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HML Lettings

YOUR PROPERTY.
OUR PRIORITY.

LETTINGS AND
PROPERTY MANAGEMENT
EXPERTS



HML Lettings Newsletter Q1 2024

Welcome to the second edition of our HML Lettings Newsletter! We are delighted to bring you the latest updates, insights, and trends in the property rentals sector. Whether you are a seasoned Landlord or a first-time Tenant, this newsletter is designed to keep you informed and provide valuable industry insights. In this edition you will find information on the Renters (Reform) Bill, and expert advice from our Team.

Thank you for choosing us as your trusted partner in the world of lettings.



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Meet the HML Lettings Team

Romford Office



LINDA COLE

Linda comes with 20 years' experience in financial services. Linda joined HML Lettings and has worked in the sector for over 14 years, bringing with her a wealth of knowledge. She has an excellent understanding of the local markets and customer service is at the heart of everything that she stands for. Linda has built a specialist team around her and together they provide an unrivalled level of service to tenants, landlords and investors alike.

Property Management



SHARON REED

Sharon joined HML Lettings in 2012 having previously worked in a number of different sectors including financial services, trade associations promoting the services of the City of London overseas, and property development. Sharon retains strong relations with both clients and tenants, ensuring smooth property management for the team and high quality customer service. The team pride themselves in providing a professional service with the highest standards and Sharon is pleased to be part of that team.



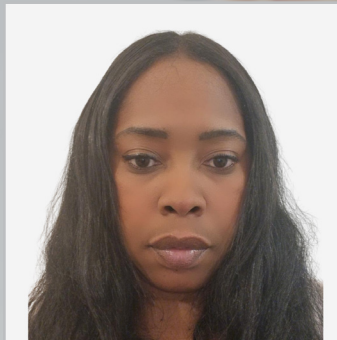
NINA PRICE

Nina joined HML Lettings In 2017 having had a varied career prior, which included property management, hospitality, along with owning and managing her own small portfolio of rental properties. Nina works closely with the clients, ensuring their specific requirements are met, as well as liaising with tenants, suppliers and contractors. Nina really enjoys being part of a team that pride themselves on excellent personal service, often resulting in new landlords coming onboard via referrals.



SAMANTHA IVERNEY

Samantha joined HML in 2015 originally as a Property Management Assistant for the Romford Block Management Team. In 2022, she transferred to the HML Lettings Team. Samantha has over 10 years' experience in the property industry and is qualified to an Associate Level at IRPM and ARLA PropertyMark, and Member Level at CIH. She has also completed a course at Level 3 in Housing and Property Management. Samantha's career started in the lettings sector and she is proud to be back working in the industry that she loves and working with an amazing team.



VIRGINIA BARTLEY

Virginia has worked in the property industry for over 20 years, from serviced offices, commercial property management and now residential lettings for the past 7 years. Residential lettings has been by far the most rewarding sector to work within, helping families find a home to reside in and then managing the property to ensure tenants are happy and comfortable is very satisfying.

Accounts



ANNIKA PATEL

Annika joined HML in 2016 as Head of Accounts Operations for block management and moved to HML Lettings in 2018 to Lead the Accounts Team. Annika has worked in the property industry for 16 years with invaluable and extensive experience acquired in the financial/accounts sector, and with a deep knowledge of the property sector. Annika oversees all finance related operations and produces and analyses financial information to assist with company decisions. Annika and her team work hard to support both tenants and landlords to ensure the smooth running of their accounts.



LUCY WARD

Lucy came to HML as part of a business acquisition in 2019 and has worked in the property sector for over 17 years. Lucy has worked with both block management and lettings and has a rounded knowledge of the property market and legislation. Lucy is AAT Qualified and works as part of a team, processing the daily accounting functions, supporting the property managers, and reporting to clients.



RESIDENTIAL LETTINGS

Industry Overview



Average rents and change in rents



Average rent
£1,268

Following a small drop in November, average UK rents fell further in December, suggesting a slowdown in the UK's rental market.



Change monthly
-0.9%

A 0.9% fall in December is the greatest monthly fall since October 2020.

