

# Content to rent

More of us now see letting as a long-term option — but landlords need to raise their game, says Cherry Maslen

**D**irty plates, piles of wine bottles and crushed beer cans, mud-trodden carpets, damp bathrooms, grease-encrusted ovens — everyone knows the cliché of the carefree layabout tenant. Renting, it seems, has long been looked down on as a way of living, as somehow too continental or too lower-class — but that might be about to change.

The financial responsibilities of home ownership, not to mention the hefty deposits now required to get a mortgage, have triggered a mini revolution among potential buyers, with many deciding to turn things around and look at the positive side to being a tenant. Countrywide, Britain's largest letting agency, registered a record 50,480 new tenants in the second quarter of this year, a 16% increase since the beginning of 2010. "We have seen growing demand from people in all social groups — professionals, cohabiting couples, groups of friends and extended families," says John Hards, co-managing director of the company.

Meanwhile, the Chartered Institute of Housing this month claimed that "the golden age of home ownership" was coming to an end and our attention should be, as in the rest of Europe, on developing a wider range of higher-quality rented homes.

More tenants also mean more landlords: a few weeks ago even David and Samantha Cameron joined this group by letting out their Notting Hill home. The opportunities for prospective buy-to-letters are stacking up. So what are the rules for the new wave of tenants?

## The first-time-can't-buyers

Ciaran and Jenny Fitzpatrick fall into the bulging category of young professionals who are renting because they can't afford a big enough deposit to buy. However, they are determined to enjoy themselves. They are both teachers; Ciaran, 29, is about to start a new job at a west London primary and Jenny, 30, is expecting their first baby. "We're renting a one-bed basement flat in Shepherd's Bush," says Ciaran. "We can't afford to buy, certainly not near here, but we love living in the middle of London. We're not ready to move way out to somewhere suburban."

Living the urban dream is not cheap. The couple pay £1,300 a month, but the flat is now "home", and they hope to continue renting in the capital for the next five years. "We're enjoying city life while we can," says Ciaran.

Sally Livermore, lettings manager at Kinleigh Folkard & Hayward, which manages rental properties in Greater London, says demand has gone up so much since last year that rents have risen by 18%. "We're getting a lot of potential first-time buyers who can't get anyone to lend them enough to buy, and are renting while trying to save more," she says. There are also more renters who are between houses, but we've only got the same amount of rental stock as we had a year ago.

**Tip for landlords:** It's all about outside space, be it a patio in London or a small lawn in a popular commuting town. At this level, tenants will care for a property on your behalf, but also care about saving as much money as possible. They will expect it to be furnished and everything to be of a high standard and in good working order.

## The professional lifestylers

More single professionals are choosing not to buy because it suits their lifestyle. "British business has become more fragmented," says Dan Channer, managing director of the Oxfordshire-based rental agency Finders Keepers, which found that 43% of respondents said they would consider renting as a serious long-term lifestyle option. "People change jobs, travel and move around more, so they don't want to be tied to a specific property and mortgage."

For Steve Wheeler, 37, and his boyfriend, Marak James, 43, renting is not so much about job instability as career flexibility. "I used to own a flat, but I work in fashion and was travelling so much the flat became a hindrance," says Wheeler, who manages the Yves Saint Laurent store at Bicester Village in Oxfordshire. "Apart from travel abroad I've moved from Oxford to London and back again. Not being tied to a house has made it easier for me to get promoted."

The rental option has also aided James's work in the jewellery trade. Together they rent a grand three-bedroom flat in a converted manor house just outside Bicester for £925 a month. "We love it," says Wheeler. "Even if we decided to buy somewhere we would rent it out as an investment and still live here."

Fewer people, it seems, want to see all their savings disappear into a home that is likely to be smaller and in a less desirable location than one they could rent. Lynn Hilton, partner for residential lettings at Cluttons, has also seen increased demand from people in professions such as law, banking and accountancy over the past six months.



