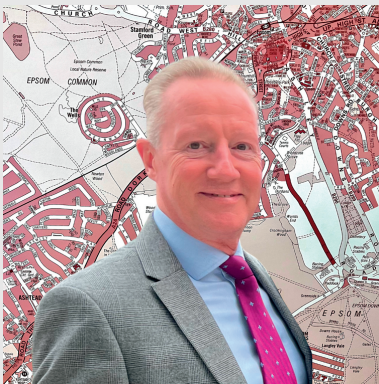




DIRECT
RESIDENTIAL

IAN'S RENTAL MARKET OVERVIEW



"The rental market faces a chronic imbalance of supply and demand that has led to a surge in rents. The stock of homes for rent remains almost half the average compared to the last 5 years. The average letting agent has just 8 homes available to rent - half that of the Summers 2017-2019. The flow of new homes to rent is running 7% below the long-term average, as renters stay put to avoid rent increases. At the same time, private landlords continue to sell homes to rationalise their portfolios in the face of tax and regulatory change.

It's becoming increasingly tough out there...

Rents are rising quickly across all parts of the UK, ranging from 7.6% in the North East to almost 18% in London. While the annual growth rate has accelerated in the last year, it is starting to plateau.

In London, the rental growth pace is simply not sustainable. Current growth figures reflect the rents rebounding off a low base, after 10% fall during lockdowns. Average rents in London are currently 7.8% higher than before the pandemic, compared to the UK-wide average of nearly 13%.

Another important trend is rental growth in urban areas across England (10.5%) - which is outpacing that of rural markets (8.5%) as strong employment growth drives demand in cities.

Higher levels of new-build supply concentrated around city centres is also becoming more appealing to renters looking for smaller homes with lower running costs.

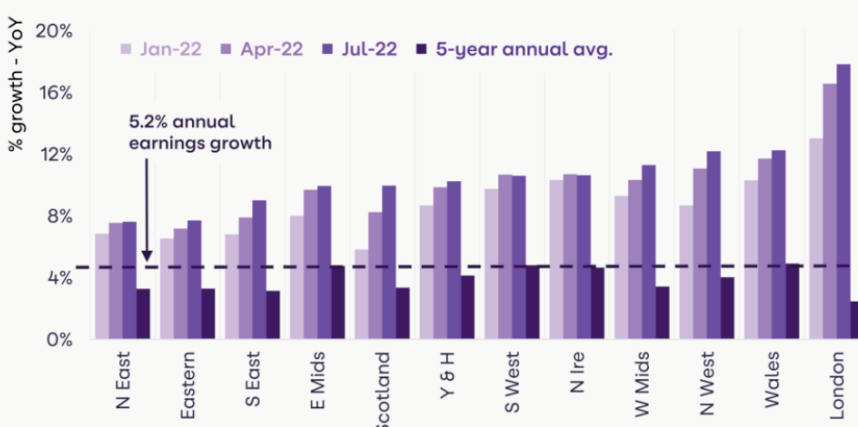
Bringing matters to Epsom & Ashted, we are noticing a 11% (approximate) monthly rental increase across the market. While the pace of rent increases is starting to plateau, the question remains: How much higher can rents go? This depends on how much headroom renters have to pay higher rents when they move home. And this can vary drastically, given the private rental market caters to a wide range of households on low and high incomes.

Consideration also needs to be taken for the additional pressures of increases in utility charges and the cost of living generally.

Renewal contracts are also up, in that tenants are deciding to stay/renew their existing tenancy and negotiate their RPI (rental price index) increase on their rent, rather than go to market and search for a new property, where the rent could be as much as 20% over their current."

*Sources Zoopla Rental Report

Rents have surged ahead but pace of growth starting to flatten out



As the local letting specialists, allow us to help guide you through this unprecedented maze. We have vested interest in looking after you today and tomorrow. Our company has high level of repeated business, showing our worth and value.



Rental market at an all time high!

Buy-to-let tougher standards

The demand for rental properties is at an all time high particularly against a backdrop of low availability. As an example, we recently had over 10 viewings on a two-bedroom flat in Epsom - in just one day. It then went for over the asking price that very same day!

One thing we have seen recently, that is more prevalent than ever; is that more and more tenants are prepared to pay a higher rent, if their property is 'Managed' by an ARLA registered professional agent with a dedicated Property Management team. This is because they can be sure that repairs and maintenance will be done quickly, where they may have found a Landlord less responsive. Some Landlords also fear the future challenges with pressures on tenants salaries and so opt for our Platinum Management service which includes Rent and Legal protection free of charge.

You need to work with a letting agent that truly understands the local area and risk.

As many as 71% of landlords in the UK still own rental properties with an energy performance certificate (EPC) rating of D or below, according to a study by Shawbrook.

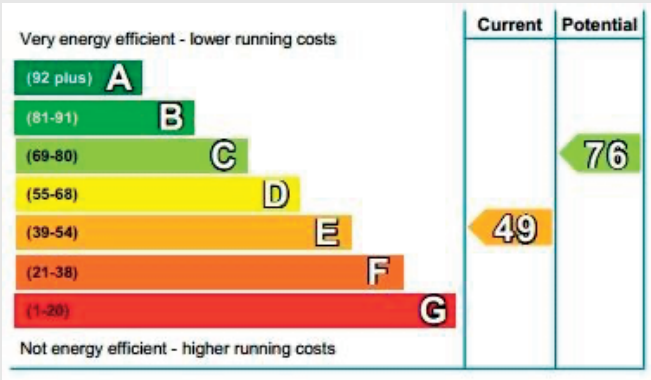
The research suggests that many are at risk of failing to comply with new regulations proposed for April 2025 that will require newly rented properties in England and Wales to have a minimum EPC rating of C. Existing tenancies will have until 2028 to comply.

The Shawbrook study also found that a quarter of landlords' portfolios contain properties that already meet the C rating, while almost four in ten (38%) only have properties that are rated D or below. Some 79% of landlords with an active mortgage have at least one property rated D or below, the finance company found.

The Shawbrook study follows recently released figures from the Office of National Statistics which revealed that as of March 2022, the median energy efficiency rating for private rental homes in England and Wales fell within band D.

Even more 5 star reviews!

Reviews are incredibly important to us at Direct Residential. We strive to give you the best customer service so that you know you can trust us to have your best interests at heart. This is shown as we have recieved over 350 reviews with an average rating of 4.9 over AllAgents and Google reviews.



Tasha



Direct Residential are always super helpful! Whenever I have had an issue at my property, Nick has made sure it's been resolved the same day in an efficient and professional manner. Grateful for their services and happy with them as agents!

Joseph



Fantastic company to use for lettings. The knowledge and communication throughout from Ian and the team has been superb. I was guided through every step of the process with ease, and it was a pleasure to work with them. Highly recommend A+

Jackie



Our experience was amazing - Christie was professional, on the ball & a great support. She understood our requirements and matched us to the perfect rental very quickly. Being new on the UK rental market - she made it a smooth process.