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# Private Rented Sector Report

October 2018



## October 2018 PRS Report

# RECORD NUMBER OF TENANTS NEGOTIATE RENT REDUCTIONS

### Key Findings

- The number of tenants successfully negotiating a rent reduction increased in October
- The number of tenants experiencing rent hikes dropped in October to the lowest level in seven months while the supply of available properties and demand from prospective tenants rose
- The number of landlords selling their buy-to-let (BTL) properties remained at four per branch
- Tenants stayed in rental properties for 19 months on average and the average void period between tenancies was four weeks.

### RENT REDUCTIONS

*Average percentage of tenants negotiating a rent reduction in **October** was **3.7%***



In October, the number of tenants successfully negotiating rent reductions rose from two per cent in September to 3.7 per cent in October. This is the highest figure recorded since records began in January 2015.

It was highest in Scotland where seven per cent of tenants negotiated reductions, and lowest in West Midlands at 0.3 per cent.

## RENT PRICES

*The number of tenants witnessing rent hikes fell to 24 per cent in October*



In October, almost a quarter (24 per cent) of tenants saw their rents rise, a drop from 31 per cent in September. This is the lowest level seen since March, when it stood at 23 per cent.

Year on year however, this figure is up nine per cent from October 2017, when 22 per cent of agents reported rent hikes.

Tenants in Wales were the worst affected where 75 per cent saw their rents rise, compared to the North West where just 10 per cent did.

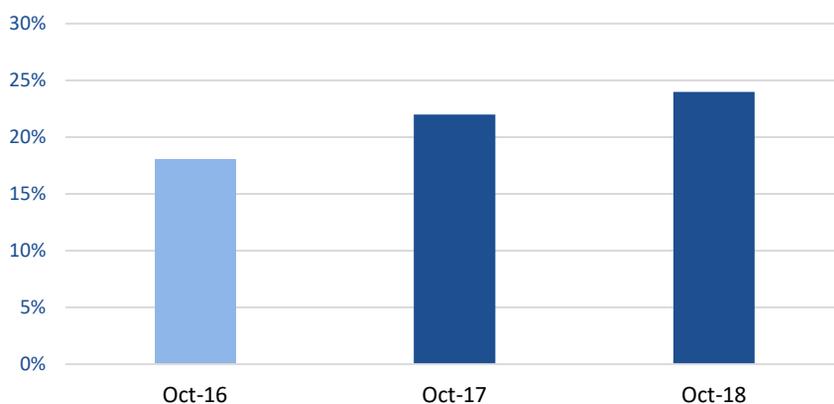


Figure 1: Number of tenants experiencing rent hikes year-on-year

## SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was 198 in October*

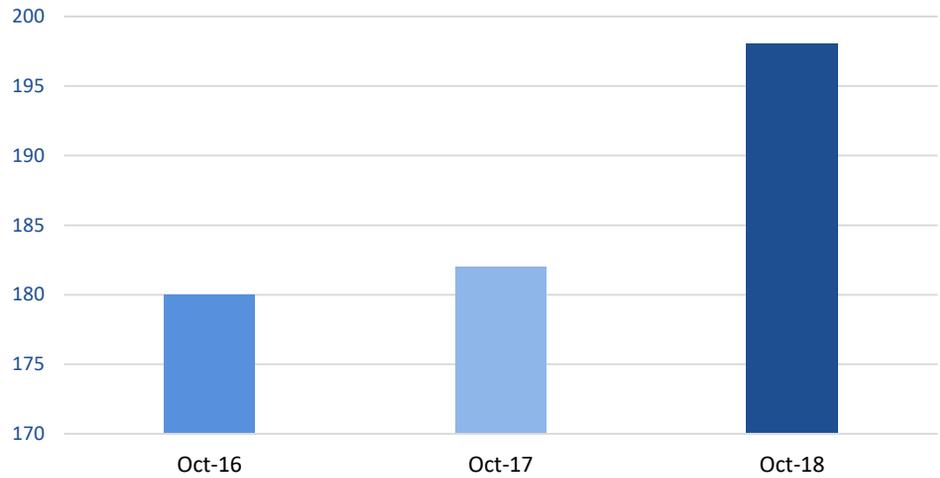


The number of rental properties managed by letting agents increased in October, with 198 per branch on average. This is the highest figure seen since December 2017, when supply stood at 200.

Year on year, this figure is up nine per cent from 182 in October 2017.

Supply was highest in Scotland, where agents managed 294 properties per branch on average, and lowest in London where they typically had 118 on their books.

Figure 2: Average number of properties managed per branch



### NUMBER OF PROSPECTIVE TENANTS

Average number of new prospective tenants registered in **October** was **71**



In October, demand for rental properties rose, with letting agents registering interest from 71 new prospective tenants – up from 63 in October.

It was highest in East Midlands where agents registered 102 prospective tenants, and lowest in North East (38 per branch).

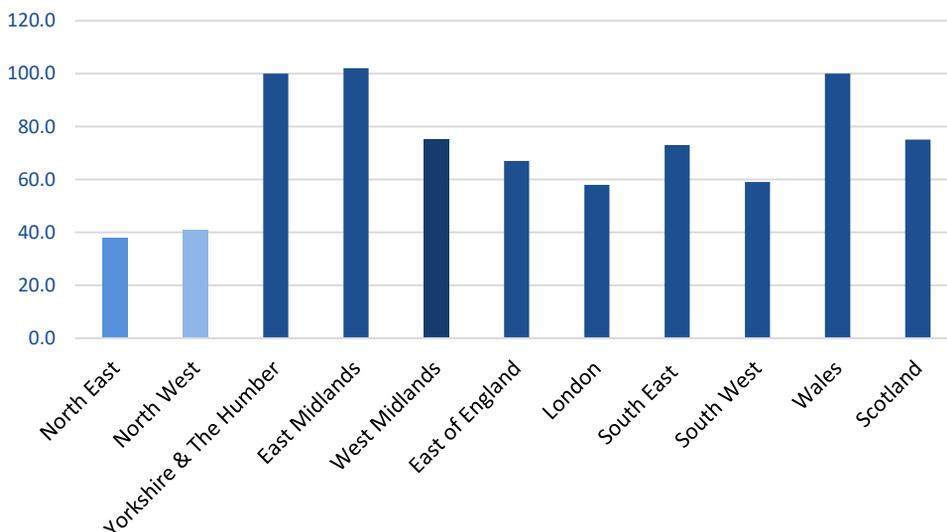


Figure 3: Demand per region in October

## LANDLORDS SELLING BUY-TO-LET

*Average number of landlords selling their BTL remained at **four** per branch in **October***



In Scotland and Wales five landlords sold up per member branch last month – the highest regionally.

## LENGTH OF TENANCY

*Average length of a tenancy in **October** increased to **19 months***



The average tenure rose to 19 months in October – up from 18 in September. Those in West Midlands stayed for the longest at 24 months on average, compared to 13 months in the North East.

ENDS

### Editor Notes:

About the research:

Opinium Research carried out an online survey among 217 ARLA members from 3<sup>rd</sup> November to 19<sup>th</sup> November 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](http://www.opinium.co.uk)

### For further information contact:

ARLA Propertymark Press Office  
020 7566 9777

[propertymark@lansons.com](mailto:propertymark@lansons.com)

### 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 an 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.