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Analytical Report

Rental Market Analysis(September, 2024)

Intelligence Team

Overview

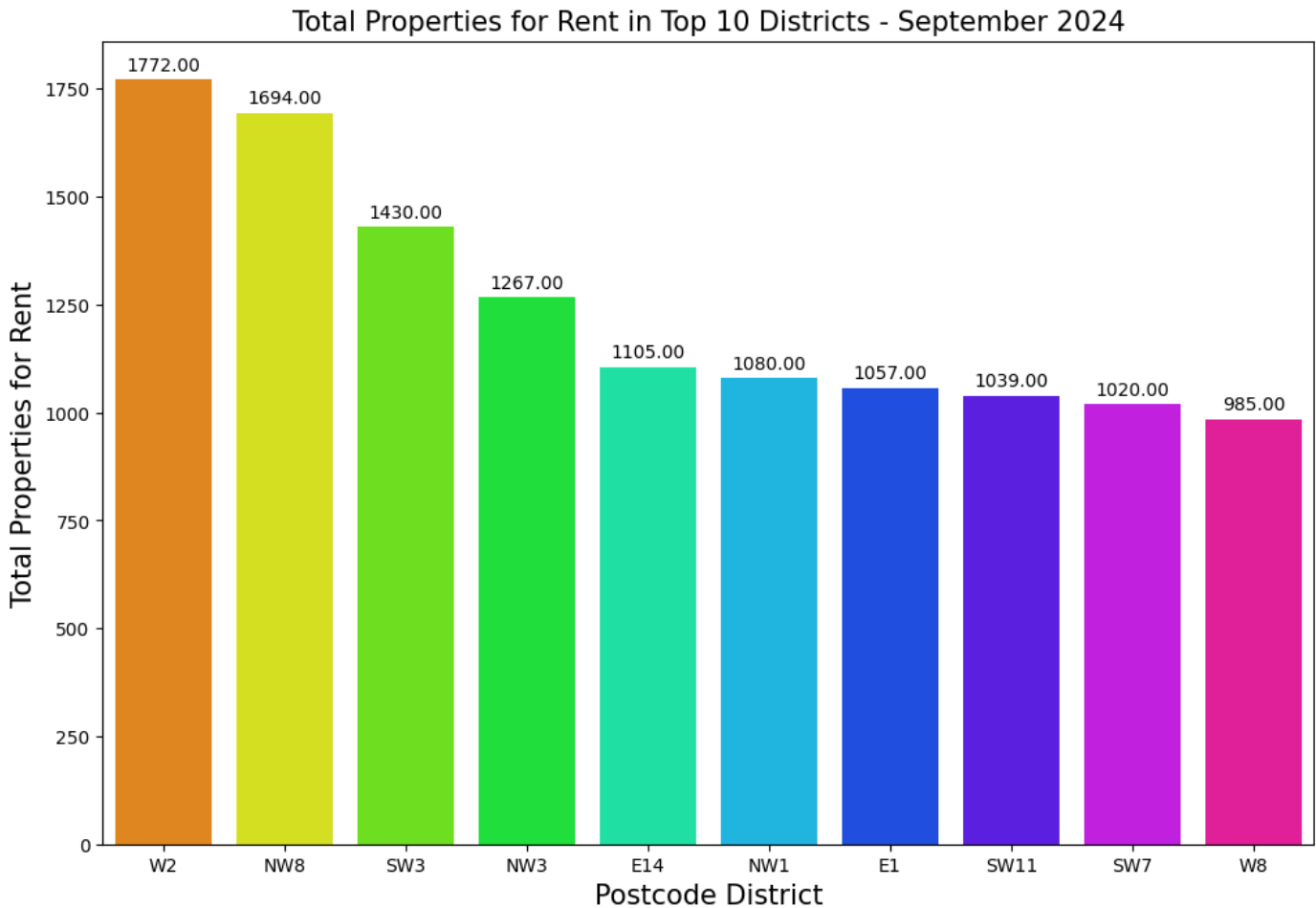
The following report represents information on rental properties in various postcode districts in London.

