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Renting property: How much would you pay to rent this home?

As slow prices make landlords of would-be sellers, tenants can haggle over rents.

By Caroline McGhie
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It isn't all bad news in the property market. Take Mint Orr, for instance, a 30-year-old architect who arrived in London after a stint in Australia, just as prices started to tumble. She stayed with her brother while she looked for something to rent. "I needed to be in west London but didn't have the budget, and I also needed to be on the Central Line for work," she says. London felt like a city that was opening its jaws, baring its rental market teeth and waiting to devour her bank balance.

Little did she realise that the law of supply and demand was just about to swing in her favour and that, aided by a bit of expert advice, it would save her an awful lot of money. She contacted Jo Eccles of the specialist property hunters Sourcing Property, who guided her to Brackenbury Village, just beyond Shepherd's Bush in west London, an area where prices are a bit more affordable but which is conveniently on the Central and District Lines. Mint had never heard of it before.

"The rent was more than I could afford," she says, "but Jo negotiated hard and knocked £120 off the monthly rent. She also went through the inventory and managed to talk the landlord into putting in a new bathroom, together with all sorts of little things that needed doing. I love the flat, which is really spacious and extremely good value. Before I met Jo, I was looking at studios and didn't think I could afford a one-bedroom." She got what she wanted within her budget of £200 per week. Having said that, Sourcing Property charges a fee of £500 for two months' search and the equivalent of one month's rent (no less than £1,250) on success.

This goes to show that, hard though things may be, this is a good time to rent. You can offer lower bids on rental values, nudge the landlord down or ask for improvements to suit you. Sourcing Property also suggests looking in cheaper areas – Bayswater instead of Notting Hill, Highbury Corner instead of Angel, and Pimlico instead of Chelsea.

The landlord is no longer king. Research shows that as people take shelter from the recession in renting, rental values are dropping across the capital. Hamptons International's latest report shows that letting prices across many areas of London were falling faster than sale prices during the last quarter of 2008. The estate agents recorded a drop of nearly 10 per cent in rental values compared with 7.6 per cent in sale prices. Some areas weathered the drop better than others, though. Notting Hill and Tower Hill saw rents fall by a mere 4 per cent. But in traditional family areas like Islington and Wimbledon there was a slide of more than 12 per cent.

“For tenants coming towards the end of rental agreements the picture is extremely positive,” says Rob Bruce, Hamptons research manager. “Competition among prospective tenants last year dropped from more than 5.4 tenants per property to 4.7.”

The reason is that a flood of rentals has arrived on the market as sellers turn to letting in order to get some return on their property. “We have seen a 68 per cent increase in the number of rental properties in January compared to a year ago, with a majority coming from home owners not wanting to sell in a depressed market,” says Virginia Skilbeck, director of lettings at Douglas & Gordon.

Nor is renting merely a dingy option for have-nots. At the top end of the market it is seen as the clever thing to do. “Many believe the market will get worse before it gets better, so they are renting in the meantime – at competitive prices,” says Jo Bishop of Property Vision. So the rich and canny are at it too, and owners of smart houses are as likely as owners of small flats to engage in a bit of old-fashioned haggling.

Tenant know-how

1. Look above your budget in the anticipation of knocking the price down.
2. See lots of properties in order to get a good idea of what you should be paying.
3. Find out how long the property has been empty, and use that to bring the rent down.
4. Emphasise what a good, careful tenant you will be in order to knock out dodgy opposition.
5. If you ask for improvements (like new carpets) you will be less able to haggle on your rent.



Let it be: a five-bedroom family house in Wandsworth was £2,250 per week, now it's £1,600