



ASSOCIATION OF RESIDENTIAL LETTING AGENTS

PRIVATE RENTED SECTOR REPORT

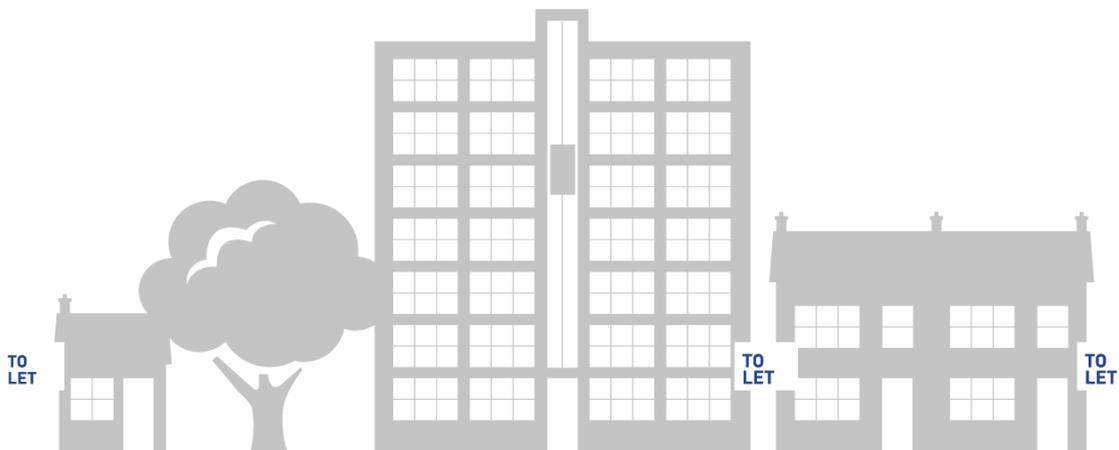
May 2016

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May 2016 PRS Report

RENTAL MARKET UNPHASED BY PROSPECT OF BREXIT

KEY FINDINGS

- The supply of rental stock has fallen , and is currently lower than in May last year
- Demand from prospective tenants decreased in May
- The number of tenants selling their buy-to-let (BTL) properties dropped
- A third (28%) agents witnessed rent hikes for tenants
- Tenants stayed in rental properties for 19 months on average
- In May, properties were viewed on average six times before a let was agreed
- The average void period between tenancies was three weeks

If the UK votes to leave the EU on Thursday, the majority of ARLA letting agents do not anticipate a major shift in the rental market.

IMPACT OF EU REFERENDUM ON HOUSING MARKET

Two thirds (65%) of agents expect supply to stay the same in event of Brexit



A fifth (22%) predict supply will fall if the UK votes to leave the EU on Thursday. A third (31%) expect demand to decrease, but over half (55%) expect it will remain as high as it currently is.

In London, almost half (43%) of agents expect the number of prospective tenants per property to fall in the event of a 'Brexit', as international demand weakens.

NUMBER OF MANAGED PROPERTIES

*Average number of properties managed per branch was **171** in May this year, decreasing from **179** in May 2015*



In May, supply of rental accommodation dropped for the first time since January, from 183 in April to 171 in May. However, annually supply fell by four per cent from 179 managed properties per branch in May 2015.

This month, supply was lowest in Wales, where agents managed an average 85 properties per member branch, and it was highest in Scotland where there were 285 rental properties registered per branch.

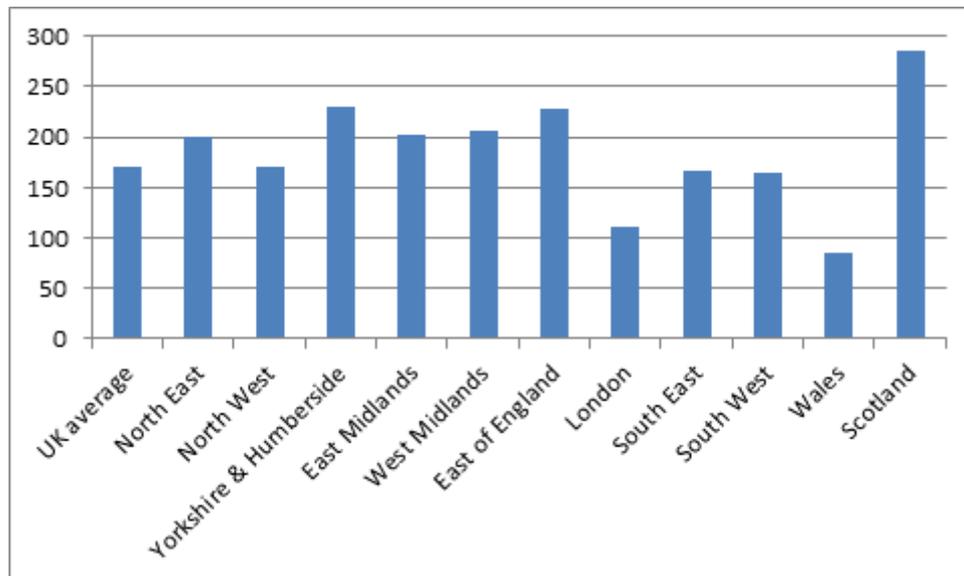


Figure 1: Average number of properties managed per branch in May

NUMBER OF PROSPECTIVE TENANTS

*Average number of prospective tenants in **May** fell to **33** registered per branch*



Competition for rental accommodation was highest in East of England, where agents registered an average 44 prospective tenants per branch. Demand was lowest in the East Midlands, which had an average of 13 tenants registered per branch.

