

Hello



NEIGHBOUR



Lettings Insight Report

October 2023

Although rental prices have remained reasonably consistent, tenant demand has cooled throughout September and October.

Demand is lower across all property types / number of bedrooms, however 3 and 4 bedroom rental properties are receiving the fewest amount of viewing enquiries.

Despite a slow down in overall viewing requests, Greater London areas such as Redbridge, Newham, and Romford remain consistently popular to search for a new rental property.

Rental prices in October 2023

Average price p/m	£2,304
vs. last year	13.5% ↑
vs. previous month	0% ↔
vs. previous 3 months	3% ↑

Viewing requests per property	3 months rolling
Inner London	89
Outer London	97

Average no. of viewing requests per property

Jan	Feb	Mar	Apr	May	Jun
50	65	66	67	62	80
Jul	Aug	Sep	Oct		
93	84	65	50		

Top 5 boroughs

with the highest viewing requests over the last 3 months



- 1 Redbridge
- 2 Newham
- 3 Romford
- 4 Dartford
- 5 Ealing

Landlords letting their property through traditional estate agents are wasting up to £1bn a year paying renewal fees.

The Times¹ recently reported that landlords have become increasingly upset by letting agent fees that “fluctuate wildly without obvious justification”.

Landlords interviewed by The Times felt that estate agents that offered letting services: “often charged [fees] continuously throughout a tenancy even though an agency does nothing other than find the tenant at the start.”

Now, we've run the numbers, and remonstrations about unfair tenancy renewal fees are completely justified.

London landlords alone, are handing over £1bn a year in renewal fees, simply because their tenants have decided to stay in their home for another year.

There are over one million² rental properties in London. Approximately 760,000³ of those properties are let through high street agents. With the average tenant in London staying in a rental property for two years⁴, landlords are currently paying renewal fees on 380,000 properties each year. While renewal fees vary, the average is approximately 8.5% incl. VAT, meaning that for an average London rent of £2,500⁵ a month, landlords are handing over an additional £2,550 to letting agents for their current tenants to simply renew – literally money for nothing. And that is just for the 2nd year. If a landlord is lucky enough to keep the tenant for a 3rd year, the cost just keeps adding up.



In the intervening renewal years, I get charged for them doing absolutely nothing. It's akin to an estate agent selling your house for you for [a commission of] 1.5% and then coming back to you a year later and saying there's another half a percent fee for that buyer we got you ages ago. It just doesn't make any sense.

Suzanne Lugthart, Landlord

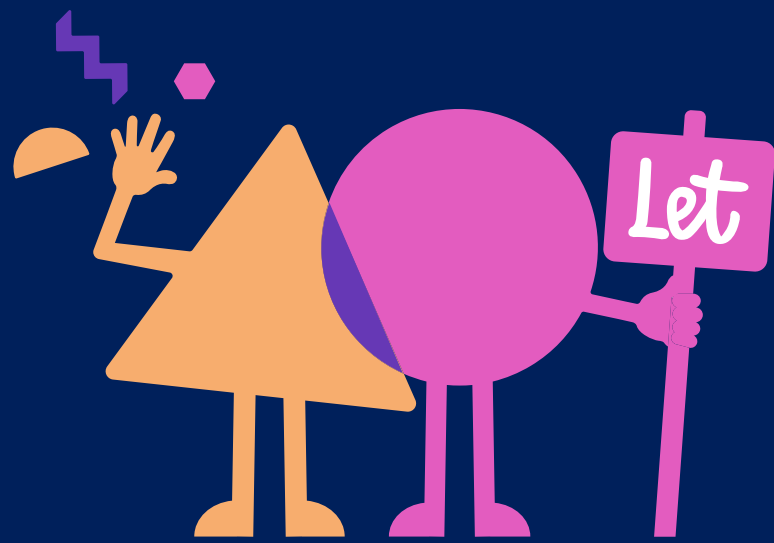


With over 500 signatures to date, Hello Neighbour are encouraging UK landlords, to sign up to a petition to [Stop Renewal Fees](#) with the aim of stimulating a national conversation about unfair fees in the lettings sector.

References

1. Are private landlords being ripped off by letting agent fees? The Times, Bricks & Mortar, October 2023
2. According to the latest Census, there were 1.03m occupied dwellings in London's private rented sector in 2021, home to approximately 3m people – GLA Housing and Land Housing Research: Understanding recent rental trends in London's private rented market, June 2023
3. 80% of 9000 landlords within the 2021 English Landlord Survey had agents register deposits on their behalf. In a separate survey run by Hello Neighbour 76% of landlords were with a high street letting agent.
4. Private Rented Sector Report, PropertyMark, March 2022
5. Rightmove, May 2023

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.