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Analytical Report
Rental Market Analysis(May, 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 May 2024.

## Total Properties for Rent in Top 10 Districts - May 2024
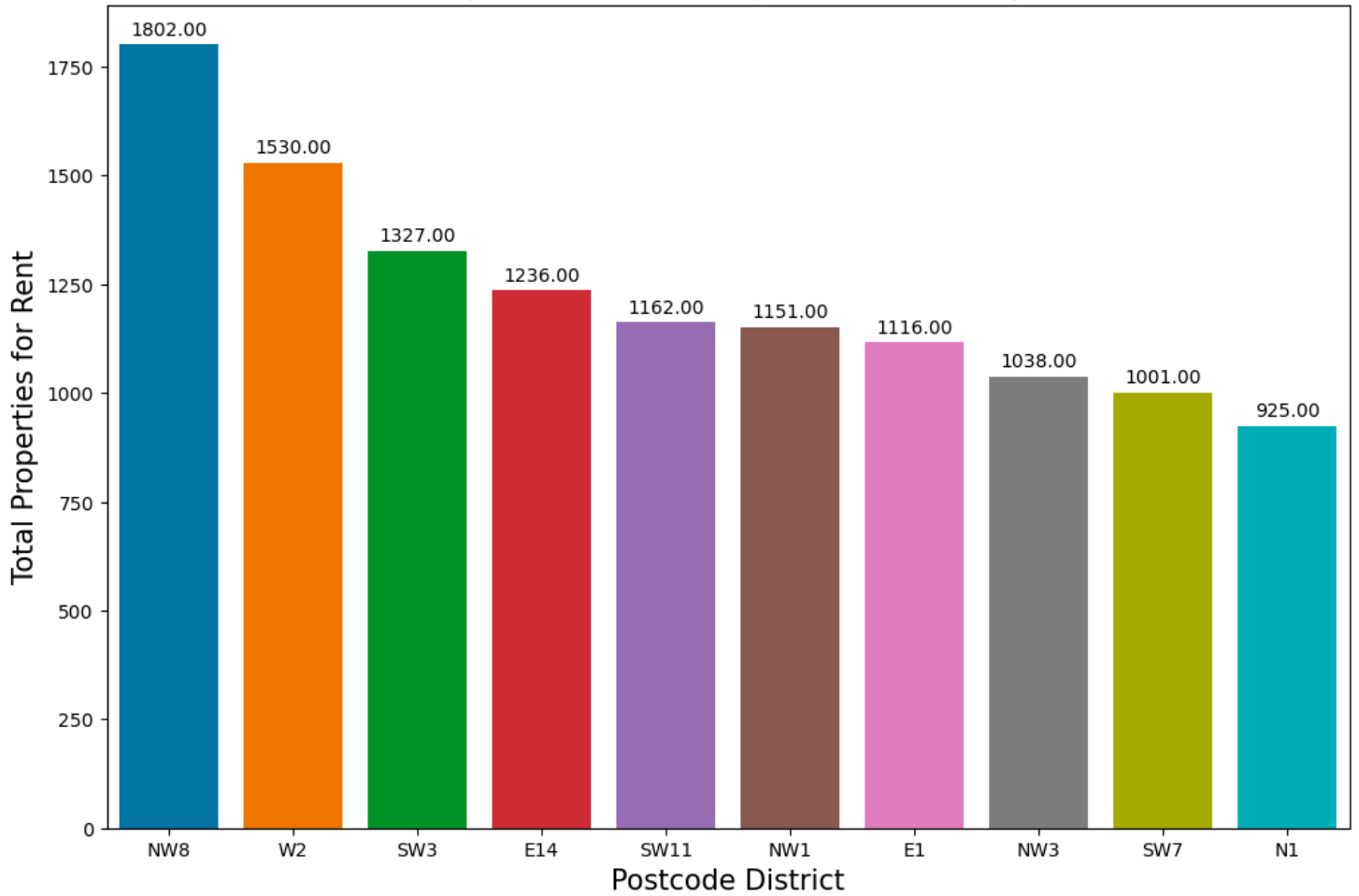
Index	Postcode District	Total Properties for Rent	Market Rating
1	NW8	1802	Landlords Market