Key Metrics

- Total properties for rent: This value indicates the total number of properties available on the market for rental purposes in a month.
- Average transaction per month: The average number of properties rented out per month.
- Months of inventory: The amount of time it takes for the said “total properties for rent” to be rented out.
- Turnover percentage per month: The proportion of properties that change hands each month.
- Days on the market: The average number of days it takes for a property to be rented out.
- Rating: This value provides a qualitative assessment of the market type based on certain criteria including demand, rental price etc.
- Landlords Market: Market with high demand and less supply.
- Balanced Market: Market with approximately equal demand and supply.
- Tenants Market: Market with high supply and less demand.

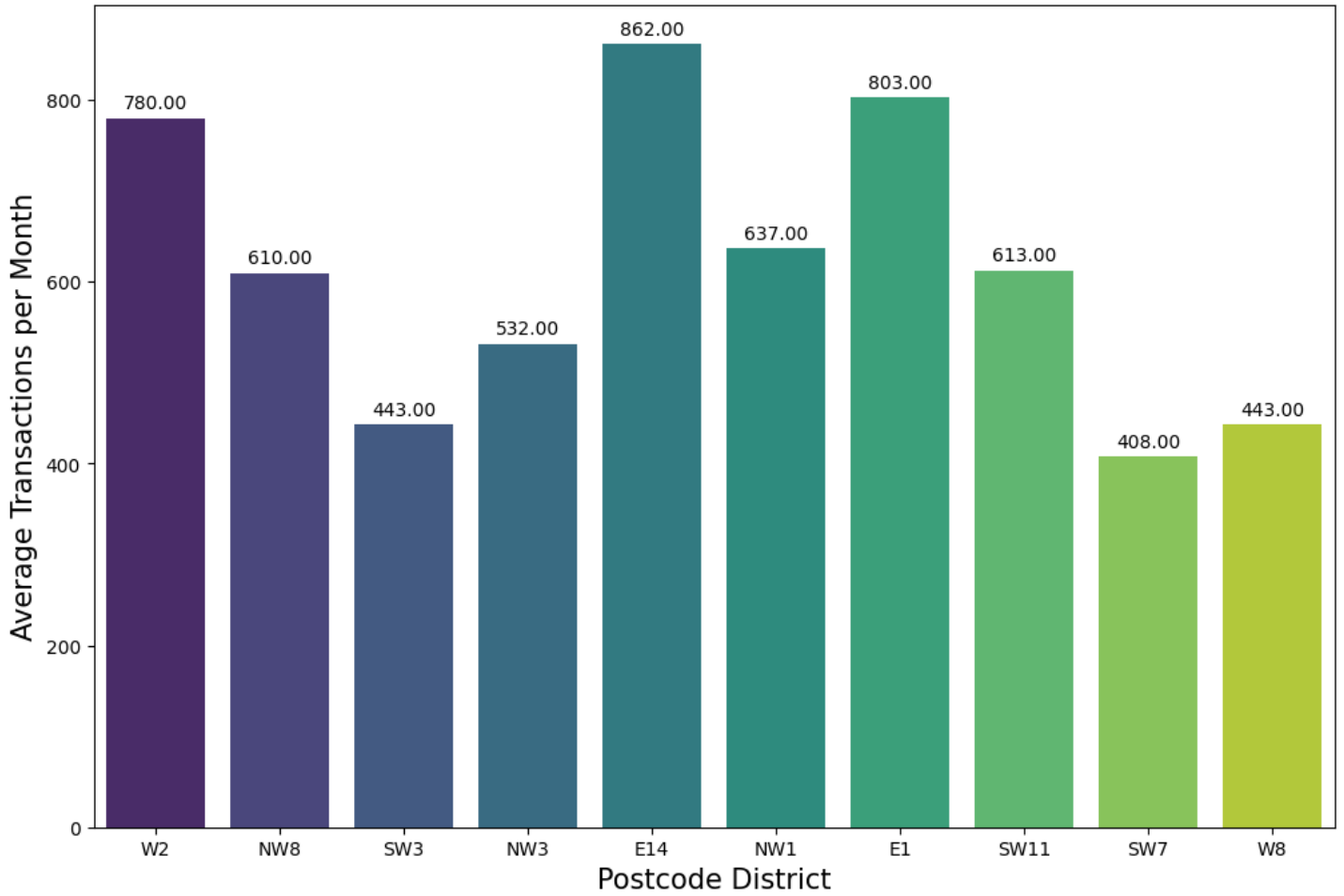
High-level Analysis

The following analysis provides an overview of the rental market in several postcode districts for September 2024.



