HML LETTINGS

HML Lettings Newsletter

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LETTINGS AND
PROPERTY MANAGEMENT
EXPERTS

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HML Lettings Newsletter

2025

Welcome to the latest edition of our HML Lettings Newsletter! Whether you are an experienced Landlord or a first-time Tenant, this newsletter is intended to keep you updated with the latest insights and trends in the property rentals sector.

This edition includes information on the 2024 private landlord survey, energy efficiency, the implications of the Renters' Rights Bill, and the latest developments in the property industry.

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

The Property Ombudsman

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MEET THE
MANAGEMENT TEAM

PAUL JARDINE
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SENIOR LETTINGS MANAGER

MICHAEL GOODWIN
SENIOR LETTINGS MANAGER

ANNIKA PATEL
HEAD OF LETTINGS ACCOUNTING

RESIDENTIAL LETTINGS

INDUSTRY OVERVIEW

Average rents and change in rents

Average rent (UK)

£1,307

Average rents across the UK fell in November to £1,307 per month.

Change monthly

-1.5%

The monthly fall of 1.5% was the largest since October 2017 with falls reported in 9 out of 12 UK regions.

Average rent (UK excl. London)

£1,110

Outside of London, average rents fell 0.8% in November to £1,110, which is 4.1% higher than a year ago.

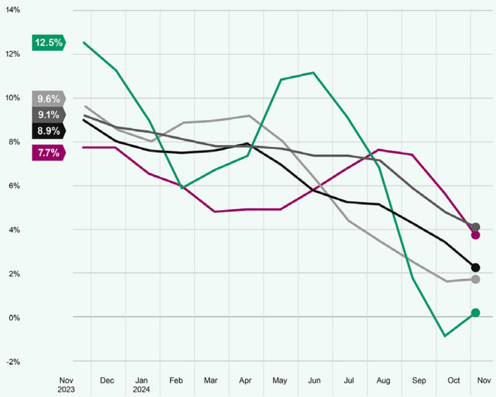
Change annual

+2.2%

As a result, on an annual basis, rents are rising at their slowest rate since October 2020.

UK and home nations

Annual change November 2023 to November 2024

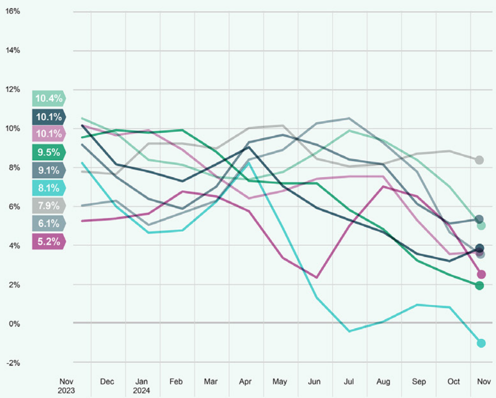


4.1%	UK excluding London
3.6%	Wales
2.2%	UK
1.7%	Scotland
0.2%	Northern Ireland

Showing annual change in rents, November 2024 vs November 2023. Average rents are based on agreed rents for tenancies started in each month.

England by region

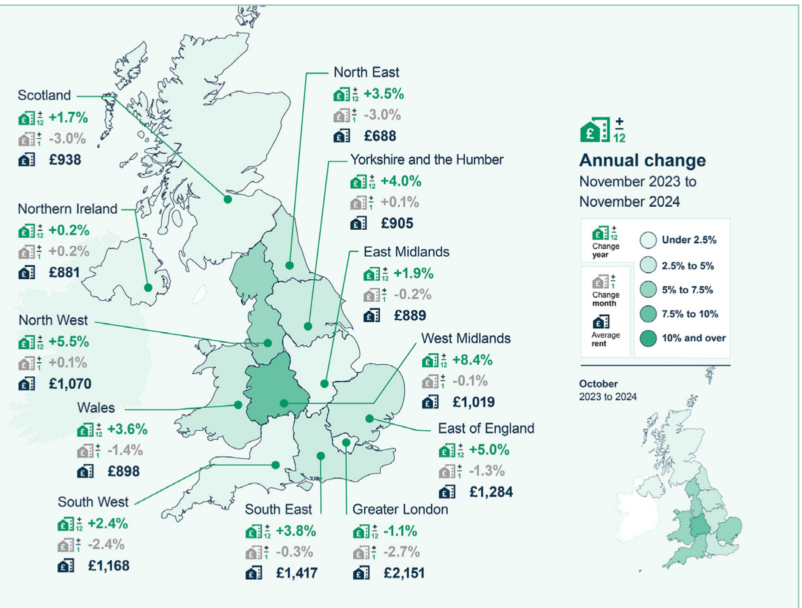
Annual change November 2023 to November 2024



