



# Tenant Insight Report

2024

Carter Jonas



Two years have passed since our last tenant survey in 2022, at the tail end of the 'pandemic period'. Back then, the private rented sector was beginning to wrestle with the pandemic's aftermath, including a rise in demand for rural and countryside locations, fuelled partly by the pandemic and its restrictions as well as the increased ability to work from home.

We wanted to know if, during this two-year period, the landscape had changed for our tenants, and what their desires, motivations, and top priorities were when it comes to renting in 2024. Another significant development since our last survey took place is The Renters Reform Bill which is likely to pass later this year.

Furthermore, since our last survey, we have been selected as the only UK affiliate for Christie's International Real Estate, meaning we have an even wider scope of international audience reach, as well as listings on the world-renowned Christie's website.

We surveyed over 600 participants from our extensive customer database for our 2024 so that we can provide our tenants and landlords with the best possible insight and improved services when renting through and with Carter Jonas.



**Lisa Simon**  
Head of Residential

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## Setting the scene

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A little over two years ago, when we last conducted this survey, demand for rental accommodation, particularly in urban areas, had plummeted. Rents even fell modestly in some locations, with London experiencing an average decline of 2%, throughout much of 2021.

Eventually demand in the sector not only returned to pre-pandemic levels, but high rates of migration and surging house prices drove demand to unprecedented heights. This surge in demand coincided with several factors further constraining supply: rising interest rates pushing up mortgage repayments, and landlords exiting the market due to tighter regulations and increased legislation. The resulting imbalance between surging demand and restricted supply has caused rental prices to reach record highs. Across the UK, rents have grown by an average of 18% since our last survey in early 2022 with some areas experiencing even steeper increases. Manchester, for example has seen rents rise more than 24% over the period, while London and Birmingham witnessed an average increase of 20% (Price Index of Private Rents, June 2024).

In the interim between our last survey and this latest one, another significant development has been the Renters

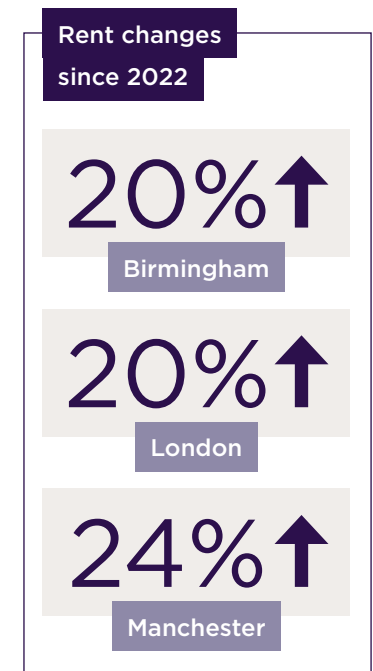
**“Resulting imbalance between surging demand and restricted supply has caused rental prices to reach record highs.”**

**“Across the UK, rents have grown by an average of 18% since our last survey in early 2022 with some areas experiencing even steeper increases.”**

(Reform) Bill. This long-awaited legislation aimed to strengthen tenant rights through measures such as abolishing ‘no-fault’ evictions (Section 21 notices), permitting pets in rental properties, and introducing a shift towards periodic tenancies. Although the final iteration of the Bill did not pass before the General Election was called, the new government formed by the Labour Party will introduce a ‘Renters’ Rights Bill’. The detail of this looks very similar to the previous ‘Renters (Reform) Bill’, so we fully expect most, if not all, of the policies of the original Bill to come into force once passed, hopefully April or May, next year.

All this brings us to the results of our new Tenant Survey. Again, this year we surveyed our extensive client database to help us discover what continues to motivate tenants to move or stay put, where they choose to live, and whether the dwindling supply relative to demand that we have seen over the last two years has impacted their decision making.

In this survey we collected over 600 responses, including those living in city centre settings and rural locations; in flats and houses; and converted and purpose-built properties. The sample reflects the structure of our Carter Jonas tenant and client base.



# What prompts a property move?

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**Since attracting and retaining tenants is a top priority for landlords, understanding what drives tenants to move and what motivates them to stay put is crucial in determining the ideal location and features of a rental property.**

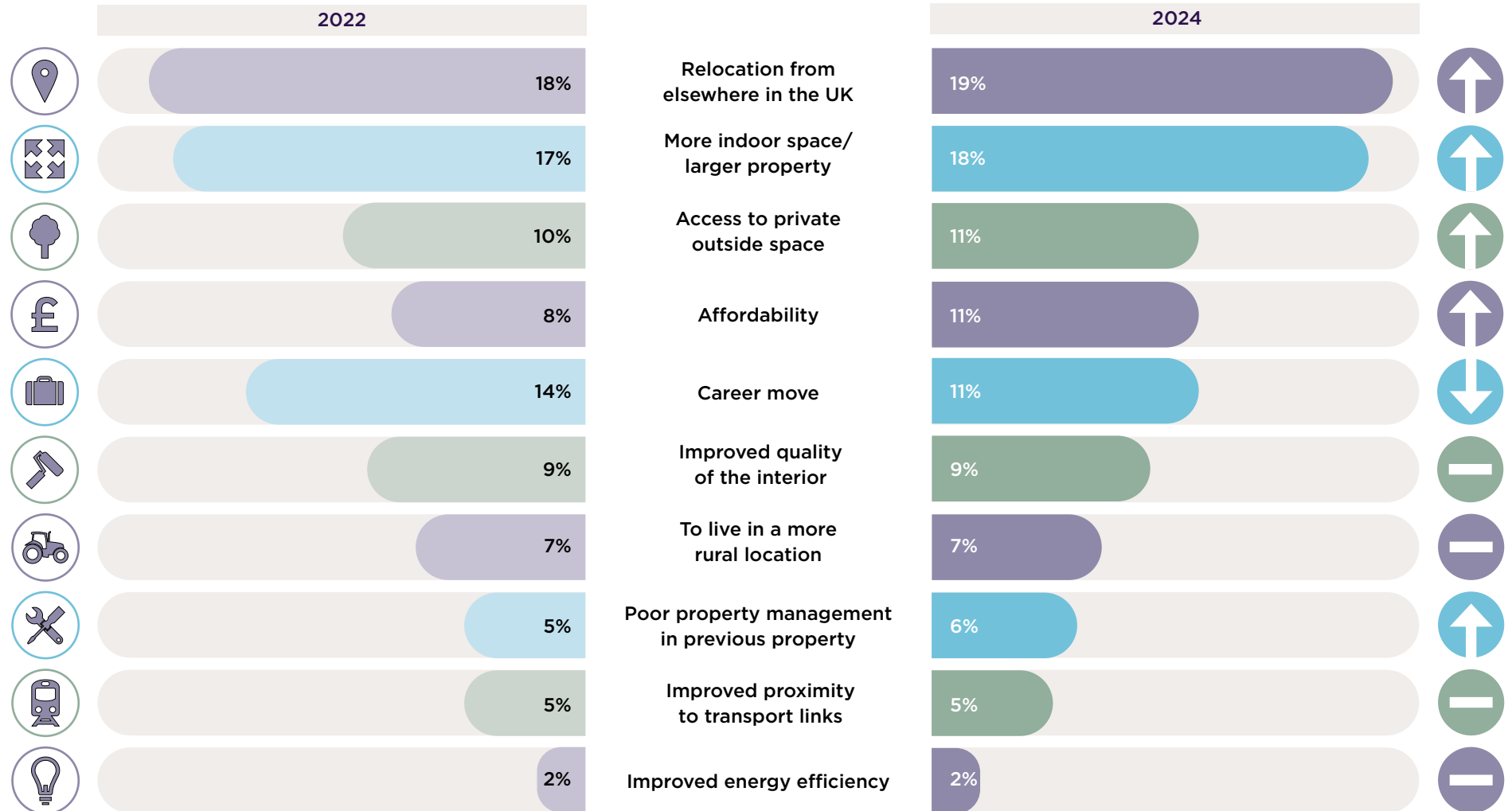
This year 41% of our survey participants moved within the last 12 months. Of these, relocating from elsewhere in the UK remains the top reason for moving, with 19% of respondents citing it as their primary motivator. This is a slight increase from our 2022 survey, where relocation also held the top spot at 18%. Following relocation, the desire for more indoor space or a larger property emerged as the second most common reason for moving, with 17.5% of respondents citing this (up marginally from 17% in 2022). Access to private outdoor space and affordability tied for third place, with both factors mentioned by 11% of respondents. Notably, affordability (11%) saw a reasonable rise from 2022, when only 8% cited it as a reason for moving. This rise suggests that rising rental costs are pushing tenants to relocate in search of more affordable options.

