

2016
2017

TENANT SENTIMENT RESEARCH REPORT



KNIGHT KNOX

THE UNIQUE
PROPERTY CONSULTANCY

15

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INTRODUCTION

The UK rental market is big business. There are almost six million rental households in the country and the total value of the sector has been estimated to be approximately £1.29tr. These numbers are only going to rise given that the UK sees an annual shortfall of approximately 60,000 new build properties.

More and more people are entering the private rental market every year, much to the interest of property investors. But what do the tenants themselves think of all this?

Late in 2016, Knight Knox surveyed 2,000 UK renters, covering all demographics, with the aim of getting

an overall picture of the rental market from a tenants' perspective. As the UK becomes home to an ever-greater number of renters, the sentiments of the people who live the tenant lifestyle will become even more important than they already are for those looking to understand the industry.



60.7%

ARE
CONTENT
WITH
RENTING
IN THE UK

SUMMARY OF THE MAIN FINDINGS

The main findings from the survey can be summarised as follows:

- 60.7% of respondents are content with renting in the UK
- 23.5% of respondents are currently saving for a mortgage deposit
- 52% of respondents rent because they cannot afford a mortgage deposit
- The average monthly rent is £583, including London
- The average salary of respondents is £18,522
- The average respondents has lived in four rental properties

Clearly, renting is a long-term lifestyle for a significant proportion of respondents, and fewer than expected are unhappy about this state of affairs. With more than 60% of respondents content with renting, and fewer than a quarter actively saving for a deposit, it is clear that the shift to a society where renting long-term is seen as more commonplace and legitimate is underway.

In this report we will delve a little deeper into the numbers and look at what these figures can really tell us about tenant sentiment in the UK today.

THE RENTING LIFESTYLE

Renting has become the long-term lifestyle for a significant number of people thanks to the unaffordability of becoming a homeowner. 52% of respondents said that the main reason they rent is because they simply cannot afford a deposit for their first home, and this number rises to almost 60% among 25-34 year olds.

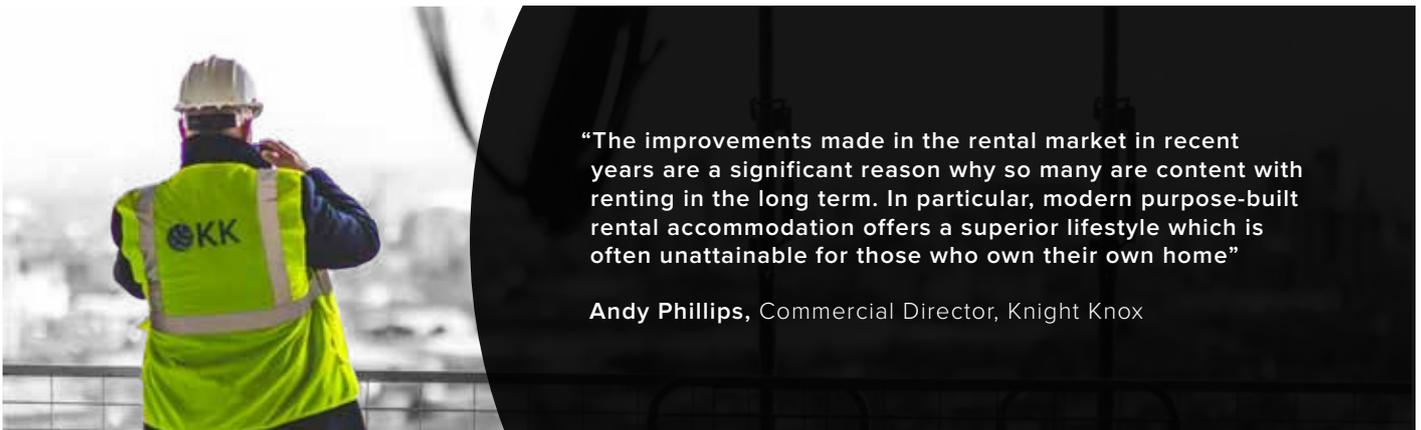
The average rent paid by the 2,000 respondents is £583 per month, or just under £7,000 per annum. When the average income of the respondents is taken into account - £18,522 per year – it becomes apparent that the average person is spending 47% of their after-tax earnings

on rent. There are regional variations to consider - rent in London is much higher, for instance - but overall it is clear that renting is a serious financial concern for people in the Private Rented Sector (PRS).

However, there are many in the PRS who rent because they prefer the lifestyle. There is something to be said for not being tied down to a mortgage for decades and instead having the capability to move around at short notice. It may be no surprise that 40% of 18-25 year olds are planning to rent long-term because it suits their lifestyle, whether that includes attending university or moving to a city far from home.

52%

CAN'T AFFORD A DEPOSIT IN THE UK



“The improvements made in the rental market in recent years are a significant reason why so many are content with renting in the long term. In particular, modern purpose-built rental accommodation offers a superior lifestyle which is often unattainable for those who own their own home”

Andy Phillips, Commercial Director, Knight Knox

WHAT ARE TENANTS LOOKING FOR?

