



Article Side

Demand for Rental Property Remains Firm by [John M. Alcorn](#)

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Almost half of the landlords - 44 per cent - surveyed in Paragon's latest Private Rented Sector Trends survey for the first quarter of 2012 said that tenant demand was continuing to grow.

The results of the quarterly survey carried out by the specialist buy-to-let lender also revealed that just seven per cent of landlords thought that during Q1 tenant demand declined and 46 per cent said that levels remained stable.

Moving forward, 53 per cent of landlords surveyed believe that demand for rental accommodation will continue to grow and 36% said that it will stabilise.

"Levels of tenant demand have for the most part remained steady throughout the first quarter of the year. This shows the continuing importance of the private rented sector as the tenure of choice for many people," said Nigel Terrington, chief executive of Paragon Group.

Demand is generally greatest for property to rent in London, particularly sought after areas like Prime Central London, which has shown the strongest rental price growth over the past twelve months, up 3.2 per cent.

Despite an anticipated slowdown in rental price rises in the short term, a general housing shortage in the capital, including a lack of property for sale in London, is expected to underpin a hike in future rental values, on the back of an almost inevitable rise in demand, in light of stringent mortgage lending conditions.

Lucian Cook, director of Savills residential research, said that his firm have identified a clear link between FTSE volatility and rental values in central London and this pattern has been "compounded by reduced corporate budgets."

But although in the short term the prime rental markets in London and the South East will be highly dependent on sentiment in London's financial and business services sector, Savills "expect values to be underpinned by constrained stock levels, particularly in the core prime sector," said Mr Cook.

There is a particular shortage of property to rent in Marylebone, Mayfair, Chelsea, Kensington, among other prime central London locations.

"Marylebone, with its wealth of elegant properties and desirable High Street, has been attracting affluent people for a number of years. Demand for properties is intense," said Andrew Ellinas, director of leading estate agents Sandords.

But while London's super prime property markets and prices continue to strengthen, the city's second-tier markets are also growing increasingly popular with overseas investors, due to greater tenant demand, according to Ingrid Skinner, managing director of house builder Taylor Wimpey in Central London, who recently returned from Hong Kong to promote homes in London.

Skinner remarked: "Boroughs such as Camden, Highbury and Islington, the Royal Borough of Kensington & Chelsea and Hammersmith and Fulham can be seen to be prudent investments. Entry level pricing is lower and rental demand continues to be strong and the excellent transport links mean that purchasers own a property that is still very much in Central London."

Demand is particularly strong for property to rent in Primrose Hill, which is located in the London Borough of Camden, a short-distance from London's West End.

But anyone looking at houses and flats to rent in Primrose Hill will find little choice available, and until the level of new homes coming onto the market starts to increase, this situation is unlikely to change anytime soon, pushing local rental prices higher.

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John Alcorn reports that there is a chronic shortage of a [property to rent in Marylebone](#) and a [property to rent in Primrose Hill](#), particularly as far as flats to rent in Primrose Hill are concerned.

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Property to rent in Primrose Hill, Flats to rent in Primrose Hill, Property to rent in Marylebone

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