Of the factors that are outside of a landlord's control, relocation, career move and a desire to live in a more rural location, together accounted for 36% of all reasons for survey participants' most recent move.

**“Following relocation, the desire for more indoor space or a larger property emerged as the second most common reason for moving.”**

Answering the question

If you moved in the last 12 months, what were the reasons for your move to your current property?



Change between 2022 - 2024









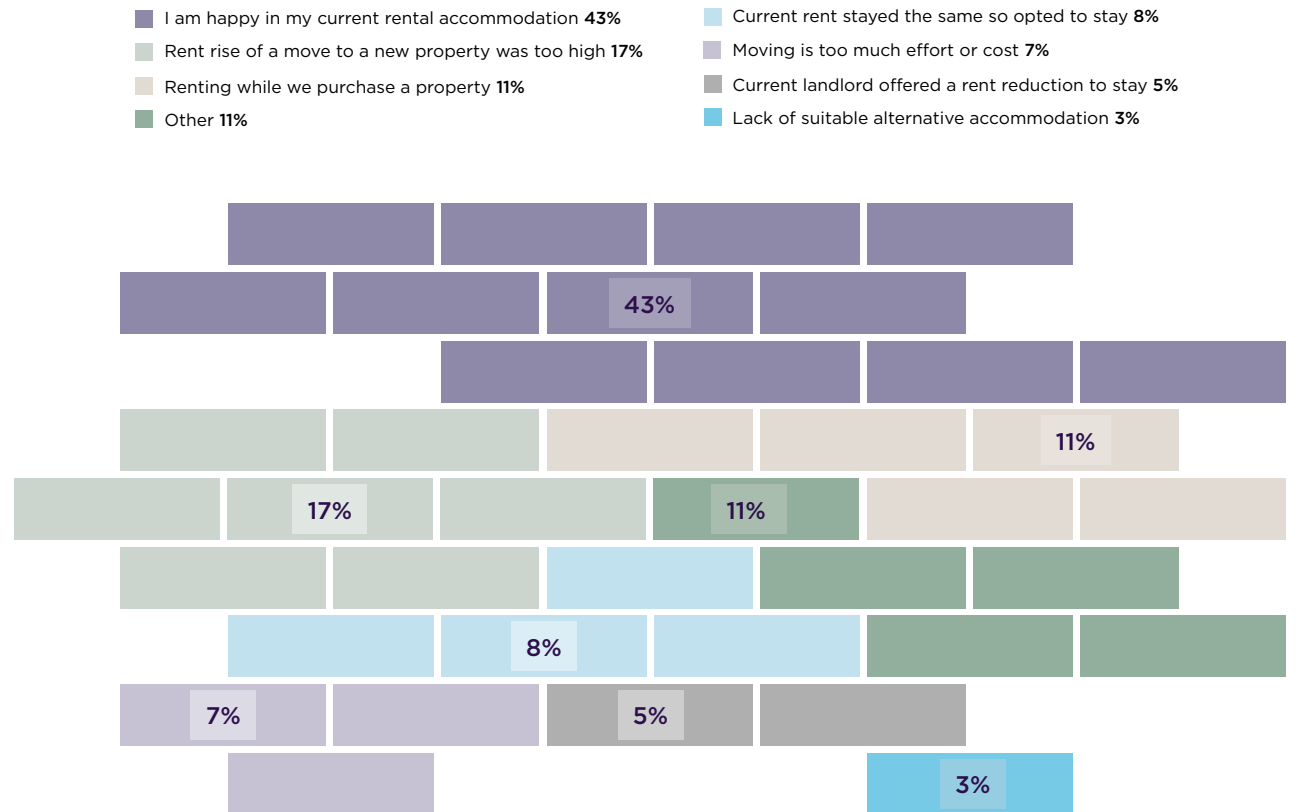
# Reasons for staying put: affordability vs contentment

**This year, we surveyed tenants who had not moved in the past year with a new question: ‘Have you considered moving in the last 12 months, and if so, what kept you in your current home?’.**

Of those who had not moved, 40% had considered moving but did not do so. Our ultimate aim for this question was to understand if affordability was the primary driver for staying put. Interestingly, among those who considered moving, 43% ultimately decided to stay because they were simply happy in their current accommodation. However, cost did play a role: 17% cited the potential higher rental cost of moving to a new property as a reason for staying, while another 11% stayed put as their rent either remained unchanged or was reduced.

*Answering the question*

**Have you considered moving over the last 12 months, and if yes, what were the reasons for staying in your current property?**





# Internal property desirability: what matters most to tenants?

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**To help landlords optimise their rental properties, we again asked tenants about the importance of various internal amenities.**

High-speed broadband remained the top priority, with a slight decrease from 93% in 2022 to 89% currently, rating it as either essential or important. This suggests a continuing emphasis on reliable internet access. Energy efficiency followed closely at 85% essential or important, highlighting cost-consciousness and conscientiousness about the environment, as a major factor for tenants.

Pet ownership also saw a rise, with 37% considering pets 'essential', up from 34% in 2022. This could reflect the growing trend of pet companionship during the pandemic.

