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Analytical Report

Rental Market Analysis(August, 2024)

Intelligence Team

Overview

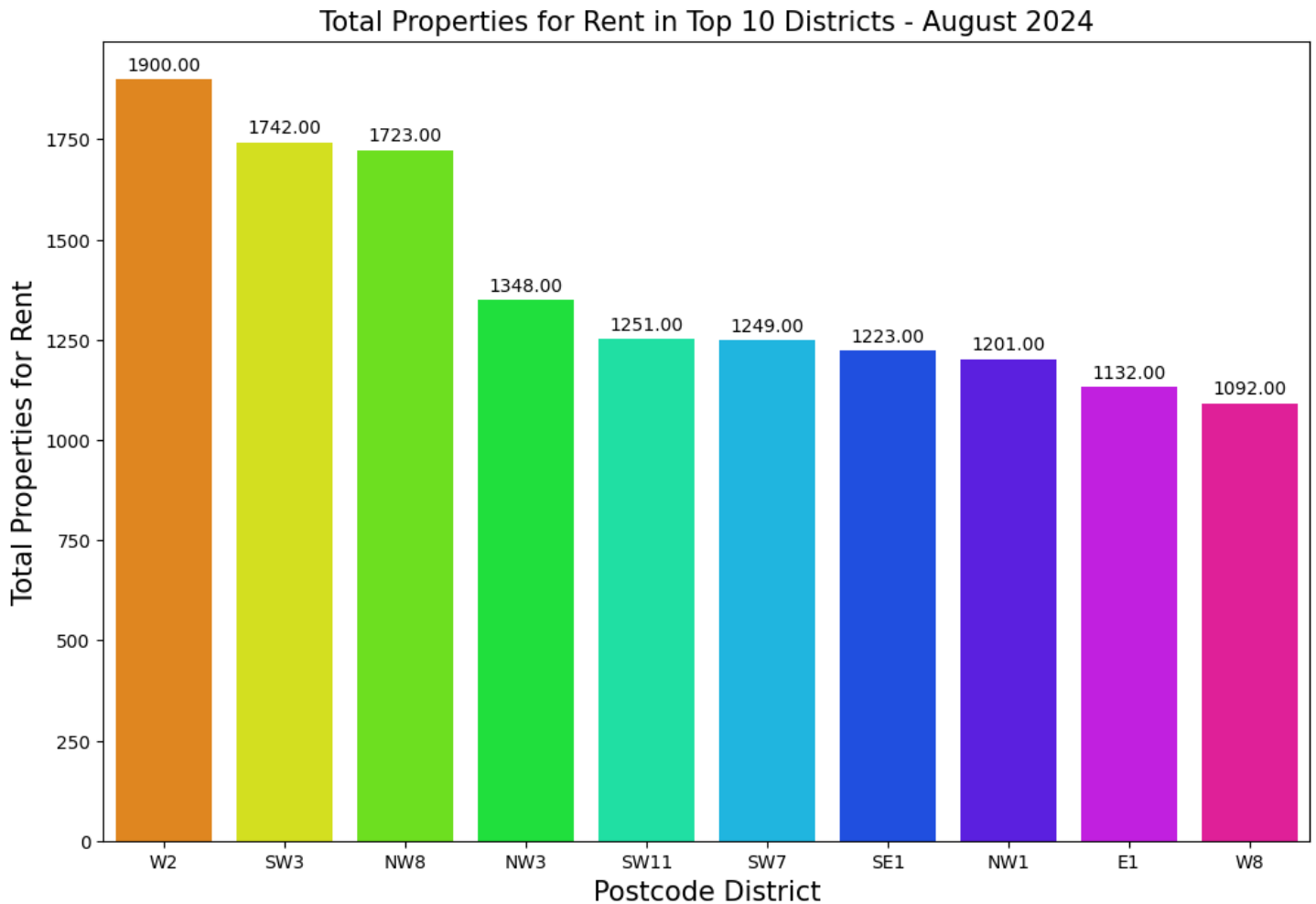
The following report represents information on rental properties in various postcode districts in London.

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.