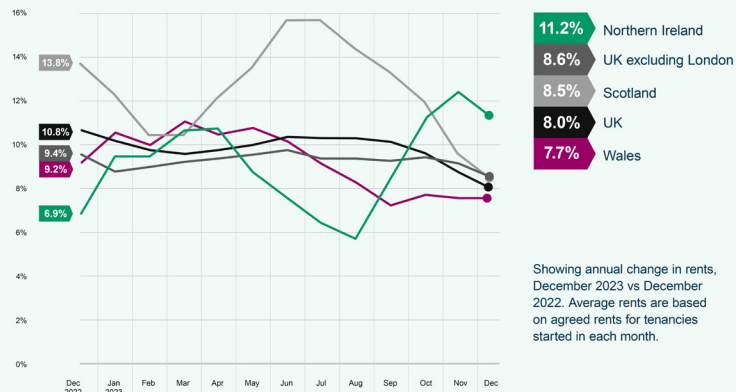


Change annual
+8.0%

Overall rents grew by 8% over the whole of 2023, slightly below the 10.8% rise seen in 2022.

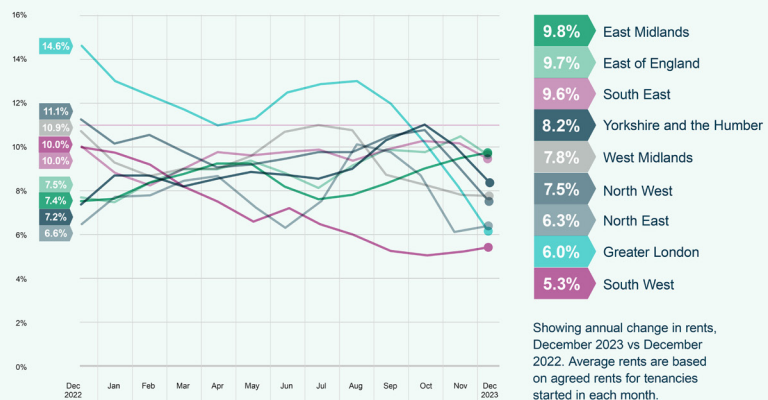
UK and home nations

Annual change December 2022 to December 2023

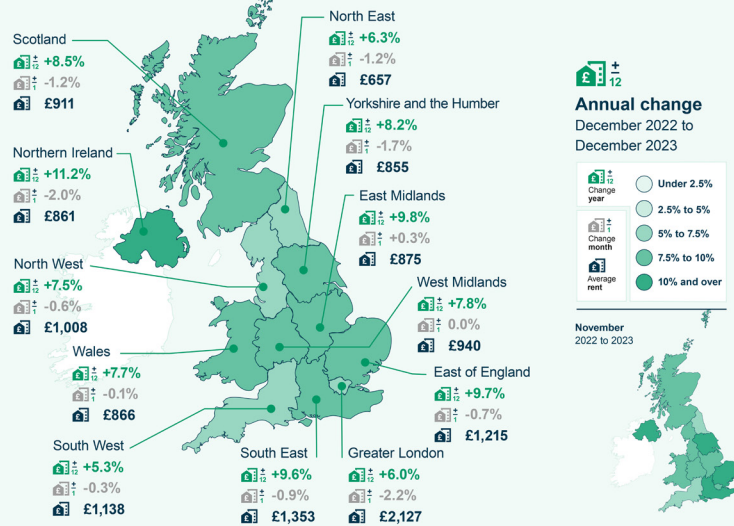


England by region

Annual change December 2022 to December 2023

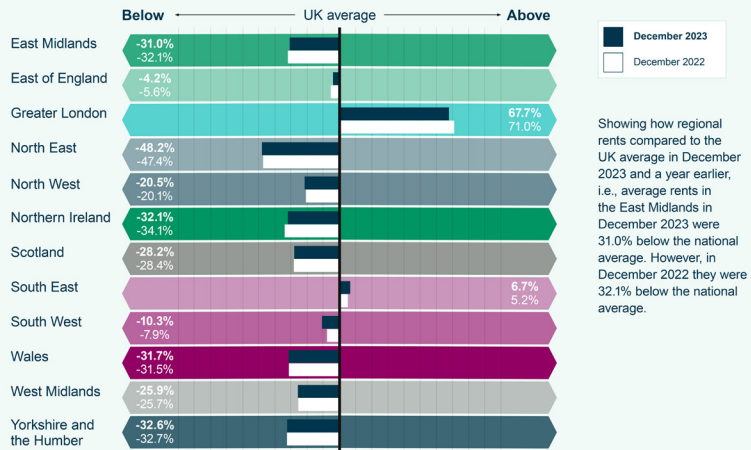


Regional snapshot



Regional discount / premium to UK average

Comparison with UK average December 2022 to December 2023



London focus



Average rent

£2,127

Average rents fell by 2.2% in London in December, the greatest monthly fall since October 2020.



Change annual

+6.0%

The drop in the last couple of months resulted in an annual growth in rents of 6%, less than half the 14.6% growth seen in 2022.



Strongest performer

+14.8%

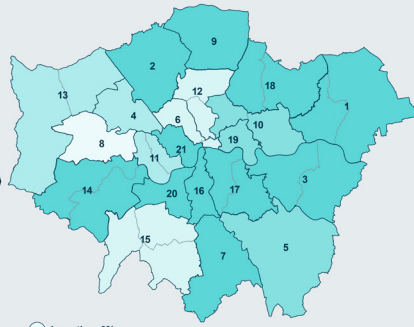
Lambeth

Rents rose in all except one area of London in 2023, although just three London areas saw double-digit growth over the year as a whole.

