

PRESS RELEASE

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Supply of Rental Accommodation in Central London Set to Increase Dramatically

Homeownership is on the decrease in London and the housing stock that makes up London's neighbourhoods is changing to accommodate Generation Rent.

According to the English Housing Survey the proportion of households in the private rental sector rose from 14% - 30% between 2003 and 2014. Over the same period homeowner occupation fell from 56.5% to 49.5% and the proportion of owners relying on mortgage finance declined from 39% to 27%, as cash purchasers became more commonplace.

The simple fact is the cost of an entry level property in the capital has moved beyond the means of most buyers and so a greater number of people have to rent or remain in rental accommodation. And with London's population expected to reach 9.4 million by 2022*, it seems clear that the private rental sector has an increasingly important role to play in housing London's residents.

Lettings specialist Mason Brooks, at Hurford Salvi Carr confirmed that they expect the growth in the rental sector to continue and believe that by 2025 over 40% of all London households will live in rental accommodation. A scenario akin to that seen in much of Central and Northern European, where sale prices remain stable and the rental market is the dominant force.

To meet this increasing demand London is seeing the private rental sector expand at a ferocious rate. According to Hurford Salvi Carr: "The number of rental properties coming to the market across London will be driven by large institutional investors who are entering the market in ever greater numbers. This will supplement those properties provided by

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individual UK and overseas investors, who for years have been buying up the new developments across London as Buy-to-Let investments.”

In the short term Hurford Salvi Carr believes that rents will remain stable largely because there are so many new developments scheduled for completion in 2016 and 2017 that will inevitably will find their way into the rental sector. For the investor this means that yields will remain largely unchanged as sale prices are expected to be static.

In the long term there will be extra supply, which will keep rental increases to a minimum for tenants and increase the choice available for those looking to live in rental accommodation.

To see the full Hurford Salvi Carr Research Brochure go to: <http://www.hurford-salvi-carr.co.uk/research/2015-Q4.pdf>

* The Office for National Statistics said that the capital’s population, which was last measured at 8.3 million, would rise by 13 per cent over the next decade to hit nearly 9.4 million by 2022.

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About Hurford Salvi Carr:

Hurford Salvi Carr are an independent firm of property advisors and development consultants who specialize in the Central London property market. They have been selling and letting residential and commercial property in London since 1996 and pride themselves on our customer service and in depth knowledge of the local markets that make up the West End, City and Docklands.

