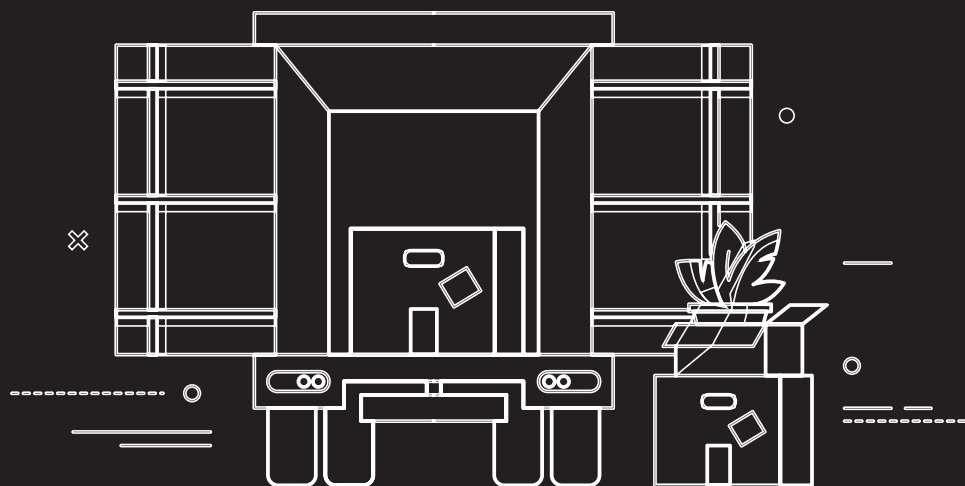


Landlord Survey, 2020

Executive Summary

6,553 Responses



Data analysis provided by

dataloft

Home Moving Trends Landlord & Tenant Surveys 2020

The Property Academy was founded in 2004 with a dual purpose – to coach estate agency professionals enabling them to maximise business value and to raise service standards in the property industry as a whole.

Our annual Home Moving Trends, Landlord and Tenant Surveys are a barometer for the industry and amongst the longest running and largest surveys undertaken. Our 2020 surveys elicited a combined total response of over 35,000, the highest level of participation in its history! With over a decade of data, we use the data gathered to provide insight to members of the Property Academy Leadership Groups and to influence the criteria we measure for the Best Estate Agent Guide analysis and awards.

Following our successful collaboration with property sector research consultancy Dataloft in 2019, we again commissioned their team of data analysts and economists for 2020. In addition to providing insight into long term changes in the market, additional questions relating to COVID-19, the Tenant Fee Ban and Stamp Duty Holiday in the 2020 survey enable us to provide great insight into their impacts on consumer behaviour. What a year it has been.

We are thrilled to be able to share findings with you at our annual leadership conference, and along with

Dataloft we extend a huge thank you and acknowledgment to all those estate agents who took part in the survey this year. As in previous years, participating agents receive a full breakdown of the questions with responses provided by their own clients compared against the national average. If you would like to find out more about the surveys and how to get involved, we'd love to hear from you!

The following pages provide a snapshot of information and insight obtained from the Property Academy's 2020 surveys. If you did not participate in the survey this year, the results of all three surveys are available to purchase at propertyacademy.co.uk/surveys for £199+VAT.

HOME MOVING TRENDS SURVEY

LANDLORD TRENDS SURVEY

TENANT TRENDS SURVEY

“
In 2020 the surveys received c.35,000 responses from homemovers, landlords and tenants”



Data analysis provided by



Landlord Trends, 2020

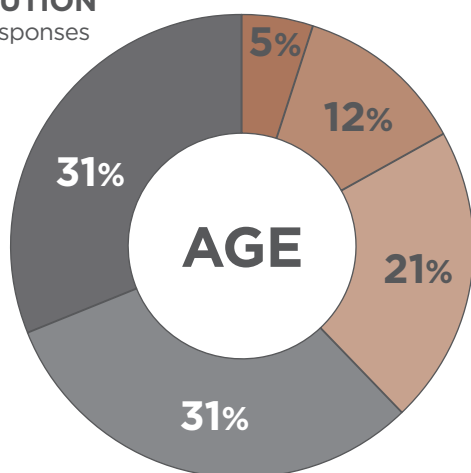
The last year has proved another momentous one for landlords. The first year since the introduction of the Tenant’s Fee Act 2019, the requirement of minimum energy efficiency ratings for all rental properties and COVID-19 In this extract we seek to answer the following questions:

- ◆ What has been the impact of COVID-19 on landlords and where and how can estate agencies add additional value?
- ◆ Has COVID-19 impacted on landlords plans for their portfolio and how might this affect your lettings strategy?
- ◆ What do landlords value most when choosing an agent, and how important is money?
- ◆ How have landlords responded to the Tenant Fee Act - what do you need to be aware of when seeking to attract their business?
- ◆ A changing world marketing and technology – an opportunity for agents to help landlords get ahead of the game?

AGE DISTRIBUTION

Distribution of responses

- up to 34
- 35-44
- 45-54
- 55-64
- 65+



Number of respondents:
6,553

Age distribution:
Skewed to over 55s

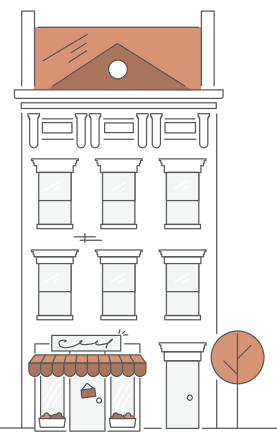
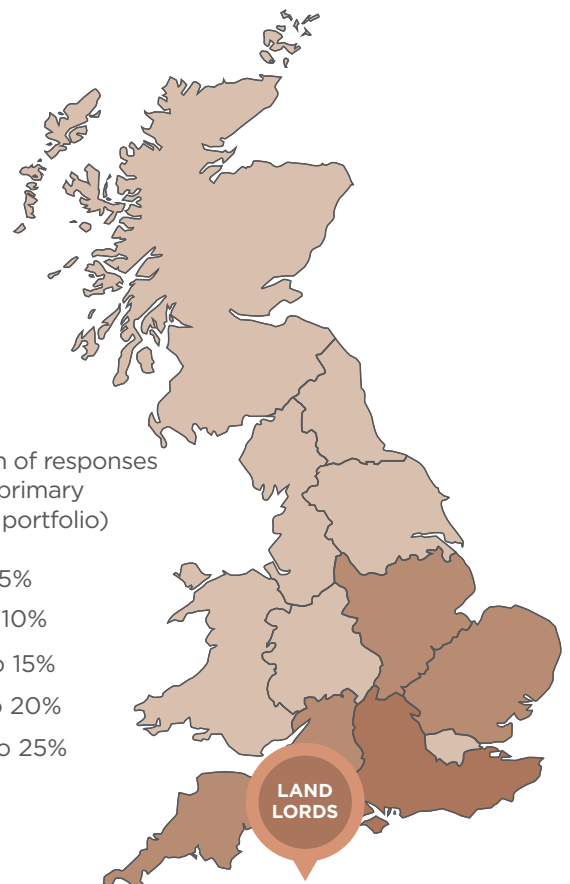
Geographical distribution:
Well balanced, some concentration in the South East

Portfolio size: 46% with one property, 25% with two and 28% with 3 or more properties

LEGEND

Distribution of responses (based on primary location of portfolio)

- up to 5%
- 5% to 10%
- 10% to 15%
- 15% to 20%
- 20% to 25%

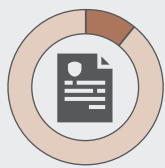


Business as usual for many landlords in first few months of COVID-19

LANDLORDS RESPONSIVE TO TENANT REQUESTS

WE ASKED:

“Have any of your tenants approached you about a rent reduction as a result of Covid-19?”

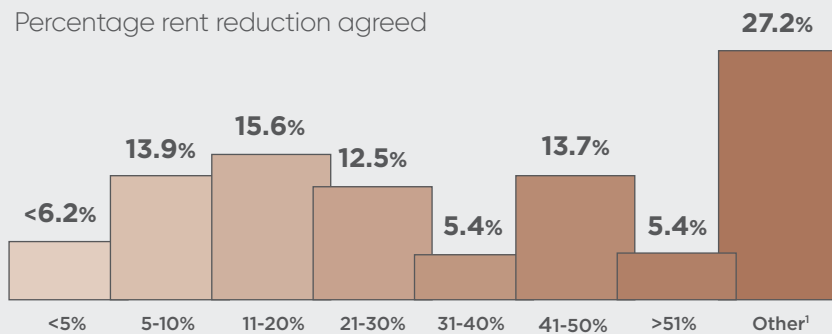


11%
OF LANDLORDS
APPROACH BY
TENANTS



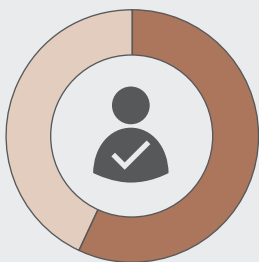
79%
APPROACHED
AGREED

Percentage rent reduction agreed

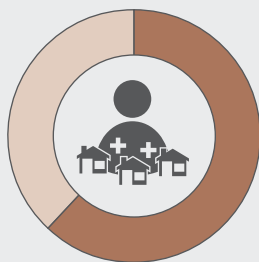


¹Agreed to waive rent for a period of time.

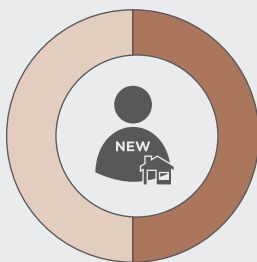
HAVE YOU PREPARED FINANCIALLY FOR A POTENTIAL SECOND WAVE OF COVID-19?



57%
ALL
LANDLORDS
PREPARED



62%
LARGER
PORTFOLIO
(over 11 properties)



50%
NEW
LANDLORDS
(1-2 years)

INSIGHT

- Just 1 in 9 landlords has, as yet, been approached by tenants seeking concessions on their rent. The majority have responded positively.
- The concessions offered have varied. Just over one third of landlords have agreed a rent reduction up to 20%, conversely nearly one in five have offered a reduction more than 40%.
- Over a quarter of responsive landlords have agreed to waive rent, over 70% for up to three months. Those with larger portfolios (+11 properties) and those with more experience (+11 years), most likely to take this approach.
- Over half (57%) of landlords state they have prepared financially for a second wave of COVID-19, newer landlords are less likely to have plans in place.

IDEAS

- Conversations with tenants may well escalate in future months as the government's furlough scheme ends in October and landlords need to weigh up their options.
- A 20% reduction in rent for 3 months equates to circa 60% of monthly rent. Over 60% of properties are VOID for over 2 weeks between tenancies, with rents agreed for new tenancies expected to decline over the coming months.

Source: Property Academy Landlord Survey 2020

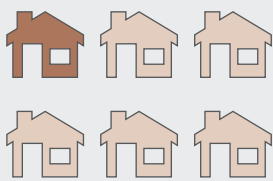
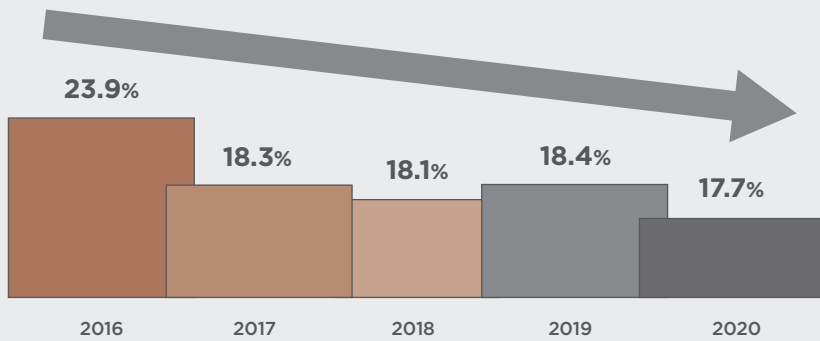
Portfolio expansion at 5 year low but stamp duty holiday has enticed some

LANDLORDS LESS LIKELY TO BE CONSIDERING EXPANSION

WE ASKED:

“ In the next 1-2 years do you see your portfolio Increasing? ”

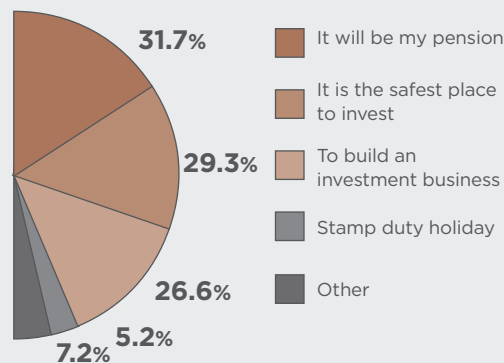
Decline in % of acquisitive landlords



1 in 6

LANDLORDS ARE CONSIDERING EXPANSION

Reason for expansion:



INSIGHT

- At 17.7% the proportion of landlords set to increase their portfolio is at its lowest level in at least five years. Back in the summer of 2016 nearly one quarter of landlords were seeking to expand.
- Nevertheless, that's still one in six who are actively looking to acquire new investment properties. With 2.66 private landlords in the UK², that translates into a potential 470,000 active buyers waiting to find the right product.
- The stamp duty holiday has prompted 5% to expand their portfolios. Until April 2021, investors can save close to £2,500 in up-front costs based on the average price of property in England and Wales, and over £14,000 on an average priced property in London³.
- The perception of property as a safe long term proposition remains the key motivation for a landlord to invest in rental income. Yields remain attractive compared to other investment options.

(²Hamptons International, ³ONS/Dataloft)

IDEAS

- Agents have an opportunity to establish deep ongoing long term client/advisor relationships with landlords. If you're not managing their portfolio, you can still stay in contact with regular updates on the market or policy/legal environment.
- Landlords see property in terms of income return and capital value. Information on yields as well as market rental and sale values is valuable.

Current investment yields



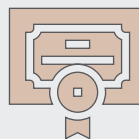
5.7% RESIDENTIAL



1.4% 5-YEAR FIXED RATE ISA



0.1% BANK OF ENGLAND UK BASE RATE

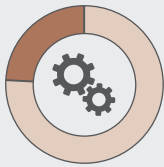


0.4% 10-YEAR BOND YIELD

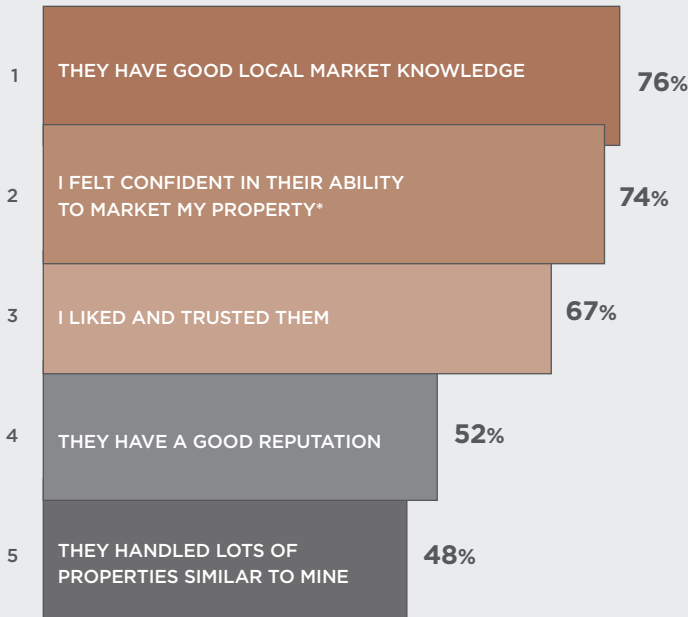
(¹Dataloft Rental Market Analytics, ONS, MHCLG, gross yield based on properties sold/tenancies started August 2019-July 2020, moneyfacts.co.uk, Bank of England)

Market knowledge trumps all else for landlords

TOP 5 ATTRIBUTES WHEN APPOINTING AN AGENT



76%
SAY MARKET KNOWLEDGE IS THE NO. 1 ATTRIBUTE WHEN APPOINTING AN AGENT



*(floorplans, photography, online)

INSIGHT

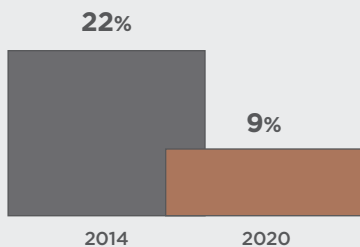
- Market knowledge is the number 1 reason for landlords to choose an agent closely followed by 'ability to market the property'.
- Likeability and trust is important but some margin behind market knowledge. In reality, market knowledge and effective marketing are liable to earn trust and probably liking too.
- Only 5% of landlords chose their agent based solely on the rental valuation, and 9% because the agent offered the lowest fee, rising to 15% of younger landlords (under 34).
- Nearly 1 in 3 landlords has changed agent over time, citing poor service as the main reason. 68% of newer landlords cite this as their reason to change.

IDEAS

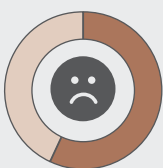
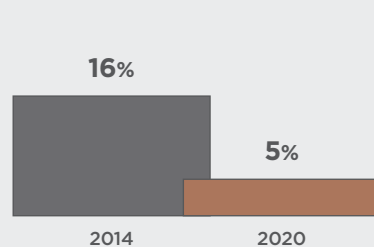
- Branded market reports made available to landlords on a regular basis are a good way to keep in touch and remind landlords of your expertise.

HIGH VALUES AND LOW FEES DO NOT WIN INSTRUCTIONS:

Landlords choosing agent for lowest fee:



Landlords choosing agent for highest rental valuation:



58%
CITE POOR SERVICE AS THE REASON FOR CHANGING AGENT

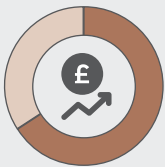
Source: Property Academy Landlord Survey 2020

Landlords absorbed costs of the tenant fee ban

LANDLORDS TAKEN THE HIT ON THE INCREASED COSTS

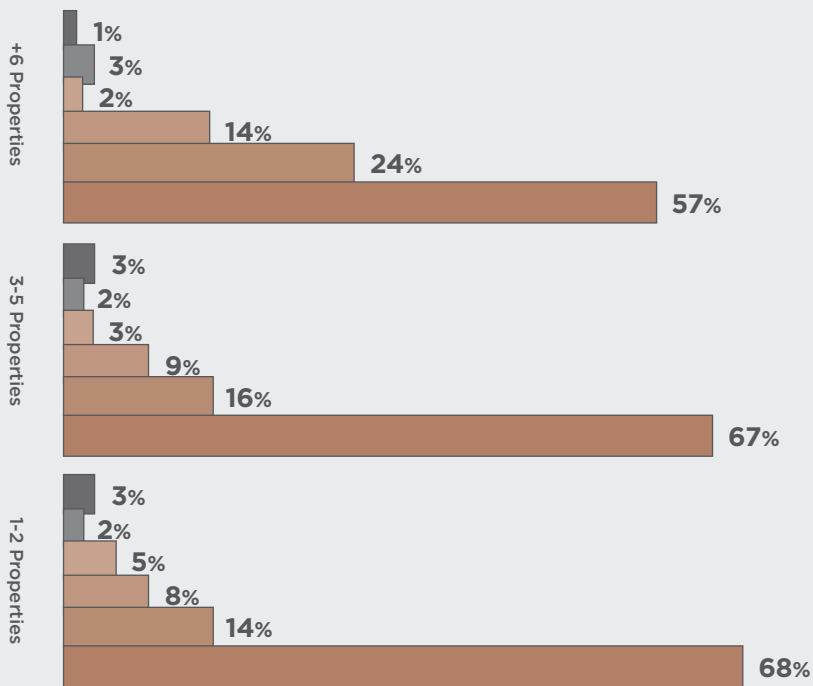
WE ASKED:

“ Since tenant fees have been banned how have you recouped the costs? ”



66%

ALL LANDLORDS TAKEN THE HIT ON THE INCREASED COSTS



Other Reduced my portfolio Northing/no change in tenant/Not applicable
Negotiated a lower agent fee Increased the rent to cover the cost Take the hit on the increased costs

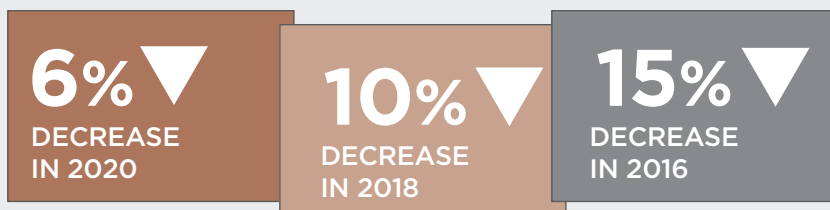
INSIGHT

- Two-thirds of agents have taken the hit on increased costs since the Tenant Fee Act came into force. 14% of landlords have raised rent and one in 10 negotiated a lower agent fee.
- A quarter (24%) of landlords with 6 or more properties have increased their rent compared to just 14% of those with small portfolios. Larger landlords have proved proactive at seeking to reduce their agency fee.
- Just 6% landlords are seeking to decrease their portfolio size over the next 2 years thanks to increased legislation. This is significantly down from previous years.

IDEAS

- Landlords have been faced with, and responded to, a plethora of legislation over the past 5 years, however despite this the rumoured demise in the buy-to-let property market is somewhat off.

Just 6% of landlords will decrease their portfolio due to the increase in landlord legislation



Source: Property Academy Landlord Survey 2020

Landlords and tenants don't always see eye to eye

WE ASKED: WHAT MATTERS MOST WHEN MARKETING A PROPERTY TO RENT?

Utilities presents the biggest gap between tenants & landlords in terms of what they see as being important.



79%
of tenants want to be told about broadband speed

57%
of landlords said it's important to mention broadband speed

87%

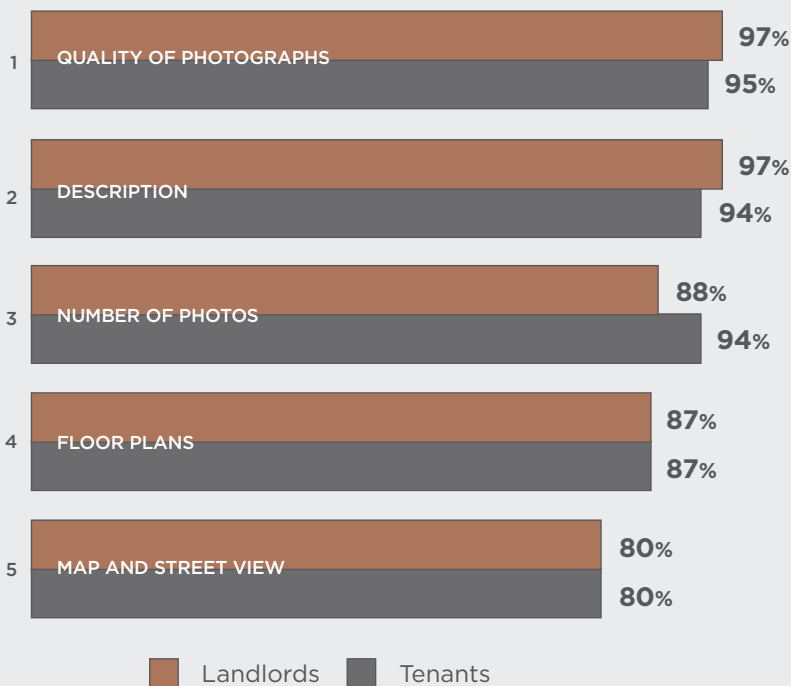
of tenants want to be told about running costs

68%

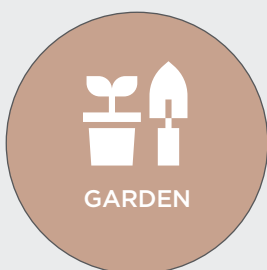
of landlords said it's important to mention running costs



The landlord's view of what matters most when marketing a property to rent – compared to what matters most to tenants.



Top 3 property attributes that have become more important to tenants after lockdown, when choosing a property...



