

A close-up photograph of a green tufted sofa. The sofa has a deep green, textured fabric and is tufted with dark green buttons. In the foreground, there is a bright yellow, fuzzy blanket and a light-colored, patterned pillow. The background is dark, suggesting an indoor setting.

LOFT®
PEOPLE FIRST DESIGN

LANDLORD INSIGHTS

LOFT LANDLORD INSIGHTS 2021



WHAT YOU CAN EXPECT TO FIND

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INTRODUCTION TO LANDLORD INSIGHTS

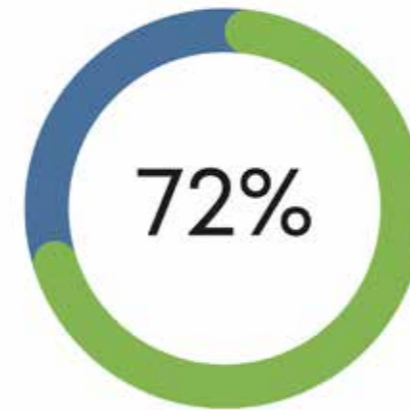
2020 was full of twists and turns for landlords and the entire property sector. From the temporary removal of Stamp Duty to the eviction moratorium, there's been a lot to keep up with.

The changes we saw in 2020 and the effect they've had on the PRS sector has given landlords plenty to think about, too. Is now the right time to buy more rental properties or to sell the ones you've got? Are you seeing the best rental yields? What is it that will get residents to rent from you instead of the competition?

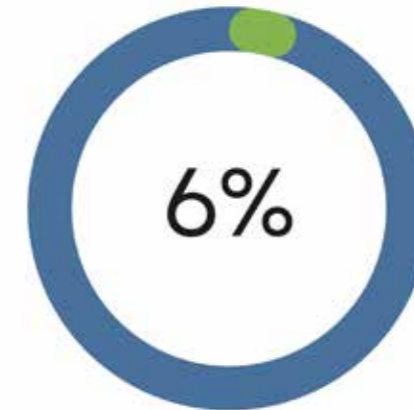
Having a better understanding of the current market will help you answer these questions. We spoke to landlords across the UK to get their opinions on how the rental sector stacks up these days. From their responses, we've put together this guide, so you can make the right decisions for your own property or portfolio.

01

LANDLORD EXPECTATIONS OF VOID PERIODS



PREDICT THEIR VOID TO LAST A MONTH OR MORE



PREDICT THEIR VOID TO LAST 3 MONTHS OR MORE



OR LESS THINK THEY COULD RE-LET WITHIN A FEW WEEKS

THE COST OF VOID PERIODS

One of the key questions we asked landlords was:

“How long do you expect the void between tenant occupation will be?”

The responses we got were a surprise to say the least:

- 72% of landlords predict their void periods to last one month or longer
- 6% expect a void to last past the three-month mark
- Less than 30% of landlords think they could re-let their property in a space of a few weeks.

Let's take a look at what all that means from a monetary point of view.

In March 2021, the national average rental figure reached £922. If your property is void for one month, that's the initial amount you could lose out on.

But that's not all. You'll still have ongoing costs such as:

- Mortgage payments
- Council tax
- Utilities (water, electricity, etc.)
- Building/contents insurance.

Plus, you may have re-letting fees to pay every time the property needs to be tenanted, putting the total cost of a void period for one month at around £1500.

The cost of not keeping up with other properties on the market is staggering. To avoid the voids, your rental property needs to look the part, which brings us nicely to the next chapter.

“INTERIOR DESIGN HAS A BIG PART TO PLAY IN THE RENTAL MARKET. LANDLORDS WHO LET THEIR INTERIORS SLIP COULD END UP LOSING THEIR RESIDENTS TO THE COMPETITION.”

DESIGNING THE PERFECT SPACE

94% of the landlords we surveyed believe design is a key part of increasing rental figures and avoiding voids. But looking at the rest of the numbers, something doesn't quite add up.

Even though a high percentage ranked design as “essential/important,” only 4% of landlords employ a specialist to help design their properties. And this is with design being singled out as an important factor for increasing rental figures. In fact, less than 10% of the landlords we spoke to saw their rental income rise in the last year. Worse still, 28% saw their figures drop!

BTR has had a huge effect on the PRS sector. With modern design trends, a community-based lifestyle and a range of amenities, landlords have to make sure their rental properties don't fall behind. Residents expect high quality from properties. This is why the BTR industry is growing at such a rapid rate.

