

Survey of Letting Agents 2008

A5.1 Acknowledgements.....	1
A5.2 Introduction	1
A5.3 Coverage	1
A5.4 Properties managed by size	2
A5.5 Houses in Multiple Occupancy (HMOs)	4
A5.6 Typical and Entry Level Rents	4
Table 1: Average “Typical” Rent PCM by district.....	4
Table 2: Average “Entry-Level” Rent PCM by district.....	4
A5.7 Deposits	4
Table 3: Amount required as a deposit.....	5
A5.8 Tenants on benefit	5
A5.9 Distance moved by tenants.....	6
Table 4: Distance moved by tenants from previous address	6
A5.10 Length of stay.....	7
A5.11 Changes in the past year and the coming year.....	8
Table 5: Changes in the private rented sector in the past year.....	8
Table 6: Changes in the private rented sector in the coming year.....	9
A5.12 Easy and difficult to let properties	9
Table 7: Easy and difficult to let properties: average time to let in days	10
A5.13 Who owns the properties?.....	10
A5.14 Supply and demand	10
Table 8: Supply and demand by age and type.....	10
Table 9: Supply and demand by size	11
Table 10: Conditions	12
Table 11: Supply and demand by location	12
A5.15 Summary of Issues.....	13
Overview of the private rental market in the Cambridge sub-region	13
A5.16 Local issues	14
Cambridge City.....	14
The USAF	14
Appendix 1: Letting Agents survey form.....	16

Appendix 5. Survey of Letting Agents 2008

A5.1 Acknowledgements

Thank you to all the agents who agreed to be interviewed and gave up their time to help us. We value your local knowledge and expertise and welcome your comments and feedback on the report below.

National level information on the private rented sector can be gathered from a number of sources (see Chapters 15, *The private rented market* and 16, *The buy to let market*), but it was useful to get a more local perspective.

A5.2 Introduction

This report presents the findings of the survey of Letting Agents, 2008. The first survey of letting agents was conducted in 2007 via a postal survey. Around a 150 questionnaires were sent out and around 35 responses were returned. There was also a fairly uneven coverage from this survey e.g. with very few questionnaires returned from Huntingdonshire.

Following this exercise we reviewed the questionnaire and asked for feedback from other research professionals and members of the wider SHMA partnership. Appendix 1 shows the 2008 questionnaire. We will continue to review the questionnaire and the survey process to make it as user-friendly and relevant as possible.

For the 2008 survey, data was gathered through face-to-face interviews. We conducted 30 interviews but achieved a more even geographical spread (see table 1 below).

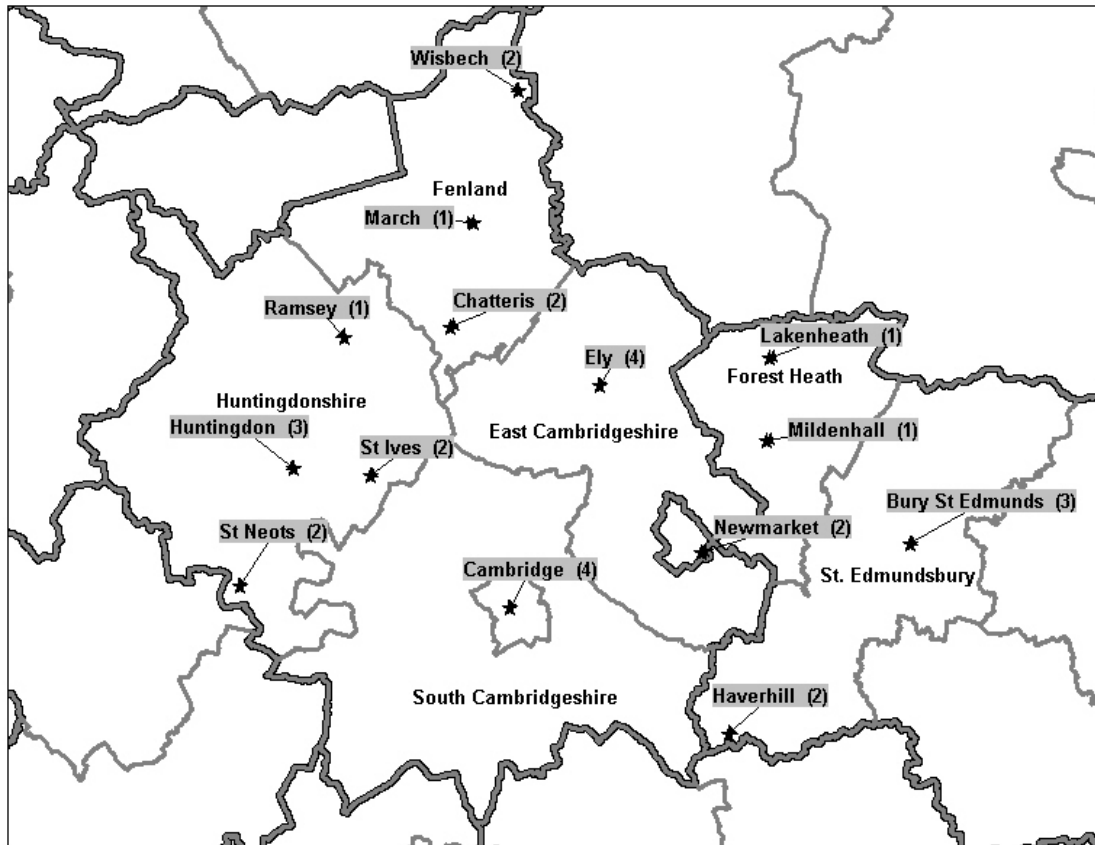
For the most part interviews were arranged by a phone call in advance, although some were arranged through dropping in and seeing if someone was available to talk. It was harder to arrange interviews with letting agents than estate agents, which may itself say something about the current market.

