



**8th March 2007**

## **Interest Rate Uncertainty Leads To Flatshare Boom**

### **Hopeful homeowners climbing Rent-to-Save ladder for decades**

BRITAIN'S 'Room To Let' market experienced record growth over the past six months as interest rate uncertainty led to a swell of mortgage holders searching for lodgers to help make ends meet, new research out today reveals.

The research, commissioned by the UK's busiest flatshare website Gumtree.com, reveals that one third (30%) of mortgage holders admit that they are struggling to make repayments, with one in eight (12%) considering taking in a lodger to help offset creeping costs.

This rush to find lodgers has spiked over the last six months with Gumtree recording a 38% increase in 'room to rent' flatshare listings on the site.

The property squeeze has had a double knock-on effect with the average tenant now renting for almost five years while they attempt to curb spending and save for a deposit. Many find themselves in rental limbo for much longer, with 23% of flatsharers renting for eight years or more. Savvy tenants are going to great lengths to save for deposits, with 15% deliberately moving to a cheaper part of town in an effort to bank funds.

This isn't necessarily a bad thing explains Sophy Silver of Gumtree.com. "The flatshare scene has had a radical facelift in recent years – it's no longer just for students and people looking for accommodation on the cheap - a new generation of owner occupier landlord appears to be emerging who are offering luxury rental solutions for discerning tenants.

“It’s a renter’s paradise at the moment with lots of people looking for professional lodgers, so savvy tenants can potentially bank hundreds of pounds a month in savings by shopping around for the best deals.”

The average cost of flatsharing varies from region to region but a big surprise from the research is evidence that big cities like London and Glasgow are among the cheaper places in the UK to rent.

Some reasons for this - there are a bigger range of rental options in bigger cities catering to a wider range of budgets - Gumtree sees more listings for cheaper solutions like room sharing (split room rent cost 50:50) and couch surfing in London than anywhere else. ‘Room to Let’ supply can also be greater, helping to drive down costs as owner occupiers compete to lure lodgers. Plus, living costs in London are famously expensive so flatsharers have less money to splash on rent.

Couch Surfing is the latest London accommodation craze - introduced on Gumtree in June last year the site has seen a 120% uplift in interest with hundreds of postings for sofa surfing in London every week.

With average weekly rent in the UK costing £112 per week, London comes out as one of the cheaper places to rent at £110 per week. This tallies with Gumtree’s own site data, with London again coming out as one of the cheaper rental zones with the average rental price 42% lower than other large UK cities, £237 compared to £410\*. Flatshares in London are approximately £50 cheaper a week than other cities.

### **‘Room in Waiting’ Trends**

New trends for sharing space have emerged from the research revealing that renters are opting into a wide range of flatshare solutions to help cut costs and fast track their saving efforts. Key findings include:

- Liverpool and Sheffield are the renting capitals of the UK with 30% of adults renting

- Brighton is the flat sharing capital of the UK with 22% of adults living in a flat share
- The most popular way to share accommodation is with a partner – some 13% of people do so just to try out living together
- A fifth (19%) of people renting have resorted to room-sharing in order to save money, with couch surfing also the preferred way of life for 6% of men
- In spite of seeing each other at their worst and tripping over each other's dirty washing, many people still end up falling for someone they rent with. A third of Brits (32%) have fancied a flatmate and a fifth (18%) actually had a fling or relationship with them
- Couples looking to rent a room out are cautious about who they allow into the house. Women are particularly aware of the risk posed by a foxy lodger – 15% say they would keep their partner out of the decision, and a further 10% would only let him choose an unattractive lodger

Commenting on the figures, Sophy Silver of Gumtree.com added: "Lodgers sharing your home can be an easy way to help curb spiraling costs. As well as being a lucrative solution, flatsharing can be a really fun experience for young professionals looking to widen their network of friends and have fun while they save their pennies for their own place. With the research indicating that it's become more socially acceptable for young adults to flat share for longer, we expect the 'Room to Let' boom to last for quite a while to come."

**For more information or case studies please contact the Gumtree press office at Lexis Public Relations on 020 7908 6589 or email [gumtreelist@lexispr.com](mailto:gumtreelist@lexispr.com)**

**Notes to editors:**

- Research carried out by Tickbox, surveying 1560 people across the UK during 23.02.07 – 03.03.07
- \* Gumtree own site data