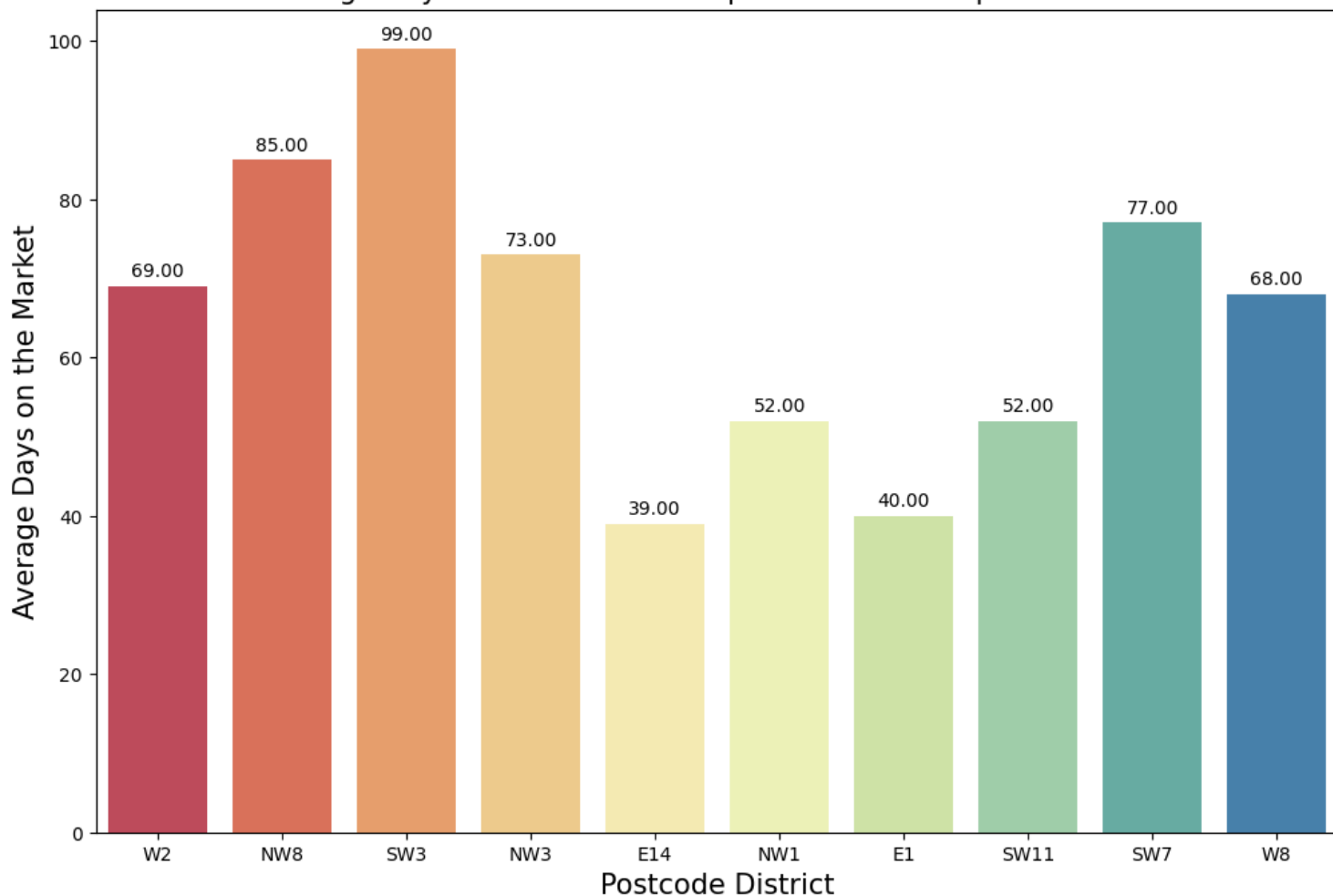
The rental market across these postcode districts shows a clear dominance of a "Landlord's market," particularly in high-demand areas like *W2*, *NW3*, *E14*, *NW1*, *E1*, *SW11*, and *W8*, where landlords have the upper hand due to limited supply and strong demand. These districts, known for their central locations and affluent appeal, likely see higher rental prices with stiff competition among renters. In contrast, districts such as *NW8*, *SW3*, and *SW7* present a "Balanced market," where there is more equilibrium between supply and demand, offering renters a better chance at negotiation and a wider selection of properties. Overall, while prime central areas remain competitive, balanced markets provide more stability for tenants.