A5.3 Coverage

In Fenland we interviewed two agents each in Wisbech and Chatteris and one agent in March. In Huntingdon we interviewed two agents each in St Ives and St Neots, one in Ramsey and three in Huntingdon. In Forest Heath we interviewed two agents in Newmarket and one each in Mildenhall and Lakenheath. In St Edmundsbury three of the agents were based in Bury St Edmunds and two were based in Haverhill. We didn't manage to interview any of the agents based in South Cambridgeshire, but some of the city agents also covered the district.

Coverage is shown in the map below (fig 1).

Fig 1: Agents interviewed by district



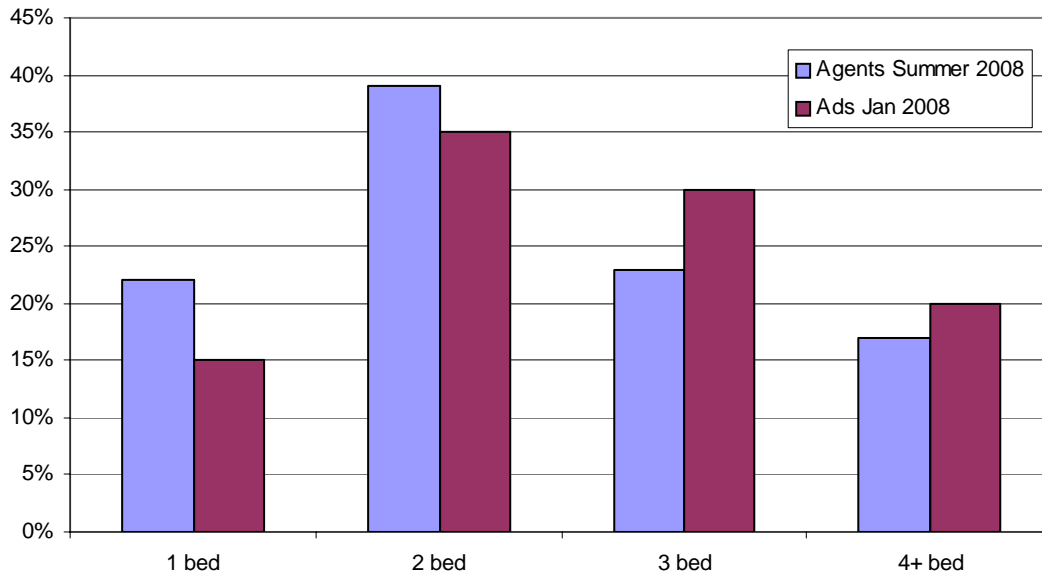
A5.4 Properties managed by size

We asked the agents about the number of properties they managed by size in terms of number of bedrooms (1,2,3 and 4+ bedrooms). This question caused some confusion and will need to be re-worded in the future, as some properties were tenant find only while others were fully managed. However, between them the agents we interviewed managed around 5,458 properties, and about 182 properties each on average. Almost half of the agents interviewed were unable to give a split of properties by size.

Fig 2 shows the sub-region percentage based on the answers of those who were able to respond compared with the review of private rents in the press.

Ninety percent of properties across the sub-region were unfurnished. Cambridge City and Huntingdonshire reported the highest numbers of furnished/ part-furnished properties.