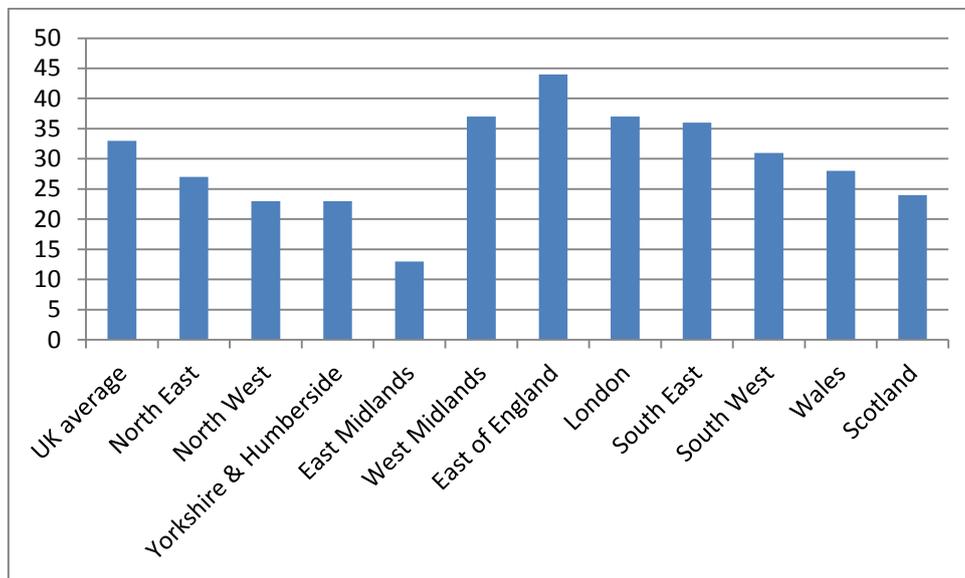


Figure 2: Average number of prospective tenants per branch in May

LANDLORDS SELLING BTL PROPERTIES

*The number of landlords selling their BTL properties **fell to three***



Letting agents reported that an average of three landlords were selling their BTL properties per branch in May. This follows an increase to four in April, the first time this figure has risen since April 2015.

AVERAGE MONTHLY RENT

Three in ten (28%) ARLA agents saw monthly rents increase for tenants in May



The number of agents reporting rent increases for tenants fell by three per cent, from 31 per cent in April to 28 per cent in May.

LENGTH OF TENANCY

Average length of a tenancy in May was 19 months



Those in the East of England typically stayed in their rental properties longest, with the average tenancy lasting 23 months, whereas those in the North East typically stayed just 13 months.

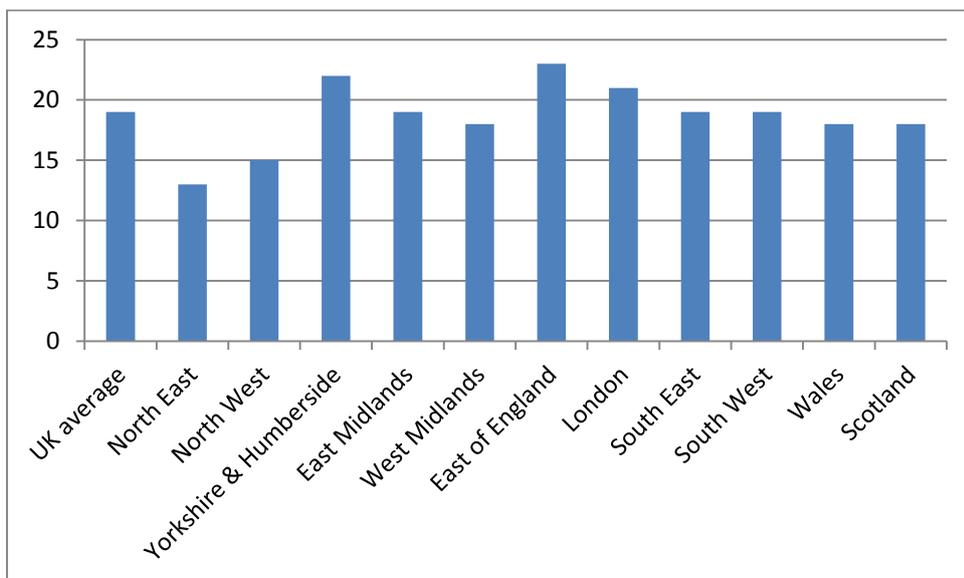


Figure 3: Average length of tenancy per branch in May



AVERAGE VOID PERIODS

*Average void period between tenancies in May was **three weeks***



In the North East, properties were typically empty for five weeks.

-END-

Notes to Editors:

About the research

Opinium Research carried out an online survey among 230 ARLA member branches in 24 May – 10 June 2016. ARLA Licensed 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

About ARLA

ARLA is the UK's foremost professional and regulatory body for letting agents; representing over 8,000 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 Licensed agent, consumers have the peace of mind their agent will provide a professional service and their money is safeguarded by a Client Money Protection scheme.

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