

Void periods for rental property remain high but have stabilised, according to new figures from the National Landlords Association

In March 2010, 52 per cent of landlords had experienced voids in the previous 12 month period. Although still posing a threat to landlord portfolios, this figure is a reduction from 55 per cent during the last three months of 2009. The data also showed that the average duration of voids dropped from 19 days to 17 days.

Despite a marked increase in tenant demand and a reduction in supply as reluctant landlords are able to sell up, there is still only a slight improvement in rental voids.

Furthermore, the continuing lack of available mortgage finance for first time buyers, as well as the requirement for higher deposits, means that would-be buyers are renting for longer.

The strategy adopted by landlords for covering voids continues to vary depending on portfolio size. Although larger landlords are most able to offset the costs of voids with rent from other properties, 43 per cent of landlords claimed to use personal savings to plug the shortfall in meeting mortgage repayments.

David Salusbury, Chairman, NLA, commenting on the latest research, said: "No landlord likes void periods. They can end up being very costly indeed. Although incidences of voids have leveled off, over half of the landlords questioned have experienced voids in the past year, albeit for a shorter length of time.

"The best way to deal with void periods is to avoid them altogether. As with many issues in the letting of residential property, open and respectful channels of communications between landlords and tenants will pay dividends."

Source: Mortgage Introducer