Fig 2: Properties advertised and properties managed by size

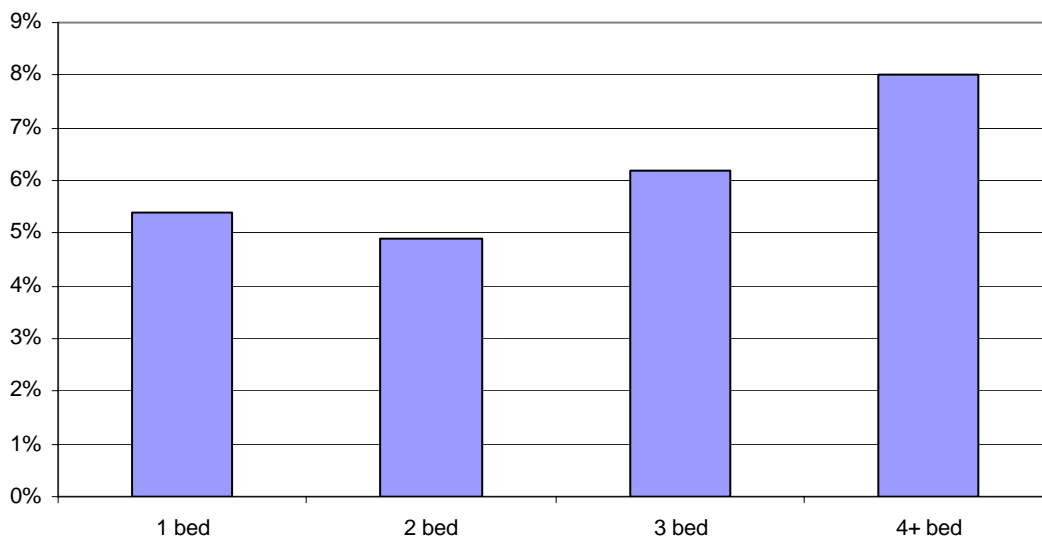


Both the data from this survey and the information from the advertisements show that most private rented properties have two bedrooms and three bedroom properties are the second most common size. The advertisements show a larger percentage of advertisements for properties with four or more bedrooms and the agents said they had a larger percentage of properties with one or more bedrooms. There were a greater number of three and four bedrooms advertised than the split of what there are suggests, which may mean that these properties are harder to rent than smaller properties.

The agents were also about shared houses. Only four agents reported managing any and two were in Cambridge City.

We also asked about vacancies by size. Again, because of confusion over the question and a lack of certainty about the split, the data is possibly not very robust, but there were proportionately more larger properties recorded as vacant.

Fig 3: Proportion of vacant properties by size



There were proportionately more empty properties with four or more bedrooms than vacant 1,2 and 3 bedroom homes (see Figure 3).

A5.5 Houses in Multiple Occupancy (HMOs)

Very few (4) agents managed any HMOs and most of these were in the city. Those that did, managed between one and five of this type of property. The number of HMOs they managed had decreased in the last year for all but one of these.

A5.6 Typical and Entry Level Rents

We asked about typical and entry level rents for properties by size. As with sales the price varied less for smaller properties and more for larger properties.

Location was an important factor for the rent levels. For example one agent in Bury St Edmunds told the interviewer rents were higher in the town than in rural areas and a similar point was made by agents in Cambridge City. Generally town centre rents were higher whereas a similar property in a more rural location was cheaper. This is simple supply and demand – most renters prefer to be nearer to the town centre/ their place of work.

Table 1: Average “Typical” Rent PCM by district

	1 bed	2 bed	3 bed	4 bed
Cambridge/ South Cambridgeshire	£796	£981	£1,025	£1,256
East Cambridgeshire	£432	£532	£687	£912
Fenland	£400	£488	£595	£725
Huntingdonshire	£469	£572	£699	£1,043
Forest Heath	£457	£579	£781	£1,162
St Edmundsbury	£467	£608	£755	£1,012

Table 2: Average “Entry-Level” Rent PCM by district

	1 bed	2 bed	3 bed	4 bed
Cambridge/ South Cambridgeshire	£675	£837	£875	£1,131
East Cambridgeshire	£409	£494	£606	£806
Fenland	£365	£430	£525	£675
Huntingdonshire	£434	£517	£637	£836
Forest Heath	£347	£514	£587	£925
St Edmundsbury	£436	£537	£631	£845

Tables 1 and 2 show that rents in Cambridge City are considerably higher than elsewhere in the sub-region, and Fenland is a lot cheaper than elsewhere. The Suffolk districts are the second most expensive areas for larger properties, but Forest Heath has some of the cheapest one-bedroom properties.

A5.7 Deposits

Agents were asked about the size of deposit asked of new tenants.

Table 3: Amount required as a deposit

	Number of agents
One Month	3
Six Weeks	18
Two Months	1
Other	8

Most agents said that the normal deposit on the properties they managed was equivalent to six weeks/ one and a half month's rent. Three of the five agents interviewed in Fenland said that the normal deposit was either one month's rent or a minimum amount of £500 (if the rent was £450, then the required deposit would be £500, but if the rent was £550, the deposit would also be £500). One agent in the same district said that one month + £100 was the normal required amount. This slightly different practice is most likely due to the comparative cheapness of the rents and also the local wages. Elsewhere, one agent in East Cambridgeshire said the typical deposit was one month's rent + 20%, an agent in Huntingdonshire said it was one month +15% and one agency in Haverhill said that the normal deposit was 5 week's rent.

