

Helmo



NEIGHBOUR



Lettings Insight Report

March 2024

Rents Falling

As we flagged last month, we expected to see the growth in rental pricing slow. We have in fact seen a fall in London rental levels from an average of £2,261 last month to an average of £2,219 in March.

This is a 2% fall and means that rental growth over the last three months is now only 2%. Even year on year growth is now just 4.1%.

The significant fall in number of viewing requests per property seen last month was maintained, with only 45 requests per property, compared with 66 at the same time last year. The other key forward indicator, namely the number of properties being marketed at 10% over market value, was just 6%. The number of landlords pricing at any amount above market levels has fallen to just 30%, with 70% of landlords now pricing at or below market levels.

This comes as no surprise to Hello Neighbour as we have been warning landlords that tenants have reached unsustainable levels of rent affordability, as salaries have failed to keep pace with rising rent levels over the last few years.**

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									

Rental prices in March 2024

Average price p/m	£2,219
vs. last year	4.1% ▲
vs. previous month	-2% ▼
vs. previous 3 months	2% ▲

Viewing requests per property	3 months rolling
Inner London	66
Outer London	62

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



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

Buy to let Crisis

We are increasingly concerned that the previously manageable increases in mortgage costs for Buy to Let Landlords are about to represent a significant challenge.

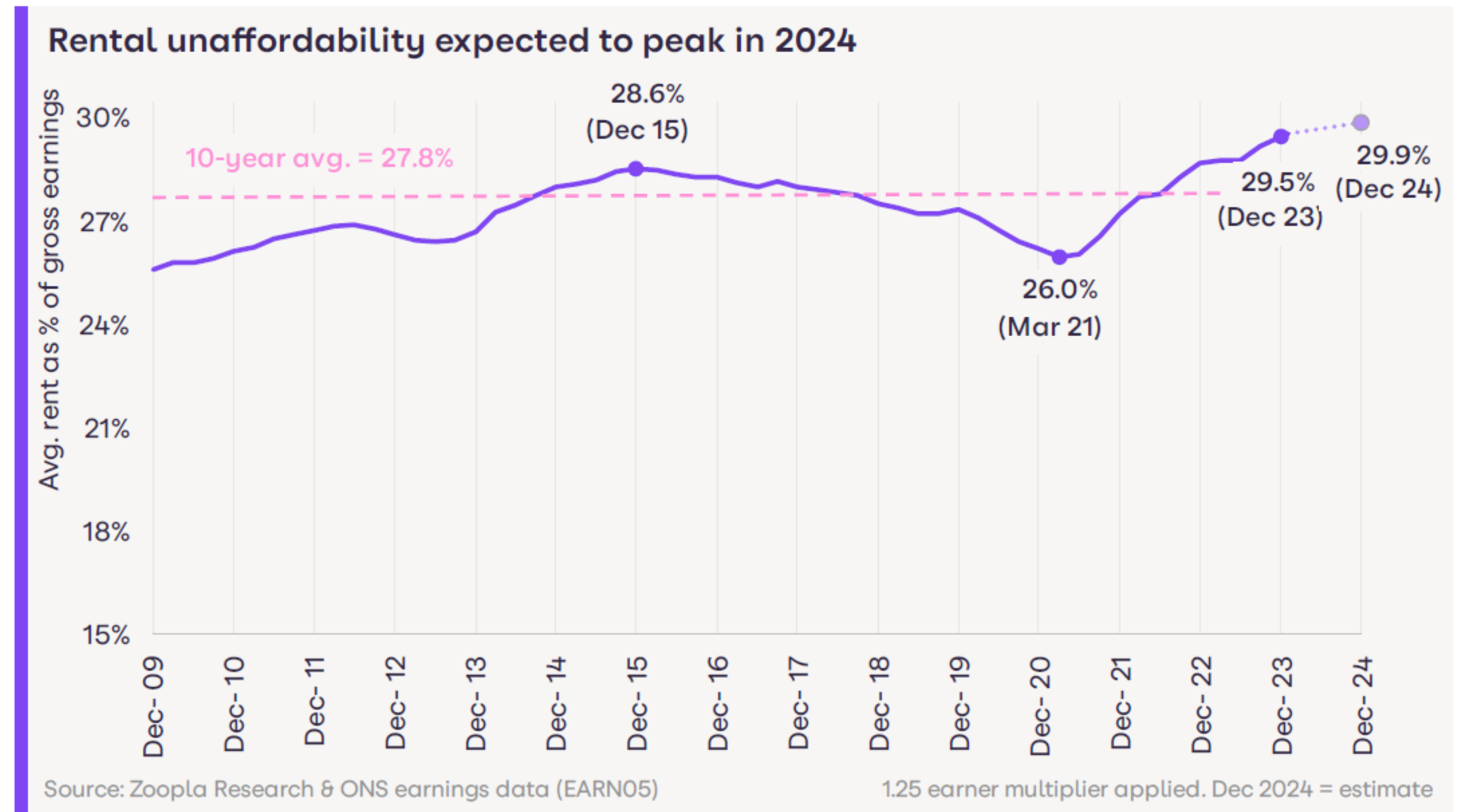
Landlords managing increasing interest rates have so far largely managed to offset that increase with higher rents. However, the plateauing rent levels means increasing rents to mitigate increased mortgage costs is becoming much more challenging, if not impossible. **With 40%* of mortgaged landlords having to renew their mortgage in the next year**, this promises to create a significant issue for the rental market.

