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# Private Rented Sector Report

July 2019



## July 2019 PRS Report

# TENANTS FEEL THE PINCH AS RENTS COSTS ACCELERATE TO RECORD HIGH

### Key Findings

- The number of tenants experiencing rent rises increased to the highest figure on record in July.
- Lettings agents had an average of 184 properties under management per member branch in July, a decrease from 199 in June.
- Demand from prospective renters increased, with the number of prospective tenants registered per branch rising to 73.
- The number of landlords exiting the market remained the same.

### RENT PRICES

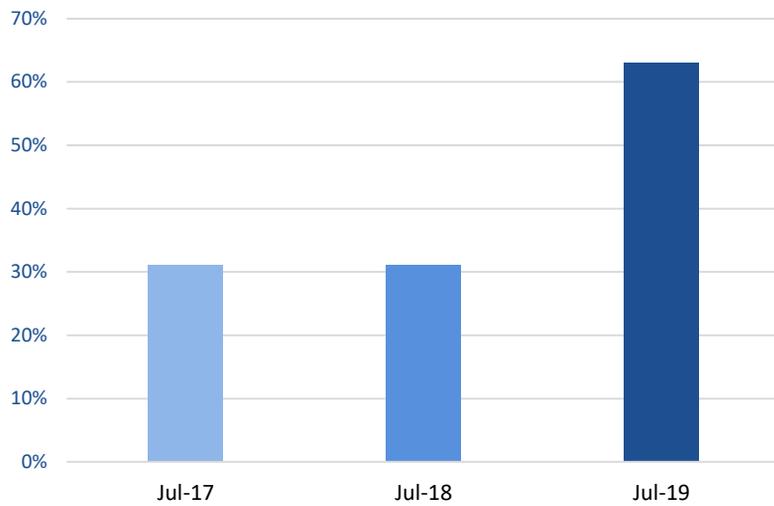
*The number of tenants witnessing rent hikes rose to **63 per cent** in July*



The number of tenants experiencing rent rises increased to the highest figure on record in July, with two thirds (63 per cent) of agents witnessing landlords increasing them. This is a 15 per cent increase from June which was a previous record high. Year-on-year, this figure is up from 31 per cent in July 2017 and 31 per cent in July 2018.

Tenants in the West Midlands were the worst affected with 86 per cent experiencing a rent increase.

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



### LANDLORDS SELLING BUY-TO-LET

*Number of landlords selling their BTL properties remained at **four** per branch in July*



The number of landlords selling their BTL properties remained at an average of four per member branch in July.

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

### SUPPLY OF RENTAL STOCK

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



Letting agents managed 184 properties per branch on average in July, down from 199 in June.

The number of properties under management is the highest in Scotland, where agents managed 350 properties on average per branch. Supply of properties is lowest in London where agents typically had 147 properties on their books.

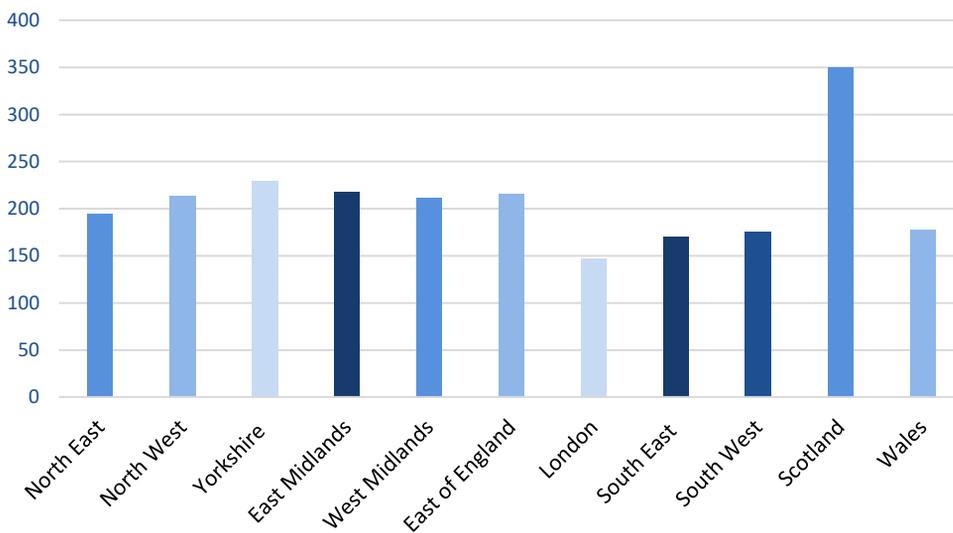


Figure 2: Properties under management by region in July

## NUMBER OF PROSPECTIVE TENANTS

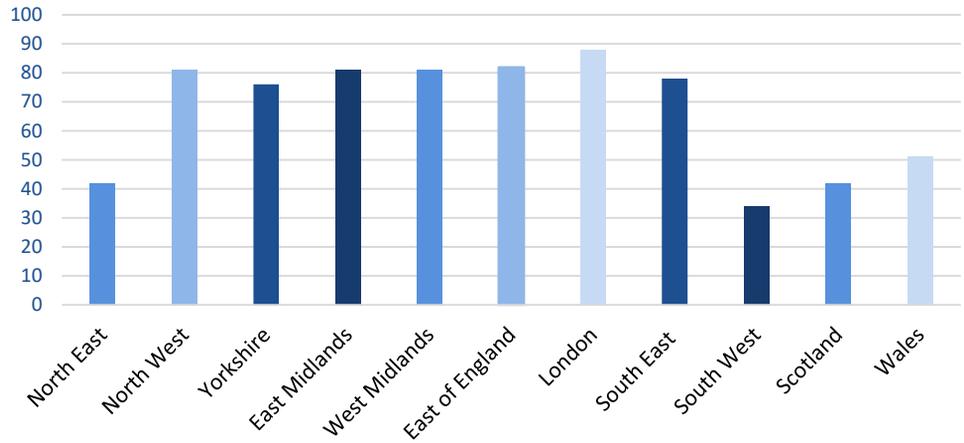
*Average number of new prospective tenants registered in July rose to 73*



Demand for rental properties increased in July, with letting agents registering interest from 73 new prospective tenants – an increase from 70 in June.

The number of tenants registered per branch is the highest in London, where agents had 88 new prospective tenants on their books. Demand from tenants is at its lowest in the South West of England with 34 tenants on average per branch.

Figure 3: Demand from tenants by region in July



### RENT REDUCTIONS

*Average percentage of tenants negotiating a rent reduction in July was **1.2%***



In July, the number of tenants successfully negotiating rent reductions fell to 1.2 per cent, from 1.9 per cent in June. Year on year this is down from 2.3% in July 2018 and 2.5% in June 2017.

It was highest in the East of England where 1.7 per cent of tenants negotiated reductions.

### LENGTH OF TENANCY

*Average length of a tenancy in July rose to **19 months***



In July, tenants stayed in their properties for 19 months on average, up from 18 months in June. Those in the East Midlands stayed in their properties for the longest at 23 months, compared to just 15 months in Scotland.

## VOID PERIOD BETWEEN TENANCIES

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



The average time properties were empty between tenancies remained at three weeks in July. Void periods were longest in Scotland with properties remaining void for five weeks.

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### Editor Notes:

About the research:

Opinium Research carried out an online survey among 333 ARLA Propertymark members from 05 to 13 August 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](http://www.opinium.co.uk)

### For further information contact:

ARLA Propertymark Press Office  
020 7566 9777  
[propertymark@lansons.com](mailto:propertymark@lansons.com)

### 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.