A5.8 Tenants on benefit

When asked about whether or not they accepted tenants on housing benefits, most agents said that if someone was already in a property and their circumstances changed they would accept them, but generally the answers was either "No" or "Depends on the Landlord". We asked for reasons behind the decisions to accept people on benefits or not.

Eight agents said that some landlords were not able to let to people on housing benefits because it was a condition of either their mortgage or their insurance. As an aside, one agent raised concerns about an increase in the number of people entering into Individual Voluntary Arrangements, because they weren't able to house people in this situation possibly for similar reasons. They were concerned that this would put a lot of pressure on social stock.

Eleven agents didn't like how the payment of housing benefits are administered. Five agents said that there were a lot of delays and the system was too slow. Most landlords don't like to take housing benefit cases because the payments are paid in arrears and in four-week blocks rather than per calendar month. Four agents also said that if someone had been awarded the benefit and was not entitled to it, the landlord lost the money rather than the tenant

Six agents said that landlords were unhappy with new direct payment regulations. Under this new system, a housing allowance is paid to the tenant instead of to the landlord. This should cut down on some of the administrative issues raised above, but it is a disincentive to landlords as they are worried that they will not receive any money at all.

Six agents also highlighted the problem of the general perception of "people on benefits", sometimes based on previous bad experiences. But at least two agents said that every case was different and it would depend on individual circumstances and situations as to whether such an applicant would be accepted.

Some of the agents (particularly in City) said that they tended not to attract this client groups as the rents were too high. One agent also made the point that there wasn't a need to take people on housing benefits because there was a good enough supply of clients who were not receiving it.

The positive reasons for taking people on benefits were not very common. One agent said that they had one housing benefit tenant in a property because the landlord liked that particular tenant. Another agent said that while most of the landlords they dealt with would not take tenants on benefit, if the property was in poor condition or it was difficult to let, they might consider it.

A5.9 Distance moved by tenants

This is one of the only questions in common with the estate agents survey.

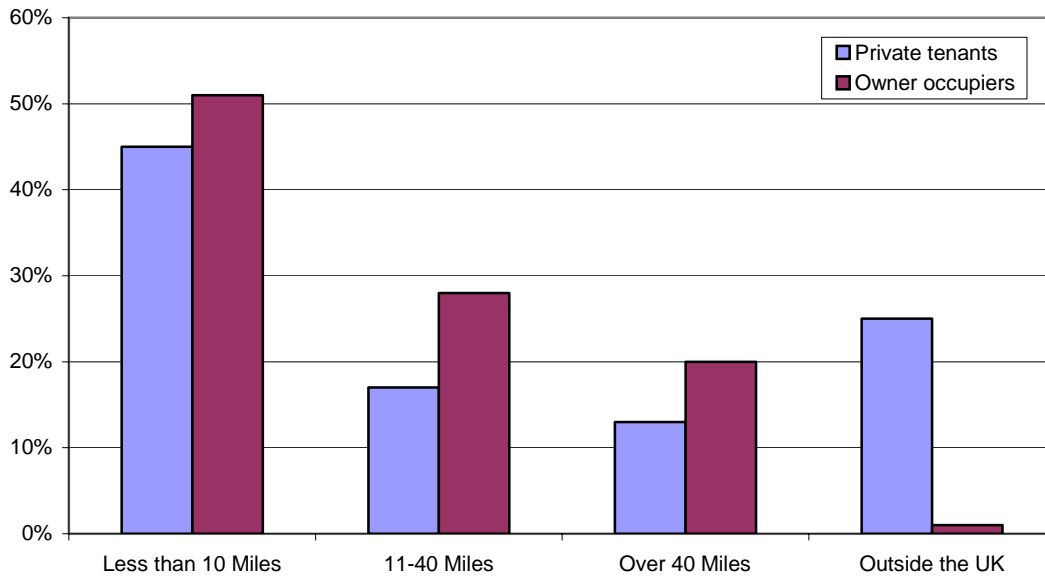
Table 4: Distance moved by tenants from previous address

	Less than 10 Miles	11-40 Miles	Over 40 Miles	Outside the UK
Cambridge/ South Cambridgeshire	45%	9%	14%	33%
East Cambridgeshire	16%	23%	20%	41%
Fenland	55%	20%	21%	3%
Huntingdonshire	57%	17%	9%	17%
Forest Heath	12%	11%	9%	68%
St Edmundsbury	56%	20%	9%	15%
Sub-Region	45%	17%	13%	25%

Most movement by private tenants is local in all areas except Forest Heath. This is due to the USAF presence in the district. This also spills over into Ely slightly. Two of the agents interviewed were based in Lakenheath and Mildenhall and both had a large number of people coming from overseas. One of the agents in Newmarket also had a high percentage of overseas tenants, but one had a high number of local customers. As with the estate agents survey, some of this may be due to brand (local people tend to go to one firm and people from further away use a different agency). Sometimes it is also agent preference. For example one agent had a high number of Eastern European tenants because he liked letting to them.

