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Analytical Report

Rental Market Analysis(June, 2024)

Intelligence Team

Overview

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

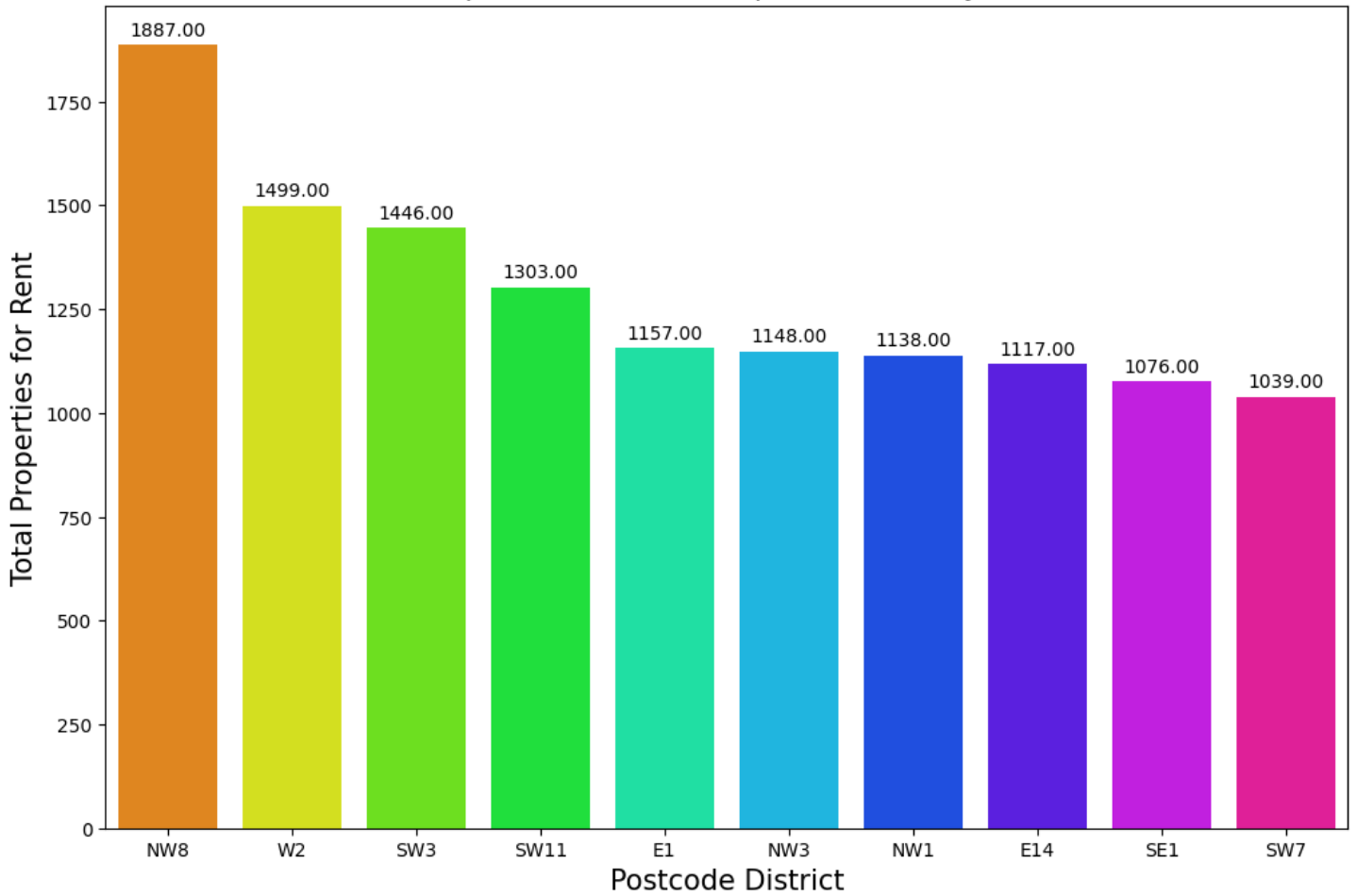