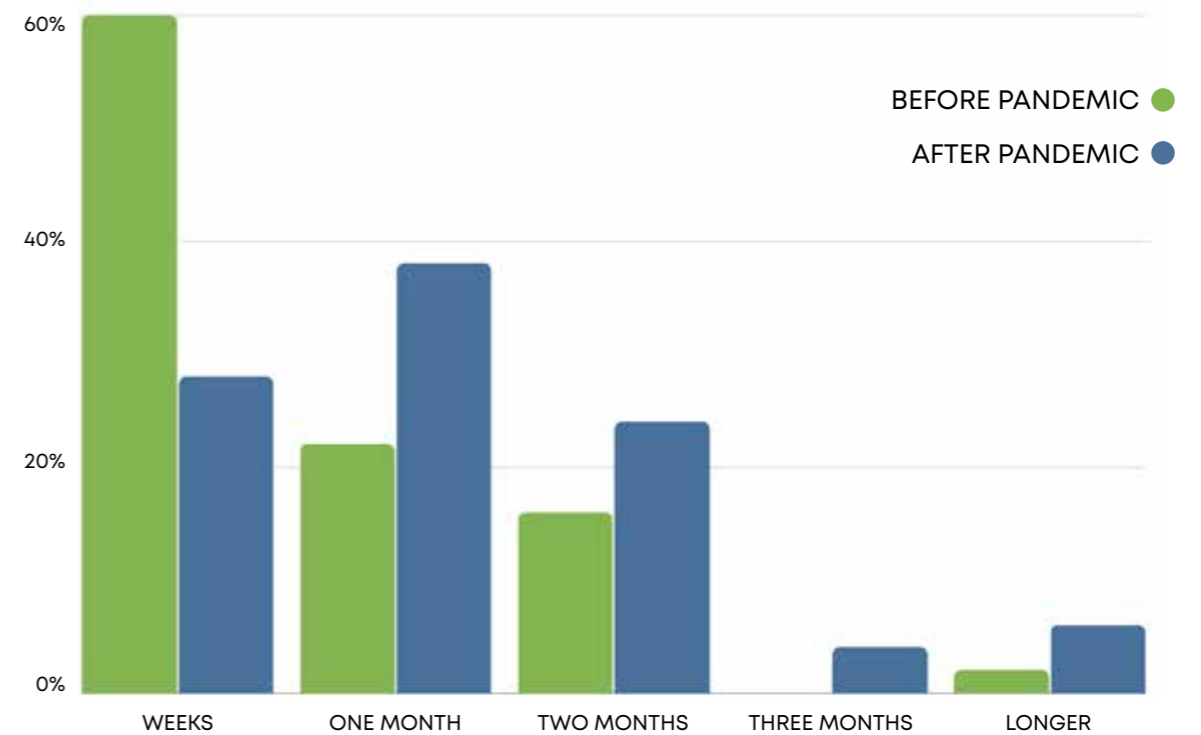
Interior design has a big part to play in the rental market. Landlords who let their interiors slip could end up losing their residents to the competition.

There's often a misconception around interior design. TV programmes that feature world renowned designers have made the industry look more costly than it really is. For landlords, interior design is about making a property more appealing and creating an aspirational vision. This makes residents happier because they're living in a beautiful property, and you can ask for a premium rate because of it. You certainly don't need to spend a fortune, so don't let what you've seen on TV and in the glossy magazines fool you.

Your budget should be used to add long-term value, meaning you'll make more from rent over time. It's definitely not a huge expense that you'll never recoup. It's just a smart investment.



03

THE LENGTH
OF VOID PERIODTHE EFFECT
OF LOCKDOWN

Even before the lockdowns in the UK, Brits spent an average 90% of their time indoors every day. But with absolutely nowhere else to go, people took a good long look at where they were living.

Having the right furniture in place for the market is essential. Durable pieces need replacing less often, which makes both you and the resident happy.

Furniture got a lot of use in 2020 and the beginning of 2021. And the more something gets used, the more wear-and-tear there is. Pieces that can't stand up to normal everyday use break easily, and these flaws are incredibly apparent in rental properties.

Put simply, properties are not living up to resident expectations.

Above is a table of how void periods looked before and after the start of the Covid pandemic.

Before the lockdowns, void periods lasting just a few weeks were a lot more common. And while the shorter void periods have dropped, the longer ones have increased in numbers.

