

# Oxford. A happier place to rent?

Chris Koenig on why many members of Generation Rent might not be as frustrated as imagined

**R**eceived wisdom among young professionals in Oxford is that something called Generation Rent is becoming ingrained here and that people called Reluctant Renters will in future become the norm.

I first heard the term Reluctant Renter being bandied about by employees of Oxfordshire letting agency Finders Keepers. Indeed the company received more than 600 replies to a survey on the subject — Tenant Demand: How Should We Prepare for a Generation of Reluctant Renters — and then shared some of the findings at its Oxford Property Market seminar for landlords held at the Saïd Business School.

But, perhaps paradoxically, the survey found only 40 per cent of tenants described themselves as being "reluctant".

Finders Keepers managing director Dan Channer said: "If you believed the Generation Rent hype you would think it was all of them."

So what is the real situation?

Mr Channer said: "A third of the 40 per cent who described themselves as reluctant renters were 'frustrated buyers'. They were either in the process of buying a house, on the lookout to buy, or waiting for the right time.

"So in fact 13 per cent of the total sample are frustrated buyers and 26 per cent are true Reluctant Renters.

"The latter are mostly saving for a deposit to put down on a home or trying to find a mortgage."

But the strange point here is that young professionals want it all: while they are willing to save up for a house for longer, they still want to go on living in a comfortable house while they do it.

Mr Channer said: "There is a paradox: 26 per cent are either saving for a deposit or trying to get a mortgage, yet those surveyed would still rather have a nice home than pay the lowest rent.

"So people are saving. But at the same time they are not willing to



totally compromise on quality of life in the process."

And here is another surprise, amounting almost to paradox, that I discovered when talking to agents: they all reported a calmer — some even said "happier" — approach to the business of finding somewhere to live than existed before the financial crisis of 2008.

David Jilson, lettings manager at Oxford letting agents College and County, said: "It's far more socially acceptable now to rent. It's no longer a cause of stress and anxiety — as it used to be when people felt they simply had to get on the housing ladder — come what may.

I have the impression there is now more of a 'keep calm and carry on' feeling out there

added: "The mortgage shortage is less bad than it was in 2008. But there is still basically a shortage of accommodation in Oxford — which keeps both prices and rents up."

Mr Channer said: "Five years ago it was generally reckoned that about 13 per cent of Oxfordshire people lived in privately rented accommodation. Now we estimate the figure is about 15 per cent, and that by 2020 that will have risen to 20 per cent.

"But I have the impression there is now more of a 'keep calm and carry on' feeling out there. Tenants are wary of what might happen in the future and are more hesitant about taking the decision to buy. Some also think that they should hang on in the hope that property prices might fall."

**H**e added: "The two great drivers of the market are interest rates and employment. On employment, the situation in Oxfordshire may be relatively good but people are still nervous.

"And on interest, the low rates mean many sellers are able to leave their houses on the market for long periods."

He added that some tenants have been on the point of buying property in the past only to find someone along the chain of buyers and sellers pulls out.

"In the end the point to remember is that 60 per cent of the tenants in our survey were not 'reluctant' at all.

"They were sometimes people who simply liked the flexibility and freedom that renting gives, or they were young couples who had decided to live together but not yet taken the next step of wanting to buy a house together, or they were people who had sold a property and were waiting to find the right house."

Strange to say, it seems that the financial crisis, at least for young professional people, has led to a calmer state of affairs than pertained when the Oxfordshire property market was what many described as "overheated".

"Now the problem is finding a mortgage. Then the problem was that the target was always moving. Whenever you got a deposit together you found prices had gone up again."

All agreed that finding a mortgage is now far harder than formerly, with fewer mortgage products on offer and the percentage of loan to equity decreasing.

Bob Urwin of Oxford letting agents Martin and Co, said: "I've noticed that many young people are going back to live with their parents while they save up, rather than renewing contracts on rented property."

However Mark Crampton Smith, director at College and County,