2	W2	1530	Landlords Market
3	SW3	1327	Landlords Market
4	E14	1236	Landlords Market
5	SW11	1162	Landlords Market
6	NW1	1151	Landlords Market
7	E1	1116	Landlords Market
8	NW3	1038	Landlords Market
9	SW7	1001	Landlords Market
10	N1	925	Landlords Market

Average Transaction per Month in Top 10 Districts - May 2024
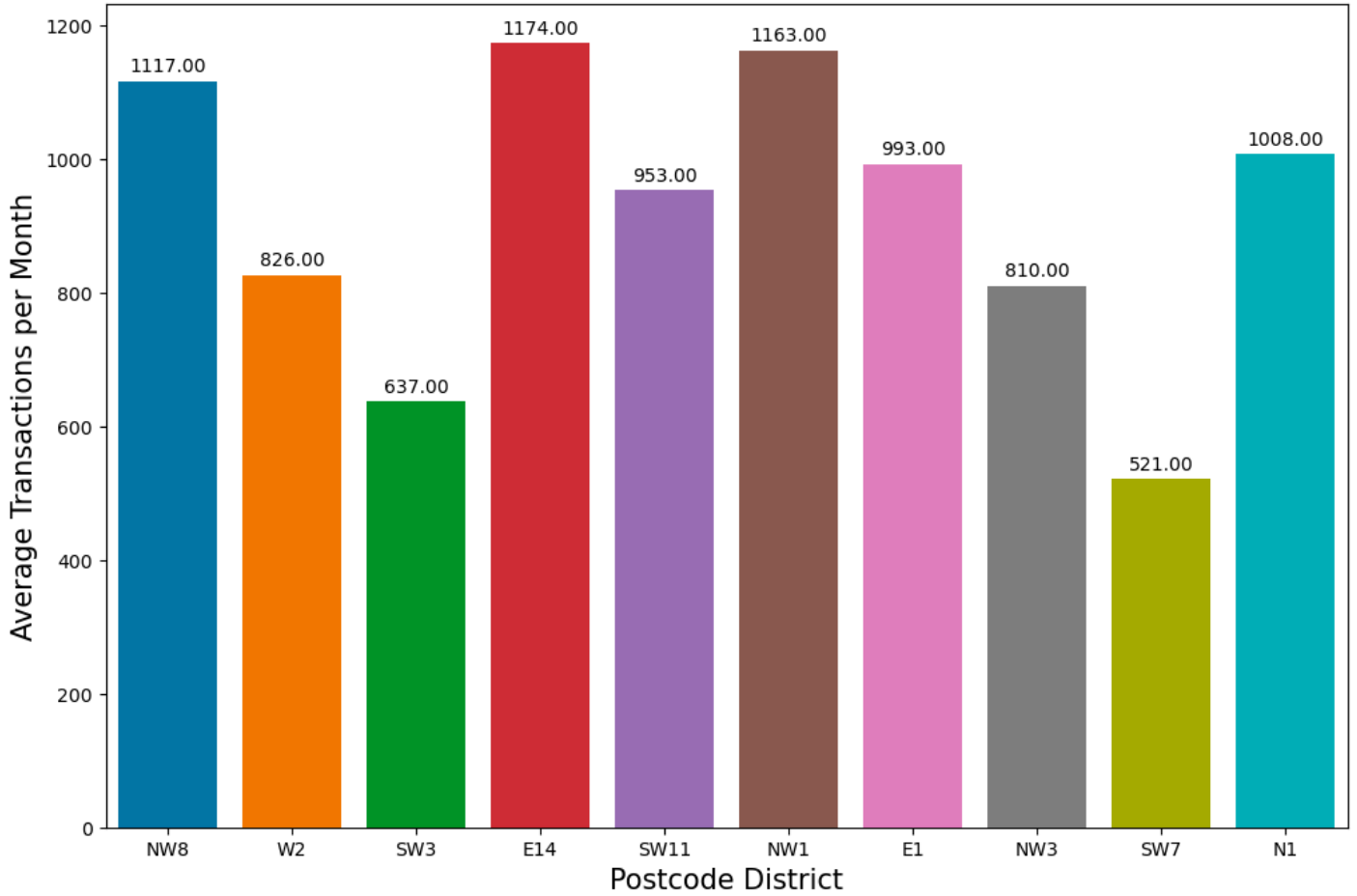
