scansan

Analytical Report

Rental Market Analysis(April, 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 gives an overview of how the rental market appears to be in some of the postcode district in the month of April, 2024.

## Total Properties for Rent in Top 10 Districts - Apr 2024
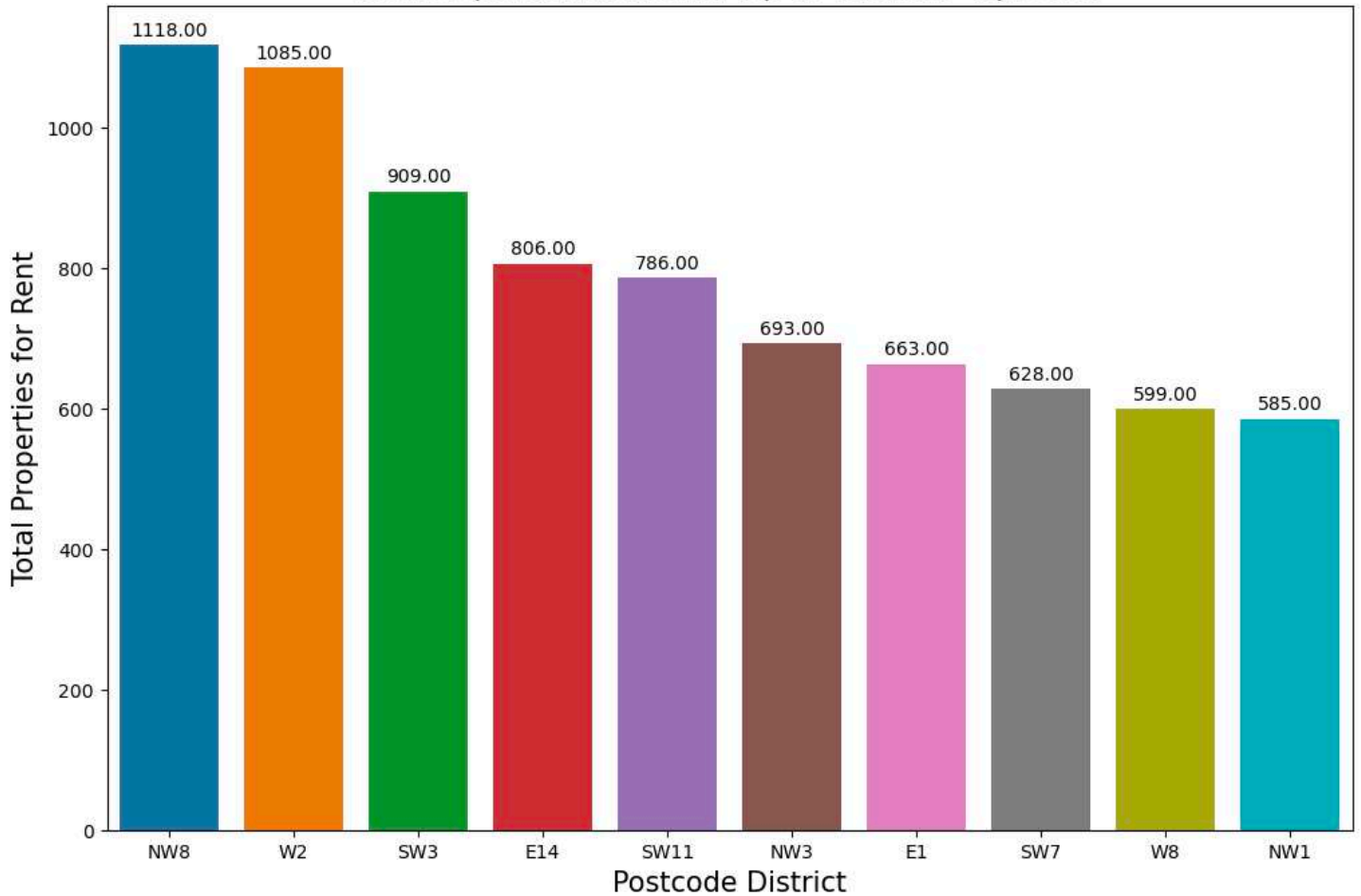
Index	Postcode District	Total Properties for Rent	Market Rating
1	NW8	1118	Balanced Market
2	W2	1085	Balanced Market
3	SW3	909	Balanced Market
4	E14	806	Landlords Market
5	SW11	786	Landlords Market
6	NW3	693	Balanced Market
7	E1	663	Landlords Market
8	SW7	628	Balanced Market
9	W8	599	Balanced Market
10	NW1	585	Landlords Market