The biggest increase came in the importance of digital media box ports. Up from 15% in the previous survey, 22% now consider them essential. This points towards a growing focus on technology and communication, both for daily needs and potentially due to the rise of remote work. Similarly, the number of respondents who consider a dedicated home office space essential moved from 24% to 27%, further emphasising the need to cater for remote working.

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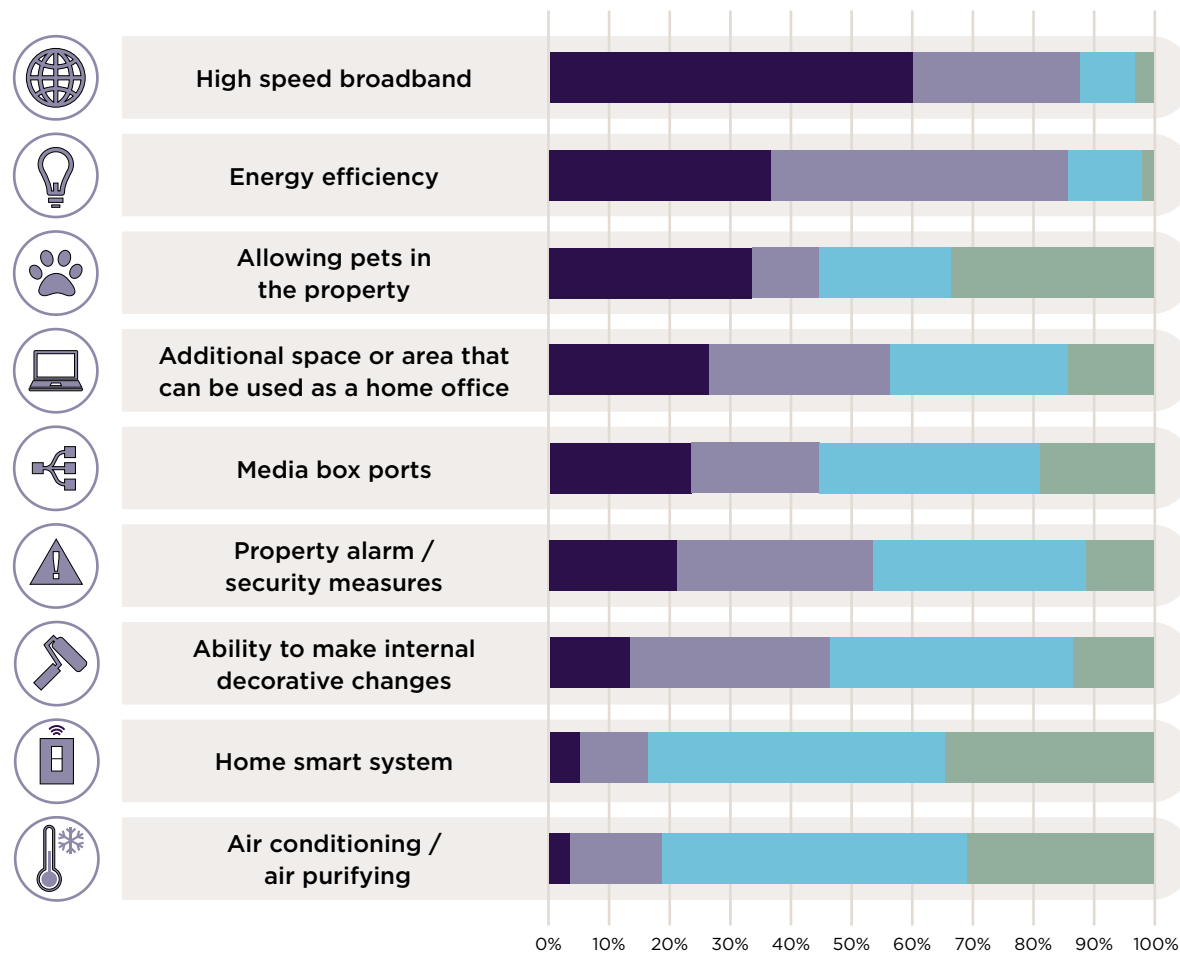
**“Pet ownership also saw a rise, with 37% considering pets ‘essential’, up from 34% in 2022. This could reflect the growing trend of pet companionship during the pandemic.”**



Answering the question

Please rate the desirability of the following amenities internal to a property

■ Essential ■ Important ■ A welcome addition ■ Not important



“The number of respondents who consider a dedicated home office space essential moved from 24% to 27%, further emphasising the need to cater for remote working.”



# External property desirability: what matters most to tenants?



**External amenities, just like internal features, significantly impact tenants' decisions on where to live.**

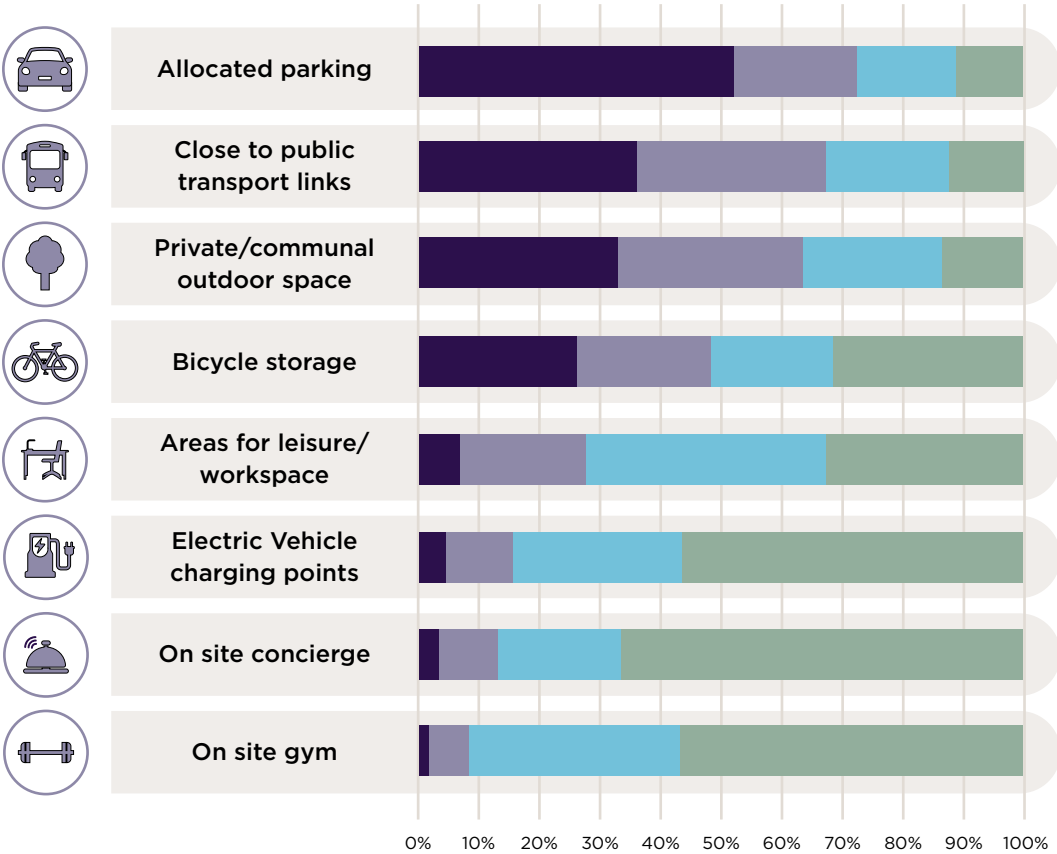
As with the internal factors, we measured the appeal of eight amenities by using the same scale from 'essential' to 'not important'. Some of these could be easily modifiable by private or individual landlords, while others are clearly limited to larger block properties or multi-family housing. For Build to Rent developers the importance of some of these amenities becomes crucial, impacting design decisions. We replicated the survey metrics from two years ago to track potential shifts in tenant preferences.