Key Metrics

- 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

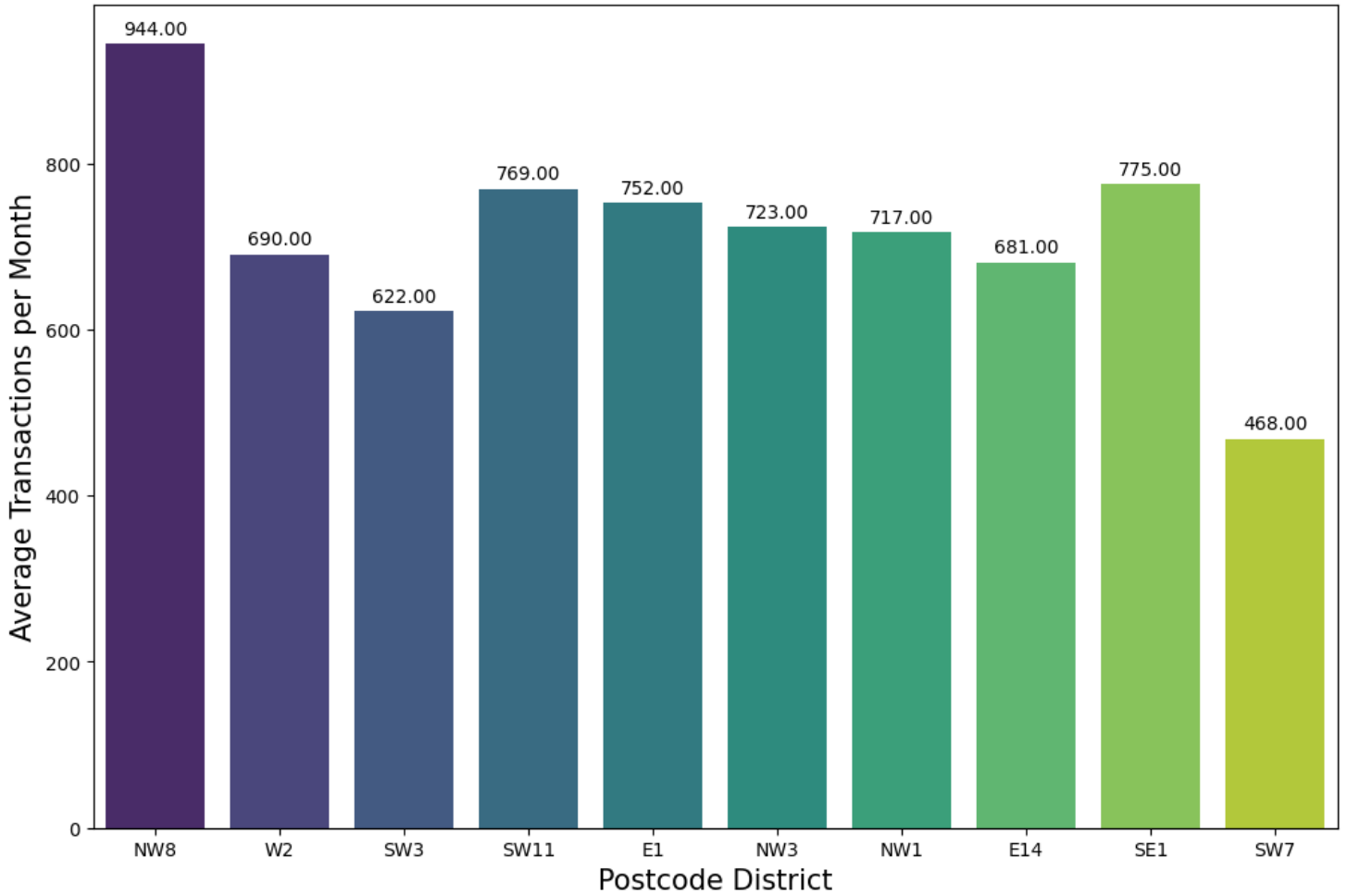
The following analysis provides an overview of the rental market in several postcode districts for June 2024.

