

RESIDENTIAL LETTINGS UPDATE

WINTER 2021

Welcome to our latest Residential Lettings update, as we approach the end of 2021 and look forward to what 2022 may bring for the country residential lettings sector.

In our last update 6 months ago, we were starting to see the early signs of supply levels becoming a challenge in the market. In the last 6 months that issue has really come to the fore across most of the country and has resulted in rental prices being driven higher still.

We have continued to see people eager to move to the country, and with the shift to being able to work remotely if there is reasonable broadband available, tenants have been willing to move further afield to find their ideal property. So, the demand for rural property has remained strong throughout 2021.

The supply levels of country property to rent in Hampshire has fallen over the past 6 months to levels which many of us have not seen before, with many other agents reporting the same issue. This has meant that when a house has been launched to the market it has been taken very quickly and in a number of cases has resulted in competitive bidding.

The reason for the lack of supply we put down to a number of factors; firstly, some landlords have decided to take advantage of the strong sales market and sell their properties, taking houses out of the rental market. Secondly, many tenants have felt compelled to stay where they are having endured lockdowns in the country, which has installed a new-found appreciation for their houses. Thirdly, there is also a lack of supply in the sales market and this is meaning many tenants who would normally have purchased have been unable to find anything. Finally, the prices being asked have risen to such an extent that those tenants that have

thought of moving have found they simply cannot afford to, so again are staying put.

We wait to see how the market will fare in 2022 but my prediction is that we will see an increase in supply generally come the spring as more sales properties come available allowing some tenants to purchase and move on.

Following the COP26 summit in Glasgow much has been made on the need to urgently address climate change and the private residential sector is an area which we strongly believe will feature heavily. The next update of MEES (Minimum Energy Efficiency Standards) has been the subject of much debate and intrigue in terms of what will be expected, but we hope to have a firmer picture from the government in the New Year.

Whatever is finally proposed, we will make you fully aware of this as soon as we know and will ensure we are able to give good advice on what is required and what options are available.

If you would be interested to discuss any rental queries or plans that you might have, or if you have any questions please do contact us and we would be happy to help

Have a very Merry Christmas and a Happy New Year.

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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

- Notice periods have reverted back to pre-pandemic levels. To gain possession under a Section 21 notice, 2 months notice is required.

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 government should be making an announcement in the new year but it is thought the date for the change will be 2026.

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