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Private Rented Sector Report

May 2020



May 2020 PRS Report

LANDLORDS BEAR THE BRUNT OF THE PANDEMIC AS RENT INCREASES HIT ALL-TIME LOW

Key Findings

- The number of agents witnessing rent increases hit an all-time low
- Demand from tenants fell from pre-lockdown levels, but reached a record high for the month of May
- The average void period between tenancies also reached a record high of five weeks
- Since our last report in February, the number of properties managed per branch has risen to 208

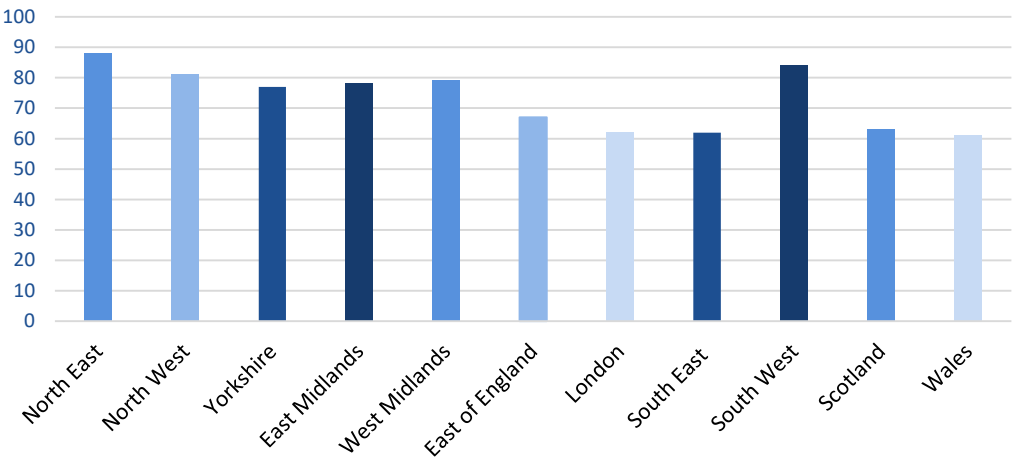
NUMBER OF PROSPECTIVE TENANTS

*Average number of new prospective tenants registered in **May** fell to **70***



The average number of new prospective tenants registered per branch fell in May, with 70 registered per branch compared to 82 in February. However, year-on-year, this figure is up from 69 in May 2019 and a record high for the month of May.

Regionally, the North East of England registered the highest number of new prospective tenants with an average of 88 per branch, with Wales and the South West of England having the lowest at 61 new prospective tenants registered per branch.



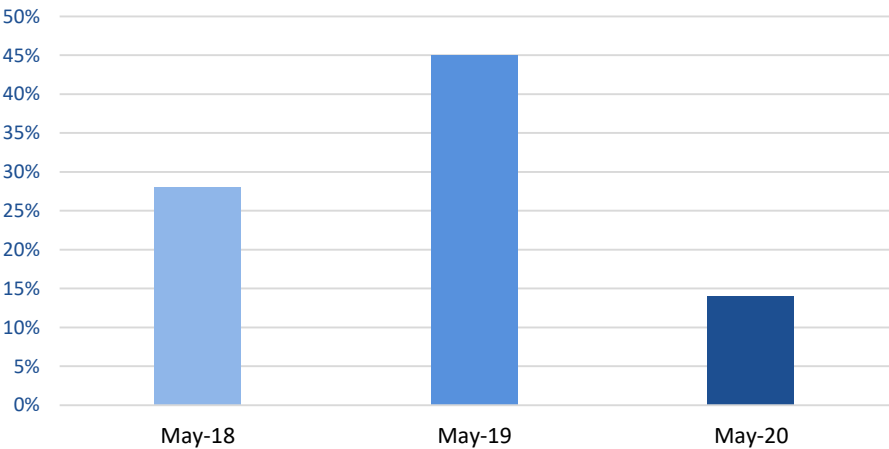
RENT PRICES

The number of tenants witnessing rent increases fell to 14 per cent in May.