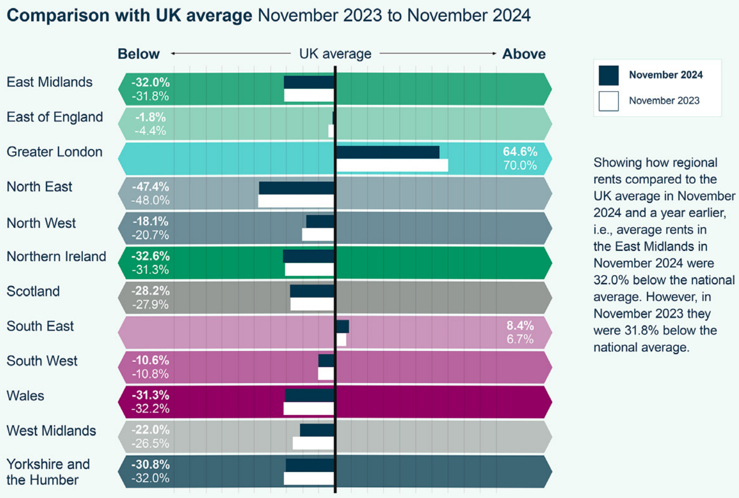
8.4%	West Midlands
5.5%	North West
5.0%	East of England
4.0%	Yorkshire and the Humber
3.8%	South East
3.5%	North East
2.4%	South West
1.9%	East Midlands
-1.1%	Greater London

Showing annual change in rents, November 2024 vs November 2023. Average rents are based on agreed rents for tenancies started in each month.

Regional snapshot



Regional discount / premium to UK average



Showing how regional rents compared to the UK average in November 2024 and a year earlier, i.e., average rents in the East Midlands in November 2024 were 32.0% below the national average. However, in November 2023 they were 31.8% below the national average.

London focus

Average rent

£2,151

Average rents in London fell by 2.7% in November to £2,151 per month.

Change annual

-1.1%

As a result, rents are now lower than they were a year ago, the only UK region to report an annual fall in rents.

Strongest performer

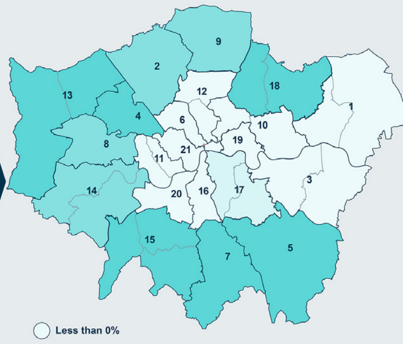
+16.4%

Harrow and Hillingdon

Average rents fell in 19 out of 21 London areas in November.

By borough

Annual change November 2023 to November 2024



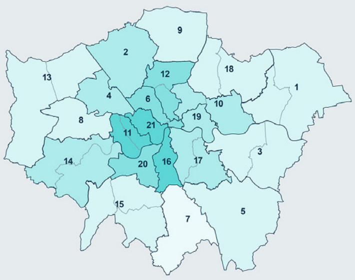
- Less than 0%
- 0% to 2%
- 2% to 4%
- 4% to 6%
- 6% and over

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

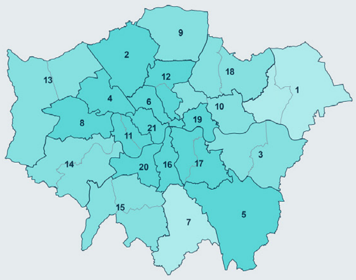
		Annual change	Average rent
1	Barking, Dagenham and Havering	-3.4%	£1,666
2	Barnet	+5.2%	£2,175
3	Bexley and Greenwich	-0.2%	£1,767
4	Brent	+10.3%	£2,276
5	Bromley	+14.3%	£2,095
6	Camden, City of London	-8.1%	£2,379
7	Croydon	+9.2%	£1,550
8	Ealing	+5.6%	£2,100
9	Enfield	+4.9%	£1,960
10	Hackney and Newham	-2.7%	£1,971
11	Hammersmith, Fulham, Kensington and Chelsea	-3.4%	£2,645
12	Haringey and Islington	-0.3%	£2,152
13	Harrow and Hillingdon	+16.4%	£1,934
14	Hounslow and Richmond	+5.0%	£1,960
15	Merton, Kingston upon Thames and Sutton	+9.5%	£1,997
16	Lambeth	-6.8%	£2,741
17	Lewisham and Southwark	+0.1%	£2,201
18	Redbridge and Waltham Forest	+7.6%	£1,795
19	Tower Hamlets	-4.9%	£2,231
20	Wandsworth	-11.3%	£2,234
21	Westminster	-11.2%	£3,302

