

CONCERN OVER ARREARS AS JOBLESS TOTAL RISES

Figures released by the Office for National Statistics show that in the three months to April 2009 the jobless total increased by 232,000. According to the Managing Director of HomeLet John Boyle, we can expect to see a proportional rise in the number of landlords who have tenants in arrears.

Other figures from the Office for National Statistics showed the number of people in work fell by 271,000 over the three months to 29.11 million, the biggest quarterly slump since comparable records began in 1971. Meanwhile youth unemployment has reached its worst level since 1994, after a 74,000 increase in the number of 18 to 24-year-olds out of work rose to 695,000.

“Youth unemployment is now at its highest rate for 15 years and it will get worse over the next few months when this year’s school leavers and graduates enter the labour market,” said John.

“This could have a significant impact on the private rented sector in regions which rely on young people entering full-time employment and moving into rented accommodation, rather than staying in the family home”

Despite claims that the buy-to-let market is starting to bottom out, rising unemployment particularly amongst young people could delay any long-term recovery.

“If unemployment amongst young people continues to rise tenant demand could decrease, while those lucky enough to find jobs will face an increasingly uncertain future,” continued John.

“For landlords, particularly those who rely on the monthly rental income from their property to pay the mortgage, even one month’s arrears in this financial climate can spell disaster.

“To avoid becoming a victim of the recession I’d encourage landlords who are concerned about rent arrears to consider taking out rent protection insurance. But, we also understand that finding a rented property whilst you’re unemployed can be hard, that’s why HomeLet Rent Guarantee can even cover unemployed tenants.”

Notes

- HomeLet is the UK’s largest tenant referencing, Rent Guarantee and specialist insurance provider for the lettings industry and offers landlords a wide range of products through its network of almost 5,500 letting agents across the UK.
- For more information about this press release please email marketing@homelet.co.uk