By borough



Annual change December 2022 to December 2023



Aggregations of London Boroughs are based on the NUTS2 statistical classification model.

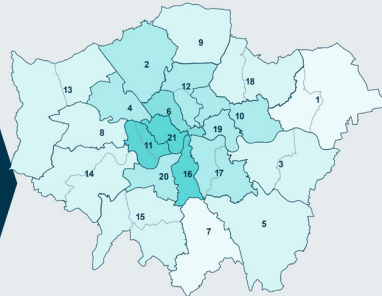


| | Annual change | Average rent |
|----|---------------|--------------|
| 1 | 14.1% | £1,728 |
| 2 | 6.4% | £2,009 |
| 3 | 6.8% | £1,780 |
| 4 | 3.5% | £2,021 |
| 5 | 4.1% | £1,821 |
| 6 | 0.1% | £2,423 |
| 7 | 7.2% | £1,435 |
| 8 | -1.2% | £1,912 |
| 9 | 6.3% | £1,849 |
| 10 | 4.9% | £2,007 |
| 11 | 3.5% | £2,619 |
| 12 | 1.4% | £2,094 |
| 13 | 2.6% | £1,666 |
| 14 | 7.4% | £1,840 |
| 15 | 1.9% | £1,784 |
| 16 | 14.8% | £2,772 |
| 17 | 8.9% | £2,169 |
| 18 | 6.6% | £1,671 |
| 19 | 4.3% | £2,223 |
| 20 | 6.5% | £2,429 |
| 21 | 11.9% | £3,727 |

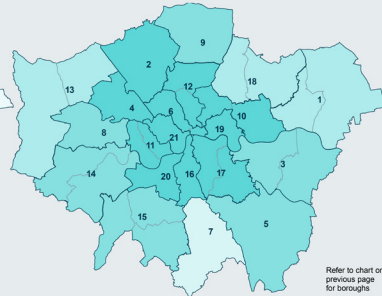
Five-year snapshot



Average rent December 2018



Average rent December 2023



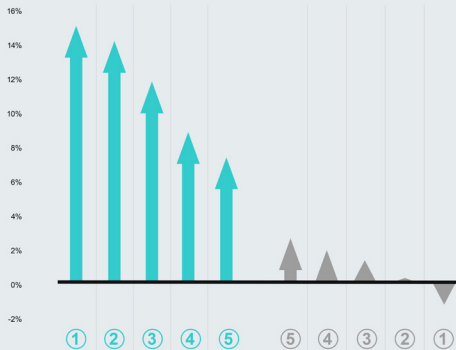
Refer to chart on previous page for boroughs