This year, transportation again comes out as being of utmost importance. Allocated parking remains the most crucial amenity (52% cited this as essential, up from 47% in 2022). While proximity to public transport is also desired (36%), it is considered less essential than parking. Once again, on-site gyms (2%), concierges (4%), and electric vehicle charging (4%) ranked lowest in importance.

*Answering the question*

**Please rate the desirability of the following amenities external to a property**

■ Essential ■ Important ■ A welcome addition ■ Not important

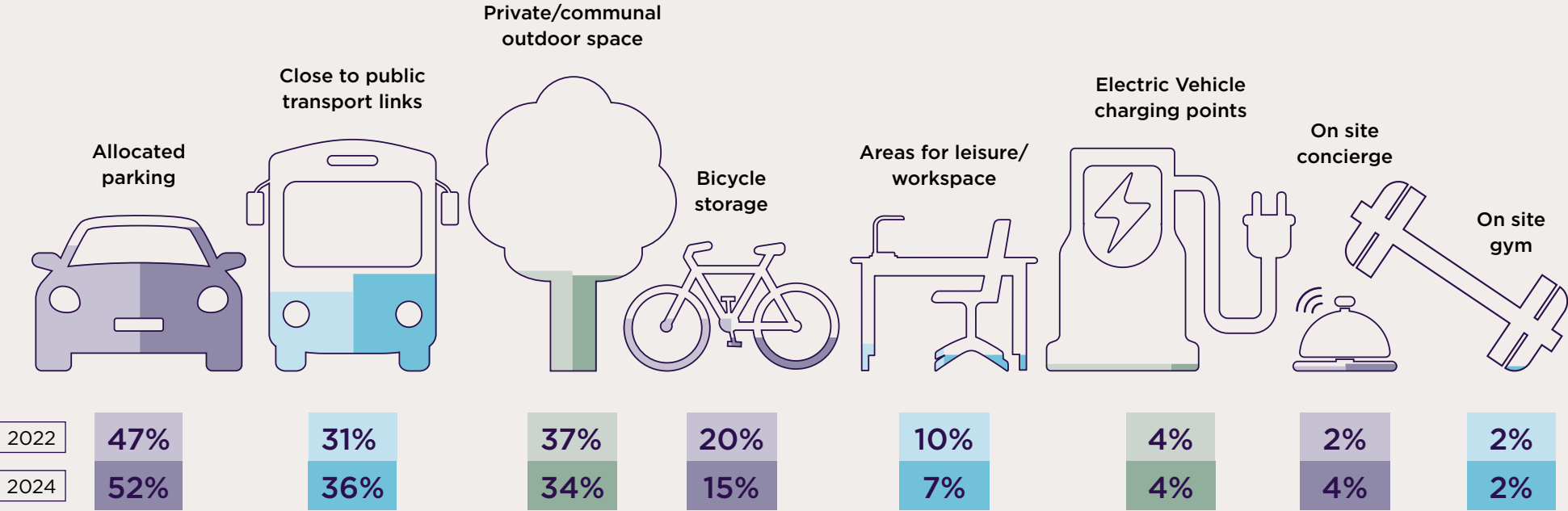


**Comparing responses from 2022 and 2024 reveals minimal differences.**

Among essential amenities, only access to private or communal outdoor space shifted in ranking. In 2022, 37% deemed it 'essential' (second place), while in 2024, only 34% considered it 'essential' (now third place). Notably, more respondents in 2024 categorized it as 'a welcome

addition' (26%) or 'not important' (11%) compared to 2022 where the figures were 23% and 8%, respectively. This potential decline in the perceived importance of outdoor space might reflect the two years that have now passed since the easing of pandemic restrictions. During the height of lockdowns throughout 2020 and 2021, limited movement likely increased the value of having private or communal space within the property.

*Answering as 'essential' in 2024 and 2022, the question*  
**Please rate the desirability of the following amenities external to a property**



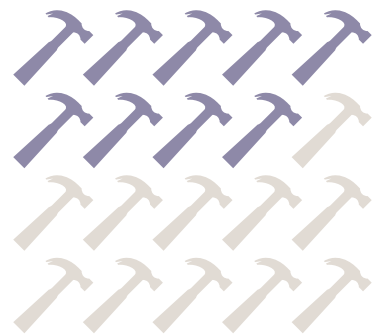
**Focusing on amenities relevant to build-to-rent properties, we conducted a yes/no survey this year to gauge tenant willingness to pay extra for specific features.**

Of the five options, the majority answered 'no' to all. However, 'a separate indoor amenity space' and 'a permanently on-site management team responsible for maintenance' received the highest positive responses (44% said 'yes' to each). Notably, willingness to pay extra for on-site amenities like gyms (29%) or outdoor spaces (28%) was lower. The least appealing option was regular resident events, although even here, there were 18% who said they would in fact be willing to pay more for them, a figure which is reasonably robust.

