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Private Rented Sector Report

May 2018



May 2018 PRS Report

RENTAL STOCK RISES – AND SO DOES THE BILL FOR TENANTS

Key Findings

- Supply of rental properties rose to the highest level recorded for 2018 so far
- The number of tenants experiencing rent hikes also increased
- Demand from prospective tenants dropped by sixteen per cent while the number of landlords selling their BTLs remained at a record-high in May
- Tenants stayed in rental properties for 19 months on average
- The average void period between tenancies increased to four weeks

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **186** in May*



The number of rental properties managed by letting agents increased by four per cent in May, with 186 on average per branch. This is the highest figure recorded in 2018 and a four per cent increase from April, when agents typically managed 179 per branch.

Supply was highest in the East Midlands, where agents managed 286 properties per branch on average, and lowest in Northern Ireland where there were only 125 per branch.

RENT PRICES

The number of agents witnessing rent hikes increased to 28 per cent in May



Almost three in ten (28 per cent) tenants experienced rent hikes in May, up from 26 per cent in April. This is the highest level since August 2017 when 35 per cent of landlords put rents up for tenants and continues an upward trend which has seen the number of landlords hiking rent costs rise every month since November 2017.

Tenants in the East Midlands were the worst affected, where 44 per cent saw their rents rise, compared to London where just 10 per cent did.

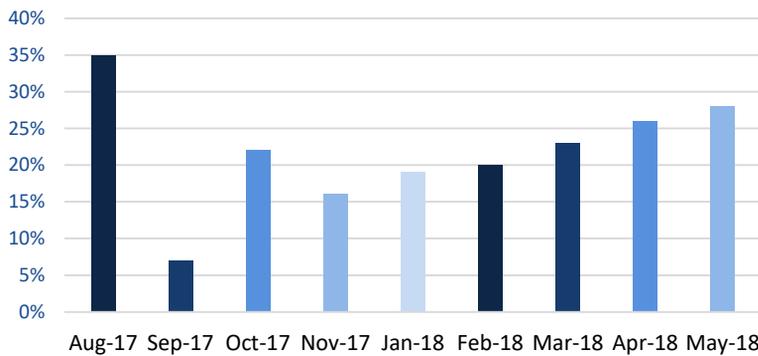


Figure 1: Average number of agents witnessing rent hikes from August 2017 to May 2018

NUMBER OF PROSPECTIVE TENANTS

Average number of new prospective tenants in May was 60



Demand for rental properties fell by sixteen per cent in April, with letting agents registering 60 new house-hunters per member branch, compared to 72 in April. Demand was highest in London with 71 prospective renters registered per member branch whereas in Northern Ireland there were only 25 registered per branch.

LANDLORDS SELLING BUY-TO-LET

*Average number of landlords selling their BTL remained at **five** per branch in May*



The number of landlords selling their BTL properties remained at a record-high figure in May, with five per member branch. In April, this was the highest number of landlords selling their buy-to-let (BTL) properties since records began in 2015.

Scotland saw eight landlords selling up per member branch – the highest regionally.

LENGTH OF TENANCY

*Average length of a tenancy in May was **19 months***



The average tenure rose to 19 months in May. Tenants in Scotland had the longest length of a tenancy, with 21 month on average, compared to just 3 months on average in Northern Ireland.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 338 ARLA members from 29th May – 18th June 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

For further information contact:

ARLA Propertymark Press Office
020 7566 9777
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.