

## RESIDENTIAL LETTINGS UPDATE

### SUMMER 2021

Welcome to our latest Residential Lettings update, mid-way through 2021. We have made much of the pandemic in the last reviews and without doubt the effects are still very much playing out for all to see. What has become unprecedented in 2021, is supply levels for good country properties to rent in Hampshire.

We talked often about how the pandemic has brought about a shift in people's work/life balance, and how many people, especially those from London and other urban areas, have been seeking a more rural life. This brought about a wave of strong demand throughout 2020 and into 2021. But 2021 has also been characterised by severely lacking in supply of properties. Putting these two ingredients together has resulted in probably the strongest market conditions that many of us can remember.

We are consistently hearing stories from would-be tenants about how they simply cannot find anything to rent and that when good houses come up they are snapped up almost instantly. This is a trend we are seeing regularly. Another interesting trend are cases of competitive bidding, something which is rare in the lettings market. We have let many houses this year where they have been subject to competitive bidding, taking rental levels above asking prices.

But what may be causing this lack of supply, and how long may it last? In our view there are three factors:

Firstly, many tenants have found over the past 12 months that because of lockdown they have a new-found appreciation of their country property and the space around them and simply aren't wanting to move on as regularly as they might have done. Added to that, people are not wanting to change jobs now and the uncertainty this might bring

means that others are not relocating as much for work.

Secondly, those tenants looking to purchase a property simply cannot find anything to buy, as supply levels in the country sales market are equally diminished due to the high demand.

Thirdly, a number of Landlords have decided to take advantage of the strong sales market and sell their rental properties.

We suspect that once the sales market evens out and supply levels adjust to more 'normal' levels, this will mean people are able to move around more and therefore supply levels in the rental market also improve. The ending of the Stamp Duty Holiday, which has brought about so much of the frenetic market activity we have witnessed in the sales market in recent weeks, we hope may mean that the market settles down to more normal levels.

As ever, we are here at BCM to guide you through the market and help in any way we can to secure you a good price and a good tenant, so if you have any questions or there is anything you would like to discuss with us, please get in touch. Overleaf is our usual legislation update, with some welcome news for landlords on notice periods.

Have an enjoyable summer.

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## LEGISLATION UPDATE

### Electrical tests

- Electrics on all rented property must be inspected and tested every 5 years by a qualified person
- You must obtain a 'satisfactory' EICR certificate. If the test is 'unsatisfactory' you must undertake any work required to have the electrics passed

### Section 21 Notices

- To gain possession under a Section 21 notice, currently 4 months notice is required. From 1st August this is going back to 2 months notice
- For all other Notices, the Government are aiming for notice periods to revert back to pre-pandemic levels from October

### Right to Rent checks

- As from 1st July, EU citizens are to be checked under the Right to Rent guidelines issued for the rest of the world. Landlords must check the immigration status of all non-UK residents and ensure they have the right to reside in the UK before issuing a tenancy

### Energy Performance Certificates (EPCs)

- The Government are under discussions regarding EPCs for rented property. The plan is to increase the minimum grade required for a rented property from an E to a C. The consultation period has ended and we await information regarding the final details

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