Average Transaction per Month in Top 10 Districts - September 2024



Index	Postcode District	Turn over(%) per Month
1	W2	44
2	NW8	36
3	SW3	31
4	NW3	42
5	E14	78
6	NW1	59
7	E1	76
8	SW11	59
9	SW7	40
10	W8	45

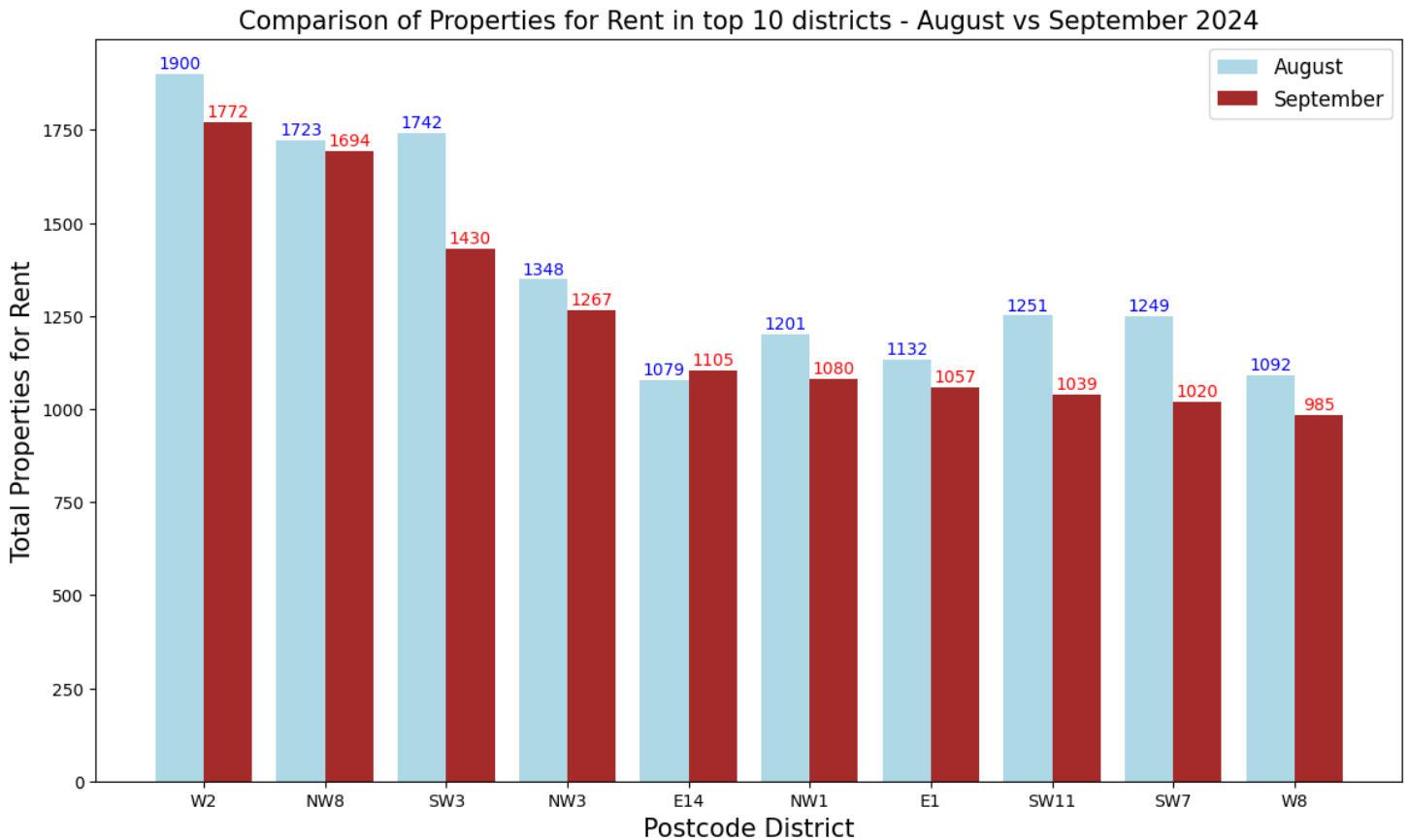
Average Days on the Market in Top 10 Districts - September 2024



