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Private Rented Sector Report

September 2019



September 2019 PRS Report

NO RELIEF FOR TENANTS AS RENT COSTS REMAIN HIGH

Key Findings

- The number of tenants experiencing rent rises decreased marginally in September, with 58% of agents witnessing an increase in rent prices.
- Lettings agents had an average of 193 properties under management per member branch, a decrease from 197 in July.
- Demand from prospective renters also dropped, with the number of prospective tenants registered per branch falling to 72, compared to 76 in August.
- The number of landlords exiting the market remained the same.

RENT PRICES

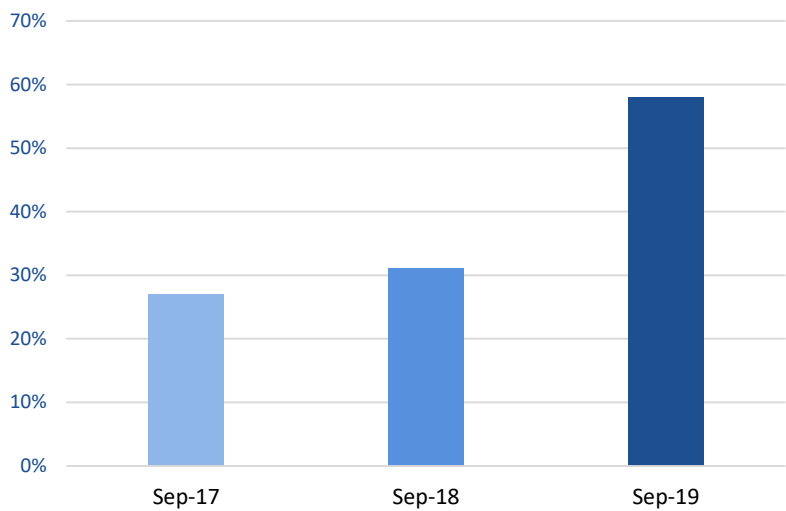
*The number of tenants witnessing rent hikes was **58 per cent** in September*



The number of tenants experiencing rent rises fell marginally in September, with 58 per cent of agents witnessing landlords increasing them. This is a decrease from August where 64 per cent of agents witnessed landlords increasing them. However, year-on-year, this figure is up from 27 per cent in September 2017 and 31 per cent in September 2018, as rent prices remain high.

Tenants in the North East of England were the worst affected with 86 per cent of agents witnessing an increase in rent prices.

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



SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch fell to **193** in September*



Letting agents managed 193 properties per member branch on average in September, down from 197 in August.

The number of properties under management is the highest in the West Midlands, where agents managed 271 properties on average per branch. Supply of properties is lowest in the South East where agents typically had 152 properties on their books.

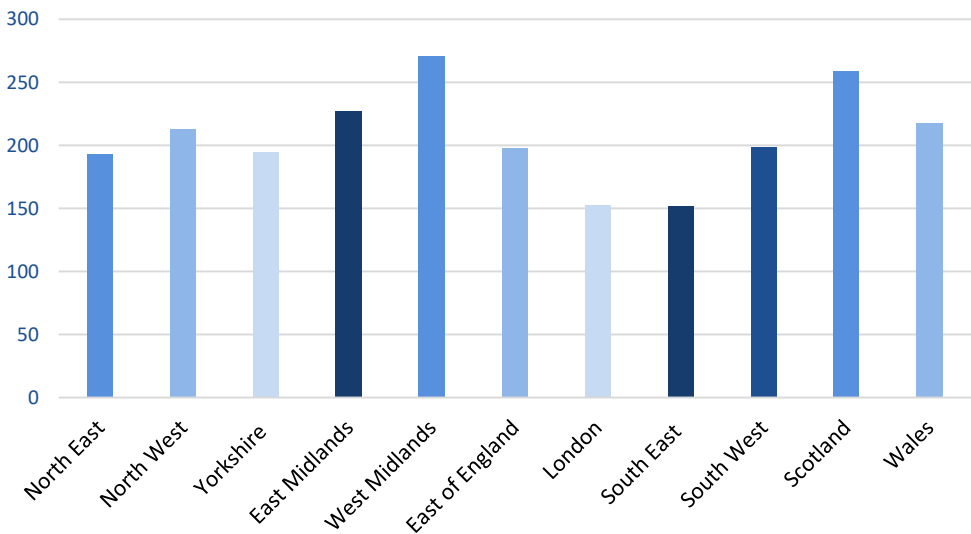


Figure 2: Properties under management by region in September

NUMBER OF PROSPECTIVE TENANTS

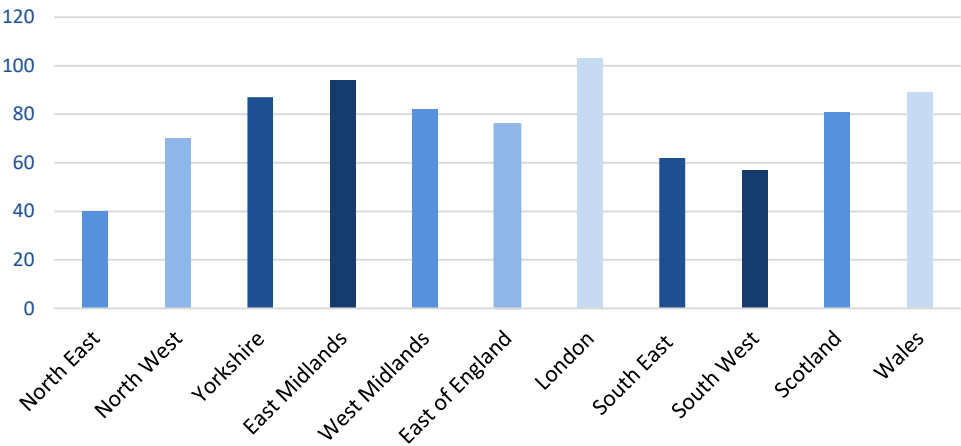
Average number of new prospective tenants registered in **September** fell to **72**



Demand for rental properties dropped marginally in September, with letting agents registering interest from 72 new prospective tenants, as opposed to 76 in August.

The number of tenants registered per branch is the highest in London, where agents had 103 new prospective tenants on their books. Demand from tenants is at its lowest in the North East of England with 40 tenants on average per branch.

Figure 3: Demand from tenants by region in September



LANDLORDS SELLING BUY-TO-LET

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



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

Letting agents in the East of England and Scotland witnessed the lowest number, at three per member branch.

RENT REDUCTIONS

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



In September, the number of tenants successfully negotiating rent reductions fell marginally to 1.2 per cent, from 1.3 per cent in August. Year on year this is down from 2 per cent in September 2018 and 2.4 per cent in September 2017.

It was highest London where 2.6 per cent of tenants negotiated reductions, but lowest in Wales where only 0.3 per cent of tenants did.

LENGTH OF TENANCY

*Average length of a tenancy in **September** dropped to **19 months***



In September, tenants stayed in their properties for 19 months on average, down from 20 months in August. Those in the East Midlands stayed in their properties for the longest at 24 months, compared to just 12 months in Scotland and the North East.

VOID PERIOD BETWEEN TENANCIES

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



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

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 230 ARLA Propertymark members from 01 to 17 October 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

For further information contact:

ARLA Propertymark Press Office
020 7566 9777
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.