INSIGHT

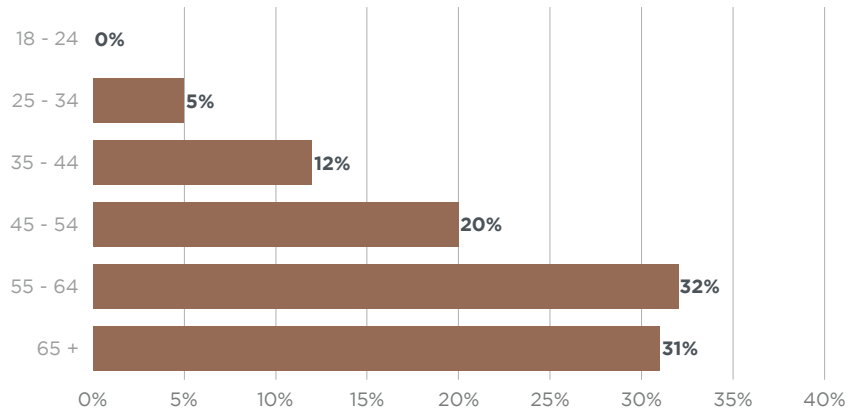
- ◆ Unsurprisingly, both landlords and tenants recognise the important role of photographs, descriptions and floor plans when marketing a property. All three were highlighted by 90% or more of respondents.
- ◆ Photographs might be amongst the oldest resources in the marketing toolbox but the quality has soared along with the potential to differentiate. In a world where physical viewings are no longer the default option, being able to communicate through imagery takes on even more significance.
- ◆ On the matter of running costs and broadband speed, there was much less alignment. Affordability is the number one factor that has risen in importance to tenants since lockdown, running costs a critical component.
- ◆ With pressures on broadband speeds in many households and blended working liable to be the norm for many, 51% of tenants aged up to 44 and 58% of those who house share or live with friends rank broadband as 'more important' in their property requirements than it was before lockdown.

IDEAS

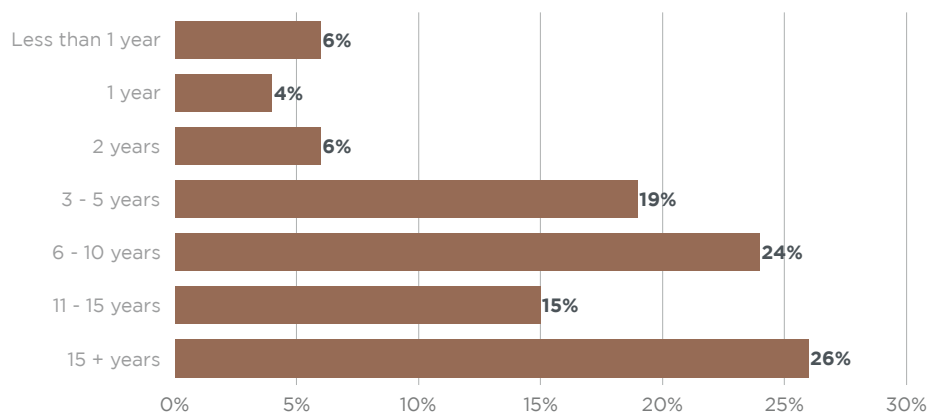
- ◆ Agents should ensure that they have the information available for landlords on internet speeds and providers operating in their area. A printed branded sheet that can be updated, or a tool on the website might be a useful feature.
- ◆ Running costs are controllable and as the advising agent, it would be helpful to have knowledge of these and be able to pinpoint areas of improvement.

Source: Property Academy Landlord Survey 2020

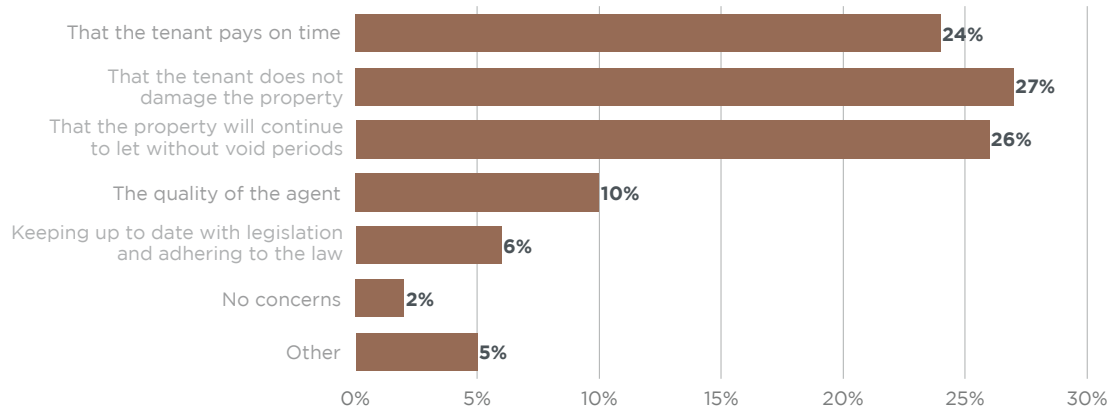
How old are you?



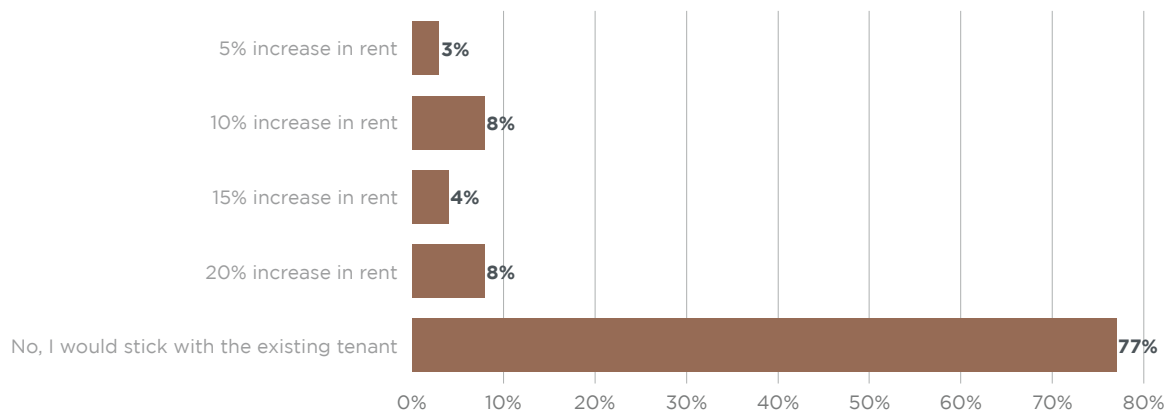
How long have you been a landlord?



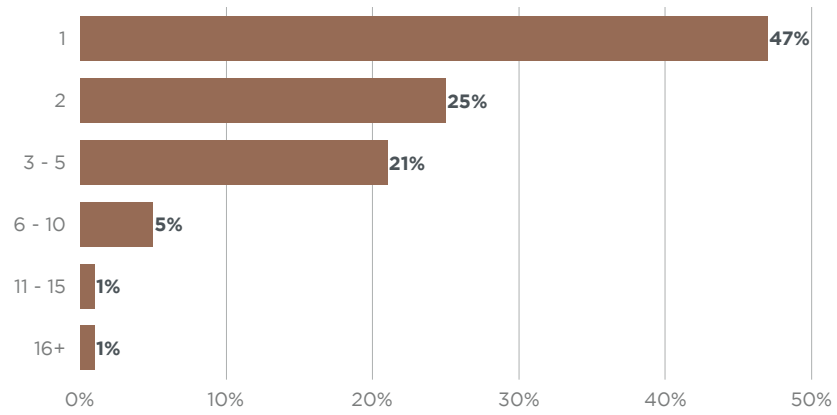
What is your primary concern as a landlord?



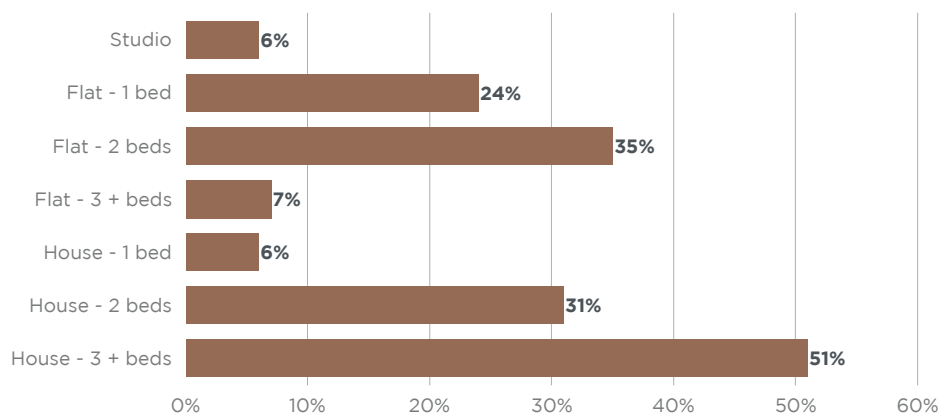
If your existing tenant has paid on time, looked after the property and now wants to renew for another 12 months at the same rent but no more, but your agent had a new tenant who would pay more, would you take the new tenant if they were offering a...



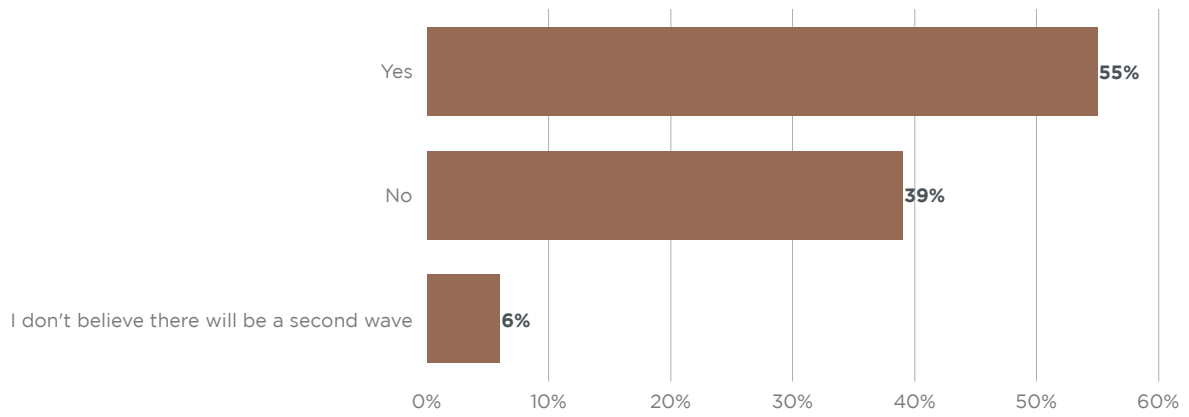
How many properties do you own?



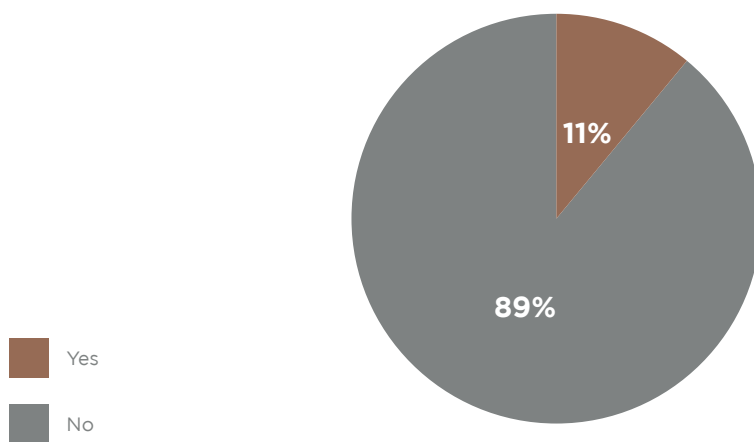
How many of the following properties do you own?



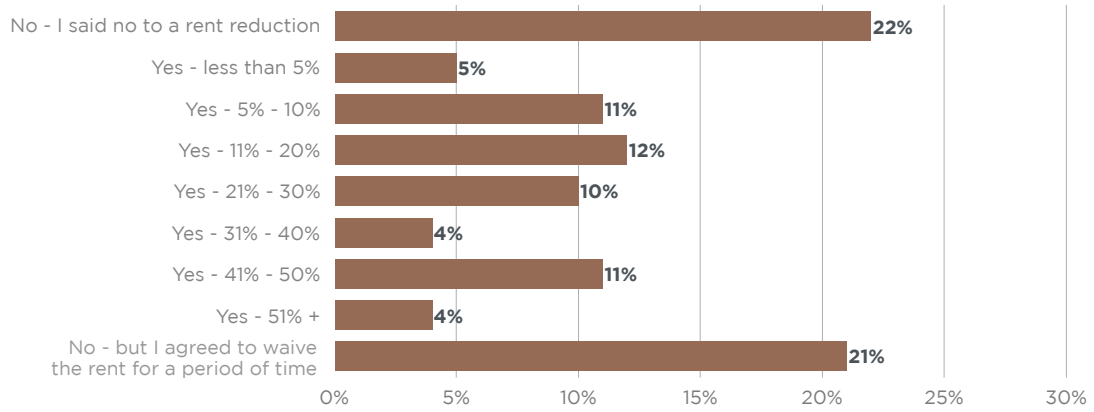
Have you prepared financially for a potential second wave of Covid-19?



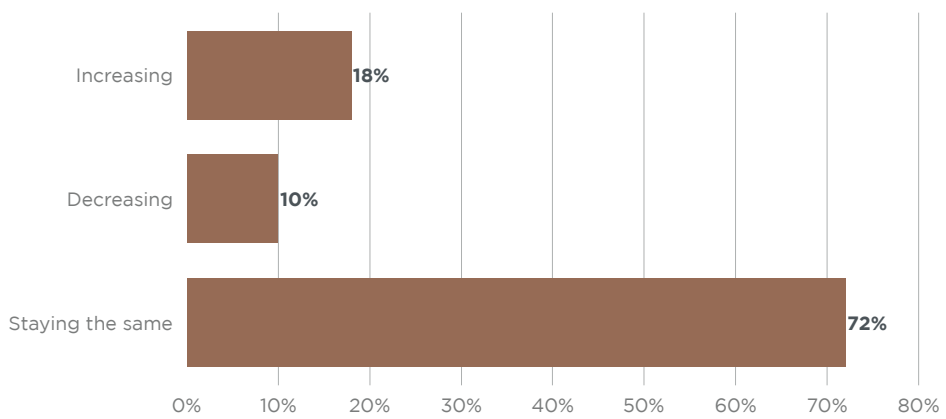
Have any of your tenants approached you about a rent reduction as a result of Covid-19?



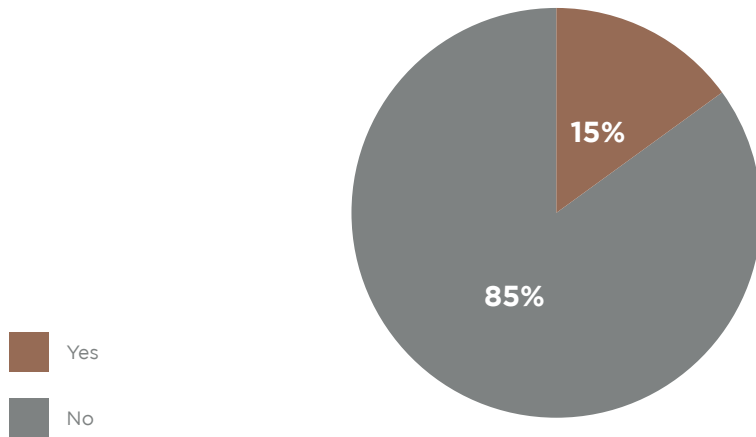
Did you offer your tenant a rent reduction as a result of Covid-19?



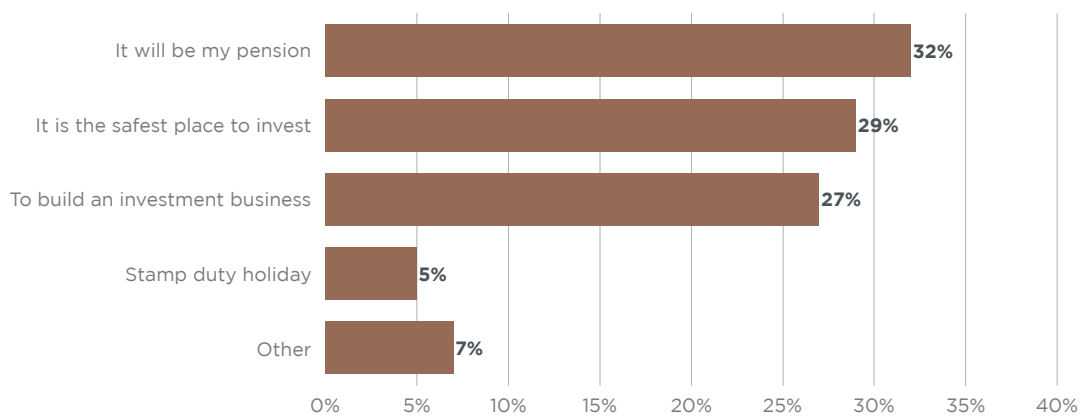
In the next 1 - 2 years do you see your lettings portfolio:



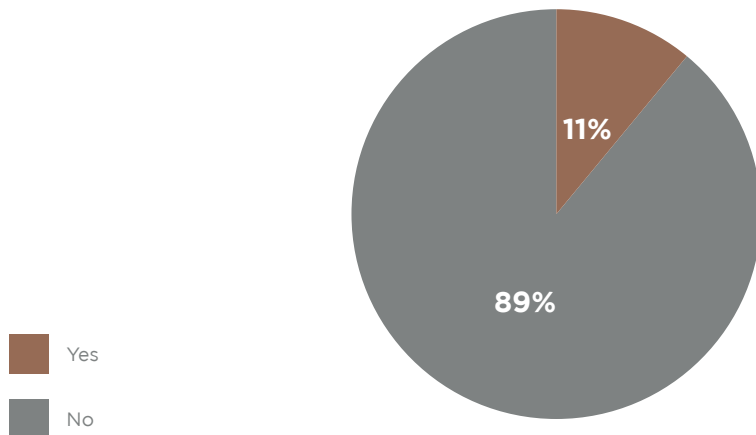
Did your plans to increase your portfolio change as a result of Covid-19?



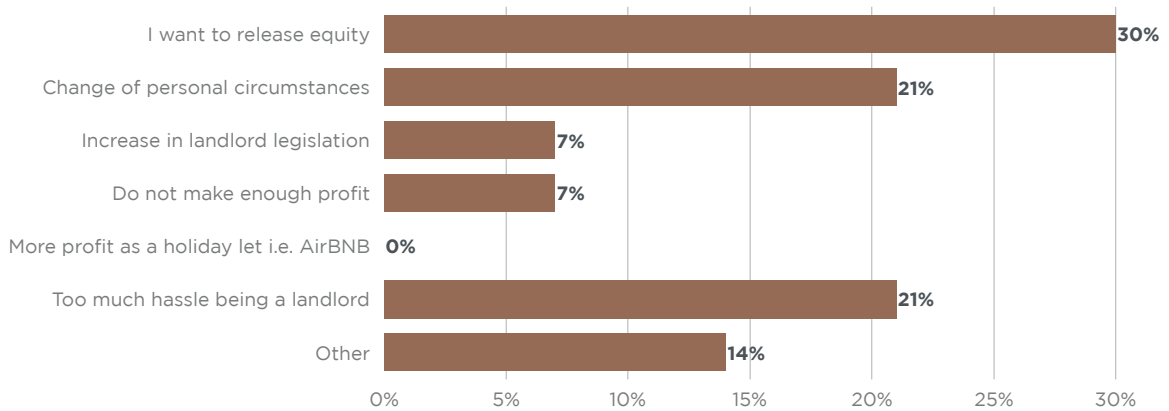
What is the primary reason your portfolio will increase in the next 1 - 2 years?



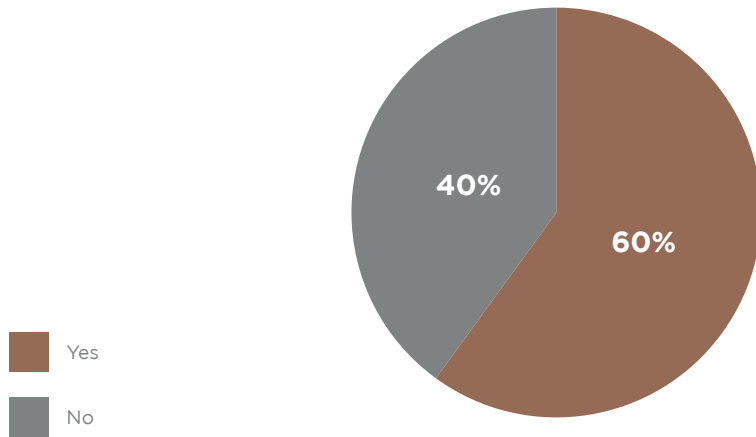
Did your plans to decrease your portfolio change as a result of Covid-19?



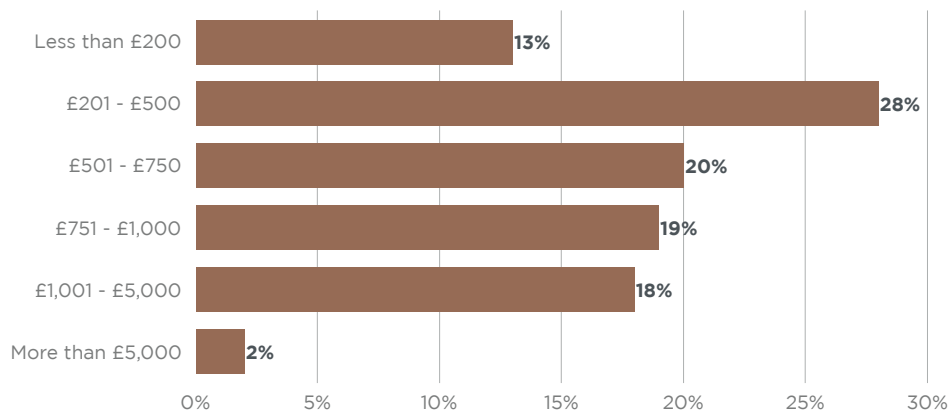
What is the primary reason your portfolio will decrease in the next 1 - 2 years?



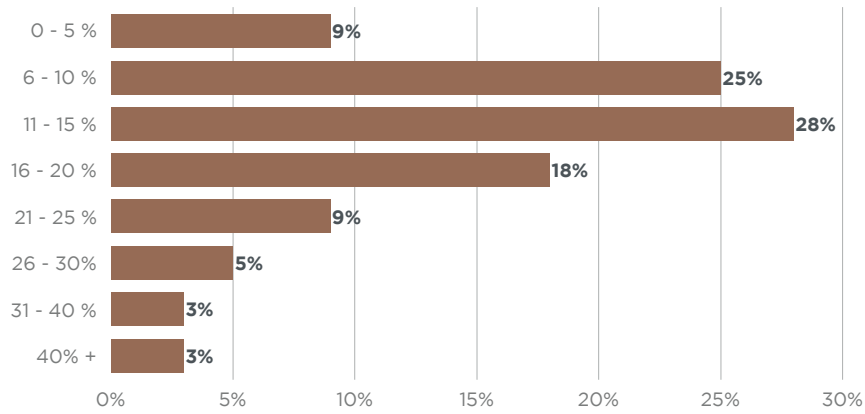
Did you purchase your property with a view to renting it out?



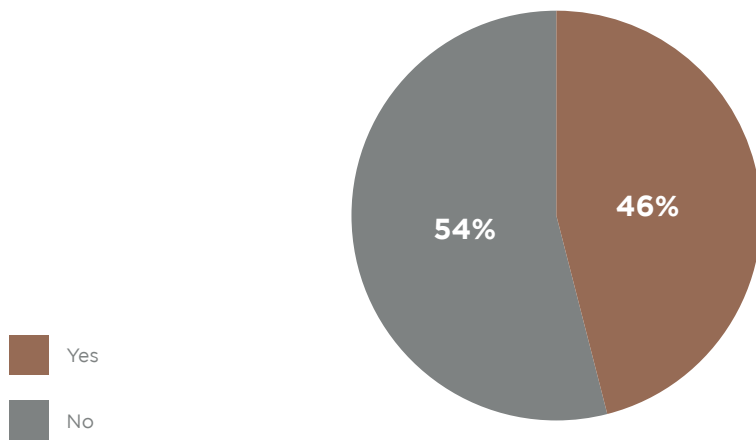
On average, how much do you spend on refurbishment/redecoration per property, per year?



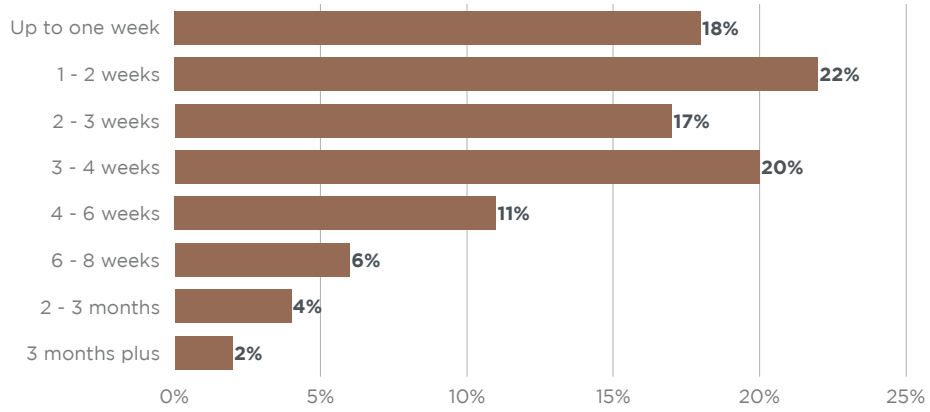
What are your typical annual landlord costs (e.g. fees, utilities, service charges, voids etc.) per annum as a percentage of income?



