

Generation Share

A research perspective

Sharing a home has long been a popular lifestyle choice in London and sharers comprise just under a third of households in the private rental sector. Despite that, it is still a poorly understood market and many sharers live in sub-optimal accommodation. Attitudes to sharing have changed as technology and peer-to-peer networks have enabled a vast sharing economy to develop, whilst M&U licensing is reducing the supply of traditional share properties. In this report we consider the opportunity to create a tailored product based on the profile and needs of this sector.

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DATALOFT | SAY | LYVLY

Who are London's sharers?

People choosing to share homes in today's global city no longer fit the stereotypes of the past. We cannot assume that decisions are driven by cost, nor that sharing is a short-term inconvenience. Sharing, collaborating and connecting are central to the sharing economy and with that come expectations of 'on-demand' standards of service. Here we profile London's sharers.

Scale of the sharer market
Sharers could account for between 25,000 and 100,000 private rental households in London, making them a key target for the expanding build to rent sector - which has 76,000 units completed or in the pipeline for London. Almost a third of new leases granted in London in 2018 were to share households, equating to around 26,000 new tenants. The proportion is highest in inner London at 38%, compared to 19% in outer London, highlighting important differences in location choice.

Aggravated location choices
We found high proportions of sharers around Zone 2, with a third living in five inner London boroughs: Wandsworth, Lambeth, Hackney, Tower Hamlets and Westminster. The concentration on higher value locations suggests that sharers are prepared to compromise on their preferred physical space in return for being in areas with access to the amenities of a capital city.

Well-paid and with choices
The average income of a sharer in London is £46,000. (Based on actual earnings of individual sharers). Almost half work in the financial/professional services or creative/media sectors. While the average salary is around £11,000 per annum lower than the average earnings of non-sharers, sharers allocate a similar proportion (26.3%) of their income to rent, demonstrating the affordability of renting.

Higher returns for investors
Our research shows that properties let to sharers generate higher rental income per room than from other household types. This analysis (which excluded the bottom quartile to avoid distortion from sub-optimal accommodation), found that sharers pay an average of £522 per room compared to £306 for other household types.

The platform allows landlords to access a market they may struggle to service and to secure returns by letting their property to long as a guaranteed rent. The convenience of Lyvly to community and their mission is to create a network of engaged members, to facilitate real connections and create a positive impact on each other's lives.

Who do London's sharers live and work?

29.7% % of new leases in 2018 to sharers
DataLoft Rental Market Analytics

Proportion of properties let to sharers in 2018

- 1-10% less than 10%
- 10%-20%
- 20%-30%
- 30%-40%
- 40%+

55,910 per annum new sharer tenancies

- 35% moved less than 7 miles to their current home 43% for non-sharers
- 31% work in finance or professional services 27% for non-sharers
- 75% aged under 30

28,740 per annum new sharer tenancies where a tenant pays at least £300 per month

- 8.3% moved from overseas to their current home 14% for non-sharers
- 21% work in the creative/ media sector 14% for non-sharers
- 53% earn more than £30,000 62% of non-sharers

Sharer affordability

Average income £39,162 for non-sharers

Average income spent on rent 30.3% for non-sharers

Average rent per room for flats £852 for non-sharers
Excludes below £200 a month

Average rent paid per room

Flat, number of bedrooms	All London		All sharers	
	non-sharers	sharers	Inner London	Outer London
2	£747	£876	£924	£709
3	£581	£678	£713	£535
All flats (total number of flats)	£806	£852	£886	£676

DataLoft Rental Market Analytics, sharing incomes shared to DRMA

Data definitions/sources
Sharers are self-identified, or in a household where a main tenant and a sharer live in 2 or more bedrooms and there are no children.

Affordability calculations are for the tenant's share of the rent paid, based on individual tenants' total household and actual incomes. We exclude incomes under £12,000 and over £71,000 from our calculations.

Estimates for total number of private rental transactions per annum calculated using income from Census 2011 and length of time tenants spend on their current home from EWS.

DRMA DataLoft Rental Market Analytics
DRMA is DataLoft's database of rent paid transactions, from individual tenants and tenancies. It contains over 2.3 million references rigorously recorded by tenant self-reporting companies and aggregated to form the largest and most comprehensive single source of rents achieved for the UK market. It covers the period with a monthly database of c.150,000 new tenancies and c.100,000 new tenancies.

LYV LY
Chris Martin
Head of Corporate
T +44 7707 263 686
cmartin@lyvly.co.uk
www.lyvly.co.uk

say
Dedra Yudhish
Partner
T +44 20 591 8022
dsay@say.co.uk
saygroup.co.uk
Investment, real estate management consultancy

dataloft
Sandra Jones
Managing Director
T +44 1902 867710
M +44 7714 124861
sdjones@dataloft.co.uk
Investment, real estate management consultancy

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Reaching the sharing generation

This research calls into question some commonly held beliefs about London's sharers. The high cost of rent in London has changed attitudes towards sharing for a generation who have, in any case, embraced the 'sharing economy'.

Lyvly have created an operational platform that responds to these challenges by reimagining the concept of flat sharing and eliminating the hassle of renting for both landlords and members.

The platform allows landlords to access a market they may struggle to service and to secure returns by letting their property to long as a guaranteed rent. The convenience of Lyvly to community and their mission is to create a network of engaged members, to facilitate real connections and create a positive impact on each other's lives.

The Lyvly approach to the challenges of sharing

The challenge
25% of privately rented homes fail to meet the Decent Homes Standard.

Lyvly's answer
Lyvly's homes are individually designed to create well-balanced, modern and comfortable living spaces.

Lyvly's rents
Lyvly's rents include regular cleaning and estate management, meaning no more dispute over bills and chores.

Each property has a dedicated maintenance manager
supported 24/7 by a central team.

The all-inclusive rent model
is entirely transparent, meaning members know exactly what they will spend.

Properties are not let on joint tenancies
and members can live as long as they like.

Hidden costs and multiple bills
to manage explains, making budgeting difficult.

Risk of one tenant being a shared household which can potentially end the tenancy.

DRMA DataLoft Rental Market Analytics