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Private Rented Sector Report

April 2019



April 2019 PRS Report

SPIKE IN LANDLORDS EXITING RENTAL MARKET AS FEES BAN APPROACHES

Key Findings

- The number of landlords selling their buy-to-let (BTL) properties increased to five per branch in April
- The number of tenants experiencing rent hikes rose to 33 per cent in April, from 30 per cent in March and the average number of tenants negotiating a rent reduction decreased to 1.9 per cent in April
- The number of properties letting agents managed dropped to 202 per member branch in April, from 203 in March
- Demand from prospective renters fell to 64 on average, compared to 67 in March
- Tenants stayed in rental properties for 19 months on average and the void period between tenancies remained at four weeks

LANDLORDS SELLING BUY-TO-LET

*Number of landlords selling their BTL properties rose to **five** per branch in April*



The number of landlords selling their BTL properties rose to an average of five per member branch in April, up from four in March. This the highest since May 2018 when letting agents also reported an average of five landlords selling up per branch.

The North West saw the highest number of landlords exiting the market, with agents recording an average of seven selling up per member branch. Letting agents in the East Midlands witnessed the lowest number, at three per member branch.

RENT PRICES

*The number of tenants witnessing rent hikes rose to **33** per cent in April*



In April, a third (33 per cent) of tenants saw their rents rise, up from 30 per cent in March. Year-on-year, this figure is up from 24 per cent in April 2017 and 26 per cent in April 2018.

Tenants in Wales were the worst affected with nearly two-thirds (64 per cent) experiencing their rents increase, compared to the East of England where only 16 per cent did.

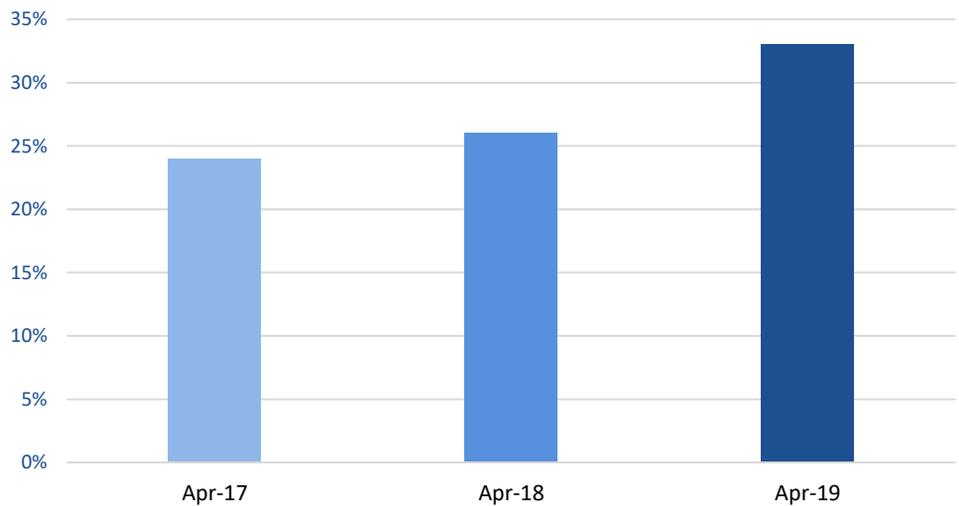


Figure 1: Number of tenants experiencing rent hikes year-on-year in April

RENT REDUCTIONS

*Average percentage of tenants negotiating a rent reduction in **April** was **1.9%***



In April, the number of tenants successfully negotiating rent reductions fell from 2.9 per cent in March to 1.9 per cent in April. This is the lowest figure seen since May 2016 when the same number of rent reductions were recorded.

It was highest in the West Midlands where 3.4 per cent of tenants negotiated reductions, and lowest in the North West and Scotland at 0.7 per cent.

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **202** in April*



Letting agents managed 202 properties per branch in April, down from 203 in March. Year-on-year, the supply of rental properties is up 13 per cent from 179 per branch in April 2018.

The number of properties available to rent is the highest in Scotland, where agents managed 276 properties on average per branch, and the lowest in London where agents typically had 136 properties on their books.

