

London lettings market continues to thrive



Anita Mehra, Managing Director of Benham and Reeves Residential Lettings reports on the London lettings market.

Despite the regional variations in the UK lettings market with some parts of the country suffering from an oversupply of rental stock, here in London the market is still strong and there is a fairly equal balance between the numbers of tenants to rental property. There is more rental stock available in the capital, as people who are unable to sell their homes are choosing to rent them out instead.

However, this is balanced by the fact that there are also more tenants, as they opt to rent until they find the right property to buy at the right price. After all, if you're looking to spend significant sums of money on a property – the continued downward sales price trend can only be good news.

A recent survey conducted for the FT

reported that homeowners in Britain are more convinced that property prices will fall in the coming year, than households in the US and other large European economies. This is surprising given the bleak outlook particularly in the US where repossessions have hit an all time high. It seems that this negative outlook in the UK could be a self-fulfilling prophecy as prices continue to tumble here.

However, prices will ultimately go up again as they have done since the 1950s outperforming many investment options by doubling or even trebling in value every ten years. The National Housing Federation seems to confirm this when it predicted that prices will rise by 25% over the next five years.

London continues to be a great place to invest your money, sales prices are dropping, at least in the short term, and

rents are up which means that those all important yields are improving too.

Many of our landlords are negotiating good deals with developers and in places like Beaufort Park, where we've let out 50+ units consisting of mainly one and two bedroom apartments, investors are seeing healthy yields.

Imperial Wharf, another London success story, has strong demand with our Kensington office letting three apartments there recently at £2,000 per week – two of which were let to Premiership footballers.

The outlook for the London lettings market looks very positive as renting continues to be the sensible financial option rather than buying. Investment landlords are profiting from this trend and are scooping up properties at below market value from estate agents or at auctions.

Dubai office open for business

Benham and Reeves Residential Lettings have just opened our third overseas office, this time in Dubai. However, it will be offering a different service to our other overseas offices as Claire Collier, the manager there explains:

"Whereas our offices in Hong Kong and Singapore mainly tend to act for overseas investors who are renting out their London properties, in this office we are also letting and managing property in Dubai. The market here is very buoyant, yet despite so many homes being built there is a real shortage of rental stock with as many as five tenants for each one. And, in contrast to the UK, it's a landlord biased market with tenants having to pay a year's rent in advance and due to the strict laws in Dubai tenants are much less likely to cause problems at the end of the tenancy. Add to that yields of around 10% and it's easy to see why the Dubai lettings market is so attractive to investors."

"But we're also very busy dealing with Dubai residents who own London property," continues Claire. *"Whereas in the past, they would tend to leave them*

empty and just use them as bolt holes when visiting the UK, they are now using Benham and Reeves to let and manage them."

Perhaps an indication of the buoyancy of this market, is that we are finding that rental properties at all ends of the spectrum are tenanted almost immediately. Many potential tenants have been left disappointed after taking too long (maybe even as little as overnight) to make a decision.

Rental prices continue to increase in the region in line with the upmarket suburbs of London. Coupled with the supply and demand issues still being heavily one sided and the increase in population. This is certainly one of the best locations in the world to own a buy to let property.

So if you are thinking of buying in the UAE or have a property to rent then please give Claire a call on (971) 43 404148 e-mail: dubai@brlets.com.



Claire Collier

Overseas investors flock to lettings seminar

If it's difficult to tell what's going on in the UK lettings market when you're here, just imagine how difficult it is for overseas investors to get a handle on what's happening. Perhaps that's why over 450 people eagerly attended Benham & Reeves Lettings recent seminars which were held in Singapore, Hong Kong and Tokyo.

"They had naturally been reading what's going on here in the press and it isn't always a true reflection on what's actually happening," explains Marc von Grundherr. "The truth is that there is still demand for rental property but, in an increasingly demanding market, it's essential to follow some golden rules otherwise you can get into trouble."

Following a brief introduction establishing what's in demand in terms of rental property in the Capital, the seminar focused on the 'golden rules of letting property' which can be summarised as follows:

1. Buy well. This means that investors should, with advice from their lettings agent, buy the right type of investment property with good facilities in the right location to suit their target tenant.
2. Be realistic both in terms of the rent achievable for your investment property and the type of tenant you're attracting.
3. Present your property well so that it appeals to your target market and stands out from the competition.



