

Helmo



# NEIGHBOUR



Lettings Insight Report

April 2024

### Rents continue to fall

We continue to see a fall in rentals within London, from an average of £2,219 last month to an average of £2,115 in April, a 5% drop, with 2-bed properties experiencing the most significant decrease of 12%.

Year-on-year growth is slightly up from last month's 4.1% to 6%.

The pressure on rents continues to be reflected in landlord behavior, with the highest proportion (77%) we have ever seen pricing within 10% of market price

The number of properties priced at 10%+ above market rates is at its lowest we have seen, with only 4% being priced above the 10% mark.

As we begin to move out of the quieter months of the year, we are starting to see the number of enquiries per property increase again, from 45 last month to 65 in April, slightly lower than last year's 67.

There was much higher demand for outer London properties in April, with 86 enquiries compared to 54 for Inner London, which is driving a change in the 3-month average.

### Average no. of viewing requests per property

2023											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
50	65	66	67	62	80	93	84	65	50	42	49

2024											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
50	40	45	62								

### Rental prices in April 2024

Average price p/m	£2,115
vs. last year	6% ↑
vs. previous month	-5% ↓
vs. previous 3 months	-4% ↓

Viewing requests per property	3 months rolling
Inner London	60
Outer London	77

### Top 5 boroughs with the highest viewing requests over the last 3 months



- 1 Barking and Dagenham
- 2 Ealing
- 3 Islington
- 4 Havering
- 5 Watford

### Buy to let Crisis – There is Help

Following on from our report in March, where we referenced a report from The Mortgage Lender Research (TML) which stated **that 40% of mortgaged landlords having to renew their mortgage in the next year**, with 30% of landlords saying they planned to increase the rent of their property, and 23% already budgeting for an increase to mitigate increased mortgage costs. This becomes incredibly difficult to achieve in a falling rent environment. It is more important than ever for landlords to be aware of alternative letting and management products in the market that can help relieve the burden of these additional costs.

An example of the savings Hello Neighbor Full Service can help deliver is to the right, demonstrating how the savings can potentially offset a £150k mortgage that has an interest rate increase from 2% to 5%.

Landlords can save even more by using Hello Neighbour's Self-Service product at £200.

On the following 2 pages, we suggest 5 questions to ask your letting agent (including us!) and showcase a comparison table of fees from London Letting Agents. You can also access a very helpful guide from The Independent Landlord [here](#).



	Lettings	Property Management	Renewal Fee	*Hidden Fees	**Maintenance & Admin markups	Total Savings
Hello Neighbour	£1,200	£960	£0	£0	£0	
High Street Fees	£3,960	£2,160	£3,600	£650	£125	
<b>SAVINGS ON 1 PROPERTY</b>						
Savings Year 1	£2,760	£1,200		£650	£125	<b>£4,735</b>
Savings Year 2		£1,200	£3,600		£125	<b>£4,925</b>
<b>SAVINGS ON 10 PROPERTIES</b>						
Savings Year 1	£27,600	£12,000		£6,500	£0	<b>£47,350</b>
Savings Year 2		£12,000	£36,000		£0	<b>£49,250</b>

Costs based on average rental fees in London of £2,500 per month

Mortgage Cost Example		
Mortgage	£150,000	
Interest Rate Mar 22	£3,000	2%
Interest Rate Feb 24	£7,500	5%
Extra cost of mortgage	<b>£4,500</b>	

\* Hidden Fees include: Tenancy Agreement, Referencing, Deposit, Inventory fee

\*\*On top of average £1,000 maintenance spend

# 5 QUESTIONS?

To ask your Letting Agent

*Watch out for renewal fees*

- 1 What fees am I charged if my tenant stays in the property for a 2nd, 3rd or 4th year?**

*Be careful of hidden extra fees*

- 2 What additional fees do you charge on top of the % lettings fee?**

*Do you charge for:*

- Creating a tenancy contract?
- Referencing tenants?
- Carrying out Right to Rent checks?
- Inventory of property?
- Check-in?
- Registering the Tenant's Deposit?
- Sending Prescribed information to the tenants?
- Checking Smoke and Carbon Monoxide alarms?