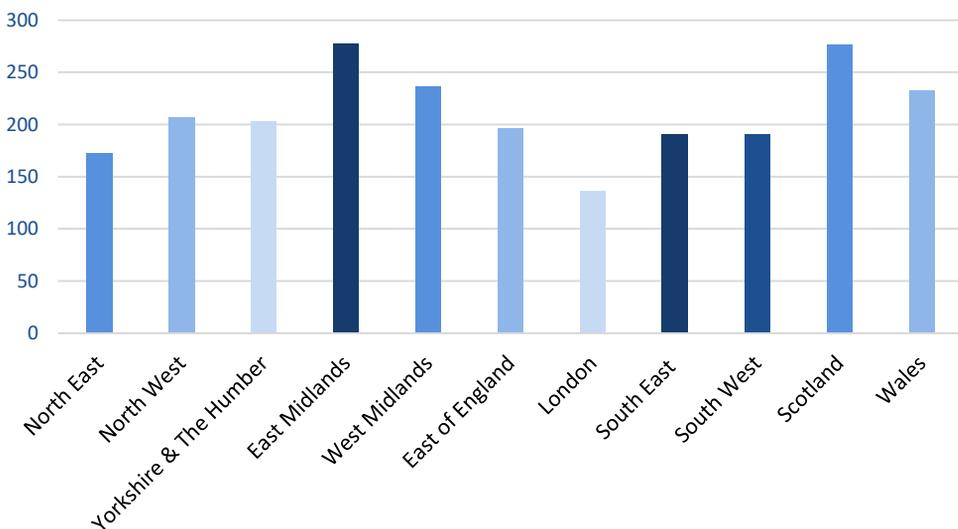


Figure 2: Supply of rental properties by region in April

NUMBER OF PROSPECTIVE TENANTS

Average number of new prospective tenants registered in April was 64



Demand for rental properties decreased in April, with letting agents registering interest from 64 new prospective tenants – an increase from 67 in March.

The number of tenants registered per branch is the highest in the East Midlands and London, where agents had 80 new prospective tenants on their books. Demand from tenants is at its lowest in the North East with only 40 tenants on average per branch.

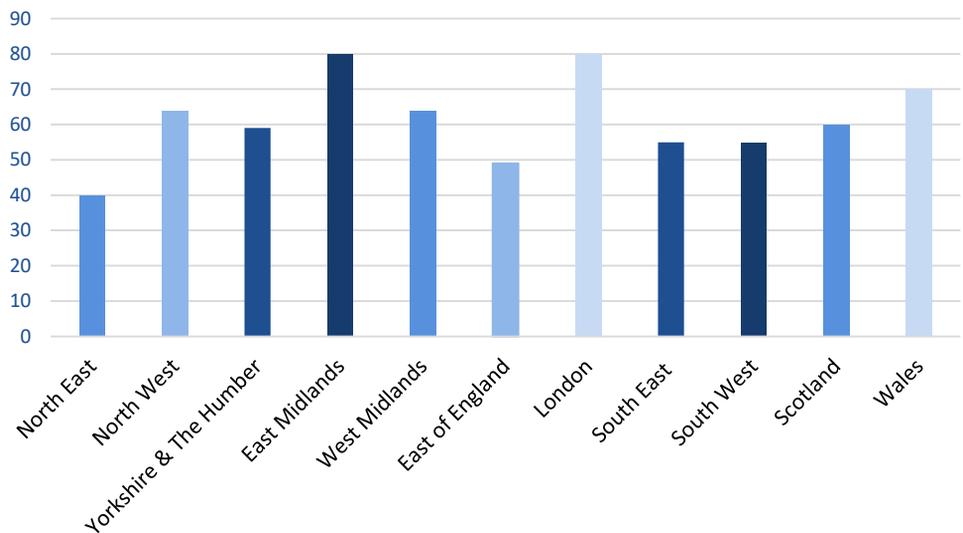


Figure 3: Demand from tenants by region in April

LENGTH OF TENANCY

Average length of a tenancy in April remained at 19 months



In April, tenants stayed in their properties for 19 months on average. Those in the North West and the West Midlands stayed in their properties for the longest at 21 months, compared to 16 months in Scotland and Yorkshire & Humberside.

VOID PERIOD BETWEEN TENANCIES

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



The average time properties were empty between tenancies remained at four weeks in April. Void periods were longest in the North East where properties were empty for six weeks on average.

Editor Notes:

About the research:

Opinium Research carried out an online survey among 384 ARLA Propertymark members from 1st May to 17th May 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.