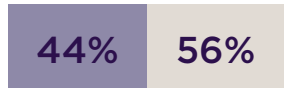
*Answering the question*

**Would you be willing to pay more to live in a property, if it provided any of the following:**

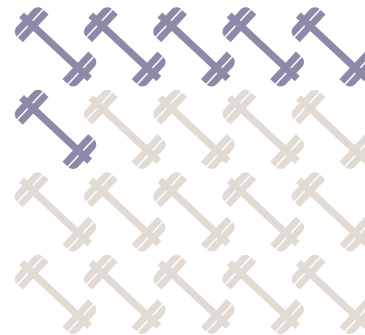
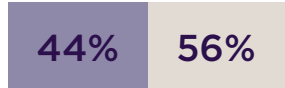
■ Yes ■ No



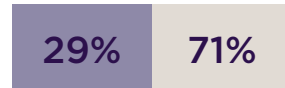
A management team responsible for maintenance permanently on site



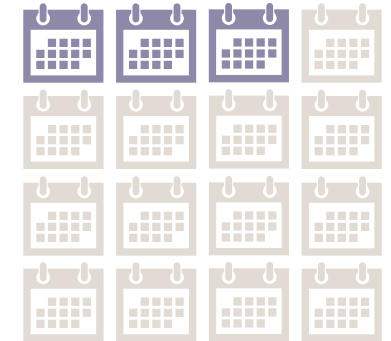
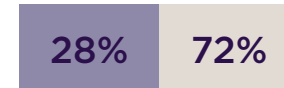
A separate indoor amenity space



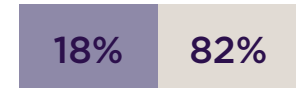
An on-site gym



An outdoor amenity space such as a terrace or communal garden



Regular resident's events such as themed parties, organised clubs etc





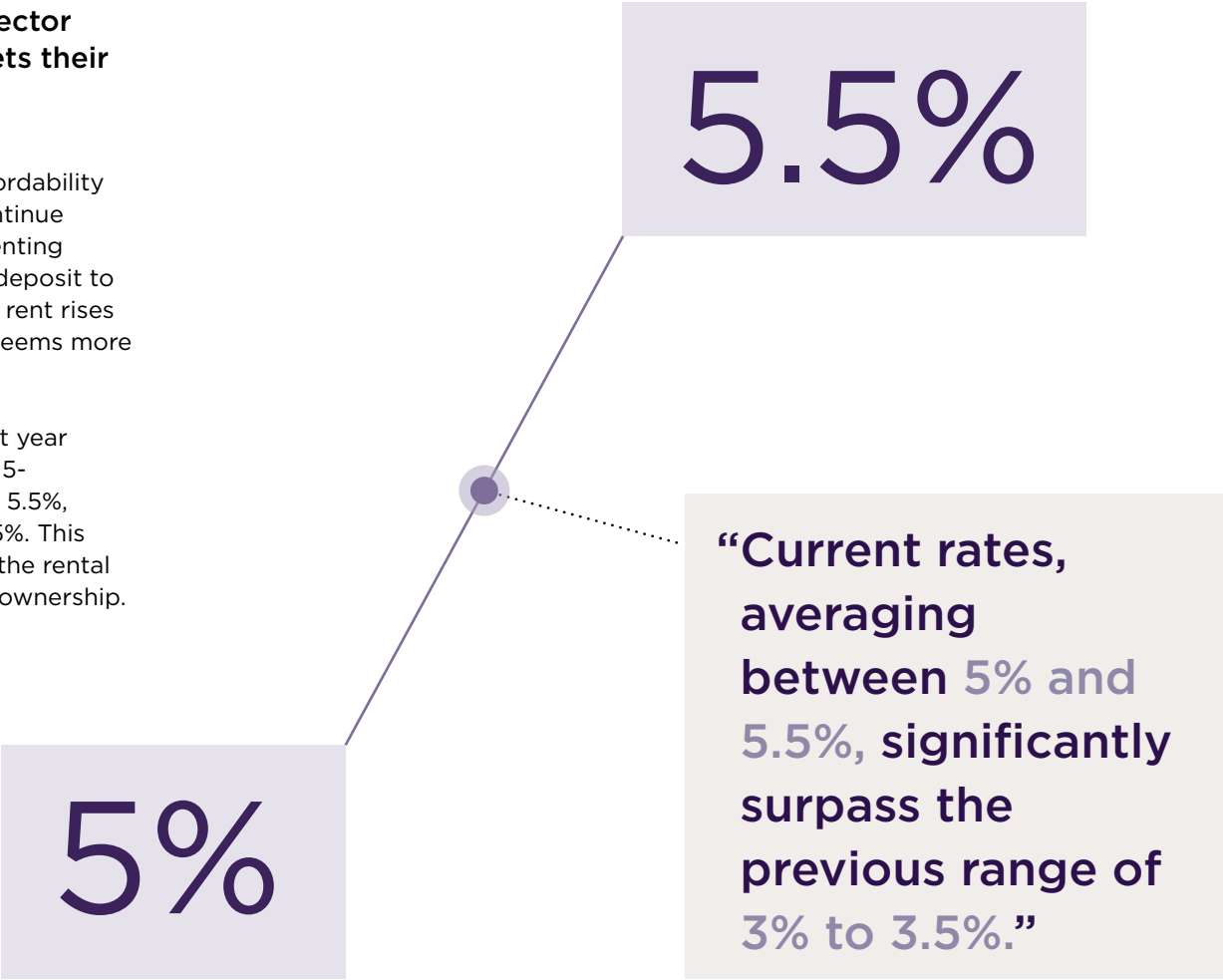
# The affordability squeeze: renters caught between rising costs

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**For many tenants, renting in the private sector offers a perfect lifestyle solution that meets their current needs.**

The flexibility in terms of lease duration and the affordability relative to location are often cited as reasons to continue renting and enjoy its benefits. However, for many, renting remains a temporary solution while they save for a deposit to join the homeowner market. With the rate of recent rent rises over the last two years, home ownership probably seems more financially attractive to some.

On the other hand, rising interest rates over the past year and a half have pushed mortgage repayments to a 15-year high. Current rates, averaging between 5% and 5.5%, significantly surpass the previous range of 3% to 3.5%. This has undoubtedly caused many renters to remain in the rental market, even if they would prefer to move to home ownership.





**“We investigated whether a drop in mortgage rates would incentivise our renters to consider home ownership. Nearly half (48%) indicated they were at least somewhat open to buying a home if rates fell below 4%.”**