When renting a new property, tenants will tend to look for a small number of very important things which landlords should bear in mind when considering a buy-to-let investment. Here is what our 2,000 respondents consider to be the most important:



LOCATION

75% of respondents consider location to be a vital consideration



AFFORDABILITY

67% of respondents see value for money as important



TRANSPORT

Good local transport is important for 25% of the respondents



AMENITIES

14.5% of respondents look at the local amenities before renting

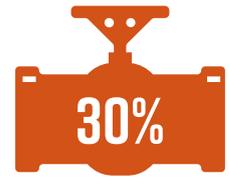
RELATIONSHIP WITH LANDLORDS

The average renter has lived in four rental properties over their life, which means they have rented from multiple landlords for significant amounts of time. However despite that, almost a third of the 2,000 respondents in our survey had never met their landlord. This distance perhaps contributes to some of the main issues tenants have with their rental homes.

A quarter of respondents reported that their biggest frustration with landlords was the sometimes lengthy response time for maintenance issues. This is obviously a big issue at the moment and it will surely become even more of one in the future. It is forecast that there will be more than 7.2 million rented households in the UK by 2025, many of whom will be living in rental properties long-term, and it is unlikely to bode well for landlords or letting agents who do not look after their tenants.



Issues with the boiler are a major concern for many renters



Plumbing problems are the most common maintenance issue

Almost another quarter of respondents (23%) stated that their biggest issue with renting long term was letting agent administration fees which added yet more cost into the whole process. This is another issue which will clearly become even more apparent as more and more people move into the private rental sector. Indeed, it is already such a common complaint that the Government has made public its plans to abolish letting agent fees in the near future in order to reduce the financial burden on renters.

Whatever the future holds for the Private Rented Sector, it is clear that the most successful landlords and letting agents will be the ones who cultivate good relationships with tenants and provide the best service. The market is only going to get more competitive, and the best tenants will seek out the best landlords.

“Having a strong relationship with your tenant is very important, whether this is a personal relationship or through a trusted letting agent. A good dialogue ensures that problems with the tenancy or maintenance are dealt with early and that your property is looked after by the tenant”

Martin Adams, Lettings Manager, Intus Lettings



WHO ARE INTUS LETTINGS?

Intus Lettings is a nationwide letting agent based in Manchester which offers a seamless and professional service to both landlords and tenants. No matter your query, the Intus team can draw on a wealth of industry experience to help.

Email info@intuslettings.com for more information today.



KNIGHT KNOX

Knight Knox is a specialist property investment consultancy, offering services from the very beginning of a property’s lifecycle all the way through to the eventual disposal of the investment. We are heavily involved in every stage of each development we bring to market, from sourcing the land and planning the scheme to marketing and selling the development on the private investor market, through to the resale of the apartment on the owners’ behalf.

In addition to playing an active part in the development of each of our projects, Knight Knox has a vested interest in catering for the needs of our investors too. We offer mortgage advice through Knight Knox Mortgage Solutions, lettings and management services through Intus Lettings, and dedicated resales websites—Intus Residential and Student Podshop—to help investors dispose of their surplus investments.

Knight Knox is so much more than a sales and marketing company - with more than 10 years’ industry experience has allowed Knight Knox to grow organically into an investment property consultancy, with experts in all areas of the investment property market on-hand to provide a unique end-to-end service to fulfil all the needs and requirements of property investors

As well as our market-leading reputation in the UK, Knight Knox has an international presence—we work closely with property experts in specialist markets as far as Asia and the Middle East, creating lasting partnerships with agents all over the world through our comprehensive Agents Network.

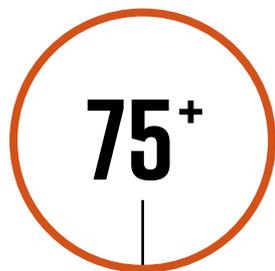
Furthermore, our team of experienced Property Consultants attend property exhibitions and investor seminars in the UK and overseas, providing our investors with the opportunity to meet with a member of the team face-to-face, wherever their country of residence. Our investment opportunities attract clients from all over the world, which reiterates the quality of the products and services we provide.

Whether you are a portfolio buyer or a first-time investor, you can rest assured that Knight Knox has something to suit all budgets and requirements.

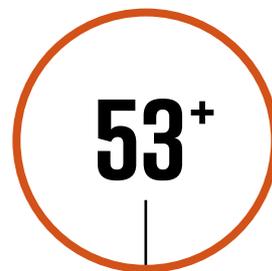
For further information call **+44(0)161 772 1370** or visit **www.knightknox.com**

TRACK RECORD

Discover Knight Knox’s impressive portfolio of UK buy-to-let property investments. With more than 50 completed and tenanted developments, Knight Knox is a market leading investment property developer.



Total number of all UK developments launched



Completed and tenanted developments



Total value of all UK projects launched

OTHER RESOURCES

Knight Knox publishes a range of investment guides and in depth market analysis in order to keep investors informed.

Please email info@knightknox.com to receive these free documents.



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