“RESIDENTS EXPECT A LOT MORE IN GENERAL FROM RENTAL PROPERTIES AND THEIR LANDLORDS.”

WHAT TO EXPECT IN 2021

We asked landlords a very important question:

“What do you believe residents expect in 2021?”

Out of:

- A furnished let
- Greater flexibility in lease terms
- Dramatic changes to rental prices (up or down).

Which do you think was ranked as the biggest tenant expectation?

In all honesty, it was way too close to call between all three options. Landlords essentially ranked them all as equal. So, what does this tell us?

It tells us that nobody really knows what's coming for sure. What we can take away from this question, though, is that residents expect a lot more in general from rental properties and their landlords.

Anyone who doesn't follow up on these needs will struggle to stand out from the crowd. The status quo just isn't good enough. Landlords have to adapt to the needs of the market, or the market will look elsewhere.





HOW MANY LANDLORDS ARE PLANNING TO SELL?



PLAN TO RETAIN OR EVEN EXPAND THEIR PORTFOLIO



PLAN ON SELLING THEIR PROPERTIES

WHAT ARE OTHER LANDLORDS THINKING?

Despite everything 2020 threw at landlords, there's a lot of optimism for 2021.

When we asked, less than 10% of landlords said they planned on selling their properties this year, and over 90% planned to retain or even expand their portfolio.

This is great news, as it shows confidence in the market, but it also means the level of competition isn't slowing down. To stay ahead of the game, landlords need to put their tenants first.

We always advise landlords to ask themselves this question:

"If I were living in my rental property, would I be happy?"

If the answer is no, why is that? Is there something wrong with the interior? Does the furniture need updating, is the

wallpaper peeling away, or is the decor not right for your target market?

Maybe a new Zen mattress is what's needed to give the bedrooms that touch of pure bliss and relaxation?

People live real lives in your property. They want to be happy there, to create memories and call it home. So, if you want to succeed as a landlord in 2021 and beyond, remember to always put your tenants first.

CONCLUSION

“NATURALLY, YOU WANT YOUR PROPERTY TO STAND OUT RIGHT FROM THE START SO IT DOESN'T STAY ON THE MARKET FOR LONG.”

HOW LOFT HELPS LANDLORDS & TENANTS

We're playing our part in transforming the rental market for the better.

Landlords and tenants alike should be ecstatic about their properties. This is why we've taken the data gathered and put together a suite of products and services to make your life easier and the life of your tenants much more enjoyable.

Naturally, you want your property to stand out right from the start so it doesn't stay on the market for long. That means a stunning interior that captures the imagination. LOFT's award-winning interior design team has worked on countless rental properties. Their keen eye and knowledge of the market will result in plenty of interest for your property.

Avoiding the voids is key. Your tenants expect and deserve quality furnishings with nothing broken or damaged. In as little as 24 hours, we can replenish

items with everything assembled and installed by our trained delivery team. Our approach to replenishment shows your tenants their issues are taken seriously and are resolved as soon as possible. In turn, that keeps them happy and certainly boosts their opinion of you as a caring landlord.

And no matter where your properties are based, we can reach them thanks to our nationwide distribution centres and delivery service. So, if you want to expand your portfolio to include a cottage in Scarborough, a house in Manchester, an apartment in London or anything else you can think of, we're never far away.

Let LOFT make your life easier. Our white glove service mindset means you don't have to lift a finger, and the quality of our products are sure to leave a smile on the face of your tenants. Contact us for more information, and take the stress out of being a landlord.



WHERE TO FIND US



GET IN TOUCH

Get in touch with our team for any queries or questions.

Tel: 0330 331 6199
Email: hello@loft.co.uk
URL: [LOFT.co.uk](https://loft.co.uk)

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LINKEDIN
[@LOFT.uk](https://www.linkedin.com/company/LOFT.uk)

OUR LOFT LOCATIONS

HEAD OFFICE & STUDIO

Venture House
227 Ayres Road
Old Trafford
Manchester
M16 0NL

Tel: 0161 464 4969

OUR LONDON OFFICE

Spaces Farringdon
77 Farringdon Road
Farringdon
London
EC1M 3JU

Tel: 03300 880 990

THE LOFT SHOP

The LOFT Shop
26-28 High Street
Northern Quarter
Manchester
M4 1QB

Tel: 0161 4700 400



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Tel: 03334 552 876 | Email: hello@loft.co.uk | www.LOFT.co.uk