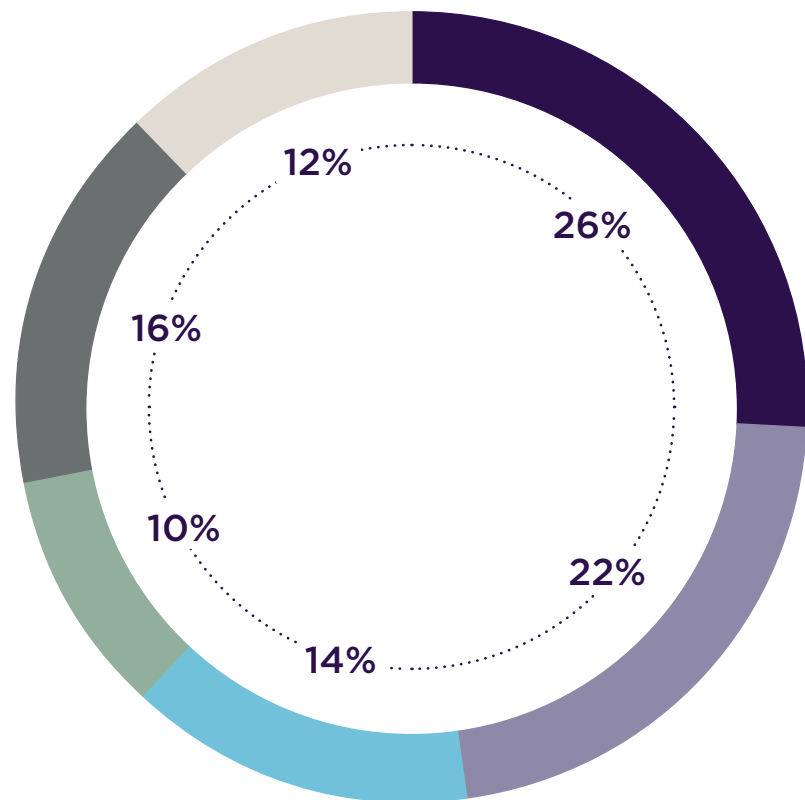
To this end, we investigated whether a drop in mortgage rates would incentivise our renters to consider home ownership. Nearly half (48%) indicated they were at least somewhat open to buying a home if rates fell below 4%. However, when we delved deeper, we found that a significant portion (28%) had a lower threshold for rates, requiring them to dip below 3.5%. An even larger group (45% of those who responded previously) wouldn't consider buying unless rates hit a very low 2.5%. However, consensus forecasts only expect rates to hit 4.75% by the end of this year and only 3.75% by Q4 2025, meaning respondents could be waiting some time.



*Answering the question*

**Imagine mortgage rates fall to 4% or below. Considering your financial situation and housing preferences, how likely are you to seriously consider purchasing a home in the next two years?**

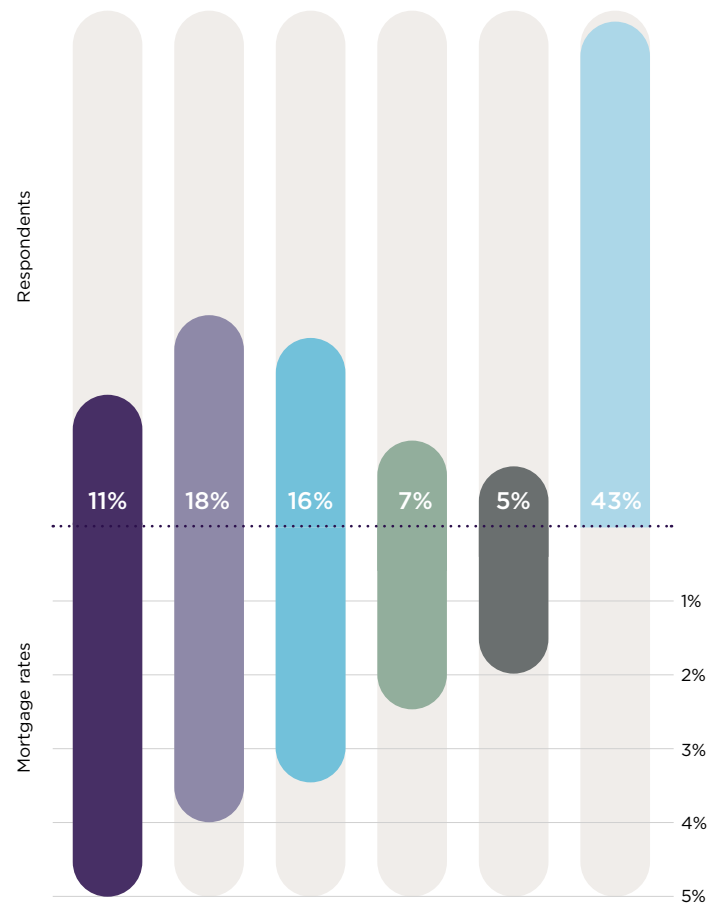
- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very Unlikely
- Not applicable



*Answering the question*

**How low would mortgage rates have to fall for you to consider purchasing a property?**

- 4.01% - 5%
- 3.51% - 4%
- 2.51% - 3.5%
- 2.01 - 2.5%
- < 2%
- Not applicable / not going to purchase anytime soon





# Tenants and the Build to Rent sector

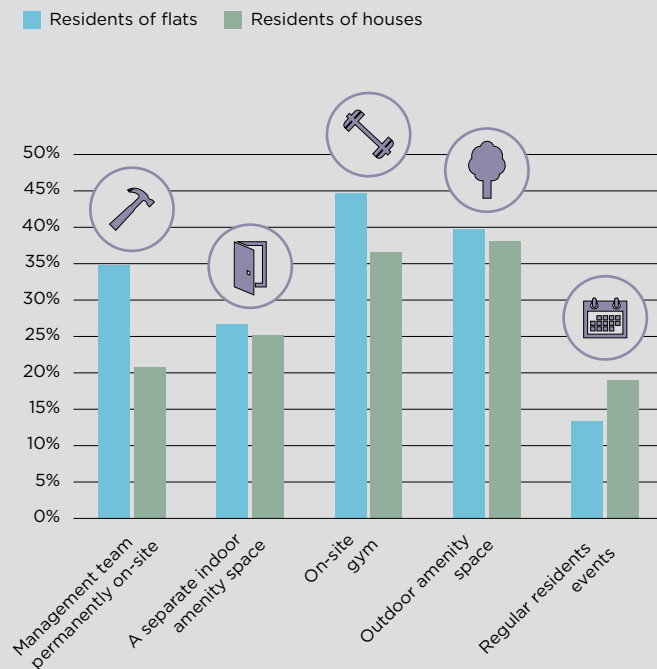


**One of the predominant trends within the Build to Rent sector has been the expansion of the age and demographic of residents.**

The last year has seen this trend continue, particularly with the growth of single-family housing, and the general expansion of the living sectors. We examined whether our customer survey results could give us any insight into whether this trend reflects the aspirations and requirements of our customer base. Additionally, we wanted to identify any emerging trends, firstly in what was important to our residents, split by housing type.

Significantly higher percentages of residents living in flatted schemes said they would be willing to pay more to benefit from on-site management presence and gym facilities. Interestingly similar proportions of residents in housing were open to the attraction of amenity space and membership, both internal and external in nature.