Total Properties for Rent in Top 10 Districts - June 2024



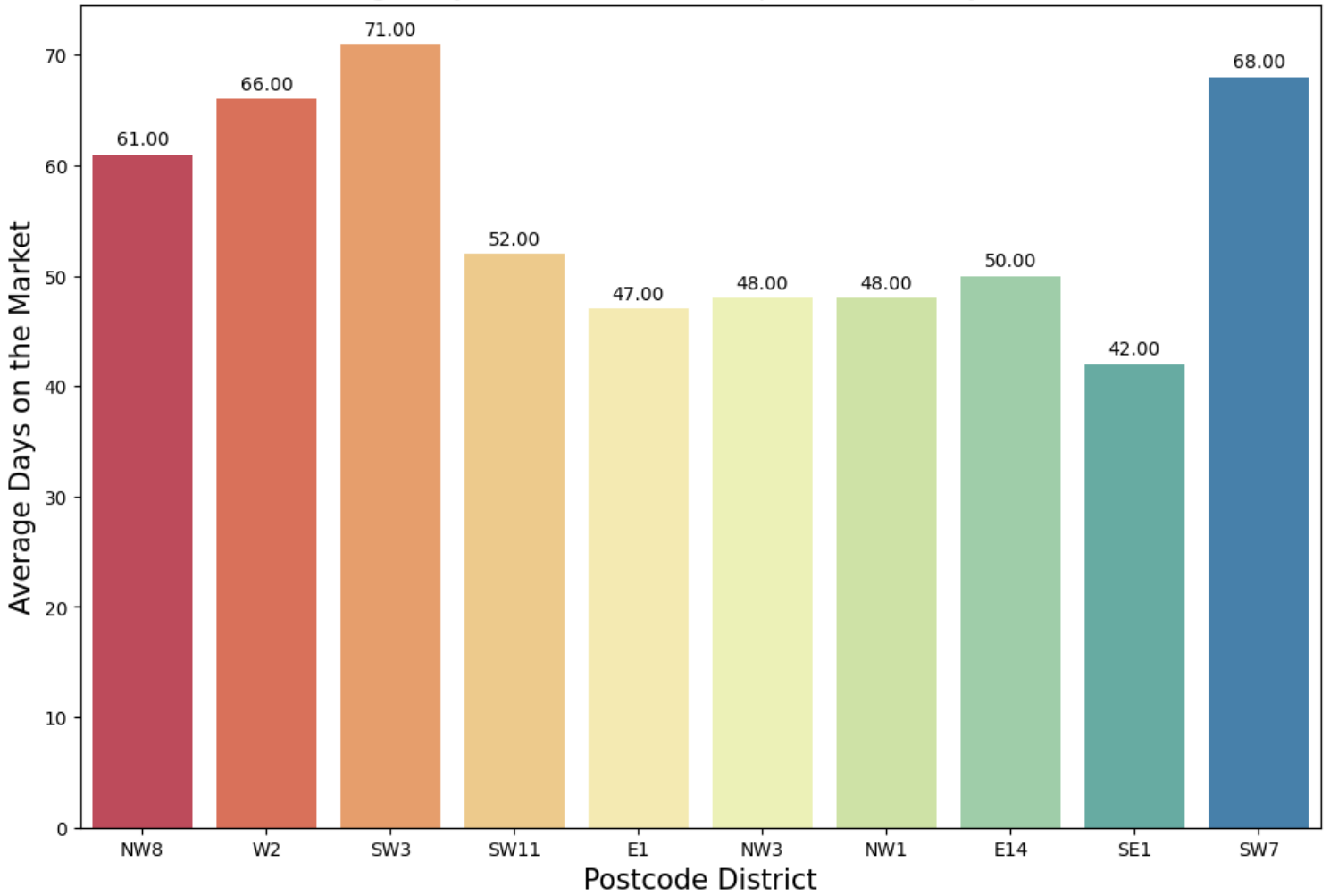
Index	Postcode District	Total Properties for Rent	Market Rating
1	NW8	1887	Landlords Market
2	W2	1499	Landlords Market
3	SW3	1446	Landlords Market
4	SW11	1303	Landlords Market
5	E1	1157	Landlords Market
6	NW3	1148	Landlords Market
7	NW1	1138	Landlords Market
8	E14	1117	Landlords Market
9	SE1	1076	Landlords Market
10	SW7	1039	Landlords Market