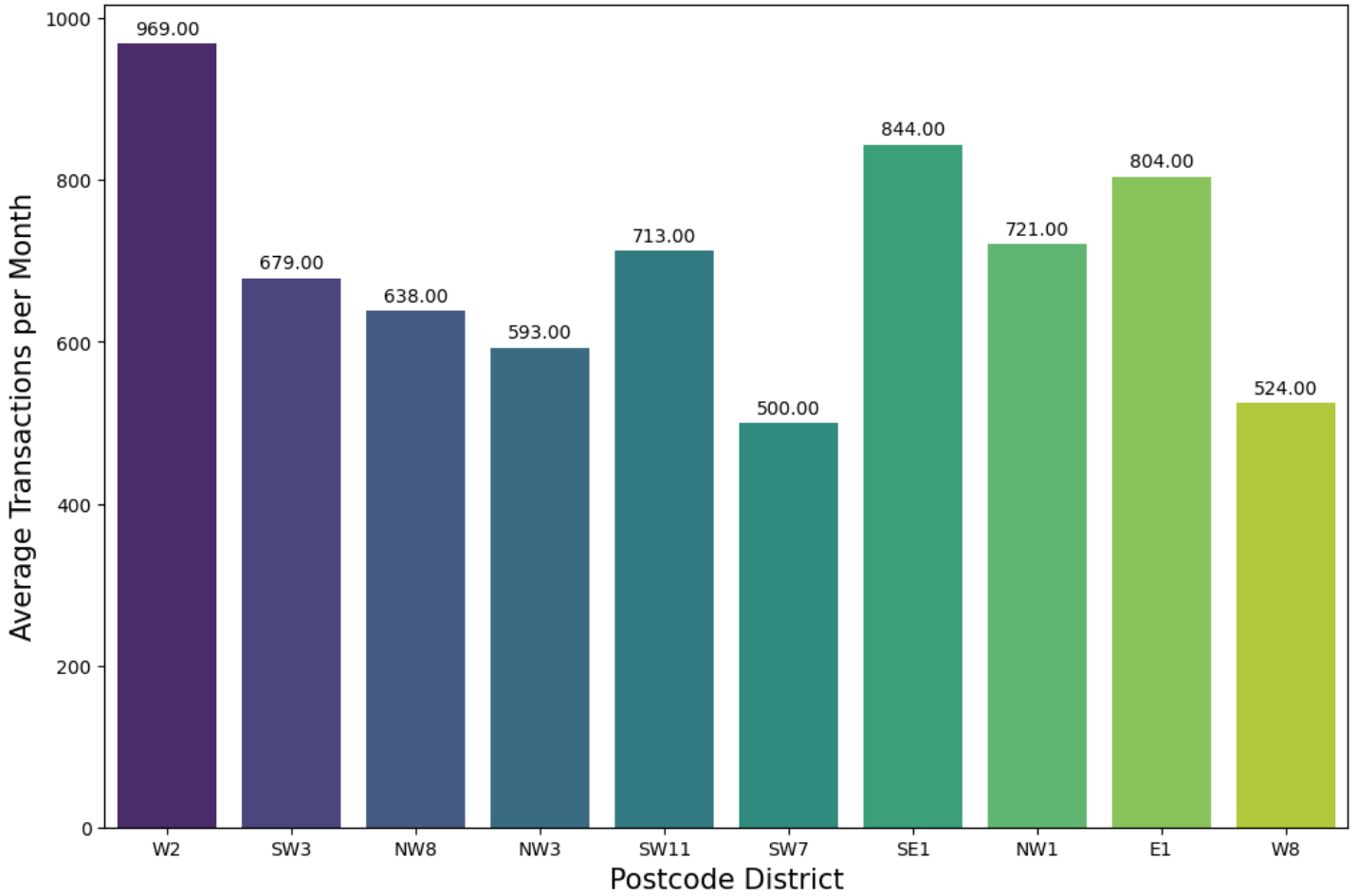
High-level Analysis

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



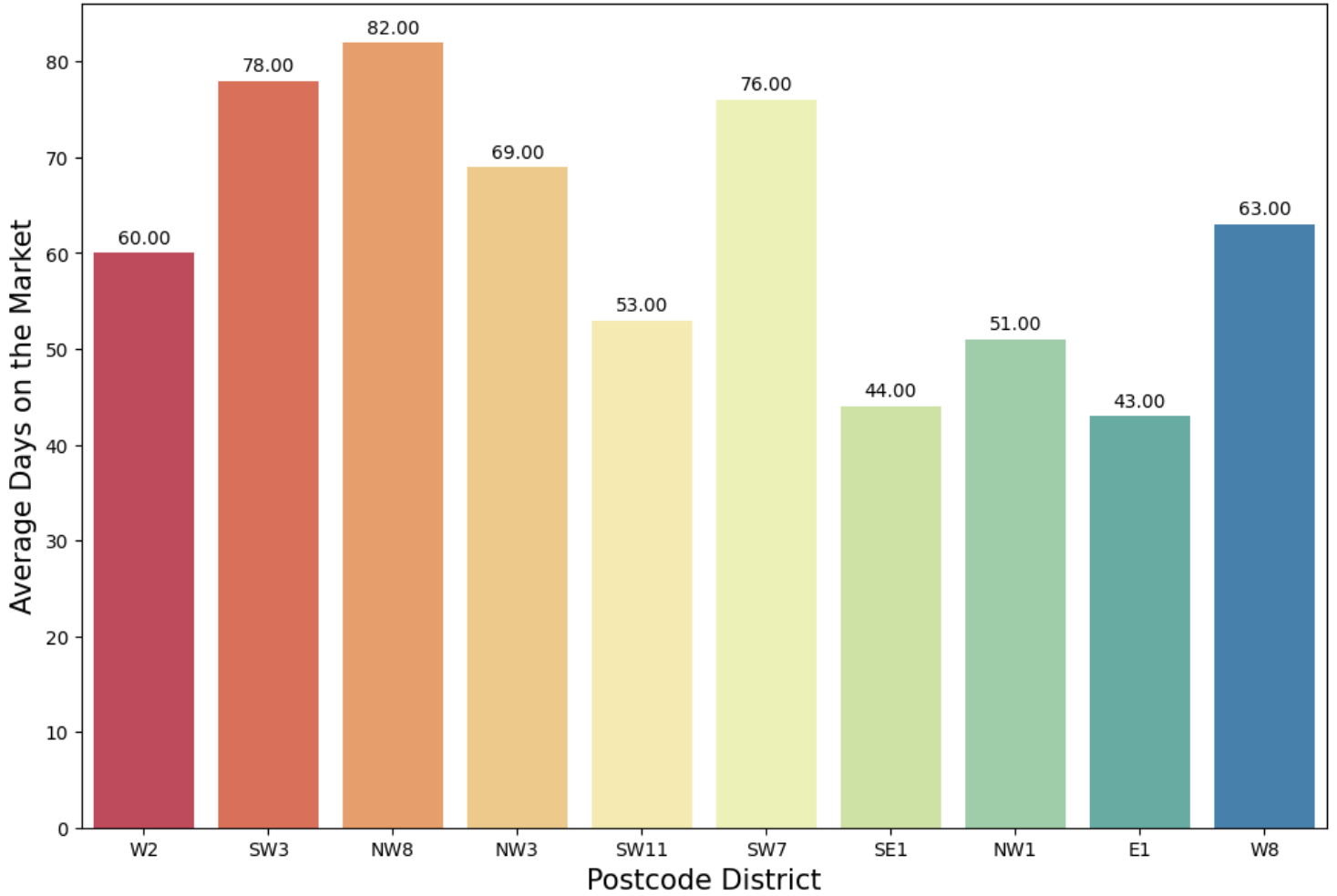
The chart reveals that W2, with the highest number of rental properties, is a strong landlord's market, followed by NW3, SW1, SE1, NW1, E1, and W8, where landlords likely have more control over pricing due to moderate supply. Conversely, SW3, NW8, and SW7 represent more balanced markets where supply and demand are closely aligned, potentially offering more stable rental prices and equitable terms for both landlords and tenants. Despite SW3 and NW8 having significant rental availability, their balanced market status indicates healthy competition, while W2 remains the most landlord-dominant.