Average Transaction per Month in Top 10 Districts - Apr 2024
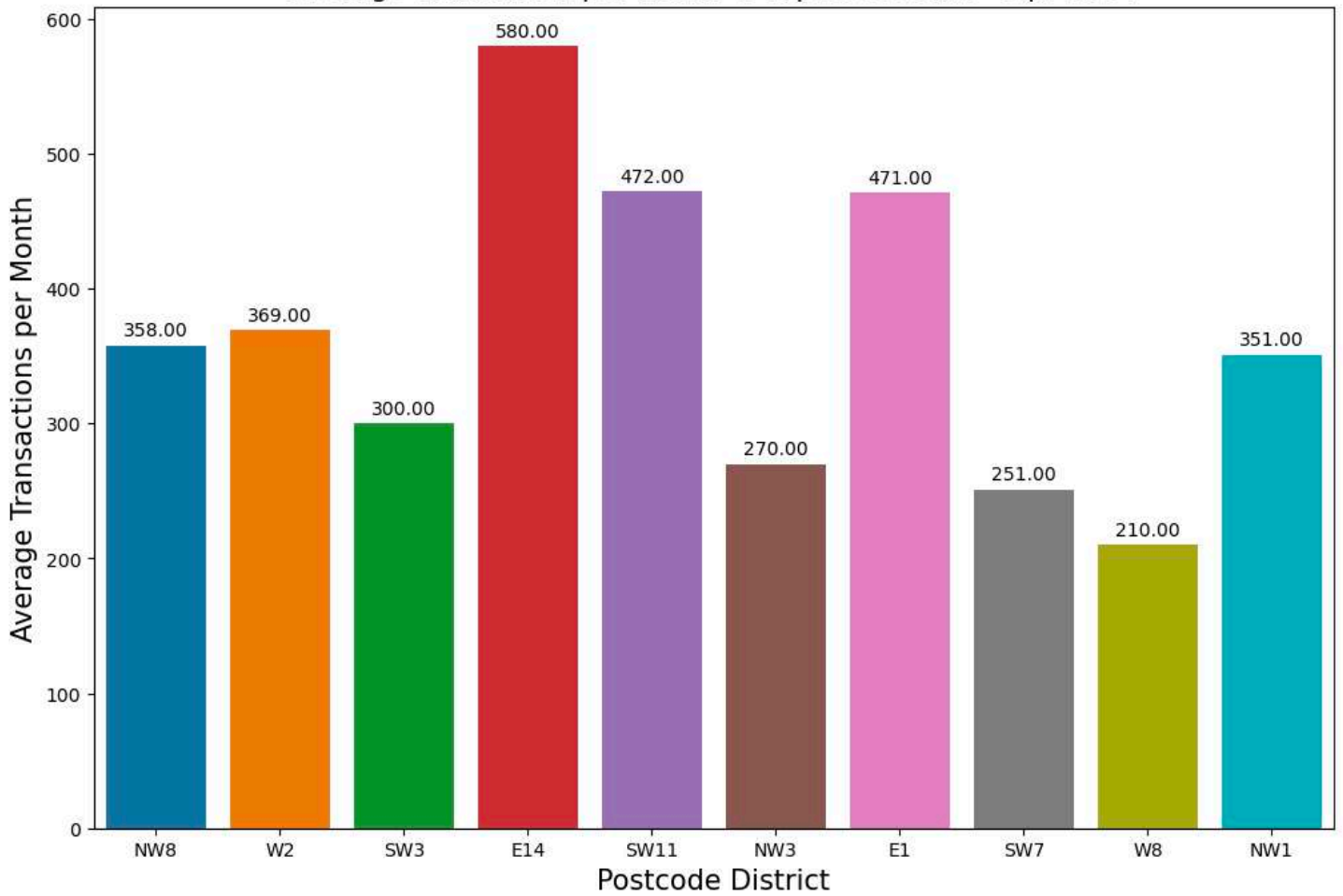
Index	Postcode District	Average Transactions per Month	Turn over(%) per Month
1	NW8	358	32
2	W2	369	34
3	SW3	300	33
4	E14	580	72
5	SW11	472	60
6	NW3	270	39
7	E1	471	71
8	SW7	251	40
9	W8	210	35
10	NW1	351	60

