

Survey Reveals that 2.6 Million Renters Could Now Face a Rent Increase

Monday 28 November, 2016

A poll undertaken by online letting agent Upad.co.uk has revealed that 40% of landlords plan to increase rents if they are left to pick up the cost of tenant fees, in wake of the recent announcement made by the Chancellor in the Autumn Statement to remove this charge to tenants. Only a third of the respondents questioned said that they would definitely not raise their rents, meaning that potentially two thirds of tenants, or up to 2.6 million renters, could face a permanent increase in rent as a direct result of the recent announcement.

The research by the UK's largest online letting agent also revealed that 75% of landlords have no plans to sell their buy-to-lets, despite a barrage of charges inflicted on landlords over the last year, designed to push out landlords in order to free up housing stock.

James Davis, CEO and founder of Upad.co.uk, commented: "Once again a measure that has been brought in to punish landlords has come home to roost. Due to the chronic housing shortage we face in the UK, the lettings market is under immense pressure and this attempt to help potential first time buyers has actually done more harm than good. Instead of punishing landlords, we need to find ways to increase the supply of quality and affordable rental property to help house the millions of people who need it. Frustratingly for everyone involved, this research suggests that landlords will be left with no choice but to further increase rent."

Landlords are still reeling after the 3% stamp duty surcharge earlier this year and the forthcoming plans to prevent landlords deducting mortgage costs from rental income and limiting tax relief on mortgage interest payments.

Mr Davis adds: "This recent blow is just one of many that have hit landlords hard in 2016. The neglected lettings industry has a bulging balloon of tenants who are chasing too few rental properties and by continually kicking landlords, this situation is not going to improve.

"This total mismatch between supply and demand is driving rents up by as much as 5% a year, rising far higher than salaries, which are predicted to rise by only 1% next year. Already 10% of all tenants in the UK have fallen behind with their rent payments and I predict this will rise by as much as 25% next year with the gap between rents and wage growth only widening."

Upad also admits that many of its own landlords will be less affected by this recent announcement given their ability to 'self-manage' their property portfolio with their on-line service.

James adds: "Our landlords still face costs when setting up a tenancy but we estimate these to be roughly about half of the average fees reported this week by typical lettings agents. So whilst there will still be a cost to bear, the impact hopefully won't be quite as hard-hitting for our landlords and their tenants."

Upad is the UK's largest online letting agency, rapidly growing and disrupting the traditional high street letting agent model. It has serviced over 12,500 satisfied landlords so far and the number is growing daily. Upad has gained popularity by allowing landlords to get their property advertised on Rightmove and Zoopla (at a fraction of the cost), whilst still being able to provide an excellent customer service.

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