Average Transaction per Month in Top 10 Districts - August 2024



Index	Postcode District	Turn over(%) per Month
1	W2	51
2	SW3	39
3	NW8	37
4	NW3	44
5	SW11	57
6	SW7	40
7	SE1	69
8	NW1	60
9	E1	71
10	W8	48

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

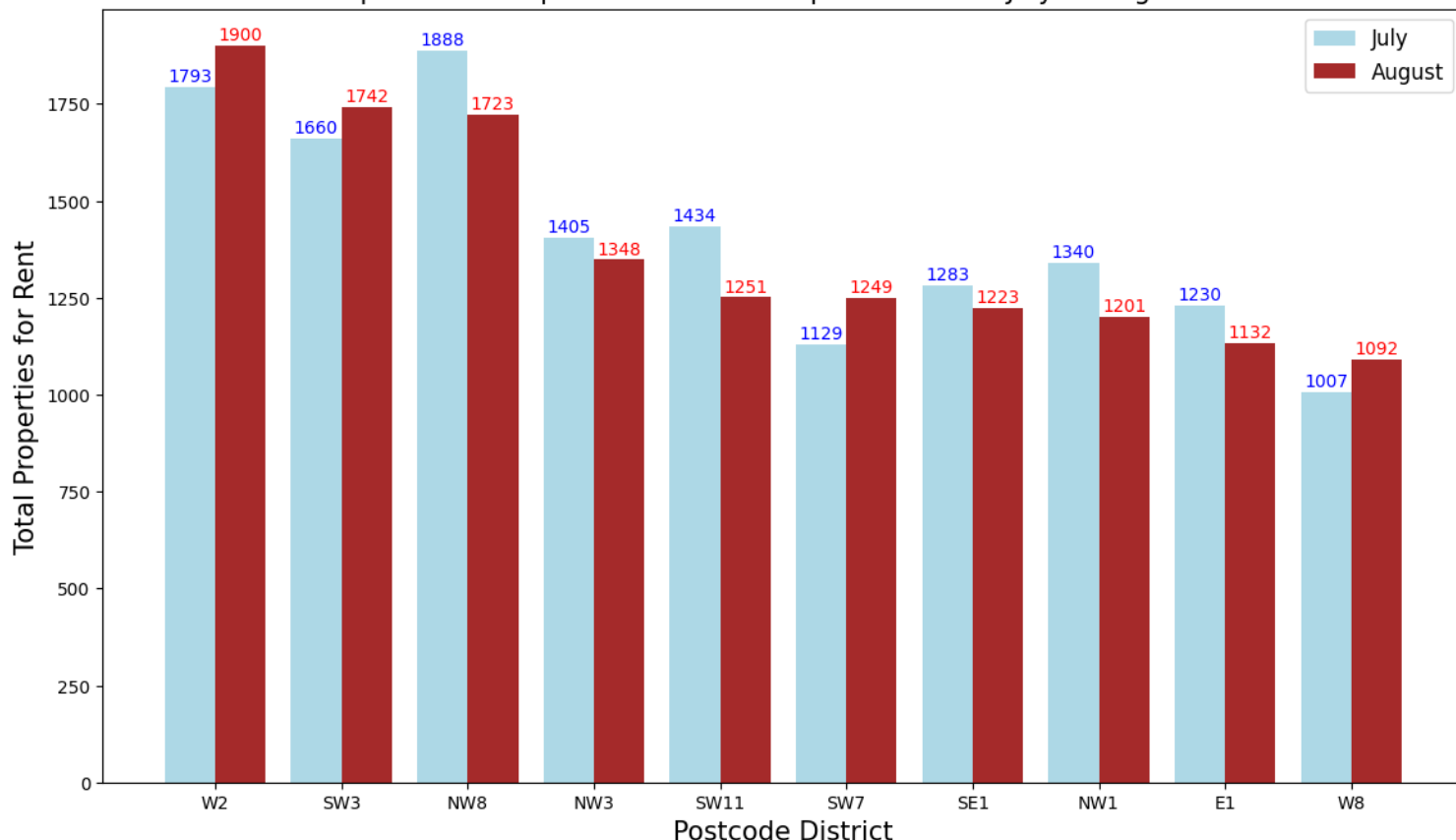


Index	Postcode District	Months of Inventory
1	W2	2.0
2	SW3	2.6
3	NW8	2.7
4	NW3	2.3
5	SW11	1.8
6	SW7	2.5
7	SE1	1.4
8	NW1	1.7
9	E1	1.4
10	W8	2.1

