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Private Rented Sector Report

May 2019



May 2019 PRS Report

RENT PRICES RISE TO HIGHEST ON RECORD FOLLOWING TENANT FEES ACT

Key Findings

- The number of tenants experiencing rent rises increased to the highest figure on record in May, with 45 per cent of agents witnessing landlords increasing them.
- The average number of tenants negotiating a rent reduction decreased to 1.6 per cent in May, the lowest figure on record.
- The number of properties available to rent dropped marginally to 201 per member branch in May, from 202 in April.
- Demand from prospective renters increased in May, with the number of house hunters registered per branch rising to 69 on average, compared to 64 in April.
- The number of landlords exiting the market fell from five per branch in April, to four in May.

RENT PRICES

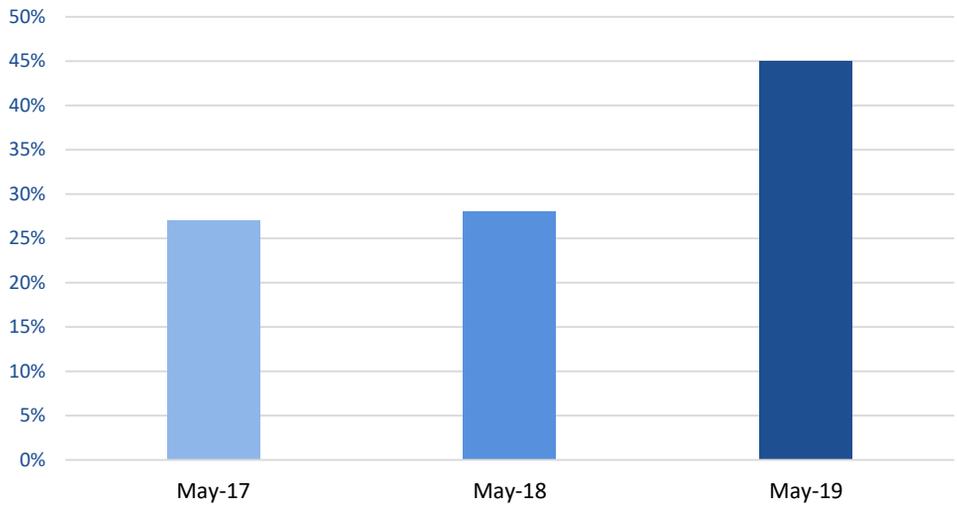
The number of tenants witnessing rent hikes rose to 45 per cent in May



In May, almost half (45 per cent) of tenants saw their rents rise, up from 33 per cent in April. Year-on-year, this figure is up from 27 per cent in May 2017 and 28 per cent in May 2018.

Tenants in Wales were the worst affected with 89 per cent experiencing a rent increase, compared to the North East of England where only ten per cent did.

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



RENT REDUCTIONS

*Average percentage of tenants negotiating a rent reduction in **May** was **1.6%***



In May, the number of tenants successfully negotiating rent reductions fell to 1.6 per cent, from 1.9 per cent in April. This is the lowest figure seen since January 2016 when the number of rent reductions was 1.5 per cent.

It was highest in the South East where 2.9 per cent of tenants negotiated reductions, and lowest in Scotland at 0.3 per cent.

LANDLORDS SELLING BUY-TO-LET

*Number of landlords selling their BTL properties fell to **four** per branch in May*



The number of landlords selling their BTL properties fell slightly to an average of four per member branch in May, compared to five in April.

Wales saw the highest number of landlords exiting the market, with agents recording an average of five selling up per member branch. Letting agents in the South East witnessed the lowest number, at three per member branch.

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **201** in May*



Letting agents managed 201 properties per branch in May, down from 202 in April. Year-on-year, supply is up 15 per cent, from 186 per branch in May 2018.

The number of properties available to rent is the highest in the East Midlands, where agents managed 260 properties on average per branch, and lowest in Wales where agents typically had 136 properties on their books.