Index	Postcode District	Months of Inventory
1	W2	2.3
2	NW8	2.8
3	SW3	3.2
4	NW3	2.4
5	E14	1.3
6	NW1	1.7
7	E1	1.3
8	SW11	1.7
9	SW7	2.5
10	W8	2.2

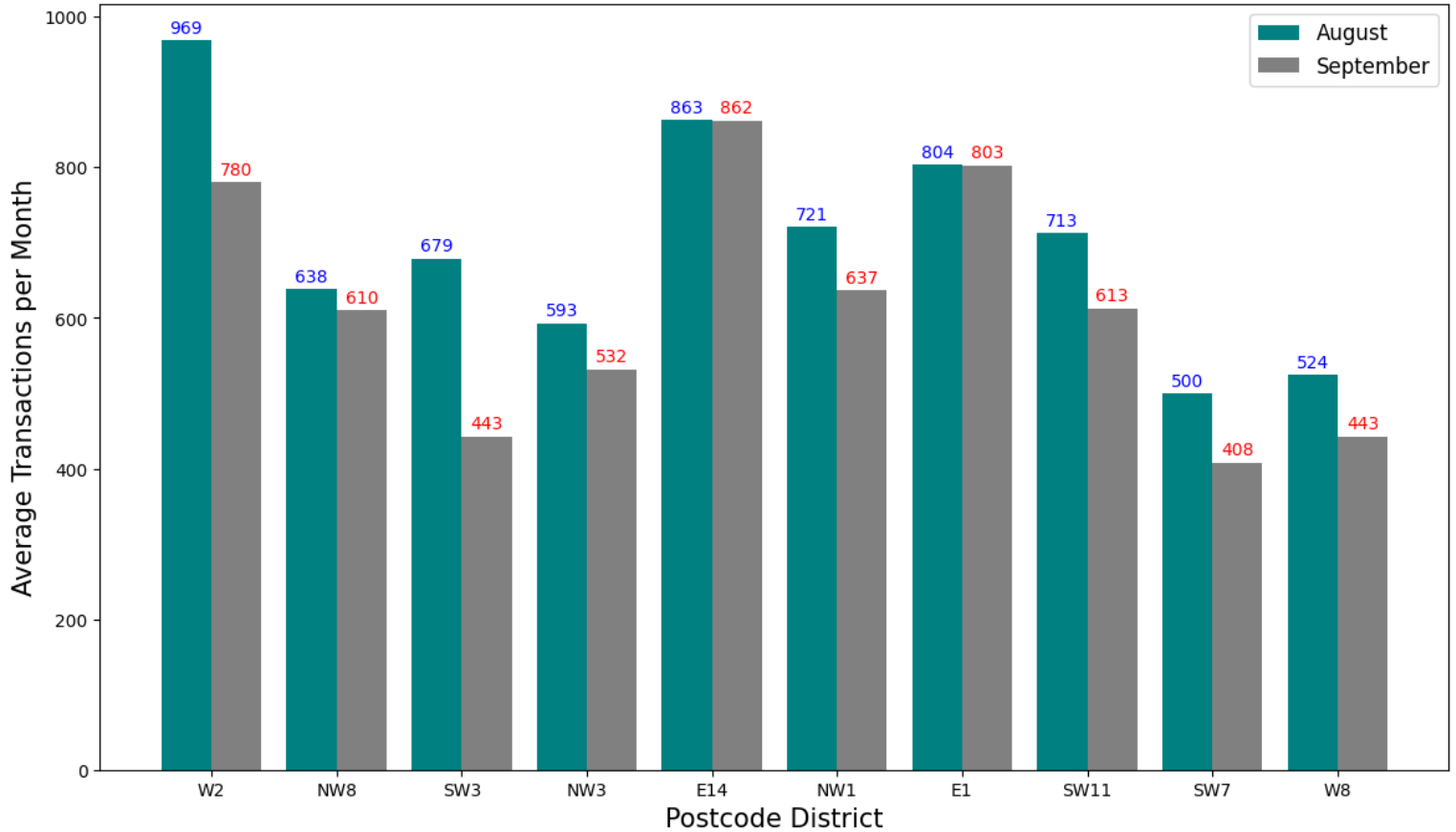
Comparison of data: August vs September, 2024