5 Greatest change over five years **+52.5%** **Westminster**

Strongest and weakest performers



Strongest December 2023



Based on annual change to December 2023



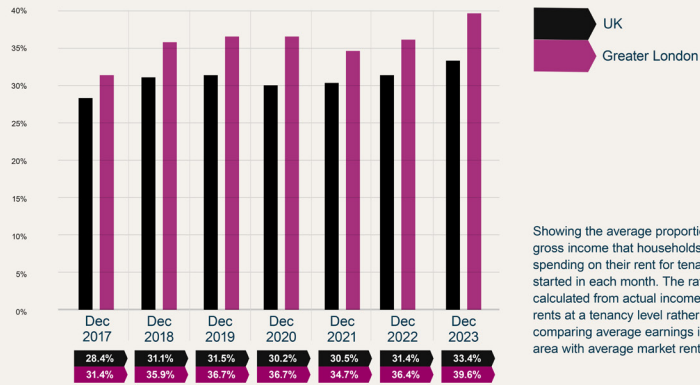
Weakest December 2023

| | | |
|---|--------|---|
| 1 | +14.8% | Lambeth |
| 2 | +14.1% | Barking, Dagenham and Havering |
| 3 | +11.9% | Westminster |
| 4 | +8.9% | Lewisham and Southwark |
| 5 | +7.4% | Hounslow and Richmond upon Thames |
| 5 | +2.6% | Harrow and Hillingdon |
| 4 | +1.9% | Merton, Kingston upon Thames and Sutton |
| 3 | +1.4% | Haringey and Islington |
| 2 | +0.1% | Camden, City of London |
| 1 | -1.2% | Ealing |

UK and London

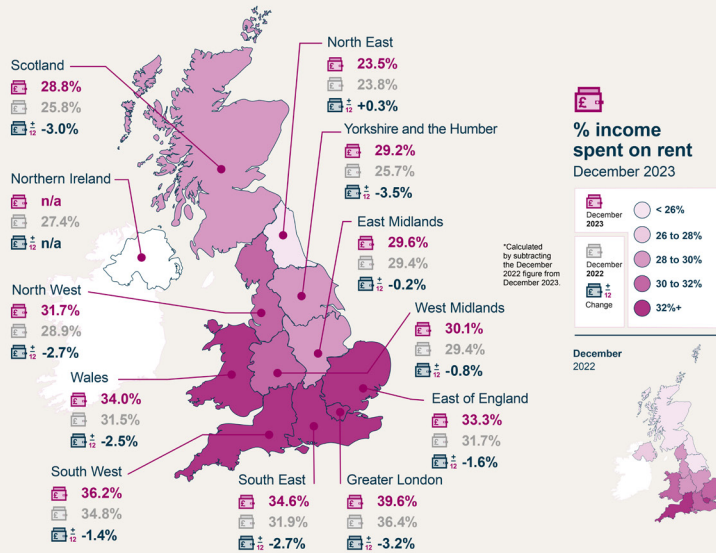
£ 7
RR

Affordability over time December 2017 to December 2023

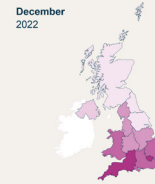
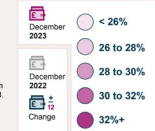


Showing the average proportion of gross income that households are spending on their rent for tenancies started in each month. The ratio is calculated from actual incomes and rents at a tenancy level rather than comparing average earnings in an area with average market rents.

Regional snapshot



% income spent on rent December 2023



East Midlands



Median tenant gross income*

£26,981

£30,613



Predominant age group

20–29

20–29



Average % tenant income spent on rent

29.6%

33.4%



Predominant rental band

£750–£1000

£750–£1000 per month

Key
Shows regional average
Shows UK average

Delving deeper into the data we are able to provide tenant demographic and market profiling at a local level. Each month, we provide a snapshot of the profile of tenants across different UK regions based on data for the last 12 months. This month's focus is on East Midlands
*Excludes below £10k and over £500k



RESPONSES TO THE RENTERS (REFORM) BILL

The Renters (Reform) Bill, announced in May 2023, is set to shake up the sector. The following chapter outlines views from agents and landlords in England only.