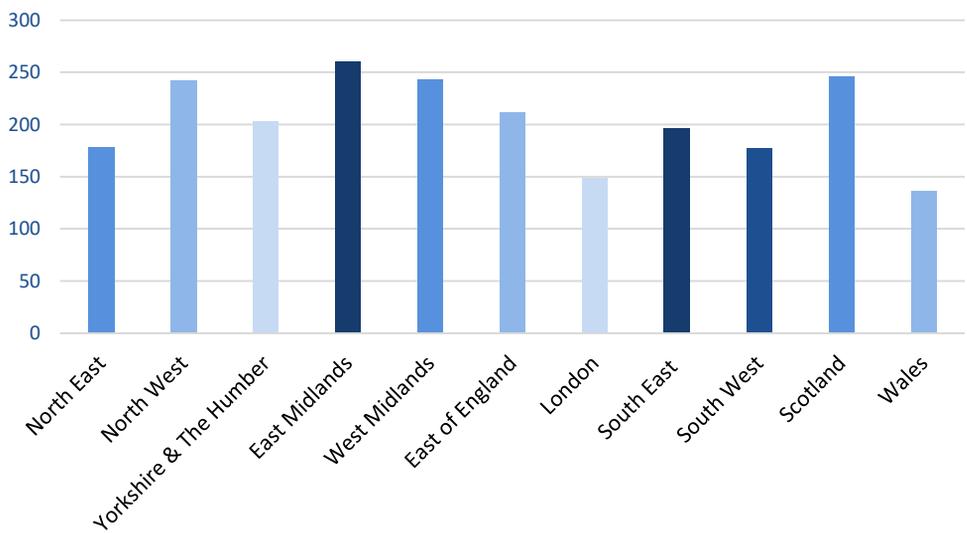


Figure 2: Supply of rental properties by region in May

NUMBER OF PROSPECTIVE TENANTS

*Average number of new prospective tenants registered in **May** rose to **69***



Demand for rental properties decreased in May, with letting agents registering interest from 69 new prospective tenants – an increase from 64 in March.

The number of tenants registered per branch is the highest in London, where agents had 106 new prospective tenants on their books. Demand from tenants is at its lowest in Wales with 31 tenants on average per branch.

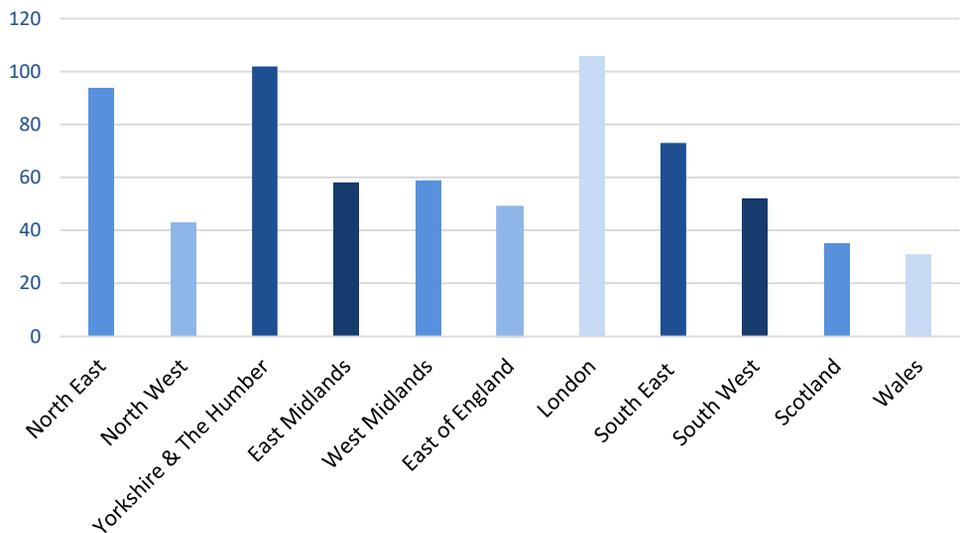


Figure 3: Demand from tenants by region in May

LENGTH OF TENANCY

*Average length of a tenancy in **May** remained at **19 months***



In May, tenants stayed in their properties for 19 months on average. Those in Wales and the Yorkshire and Humberside stayed in their properties for the longest at 23 months, compared to 15 months in Scotland.

VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies
in May was three weeks*



The average time properties were empty between tenancies fell to three weeks in May. Void periods were longest in London, the South West, the South East, East Midlands and Yorkshire & Humberside where properties were empty for three weeks on average.

Editor Notes:

About the research:

Opinium Research carried out an online survey among 324 ARLA Propertymark members from 31st May to 17th June 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.