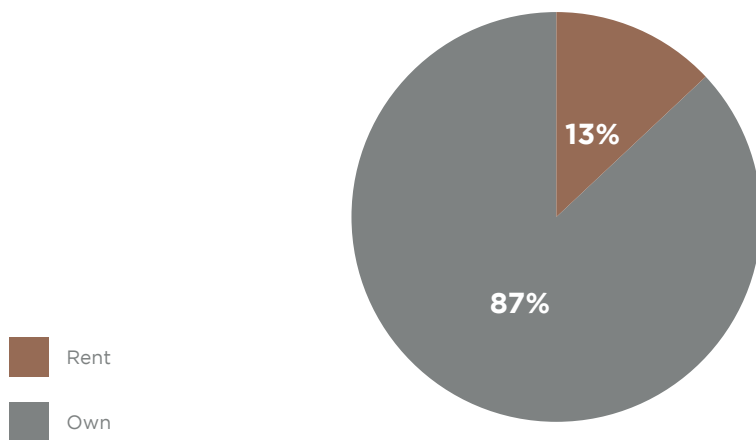
Have you ever experienced any void periods in renting out your properties?



What is the average time your property/ies are empty between tenants?



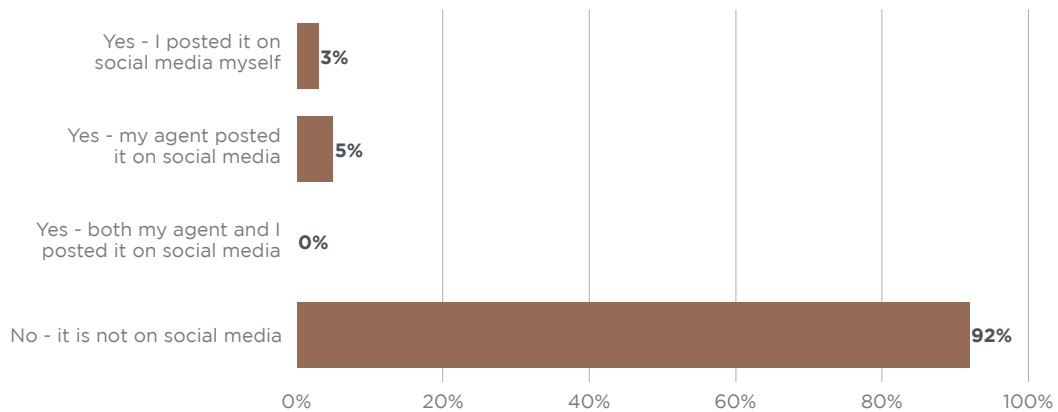
Do you rent or own the home you currently live in?



Please rank in order the websites you expect your property to be marketed on (1 being the most important and 4 being the least important).

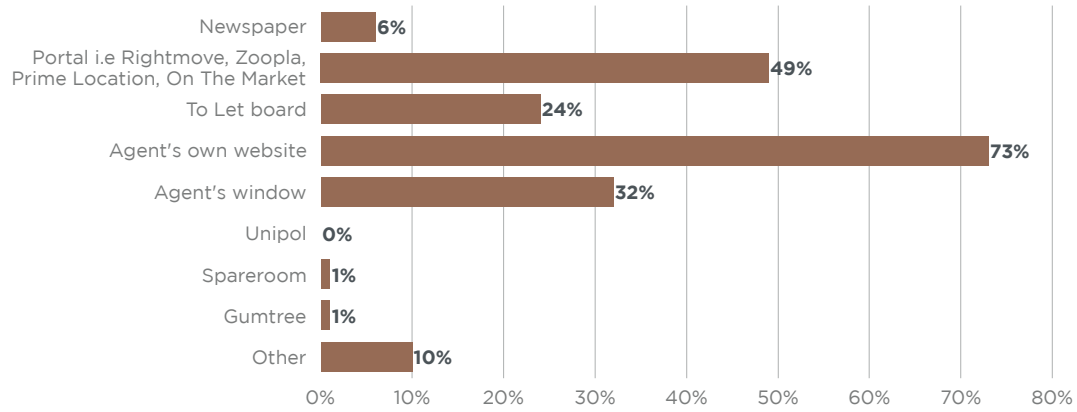
	1	2	3	4
Rightmove	77%	12%	4%	7%
Zoopla	15%	53%	19%	13%
PrimeLocation	7%	17%	36%	40%
On The Market	8%	15%	37%	40%

Have the property/ies you are letting been posted on social media platforms (e.g. Facebook, Twitter etc.)?



Have the property/ies you are letting been posted on any of the below?

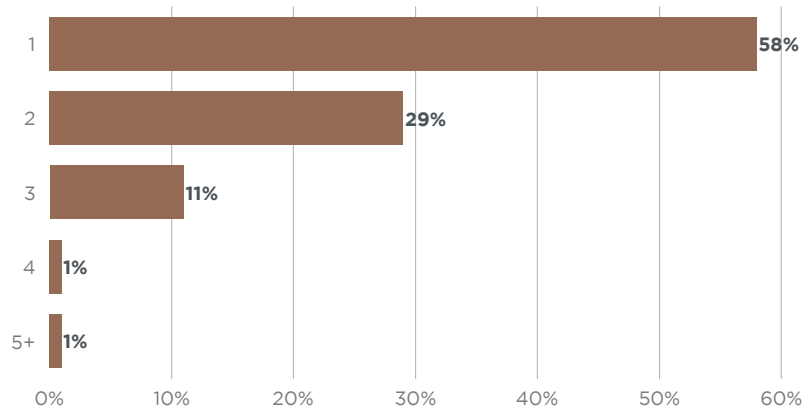
(Please tick as many as apply)



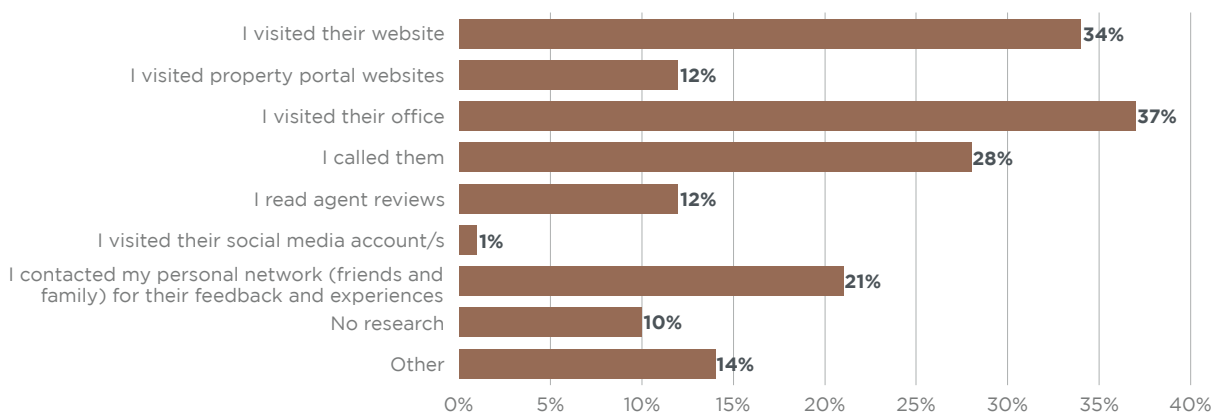
What information is most important to you when an agent markets your property?

	1 (very important)	2 (important)	3 (not important)	4 (very unimportant)
Quality of photographs	70%	27%	2%	1%
Number of photographs	35%	53%	10%	2%
Floor plan(s)	40%	47%	11%	2%
Video tour/360 degree virtual tour	19%	37%	38%	6%
Description	68%	29%	2%	1%
Energy Performance Certificate	24%	47%	23%	6%
Map and street view	25%	55%	17%	3%
Local area information	26%	53%	18%	3%
Running costs	17%	51%	28%	4%
Broadband speed	13%	45%	34%	8%

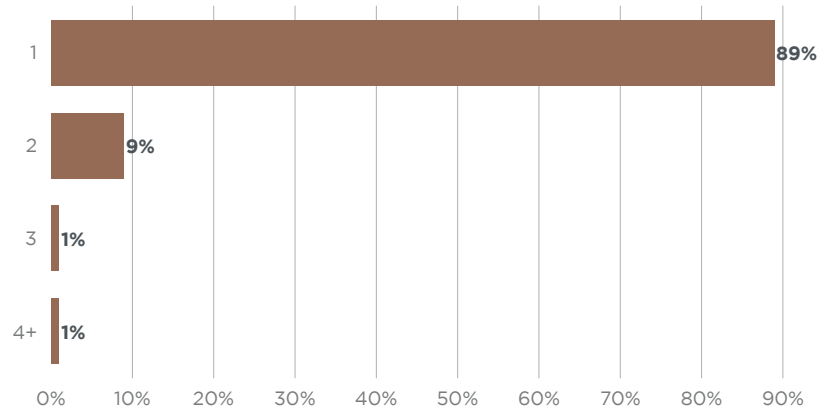
How many agents did you ask to give you a rent appraisal/valuation?



How did you research agents before inviting them to provide a rental valuation? (Tick all that apply)

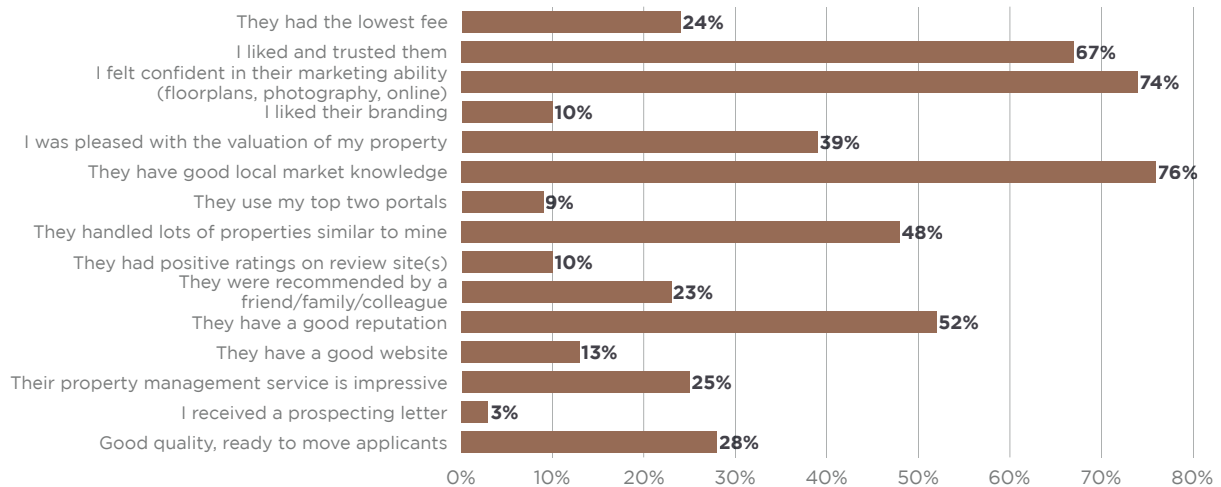


How many agents did you instruct to market your rental property?

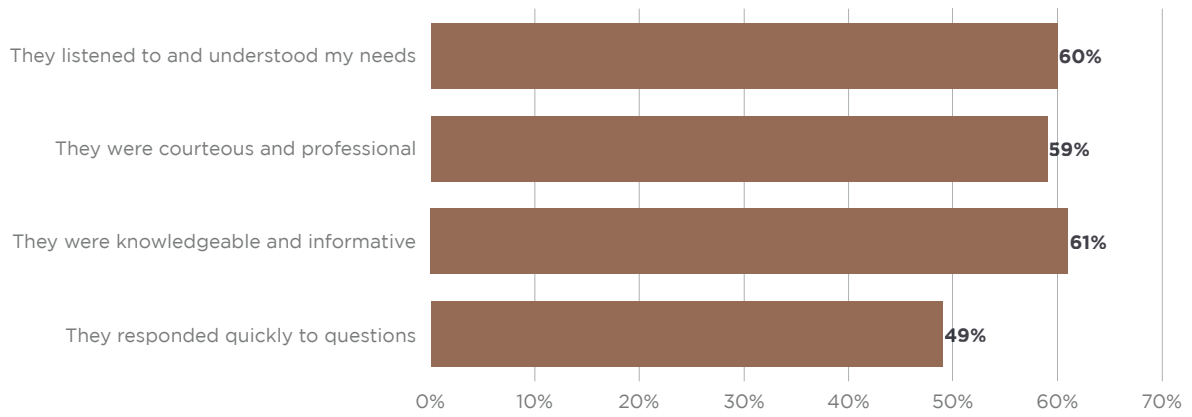


What were the top five reasons you selected your letting agent?

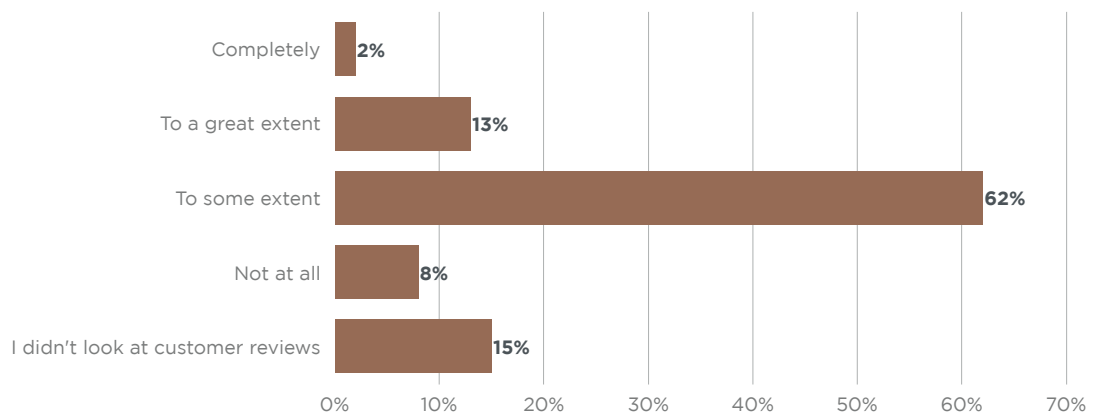
(Please select five choices)



Which of the following attributes were important in establishing trust with your agent?

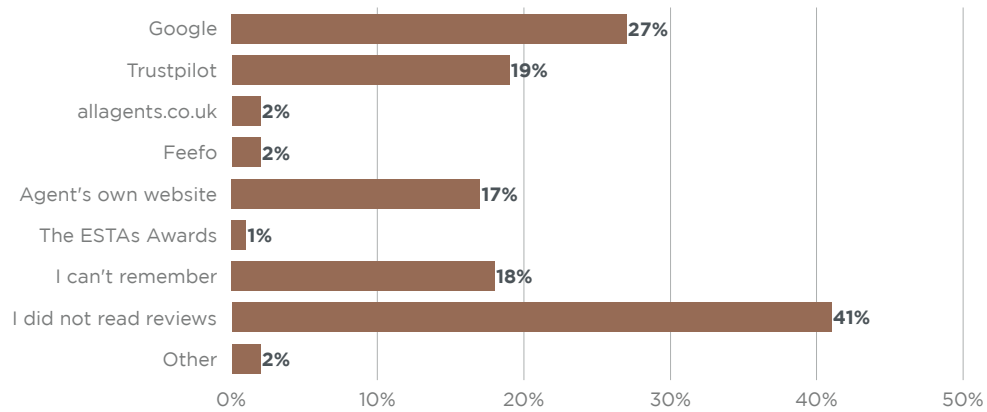


Do you trust customer reviews on review websites?

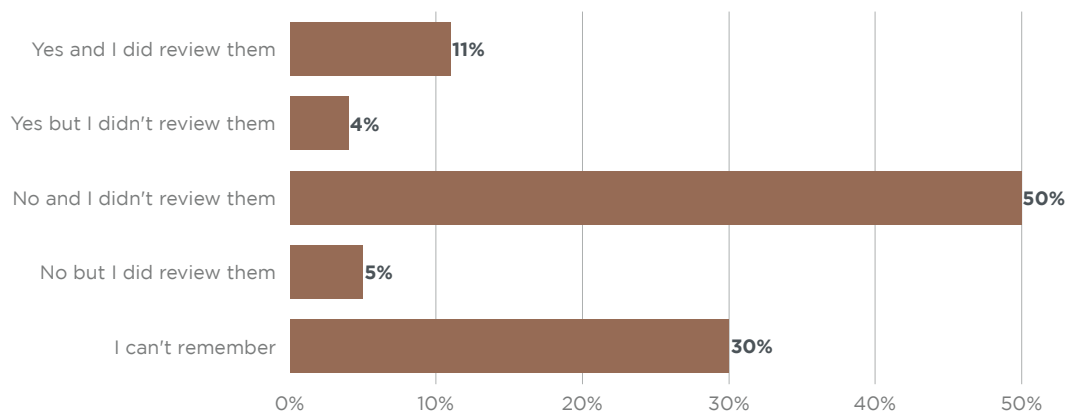


On which websites did you read reviews?

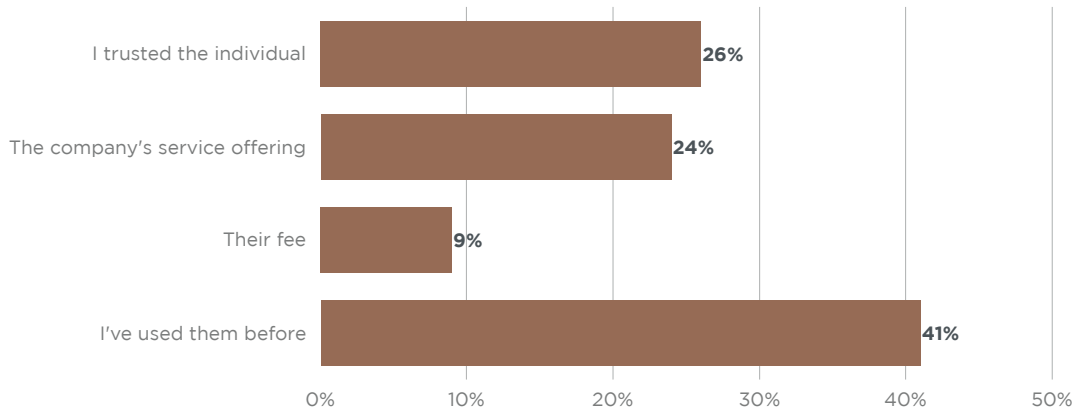
(Tick all that apply)



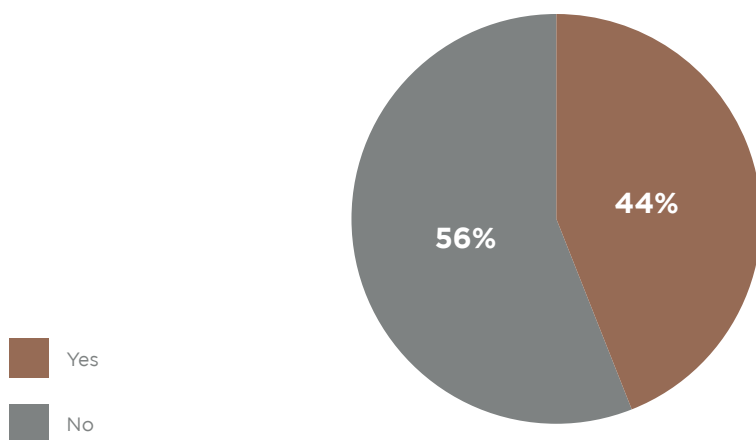
Did your lettings agent ask you to recommend or review them?



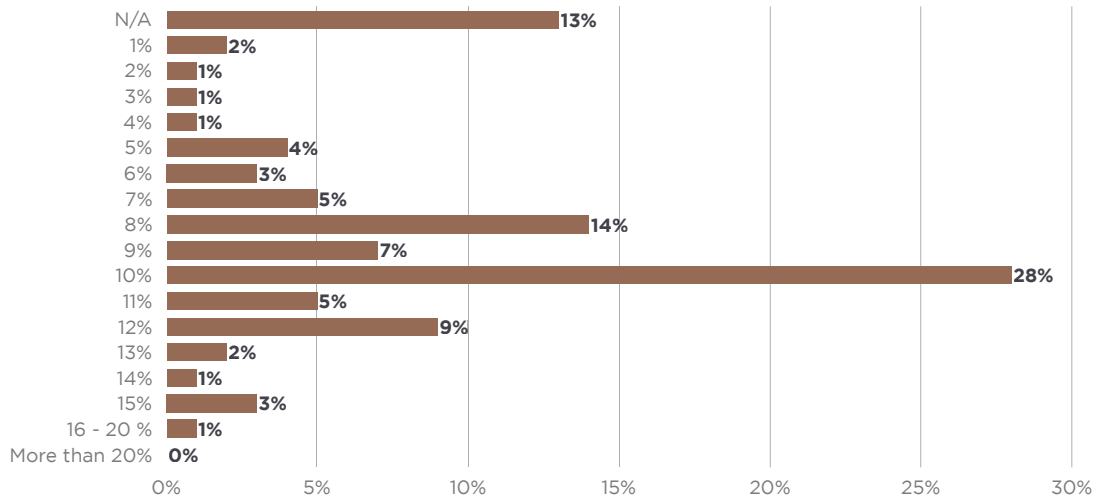
During the rental appraisal what was the primary reason for choosing this agent?



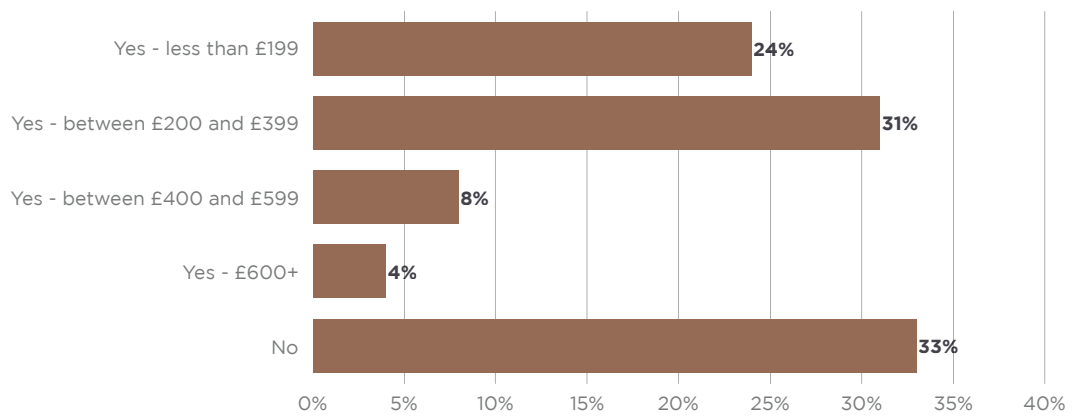
Did you negotiate with the agent on their commission rate?



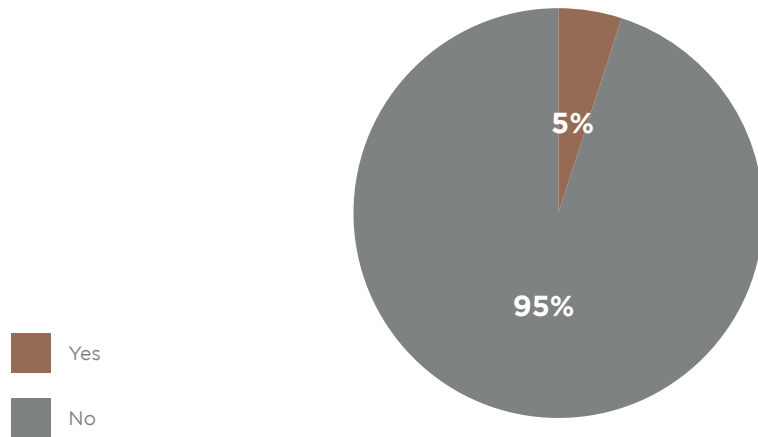
What rate of commission did you agree?



