

2018  
2019

# TENANT SENTIMENT RESEARCH REPORT



KNIGHT KNOX

THE UNIQUE  
PROPERTY CONSULTANCY

15

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## INTRODUCTION

The Private Rented Sector (PRS) is growing quickly as homeownership continues to drop in popularity for a number of reasons. There are currently around 5.7 million households renting privately in the UK compared to 2.4 million in 2005-06, equating to an 8% rise overall. This trend is expected to continue into the future, with industry experts suggesting that a quarter of

households will be renting privately by the end of 2021.

Backing up this trend, the deposit protection provider The Dispute Service (TDS) has confirmed a jump in the number of deposits being protected in the last financial year, showing that in the 12 months to the end of March 2018 there was a 6.8% rise in protected deposits on

average across the UK, with Northern Ireland leading the way with a 13.85% increase.

With the growth of the PRS in the spotlight, Knight Knox surveyed 2,000 UK renters in Q4 2018 to find out their opinions on the private rented sector and their future as tenants.



**56%**

MORE THAN HALF OF RENTERS ARE CURRENTLY RENTING BECAUSE THEY CAN'T AFFORD A DEPOSIT, UP **4%** YEAR-ON-YEAR

## WHAT WE FOUND OUT - THE SUMMARY

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

- 56% of respondents said they rent because they can't afford a deposit
- More people would rather save for a holiday than a house deposit
- Over half of 18-24s are confident that they'll be able to afford to buy in the future
- Outdoor space is the most desired feature in a rental property, whilst affordability is the most important factor when choosing a property

Following on from last year's findings, the results have shown that the majority of renters are still tied into the PRS as a result of not being able to afford the deposit for a home of their own, with the figure up 4% on last year.

In addition the amount of people aged 45-54 who revealed they are renting due to not being able to afford a house deposit has grown by a third since 2016 according to the new data, while just under a fifth of renters over 55 believe they'll ever be able to afford to buy a property.

## AFFORDABILITY

The 2018/19 Tenant Sentiment Report has confirmed some common outlooks on the current property market, including ongoing concerns from renters over the future affordability of homeownership. Whilst it is no surprise that over half of responders (56%) cited that one of the reasons they rent is due to being unable to afford a deposit, it does highlight an on-going affordability crisis in the UK which has resulted in more people saying they would rather save for a holiday than a house deposit.

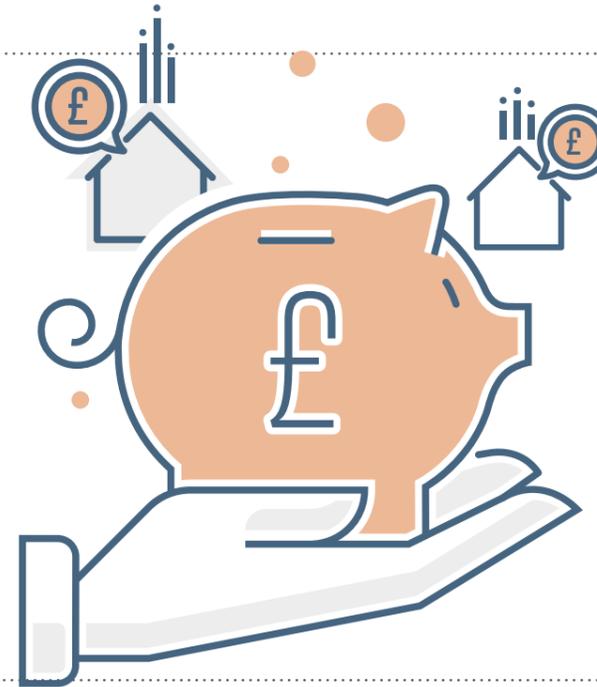
However, despite a notable number of responders stating that it would take a lottery win in order to buy a house (and one responder even saying it would take them robbing a bank!), it is encouraging to see a greater number of 18-24s feeling more positive about the future, with almost half saying they choose to rent because it suits their lifestyle. In addition, the fact that only 43% of 18-24s cited not being able to afford a deposit as a reason for renting compared to 63% of 25-34s shows greater optimism for the future.

**41%**

THE BIGGEST FACTOR WHEN LOOKING FOR A PROPERTY IS AFFORDABILITY

**62%**

MORE 18-24s SAID THEY WOULD BE LIKELY TO SAVE FOR A HOUSE DEPOSIT IN THE NEXT 10 YEARS THAN ANY OTHER AGE GROUP



**39%**

OF RESPONDENTS ADMITTED THAT THEY DON'T PUT ANY MONEY AWAY FOR A DEPOSIT



MORE PEOPLE WOULD RATHER SAVE FOR A HOLIDAY THAN A HOUSE DEPOSIT

## OPTIMISM IN 18-24s

One of the most positive indications from this year's Tenant Sentiment Report is that 18-24s appear to feel confident about home ownership and current renting situation, with 55% of respondents in this age group saying they believe they will own a property in the future, 11% higher than those aged 25-44.

a deposit, compared to 64% of 25-34s. It is important to remember that this bracket may include a number of students who are choosing to rent as it suits their lifestyle whilst studying, but nonetheless it is refreshing to hear enthusiasm about ownership in spite of a challenging market.