Fig 4 (below) compares the distance moved by tenants and owner occupiers (from estate agents survey). More than half of moves by home owners are local and there are virtually no purchasers from overseas. Tenants move from further away. This question was also asked in last year's surveys and yielded similar results.

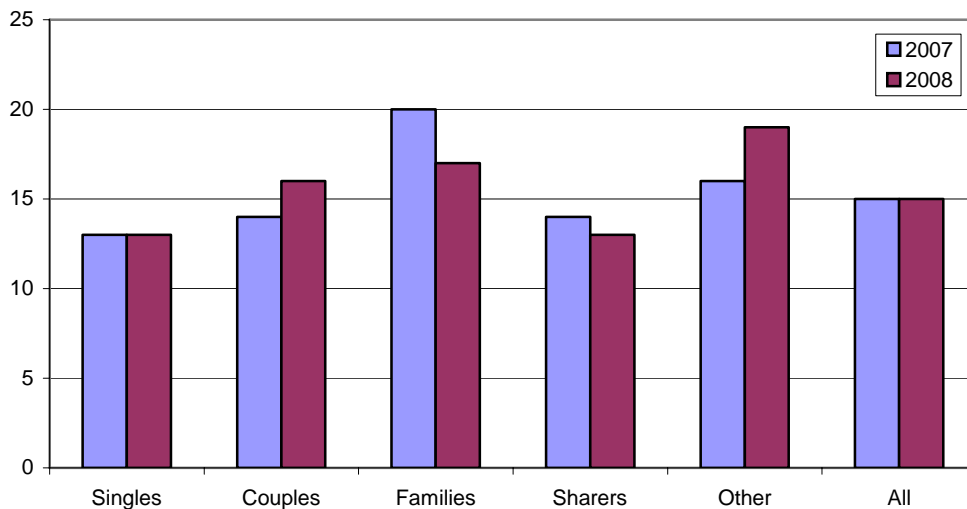
Fig 4: Distance moved – private tenants and owner occupiers, Cambridge sub-region



A5.10 Length of stay

We asked agents about how long people stay in the properties they manage by household type (singles, couples, families, adult sharers and “other”). The average length of stay for all households is 15 months, which is the same as it was last year.

Fig 5: Length of stay (in months) by household type, 2007 & 2008 letting agents survey



The average length of stay by single person households has not changed. The average length of stay for couples and “other” households has increased slightly, but decreased slightly for families and adult sharers.

A5.11 Changes in the past year and the coming year

We asked the letting agents interviewed about how the market had changed in the past year. Table 5 shows the responses.

Table 5: Changes in the private rented sector in the past year

	Increase significantly	Increase slightly	No change	Decrease slightly	Decrease significantly	Not applicable
Typical PCM Rent	4	20	5	0	0	1
Void periods	1	4	11	10	3	1
Buy-to-let investors buying properties	1	2	2	7	17	1
Buy-to-let investors selling properties	2	9	12	2	4	1
New tenants looking for properties	16	6	7	0	0	1
Turnover of tenants	1	2	22	4	0	1
Tenants claiming housing benefit	3	3	8	0	0	16
New build properties available for rent	4	9	12	2	2	1
Second hand properties available for rent	12	10	6	1	0	1

All agents reported an increase or no change in the typical rent per calendar month. Three of the “no change responses were recorded in Forest Heath, but the other respondent in the district was one of the four who reported a significant increase.

Void periods appear to have decreased overall, i.e. properties are filling up more quickly when they become empty. Three of the “increased slightly” responses came from agents in Forest Heath. Turnover has remained about the same, which supports the section about “length of stay” above.

More than half of the respondents said that number of buy-to-let investors buying properties had decreased significantly. Just over a third had noticed an increase in those selling properties, but a slightly higher number had not noticed any change.

Twenty-two out of the 30 agents interviewed had noticed an increase in the number of tenants looking for properties. No one had noticed a decrease. There were no decreases reported in the number of people claiming housing benefits either. Some agents didn't feel this was applicable, but some said that although they didn't usually take households on housing benefit they had noticed an increase in the number of queries from this tenant group. The three respondents who had noticed a significant increase in queries from tenants on benefits were all based in Huntingdonshire.

More agents interviewed had noticed an increase in second-hand properties available for rent than for new-build, but new build properties available for rent still appears to have increased in the last year or so.

