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Private Rented Sector Report

December 2018



December 2018 PRS Report

TENANTS FINISH 2018 IN THE DRIVING SEAT – BUT ARE IN FOR A ROUGH RIDE IN 2019

Key Findings

- The number of tenants experiencing rent hikes dropped in December to the lowest level since December 2017
- Year-on-year, both demand from prospective tenants and supply of available properties dropped
- The number of landlords selling their buy-to-let (BTL) properties remained at four per branch
- Tenants stayed in rental properties for 18 months on average and the void period between tenancies stayed at four weeks.

RENT PRICES

*The number of tenants witnessing rent hikes fell to **18 per cent** in December*



In December, 18 per cent of tenants saw their rents rise, down from 21 per cent in November. This is the lowest level since December 2017, when it stood at 16 per cent.

Since August, when the number of tenants experiencing rent rises rose to the highest level ever recorded (40 per cent), it has continued to fall.

Tenants in the North East were the worst affected where 45 per cent saw their rents rise, compared to London where just seven per cent did.

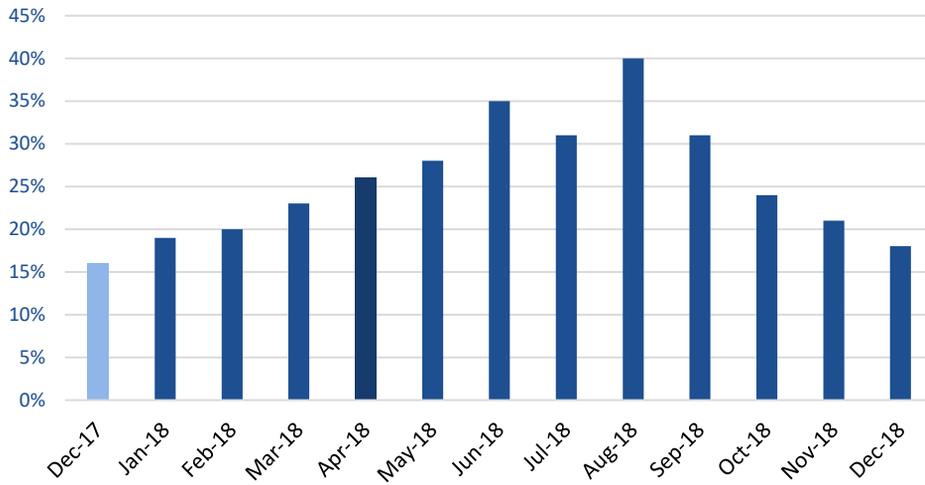


Figure 1: Number of tenants experiencing rent hikes over the year

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **193** in December*



The number of properties managed by letting agents rose in December from 183 in November, to 193 per branch on average. This is down year on year, from 200 in December 2017.

Supply was highest in the East Midlands, where agents managed 290 properties per branch on average, and lowest in London where they typically had 136 on their books.

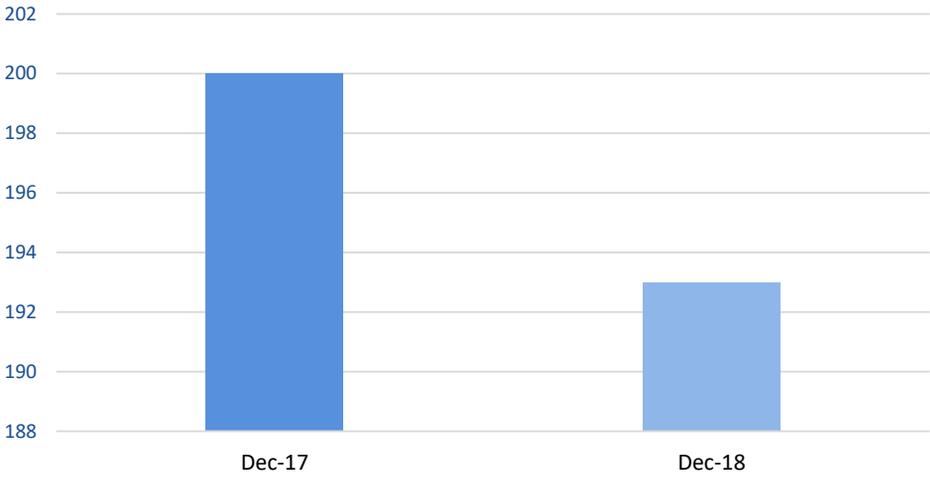


Figure 2: Average number of properties managed per branch year on year

NUMBER OF PROSPECTIVE TENANTS

*Average number of new prospective tenants registered in **December** was **50***



Demand for rental properties dropped by nine per cent in December, with letting agents registering interest from just 50 new prospective tenants – down from 55 in November.

It was highest in Wales where agents registered 84 prospective tenants, and lowest in the West Midlands with just 37 per branch.

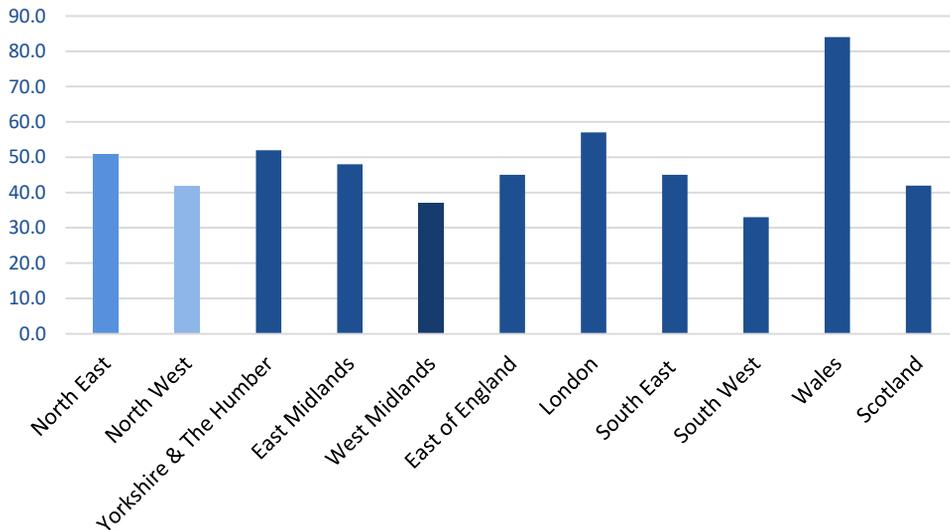


Figure 3: Demand per region in December

LANDLORDS SELLING BUY-TO-LET

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



In London six landlords sold their properties per member branch in December – the highest regionally.

LENGTH OF TENANCY

*Average length of a tenancy in
December fell to 18 months*



In December, tenants stayed in their properties for 18 months on average, down from 19 in November. Those in the West Midlands stayed for the longest at 27 months on average, compared to 11 months in the North East.

VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies
in December was **four weeks***



In December, the average time properties were empty between tenancies stayed at four weeks. Void periods were longest in Yorkshire & Humberside where properties were empty for five weeks on average.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 364 ARLA members from 2nd January to 16th January 2019. 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.