Average Transaction per Month in Top 10 Districts - June 2024



Index	Postcode District	Average Transactions per Month	Turn over(%) per Month
1	NW8	944	50
2	W2	690	46
3	SW3	622	43
4	SW11	769	59
5	E1	752	65
6	NW3	723	63
7	NW1	717	63
8	E14	681	61
9	SE1	775	72
10	SW7	468	45

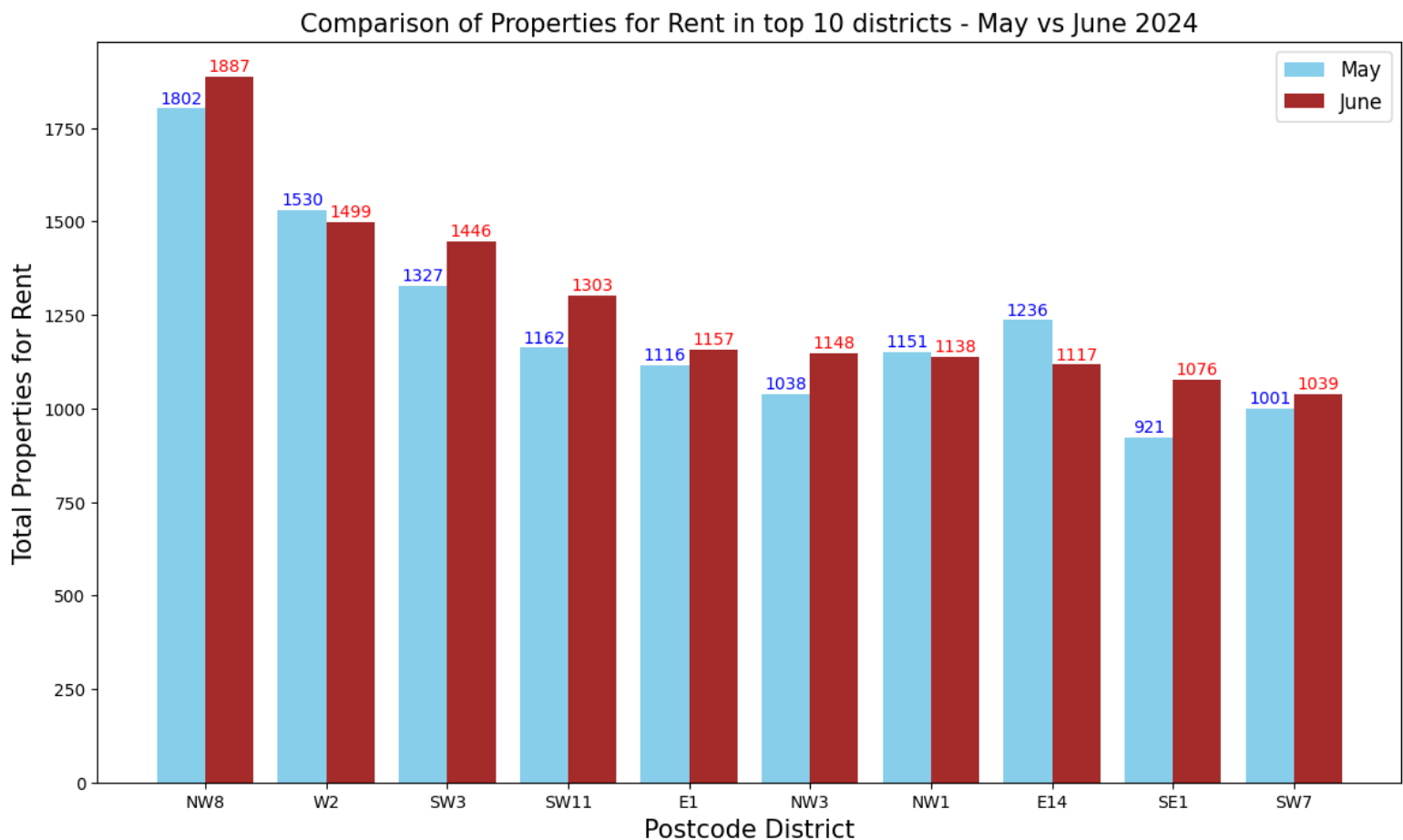
Average Days on the Market in Top 10 Districts - June 2024