Table 6: Changes in the private rented sector in the coming year

	Increase significantly	Increase slightly	No change	Decrease slightly	Decrease significantly	Not applicable
Typical PCM Rent	4	16	9	1	0	0
Void periods	0	6	16	7	1	0
Buy-to-let investors buying properties	0	6	11	5	7	0
Buy-to-let investors selling properties	2	7	16	3	1	0
New tenants looking for properties	10	9	10	0	0	0
Turnover of tenants	2	6	19	2	1	0
Tenants claiming housing benefit	1	9	6	0	0	13
New build properties available for rent	3	12	9	2	2	1
Second hand properties available for rent	6	17	7	0	0	0

Overall, the factors that have increased are expected to continue increasing, and the things that are decreasing are expected to continue to decrease and the things that have remained the same are expected to remain the same in the coming year.

This makes sense because of the interplay between the rental and sales markets. For example, tougher mortgage lending rules mean that fewer people can buy even though they may have to move, but some of them can rent, hence the increase in people looking for properties and the shorter void periods; people who are unable to sell their homes but still need to move are keeping them to rent, which is why the number of second hand properties available is likely to increase.

A5.12 Easy and difficult to let properties

Twenty-three of the letting agents interviewed across the sub-region said that two bedroom stock was easy to let. Agents in St Neots, St Edmundsbury and March said "2-3 bedroom properties".

Two bedroom stock is also the ideal for first time buyers which suggests that people currently unable to access the market are renting.

Other factors mentioned for "easy to let" stock were centrally located and in good condition. Generally larger homes (with four or more bedrooms) were considered harder to let, especially if they were in rural areas/ overpriced/ in poor condition. However, two agents in Fenland and one agent in Bury St Edmunds said that one-bedroom flats also let quite slowly.

Table 7 shows how long "easy" and "difficult" properties take to let in days by district. There was one agent in Huntingdonshire and one in Bury St Edmunds who said a difficult to let property could take up to six months to rent, which was a lot more than other agents in the district. The numbers in brackets in Table 7 show the mode for these two districts (the most common answer).

Properties in Cambridge City (and South Cambridgeshire) let quicker than elsewhere in the sub-region, and properties in Forest Heath also let quite quickly compared to some other

districts. "Easy to let" properties on average take less than four weeks to sell. The length of time for "difficult" to let properties varies quite a lot. In Cambridge city, difficult is just over three weeks on average. In Huntingdonshire it is just over two months.

Table 7: Easy and difficult to let properties: average time to let in days

	Easy to Let	Difficult to Let
Cambridge/ South Cambridgeshire	14	23
East Cambridgeshire	23	57
Fenland	25	69
Huntingdonshire	17	77 (60)
Forest Heath	15	54
St Edmundsbury	23	87 (60)
Sub-Region	20	69

A5.13 Who owns the properties?

We asked the letting agents who owned the properties they managed – individuals, companies or "other". Individuals owned ninety percent. Private companies owned 9%, and 1% were owned by other institutions. The agents were also asked about the number of properties owned by buy-to-let investors. On average buy-to-let investors own 3 properties each across the sub-region as a whole. There is some variation between districts – in Cambridge City/ South Cambridgeshire, East Cambridgeshire and Forest Heath they owned between 3 and four properties each. In Fenland and Huntingdonshire, they owned between 2 and 3 properties each. In St Edmundsbury on average buy-to-let investors own fewer than two properties each.

A5.14 Supply and demand

We asked about the supply and demand of different types of properties. We did have some comments that the wording of this question was long-winded and possibly not the right question to be asking. In the future the options will probably be changed to "stronger demand", "balanced supply and demand", "weaker demand"

Table 8: Supply and demand by age and type

	There are a lot of potential tenants but not enough properties	Supply and demand are well-matched	There are a lot of properties but few potential tenants	Not applicable
New build flats	8	10	8	3
New build houses	5	20	2	2
Second hand flats	9	16	3	1
Second hand houses	12	16	1	0

Demand for flats was strong in City, Fenland and Huntingdonshire. Agents in East Cambridgeshire said the supply and demand was well-matched for secondhand flats and there was either a good match or an over-supply for new build apartments. There was more demand for new-build flats in Wisbech than elsewhere in Fenland. Two of the three agents interviewed in Bury St Edmunds said that there were a lot of new-build flats, but very few tenants for this type of property. The other agent and the agents in Haverhill said that the mix was about right.

On the whole there was more demand from tenants for second hand stock than new build and a preference for houses over flats. This is mostly likely due to price – new build properties tend to be more expensive.