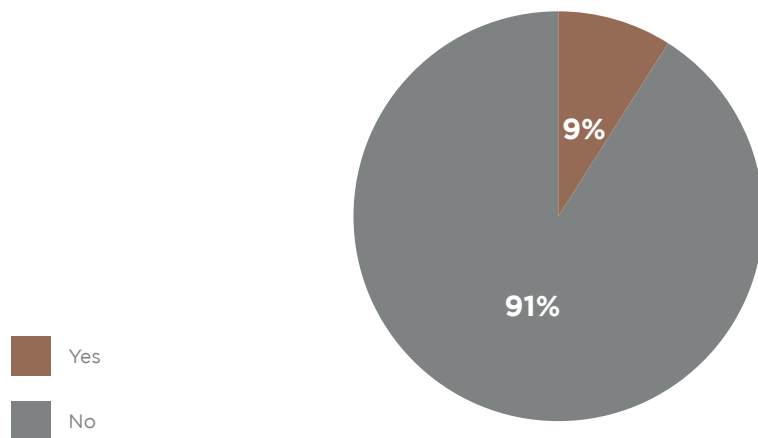
Did you incur a one-off set up fee?



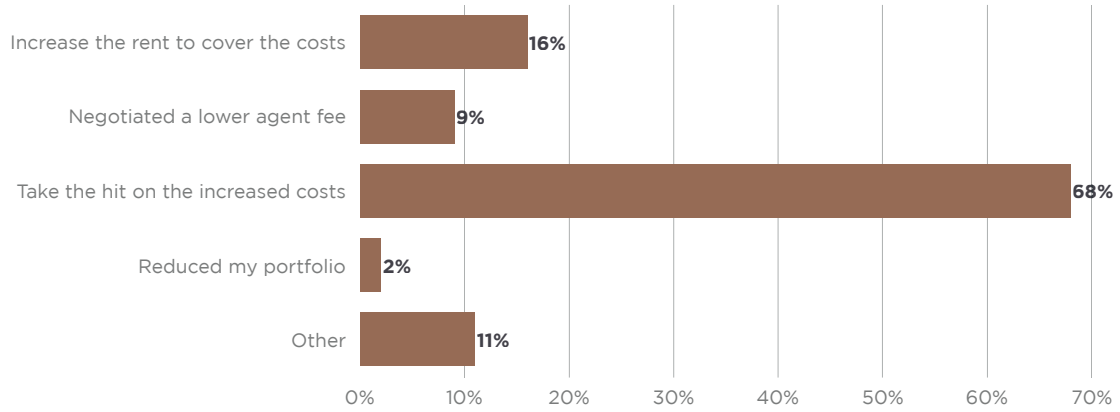
Did you choose the agent based solely on them giving you a high rental valuation?



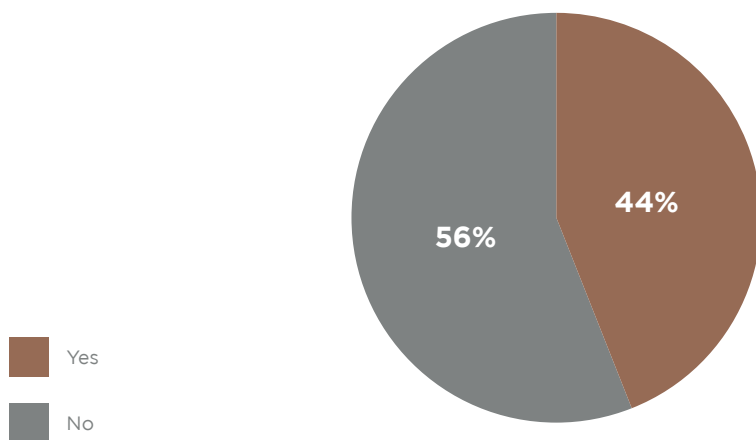
Did you choose the agent based solely on them offering the cheapest fee?



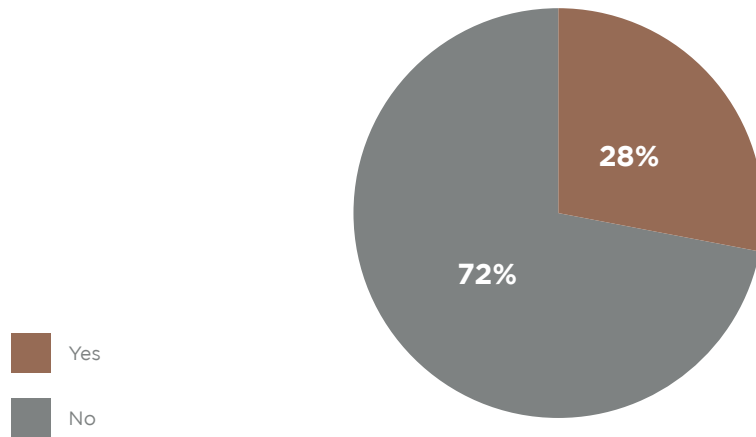
Since tenant fees have been banned (i.e. reference checks, inventories etc.) how have you recouped the costs (Tick all that apply)



Have you heard of £0 deposit schemes?



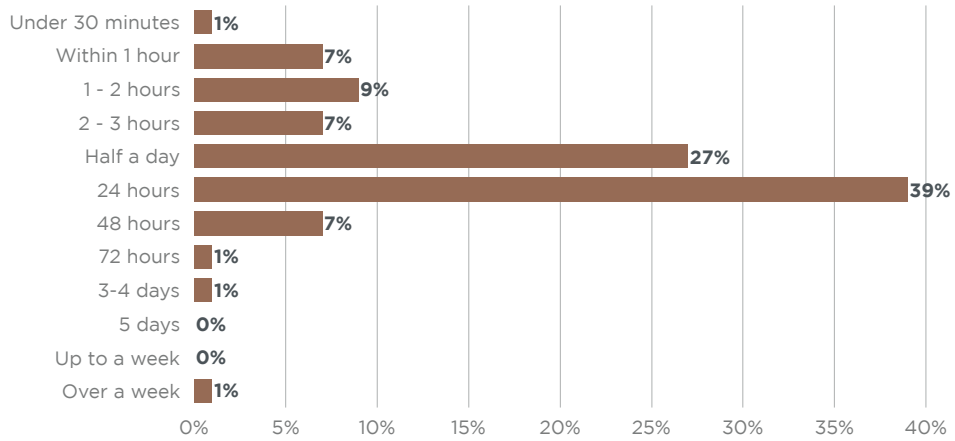
Are you likely to use £0 deposit schemes?



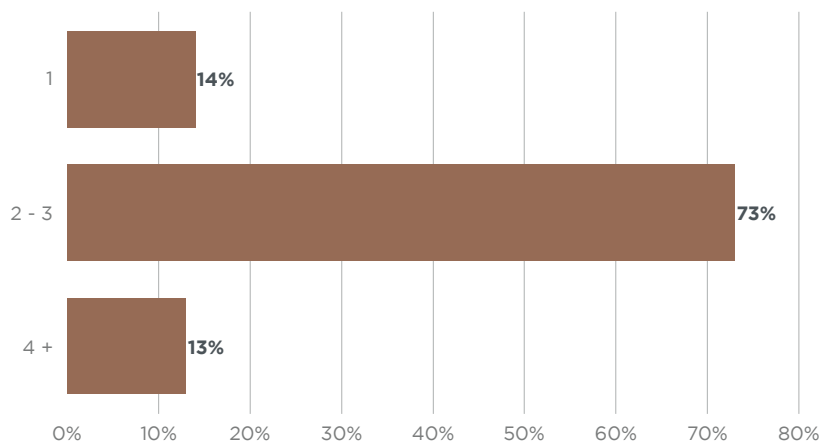
How would you rate the service that you've received from your agent?

	Excellent	Good	Satisfactory	Poor	Very Poor
Frequency of communication	29%	38%	23%	7%	3%
Speed of response	30%	37%	22%	8%	3%
Quality of photographs	26%	51%	20%	2%	1%
Number of photographs	23%	52%	23%	2%	0%
Floorplan	20%	49%	26%	3%	2%
Marketing of your property online	28%	49%	21%	2%	0%
Booking viewings	32%	46%	19%	2%	1%
Conducting viewings	32%	46%	19%	2%	1%
Paperwork	27%	42%	24%	5%	2%
Negotiating with tenants	27%	43%	24%	4%	2%
Progressing the let (after getting an offer)	34%	45%	18%	2%	1%
Problem solving (if applicable)	26%	37%	23%	9%	5%
Professionalism and courtesy	41%	37%	16%	4%	2%
Knowledge and interest	35%	40%	19%	4%	2%
Listening and understanding	33%	38%	20%	6%	3%
Response to Covid-19	25%	39%	28%	5%	3%

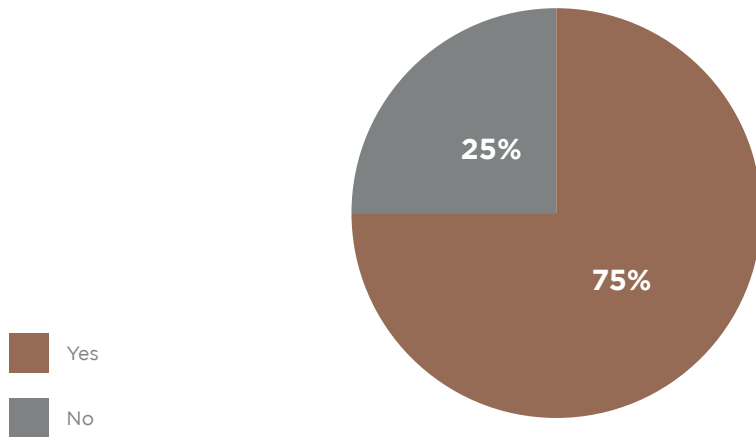
How quickly do you expect your agent to respond to an email from you?



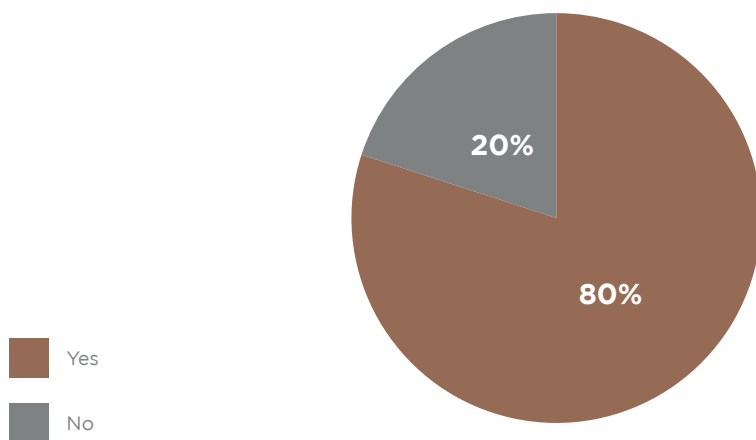
How many members of the team did you deal with?



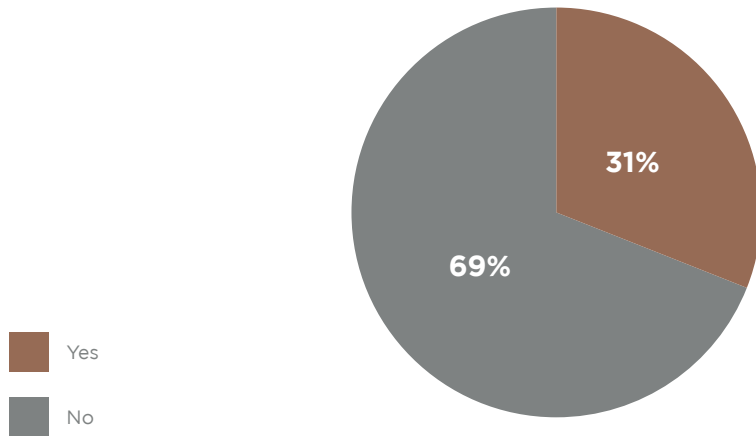
If you dealt with more than one member of the team, did you receive a consistent level of service?



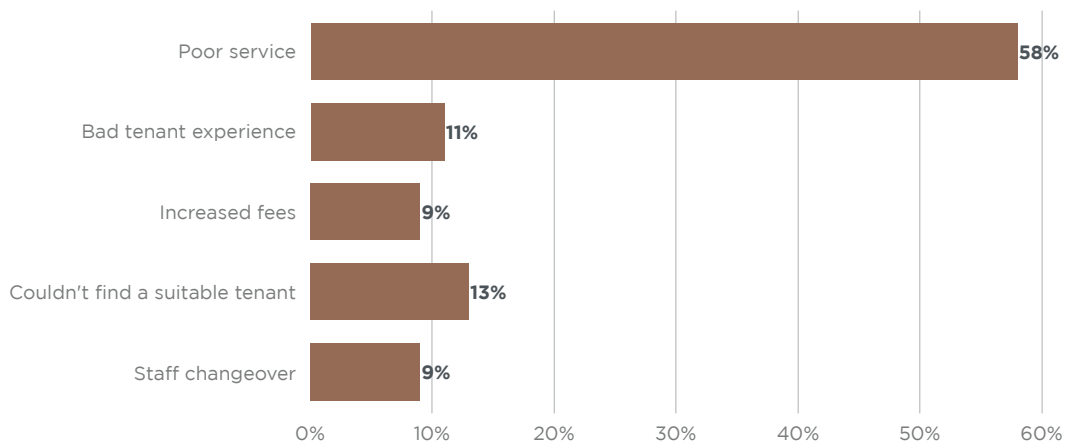
Would you recommend your agent to a friend or colleague?



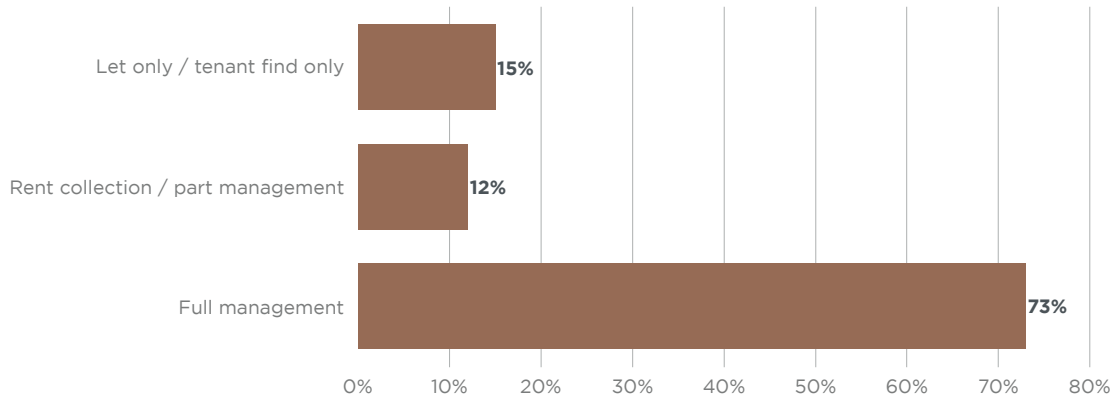
Have you previously left one letting agent for another?



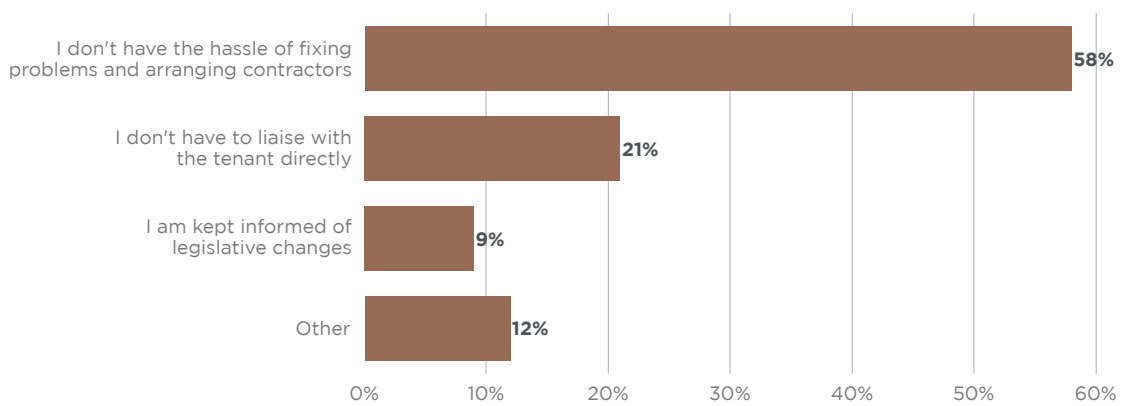
What was the primary reason for leaving the original agent?



What level of service do you receive from your agent?
 (If you own more than one property, please refer to your most recent let)



What is the primary reason why full management is important to you?



Thinking about your property management experience, how important to you are the following?

	Very important	Important	Neither important nor unimportant	Unimportant	Very unimportant
Proactive communication	65%	32%	3%	0%	0%
Speed of response	56%	43%	1%	0%	0%
Ease of reporting issues	54%	44%	2%	0%	0%
Knowledge and interest	48%	48%	4%	0%	0%
Professionalism and courtesy	59%	39%	2%	0%	0%
Listening and understanding	59%	39%	2%	0%	0%
Speed of resolution	63%	36%	1%	0%	0%

Thinking about your property management experience, how do you rate the service you receive?

	Excellent	Good	Satisfactory	Poor	Very Poor
Proactive communication	31%	39%	19%	7%	4%
Speed of response	30%	41%	18%	7%	4%
Ease of reporting issues	30%	43%	19%	5%	3%
Knowledge and interest	30%	43%	20%	5%	2%
Professionalism and courtesy	41%	38%	15%	4%	2%
Listening and understanding	34%	40%	17%	6%	3%
Speed of resolution	29%	40%	19%	7%	5%

Did your agent offer and are you using any of the following additional services?

	Agreed to use	Offered but not using	Didn't offer	Arranged myself
Rent guarantee	33%	31%	30%	6%
Insurance	15%	30%	25%	30%
EPC	52%	17%	15%	16%
Professional photography	57%	11%	30%	2%
Floor plans	59%	9%	30%	2%
Video tour/360 degree virtual tour	22%	15%	62%	1%
Inventories	80%	8%	8%	4%
Furnishing (hire)	3%	11%	75%	11%
Furnishing (purchase)	5%	10%	70%	15%
Financial services	6%	20%	59%	15%
Renovation/maintenance	39%	17%	29%	15%

The Property Academy analyses the data from our surveys in a lot more detail. The findings and what this means are presented within our seminars and training throughout the coming months.

Please contact us on **01372 372372**
or visit **propertyacademy.co.uk**
for more information.

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PROPERTY
ACADEMY

INFORMATION + INSIGHT + IDEAS + INSPIRATION

HOME MOVING TRENDS SURVEY

LANDLORD TRENDS SURVEY

TENANT TRENDS SURVEY

Tenant Survey, 2020

Executive Summary

14,013 Responses



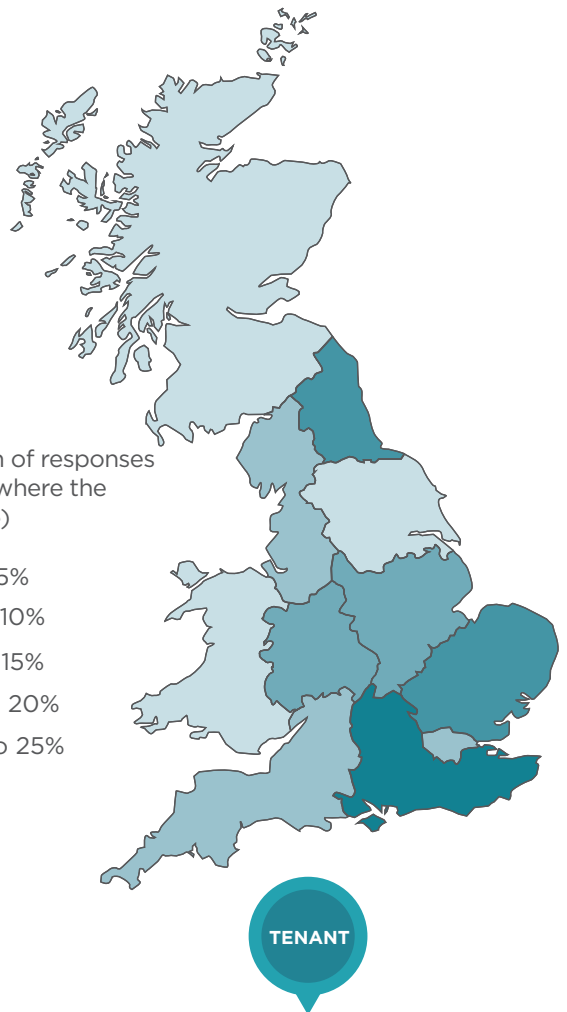
Data analysis provided by

dataloft

Tenant Trends, 2020

In this extract from the Tenant Trends Survey 2020, we reveal key findings (Insight) and suggest what it all means for agents (Ideas). We have focused on the following questions:

- ◆ How has the pandemic affected tenants' attitudes and how can agents respond to emerging trends?
- ◆ What is the best way to communicate with tenants?
- ◆ How important are agents' own websites and portals?
- ◆ Why should agents and landlords keep tenants happy?
- ◆ Is there an optimum lease length?
- ◆ How can traditional landlords compete with build to rent operators?



LEGEND

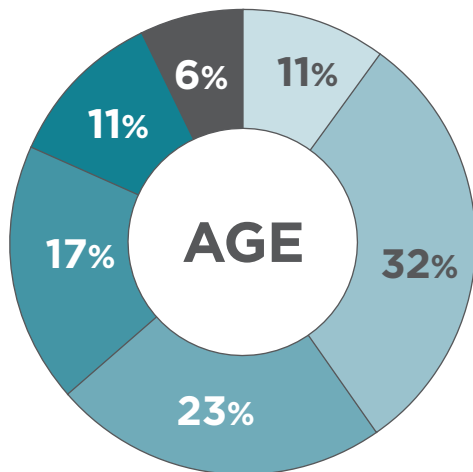
Distribution of responses (based on where the tenants live)

- up to 5%
- 6% to 10%
- 11% to 15%
- 16% to 20%
- 20% to 25%

AGE DISTRIBUTION

Distribution of responses

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+



Number of respondents:

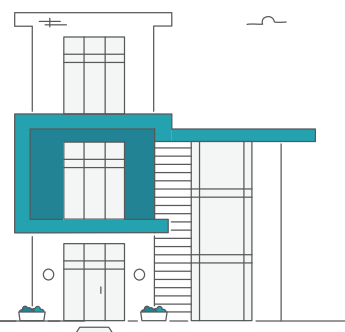
14,013

Age distribution:

balanced reflection of rental market

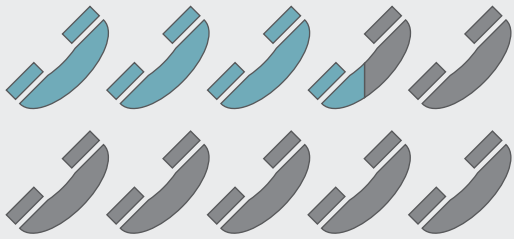
Geographical distribution:

Good national coverage, strongest in south east and east.



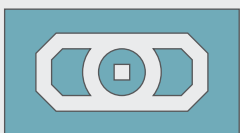
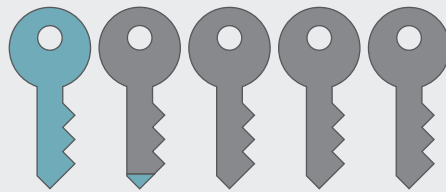
Many renters received a sympathetic hearing...

...DURING THE PANDEMIC



35%
OF RENTERS IN
AGENT-MANAGED
PROPERTIES WERE
CONTACTED BY
THE AGENT DURING
LOCKDOWN

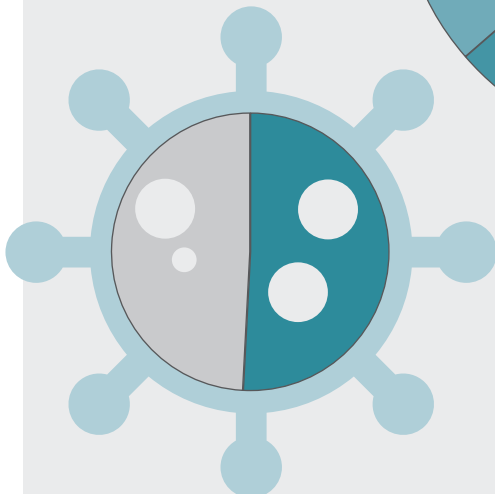
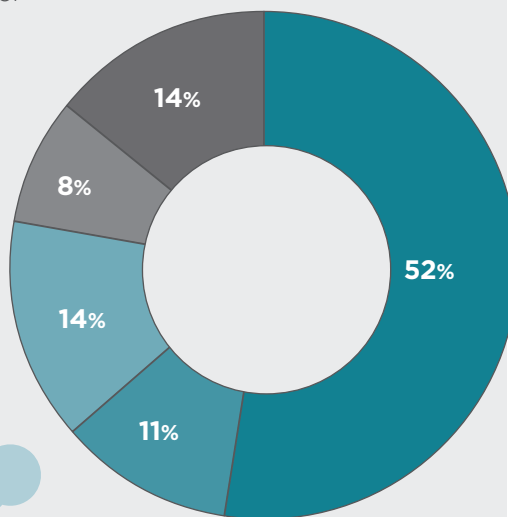
22%
OF RENTERS IN
LANDLORD MANAGED
PROPERTIES HEARD
FROM THEIR LANDLORD



8%
OF TENANTS ASKED
THEIR LANDLORD FOR
A RENT REDUCTION.