Average Days on the Market in Top 10 Districts - Apr 2024
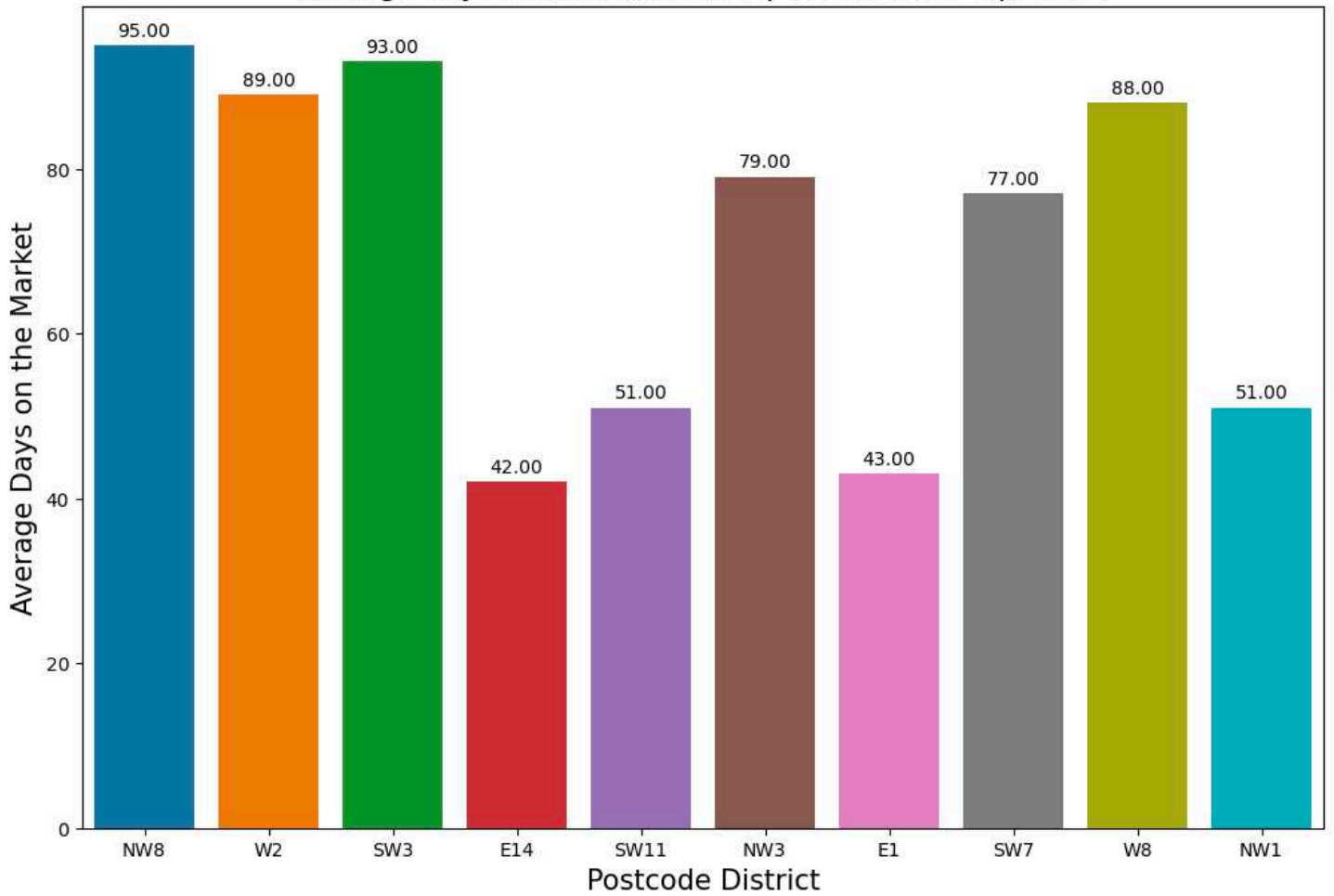
| Index	Postcode District	Months of Inventory
1	NW8	3.1
2	W2	2.9
3	SW3	3.0
4	E14	1.4
5	SW11	1.7
6	NW3	2.6
7	E1	1.4
8	SW7	2.5
9	W8	2.9
10	NW1	1.7