Comparison of data: July vs August, 2024

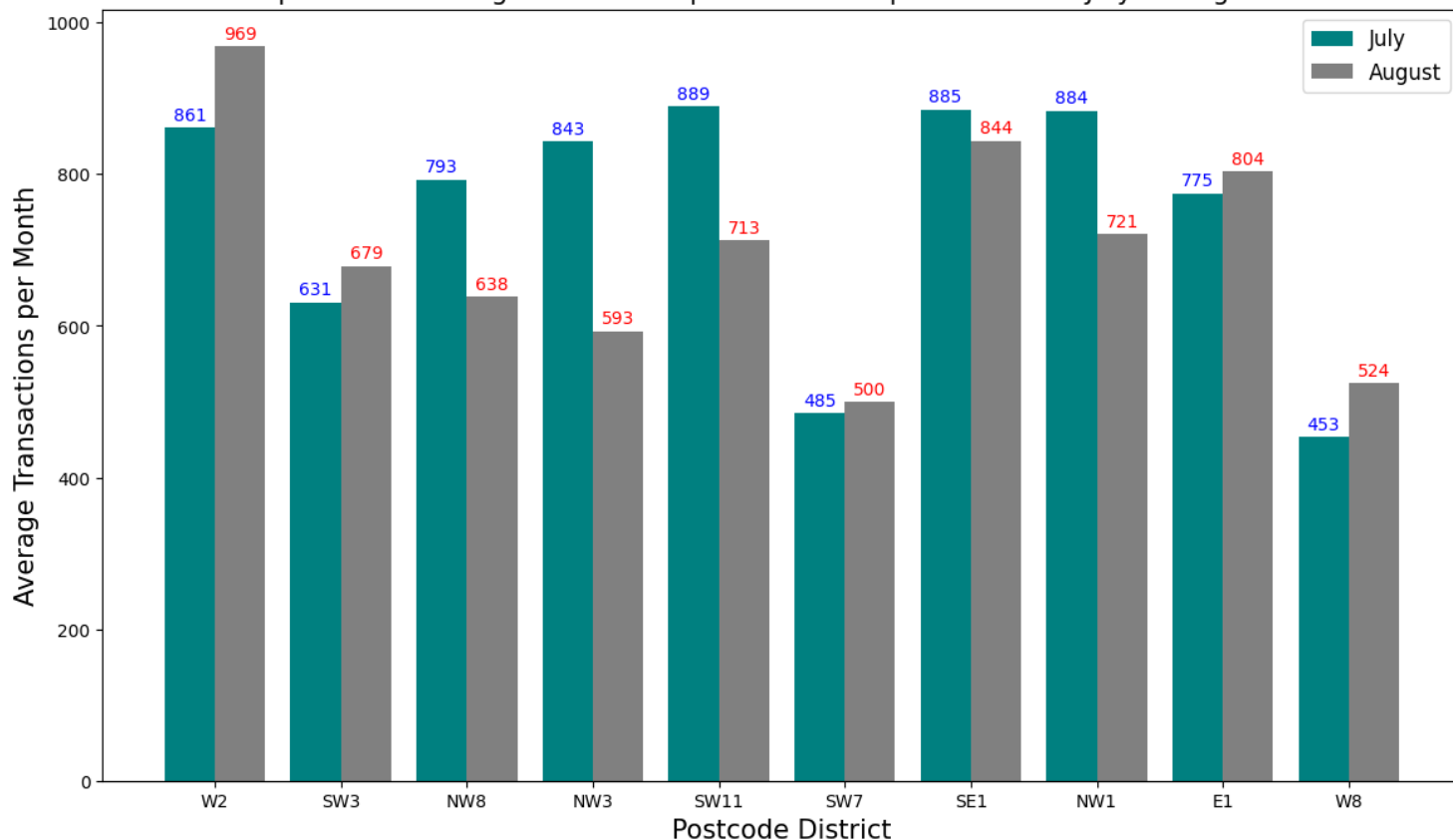
The bar chart compares the top 10 districts for August with those for July. This side-by-side comparison allows for a visual assessment of any changes or trends in these districts' performance over the two months.