Buy-to-let (BTL) mortgage rates may be about to fall, but even the most ambitious don't expect that to happen fast enough for the large numbers of landlords who will have to renew their mortgage deals this year. Rates will remain considerably higher than a couple of years ago, which means landlords due to remortgage will face much higher repayments.

The same research suggested 30% of landlords said they planned to increase the rent of their property, with 23% already budgeting for an increase to mitigate increased mortgage costs. This promises to put landlords between a rock and a hard place with increased costs, but no way of mitigating them in a falling rent environment.

* The Mortgage Lender Research (TML)

** Rental unaffordability – Zoopla



Fortunately for those landlords and for any others who don't want to pay the extraordinary fees High Street Agents continue to charge, Hello Neighbour is delighted to announce that they will be giving landlords access to our own platform in April, by launching a Self-Service online lettings platform – an industry first that takes landlords from beginning to end of the entire letting life cycle for £200, and in a way that ensures landlords remain fully compliant.



The platform will include: property advertising (on Rightmove, Zoopla and more); a viewings tool to manage tenant viewings; online offer negotiations; best in class tenant referencing (leveraging Open Banking); comprehensive property compliance; and the ability to tailor tenancy contracts, arrange move-ins, collect the first month's rent and automatically register security deposits.

To watch our platform in action you can watch our launch video here www.hello-neighbour.com.

Features

*Prices incl. VAT

Access to expert support	✓	✗
Tenant enquiry handling	✓	✗
Rental valuations	✓	✗
Advertising across portals (eg. Rightmove, Zoopla)	✓	✓
Property performance insights	✓	✗
Viewings booked online	✓	✗
Online offer negotiation	✓	✗
Credit checks & referencing	✓	✗
Full property compliance	✓	✗
AST contract creation	✓	✓
1st month's rent collection	✓	✓
Deposit registration	✓	✓

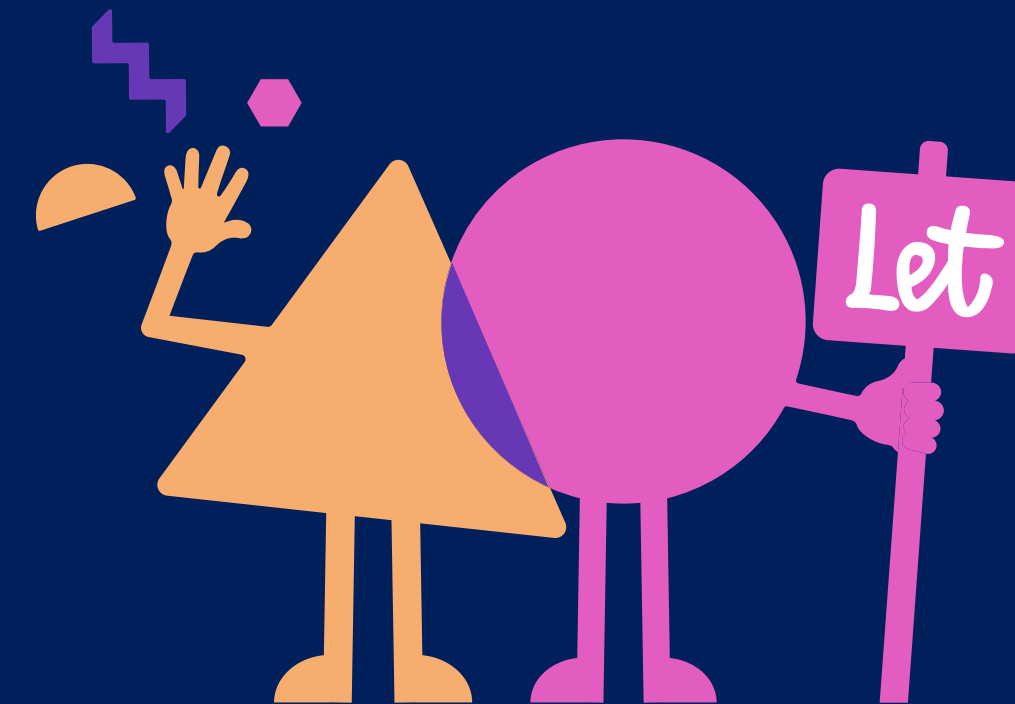
	 £200	 OpenRent £69
Access to expert support	✓	✗
Tenant enquiry handling	✓	✗
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Advertising across portals (eg. Rightmove, Zoopla)	✓	✓
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Viewings booked online	✓	✗
Online offer negotiation	✓	✗
Credit checks & referencing	✓	✗
Full property compliance	✓	✗
AST contract creation	✓	✓
1st month's rent collection	✓	✓
Deposit registration	✓	✓

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