Of those renters who asked for a rent reduction:

- My landlord said no
- My landlord agreed to waive the rent for a period of time
- Reduction agreed less than 10%
- Reduction agreed 11% - 20%
- Reduction agreed over 20%



51%
OF TENANTS SAID
THEY HAD PREPARED
FINANCIALLY FOR A
POTENTIAL SECOND
WAVE OF COVID-19

INSIGHT

- ✦ 31% of agents contacted their tenants during lockdown, properties managed by an agent, 35% contacted their tenant, properties managed by landlord, 22% contacted their tenant.
- ✦ 51% of tenants have prepared financially for a second wave of Covid-19
- ✦ 8% of tenants asked their landlord for a rent reduction, 52% said no, 37% gave a rent reduction and 11% agreed to waive the rent for a period of time.
- ✦ 14% of landlords, when asked, gave a reduction of more than 20%

IDEAS

- ✦ Agents should contact tenants and find out their financial situation / job security. Agents can help landlords mitigate risk and plan for the end of furlough and potential unemployment of tenants. With 51% of tenants having a financial plan for a second wave, it may be more optimistic than many are reporting.

Source: Property Academy Tenants Survey 2020

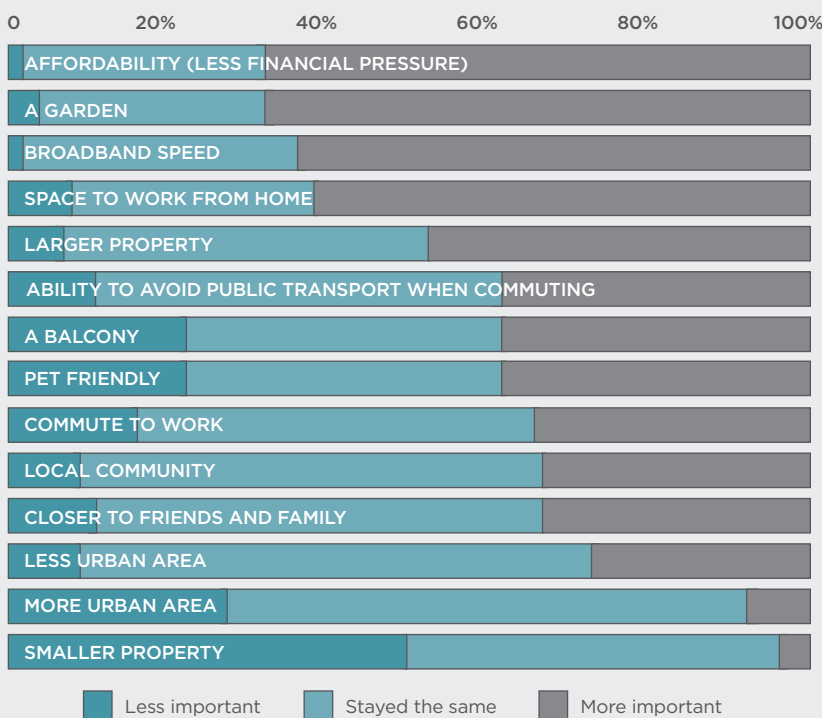
Renter priorities changed ...

...AFTER THE PANDEMIC

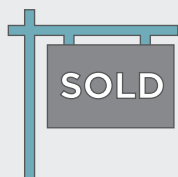
WE ASKED:

“*how have your priorities changed since COVID-19?*”

WHAT REQUIREMENTS ARE NOW MORE IMPORTANT IN A PROPERTY THAN THEY WERE PRE-LOCKDOWN?



12%
OF RENTERS PLAN TO BUY WITHIN THE NEXT 12 MONTHS

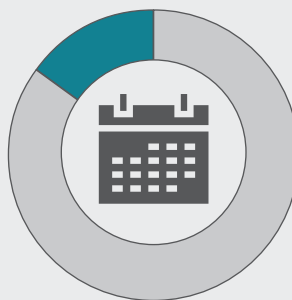


25%
WITHIN THE NEXT 2 YEARS



HAS THE ANNOUNCEMENT OF THE STAMP DUTY HOLIDAY CAUSED YOU TO CONSIDER BUYING A HOME SOONER THAN PLANNED?

85% NO
15% YES



INSIGHT

- 27% of tenants said their priorities had changed as a result of Covid.
- The highest risers were affordability and a garden. More than two thirds said these had become more important.
- 63% said broadband speed had become more important and 61% said space to work from home had become more important.
- The number of renters citing affordability as the reason they do not intend to buy had risen from 29% to 31% in the past 12 months.
- 25% of renters hope to buy within 2 years, and 12% of them, within 12 months.
- The stamp duty holiday persuaded 15% of tenants to bring forward thoughts of buying.

IDEAS

- Renters are a rich source of prospective buyers and ultimately vendors. It's worth making sure they get a good impression as managing agents, letting agents as well as selling agents.
- Become familiar with broadband providers for a property you are letting and explore utilities switching as a possible additional income stream.
- Affordability is more important: ensure the viewing agent is armed with local market knowledge, so tenants know they are getting a good deal.
- If a property has no garden, make sure you are familiar with all the local parks and green spaces.

Source: Property Academy Tenants Survey 2020

Email still the preferred communication channel

CHOOSE ONE METHOD OF COMMUNICATION TO REPORT A MAINTENANCE ISSUE



38%
OF RENTERS CHOSE EMAIL AS THEIR PREFERRED METHOD TO REPORT A MAINTENANCE ISSUE

32%

CHOSE THE PHONE FROM A LIST: APP, EMAIL, IN PERSON, SOCIAL MEDIA, PHONE, TEXT OR WHATSAPP, WEBSITE.



NO OTHER CHANNEL ATTRACTED MORE THAN 10%

WE ASKED:

“
How quickly do you expect an agent to respond to an email from you?”
”

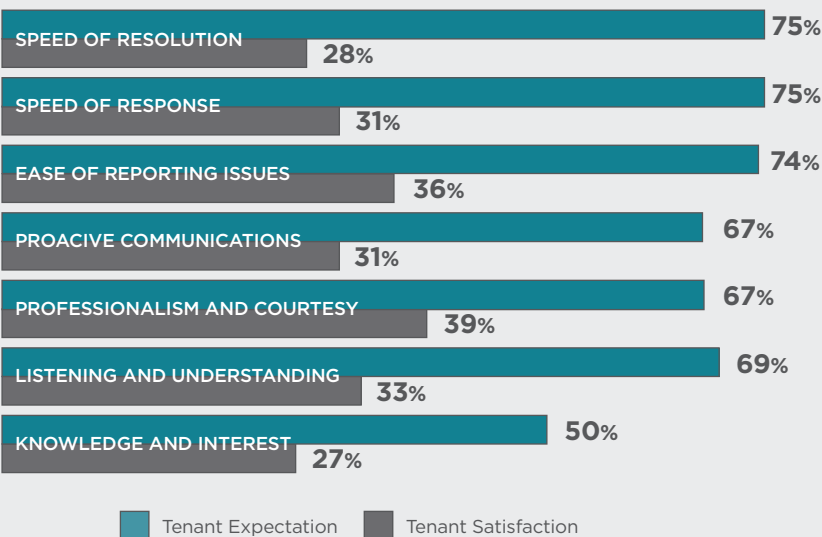


89%
OF RENTERS EXPECT A RESPONSE WITHIN 24 HOURS BUT...

...24% EXPECT A RESPONSE WITHIN 2 HOURS

EXPERIENCE FALLS SHORT OF EXPECTATION

We compared property management deemed very important with service received deemed excellent.



INSIGHT

- ✦ Email remains the preferred method for reporting maintenance issues for 38% of renters, while 32% favour the phone. There is an age divide, with older renters (over 55) biased towards the phone. Only 10% wanted to report via WhatsApp, text or app a, small increase from last year, 8%.
- ✦ The vast majority (89%) of renters expect agents to respond within 24 hours and 53% expect to wait no more than half a day. 24% would like a response within 2 hours.
- ✦ Practical solutions to maintenance issues – speed of response, speed of resolution and ease of reporting really matter to renters (c75% said these were very important). Sadly, they are also the areas where renters reported the poorest experience. For speed of resolution, only 28% had an experience that was 'excellent' and 22% said it had been poor or very poor.
- ✦ But it's not all about response time. Renters also value softer skills from their managing agents. Almost 70% said listening and understanding, professionalism and courtesy and proactive communication were very important.

- ✦ Renters are future buyers, landlords, and/or vendors. The tenant survey revealed that 36% of renters are planning to buy in the next 3 years.

IDEAS

- ✦ Build relationships with your tenants. Don't wait for them to have a problem, stay in touch.
- ✦ It will be valued. Regular communications, maybe just a regular check-in to ask how are things. Something to make them feel valued and heard.

Source: Property Academy Tenants Survey 2020

Agents own websites grow in importance...

... WHILE RIGHTMOVE REMAINS THE DOMINANT PORTAL.

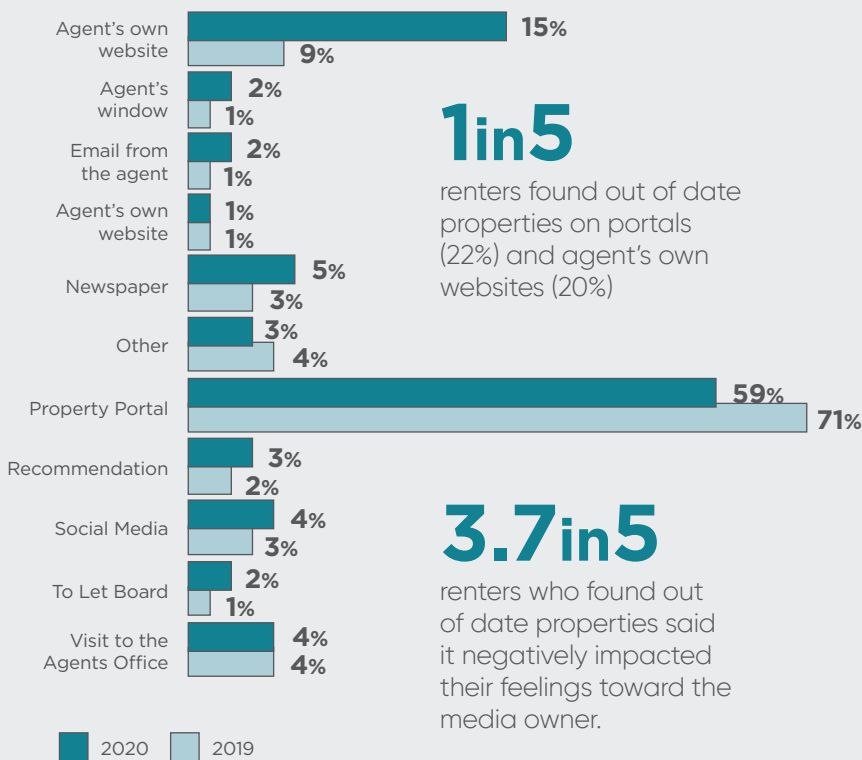
15%

FOUND THEIR RENTAL HOME ON AN AGENT'S OWN SITE
(up from 9% in 2019)

59%

FOUND THEIR RENTAL HOME ON A PORTAL
(down from 71% in 2019)

HOW DID YOU FIRST COME ACROSS THE PROPERTY YOU ARE RENTING?



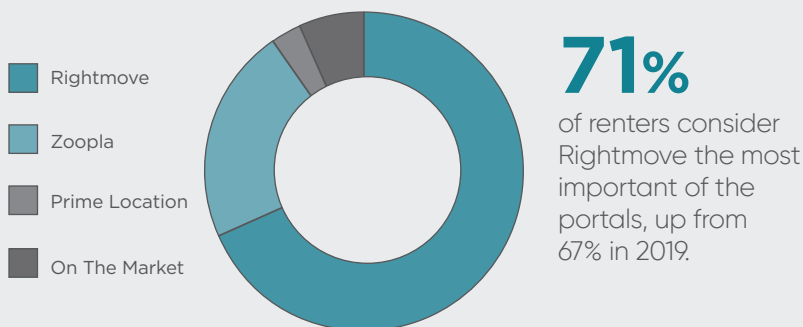
INSIGHT

- More emphasis was attached to agents' own websites in this year's survey. The proportion finding their homes on the agents' website rather than a portal, rose by 6%, and this year accounted for 15%.
- Rightmove has consolidated its position as the dominant portal for renters, at the expense of its established rivals, Zoopla, Prime Location and On The Market.
- When renters find either the agents' website or the portals out of date, it has a negative impact on their opinion of the provider.
- Other portals are emerging. Open Brix, Property Heads, Homesearch and alternative sources of listing such as Movebubble, or landlord with direct letting services.

IDEAS

- Get your website working hard for you – there are many things you can do to attract traffic. Local area page, blogs, infographics, legal updates. Make sure it aligns with the messages that renters value: professionalism, local knowledge,
- Never ever be caught out with updates to the website – no renter should look at out of date information and it harms your reputation when they do.
- Rightmove has maintained a dominant position, importance has grown and therefore agents who do not list their properties on Rightmove should consider the benefits.
- Stay alert to the new listings services and alternative platforms, young renters will be particularly aware of new tech options.

WHICH PORTAL IS MOST IMPORTANT IN 2020?



Source: Property Academy Tenants Survey 2020

Happy renters stay for longer...

WE ASKED: DO YOU INTEND TO RENEW YOUR TENANCY WHEN IT EXPIRES?

75%

of renters are happy with the condition of their current rental property.

81%

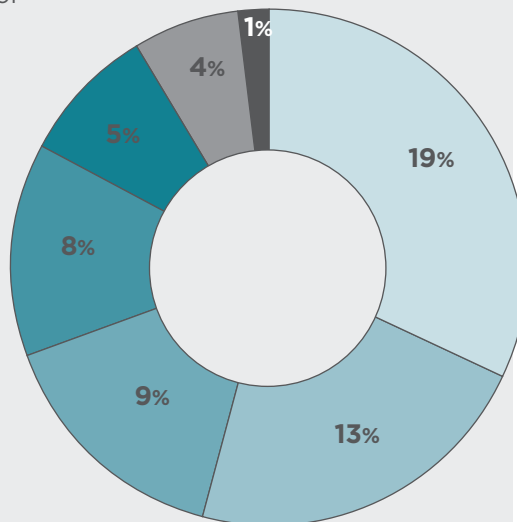
of renters who are happy with the condition of their property intend to renew. If renters are not happy with the condition of their current property, this falls by 27%.

WE ASKED:

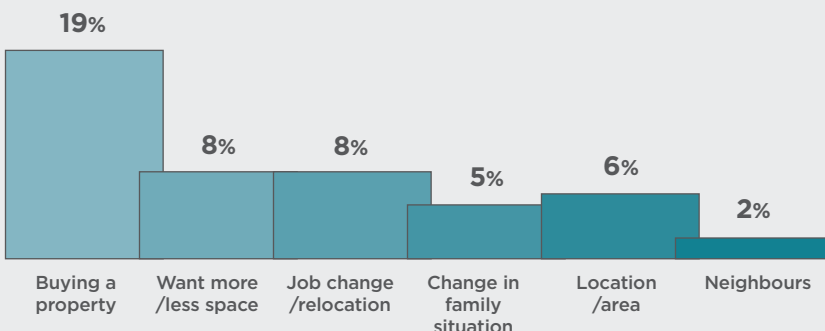
“if you are not intending to renew, what is the primary reason?”

Reasons given for deciding not to renew a lease...

- Reasons within control of the landlord/agent
- Property condition
- Cost of rent
- Unhappy with service
- The landlord is selling the property
- Fancy a change
- Cost of bills



Reasons outside control of the landlord/agent...



INSIGHT

- ✦ The most common reason for not renewing a lease, given by 19% of renters, is that they intend to buy their own home.
- ✦ That means that in 81% of all cases, they intend to rent an alternative property and of those, 40% gave reasons we deem to be within the control of the landlord/agent.
- ✦ For example, condition, 75% of tenants are happy with the condition of their current property but 9% of tenants will not renew primarily because they are unhappy with the condition of their rental property.

IDEAS

- ✦ Property condition is relatively easy to remedy and although it comes with a price tag, the loss of rent on voids will go some way to off-setting the cost of repairs.
- ✦ Agents should try to be associated with properties that are well cared for – disillusioned renters are far more likely to remember the agent than the landlord.
- ✦ 23% of renters not renewing are prospective buyers – and one day, prospective sellers. The impression and service received by the management team will reflect the wider business and build goodwill (or not) towards the sales teams.

Source: Property Academy Tenants Survey 2020

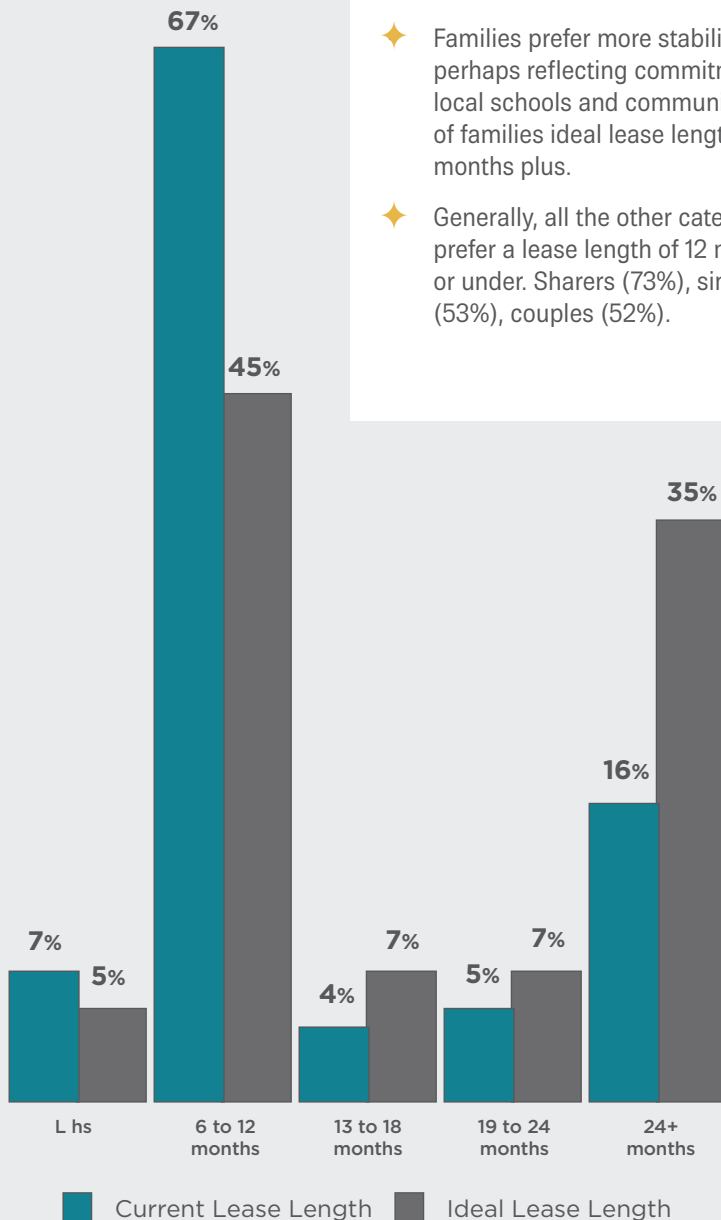
Happy renters stay for longer...

38%

of renters consider 24+ months as the ideal lease length

18%

of renters currently have a lease length of 24+ months



INSIGHT

- At first glance, there is a substantial mismatch between current lease lengths and ideal lease lengths but there is more to it than that. Opinions on ideal lease length vary with age and household types.
- For renters aged over 45, the most popular lease length is 24 months plus. For 18 to 44 year olds it is 6 to 12 months.
- Families prefer more stability, perhaps reflecting commitment to local schools and community. 45% of families ideal lease length is 24 months plus.
- Generally, all the other categories prefer a lease length of 12 months or under. Sharers (73%), singles (53%), couples (52%).

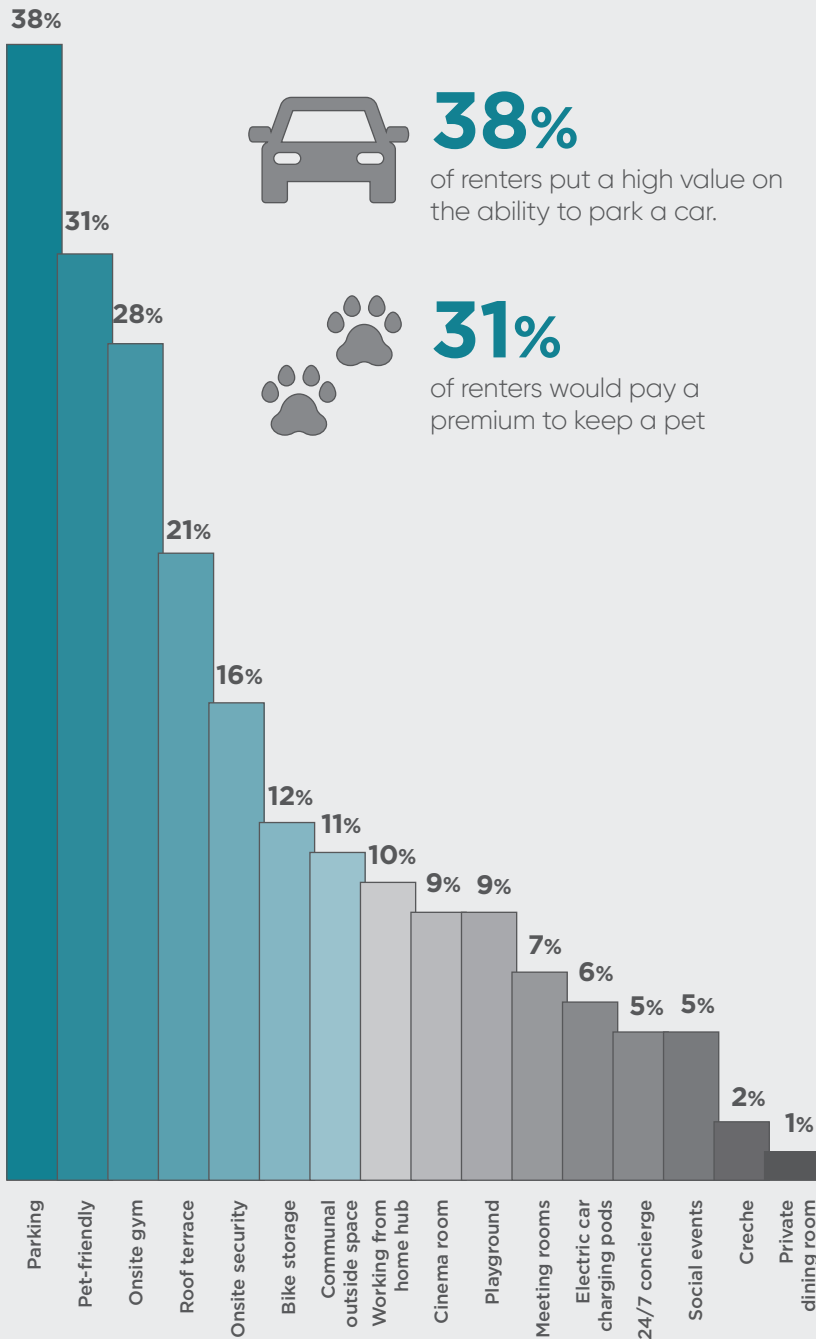
IDEAS

- Ideal lease length varies greatly according to personal circumstances. Agents should encourage landlords to be flexible with leases, adapt according to tenants needs.
- The English housing survey found private renters' average length of residence is 4.4 years. Landlords should understand that offering shorter leases does not mean tenants wont renew and stay longer.
- In times of uncertainty, like Covid-19, people may not want to be tied in, therefore, flexible / short term leases may be more attractive.
- Landlords like security of income, however, with current circumstances they may need to accept shorter leases or look at Airbnb solutions to plug the gap.
- 81% of tenants who do not intend to renew their lease will rent an alternative property, 40% of these tenants gave reasons we deem to be within the control of the landlord/agent. Therefore, landlords and agents should look to improve these areas if they wish to secure tenants for longer.

