark's Client Money Protection scheme.