The Camerons, inset, will profit from letting their Notting Hill home



Jenny and Ciaran Fitzpatrick: 'We can't afford to buy, but we love living in the middle of London'



In Woodstock, Oxfordshire, this six-bed cottage can be rented for £4,500pm; finders.co.uk



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Francesco Guidicini, John Lawrence, Simon Jones

The Manor House in Essendon, Hertfordshire, has four bedrooms and is available for £2,600pm; savills.co.uk



## SO WHAT'S ON OFFER?



### London £2,167pm

A two-double-bedroom ground-floor flat in Shepherd's Bush, west London. The part-furnished period conversion has two reception rooms, a kitchen and a private patio garden. 020 8996 6000, foxtons.co.uk



### Oxford £1,700pm

Grade II-listed Willow Cottage dates back to 1617 and is in Weston-on-the-Green, a village outside Oxford. It has two reception rooms, three bedrooms and the rent includes gardening. 01869 329530, finders.co.uk



### Kent £1,450pm

Faraday Lodge, in Tunbridge Wells, is an unfurnished, three-bedroom house in a gated development. French doors in the living area lead on to a small courtyard garden; there is also a garage. 01892 541803, alexandersps.org.uk



### Chester £1,000pm

This Grade II-listed three-bedroom cottage is situated within the grounds of Chester cathedral. It has one reception room and a small garden space and is unfurnished. 01244 458776, chesterplace.co.uk

"Almost three-quarters are on six-month contracts with their employers," she says. "Three years ago, the majority of jobs were either permanent or contracts for a minimum of two years."

**Tips for landlords:** These tenants want a home that looks good. Either provide it for them or work with them to upgrade. "If people rent somewhere for three to five years they'll want to decorate and make small-scale improvements," says Channer. "As long as it's not going to affect future rentability, landlords should be amenable."

**The fallen-off-the-ladder renters** Anthony and Tracey Martin sold their four-bedroom house in Peterborough in 2003 and have been renting ever since. "Sarah, the youngest of our three daughters, wasn't doing well at the local school and we wanted to get her into a better one," says Tracey, 46. "Also, we'd

been told our endowment wouldn't be enough to pay off the mortgage when it matured."

They found a nice rental in a nearby village and their daughter got 10 GCSEs, but then house prices shot up and they were effectively priced out of the market. "The only way we could afford to get back in would be by moving to a small property in an area we don't want to be in," says Tracey. Sarah, now 22, has just left home and the couple have moved to a two-bed coach house on the edge of Peterborough, which they're renting through local agent Belvoir for £600 a month.

"Renting actually suits us because we don't want to spend weekends doing the garden or DIY," says Anthony, 50, who works for a railway company. "It is stress-free: we just pick up the phone if something goes wrong. We love the freedom."

Sadly, for other couples the economic climate has led to emotional as well as

financial breakdown. Once the joint property is sold, both parties have to start again with less money, so renting is often the preferred option. "We've certainly seen an increase in people wanting to rent as a result of divorce," says David Smith, senior partner at Carter Jonas. "Most of them will not want to take a lease of more than six months while they explore their options. That said, many will turn into reliable long-term tenants." **Tips for landlords:** The shortage of family homes means those in the right areas with three bedrooms or more are a good investment for those looking for long-term tenants. Once children are settled in schools, parents won't want to move them. Offering six-month leases can be a canny enticement to divorcees.

### The corporate tenants

After a lull during the recession, demand for corporate lets has bounced back in

London. Yields are rising, says the estate agent Savills, reflecting a need from corporate tenants benefiting from the first wave of economic recovery. The return of American bank employees has boosted prospects for landlords, according to Cluttons, which reports a 35% rise in corporate lets in the capital this summer. Preferred locations for these tenants are Wapping, Kensington, Chelsea and Holland Park.

**Tips for landlords:** Such tenants expect a high quality of furnishings and fittings as a reflection of their perceived professional status and success, but you can charge a high price. Employ an agent to act as a go-between.

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