Index	Postcode District	Average Transactions per Month	Turn over(%) per Month
1	NW8	1117	62
2	W2	826	54
3	SW3	637	48
4	E14	1174	95
5	SW11	953	82
6	NW1	1163	101
7	E1	993	89
8	NW3	810	78
9	SW7	521	52
10	N1	1008	109

Average Days on the Market in Top 10 Districts - May 2024
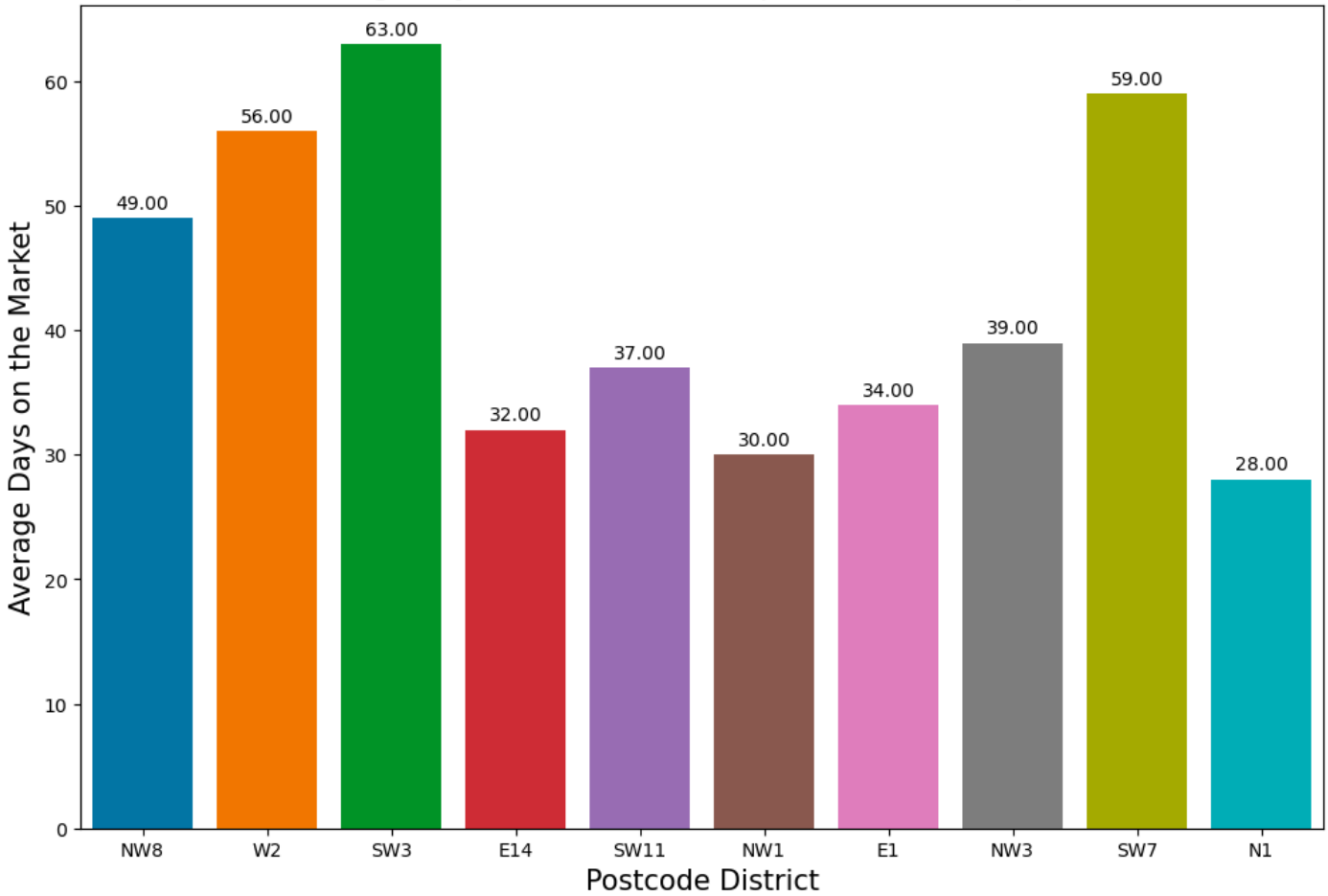
| Index	Postcode District	Months of Inventory
1	NW8	1.6
2	W2	1.9