Source: Property Academy Tenants Survey 2020

Renters will pay a premium for certain amenities

FACILITIES WORTH A PRICE PREMIUM



INSIGHT

- ◆ Parking is the most sought after amenity (38%), followed by pet friendly (31%), on site gym (28%) and roof terrace (21%).
- ◆ 28% of tenants would pay more for on site gyms.
- ◆ Pet friendly properties are extremely appealing to tenants with 31% of tenants willing to pay more.

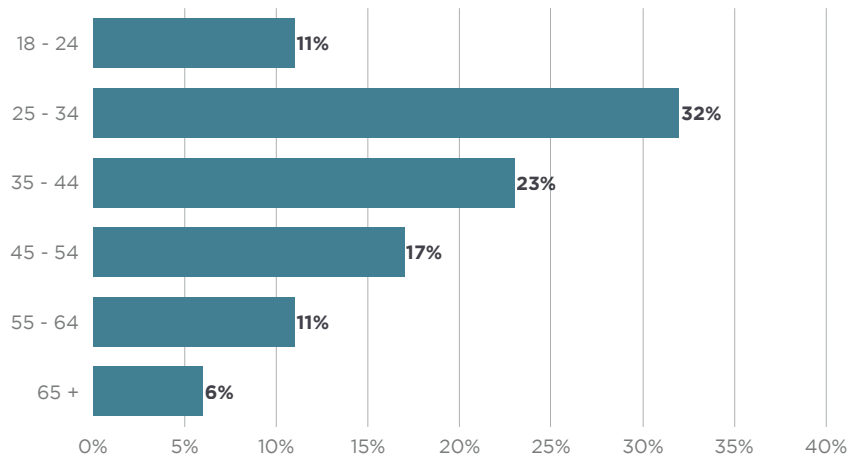
IDEAS

- ◆ Agents should make sure they know where the nearest local gyms are for traditional lets, a key factor for many tenants.
- ◆ If properties don't come with parking, agents should learn local parking rules and availability for tenants.
- ◆ Working from home has become more important, therefore agents should have broadband details to hand on viewings and should liaise with landlords about appropriate work stations if letting a furnished flat.
- ◆ Agents should find good insurance providers for landlords which protects against pet damage and reduce landlord concern.

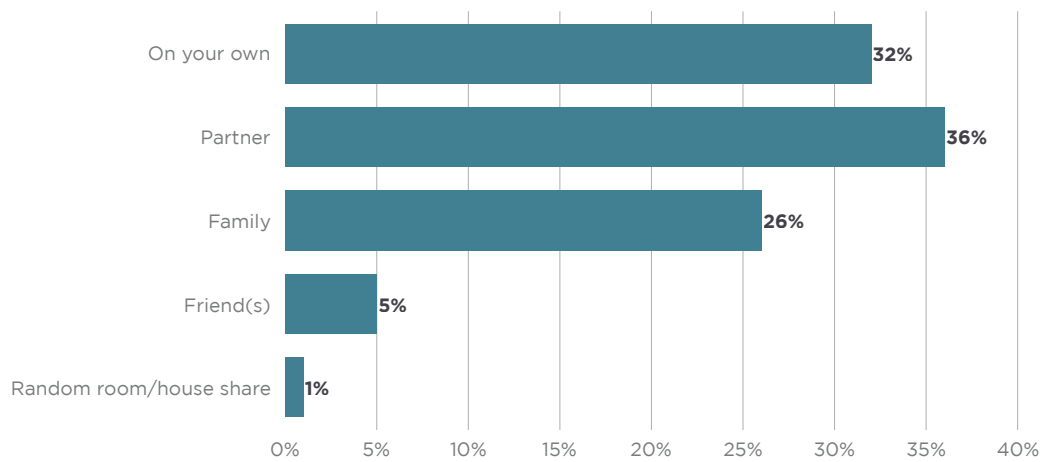
SUGGESTED RENTAL PREMIUM £50 PCM IN LONDON AND £40 PCM OUTSIDE LONDON.

Source: Property Academy Tenants Survey 2020

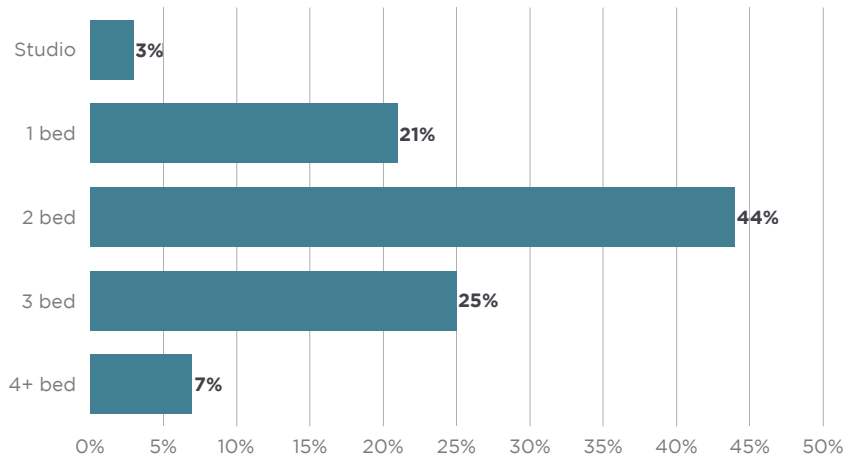
How old are you?



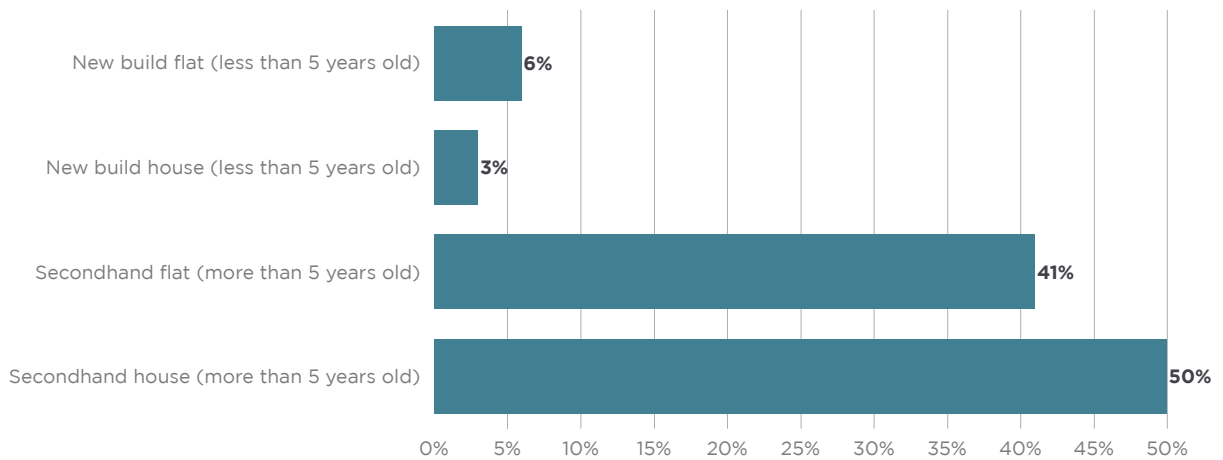
Who do you currently live with?



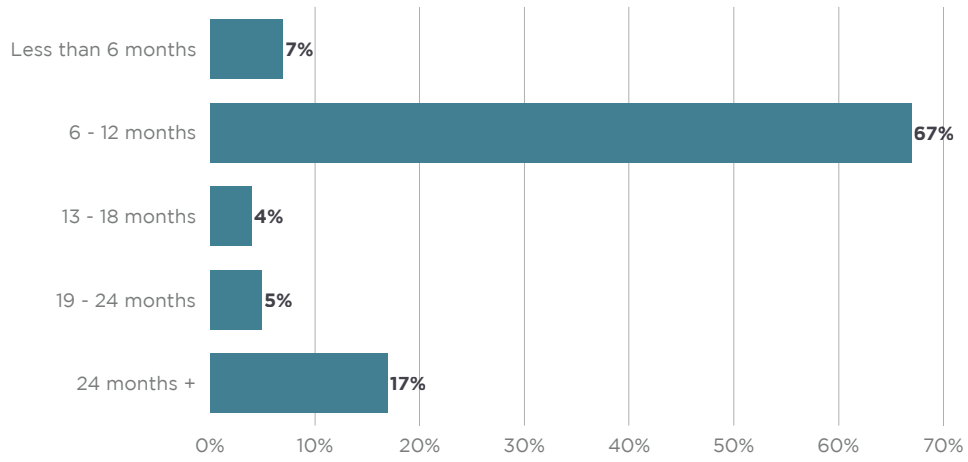
How many bedrooms does your current property have?



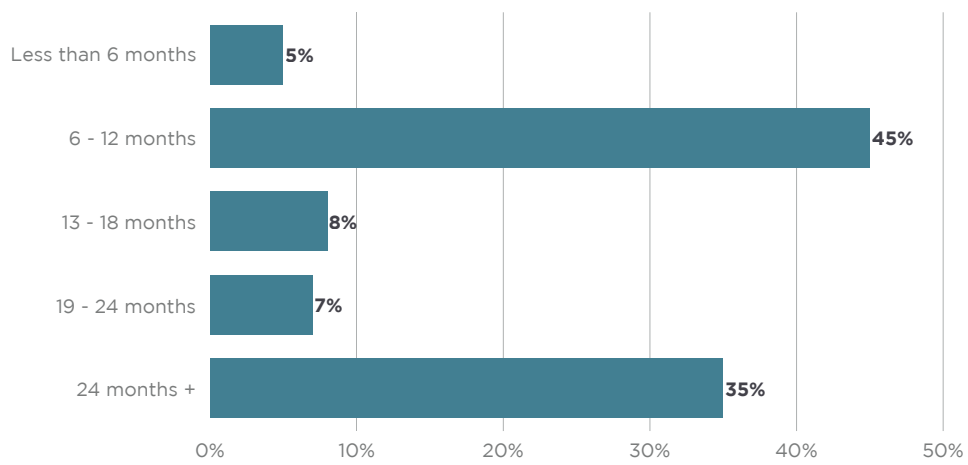
What type of property do you currently rent?



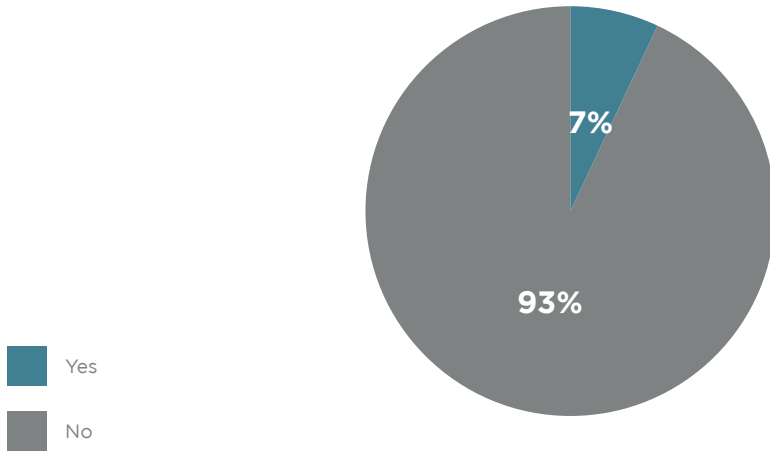
How long is your lease?



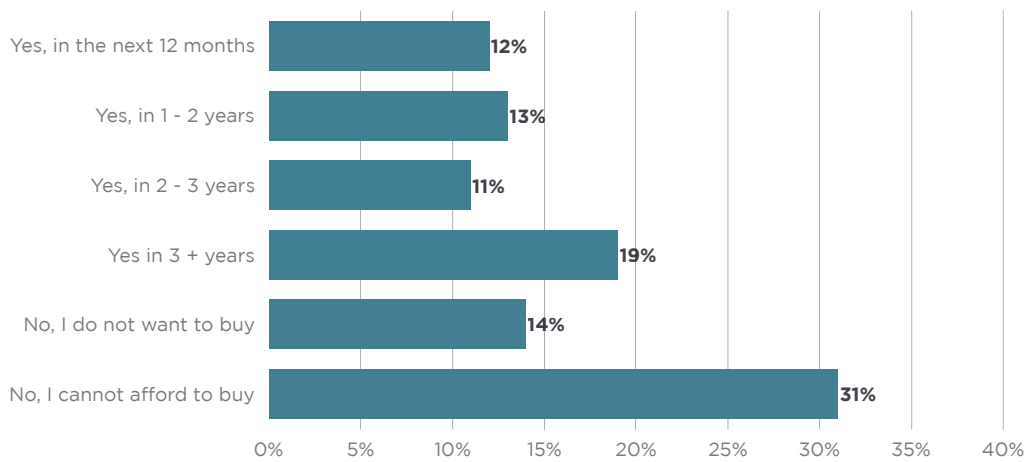
What is your ideal lease length?



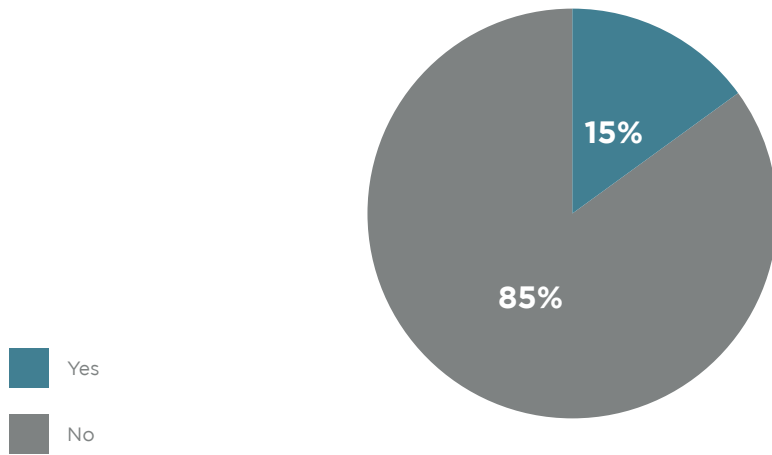
Do you currently own or have a mortgage on another property?



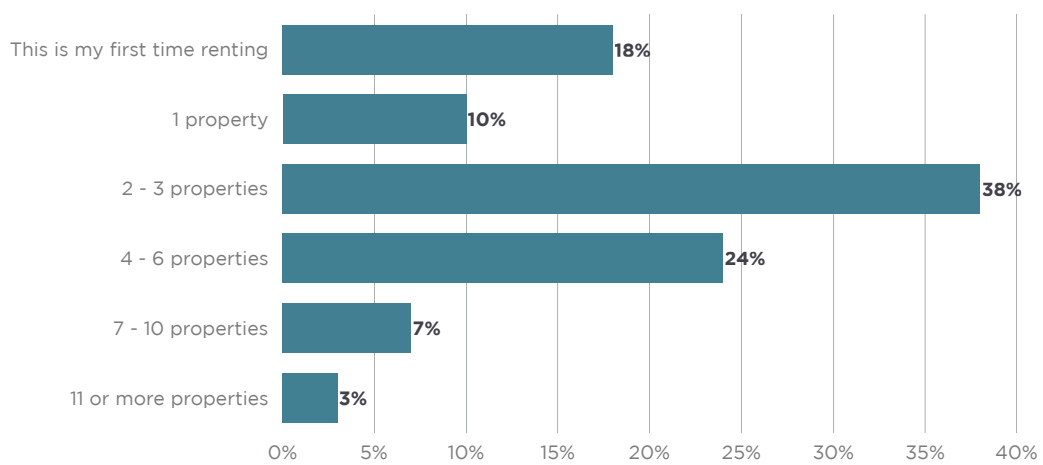
Are you planning to buy a home?



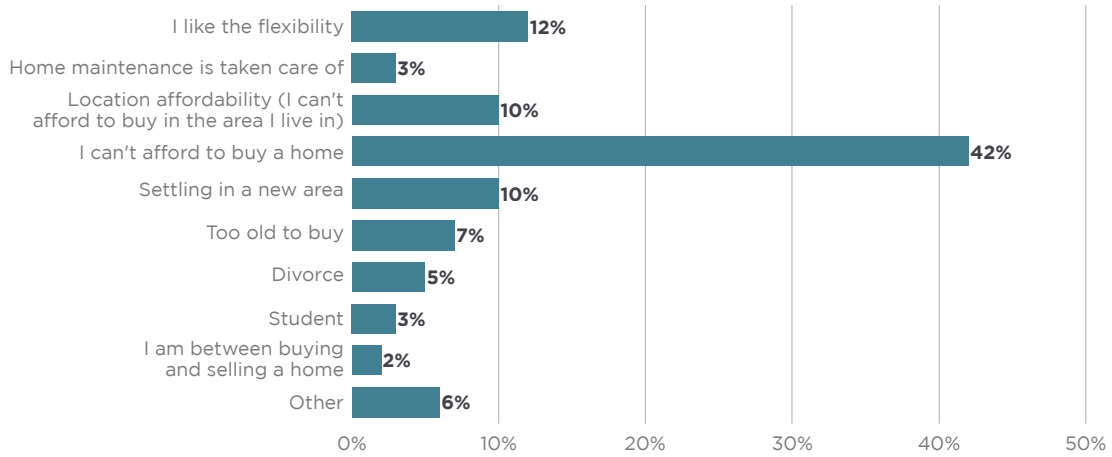
Has the announcement of the stamp duty holiday caused you to consider buying a home sooner than planned?



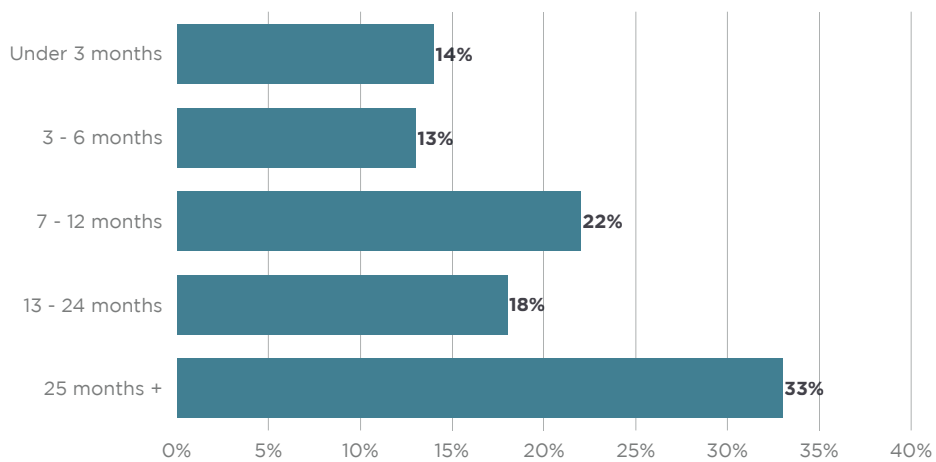
How many properties have you ever rented?



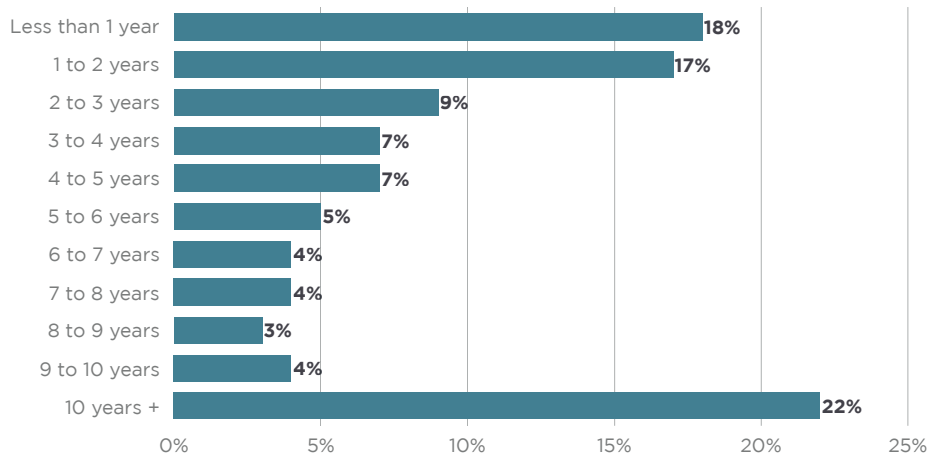
What is the main reason you rent?



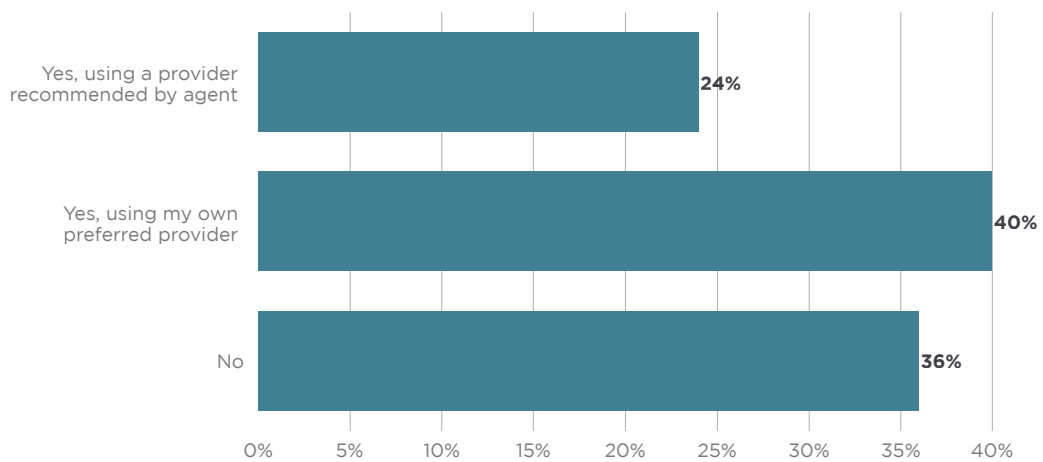
How long have you lived in your current rental property?



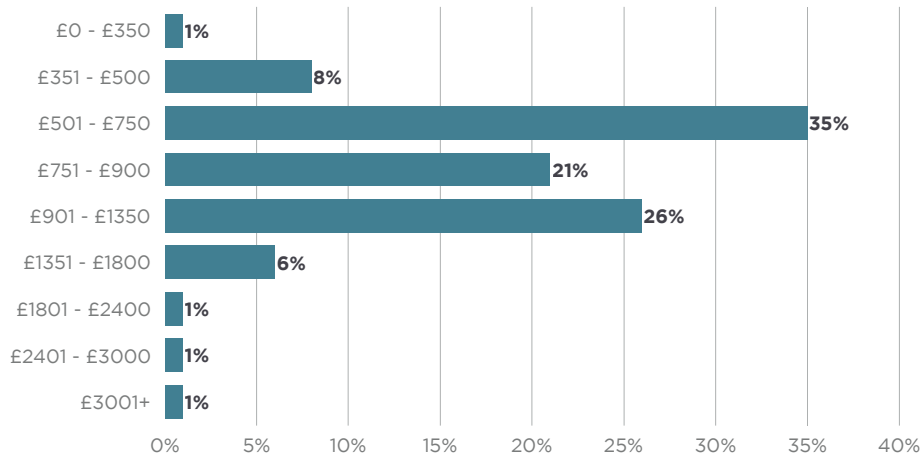
How long have you rented for?



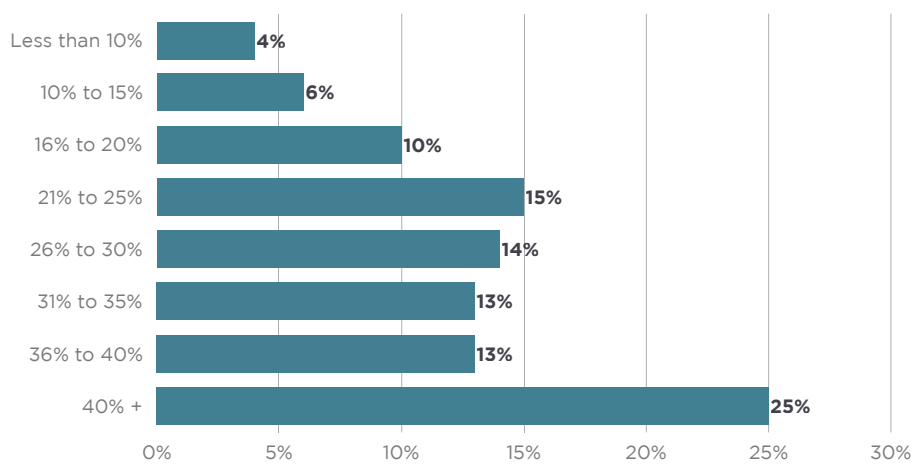
Did you take out tenant content insurance?