Table 9: Supply and demand by size

	There are a lot of potential tenants but not enough properties	Supply and demand are well-matched	There are a lot of properties but few potential tenants	Not applicable
Rooms in shared houses	1	1	0	28
Studios	5	7	3	15
One bedroom properties	17	9	2	1
Two bedroom properties	16	12	2	0
Three bedroom properties	8	17	4	0
Properties with 4+ bedrooms	6	11	12	0

There was very little information available about rooms in shared houses as most of the agents interviewed didn't deal with this type of property. Studio properties were also not common. This itself may be because there is a limited demand for these types of properties because they are quite niche¹. It may also be because the people who let these types of properties manage them themselves rather than through a letting agent. For example, most of the rooms for rent advertised are house-sharing with the landlord and it is more sensible for them to deal with the lodger than have an agent do it. Demand for studio properties was well-matched or strong in Cambridge, parts of Huntingdonshire and Bury St Edmunds and weaker in Wisbech and Newmarket.

Only two agents said there were few potential tenants for one bedroom properties – one in March and one in Bury St Edmunds. One agent each in Bury St Edmunds and Mildenhall said that there was little demand for two bedroom properties. Generally there are more properties than potential tenants for homes with four or more bedrooms. Only 6 agents said there was an undersupply and three of these were in Forest Heath. This is because of the USAF market. This client group in this area prefer to rent larger properties, whereas the local market prefer smaller properties, but the local market in the north of the district is quite small.

On the whole demand and supply of three bedroom properties was well-matched but this was the size for which condition seemed to be key. For example one agent said that generally there were more tenants than properties for three bedroom homes with three good sized bedrooms, but quite a lot of stock with one large bedroom and two small bedrooms and little demand for this.

¹ We are aware of some agents in Cambridge City who do advertise rooms and studios, but none of them were available to be interviewed. This market is probably more important in Cambridge City than elsewhere in the sub-region and may require some further, more focused work in the future.

Table 10: Conditions

	There are a lot of potential tenants but not enough properties	Supply and demand are well-matched	There are a lot of properties but few potential tenants	Not applicable
With garden	8	19	0	2
With parking	12	15	0	2
Smoking permitted	7	6	2	14
Pets permitted	17	7	2	2
Bills included	3	2	1	24
Unfurnished	6	19	0	4
Part-furnished	2	10	3	15
Furnished	2	12	4	12

None of the agents interviewed said that there was a weak demand for properties with garden or parking. The supply and demand for places with gardens appears to be better matched than for homes with parking (there are a lot of potential tenants but few properties), suggesting that this is more of a priority. Parking particularly came out as an issue in Cambridge City, Huntingdonshire and Forest Heath. Gardens were more of an issue in Fenland, Forest Heath and Huntingdonshire than elsewhere.

Several agents did not manage any properties where smoking was permitted or where pets were allowed. Some therefore responded that this didn't apply to them. However, some agents didn't manage any properties where smoking or pets were allowed but did comment based on enquiries. There was also a general impression that "no smoking" was an absolute and "no pets" was more negotiable. One agent said that landlords with town centre properties were likely to be less flexible on this issue than ones with properties in rural areas.

There were very few properties available with bills included in the rent. It isn't very common to find advertisements for whole properties with bills included. This is more a feature of the room and studio market. Most of the agents interviewed mostly managed unfurnished properties, and felt the balance of part-furnished and furnished properties was about right. Again, rooms are more likely to be furnished than whole properties.

Table 11: Supply and demand by location

	There are a lot of potential tenants but not enough properties	Supply and demand are well-matched	There are a lot of properties but few potential tenants	Not applicable
Properties in rural areas	7	12	11	0
Properties near town centre	19	11	0	0

None of the agents interviewed said there was an over-supply of rental properties near to town centres. Eleven agents in total including three of the five agents in St Edmundsbury, three agents in Huntingdonshire and both of the agents interviewed in Wisbech said that there were a lot of properties in rural areas but few potential tenants. But seven agents including three in Huntingdonshire and two in St Edmundsbury said that there was strong demand in rural areas.

A5.15 Summary of Issues

Overview of the private rental market in the Cambridge sub-region

We interviewed 30 letting agents in towns across the Cambridge sub-region. It was quite hard to set up interviews with letting agents because people were busy, which itself shows that the rental market is doing quite well.

The average rent in the sub-region is £494 (1 bedroom), £614 (2 bedrooms), £744 (3 bedrooms) and £1,022 (4 bedrooms). Rents in Cambridge City are significantly higher than elsewhere in the sub-region, but it is still cheaper to rent than to buy a home. Fenland is the cheapest area for both buying and renting.

Most agents either do not accept tenants on housing benefits or say that it depends on the landlord. The reasons for not accepting people on benefits are problems with the way the system for payments is administered, conditions of mortgages or insurance and in some cases a negative perception about people on benefits, but landlords and agents were also aware that there were different reasons for why people find themselves in this situation. One agent also said that they'd be more likely to lend a difficult to let property to someone on benefits. Mortgage and insurance conditions were also mentioned as a reason for not housing students. Similar issues were also raised about people entering into Individual Voluntary Arrangements.