Comparison of data: Mar vs Apr, 2024

The bar chart compares the top 10 districts for April against the corresponding districts for March. In this comparison, the performance of these districts in April is placed side by side with their performance in March, allowing for a visual assessment of any changes or trends over the two months.

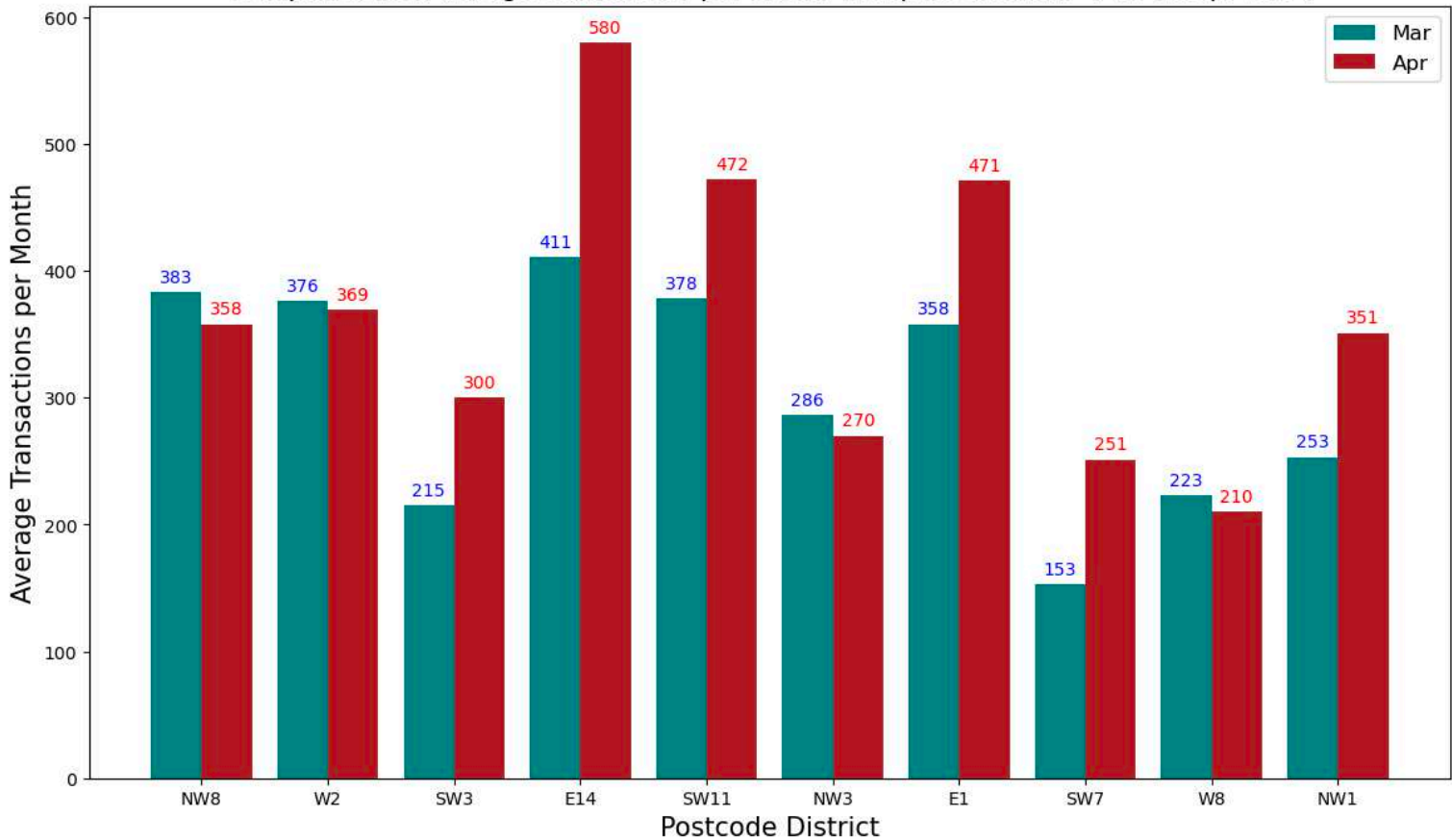Comparison of Properties for Rent in top 10 districts - Mar vs Apr 2024
