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Private Rented Sector Report

August 2019



August 2019 PRS Report

RENTS REMAIN AT RECORD HIGH FOR FOURTH CONSECUTIVE MONTH

Key Findings

- Lettings agents had an average of 197 properties under management per member branch, an increase from 184 in July.
- The number of tenants experiencing rent rises also rose marginally in August, with 64 per cent of agents witnessing landlords increasing them.
- Demand from prospective renters increased, with the number of prospective tenants registered per branch rising to 76, compared to 73 in July.
- The number of landlords exiting the market remained the same.

RENT PRICES

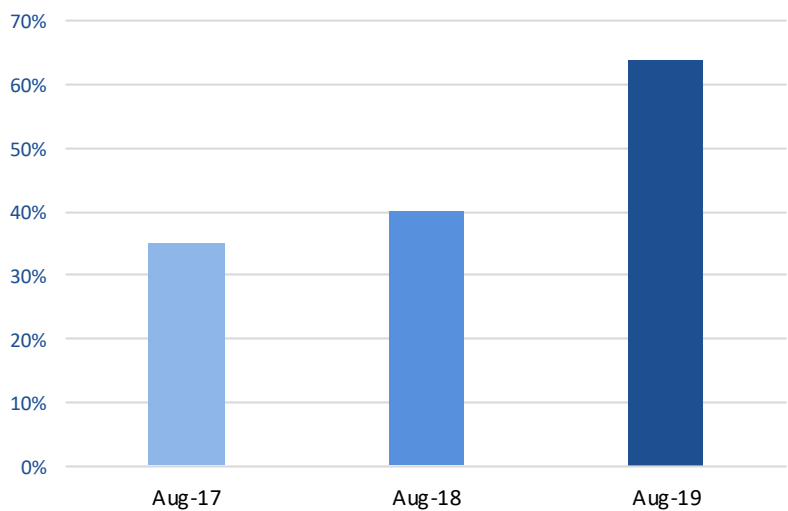
*The number of tenants witnessing rent hikes rose to **64 per cent** in August*



The number of tenants experiencing rent rises increased to the highest figure on record in August, with 64 per cent of agents witnessing landlords increasing them. This is a marginal increase from July where 63 per cent of agents witnessed landlords increasing rents. Year-on-year, this figure is up from 35 per cent in August 2017 and 40 per cent in August 2018.

Tenants in Yorkshire and Humberside and the West Midlands were the worst affected with 80 per cent experiencing a rent increase.

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



SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch was **197** in August*



Letting agents managed 197 properties per branch on average in August, up from 184 in July.

The number of properties under management is the highest in the East Midlands, where agents managed 261 properties on average per branch. Supply of properties is lowest in the North East where agents typically had 154 properties on their books.

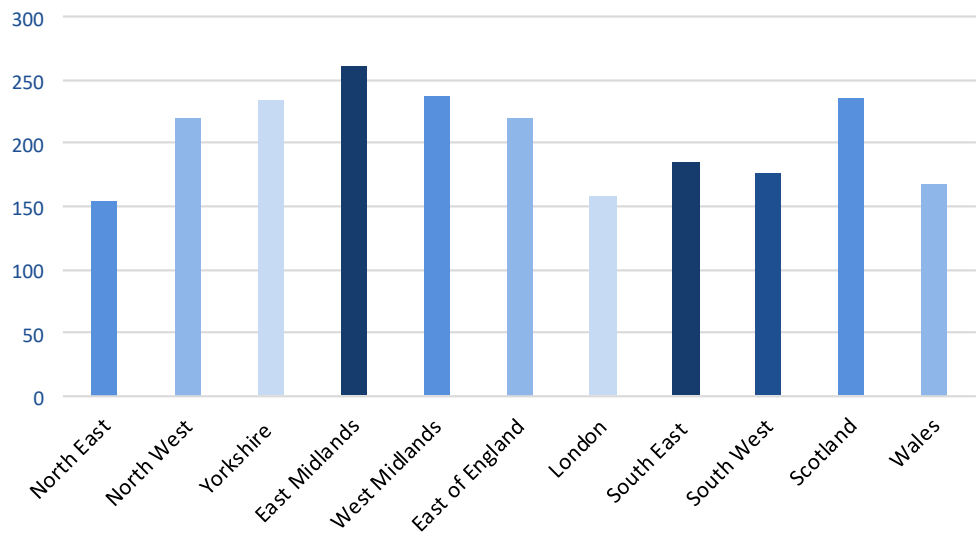


Figure 2: Properties under management by region in August

NUMBER OF PROSPECTIVE TENANTS

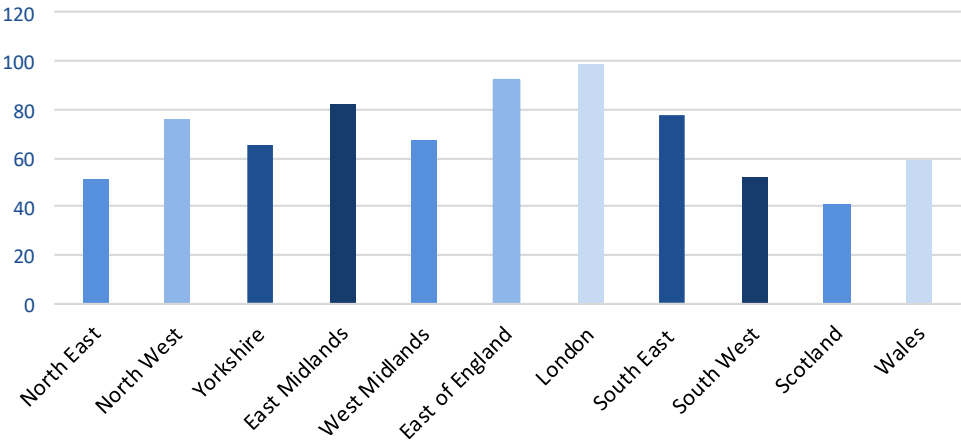
Average number of new prospective tenants registered in **August** rose to **76**



Demand for rental properties increased in August, with letting agents registering interest from 76 new prospective tenants – an increase from 73 in July.

The number of tenants registered per branch is the highest in London, where agents had 99 new prospective tenants on their books. Demand from tenants is at its lowest in Scotland with 41 tenants on average per branch.

Figure 3: Demand from tenants by region in August



LANDLORDS SELLING BUY-TO-LET

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



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

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

RENT REDUCTIONS

*Average percentage of tenants negotiating a rent reduction in **August** was **1.3%***



In August, the number of tenants successfully negotiating rent reductions increased marginally to 1.3 per cent, from 1.2 per cent in July. Year on year this is down from 2.2% in August 2018 and 2% in August 2017.

It was highest in the North West of England where 2.3 per cent of tenants negotiated reductions.

LENGTH OF TENANCY

*Average length of a tenancy in **August** rose to **20 months***



In August, tenants stayed in their properties for 20 months on average, up from 19 months in July. Those in the West Midlands stayed in their properties for the longest at 26 months, compared to just 16 months in Yorkshire and Humberside.

VOID PERIOD BETWEEN TENANCIES

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



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

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 279 ARLA Propertymark members from 03 to 18 September 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.