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Private Rented Sector Report

February 2019



February 2019 PRS Report

RENTS RISE AS LANDLORDS CONTINUE TO EXIT THE MARKET

Key Findings

- The number of tenants experiencing rent hikes increased in February to the highest figure seen since August
- Supply of rental properties letting agents managed remained the same while demand from prospective renters decreased
- The number of landlords selling their buy-to-let (BTL) properties rose to four per branch
- Tenants stayed in rental properties for 19 months on average and the void period between tenancies remained at four weeks
- The number of tenants successfully negotiating rent reductions fell

RENT PRICES

The number of tenants witnessing rent hikes rose to 34 per cent in February



In February, 34 per cent of tenants saw their rents rise, up from 26 per cent in January. This is the highest level since August 2018, when it stood at 40 per cent, the highest on record.

Year-on-year, this figure is up 14 percentage points, from 20 per cent in February 2018.

Those in Yorkshire & Humberside were the worst affected where 67 per cent of tenants saw their rents rise, compared to London where just 15 per cent did.

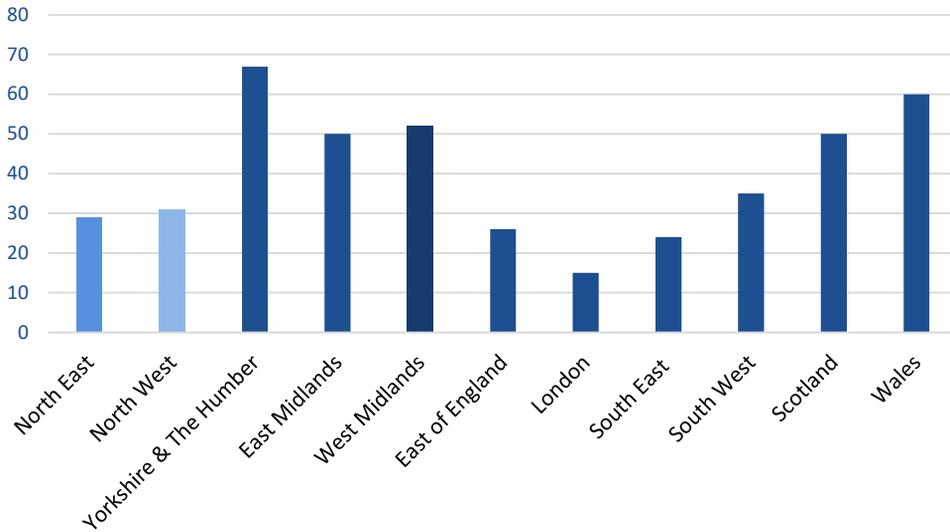


Figure 1: Number of tenants experiencing rent hikes per region in February

SUPPLY OF RENTAL STOCK

The number of properties managed per member branch was 197 in February



Letting agents managed 197 properties per branch in February, up from 175 in 2018.

Supply of rental stock was highest in Scotland, where agents managed 305 properties per branch on average and lowest in London where they typically had 119 on their books.

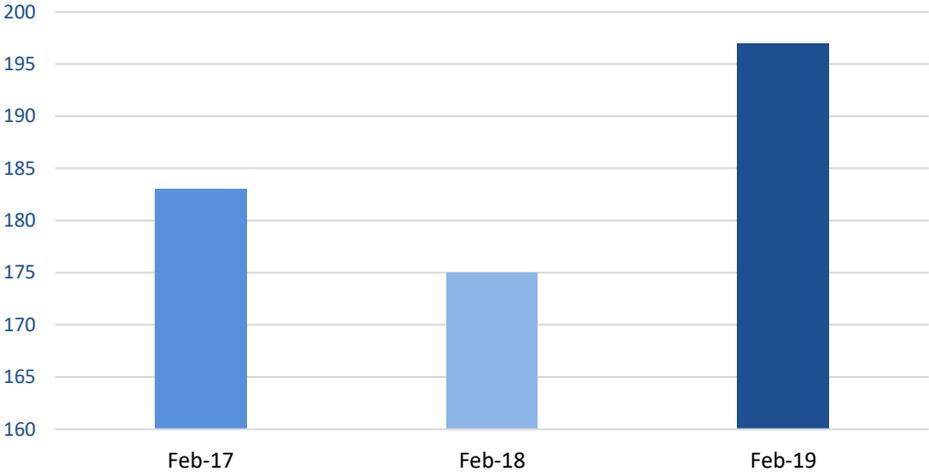


Figure 2: Average number of properties managed per branch year on year in February

NUMBER OF PROSPECTIVE TENANTS

Average number of new prospective tenants registered in February was 65



Demand for rental properties fell in February, with letting agents registering interest from 65 new prospective tenants – down from 73 in January.

It was highest in the North West where agents had 97 prospective tenants on their books, and lowest in the North East with just 33 per branch.

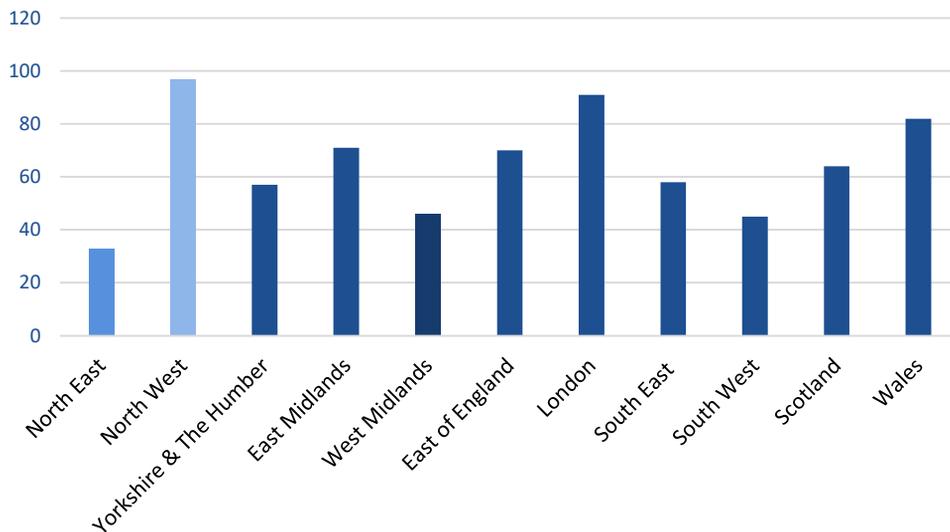


Figure 3: Demand per region in February

LANDLORDS SELLING BUY-TO-LET

Average number of landlords selling their BTL increased to four per branch in February



In London, nine landlords sold their properties per member branch in February – the highest regionally.

LENGTH OF TENANCY

Average length of a tenancy in February fell to 19 months



In February, tenants stayed in their properties for 19 months on average, down from 20 in January. Those in the North West and the East of England stayed for the longest at 23 months, compared to 14 months in Scotland.

VOID PERIOD BETWEEN TENANCIES

Average void period between tenancies in February was four weeks



The average time properties were empty between tenancies remained at four weeks in February. Void periods were longest in Yorkshire & Humberside, West Midlands, the South East, the South West and Scotland where properties were empty for four weeks on average.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 295 ARLA Propertymark members from 4th March to 18th March 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

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About ARLA Propertymark

ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents; representing over 9,500 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.