



# Property Notes

## Lettings Market

Currently there are no shortage of good quality homes to rent in the St John's Wood, Regent's Park and Hampstead areas. In the £1,000 to £5,000 per week price range, the area in which my firm principally operates, there is a fair amount of choice for tenants.

With the reduced number of senior employees in banking and finance relocating to London the market has softened a little. However, be under no illusion. There is an active and buoyant letting market with the right homes letting

quickly. What are the right homes ?

Those that are very well presented which have been maintained to a high standard. Coupled with those homes where the landlord is realistic as to their expectations on price and not over optimistic. Being too bullish on the asking price can discourage, not encourage, tenants from taking your property seriously. The bigger picture is of course that every week you hold out for that over ambitious rent you leave your property empty and not income producing. Waiting weeks for that one tenant who may or may not pay your ambitious price can cost tens of

thousand of pounds.

Arlington Residential have established strong relationships with a number of rental investors, several of whom we have advised and assisted on the purchase of 8 or more houses, and who use our office as their exclusive agent on the rental of these properties. The majority of clients that my firm deals with in the rental investment market tend to either be looking at holding a property long term, 10 years plus. In the £1.5M-£3M bracket my advice usually steers clients towards freehold town houses in the roads close to the American School in St John's Wood, such as Loudoun Road, Hall Gate, Abbey Road and The Marlowes. Unlike apartments where there can be high service charges that deplete your rental income, the outgoings of freehold houses are minimal. This is certainly not to exclude flats as rental investments, we do have many clients who have made astute purchases in well managed good quality buildings and have experienced great returns- but consider carefully the service charge levels, which from my experience only ever increase. It is not uncommon to pay around £12,000 per annum in service charges for a 3 bedroom apartment in a high quality building and this can represent nearly 2 months rent. At higher investment levels the larger period houses of St John's Wood, again in locations near the American School and St John's Wood High Street/underground Station have proven track records as extremely rentable houses. The rental market for 4-5 bedroom family homes can be very competitive, with the key being able to provide interiors that are refurbished to a high quality and with rents of over £4,000 per week being readily achievable. Aside from the rental yields, capital growth is really where rental investors continue to benefit. With the value of property at the middle to top end of the housing market in central and north west London still steadily rising and with huge growth over the last two decades the investors who are the most successful are those that bought and didn't sell.

Through building deep, long lasting relationships with leading property buying agents and relocation agents we have established ourselves as one of the leading agents in our field. Our two rental negotiators, Alex Fleck and Gina Sherman each have over 25 years experience in the rental of homes at the middle and top end of the market and together are a formidable force. Their wealth of experience has only come with time.

*Marc Schneiderman.*

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