Index	Postcode District	Months of Inventory
1	NW8	2.0
2	W2	2.2
3	SW3	2.3
4	SW11	1.7
5	E1	1.5
6	NW3	1.6
7	NW1	1.6
8	E14	1.6
9	SE1	1.4
10	SW7	2.2

Comparison of data: May vs June, 2024

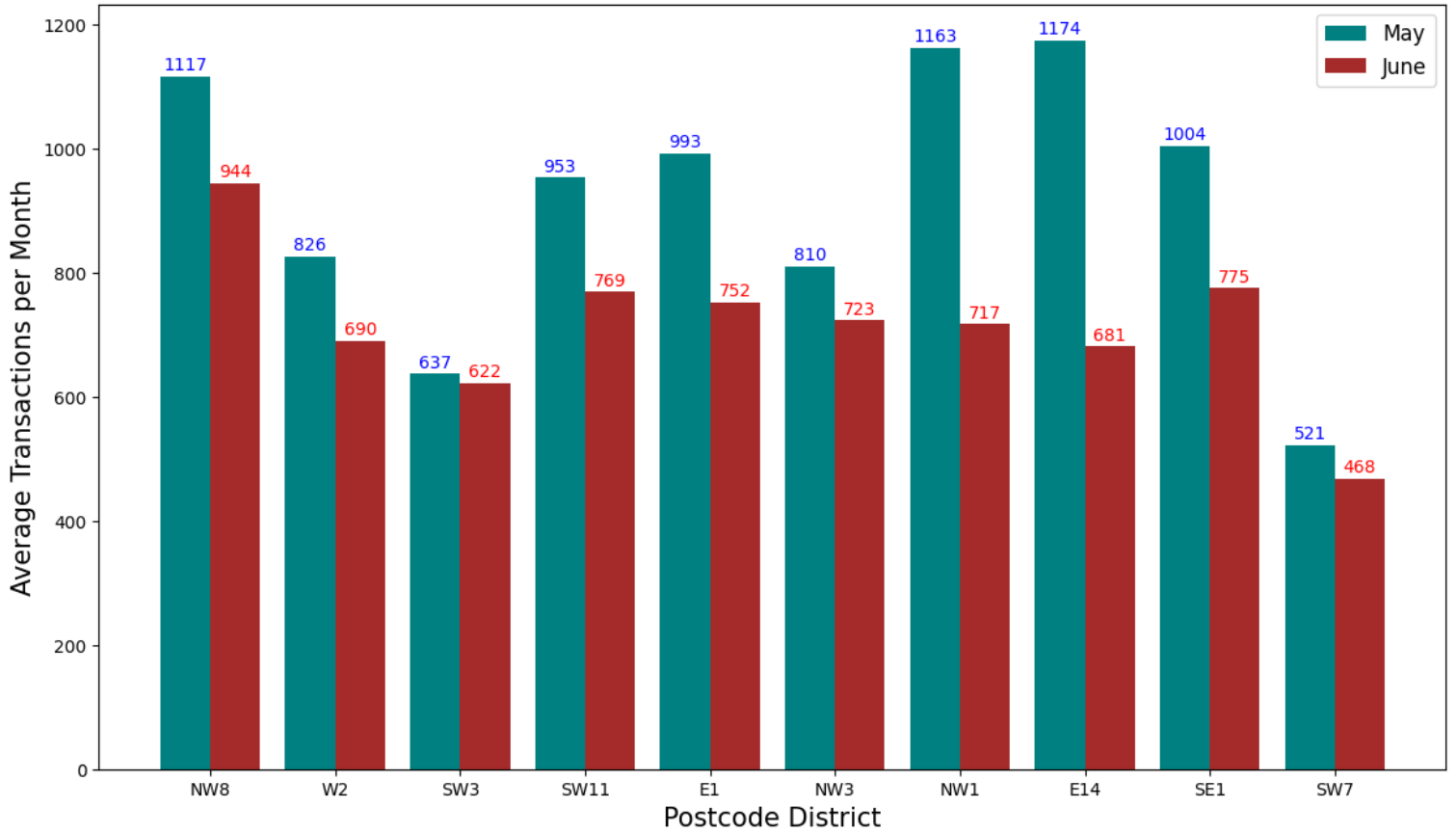
The bar chart provides a comparative analysis of the top 10 districts in terms of total properties available for rent for the months of May and June 2024. This visual representation allows us to easily identify and assess any changes or trends in the rental market across these districts over the two-month period. By comparing the data from June, the chart allows for the observation of trends and shifts in the rental market. It is possible to see which districts have experienced an increase or decrease in rental properties.



