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Private Rented Sector Report

August 2020



August 2020 PRS Report

DEMAND FROM TENANTS CONTINUES TO REACH RECORD LEVELS

Key Findings

- The number of new prospective tenants reached an all time high in August, with 101 registered per branch
- The number of properties managed per branch remained at the highest on record for August, with 208 properties available
- Number of tenants witnessing rent increases rose above pre-Covid levels, reaching 48% in August

NUMBER OF PROSPECTIVE TENANTS

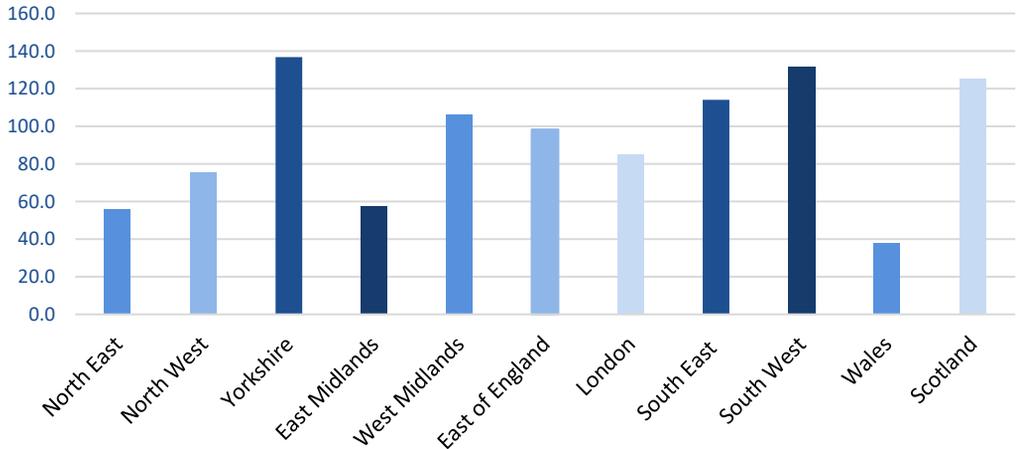
*Average number of new prospective tenants registered in **August rose to 101***



The average number of new prospective tenants registered per branch increased in August, with 101 tenants registered per branch. This is the highest on record, breaking July's previous record of 97.

Regionally, Yorkshire & Humberside had the most prospective tenants registered per branch with an average of 137, and Wales had the lowest figure with just 38 new prospective tenants registered per branch.

Figure 1: Demand from new tenants by region in August



SUPPLY OF RENTAL STOCK

The number of properties managed per branch remained the same at 208 in August



The number of properties managed per letting agent branch remained the same in August at 208, which is the same figure as July. Year-on-year this is an all-time high for the month of August, topping the previous record of 197 in August 2019 and August 2018.

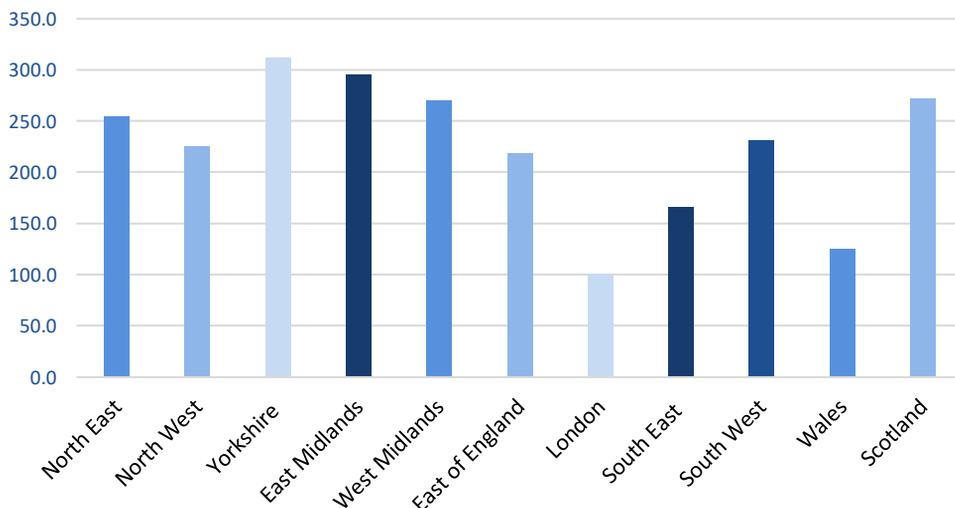


Figure 2: Properties under management by region in August

VOID PERIOD BETWEEN TENANCIES

*Average void period between tenancies in August remained the same at **three weeks***



The average time properties were empty between tenancies remained the same in August at three weeks. Year-on-year this has remained the same in August since records began.¹

RENT REDUCTIONS

*Average number of tenants negotiating a rent reduction in August fell to **1.8 per cent***



The number of tenants successfully negotiating rent reductions fell to 1.8 per cent in August, continuing to rebalance after a high in May of 2.5 per cent and July's figure of 1.9 per cent.

Regionally, 6.2 per cent of tenants successfully negotiated a reduction in rent in London, whereas just 0.4 per cent managed to do so in Wales.

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 the same, at four per branch in August. This figure has consistently been at four in the month of August since 2018.

RENT PRICES

*The number of tenants witnessing rent increases rose to **48 per cent** in August*



The number of tenants experiencing rent increases rose again in August, with 48 per cent of agents witnessing landlords increasing rent compared to 29 per cent in June and 39 per cent in July. This is still 16 per cent lower than in August 2019, when the figure stood at 64 per cent.

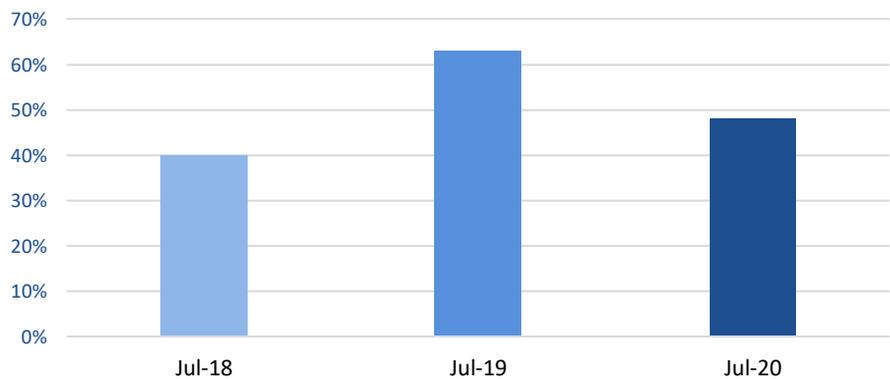


Figure 3: Number of tenants experiencing rent hikes year-on-year in August

LENGTH OF TENANCY

*Average length of a tenancy in August remained the same at **21 months***



In August, tenants stayed in their properties for 21 months on average. Year-on-year, this is the highest average tenancy length on record for August, with the previous high being 20 months in August 2019.

Regionally, this figure was highest in the East Midlands with tenancies lasting 25 months and lowest in the North East, with tenancies lasting an average of 10 months.

NUMBER OF VIEWINGS

*Average number of viewings before a property was let remained at **five** in August*



In August, tenants viewed a property an average of five times before it was let. This remains the same as July's figure, and is slightly down on August 2019's figure of six viewings.

ENDS

Editor Notes:

¹ Records began in January 2015.

About the research:

Opinium Research carried out an online survey among 154 ARLA Propertymark members from 7th September – 21st September 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.