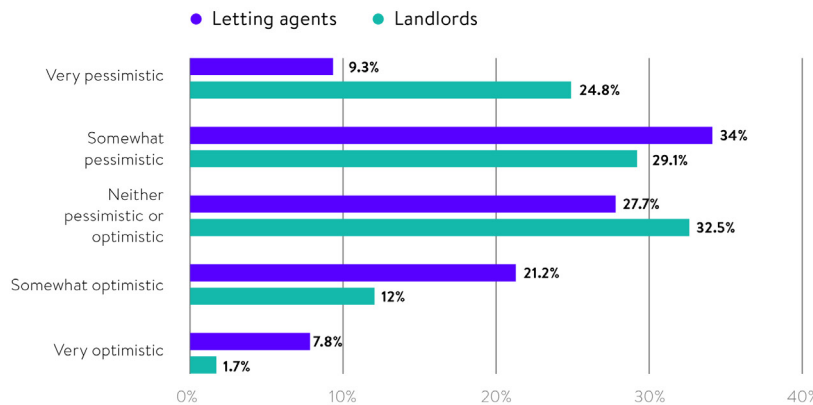
What's the reaction to the Renters (Reform) Bill?

Although the Renters (Reform) Bill has been long anticipated, it was only in May 2023 that it was formally introduced to parliament.

GENERAL SENTIMENT >

Sentiment is mixed across the board, with landlords swaying neutral (33%) or pessimistic (54%) - with a larger proportion being "very" pessimistic. Letting agents are also pessimistic, though 29% believe the changes to be positive.

How do you feel about the proposed regulation in the Renters (Reform) Bill?



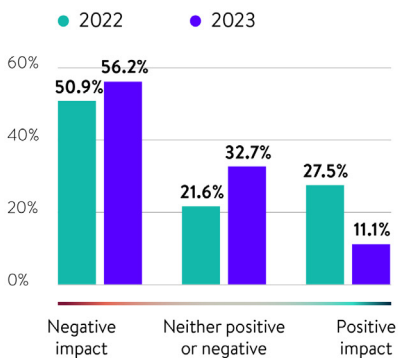
Is the abolition of section 21 still a concern?

The abolition of section 21 - "no fault" - evictions was the most contentious proposal in Goodlord and Vouch's 2022 report.

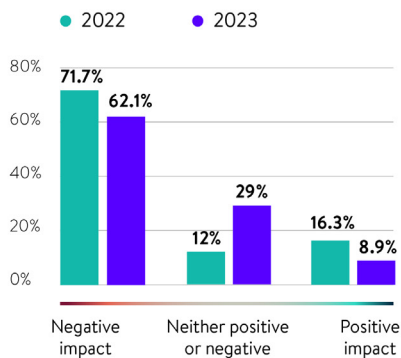
GENERAL SENTIMENT >

In 2023, sentiment still continues to skew negative regarding the abolition of section 21.

Letting agents' view of abolition of section 21



Landlords' view of abolition of section 21



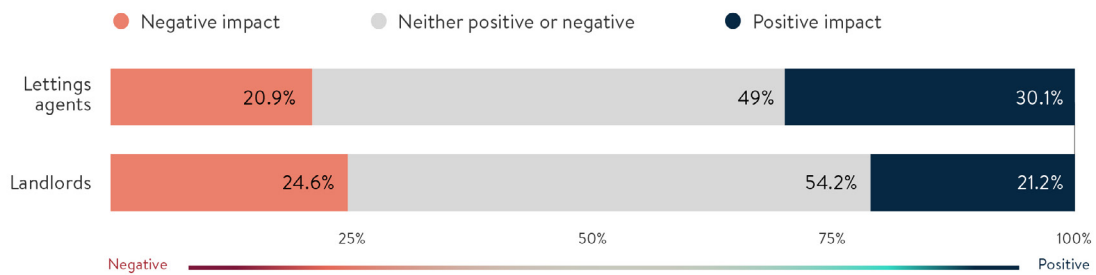
What's the view of new rolling tenancies and the strengthening of section 8?

Under the Renters (Reform) Bill, fixed-term tenancies will come to an end in favour of rolling, periodic contracts.