The bar chart compares the top 10 districts for September with those for August. This side-by-side comparison allows for a visual assessment of any changes or trends in these districts' performance over the two months.



The comparison between August and September reveals a general decrease in available rental properties across most postcode districts, yet the market dynamics remain largely unchanged. Areas like *W2*, *NW3*, *E14*, *NW1*, *E1*, *SW11*, and *W8* continue to be "Landlord's markets," indicating that despite reduced supply, demand remains strong, keeping landlords in control. In contrast, districts like *NW8*, *SW3*, and *SW7* maintain a "Balanced market" status, even though some, like *SW3* and *SW7*, saw a more significant drop in listings. Overall, while the number of properties for rent has slightly diminished, the power balance remains steady.

Comparison of Average Transaction per Month in top 10 districts - August vs September 2024



The data comparing August to September shows a general decline in average monthly transactions across most postcode districts, reflecting a slight cooling in market activity. In *W2*, *SW3*, *NW1*, and *SW11*, both average transactions and turnover percentages dropped, indicating reduced movement in the rental market, with *SW3* seeing a particularly sharp decline. Despite this, areas like *E14* and *E1* have maintained stable transaction levels, with minimal changes in turnover percentages, suggesting consistent market activity. *NW8*, *NW3*, *SW7*, and *W8* experienced moderate decreases in transactions, though turnover percentages remained relatively stable, pointing to ongoing but slightly reduced demand. Overall, the rental market appears to be steady but slightly less active in September compared to August.

Insights - September 2024

- Market Trends and Dynamics: The data reveals a distinct divide in the rental market, with central districts like *W2*, *NW1*, *E14*, *E1*, and *SW11* being "Landlord's markets." These areas show high turnover percentages and lower months of inventory, indicating strong demand and shorter time on the market. On the other hand, districts like *NW8*, *SW3*, and *SW7* are "Balanced markets," with more properties staying on the market for longer and lower turnover percentages, suggesting a more stabilised demand and supply dynamic. In general, demand is stronger in landlord-favoured areas, where properties move faster, while balanced markets are slower and offer more negotiation space for renters.
- Market Fluctuations and Variability: There is significant variability in the time properties stay on the market. For instance, *E14* and *E1* show very low days on market (39 and 40 days, respectively), which contrasts with the longer periods in *SW3* and *NW8* (99 and 85 days). This indicates fluctuating levels of demand across districts, with some areas moving quickly while others are experiencing slower market dynamics. The turnover percentage also varies widely, from a high of 78% in *E14* to a low of 31% in *SW3*, highlighting the variability in rental activity across different regions.

- Market Possibilities and Opportunities: Opportunities are most apparent in the fast-moving "Landlord's markets" like *E14*, *E1*, and *NW1*, where high turnover and quick property movement indicate a thriving rental demand, making these areas attractive for investors and landlords. For renters, the "Balanced markets" in districts like *SW3* and *SW7* offer more stable conditions, with longer days on market and more inventory, which may create negotiation leverage and better rental deals. Additionally, areas with slightly longer months of inventory, such as *SW3* and *NW8*, could present opportunities for future rental growth as the market stabilises.