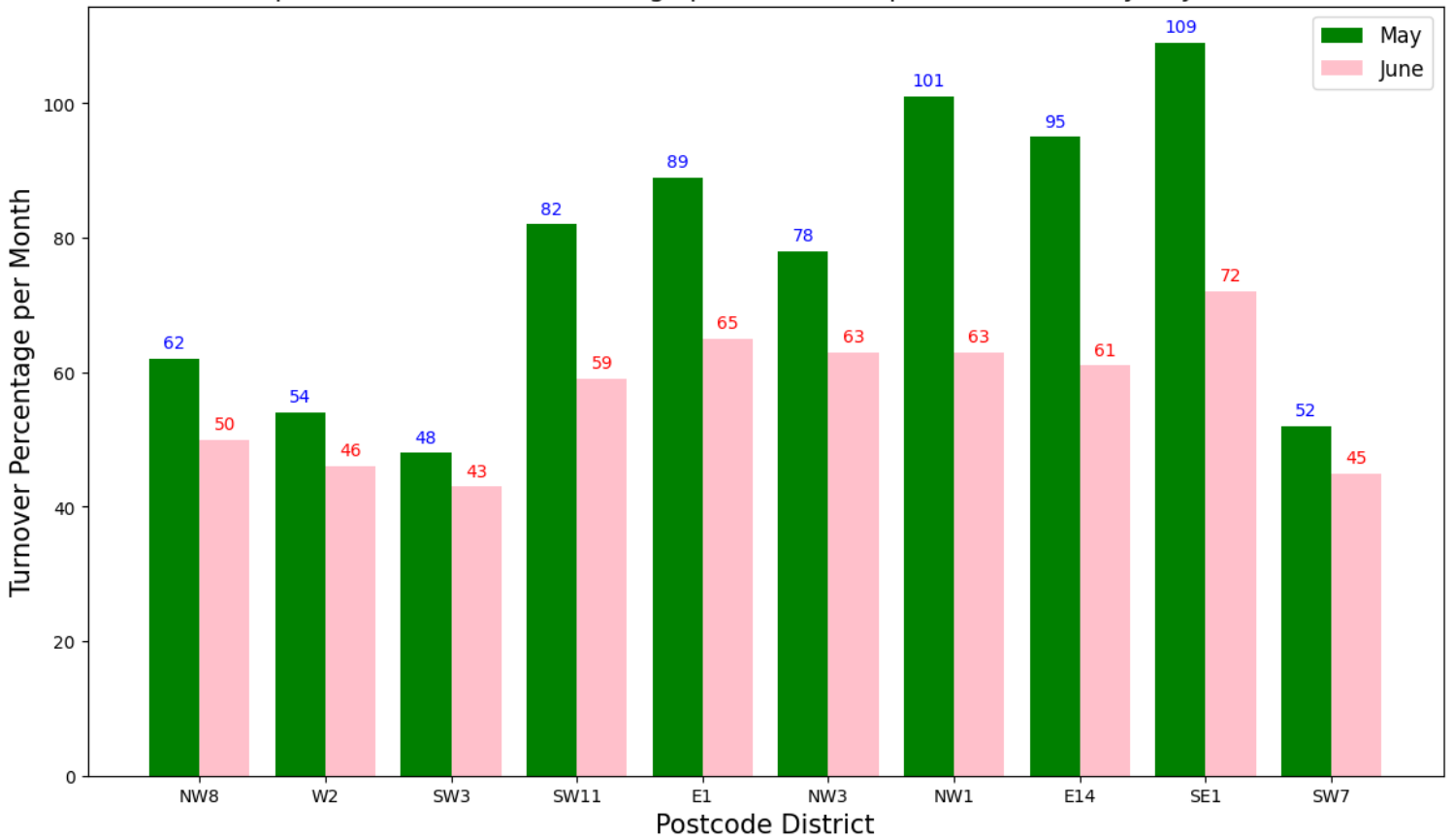
Conversely, the below table offers a detailed comparison by listing the individual top 10 districts for both June and May separately. Each month's top 10 districts are analysed independently, rather than using June's top districts as a reference for May. This approach provides a granular view, allowing for the examination of district performance in each month without conflating data from different periods.