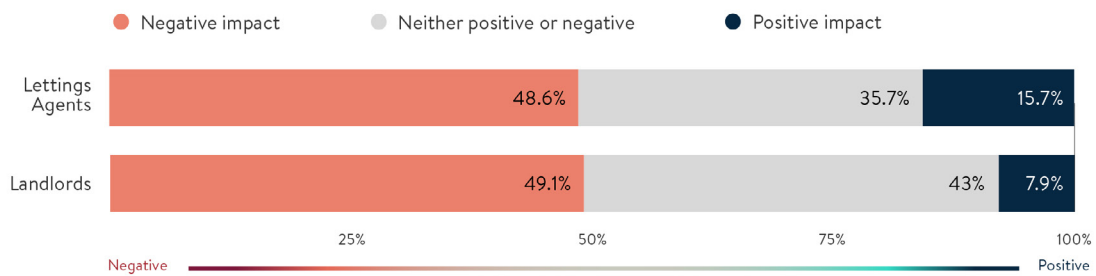
GENERAL SENTIMENT >

The introduction of new grounds under section 8 received broadly mixed feedback, with around half of letting agents and landlords believing that it would have neither a positive or negative impact on the sector.

↳ The introduction of new grounds under section 8



↳ The impact of rolling contracts



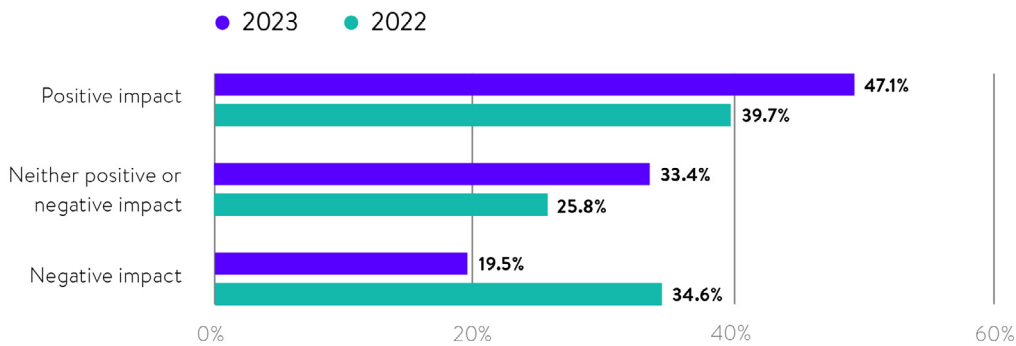
What are the views on the new rules for pets in lets?

The idea of giving more freedom to tenants to have a pet in their property was first proposed in 2022. However, the Renters (Reform) Bill added further caveats that tenants must be financially accountable in the case of damages.

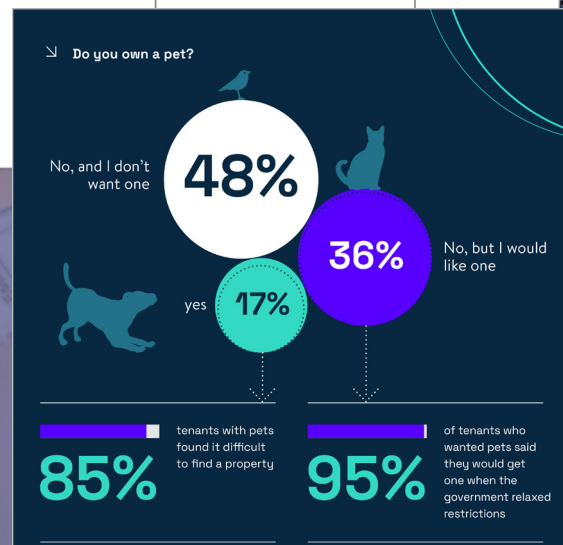
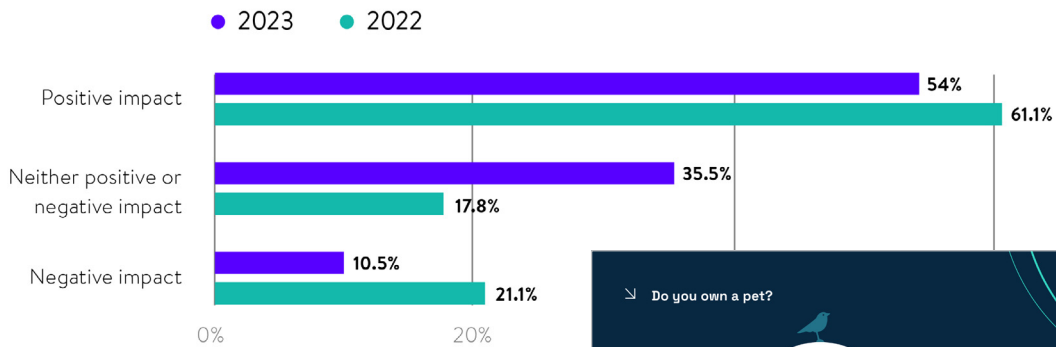
GENERAL SENTIMENT >

