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Private Rented Sector Report

February 2020



February 2020 PRS Report

DEMAND FOR RENTAL PROPERTIES HIGHEST ON RECORD FOR FEBRUARY

Key Findings

- Overall, demand for rental accommodation fell, but hit a record high for the month of February
- Number of properties managed per letting agent branch rose
- The number of agents witnessing rent increases fell
- The number of landlords selling their buy-to-let (BTL) properties rose for the first time in nine months

NUMBER OF PROSPECTIVE TENANTS

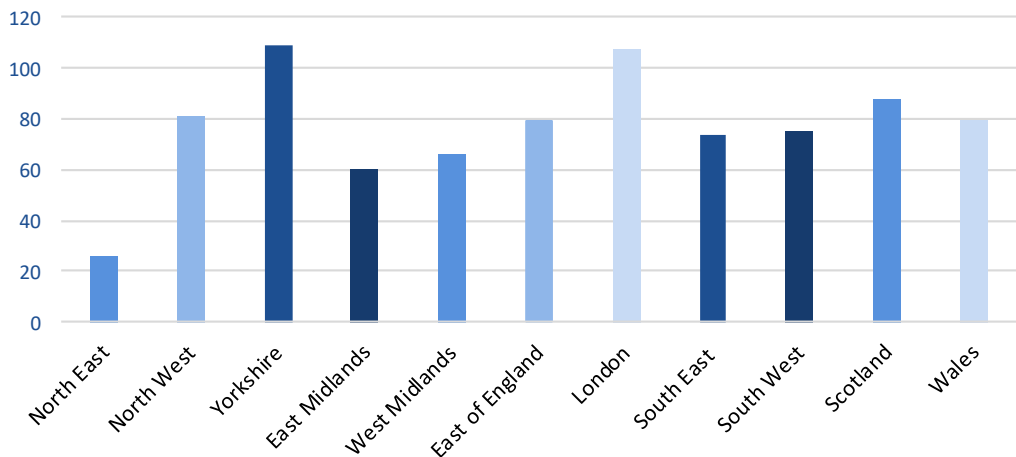
*Average number of new prospective tenants registered in **February** fell to **82***



The average number of new prospective tenants registered per branch fell in February, with 82 registered per branch compared to 88 in January. This is a record high for February with a previous high of 65 recorded in February 2019.

Regionally, Yorkshire & Humberside had the highest number of new prospective tenants with an average of 109 per branch, and the North East had the lowest with just 26 new prospective tenants registered per branch.

Figure 1: Demand from tenants by region in February



RENT REDUCTIONS

Average number of tenants negotiating a rent reduction in February rose to 2 per cent



The number of tenants successfully negotiating rent reductions rose to two per cent in February, the highest number since March 2019 when the success rate was 2.9 per cent.

Regionally, three per cent of tenants successfully negotiated a reduction in rent in the South East, whereas only 0.7 per cent of tenants managed to do so in the South West.

LANDLORDS SELLING BUY-TO-LET

Number of landlords selling their BTL properties rose to five per branch in February.



The number of landlords selling their BTL properties rose to five per branch for the first time since April 2019.

Letting agents in the North East experienced the highest number of landlords selling their BTL properties at an average of 11 per branch.

RENT PRICES

*The number of tenants witnessing rent increases fell to **41 per cent** in **February**.*



The number of tenants experiencing rent increases fell in February, with 41 per cent of agents witnessing landlords increasing rent compared to 42 per cent in January. Year-on-year this figure is up from 20% in February 2018 and 34% in February 2019.

Tenants in the North East were worst impacted with 60 per cent of agents witnessing landlords increasing rents.