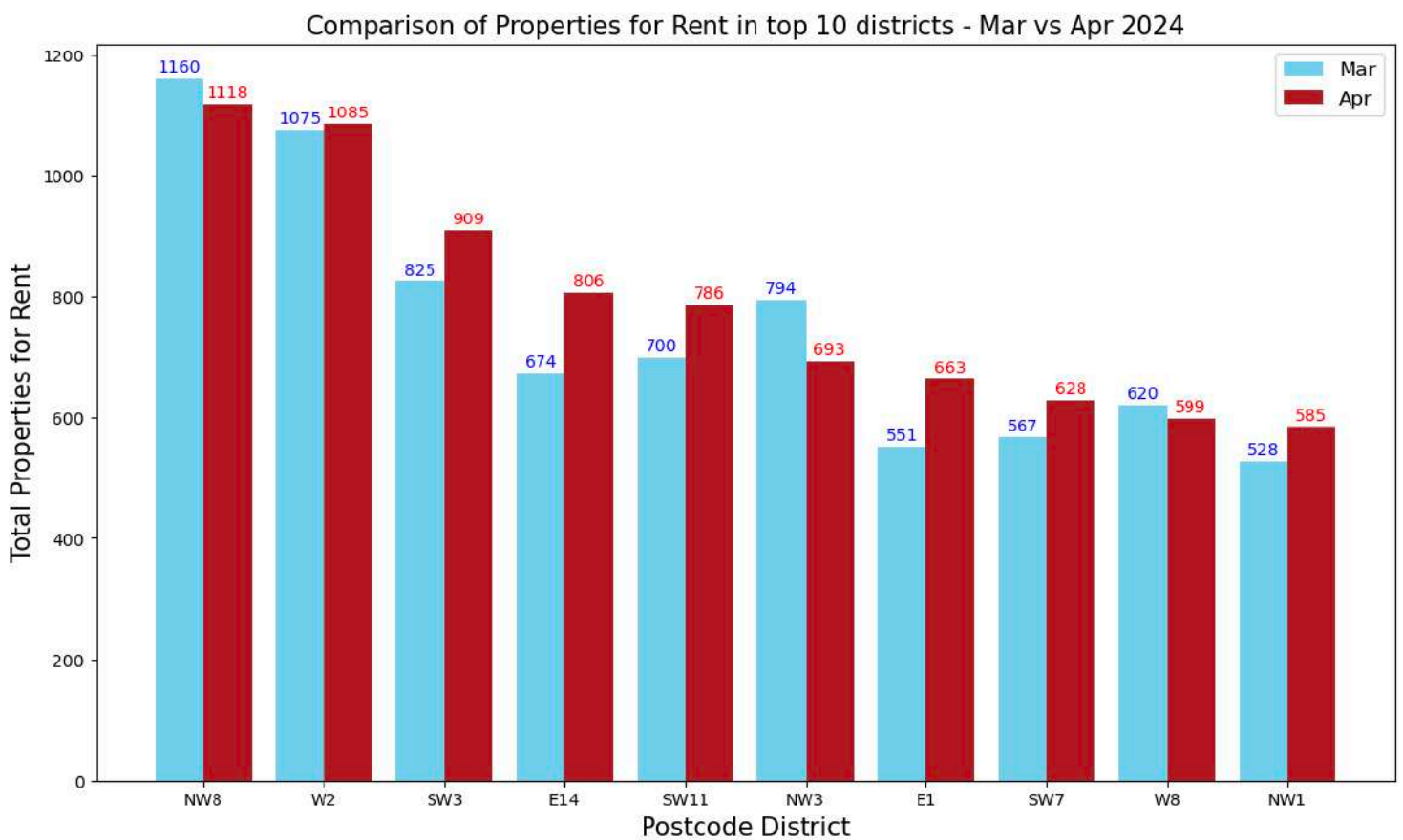
Conversely, the table presents a more detailed comparison by listing the individual top 10 districts for both April and March separately. Instead of using the top districts of April as a reference for March, each month's top 10 districts are analysed independently. This approach offers a granular view, to examine the specific performance of districts in each month without conflating the data from one period with another.