Comparison of Properties for Rent in top 10 districts - July vs August 2024



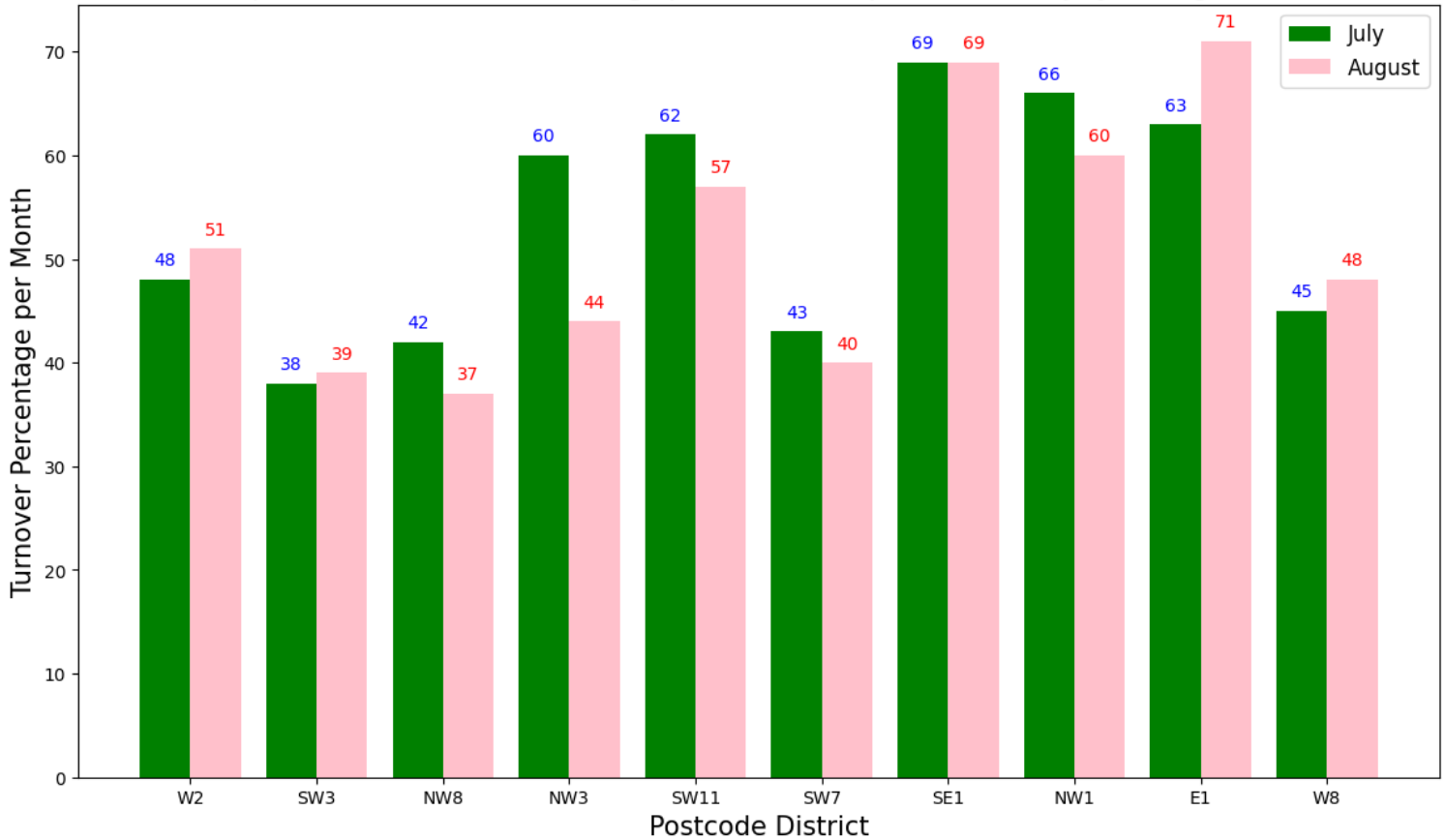
This graph reveals intriguing patterns in London's rental market across top districts from July to August 2024. It highlights the dominance of prime Central and West London areas, with W2, SW3, and NW8 leading in property counts. A general downward trend in available rentals is observed, possibly due to summer rush or seasonal market cooling, though some affluent areas like SW7 and W8 buck this trend. The data exposes the hyperlocal nature of London's rental landscape, with significant variations between neighbouring districts. Notable is the underrepresentation of East London, with only E1 in the top 10, hinting at potential growth opportunities. The substantial fluctuations, particularly in areas like SW11 (Battersea), underscore the dynamic and complex nature of London's rental market, influenced by factors such as location prestige, seasonal demands, and broader economic trends.