3	SW3	2.1
4	E14	1.1
5	SW11	1.2
6	NW1	1.0
7	E1	1.1
8	NW3	1.3
9	SW7	1.9
10	N1	0.9

Comparison of data: Apr vs May, 2024

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

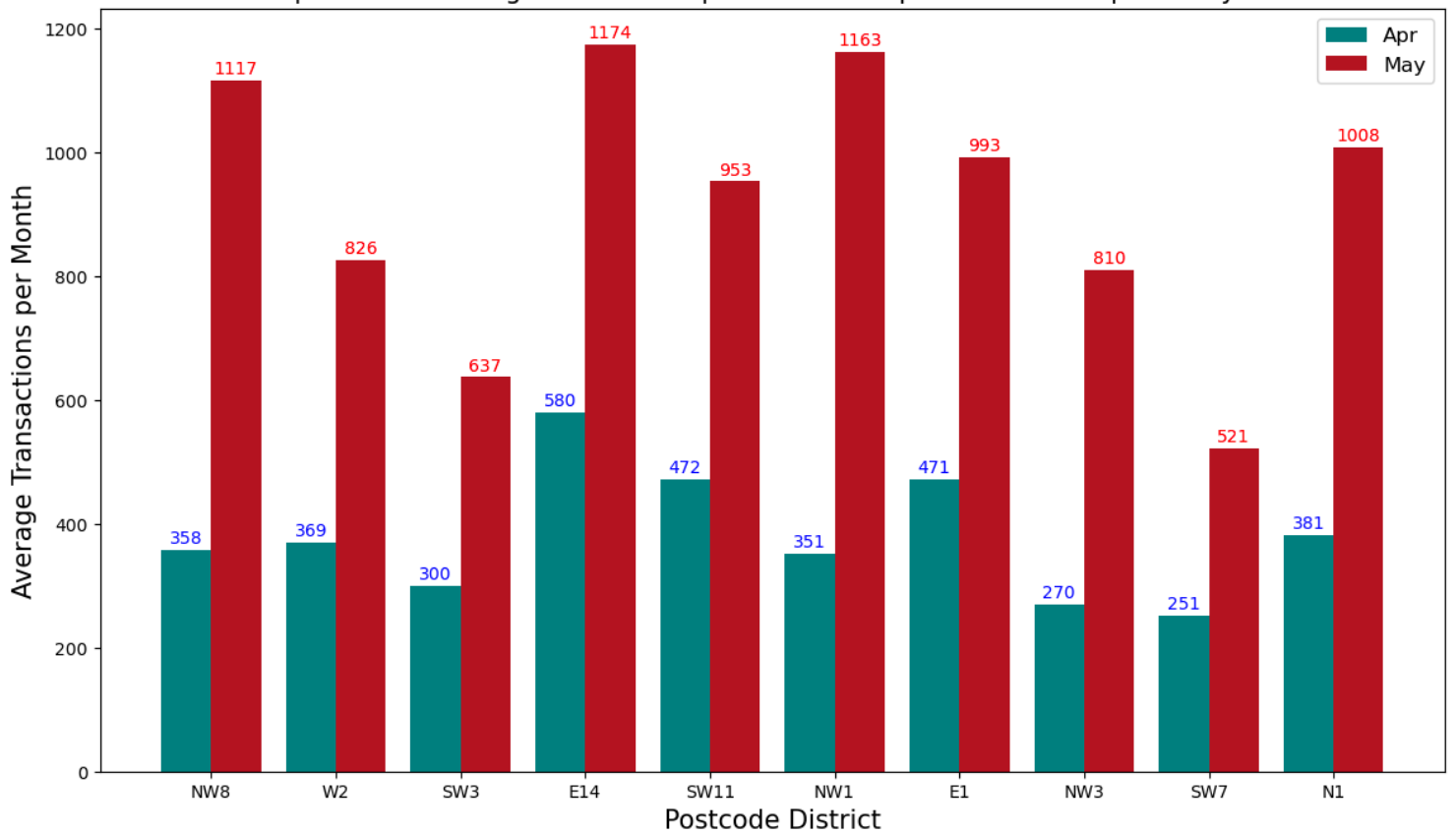Comparison of Properties for Rent in top 10 districts - Apr vs May 2024
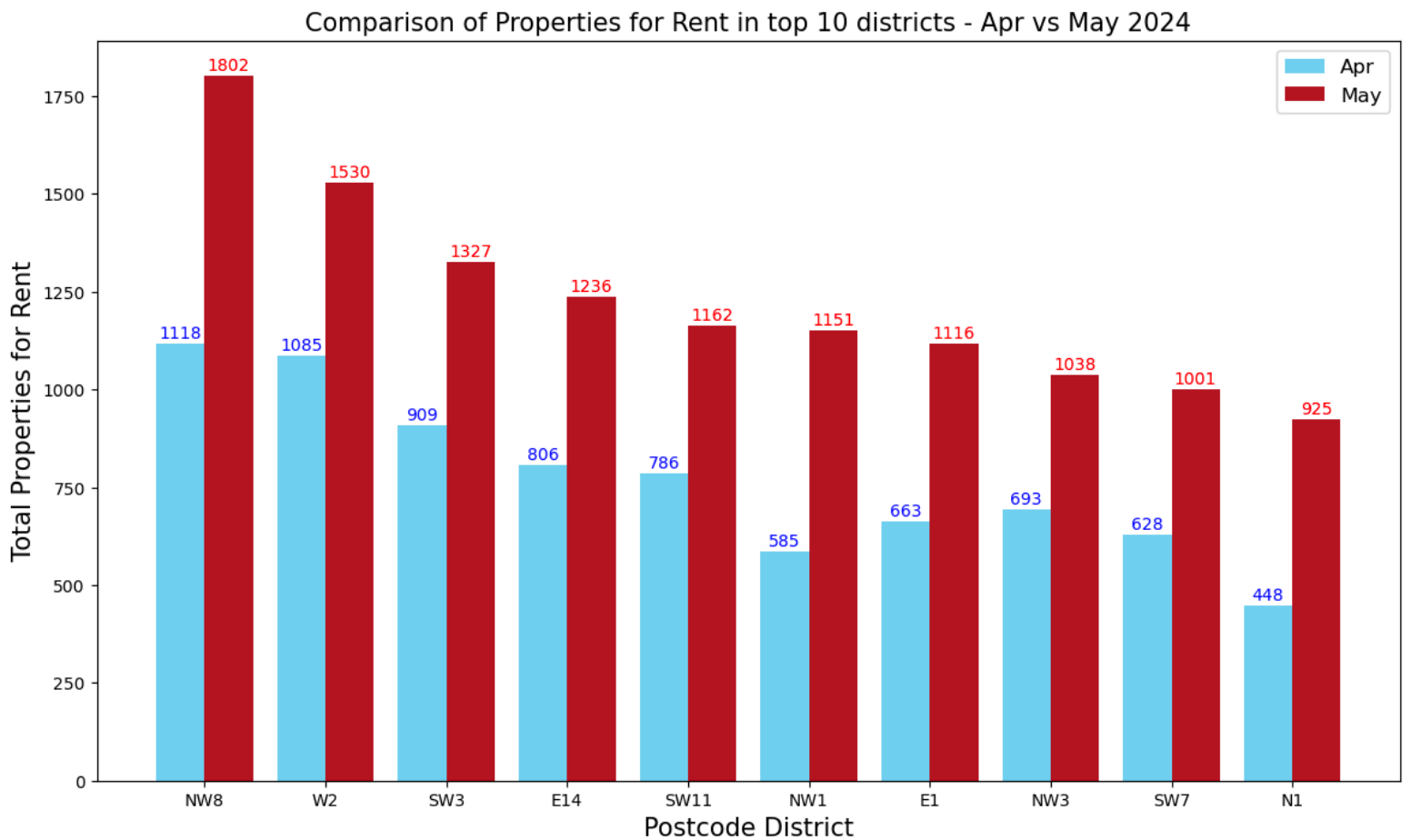
Conversely, the table offers a detailed comparison by listing the individual top 10 districts for both May and April separately. Each month's top 10 districts are analysed independently, rather than using May's top districts as a reference for April. This approach provides a granular view, allowing for the examination of district performance in each month without conflating data from different periods.