| Ranking	Top 10 - April	Total Properties for Rent	Top 10 - March	Total Properties for Rent
1	NW8	1118	NW8	1160
2	W2	1085	W2	1075
3	SW3	909	SW3	825
4	E14	806	NW3	794
5	SW11	786	SW11	700
6	NW3	693	E14	674
7	E1	663	W8	620
8	SW7	628	SW7	567
9	W8	599	E1	551
10	NW1	585	SE1	544

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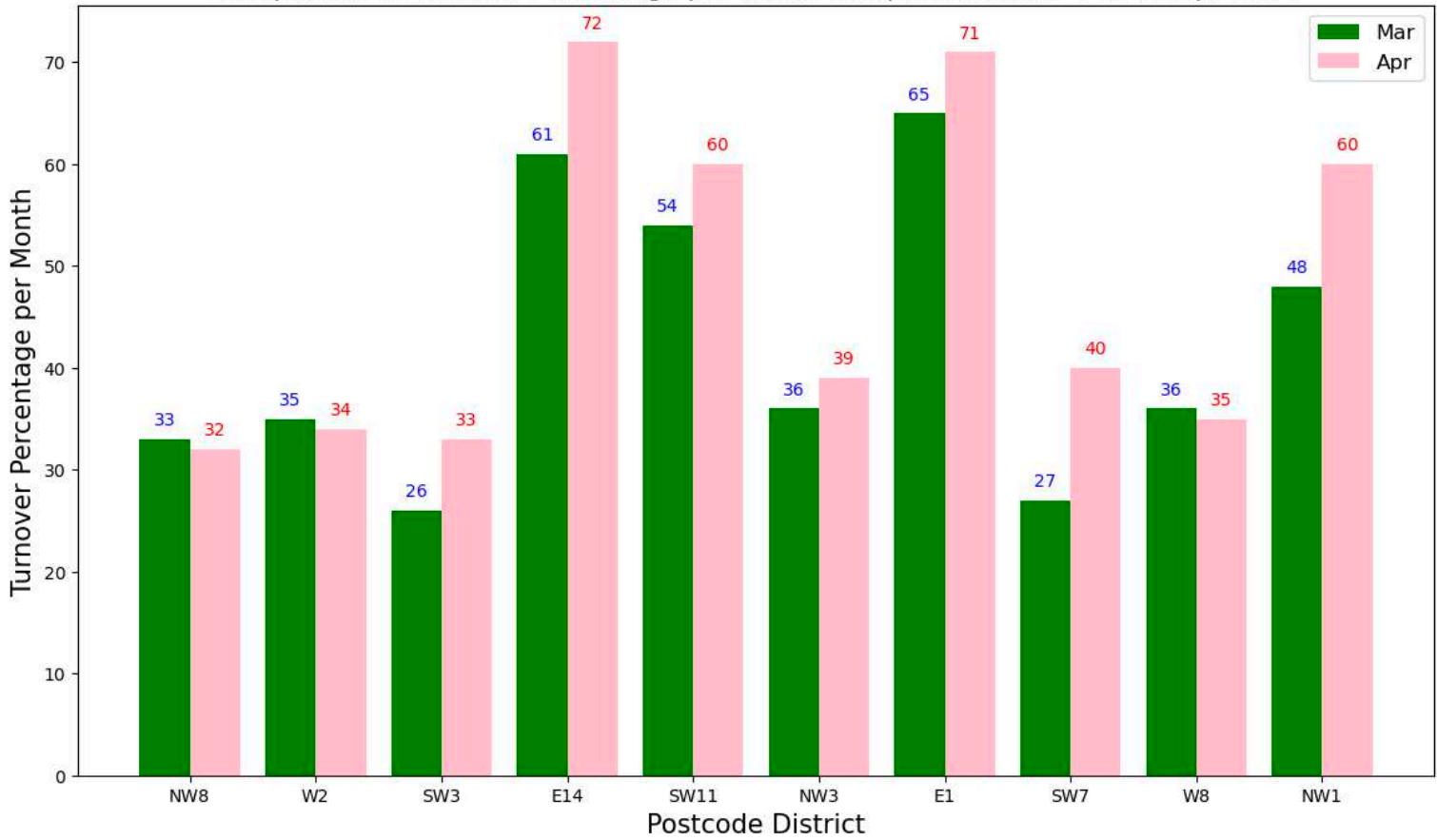
Comparison of Average Transaction per Month in top 10 districts - Mar vs Apr 2024

