



ASSOCIATION OF RESIDENTIAL LETTING AGENTS

PRIVATE RENTED SECTOR REPORT

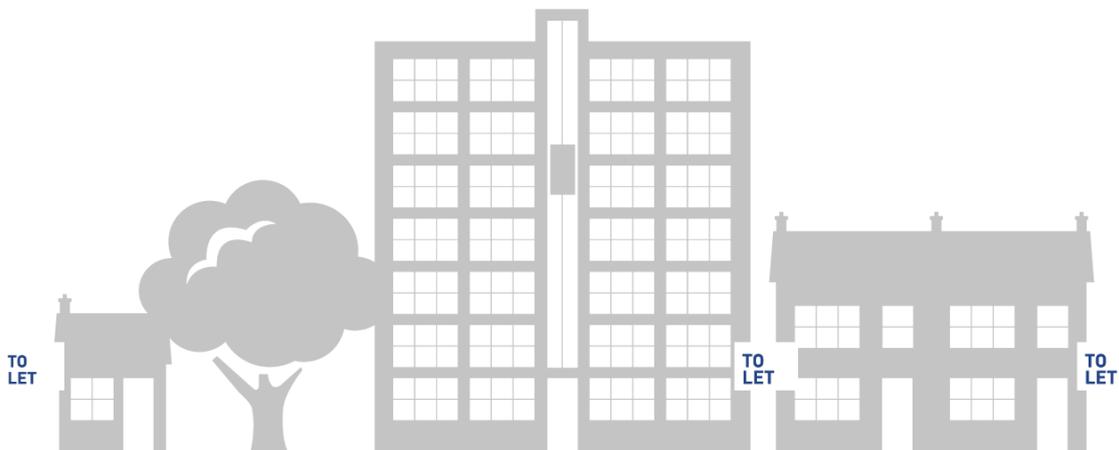
June 2016

For further information:

Association of Residential Letting Agents Press Office

020 7566 9777

propertyprofessionals@lansons.com



June 2016 PRS Report

RENTAL MARKET KEEPS FACE OF CALM AMID BREXIT STORM

KEY FINDINGS

- Majority of ARLA agents reported no changes to rent costs, supply of available properties, and demand from prospective tenants immediately following Brexit
- However nearly half of ARLA agents witnessed uncertainty from landlords looking to let properties
- Supply and demand both rose in June
- The number of landlords selling their Buy-to-Let (BTL) properties remained the same
- Tenants stayed in rental properties for 17 months on average
- In June, properties were viewed on average six times before a let was agreed
- The average void period between tenancies was three weeks

Rent costs, number of properties available to rent and demand from tenants did not significantly shift in June immediately after the result of the EU Referendum

EU REFERENDUM

Three-quarters of agents saw no change to rent costs immediately following Brexit



ARLA agents reported little or no change to rent costs, supply of available properties, or demand from prospective tenants immediately following the EU referendum result. This contradicts expectations, as prior to the result a fifth (19 per cent) of agents predicted that rent costs would rise.

What immediate effects have you seen following the Brexit vote?	Rent	Demand	Supply
Increase	9%	16%	15%
Stay same	77%	64%	67%
Decrease	12%	17%	14%

Almost half (45 per cent) of agents reported that they saw uncertainty from landlords to let properties immediately following Brexit.

NUMBER OF MANAGED PROPERTIES

*Average number of properties managed per branch was **176** in June this year, increasing from **171** in May*



In June, supply increased following a sharp drop the previous month. The number of properties on lettings agents' books is now a similar level to that in June last year when supply stood at 178 properties managed per branch.

Supply was lowest in London, where agents managed an average 117 properties per member branch, and highest in Scotland where there were 298 rental properties managed per branch on average.

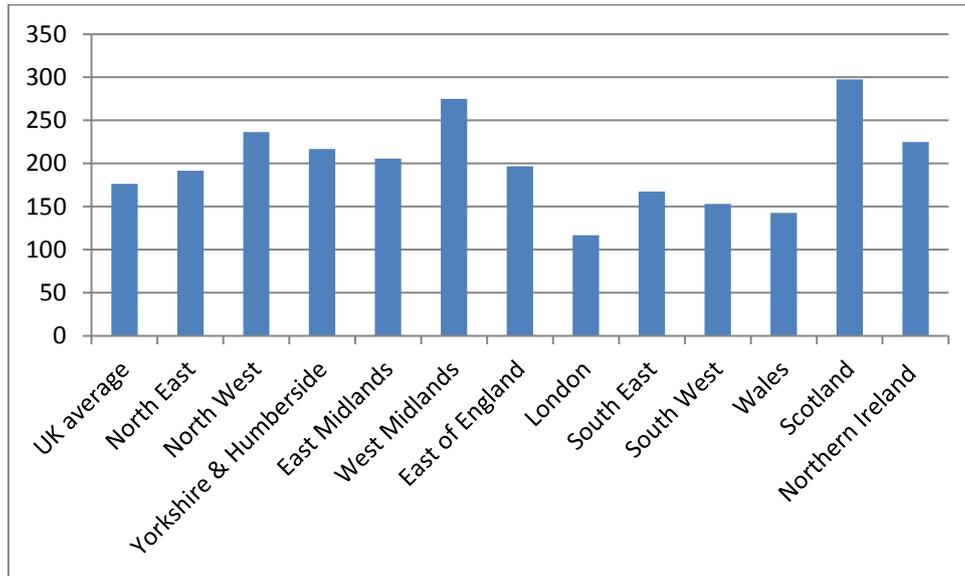


Figure 1: Average number of properties managed per branch in June

NUMBER OF PROSPECTIVE TENANTS

*Average number of prospective tenants in **June** increased to **37** registered per branch*



Competition for rental accommodation was highest in London, where agents registered an average of 45 prospective tenants per branch. Demand for properties was lowest in Northern Ireland, which had an average of six tenants registered per branch.