| Ranking	Top 10 - May	Total Properties for Rent	Top 10 - April	Total Properties for Rent
1	NW8	1802	NW8	1118
2	W2	1530	W2	1085
3	SW3	1327	SW3	909
4	E14	1236	NW3	806
5	SW11	1162	SW11	786
6	NW1	1151	E14	693
7	E1	1116	W8	663
8	NW3	1038	SW7	628
9	SW7	1001	E1	599
10	N1	925	SE1	585

Comparison of Turnover Percentage per Month in top 10 districts - Apr vs May 2024
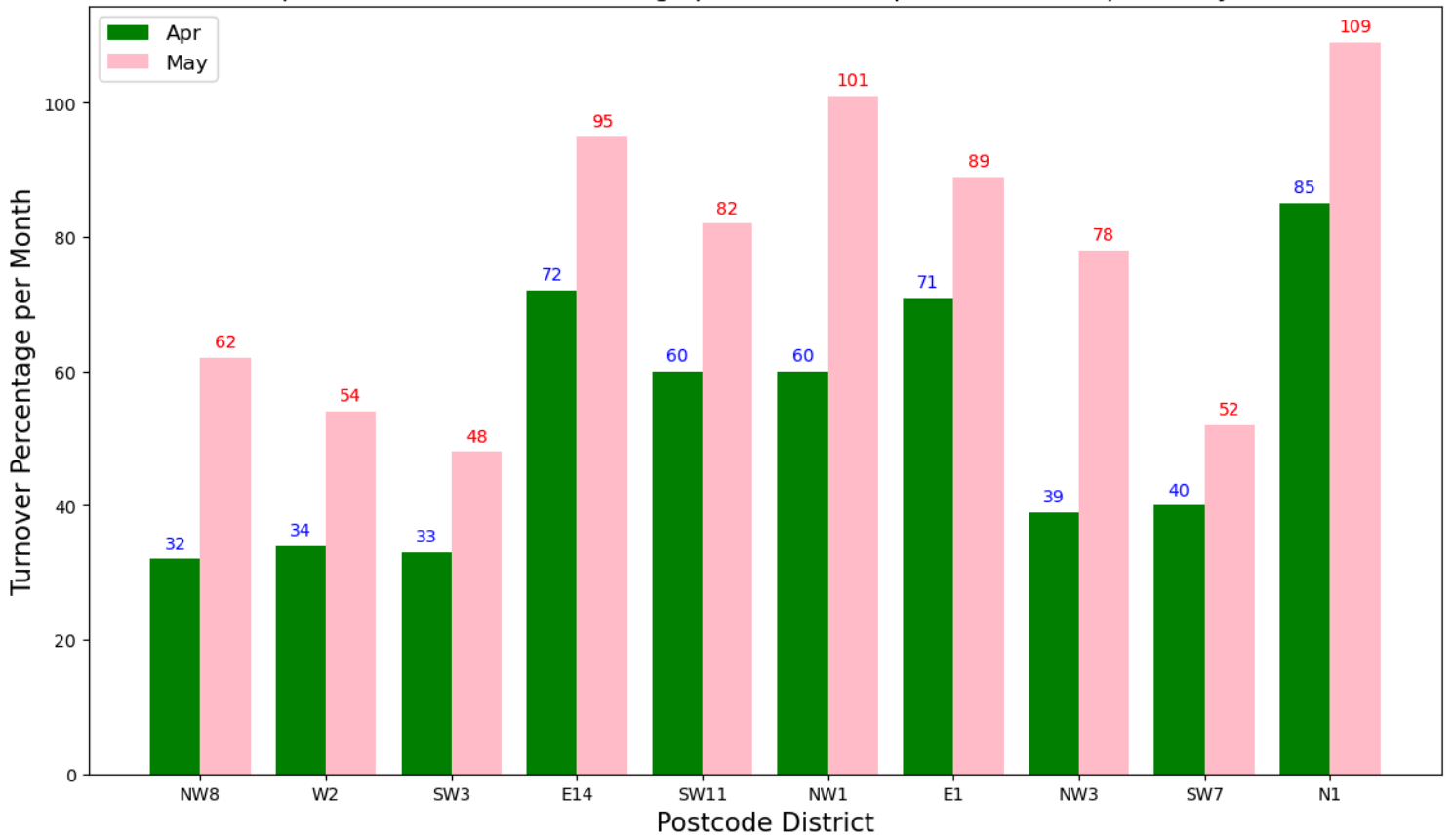
Comparison of Average Transaction per Month in top 10 districts - Apr vs May 2024

Comparison of Properties for Rent in Top 10 Districts of May Over Months
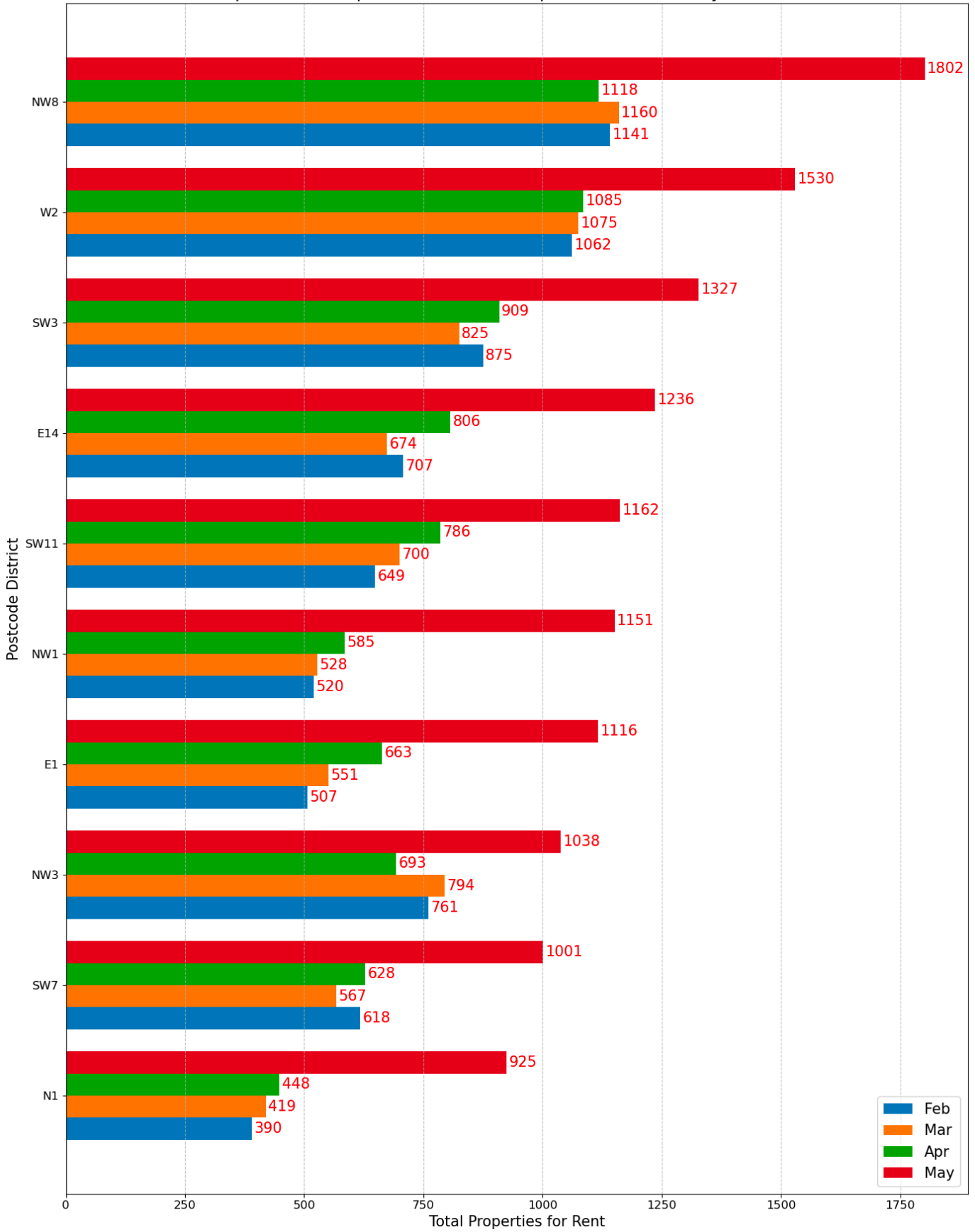
Insights - April vs May

- *Overall Market Analysis:* All postcode districts are in favour of landlords, indicating a significant dominance of demand over supply for rental properties. This shift towards landlords can be attributed to various factors unique to the city, such as the seasonal influx of students, professionals, and tourists during the warmer months. Increased job opportunities in key industries, like finance and technology, further drive demand as individuals relocate to London for work.