In addition 75% of 18-24s said they would save up their own money for

## PET FRIENDLY PADS

One of the biggest issues for long-term renters is the ability to make their house a home. When asked what features were most important in a rental property, the most common response was outdoor space (46%), followed by a car parking space (42%). Beyond this, though, there was a large group of responders who said that a pet-friendly property was the most important factor, highlighting a common qualm from renters who are unable to own a pet because of strict rules in the PRS.

The issue is so prevalent that in November 2018 a think tank for pets was formed to address the severe lack of pet-

friendly rented accommodation in the UK. A survey from SpareRoom shows that 69% of landlords will not allow pets in their properties, leading to a quarter of tenants keeping a pet despite it breaching the terms of their rental agreement.

With more and more people tied into long-term renting it is crucial that tenants are able to make their house a home, including having the basic right to own a pet. With so many responders mentioning this as a requirement of a rental property it will be interesting to see how the sector develops to meet tenants' needs.



## MAKING MEMORIES IN THE PRIVATE RENTED SECTOR

Living in rented accommodation will always have its ups and downs, but one of the great things about the UK's vast rental sector is the way it can bring people together from all walks of life, leading to people making life-long friends, or even meeting their future partner.

The odd nightmare flatmate aside, living in shared rental accommodation is sure to provide some amazing memories! With this in mind we asked what is the funniest, weirdest, or most memorable experience you've ever had with someone you've shared a property with, and this is what some people said:

<p>1</p> <p>"Four of us sharing an Indian takeaway cuddled up over one laptop for lighting in the middle of winter when we had a power outage."</p>	<p>2</p> <p>"Most memorable? I met my partner, who was then just another housemate at the time."</p>
<p>3</p> <p>"It's nice to have community spirit back. I was working on my motorbike after having problems with it – within an hour there were five local people there trying to help."</p>	<p>4</p> <p>"I threw a fruit pastille to my housemate, who was lying on the sofa on the other side of the room. Without moving, he opened his mouth and caught it. It was perfection."</p>

## KNIGHT KNOX

Knight Knox is a well-established specialist property consultancy that works end-to-end to provide high quality residential and student property across the UK. Working in joint venture with a select handful of proven partners Knight Knox provides a full circle service from sourcing land and planning developments to marketing and selling, assuring investors that they can be confident in their purchase with us.

With more than 10 years industry experience Knight Knox now operates a number of additional services including Qualis developments, Intus Lettings, yieldit, and StudentPodshop meaning that we can offer assistance and support to investors at every stage of their purchase from acquisition to management and eventual asset disposal.

With knowledge one of our core values, Knight Knox is dedicated to carrying out market research to make sure that we can always offer our clients the best advice based on current trends as well as contributing to industry data nationwide in order to better understand the property sector.

Whether you're looking to buy an investment property, manage your current portfolio, or simply find out more about property investment in the UK our team of specialist Property Consultants are happy to help.

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

## WHO ARE INTUS LETTINGS?

A nationwide lettings and management agent which provides a seamless and professional service to both landlords and tenants. The experienced Intus team operates multiple offices, managing property on behalf of landlords across the UK, and is committed to providing the best possible customer service

For further information call **+44 (0)330 134 0155** or visit **www.intuslettings.com**



"Every year the number of people entering the Private Rented Sector increases and that makes it more important than ever for landlords and lettings agents to make renting as good as it can possibly be."

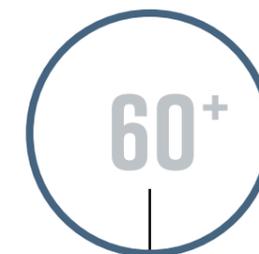
Hope McKendrick, Lettings Manager, Intus Lettings

## TRACK RECORD

Discover Knight Knox's impressive portfolio of UK buy-to-let property investments. With more than 60 completed and tenanted developments, Knight Knox is a market leading property consultancy.



Total number of all UK developments launched



Completed and tenanted developments



Total value of all UK projects launched

**Disclaimer:** Information in this document is drawn from a OnePoll survey of 2,000 UK renters on behalf of Knight Knox in 2018. All statistics are correct at the time of print and nothing contained within this document is legally binding.



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