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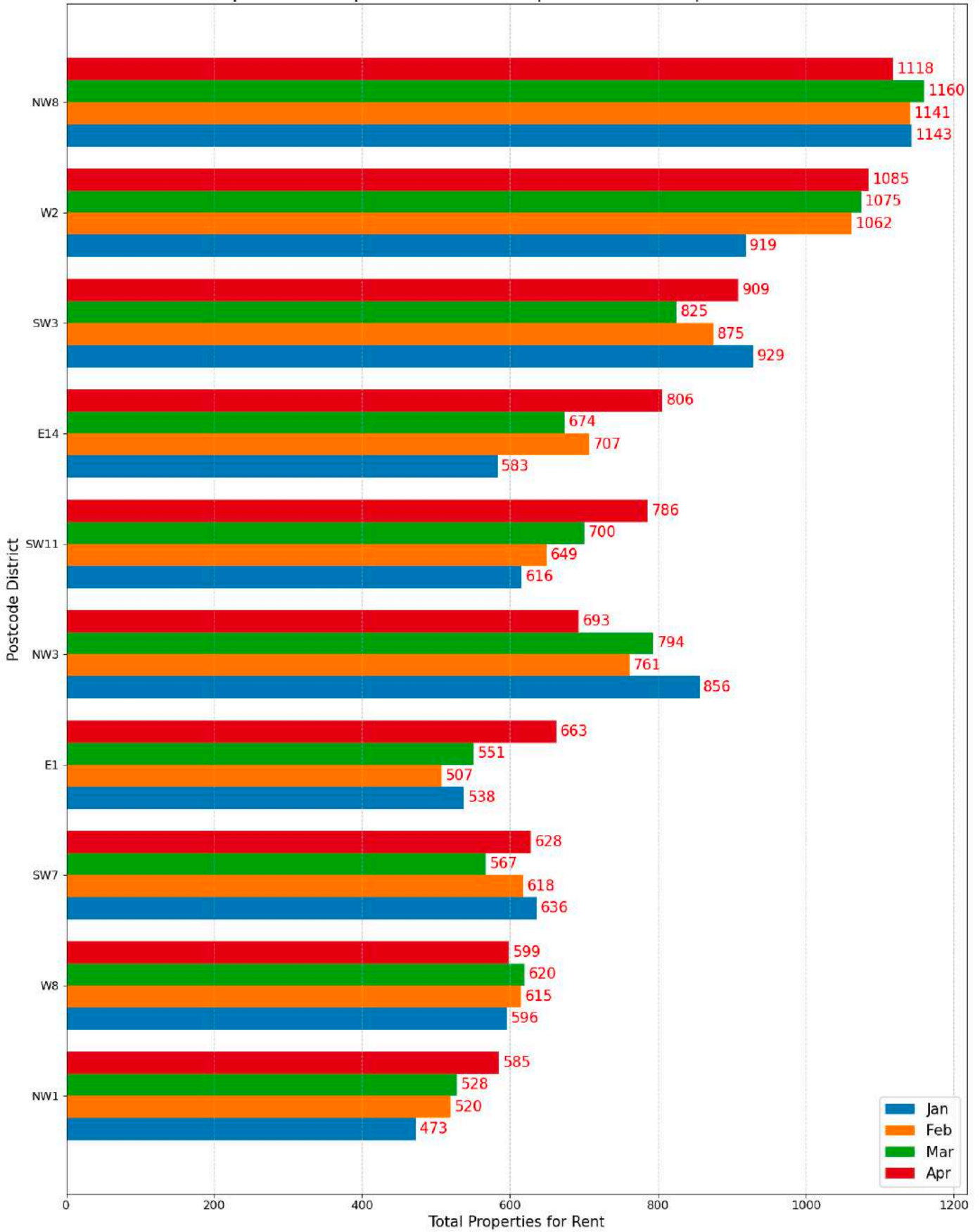
Insights - March vs April