Russell Hunt (Property Hunt), Peter Wynn Williams (The Henley Group), Anita Mehra, Marc von Grundherr and Lynne Geeves (Benham and Reeves)

4. Use a reputable, experienced, lettings agent – preferably one that's ARLA registered with the necessary safeguards in place to protect client funds.

Whilst a good percentage of the attendees at the seminar were potential landlords who were about to buy their first investment property, there were also a lot of existing landlords, who had let their properties through other agents but were dissatisfied with the service they were receiving. Benham & Reeves Lettings were able to help here too by explaining how easy it is to switch to them.

Boutique Apart Hotel offers 5 Star quality ... but without the price tag

Benham and Reeves Lettings have been appointed as the Sole Agents for an exceptional new boutique apart hotel in Kensington Gardens Square called, naturally enough, Space Apart Hotel.

This area of London is particularly convenient for business travellers, their target market. And, with a whole apartment costing from as little as £100 per night, they compare very favourably with an equivalent hotel rate of £200+ per person per night, although there is a minimum stay of 3 nights at Space Apart Hotel.

Residents at the Space Apart Hotel won't have to compromise on luxury either as each apartment, which has been individually interior designed, has all the 'little extras' the discerning traveller would expect. This includes air conditioning, DVD player, 32" LCD/Plasma TV, Ipod dock, free high speed broadband and internet access, direct dial telephone access, double mechanical reclining beds and fully equipped kitchens and bathrooms.

There are also excellent general services including CCTV security,

space
APART HOTEL
HYDE PARK • LONDON

business services, laundry and maid service, free DVD library, communal terrace and luggage store.

If you are planning a business trip to London and are looking for somewhere to stay please contact Saima at Benham & Reeves Residential Lettings on 020 7402 9866 or email saima@brlets.co.uk



Hampstead property gets 'the look' and a 43% rent increase

One overseas landlord, who has already followed the golden rules of letting, is reaping the rewards and is enjoying a staggering 43% increase in rent which rose from £280 to £400 per week.

Sticking to golden rule number one, he bought well – a one bedroom apartment in one of the best streets in the best locations, adjoining Hampstead Heath. And following golden rule number 3, he instructed our sister company In:Style Direct, that specialises in the refurbishment and furnishing of investment property, to give the property the right look so that it would appeal to his target market.

This refurbishment included a stunning bathroom/wet room with stylish white sanitaryware and top of the range power shower.

With all the cosmopolitan cafes and restaurants available in Hampstead, the kitchen may not get quite as much use as the luxury bathroom, but it's just as high spec. Black granite work surfaces with cream part tiled walls, sit very comfortably with the white designer kitchen units with chrome handles, and stainless steel extractor and sink.

To achieve the final look good quality wooden floors were installed and the apartment was fully furnished down to the last detail complemented by ani-M soft furnishings.

The end result? Well, referring back to the golden rules number 2 and 4, the landlord took Benham and Reeves Lettings' advice on the target market and the rent achievable, and the apartment was let, on the first viewing, to a Reuters' executive for £400 per week.

If you would like In:Style Direct to quote to give your investment property a new look then contact Amar or Eliot on 020 8964 1966 or email info@instyledirect.co.uk



Top: The reception at number 2 @ 48 Well Walk, Hampstead following refurbishment.



Left: Before refurbishment.

Below: The bathroom and kitchen after the refurbishment.



Lets Talk

What's new in the lettings market

To Light Up or Not to Light Up

The OFT (Office of Fair Trading) has advised that landlords can justifiably include no smoking terms within their tenancy agreements. Although the smokers amongst us might not agree, it seems to make sense that landlords should be entitled to ensure that their property is kept in good condition and smoking, quite apart from the safety implications, could impact on the general condition of a property and indeed its future 'rentability'.



Energy Performance Certificates

As of the 1st of October 2008, Energy Performance Certificates are being introduced to the residential lettings market. From this date onwards, all new lets will require an EPC, which will be valid for 10 years, although this is expected to be reduced in the future.

An EPC can be renewed at any time during the 10 year period if the landlord has carried out any efficiency improvements to the property. However, there is no obligation on the part of the landlord to do any of the work suggested.

For further information on this or any other lettings legislation, contact Simran Prasad in our Management Department on 020 7644 0980 or email her at simran@brlets.co.uk

London's Lettings Agency

Established 50 years, Benham and Reeves Residential Lettings have offices in Hong Kong, Singapore and Dubai as well as strategically placed offices across London. We are generally recognised as London's largest lettings agency dealing exclusively in the letting and management of residential properties in prime London locations.

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