



MORTGAGE CRISIS USHERS OUT ERA OF BRITISH HOME OWNERSHIP AS UK EMBRACES RENTALS CULTURE

Gumtree's Rental Index uncovers increase in UK rentals

Sixty percent of homeowners* will consider selling up and returning to renting if mortgage repayments become unmanageable, according to a new report out today. In fact, renting is becoming more appealing than home ownership as half of Brits (51%) believe the national obsession with getting on the property ladder is old fashioned and needs to change.

The report from leading property website Gumtree.com questioned tenants, homeowners and landlords to gauge how attitudes towards property are changing in the UK. The research found that:

- Over two thirds of 25-44 year-old renters (71%) are not planning to take a mortgage at all and will invest their money in other ways
- Three-quarters of Brits (76%) wouldn't buy property now even if they had the ready cash available
- Four in five renters (81%) can't currently afford to buy, but they are content and want to continue renting for the foreseeable future

Gumtree commissioned the report into the UK rentals market having noticed a boom in the rentals activity on the site. More than a year's worth of market intelligence data and listings for London and five major UK cities to create a major tracking study of prices and behaviour in the domestic rentals market.

The *Gumtree Rentals Index* shows that the shift towards a more European attitude to renting is good news for landlords in cities such as London,

Edinburgh and Bristol who have seen rental revenue increase by up to 7.8%. These findings reflect the opinion of over a third (35%) of landlords questioned who are optimistic about the rental market and believe their property will make them more money before the end of the year.

Changes in rentals in the UK's leading cities by quarter and annually

City	Average change /quarter	Average change /annual
London	+2%	+7.8%
Edinburgh	+0.8%	+3.1%
Bristol	+0.5%	+1.9%
Leeds	+0.2%	+0.9%
Manchester	-0.7%	-2.7%
Birmingham	-0.9%	-3.5%

Renters looking for affordable properties should head to Manchester and Birmingham where urban development has contributed to a drop of up to 3.5%, as supply of outstrips demand. Gumtree's Rental Index further reveals letting markets in Leeds, Bristol and Edinburgh to be slightly more neutral, with rents rising modestly or remaining static, yet to feel significant effects from the current property fall-out.

"Until now renting has always been a bit of a dirty word in the UK. The importance of owning a house is deeply engrained in the British psyche and it's our equivalent of the American dream. But in the new economic climate we're seeing a real shift in attitudes towards a more continental approach to property, with renting becoming increasingly popular," comments property expert Michael Holmes

Anouska Larrs is a 35 year old Advertising Director currently renting in Wandsworth, London. Anouska has no plans to buy in the immediate future, she says: "Renting is the best option for me. I live in a great area

in a fantastic property. I don't feel any pressure to try and get on the property market, especially with the state of the market as it currently stands. Renting leaves me with the freedom to invest my money elsewhere, and even 'up-sticks' and travel round the world if I wanted to!"

Chee Ho Wan from Gumtree comments: "Overall, we have seen a 20% surge in demand and supply activity in the rentals section of our site in the last 6 months. Traditionally renting in the UK has always been associated with student flat shares, but we've seen an increase in professionals and families looking for good quality rental opportunities, while they invest their money elsewhere than in property. Now is the time to remove the stigma from renting and acknowledge it as a credible option when it comes to property."

Gumtree has teamed up with property expert Michael Holmes to develop a foolproof guide to getting in on the rental action:

Top tips for renters

- Research the area and make sure it's really where you want to live
- Take your time when visiting a property, check everything and consider making a checklist to take with you when viewing properties
- Always negotiate by making an offer below the asking rent
- Do a detailed inventory when you move in - go through everything so you don't risk losing your deposit later

Top tips for landlords

- Always look at the 'rental yield' on a property
- In a rising market it's worth borrowing to the maximum to make capital gains, but in a flat or falling market it is best to consolidate and reduce borrowing
- Maintenance costs will be higher for older properties
- You can offset all running costs including interest (even 10% wear and tear for furnished properties) against income tax on rental income
- Make sure your tenants are vetted carefully to avoid problems

- Always use a standard Assured Short Hold Tenancy contract to avoid any disputes
- Don't be afraid to review the rent when the tenancy is up for renewal

Gumtree is *the* online market place for rental property with local rental sites for all major UK cities. Used by estate agents as well as private landlords, it offers the widest choice of constantly updated rental listings of any UK property website.

-ENDS-

Notes to editors:

- * Research carried out by ICM among 1,006 adults in April 2008.
- * Those questioned who own their own home with a mortgage

For more information or case studies please contact the Gumtree press office at Lexis Public Relations on 020 7908 6589 or email gumtree@lexispr.com

About Gumtree.com

The choice, speed and flexibility of the site means you're only a click or two away from finding exactly what you need in a friendly, community environment.

- Gumtree.com was created in London in March 2000 and now covers 60 cities across 6 countries - the UK, and US Ireland, Poland, Australia, New Zealand and South Africa
- It is the UK's biggest website for local community classifieds including flat share, flat rentals and jobs
- Some Fast Facts
 - 20,000 new ads in a day
 - 100,000 new ads in a week
 - Half a million new ads in a month
 - One million ads live on the site at any one time
 - 150 million page impressions every month
 - Around 6 million visitors a month
 - Gumtree.com users spend 5,360,000 minutes on the website each month
- Gumtree is your local community online. Home to all the things

you'd expect from your local community; a place to find and advertise rooms, flats and houses, a notice board for selling and buying stuff, somewhere to find job or a date even just to chat with friends