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



This graph reveals notable fluctuations in average monthly transactions across London's top 10 postcode districts between July and August 2024. W2 emerges as the standout performer, showing a significant increase from 861 to 969 transactions. Conversely, several affluent areas like SW11, NW3, and SE1 experienced substantial declines. The data suggests a shifting landscape in London's property market, with some areas gaining momentum while others cool off. These changes could reflect seasonal patterns, local economic factors, or evolving buyer preferences. The diverse trends across neighbouring districts underscore London's micro-market nature, where hyperlocal factors can significantly influence transaction volumes. Overall, the graph hints at a dynamic and potentially volatile period in London's real estate market, with clear winners and losers emerging in this two-month snapshot.

Comparison of Turnover Percentage per Month in top 10 districts - July vs August 2024



The analysis of monthly turnover percentage in London's top 10 rental districts for July and August 2024 reveals varied trends in the rental market. E1's sharp increase in turnover from 63% to 71% indicates heightened rental activity in East London, possibly driven by rising demand or strategic rent adjustments by landlords. SE1's consistent turnover at 69% suggests stable demand, reinforcing its appeal as a reliable rental market. In contrast, NW3 and SW11 saw notable declines in turnover, hinting at a cooling rental market in these traditionally sought-after areas, which could be due to market saturation, shifting tenant preferences, or economic factors impacting affordability. The fluctuations in W2 and SW3 point to localised shifts, reflecting the complex nature of London's rental landscape where even adjacent districts can exhibit different trends. These changes may be influenced by seasonal factors like the summer moving season, evolving tenant demands, or specific local economic conditions, highlighting the need for granular analysis to understand the nuances of London's rental market.

Insights - August 2024

- Market Trends and Dynamics: The London rental market in August 2024 shows a complex landscape with varying dynamics across districts. Prime areas like W2 lead in total properties and transactions, indicating sustained demand in central locations. There's a clear landlord's market trend in most districts, with 7 out of 10 areas favouring property owners. This suggests overall high demand relative to supply. The data reveals a west-east divide, with western districts (W2, SW3, NW8) having more properties but eastern areas (E1, SE1) showing higher turnover rates, potentially indicating emerging hotspots.
- Market Fluctuations and Variability: Significant variability exists between districts, highlighting London's micro-market nature. Turnover percentages range widely from 37% (NW8) to 71% (E1), showing drastically different market velocities. Days on market vary from 43 (E1) to 82 (NW8), further emphasising local market differences. The month-to-month comparisons in the graphs reveal notable fluctuations, particularly in transaction volumes, suggesting a dynamic and potentially volatile market. Areas like SW11 show large drops in transactions from July to August, while others like W2 see increases, indicating shifting market hotspots.
- Market Possibilities and Opportunities: The rental market in East London, particularly in E1 and SE1, is characterised by high turnover rates and lower days on market, indicating strong demand and potential for investors seeking short-term or flexible rental strategies. In contrast, districts like SW3, NW8, and SW7 are considered balanced markets, offering a more stable environment for both landlords and tenants. While W2 has the highest number of properties, areas like W8, despite fewer listings, still favour landlords and could present untapped opportunities with less competition. The fluctuations between July and August suggest that market timing can be crucial,

especially in areas experiencing significant changes. Additionally, districts with longer days on market, such as NW8, may offer opportunities for purchasing and renovating properties to enhance their appeal and competitiveness in the rental market.