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Private Rented Sector Report

January 2020



January 2020 PRS Report

MORE TENANTS THAN EVER SEEK HOUSING AS RENTAL STOCK DWINDLES

Key Findings

- Demand reached a record high in January with an average of 88 prospective tenants registered per branch
- The number of properties managed per letting agent branch dropped to 191
- The number of agents witnessing rent increases rose to 42 per cent
- More tenants successfully negotiated a rent reduction in January than the previous month
- The number of landlords exiting the market remained the same.

NUMBER OF PROSPECTIVE TENANTS

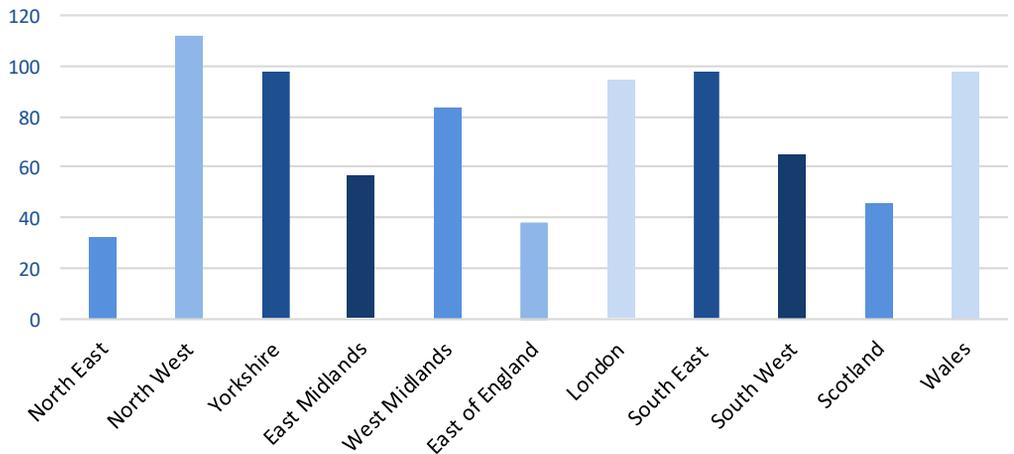
*Average number of new prospective tenants registered in **January** rose to **88***



Demand for rental properties reached a record high in January with letting agents registering interest from an average of 88 new prospective tenants, compared to just 56 in December.

The number of tenants registered per branch was highest in Wales with an average of 78 prospective tenants; however, the North East witnessed the fewest number of new tenants with an average of 26 per branch.

Figure 1: Demand from tenants by region in January



SUPPLY OF RENTAL STOCK

The number of properties managed per member branch fell to 191 in January



Letting agents managed 191 properties on average in January, a decrease from 206 in December last year. Supply has not been this low since July last year, when it stood at 184.

The number of properties under management was the highest in Scotland where agents managed an average of 338 properties per member branch. It was lowest in London where agents managed an average of 114 properties per member branch.

RENT PRICES

The number of tenants witnessing rent hikes increased to 42 per cent in January



The number of tenants experiencing rent increases rose in January, with 42 per cent of agents witnessing landlords increasing them, compared to 32 per cent in December last year. Year-on-year, this figure is up from 26 per cent in January 2019 and 19 per cent in January 2018.

Tenants in Yorkshire & Humberside were worst impacted with 56 per cent of agents witnessing landlords increasing rents, unlike those in Scotland who were least impacted with only 10 per cent of agents reporting an increase in rent prices.

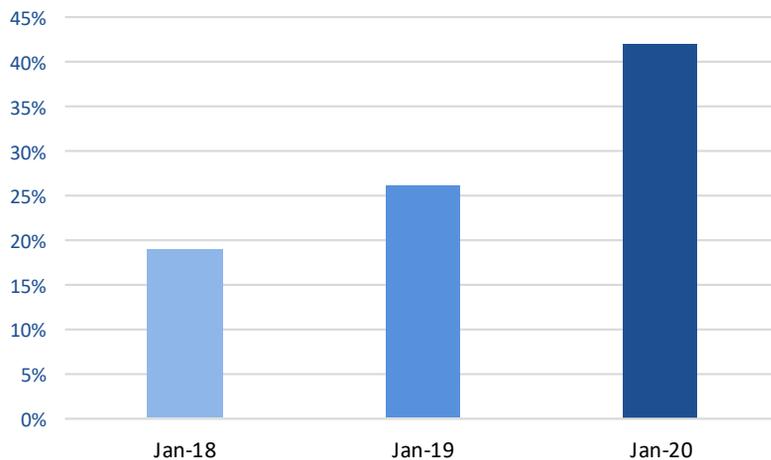


Figure 2: Number of tenants experiencing rent hikes year-on-year in January

RENT REDUCTIONS

Average number of tenants negotiating a rent reduction in January rose to 1.3%



In January, the number of tenants successfully negotiating rent reductions rose to 1.3%. This is up from December last year when the average number of tenants negotiating a rent reduction reached an all time low of 1.1%.

Regionally, 2.3% of tenants successfully negotiated a reduction in rent in the North East, whereas only 0.4% of tenants managed to do so in the South West.

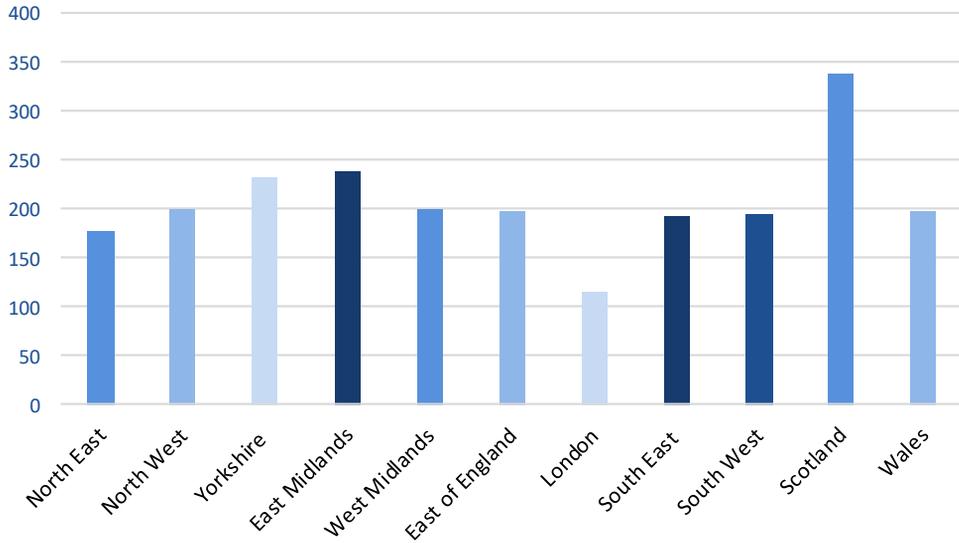


Figure 3: Properties under management by region in January

LANDLORDS SELLING BUY-TO-LET
*Number of landlords selling their BTL properties remained at **four** per branch in January*



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

Letting agents in the East and West Midlands and the North East of England experienced the highest number of landlords selling their buy-to-let properties at an average of five per branch.

LENGTH OF TENANCY
*Average length of a tenancy in January remained at **19 months***



In January, tenants stayed in their properties for 19 months on average, the same as in December last year. Those in the East Midlands stayed in their properties for the longest at 23 months, compared to just 12 months in the North East.

VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies in January dropped marginally to **three weeks***



The average time properties were empty between tenancies fell marginally from four weeks in December 2019, to three weeks in January.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 285 ARLA Propertymark members from 3 to 18 February 2020. 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.