Five-year snapshot

Average rent November 2019



Average rent November 2024

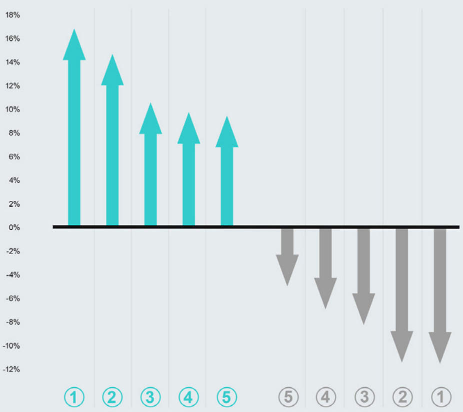


- Less than £1,250
- £1,250 to £1,500
- £1,500 to £1,750
- £1,750 to £2,000
- Over £2,000

5 YR Greatest change over five years **+45.0%** **Bromley**

Strongest and weakest performers

Strongest November 2024 / Weakest November 2024



1 +16.4% Harrow and Hillingdon
2 +14.3% Bromley
3 +10.3% Brent
4 +9.5% Merton, Kingston upon Thames and Sutton
5 +9.2% Croydon

5 -4.9% Tower Hamlets
4 -6.8% Lambeth
3 -8.1% Camden, City of London
2 -11.2% Westminster
1 -11.3% Wandsworth

Based on annual change to November 2024

Affordability

% income spent on rent

32.7%

A slowdown in rental growth has resulted in a slight improvement in affordability across the UK.

Change annual*

+0.4%

Renters spend 32.7% of their income on their rent in November which is slightly lower than in October and improved from 33.2% in November 2023.

*Calculated by subtracting the November 2024 figure from November 2023. A negative figure reflects worsening affordability.

Greatest change

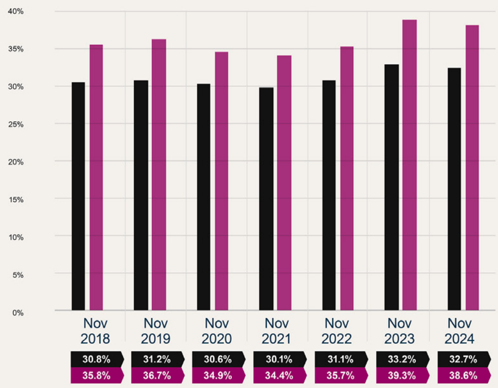
-10.9%

North East

Affordability has improved most in the last year in the South West and Scotland.

