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Private Rented Sector Report

July 2018



July 2018 PRS Report

RENTAL DEMAND AT THE HIGHEST LEVEL THIS YEAR

Key Findings

- Demand from prospective tenants increased in July, to the highest level this year so far
- The supply of rental properties decreased
- Number of tenants experiencing rent hikes fell but the number of landlords selling their BTLs remained high at four per branch
- Tenants stayed in rental properties for 20 months on average
- The average void period between tenancies remained at three weeks

NUMBER OF PROSPECTIVE TENANTS

Average number of new prospective tenants registered in July was 79



In July, demand for rental properties increased to the highest level so far in 2018 as letting agents registered interest from 79 new prospective tenants. This is up by 11 per cent from June and 13 per cent from July 2017 when there were 70 on average.

The last time demand was this high was September 2017 when there were also 79 new tenants per branch.

It was highest in Scotland where agents registered 148 new prospective tenants, and lowest in the North West (26 per branch).

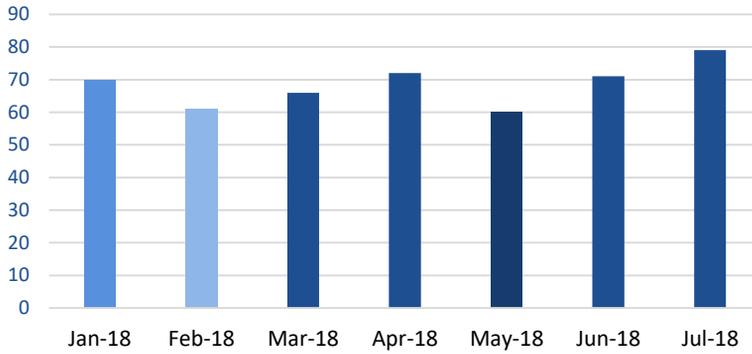


Figure 1: Rental demand in 2018

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **184** in July*



The number of rental properties managed by letting agents fell in July, with 184 on average per branch. This is down from 191 in June – the highest figure recorded in 2018 so far. Supply was highest in Scotland, where agents managed 273 properties per branch on average, and lowest in London where it stood at 120.

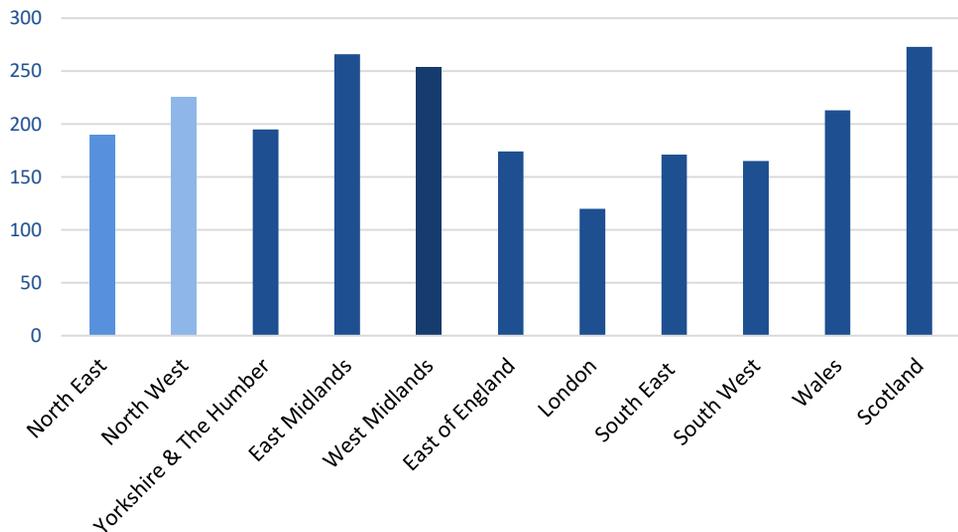


Figure 2: Supply per region in July 2018

RENT PRICES

*The number of agents witnessing rent hikes decreased to **31 per cent** in July*



Almost a third (31 per cent) of tenants experienced rent hikes in July, down from 35 per cent in June. This is the first month the figure has fallen since November 2017.

Tenants in Wales were the worst affected, where 80 per cent saw their rents rise, compared to the North West where just 10 per cent did.

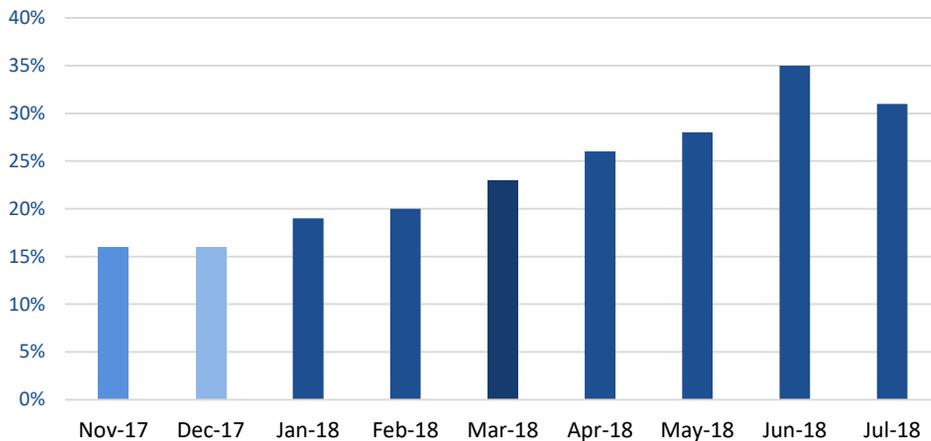


Figure 3: Number of tenants experiencing rent hikes

LANDLORDS SELLING BUY-TO-LET

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



The number of landlords selling their BTL properties remained at four per branch in July. The West Midlands and North East saw six landlords selling up per member branch – the highest regionally.

LENGTH OF TENANCY

Average length of a tenancy in July increased to 20 months



The average tenure increased to 20 months in July – the longest ever recorded. This is up from 19 in May and June, 18 in March and April and 17 in February.

Those in the West Midlands had the longest tenancies, 28 months on average, compared to 16 months on average in Wales.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 190 ARLA members from 1st – 15th August 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 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.