**Additional income generating factors by housing type**



**“Predominant trends within the Build to Rent sector has been the expansion of the age and demographic of residents.”**

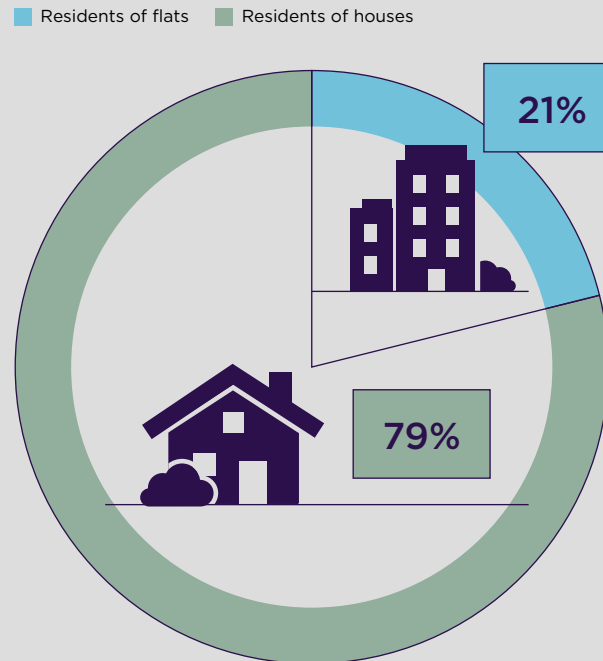
## Within the build to rent sector

A surprisingly higher cohort of respondents in houses indicated they would pay more to have access to regular resident events. This perhaps resonates with the industry perception that it can be more difficult to create and curate community within traditional house-type accommodation schemes, as compared to flatted examples. Our results highlight the importance of community building, and provides a compelling case for the inclusion of community engagement in the thought processes for single-family housing schemes. Amenity and community are as, if not more, important for single-family housing, as for the urban multi-family accommodation types.

Our current tenant base lives across a mix of housing-style schemes, with 52% in houses and 48% based in flats. Of the tenants who live in a flat, 56% answered 'yes' when asked if they would prefer to live in a house. Taken together with those who already live in a house, this means that nearly 80% of tenants would prefer to live in a house rather than a flat.

In terms of our resident cohort makeup, the predominant occupiers of rental apartment accommodation were couples and single occupants - perhaps unsurprisingly. Our survey responses have indicated that just under 20% of residents within apartment schemes were family households, including children. Much smaller percentages dwelling within flats, but growing is the number of retirees.

### All respondents and what type of accommodation they desire to live in



“Nearly 80% of tenants would prefer to live in a house rather than a flat.”

Our responders in the age groups 20-24 and 25-39 living in flatted schemes made up c63% of those age cohorts, aligning with the expected age demographic for city-centre apartment living styles. When asked what their ideal accommodation type would be though, the proportion who would choose to live in an apartment dropped to 23%. This reinforces the wider perception that the preference for most residents is to live in a house over an apartment where the choice is available.

The drive to move to single-family housing style accommodation is not limited to those in family household set-ups. Three quarters of our professional sharer respondents and two-thirds of couples responding also wanted to move into a house as their preference over a flat. Interestingly these percentages are higher than the proportion of families looking to move, potentially indicating a need to consider not just those with current families, but also those looking to plan for their next life stage. Statistically the demographic group most settled in flatted accommodation was retirees. There were zero respondents in this cohort who would look to move out of their flat and into a house. When coupled with the low result of around 20% looking to move in the over 55 age group who were still in work, this demonstrates the attraction and growth driver for flatted later living schemes. Tenants tend to be more settled, move properties less often, be less transient in nature, and often have clearer ideas on their longer term accommodation requirements.

Our results clearly show that there is a demand for a greater type of rental accommodation, with particular demand for rental houses. This is spread across age ranges and has been discussed earlier. Our results do demonstrate though that although the demand for single-family style accommodation is growing, that the future population of multi-family accommodation could include significant proportions of settled family groups, and older residents looking for later living style offerings. As the provision of single-family housing grows, multi-family operators will evolve and adapt to service a changing demographic base, and wider resident demographic.

Within the  
build to rent  
sector

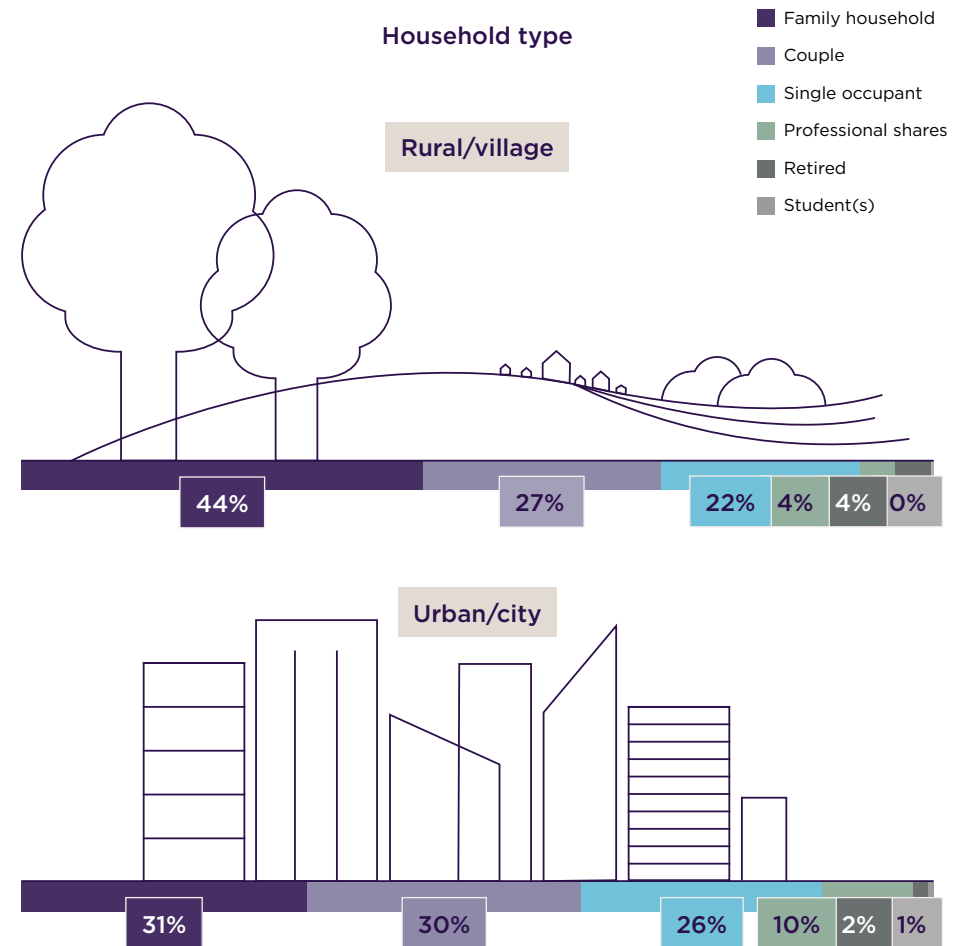
**“The drive to move to single-family housing style accommodation is not limited to those in family household set-ups. Three quarters of our professional sharer respondents and two-thirds of couples responding also wanted to move into a house as their preference over a flat.”**