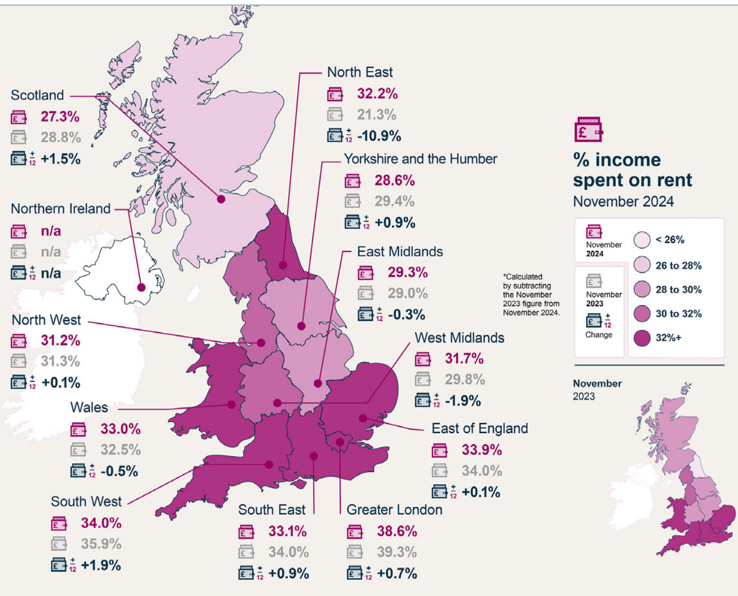
UK and London

Affordability over time November 2018 to November 2024



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



Median tenant gross income*

£26,400

£30,000

Predominant age group

20–29

20–29

Average % tenant income spent on rent

29.3%

32.7%

Predominant rental band

£750–£1,000

£750–£1,000 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

Distance moved last 12 months

Key
Shows regional average
Shows UK average

Miles

	Up to 1	1 to 2	2 to 5	5 to 10	10 to 25	25 to 50	50 to 100	100 to 200	Over 200	Overseas
Regional average	29%	13%	17%	10%	10%	5%	7%	5%	1%	3%
UK average	26%	13%	18%	11%	9%	5%	5%	5%	2%	6%

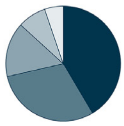
Profile of properties let Last 12 months

Number of bedrooms

	Flats 0	Flats 1	Flats 2	Flats 3+	Houses 1–2	Houses 3+
Regional average	5%	13%	12%	3%	28%	39%
UK average	6%	20%	22%	8%	16%	28%

Age breakdown Last 12 months

Tenants age



- 42% Under 29
- 30% 30 to 39
- 15% 40 to 49
- 8% 50 to 59
- 5% 60+

LETTINGS

LATEST NEWS

ENGLISH PRIVATE LANDLORD SURVEY SHEDS LIGHT ON PRS CHALLENGES

The English Private Landlord Survey 2024, published by the Ministry for Housing, Communities and Local Government (MHCLG), provides a detailed picture of the private rented sector (PRS) in England, capturing the state of play for landlords and tenants alike. This vital report sheds light on the evolving dynamics of a sector that houses nearly one in five households across England with new costs squeezing landlords and increases in diversity noted across age, gender and ethnicity since 2021.

A SECTOR DOMINATED BY INDIVIDUAL LANDLORDS

94% of the sector is made up of small portfolios, with nearly half of landlords owning just one property, and a further 39% owning two to four properties. This reflects a sector largely shaped by smaller-scale investors rather than institutional or large-scale operators.

The findings suggest that for most landlords, property investment remains a secondary source of income or a long-term strategy for financial stability, such as retirement planning. However, the report also hints at the vulnerabilities these landlords face amidst ongoing regulatory changes and economic pressures.

In the report, particular attention is given to the diversity of single property landlords in regard to both age and gender; 43% of single property landlords were aged 55 or younger and 50% of individual landlords were identified as female, an increase of 6% since 2021.

MOST TENANTS' ARE HAPPY, BUT CHALLENGES REMAIN

A key takeaway from the survey is that 82% of private renters expressed satisfaction with their current accommodation. This high level of satisfaction suggests that the PRS is meeting the needs of many households, offering flexibility and a range of housing options.

Despite this, issues with housing quality persist. Private renters are significantly more likely to experience issues such as damp and disrepair compared to those in other housing tenures. This disparity highlights the need for continued focus on improving property standards within the sector, particularly in light of increasing scrutiny on housing conditions.

Source: Propertymark

This sentiment has been echoed through our position paper on the case for regulation which outlines measures that should be taken to enhance sector credibility such as introducing a code of practice, amending outdated acts such as The Estate Agents Act 1979 and introducing minimum operating requirements.

LANDLORDS ADAPTING TO A CHANGING LANDSCAPE

Legislative changes, such as the reduction of tax relief for mortgage interest and the introduction of energy efficiency requirements, have increased operational costs for many landlords. As a result, some are reconsidering their portfolios, with a portion indicating they plan to sell properties in the near future.

Responses given by landlords in the report were consistent with Propertymark's understanding that increasing costs drive landlords to increase rents, with 30% of those asked stating that mortgage costs, lender requirements or other non-mortgage costs were the reasons for the increase.

Propertymark continues to work hard to equip agents for the changes, whilst ensuring that Government's understand that a mass landlord exodus will be difficult to undo.

Source: Propertymark

PROPOSED OVERHAUL OF ENERGY PERFORMANCE CERTIFICATES WILL IMPACT THE ENTIRE PROPERTY SECTOR

The UK Government has unveiled plans to reform the Energy Performance of Buildings (EPB) framework in England and Wales, with sweeping changes to the way Energy Performance Certificates (EPCs) are structured, used, and valued. Both commercial and residential agents, landlords, and property owners will need to renew their EPCs more often, and some exemptions, for example for heritage properties, may no longer apply.