- *Overall Market Analysis:* The majority of postcodes (6 out of 10) are in a balanced market, which suggests a healthy level of supply and demand for rental properties. There are 4 postcodes where landlords seem to have an advantage (Landlord's market). This could be due to factors such as high demand and low vacancy rates in these areas.

- *Postcodes with High and Low Activity:* E14 (postcode district) has the highest average transactions per month (580), indicating a very active rental market in this area. W8 (postcode district) has the lowest average transactions per month (210), suggesting a slower rental market compared to others.

- *Days on Market:* E14 (postcode district) has the shortest days on market (42 days), implying that properties are rented out quickly in this area. NW8 (postcode district) has the longest days on market (95 days), which could indicate a lower demand for rental properties in this area compared to others.

- *Months of Inventory:* E14 and E1 have the lowest months of inventory at 1.4, suggesting a relatively tight rental market where properties are in high demand relative to supply. This indicates that available properties in both districts are likely to be rented out quickly. Conversely, NW8 has the highest months of inventory at 3.1, indicating a slower turnover of rental properties in that district.

Insights - Comparison over months graph

- *Emerging Hotspots:* From the last graph it can be observed that Postcode districts such as E14 and SW11 stand out as emerging hotspots for rental properties, showing substantial increases over the observed months. This could indicate growing popularity due to factors like infrastructure development or shifting demographic preferences.

- *Market Response to Demand:* The increase in rental properties in districts like E14 and SW11 suggests a market response to rising demand, possibly driven by factors like urbanisation, job opportunities, or lifestyle preferences. This indicates a dynamic market where supply adjusts to meet evolving demand patterns.
- *Stable Demand, Variable Supply:* While some postcode districts like W2 and SW11 show consistent growth in available properties, others like NW8 and SW7 exhibit stability or slight declines. This suggests that demand may be relatively stable across the region, but the supply of rental properties varies significantly by location. Another possibility if that such districts have reached or about to reach their saturation point in terms of growth.
- *Monthly changes:* In January, districts like NW8 and W2 start the year with relatively high property counts, reflecting stable demand after the holiday season. February sees notable increases in rental properties in districts like E14 and SW11, possibly due to a surge in demand or new listings entering the market. March witnesses declines in some districts like SW3 and NW3, while April shows rebounds in areas such as SW7 and NW1, indicating seasonal adjustments and market resilience amidst evolving tenant demand. These variations underscore the dynamic nature of the rental market, influenced by seasonal patterns, market responses, and emerging trends.