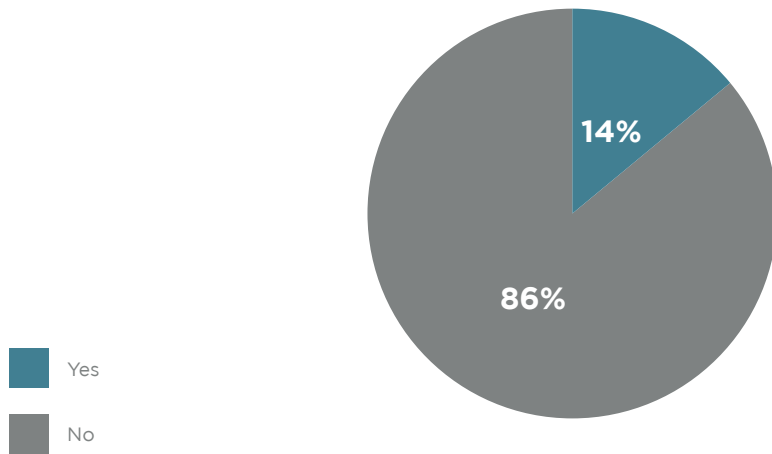
How much is the total monthly rent for your current property (the whole tenancy)?



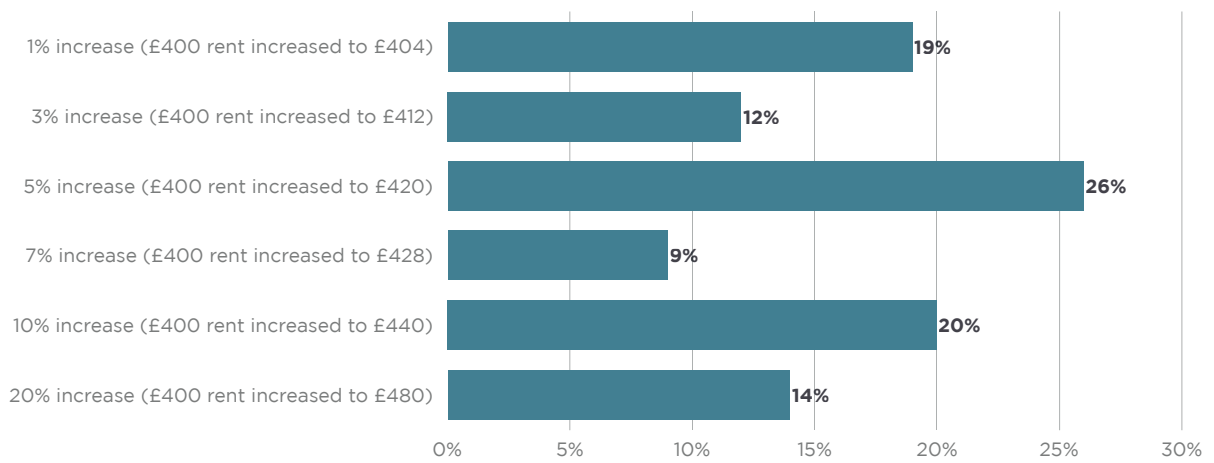
What percent of your gross income do you spend on rent as an individual tenant?



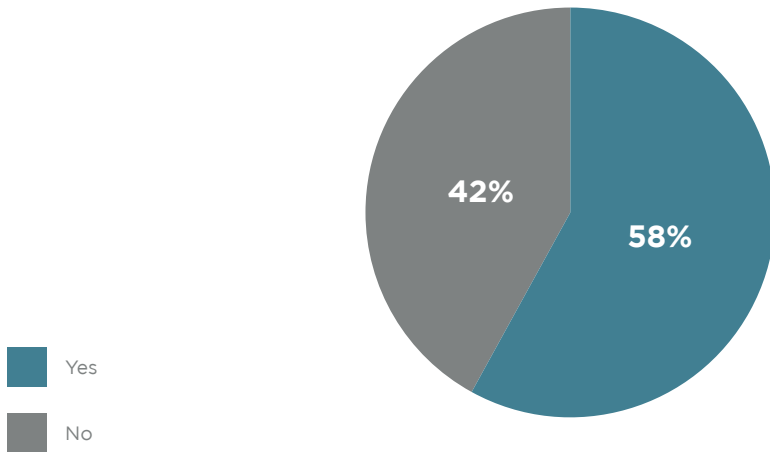
Would you be prepared to pay more to secure the property for longer?



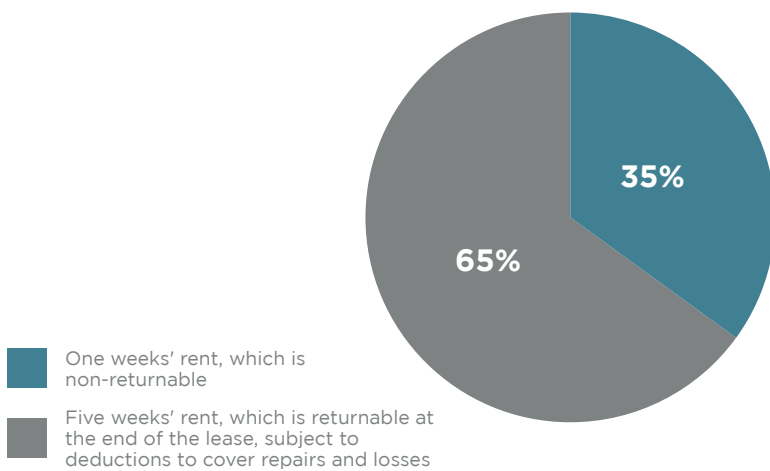
How much of a rent increase would cause you to move?



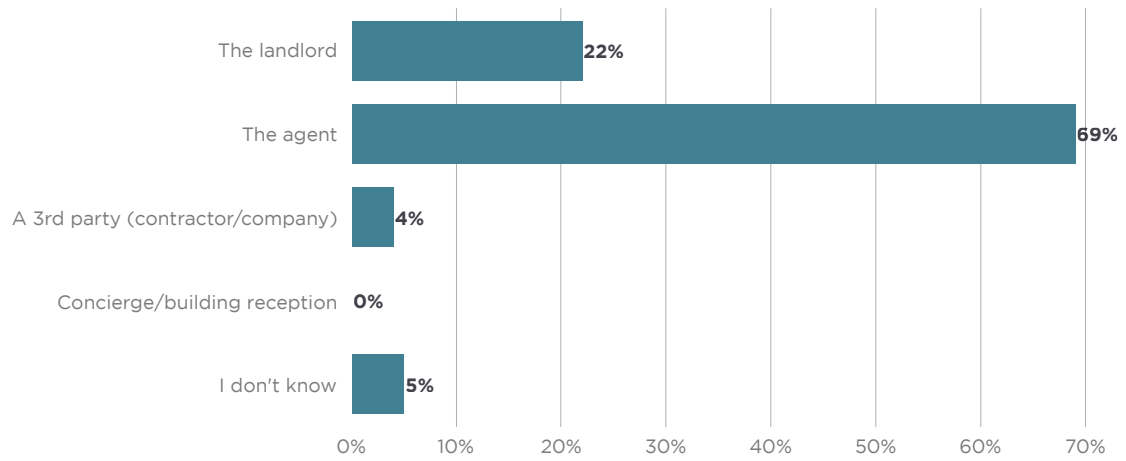
Have you heard of the Zero Deposit Scheme?



Which way would you prefer to pay?



Who manages the property you are renting?



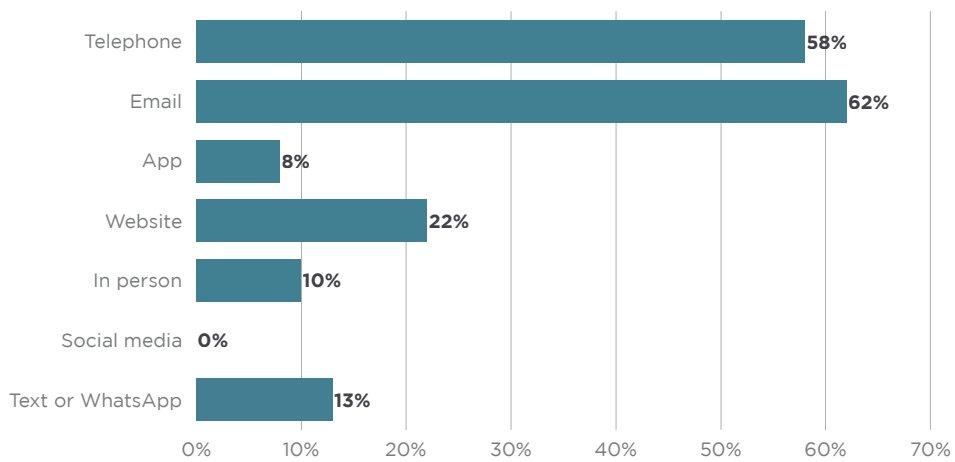
Thinking about your property management experience, how important to you are the following?

	Very important	Important	Neither important nor unimportant	Unimportant	Very unimportant
Proactive communication	67%	26%	5%	1%	1%
Speed of response	75%	23%	1%	0%	1%
Ease of reporting issues	74%	24%	1%	0%	1%
Knowledge and interest	50%	38%	10%	1%	1%
Professionalism and courtesy	67%	30%	3%	0%	0%
Listening and understanding	69%	28%	2%	0%	1%
Speed of resolution	75%	23%	1%	0%	1%

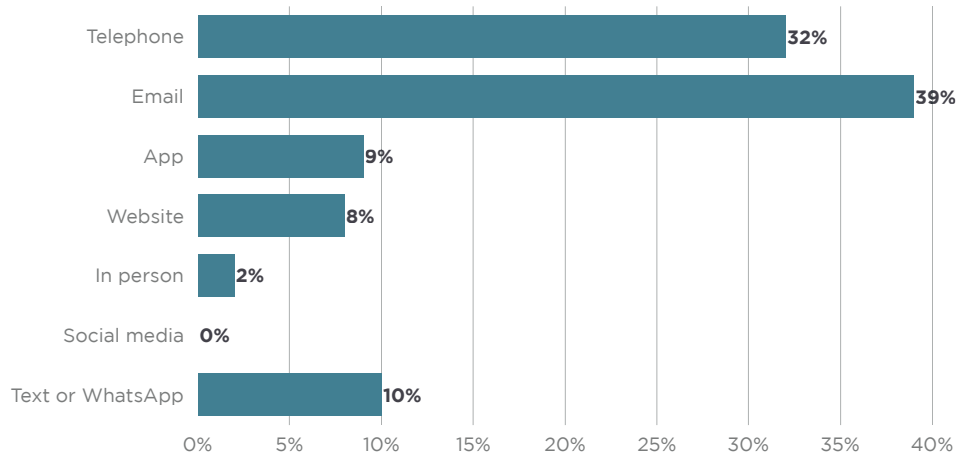
Thinking about your property management experience, how do you rate the service you receive?

	Excellent	Good	Satisfactory	Poor	Very Poor
Proactive communication	31%	32%	20%	10%	7%
Speed of response	31%	31%	20%	11%	7%
Ease of reporting issues	36%	34%	19%	6%	5%
Knowledge and interest	27%	34%	24%	9%	6%
Professionalism and courtesy	39%	33%	17%	6%	5%
Listening and understanding	33%	33%	20%	8%	6%
Speed of resolution	28%	30%	20%	11%	11%

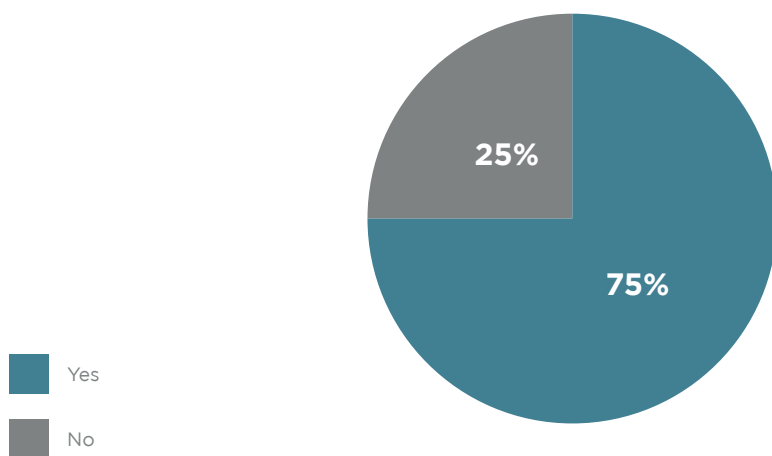
How do you report maintenance issues?
(Tick as many as apply)



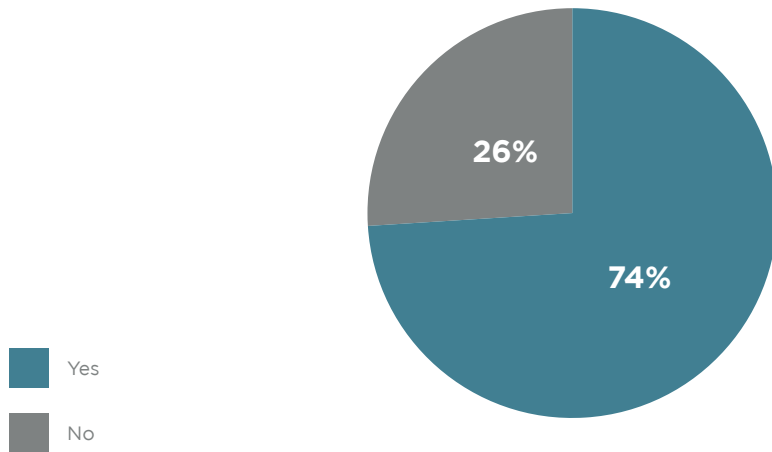
If you could only choose one method of communication to report maintenance issues, which would you choose?



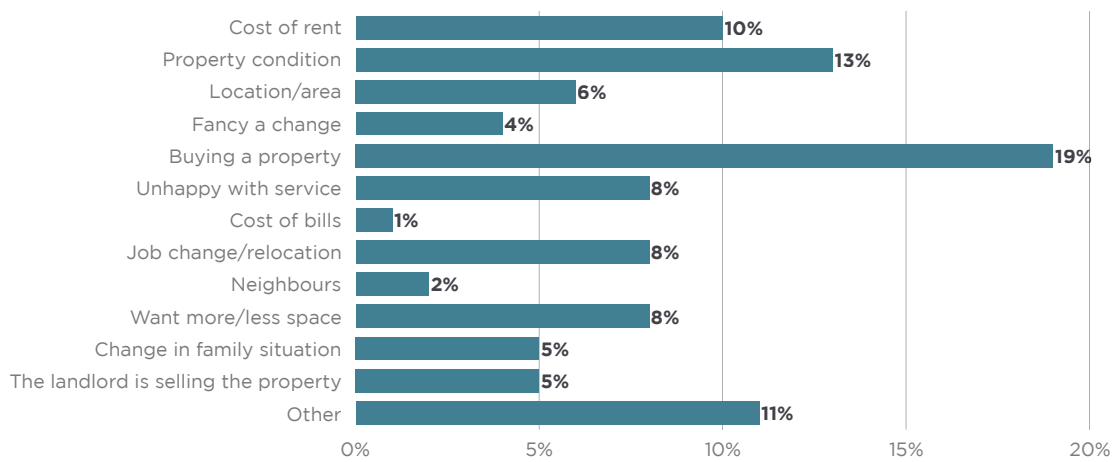
Are you happy with the condition of your current property?



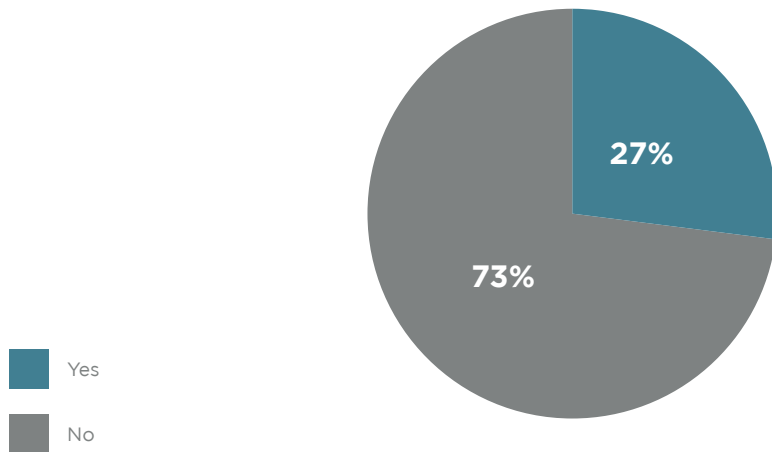
Do you intend to stay in the property and renew your tenancy agreement when it expires?



What is the primary reason you will not renew your current tenancy agreement?



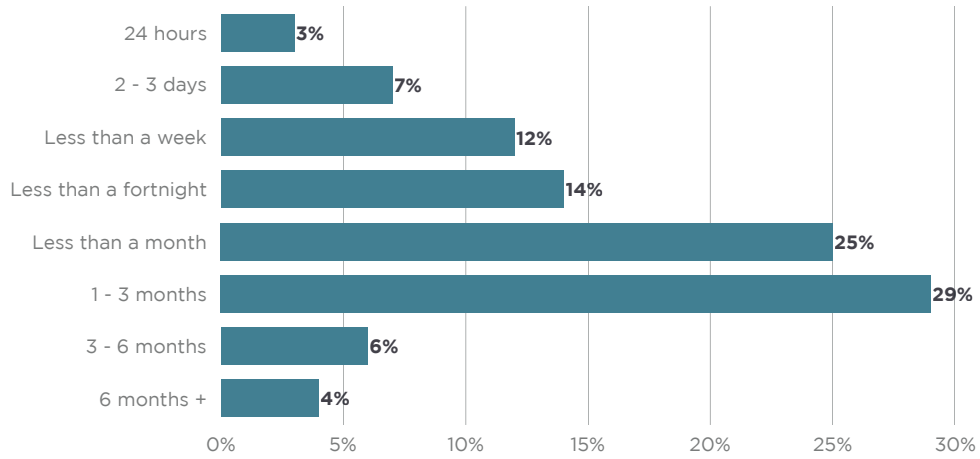
Will Covid-19 change your priorities when you are next looking for a property?



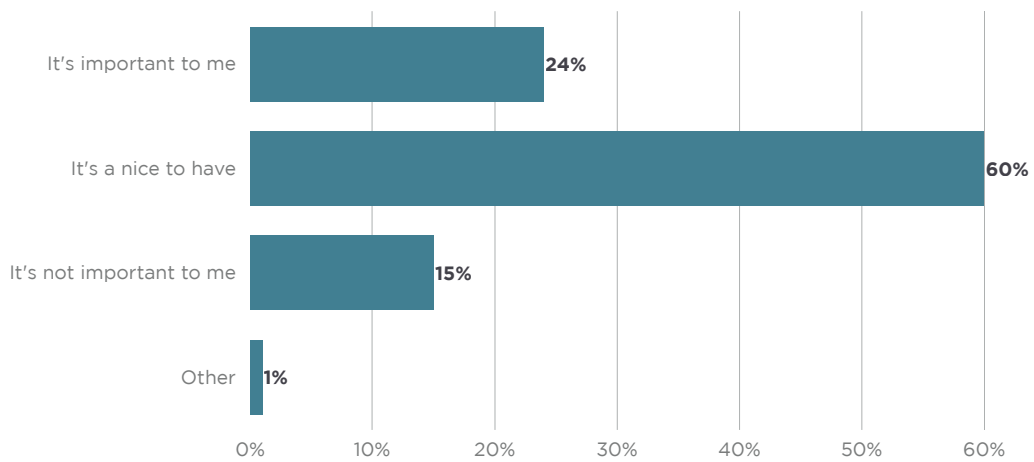
What requirements are now more important in a property than they were pre-lockdown?

	More important	Stayed the same	Less important
A garden	49%	47%	4%
A balcony	24%	51%	25%
Space to work from home	42%	47%	11%
Broadband speed	50%	47%	3%
Less urban area	17%	74%	9%
More urban area	5%	74%	21%
Larger property	33%	59%	8%
Smaller property	3%	57%	40%
Closer to friends and family	25%	65%	10%
Local community	24%	69%	7%
Commute to work	24%	64%	12%
Ability to avoid public transport when	26%	63%	11%
Pet friendly	31%	50%	19%
Affordability (less financial pressure)	55%	43%	2%

How long did you search for a property to rent?



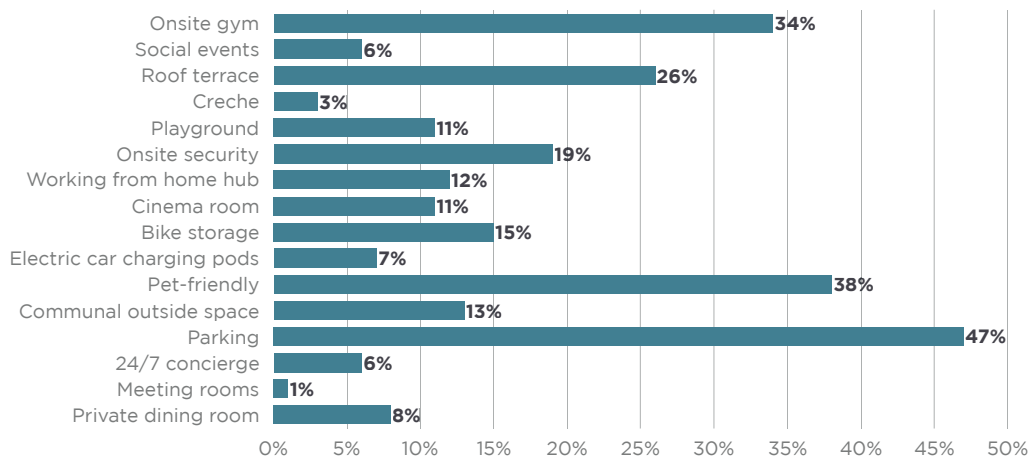
When choosing a property to rent, would you be influenced by its environmental sustainability credentials?



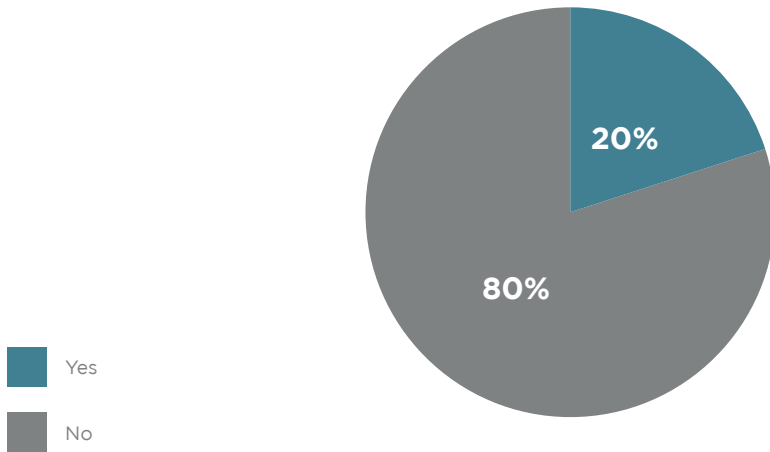
How would you rank the below in terms of importance to you when looking for a property
(1 being most important; 4 being least important)

	1 (very important)	2 (important)	3 (not important)	4 (very unimportant)
Facilities, security and other services	24%	22%	24%	30%
Design - internal and external design as well as build quality	14%	33%	30%	23%
Location - immediate surroundings and desirability of the location	29%	39%	21%	11%
Value for money - pricing of the accommodation	56%	27%	10%	7%

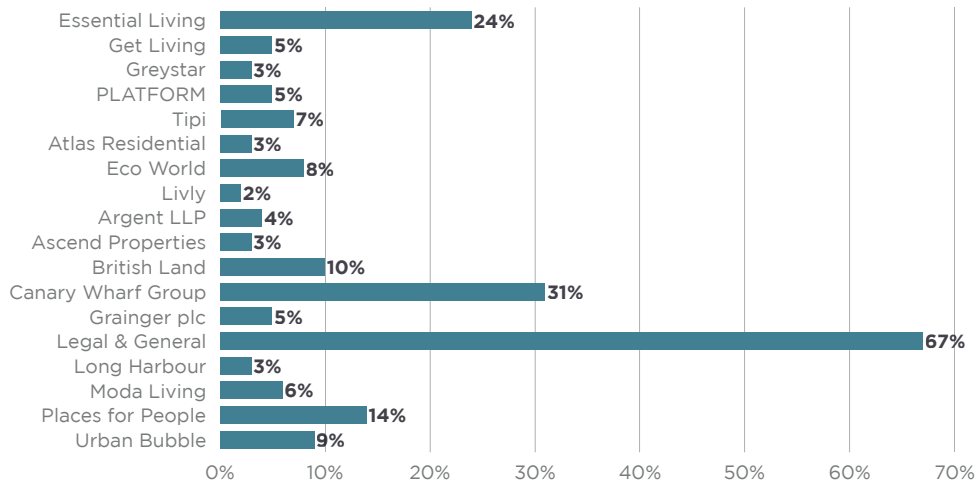
Which 3 facilities would you pick for an additional £50 increase in rent a month? (£40 outside London).