Propertymark's report, Making UK Property Energy Efficient, found that in their current form EPCs have little influence on consumer behaviour and are failing to encourage efficiency improvements and reduce the amount of energy used by buildings. Possibly the most significant flaw is that EPCs take the cost of energy into account when determining the energy performance of a property. As electricity is more expensive than gas, the transition from a gas boiler to a heat pump can result in a worsening of the EPC score.

Energy Efficiency

The UK housing stock is amongst the least energy efficient in Europe and the Committee on Climate Change says that energy use in homes accounts for about 14 per cent of UK greenhouse gas emissions. Non-domestic buildings account for around one-third of UK emissions from the building stock.

A SHIFT TO COMPREHENSIVE METRICS

One of the most significant changes involves the introduction of multiple metrics on EPCs to provide a more rounded view of a building's energy performance. The current single-metric approach—Energy Efficiency Ratings (EER) for domestic properties and Environmental Impact Ratings (EIR) for non-domestic properties—has been criticised for its limitations.

Under the new proposals, domestic EPCs would include four headline metrics:

- Fabric performance - evaluating thermal efficiency
- Heating system - the energy efficiency and environmental impact
- Smart readiness - gauging potential for smart technology integration
- Energy cost - providing financial insights.

Source: Propertymark

Additional metrics, such as carbon emissions and overall energy use, would serve as secondary information. These changes aim to give a clearer, more user-friendly overview of energy performance, making it easier for homeowners, tenants, and buyers to make informed decisions.

CHANGES FOR HOMEOWNERS AND LANDLORDS

The reforms propose reducing the validity period of EPCs, currently 10 years, to somewhere between 2 and 7 years. While existing certificates will remain valid until their expiry, new ones will need to be renewed more frequently, leading to higher costs for property owners.

For homeowners, a key change would require properties to have a valid EPC before being marketed for sale or rent, removing the current 28-day grace period.

For landlords, additional proposals include requiring new EPCs even during an ongoing tenancy when the existing one expires and extending EPC requirements to short-term rental properties and individual rooms in Houses in Multiple Occupation.

Exemptions for heritage buildings could also be removed, although existing protections under Minimum Energy Efficiency Standards (MEES) would still apply.

Source: Propertymark

IMPACTS ON PROPERTY VALUE AND MORTGAGES

Energy efficiency is becoming a critical factor in property valuation and mortgage eligibility. Homes with high EPC ratings (A or B) are expected to see increased desirability and value, while properties with low ratings (F or G) may face reduced appeal and selling difficulties.

Mortgage lenders are also aligning their products with energy performance. For instance, Halifax offers better loan terms for energy-efficient properties, while penalising those with poor ratings. This trend may further motivate property owners to invest in energy efficiency upgrades.

IMPLICATIONS FOR NON-DOMESTIC PROPERTIES

Non-domestic buildings are not exempt from these reforms. The UK Government is reviewing EPC metrics for these properties, with carbon emissions likely to remain the primary headline metric.

Additional proposals include:

- Shortening validity periods for Display Energy Certificates (DECs).
- Enhancing data transparency and management by making EPC data more accessible and reliable.
- Strengthening compliance measures, such as increasing penalties for violations and simplifying Air Conditioning Inspection Reports (ACIRs).

PREPARING FOR THE FUTURE

Although these reforms are still under consultation, their impact is expected to be significant. Property owners and sector professionals should begin planning energy efficiency improvements to adapt to the forthcoming changes, which promise benefits such as lower energy bills, enhanced comfort, and a reduced environmental footprint.

The UK Government aims to introduce updated EPC metrics in the second half of 2026, alongside the Home Energy Model for domestic properties, with a consultation on this model planned for 2025. For non-domestic buildings, changes will align with updates to the National Calculation Methodology. These reforms are expected to influence regulatory targets, grant eligibility, and investment planning for retrofits, transitioning the housing market toward greater energy consciousness.

Source: Propertymark

GOVERNMENT SAYS RENTERS RIGHTS BILL COULD FORCE LANDLORDS TO INCREASE RENTS

The government has at long last stated the obvious that the Renters' Rights Bill may force landlords to increase rents to offset the costs of additional regulations but nevertheless it contends that landlords with long-term tenants are less likely to implement rent hikes.