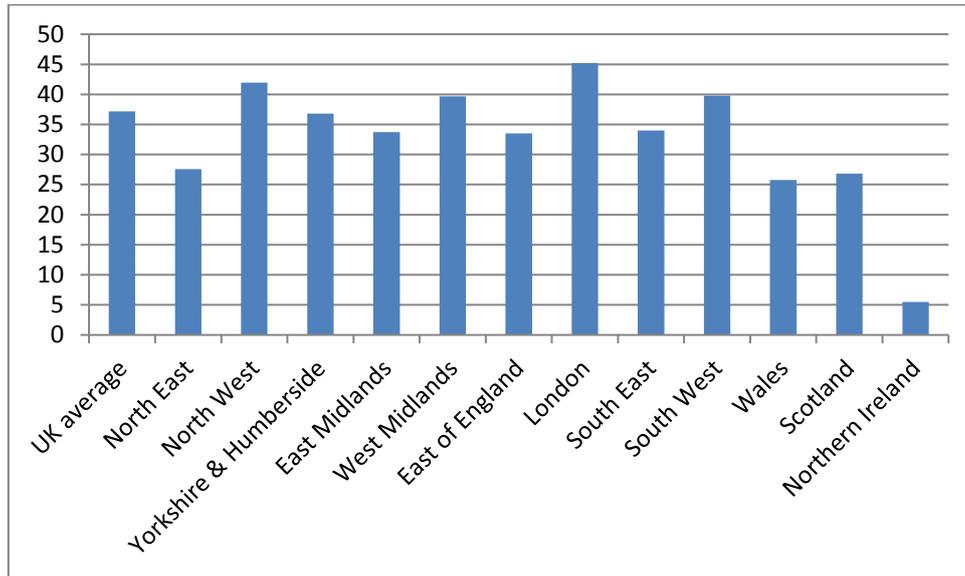


Figure 2: Average number of prospective tenants per branch in June

LANDLORDS SELLING BTL PROPERTIES

The number of landlords selling their BTL properties remained at three



Letting agents recorded an average three landlords selling their BTL properties at each branch in June – a figure which did not move from May.

AVERAGE MONTHLY RENT

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



The number of agents reporting rent increases for tenants remained at the same level as May, after falling from 31 per cent in April to 28 per cent last month.

LENGTH OF TENANCY

*Average length of a tenancy in June was **17 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.

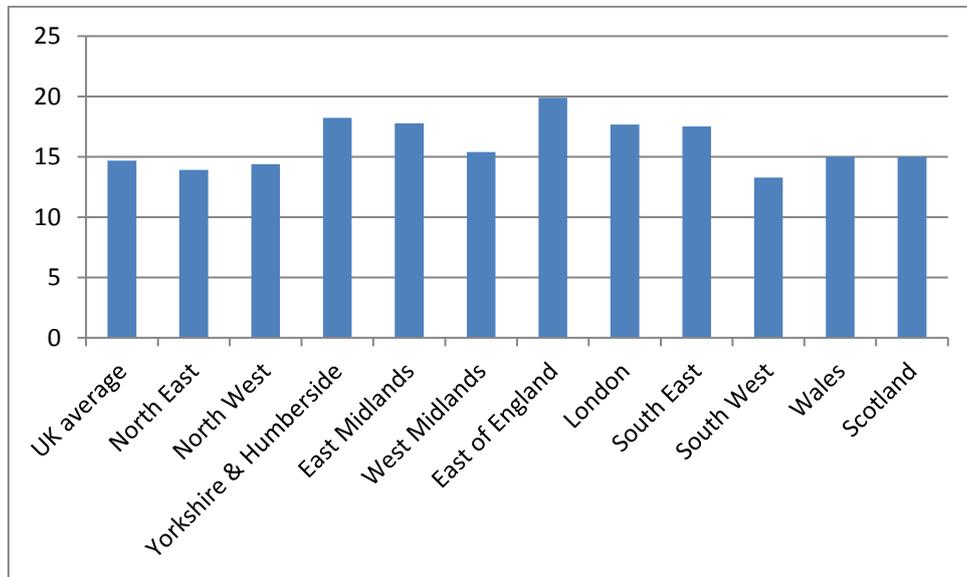


Figure 3: Average length of tenancy per branch in June

AVERAGE VOID PERIODS

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



In the North East and London, properties were empty for three weeks on average.



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.

For further information contact:

ARLA Press Office

Tel: 020 7566 9777

E-mail: propertyprofessionals@lansons.com