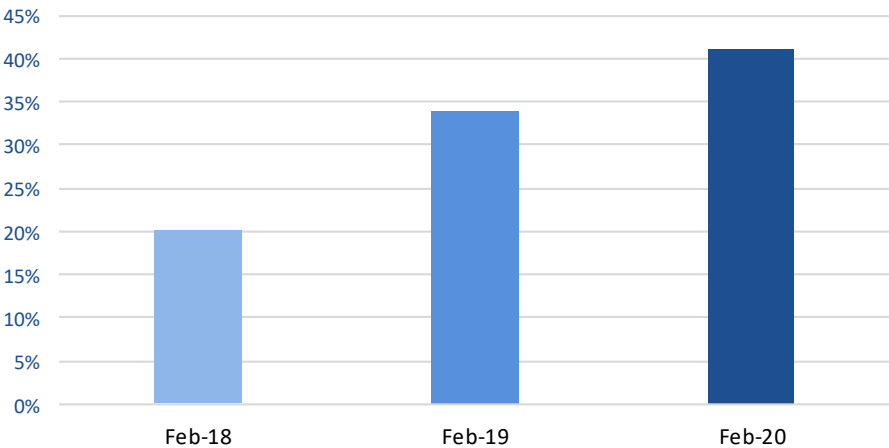


Figure 2: Number of tenants experiencing rent hikes year-on-year in February

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch rose to **201** in **February**.*



In February, the number of properties managed per letting agent branch stood at 201, an increase from 191 in January.

The number of properties under management was highest in Scotland with 289 managed per branch. London falls significantly behind other regions with just 115 properties being managed per member branch.

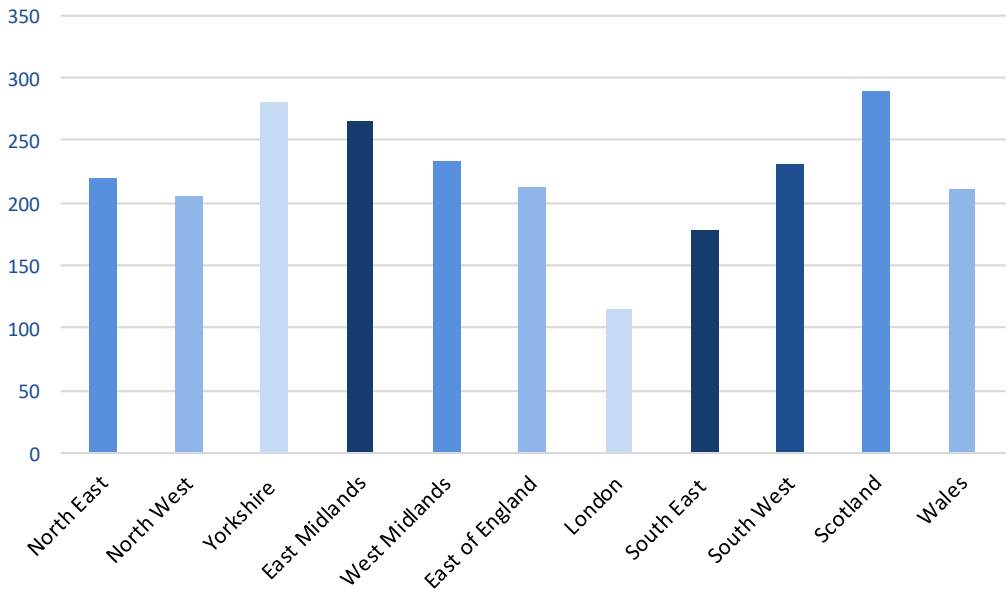


Figure 3: Properties under management by region in February

LENGTH OF TENANCY

Average length of a tenancy in February rose to 20 months



In February, tenants stayed in their properties for 20 months on average, a small increase from January when the average tenure was 19 months.

Regionally, tenants in the West Midlands spend the most time in their property with an average of 24 months per tenancy, and the North West has the lowest average tenure with tenants remaining for just 16 months.

VOID PERIOD BETWEEN TENANCIES

Average void period between tenancies in February remained at three weeks



The average time properties were empty between tenancies remained at three weeks in February.

ENDS

Editor Notes:

This data was gathered prior to the coronavirus outbreak being declared a pandemic.

About the research:

Opinium Research carried out an online survey among 232 ARLA Propertymark members from 3 to 18 March 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 almost 10,000 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.