The Bill will immediately abolish Section 21 instead of waiting for the Court backlog to be resolved and will extend Awaab's Law to the private rented sector.

In its impact assessment of the Renters' Rights Bill, the government acknowledges that some landlords might exit the private rented sector if they are unable to recoup the additional costs imposed by the new regulations. The impact assessment says: "It is likely that landlords will pass through some costs of new policies to tenants in the form of higher rents – to offset those costs and maintain a degree of profit."

"Landlords will likely offset some of the costs of the regulation through rental price growth – though there is a chance that some may be inclined to leave the private rented sector if they are unable to recover some of the costs incurred through raising rents." Despite this, the same impact assessment estimates the annual cost for landlords at just £12 per rented property and states that only a small number of landlords will leave the market.

In response to the Telegraph, the Ministry of Housing, Communities, and Local Government stated that landlords with long-term tenants are less likely to increase rents. A Ministry of Housing, Communities and Local Government spokesperson told The Telegraph: "The evidence shows that landlords value good tenants – and are therefore less likely to raise rents for sitting tenants."

"Landlords will also only be able to raise the rent once a year using the existing section 13 process and our reforms will empower tenants to challenge an unfair rent increase at the first-tier tribunal." Feeling pressured by escalating costs, numerous landlords believe they must raise rents to cover these additional expenses.

According to a mortgage lending platform 42% of landlord with portfolios of 4-10 properties intend to increase rents to cover rising interest rates and operational costs. In the property industry, it is generally deemed best practice to adjust rents annually to keep pace with inflation in line with current market rates.

Source: Pims

GOVERNMENT CALLED TO GET RID OF RIGHT TO RENT POLICY FROM RENTERS' BILL

The rental activist group Generation Rent is demanding for a new amendment to the Renters' Rights Bill that would scrap the Right to Rent scheme.

Currently, landlords or their agents are legally mandated by the government to verify the immigration status of tenants to make sure they have the 'Right to Rent' in England. This requirement stems from the provisions laid out in the Immigration Acts of 2014 and 2016.

Despite the stipulation that landlords and agents should not make assumptions about who has the right to rent, Generation Rent points out that previous government research revealed that 25% of landlords were unwilling to rent to non-British passport holders, even if they were legally eligible to rent in the country.

According to Generation Rent's research, in 2022, over 40% of migrant private renters faced difficulties in securing accommodation due to their migrant status, and in its latest summer survey of landlords revealed that 24% of them felt unable to rent to individuals without UK passports. In the same study, 56% of landlords who were hesitant to rent to non-UK passport holders was because the 'threat' of civil penalties under the Right to Rent policy.

According to an immigration service 85% of tenants reported receiving no response when they inquired about a new home and requested that the landlord or letting agent perform an online Right to Rent check.

Generation Rent says: "The Renters' Reform Bill is a huge opportunity to reform and rebuild private renting for all. However, for it to be a successful Bill, it must reach those in most need of change. That is marginalised renters – especially those who are from migrant and minority ethnic communities – facing the sharpest end of the housing and rental crisis.

"For the Renters' Rights Bill to reach through to marginalised communities it must end the Right to Rent policy.

"This discriminatory policy restricts the number of safe and secure homes available to migrant peoples and minority ethnic communities and forces many to choose between enduring poor quality and even dangerous living conditions and homelessness."

The government stated it has no intention of scrapping the Right to Rent.

Source: Pims

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

Source: Guide to the Renters' Rights Bill - GOV.UK

SHARE YOUR FEEDBACK, WIN £50!

Your feedback is incredibly important to us, and we would love to hear your thoughts.

Email lettings@hmlgroup.com to leave your feedback and stand a chance to win a £50 M&S or Amazon voucher!

Your opinions will not only help us enhance your reading experience but also enter you into our random draw for this reward.

RECEIVE £250 FOR EVERY SUCCESSFUL REFERRAL!

When you refer a new client to the HML Lettings team and they choose to let and manage their property with us, you will receive a £250 reward.

HOW DOES IT WORK?

1. Do you know someone considering letting their property?
2. Introduce them to the HML Lettings team.
3. Ensure they mention your name during their initial consultation.
4. Once they let and manage their property through HML Lettings, you will receive the £250 reward.

This referral scheme offers a hassle-free way to champion HML Lettings' services while also enjoying a handsome reward for your efforts!

HML LETTINGS

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