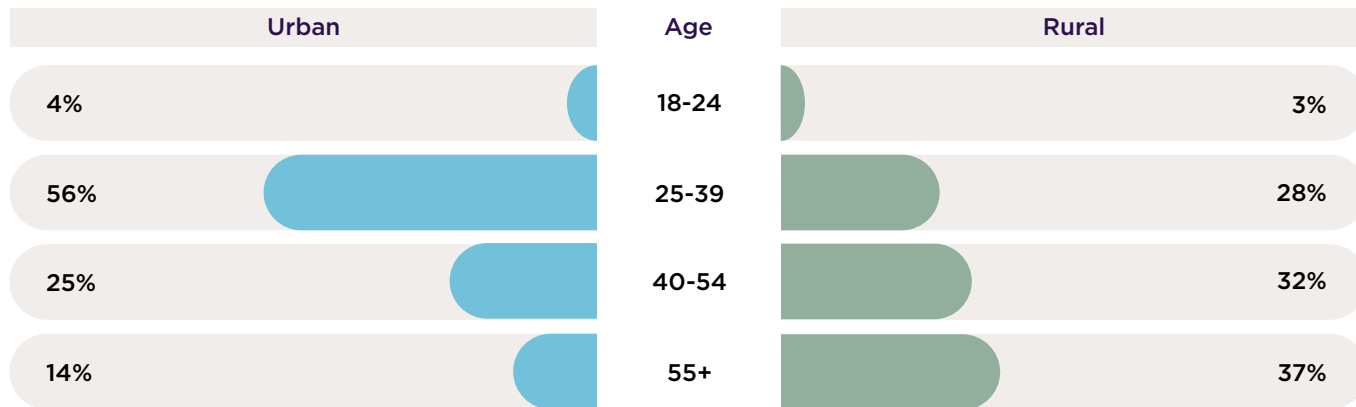
# Who did we survey?

**We examined who our tenants are, by looking at their demographic profiles.**

In terms of household type, it comes as no surprise that more households in the rural locations were family households at 44%, compared with 31% of urban households. Of urban households there was a fairly even mix between families (31%), couples (30%) and single occupants (26%). Again unsurprisingly, there were far more professional sharers in city settings (10%) compared with village settings (4%).



**“It comes as no surprise that more households in the rural locations were family households at 44%”**



In terms of age ranges, there are far more young people in urban settings (56% between 25-39) than in rural locations (29%) with rural settings showing a wider mix of ages overall.

This year we saw a slight rise in the proportion of incomes in the higher ranges. In 2024 22% of our participants had a household income of between £70,001 - £100,000, up from 18% in 2022. There was also a higher proportion of those earning over £150,001 moving from 8% in 2022 to 11% in 2024, a rise which probably reflects general wage inflation over the period.

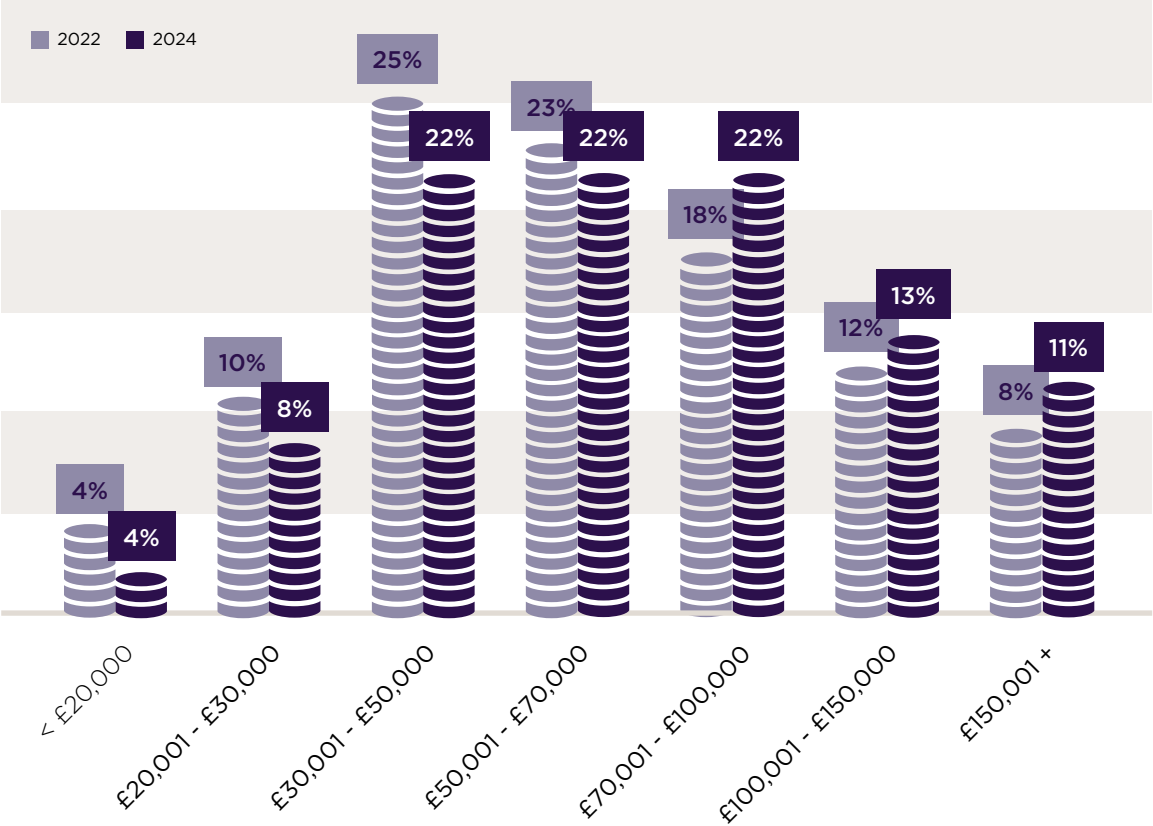
The increase in the number of high-income renters may present a bit of a puzzling trend. However, one key explanation is the overall rise in average incomes (which have increased by 15% since January 2022, ONS). Alternatively, it's possible that higher earners,

who typically transition to home ownership once they save enough for a deposit, are staying in the rental market for longer. This could be due to the dramatic increase in sales prices over the past four years (22%, HM Land Registry, ONS), coupled with the rise in interest rates over the last two years, (moving from an average of 0.75% to 5.25% currently (at time of publication)). These two factors of course have made home ownership less affordable and less attainable for many.

Looking at the average amount of monthly household income spent on rent, our survey results show a concerning trend. While the income-to-rent ratio held steady at 28% in both 2019 and 2022 surveys, it has jumped significantly to 32% this year. This undoubtedly reflects the sharp increase in rents since our last survey in early 2022.

**“This year we saw a slight rise in the proportion of incomes in the higher ranges.”**

Average household income range



“While the income-to-rent ratio held steady at 28% in both 2019 and 2022 surveys, it has jumped significantly to 32% this year. This undoubtedly reflects the sharp increase in rents since our last survey in early 2022.”



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