Letting agents are becoming more positive around legislation on pets in lets. However, landlords remain undecided - while tenants' views on pets are mixed (see next page).

Letting agents' views on the impact of pets in lets: 2022 vs. 2023



Landlords' views on the impact of pets in lets: 2022 vs 2023



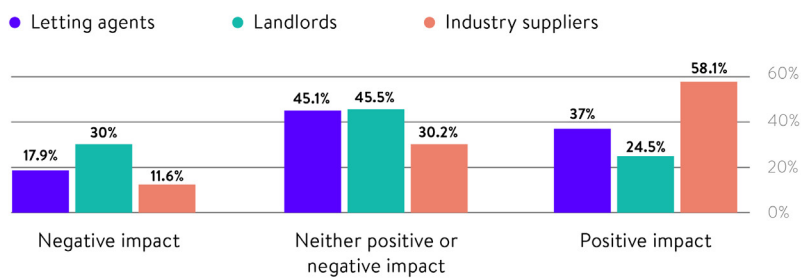
How does the sector feel about the new proposed property portal?

The government aims to launch a new property portal under the Renters (Reform) Bill, which will be a central and digital overview of landlords and their properties in England.

GENERAL SENTIMENT >

Opinions on the property portal swayed relatively neutral. Industry suppliers (e.g. solicitors, build-to-rent suppliers, rental technology specialists) were significantly more in favour of the portal than landlords and letting agents.

View on the property portal



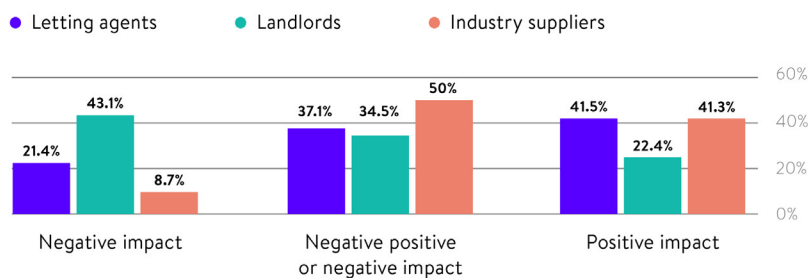
What's the reaction to the proposed ombudsman?

The Renters (Reform) Bill outlines the government's plans to introduce a new ombudsman that all landlords must join - regardless of whether they use a letting agent.

GENERAL SENTIMENT >

Landlords have the strongest negative views of the introduction of the ombudsman, with 43% believing it would have a negative impact on the sector, and 22% believing it would have a positive impact. Conversely, 42% of letting agents and 41% of industry suppliers believe that it would have a positive impact.

Views on the ombudsman





Tips for Landlords



Building effective partnerships is fundamental towards improving business outcomes and for sustainable development. In today's fast-paced environment, partnerships drive collaborative innovation that delivers services and solutions that help our customers.

We work in collaboration with third party companies, such as Homelet, so that we can support our customers in an ever evolving leaseholders market.

- Homelet - a leading supplier of specialist products and services for the private rented sector.
[Link - Tips for Landlords | Landlord Lowdown | HomeLet](#)
- Alexander Bonhill - insurance broker, providing property insurance
[Link - Alexander Bonhill](#)
- Shaw & Company - building surveying services
[Link - Shaw & Company](#)

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