Ranking	Top 10 - June	Total Properties for Rent	Top 10 - May	Total Properties for Rent
1	NW8	1887	NW8	1802
2	W2	1499	W2	1530
3	SW3	1446	SW3	1327
4	SW11	1303	E14	1236
5	E1	1157	SW11	1162
6	NW3	1148	NW1	1151
7	NW1	1138	E1	1116
8	E14	1117	NW3	1038
9	SE1	1076	SW7	1001
10	SW7	1039	N1	925

Comparison of Average Transaction per Month in top 10 districts - May vs June 2024



Comparison of Turnover Percentage per Month in top 10 districts - May vs June 2024



Insights - A detailed analysis of the market trends and opportunities

- *Market Trends and Dynamics:* Districts such as NW8, W2, and SW3 stand out with the highest number of properties available for rent. This suggests these areas have a robust rental market and potentially attract a diverse range of renters. Higher average transactions indicate active turnover in rental properties within these districts. But relative to May, average transactions have gone down in June indicating potential seasonal slow down. May is often considered a peak season for property transactions, including rentals, due to factors such as favourable weather, school holidays, and increased buyer or tenant activity. A decrease in transactions in June could simply reflect a return to more typical, lower activity levels after the peak season.
- *Market Fluctuations and Variability:* The turnover percentage, ranging from 43% to 72%, reflects how frequently properties are changing hands or being rented out within a month. A decrease in both average transactions and turnover percentage suggests that fewer properties are changing hands or being rented out compared to the previous month. This could indicate a softening of demand or a temporary lull in market activity. If the supply increases or the demand decreases disproportionately from May to June, it can lead to a decrease in both transaction volumes and turnover percentage.
- *Market Possibilities and Opportunities:* Across all listed districts, the market is categorised as a "Landlord's market." This classification typically indicates that landlords have an advantage due to high demand for rental properties relative to supply. But as the average transaction have gone down significantly compared to May whereas the total properties available shot up, it could indicate a shift in market dynamics favouring tenants over landlords. With more rental properties available, tenants have a greater selection of properties to choose from. This increased supply can lead to more competitive rental pricing and better rental terms as landlords may need to attract tenants in a more competitive market environment.