- *Postcodes with High and Low Activity:* In the E14 postcode district, the average monthly transactions stand at 1174, showcasing a remarkably active rental market in this area. Conversely, SW7 records the lowest average monthly transactions at 521, signalling a comparatively slower pace in rental activity. However, it's worth noting that this level of activity is significantly higher than the preceding three months.
- *Days on Market:* In the N1 postcode district, properties have the shortest days on the market, with an average of 28 days, suggesting a rapid turnover in rentals within this area. Conversely, SW3 records the longest days on the market, averaging 63 days, potentially indicating a lower demand for rental properties compared to other areas.
- *Months of Inventory:* In N1, the lowest months of inventory at 0.9 indicate a high demand for rental properties relative to supply, suggesting a competitive market where properties are quickly snatched up by renters. Conversely, SW3's highest months of inventory at 2.1 imply a more relaxed rental market with a slower turnover of properties.

Insights - Comparison over months graph

- *Significant Fluctuations:* There are notable fluctuations in the number of properties available for rent across the months within each postcode district. For instance, there is a substantial increase in rental properties in May compared to previous months in several districts, such as NW8, W2, SW3, E14, SW11, and NW1.
- *Seasonal Trends:* The data suggests potential seasonal trends, with an apparent increase in rental properties in May compared to the preceding months. This could be attributed to the approaching summer season, which often sees higher demand for rental properties due to factors like students finishing their academic year and individuals relocating for work or leisure.
- *Varied Demand:* The number of properties available for rent varies significantly across different postcode districts. For instance, NW8 consistently has a high number of rental properties available throughout the months, while districts like N1 start with fewer properties in February but show a noticeable increase by May.
- *District-specific Demand:* While some districts like NW8 consistently maintain high numbers of available properties throughout the four months, others at the lower end of the list show more variability. This indicates that demand for rental properties can vary significantly across different areas of London. Analysing the underlying factors driving demand in each district, such as proximity to amenities, transportation hubs, or employment centres, can provide valuable insights for property investors seeking to optimise their rental portfolios.