

Hello



# NEIGHBOUR



Lettings Insight Report

January 2024

Coming out of the slower November and December months, we have seen average rental prices increase in January.

As widely reported elsewhere, there has been a reduction in tenant demand with Rightmove reporting average enquiries per property falling from 14 to 11 across the UK in the 4th quarter of 2023. In London, we have seen reductions from an average of 80 viewings in the 3rd quarter to just 47 in the 4th. January has remained at those levels, with an average of 50 viewings per property.

We also continue to see a reduction in the amount of rental prices that are initially marketed at 10% or more above market value. Rental prices are getting close to true market value as result. The trend of overvaluing rents (when properties first go to market) has fallen from 40% in July 2023 to 26% in January 2024 – demonstrating that landlords recognise that cost of living pressures and price rises over recent years, have pushed tenants to the limits.

### 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											

### Rental prices in January 2024

Average price p/m	£2,370
vs. last year	3.6% ↑
vs. previous month	9% ↑
vs. previous 3 months	8% ↑

Viewing requests per property	3 months rolling
Inner London	64
Outer London	72

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



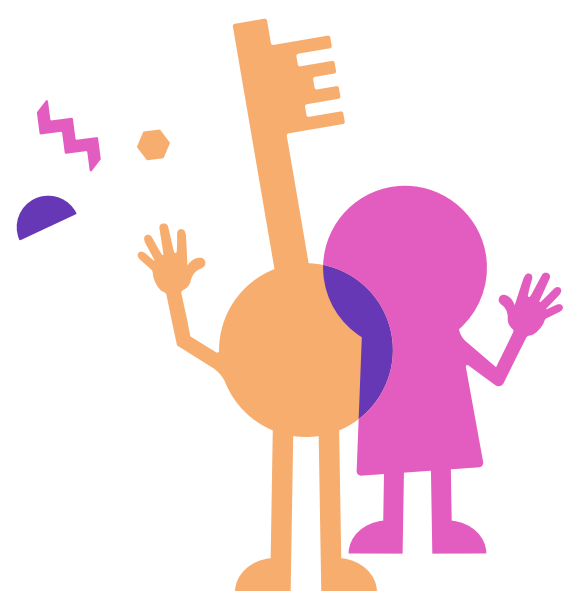
- 1 Havering
- 2 Newham
- 3 Redbridge
- 4 Romford
- 5 Haringey

Rightmove's report on rental trends October – December 2023, signals a cooling down in the rental market.

At just 0.2%, rental growth in Q4 of 2023 was the lowest since 2019. However, Rightmove predict there will be a rental rise of 3% in 2024.

New rental property stock levels have increased 7% YOY, with the average enquiry per property at 11, down from 14 (across the UK).

Further, Rightmove report that nearly a quarter (23%) of rental properties need a reduction in advertised rent – compared with 16% at this time last year – due to overinflated rental prices.



Greater London average asking rent for all property types			
Quarter	Average asking rent p/m	Quarterly change	Annual change
Q4 2023	£2,631	+0.2%	+6.7%
Q3 2023	£2,627	+2.4%	+12.1%
Inner & Outer London			
Inner London	£3,112	-0.4%	+3.4%
Outer London	£2,278	+0.6%	+9.0%

\*Source: The Rightmove Rental Trends Tracker Oct–Dec 2023



*There was a cooling of the rental market in Q3 last year, as the extremely high levels of tenant demand (seen in the Summer) reduced.*

*This has been reflected in landlord behaviour, with properties being priced above 10% of market value falling. Rightmove's Q4 report suggests the same – with more stock in the market, lower tenant enquiries and signs that tenants are beginning to hit an affordability ceiling.*

*This has implications for landlords. Over the last 2 years, landlords may have been able to offset higher costs by increasing rents. Now, if landlords want to make sure they can let their properties in a timely fashion, without incurring a void period, they have to think carefully about rental prices. This comes at the same time as significant numbers of buy-to-let mortgages come off (previously attractive) fixed price deals.*

*We have suggested 5 questions landlords should ask a letting agent before signing up, in order to help meet this challenge.*

Richard Jenkins, Co-Founder & CEO, Hello Neighbour

# 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?**

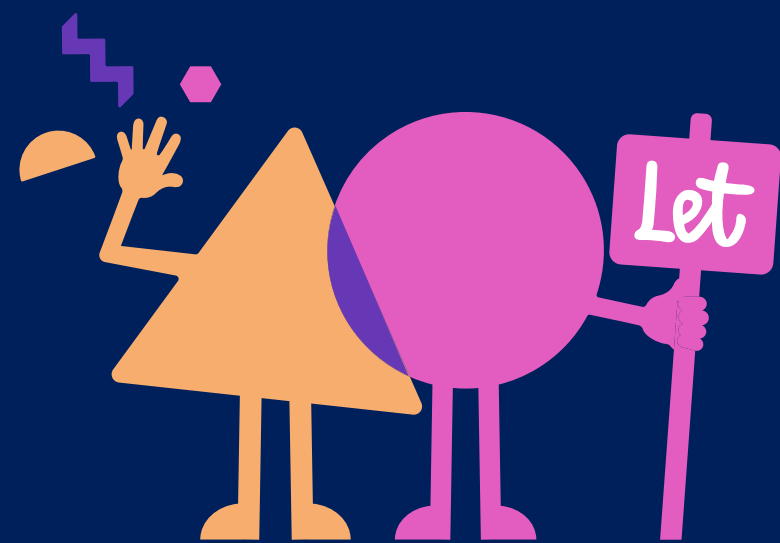
*Don't get stuck*

- 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 tenant moves-in*

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

## Changing Lettings For Good



Powered by tech, driven by people, Hello Neighbour is a property letting and management company. Managing over 12,000 tenant enquiries and nearly 200 new properties per month, we're on a mission to change lettings for good.