

## NEWS RELEASE

### **NEAR PERFECT CONDITIONS PREDICTED FOR PROPERTY RENTAL MARKET IN 2011**

Local lettings specialist, ClearMoveUK, is predicting a period of dynamic growth for the residential property rental market in 2011 and near perfect market conditions for long term investment landlords.

As prospective home owners continue to face lending barriers such as tight mortgage lending criteria, job related relocation, and an uncertain financial future, rents are rising.

“Across our region demand from tenants continues to grow and exceeds supply as many consumers are deciding to rent property rather than buy,” said Russell Greatbatch, Director of ClearMoveUK office of which can be found on the Kings Road in Fleet.

“Consumers are feeling the pinch and are still worried about the impact of cut backs and a possible on-going recession and are deciding it’s wise to wait before committing themselves to a long term house purchase,” he added.

“We are seeing a rise in residential lettings which I believe will continue throughout 2011 and with rental values expected to continue a pattern of steady growth as the year goes on, it’s never been a better time to be either a landlord, or indeed a tenant, with all the security which comes with renting,” he added.

Recent research by ARLA, the Association of Residential Lettings Agents, indicates that nationwide demand for rental properties has rocketed to an eight year high. More than 70 per cent of letting agents across the UK are noticing a surge in demand, which more than doubles that experienced in 2007 at the peak of the property boom.

Kathy Whitelocks, of ClearMoveUK, is also optimistic about the rental market in 2011 and feels the impact of the Government’s recent Comprehensive Spending Review will also have a significant impact.

“With hundreds of thousands of public sector job cuts planned for 2011 and families on lower incomes facing dramatic benefit reductions, there will be less ability or willingness to commit to a mortgage.

“I strongly believe that these exceptional market conditions, which include falling property prices, continued low interest rates and unprecedented tenant demand, will provide a major boost to the residential property market and a fantastic opportunity for long term investment landlords.”

ClearMoveUK’s summary of the past year, and predictions on what could happen in 2011 are:

## Looking back over 2010

- Demand for rental property saw exponential growth with an over-supply of prospective tenants and an undersupply of landlords.
- Because of the slow-down in residential property sales, many estate agents entered the lettings market, with no prior expert knowledge of the sector, leading to increased competition for quality properties and difficulties in some areas.
- More than ever before, tenants and landlords needed to do their homework before selecting an agent to work with.

## Looking ahead to 2011

- The lettings sector will continue to grow and ClearMoveUK predicts rents could increase by some 10-15% over the next 12 months.
- Renting will continue to be regarded as the preferred alternative to home ownership, allowing for greater mobility. As we come out of recession people will feel more comfortable about changing jobs and become increasingly mobile in their search for the right work.
- Residential sales will continue to struggle for the foreseeable future as banks continue to make far more difficult lending decisions.
- Long term investors in buy to let property will be the catalyst to attract much needed private capital in the local residential property market. With the scaling down of Government schemes such as Homebuy, new initiatives will be needed to increase the flow of properties onto the market and keep the recovery process on track.

According to ClearMoveUK, the future looks bright for the region's landlords and letting agents, and also for tenants who look set to benefit from the security of knowing that they can live in well managed and maintained property whilst the economic climate remains uncertain.

"It's all good news for the local private rental sector," says Kathy Whitelocks." And if anyone is considering making a long term investment in the buy to let residential property market, we are more than happy to provide them with free, impartial advice on their potential investment.

"Not only does ClearMoveUK focus all of its expertise in lettings management, but our team here in Fleet knows the local market inside out and we can help compare deals and offer advice to landlord clients without any introduction fees."