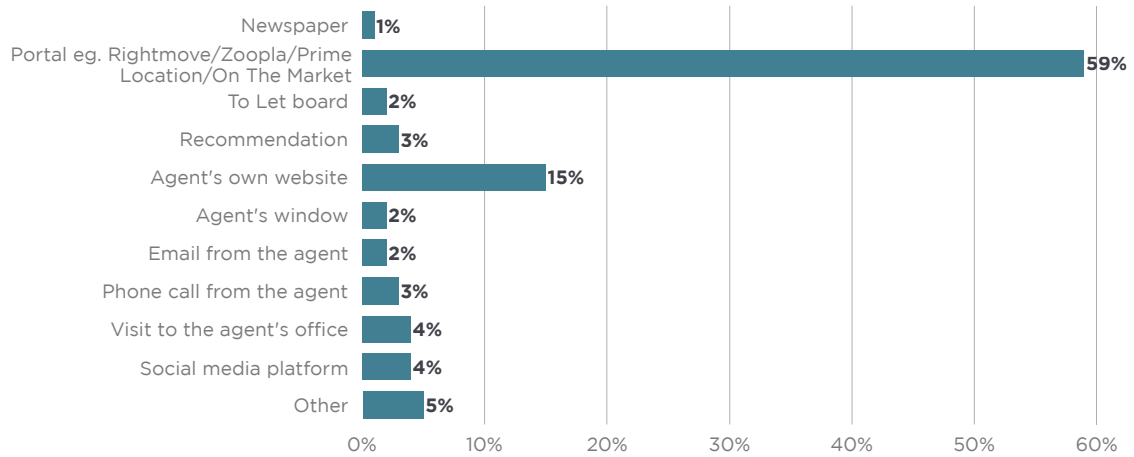
Do you know what Build to Rent is?



Have you heard of any of the below
(Tick as many as apply)



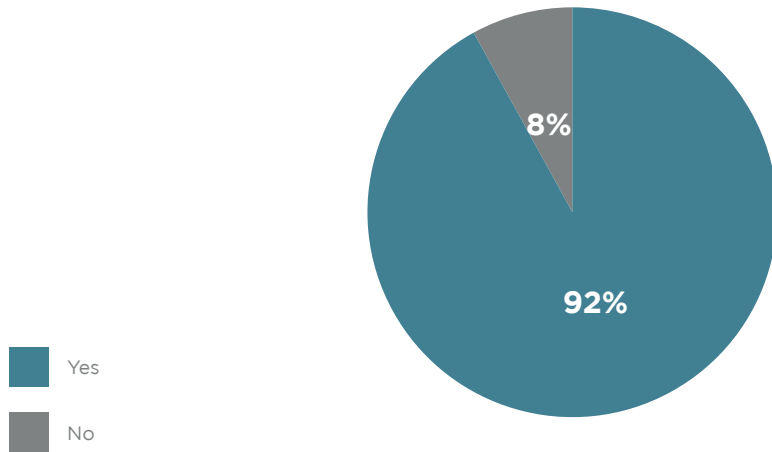
How did you first come across the property you are renting?



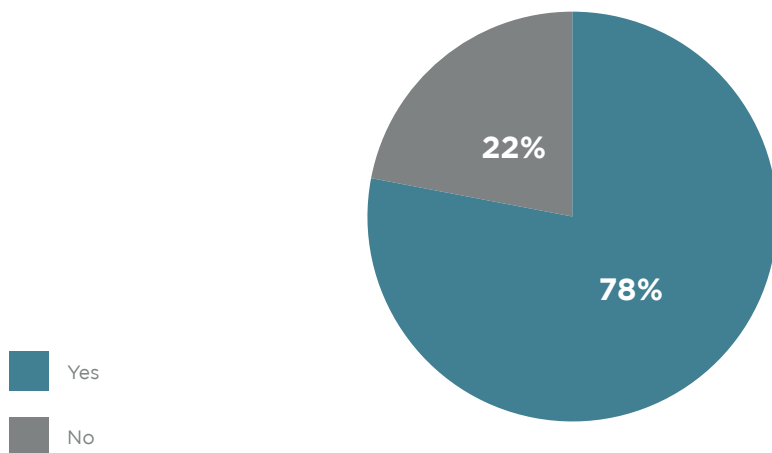
Please rank in order the websites you used during your property search
(1 being most important; 4 being least important)

	1	2	3	4
Rightmove	71%	22%	5%	2%
Zoopla	22%	56%	16%	6%
PrimeLocation	4%	14%	42%	40%
On The Market	7%	17%	39%	37%

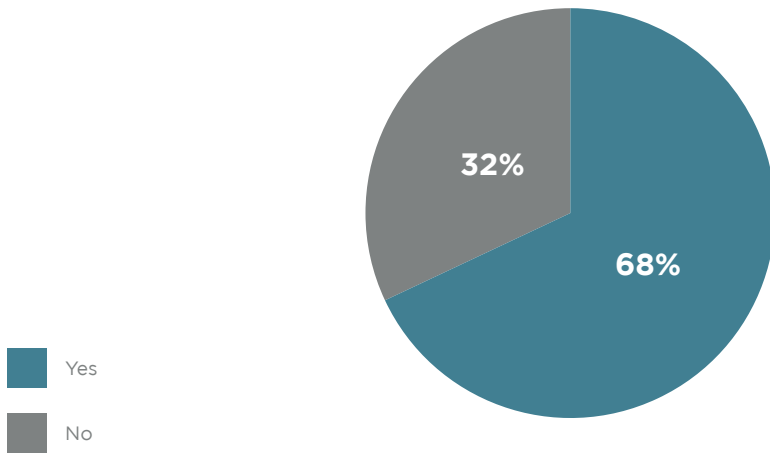
Did you search for properties to rent on portals?
i.e. Rightmove, Zoopla, OnTheMarket, Prime Location



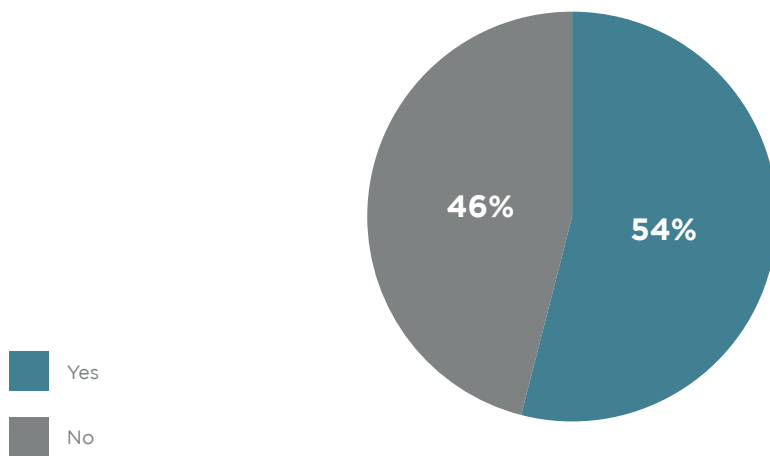
When searching for your rental property did you find that the
properties advertised on the portals were up to date?



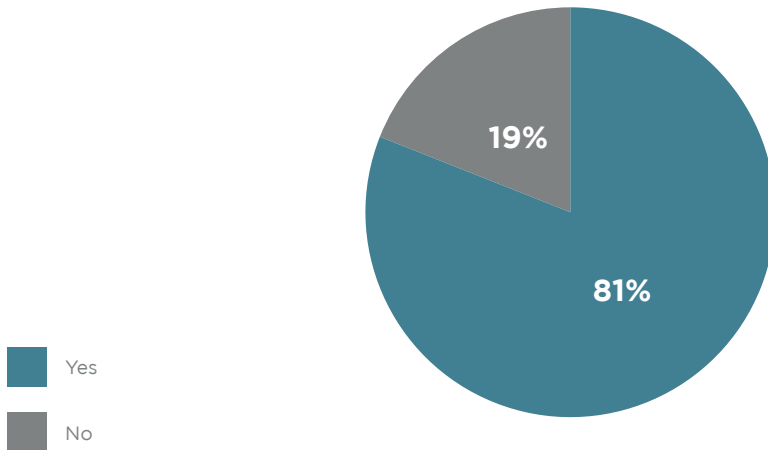
Did this have a negative impact on how you felt about the portal?



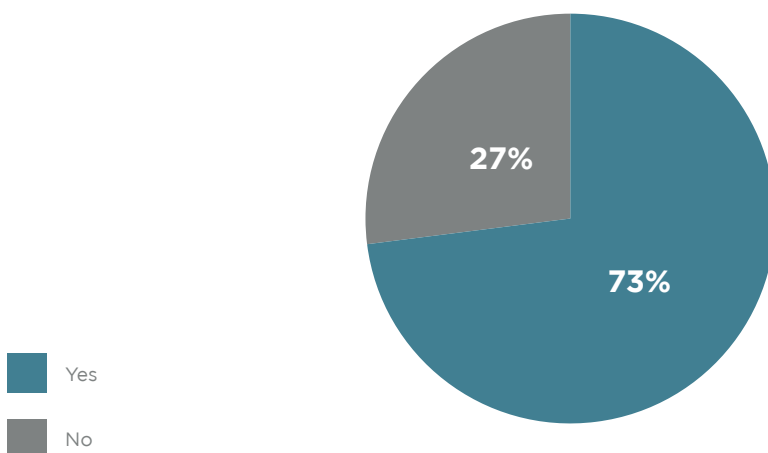
Did you search for properties to rent on agents' own websites?



When searching for your rental property did you find that the properties advertised on the agents' websites were up to date?



Did this have a negative impact on how you felt about the agent?



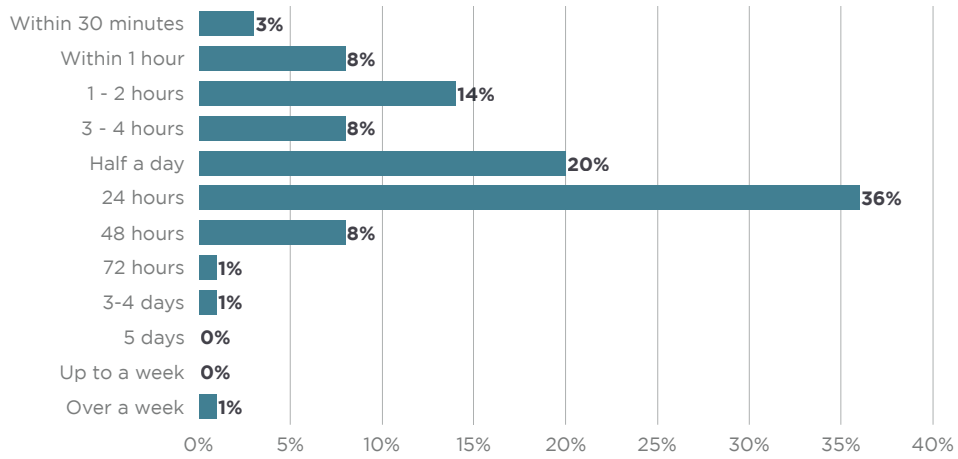
What information is most important to you when you are searching for a rental property?

	1 (very important)	2 (important)	3 (not important)	4 (very unimportant)
Quality of photographs	63%	32%	4%	1%
Number of photographs	60%	35%	4%	1%
Floor plan	51%	36%	11%	2%
Video tour / 360 degree tour	17%	31%	44%	8%
Description	58%	36%	5%	1%
Energy Performance Certificate (EPC)	27%	48%	21%	4%
Map and Street View	33%	47%	17%	3%
Local area information	27%	45%	24%	4%
Running costs	44%	42%	12%	2%
Broadband speed	35%	44%	18%	3%

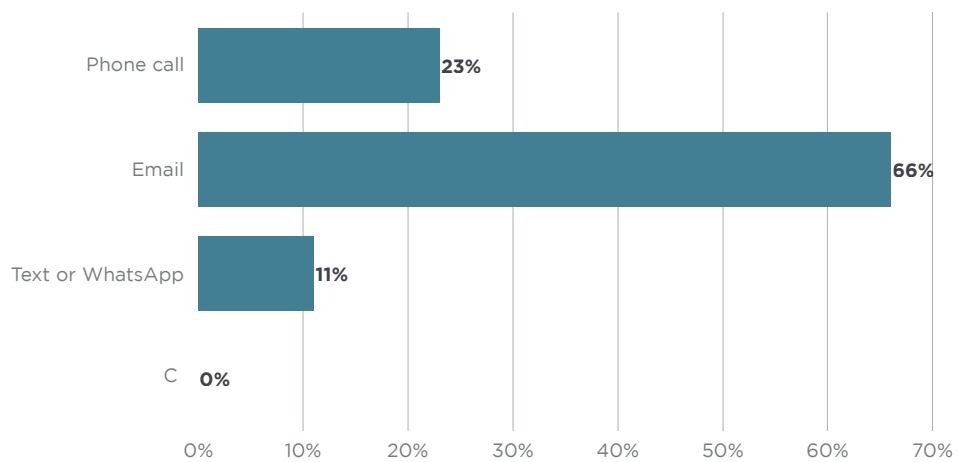
Thinking about your property search, how would you rate the service that you've received from agents?

	Excellent	Good	Satisfactory	Poor	Very Poor
Frequency of communication	33%	39%	20%	5%	3%
Speed of response	33%	38%	20%	6%	3%
Quality of photographs	26%	45%	23%	4%	2%
Number of photographs	23%	45%	25%	5%	2%
Floorplan	22%	38%	25%	9%	6%
Booking viewings	35%	40%	19%	4%	2%
Conducting viewings	35%	39%	20%	4%	2%
Paperwork	29%	38%	24%	6%	3%
Negotiating with landlords	26%	33%	27%	9%	5%
Problem solving (if applicable)	25%	33%	26%	9%	7%
Progressing the let (after making)	31%	39%	22%	5%	3%
Professionalism and courtesy	38%	37%	18%	4%	3%
Knowledge and interest	30%	39%	23%	5%	3%
Listening and understanding	31%	38%	21%	6%	4%
Response to Covid-19	28%	32%	28%	7%	5%

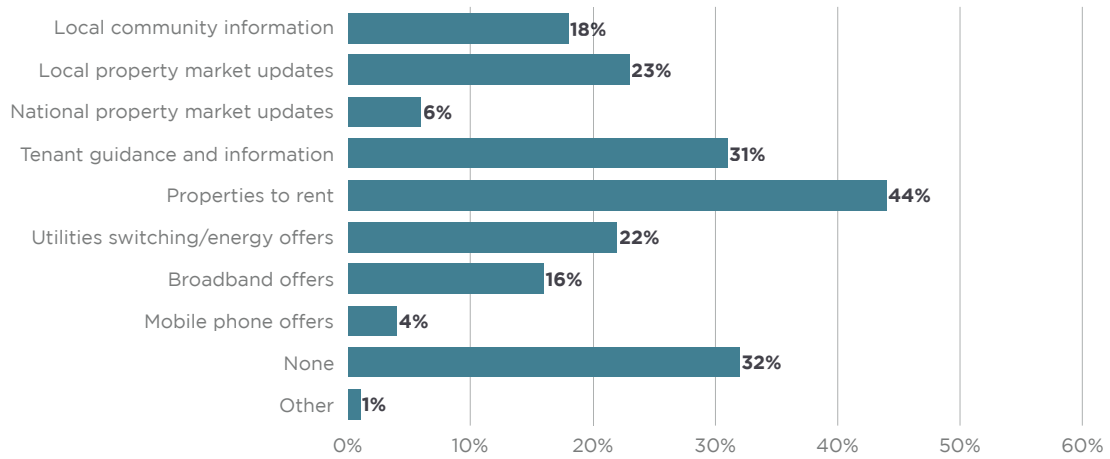
How quickly do you expect an agent to respond to an email from you?



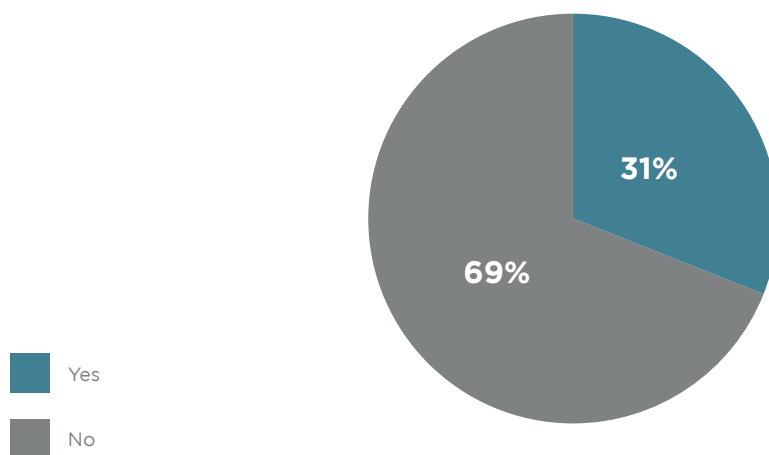
If an agent had taken a new rental property on to the market that suited your requirements, what is the best way to notify you?



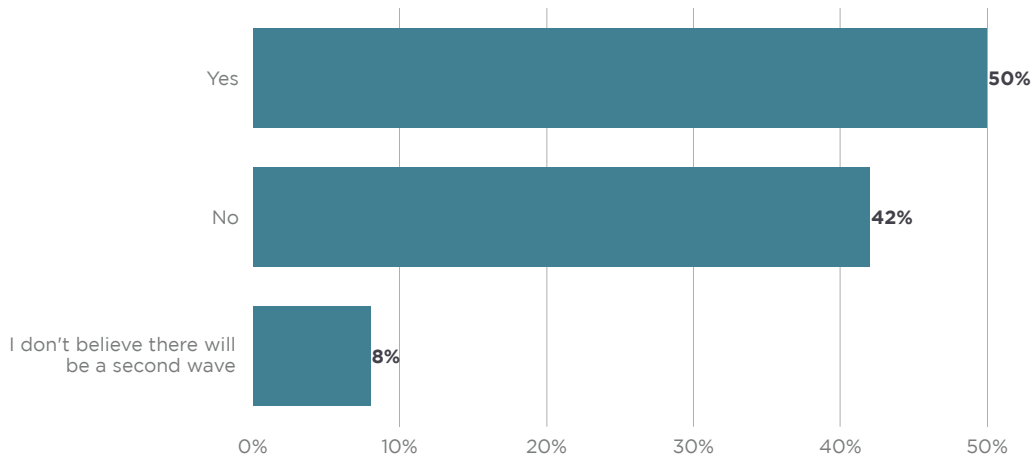
Which of the following would you be interested in receiving from your agent? (Tick as many as apply)



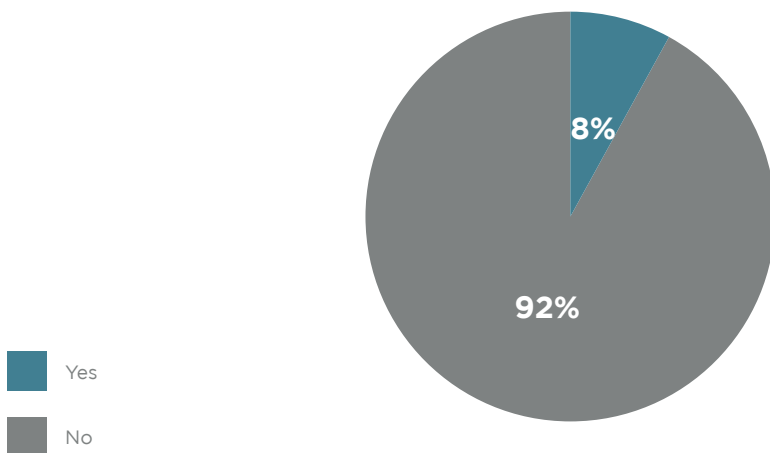
Did your agent contact you during lockdown to check everything was ok?



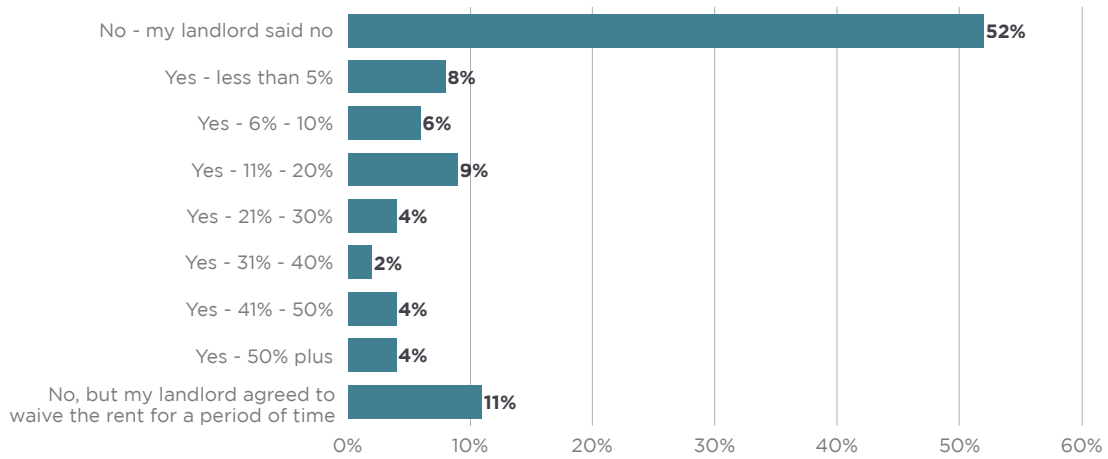
Have you prepared financially for a potential second wave of Covid-19?



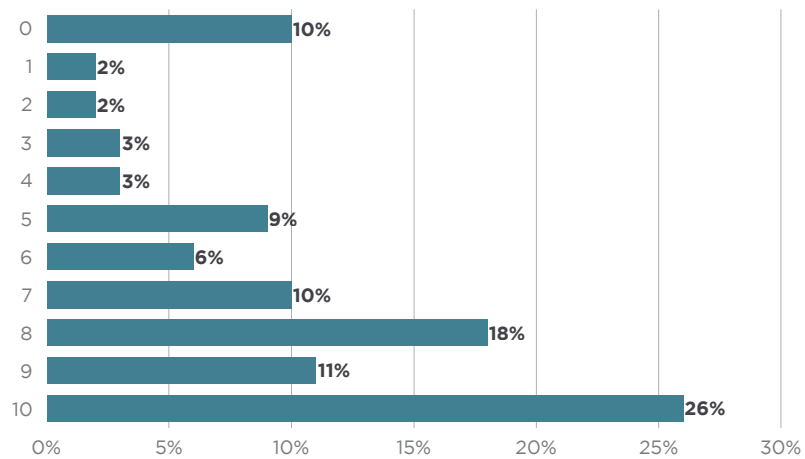
Did you ask your landlord for a rent reduction as a result of Covid-19?



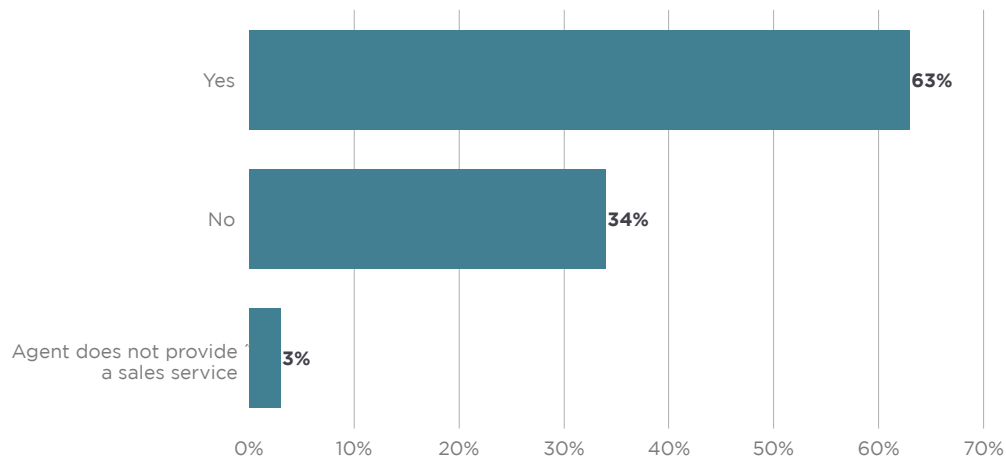
Did you receive a rent reduction from your landlord as a result of Covid-19?



On a scale of 0 - 10 how likely are you to recommend your letting agent to a friend or colleague? (0 not likely, 10 very likely)



If in the future you need to sell or let a property you own, would you instruct your current letting agent to act on your behalf?



The Property Academy analyses the data from our surveys in a lot more detail. The findings and what this means are presented within our seminars and training throughout the coming months.

Please contact us on **01372 372372**
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