The number of tenants experiencing rent increases fell in May, with only 14 per cent of agents witnessing landlords increasing rent compared to 41 per cent in February. This is lowest percentage of rent increases on record.

Tenants in the North East were worst impacted with 27 per cent of agents witnessing landlords increasing rents, compared to tenants in Wales where only four per cent of agents witnessed landlords increasing rents.



VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies in May increased to **five weeks***



The average time properties were empty between tenancies increased to five weeks in May. This is the longest period properties have remained void between tenancies since records began.

RENT REDUCTIONS

*Average number of tenants negotiating a rent reduction in May rose to **2.5 per cent***



The number of tenants successfully negotiating rent reductions rose to 2.5 per cent in May, the highest number since March 2019 when the success rate was 2.9 per cent.

Regionally, six per cent of tenants successfully negotiated a reduction in rent in London, whereas only one per cent of tenants managed to do so in the North West.

LANDLORDS SELLING BUY-TO-LET

*Number of landlords selling their BTL properties dropped to **four per branch** in May*



The number of landlords selling their BTL properties fell marginally to four per branch in May. Letting agents in the East Midlands experienced the highest number of landlords selling their BTL properties at an average of eight per branch.

SUPPLY OF RENTAL STOCK

*The number of properties managed per member branch rose to **208** in **May**.*



In May, the number of properties managed per letting agent branch stood at 208, an increase from pre-lockdown where the number stood at 201.

The number of properties under management was highest in the West Midlands with 278 properties managed per branch.

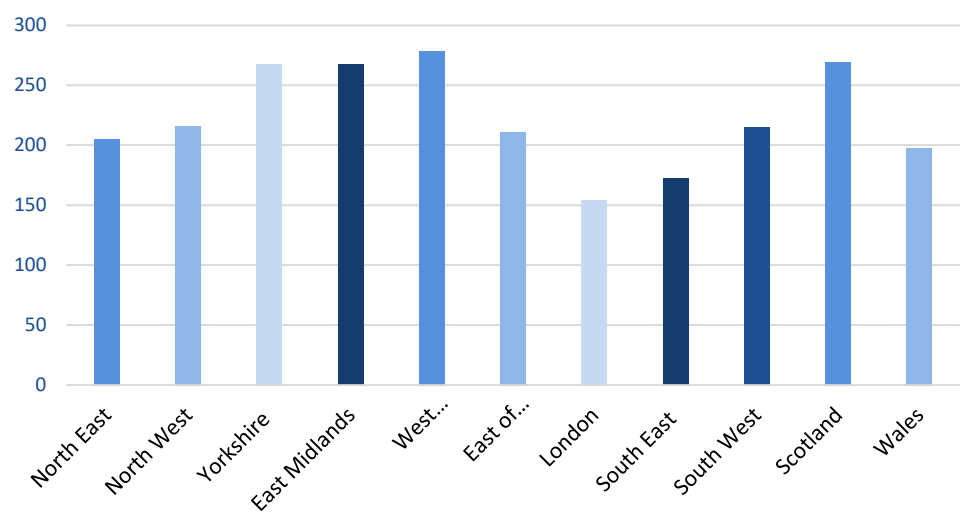


Figure 3: Properties under management by region in May

LENGTH OF TENANCY

*Average length of a tenancy in **May** fell to **19 months***



In May, tenants stayed in their properties for 19 months on average. Year-on-year, there’s no change in this number.

Regionally, tenants in the East Midlands and Wales spent the most time in their property with an average of 24 months per tenancy, while Scotland has the lowest average tenure with tenants remaining for just 13 months.

ENDS

Editor Notes:

About the research:

Opinium Research carried out an online survey among 510 ARLA Propertymark members from 5 to 17 June 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

This data was collected after the housing market reopened on 13th May for the period covering 13th – 31st May. Letting agents followed government guidance and were unable to operate as normal between 23rd March – 13th May.

For further information contact:

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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.