*Avoid unfair mark-ups*

- 3 Do you charge a fee on top of any maintenance costs for the property or do tradesmen pay you anything when they do the work? If so, how much?**

*Don't get stuck*

- 4 If I am unhappy with the service can I move to another agent for lettings or management agent and does that cost anything?**

*Never pay before the Tenants moves-in*

- 5 Do I have to pay any fees before the rent gets paid?**

## COMPARE AGENT FEES

Agent	Lettings		Lettings & Property Management		2nd Year Renewal Fee		Tenancy Agreement, Referencing & Deposit	Inventory Fee	Maintenance & Admin markups
	%	£	%	£	%	£	£	£	£
Hello Neighbour	4.0%	£1,200	7.2%	£2,160	Included		Included	Included	Included
Foxtons	13.2%	£3,960	20.4%	£6,120	12%	£3,600	£450	£200-£400	Works over £1,000 12% + referral fee
Savills	15%	£4,500	20.4%	£6,120	15%	£4,500	£246	£180-£1,140	Included
Chestertons	13.2%	£3,960	20.4%	£6,120	12%	£3,600	£360	£125-£275	Works over £750 12% arrangement fee
Dexters	13.2%	£3,960	19.2%	£5,760	13.2%	£3,960	£480	£102-£276	Works up to £2,500 12% for 20% above

Costs based on average rental fees in London of £2,500 per month

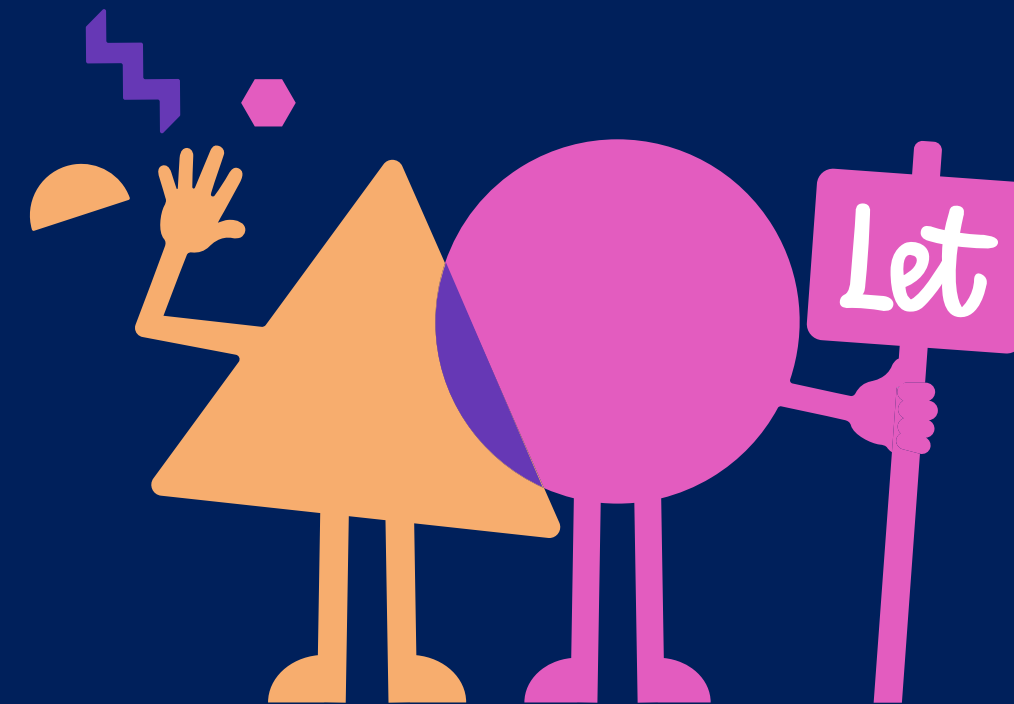


# Changing Lettings For Good

Powered by tech, driven by people, Hello Neighbour is a property letting and management company built for today. With no renewal fees, no extra fees and no maintenance mark-ups, we're making property letting simpler, faster and more affordable for every landlord and tenant we serve.



*Best Property Management*



*Rated excellent 4.8 out of 5*