Some agents did say that they didn't tend to attract people on benefits because the properties were too expensive for them. This is also a valid point – not all properties are let through letting agents. This implies that some of the properties let by landlords directly may be cheaper (and possibly of a lower standard?). Around 19% of private tenants are in receipt of housing benefits (Housing in England, 2006/07).

On average tenants stayed in properties for around 15 months, but families and couples tend to stay for longer than single people and sharers. Nationally, 40% of private tenants are single-person households, and nearly a quarter of renters are couples without children; 70% are economically active. Most are aged between 16-34. Forty-eight percent of people moving into the private rented sector are newly forming households. Seventy-four percent of people moving out of the sector are moving into owner-occupation (Housing in England, 2006/07). The type of property which is easy to let is also the type of property that first time buyers tend to buy. This suggests that for many young people renting is a stage between living with family and buying a home.

In the past year, the number of new tenants looking for properties in the sub-region has increased and most agents feel that this is set to continue, despite concerns about a decrease in the number of foreign workers. Overall, almost half of the agents surveyed reported a decrease in void periods. Given current issues in the home buying market, people are staying in rented accommodation for longer.

The other way in which the private rented market is influenced by current market conditions is on the supply side. Most landlords are private individuals and on average own three properties each, i.e. buy-to-let investors. The survey of estate agents show that there are very few buy-to-let investors currently looking for properties. This survey shows a decrease in the last year in the number of people buying homes to let and it is thought that this will continue. Just over a third of those interviewed had noticed an increase in the number of buy-to-let investors selling properties and most thought that this trend would continue to increase in the coming year. However, the estate agents survey also shows a number of people renting out the houses they are moving from until they can find a buyer or until the

market picks up again. This is interesting because if the supply decreases and the demand remains the same or increases it is likely to lead to a rise in rents.

A5.16 Local issues

Cambridge City

Cambridge City has a larger private rental market than elsewhere in the sub-region. It is significantly more expensive than elsewhere. For example the average “typical” two bedroom property in Cambridge City costs £373/month more than a similar property in the second most expensive area (St Edmundsbury).

There have been a lot of new-build developments in the city that have been bought for letting. New build properties command a higher price to buy and are therefore more expensive to rent. The private rented sector in the City is larger than elsewhere in the sub region (see Chapter 11, *Dwelling profile and occupation*) and demand is always going to be high for rental properties in Cambridge. It has a younger population and it's the main urban centre. It is also the most expensive area in the sub-region in which to buy a property, particularly an entry-level, first time buyer type property. Because there is a large differential between rent and purchase, people are more likely to rent because they cannot afford to buy.

Although it doesn't come out in this survey, the survey of private rents shows that there is more of a rental market for studio properties and room-share arrangements in Cambridge than elsewhere in the sub-region, because rent levels are so much higher than elsewhere and studios and room-shares are cheaper than whole properties, both in terms of PCM rent, but also because they are more likely to be furnished/ include some or all bills in the rent. Quite a lot of this (and of the room share market in particular) is not managed by letting agents, but directly through landlords.

Another Cambridge City issue is the student market. Most of the University of Cambridge students are housed in university properties. However ARU has a limited and decreasing amount of dedicated accommodation for its students (see Chapter 34, *Housing for different household types*, pages 6-7). There is a dedicated Student Accommodation Centre, which wasn't interviewed this year. One of the agents we did interview in the city had a number tenants from ARU and said he could have easily filled another 150 properties with students. Another agent in the city told us that some insurance companies have similar restrictions on letting to students as they do to letting to people on benefits.

The USAF

The USAF base at Forest Heath has a large impact on the market in the district, but also in neighbouring East Cambridgeshire and to some degree in St Edmundsbury as well.

- The USAF pay between £830 and £2,000 per month depending on rank as an allowance to find housing in the private sector. The average salary in Forest Heath is £21,000. Assuming a level of a third of salary on housing costs, a local person on average earnings can afford to pay rent of £583/month. The lower quartile earnings are just under £13,000. Some agents have a different rate for the local market and the US but this isn't true of all of the agents interviewed and it has been noticed that private rents in some areas within the USAF sphere of influence are quite high.
- However, the USAF tenants have different requirements to the local market. Generally, the ideal rental property is two bedroom properties, near to the town centre. The agents interviewed with a large USAF tenant-base said that larger

properties were easier to let. For most of the local market, renting is an intermediate step between leaving home and buying their own property and they are less likely to under-occupy than someone who receives a generous housing allowance from their employer.

- One agent also said that the deposit asked from the USAF was one month's rent whereas for the local market it was two month's rent. The USAF is viewed as a safer bet – they are on a fixed 30 month posting, payment is guaranteed and properties are left in condition when vacated.
- This survey didn't ask the right questions to determine what effect this safe market has on the buy-to-let market in the district and this may be an interesting topic for future investigation.

Appendix 1: Letting Agents survey form