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Trends with successfully rented properties within Southampton City showing changes in demand , viewings and rents when tenants change

Next slide shows a snapshot of 5 different rental properties to illustrate these changes:



**1) Two Bedroom Apartment, Carlisle Road, SO16 4FG**

- March 2021 £775 and conducted 7 viewings.
- November 2023 £1,100 and conducted 16 viewings (Marketed at £1,100 pcm).

**2) One Bedroom Apartment, Lower Canal Walk, SO14 3JG**

- December 2018 £775 and conducted 4 viewings.
- November 2023 £1,100 and conducted 15 viewings (Marketed at £1,000 pcm).

**3) One Bedroom Apartment, Winchester Road, SO16 6TZ**

- October 2019 £550 and conducted 10 viewings.
- November 2023 £700 and conducted 25 viewings (Marketed at £700 pcm).

**4) Two Bedroom Apartment, Lower Brownhill Road, SO16 9LE**

- August 2021 £750 and conducted 9 viewings.
- November 2023 £1000 and conducted 20 viewings (Marketed at £950 pcm).

**5) Three Bedroom House, Melville Close, SO16 8DE**

- March 2022 £1,150 and conducted 6 viewings.
- October 2023 £1,300 and conducted 11 viewings (Marketed at £1,300 pcm).

Next slide shows stock availability in Southampton (Data extracted from Rightmove Plus for 1<sup>st</sup> to 30<sup>th</sup> September 2020, 2021, 2022 and 2023):

Our analysis shows a 40% drop in availability but 140% increase in demand. For example, in post code SO14 in 2020, there were 1308 properties listed but in September 2023 only 540.



**1)Long Term Rental Properties Available/LET STC/Withdrawn  
in SO14**

- September 2020 – 1308
- September 2021 – 887
- September 2022 – 611
- September 2023 – 540

**2)Long Term Rental Properties Available/LET STC/Withdrawn  
in SO15**

- September 2020 - 1316
- September 2021 - 835
- September 2022 - 637
- September 2023 – 535

**3)Long Term Rental Properties Available/LET STC/Withdrawn  
in SO16**

- September 2020 – 541
- September 2021 – 344
- September 2022 – 281
- September 2023 – 267

**4)Long Term Rental Properties Available/LET STC/Withdrawn  
in SO17**

- September 2020 – 1082
- September 2021 – 717
- September 2022 – 391
- September 2023 – 292

Landlord One – “The continuous interest rate increases has had a knock-on effect to my mortgage repayments which has left me no choice than to increase the monthly rental. I am facing higher buy-to-let remortgage rates which, unfortunately, has to be passed onto the tenant in the form of a rent rise”.

Landlord Two – “Lack of property supply and high tenant demand. Due to increased residential mortgage rates, it has priced a lot of first -time buyers out of the market meaning they are opting to rent instead of buy which has increased demand for rental properties in Southampton. The government’s September 2022 ‘mini’ budget did not help matters either with interest rates increasing meaning buy-to-let mortgage rates soaring. This has made it **nearly impossible for investors to consider expanding their portfolio’s and in some cases forced into selling which has reduced the supply**”.

*Quotations/Comments from Taylor Hill & Bond landlords regarding the reasons why they feel rent levels have risen*

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Finally, a reminder of why landlords are forced to make decisions to mitigate the many challenges they have faced in past few years - by either increasing rents or deciding to sell properties.

££ Landlords with finance costs have been hit by impact of S24 tax (on turnover not profit) plus 14 increases in interest rates.

££ Every landlord has faced increased cost of insurance, higher prices for materials and labour for repairs and maintenance and in some areas the cost of licences.

££ Backlog in the courts has meant that possession is taking up to 8 months so any landlord who has non-paying tenants, tenants who are damaging the property and/or exhibiting anti-social behaviour is hit by a huge financial cost and cash flow crisis.

Remember, most businesses go bust due to lack of cash flow ...