

Dataloft

# Research perspective on Generation Share

December 2019



## Generation Share

A research perspective

July 2019

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 HMO licensing is reducing the supply of traditional sharer 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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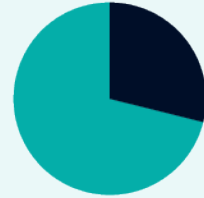
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London's rental market



% of all households

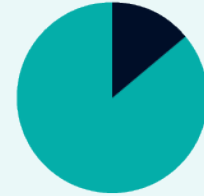
2019

**29%**

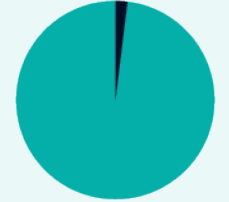


2004

**14%**



**C.350,000**



Current complete

**2%**

of PRS market

## What does the average London renter pay?



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London's rental market



Average rent  
**£1,700**

**£1,100**  
Bexley

**£2,700**  
Kensington & Chelsea

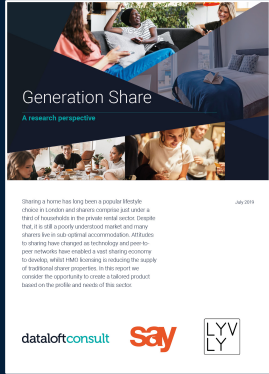
Affordability  
**30%**  
of gross income  
spent on rent

**18%**  
Top earners  
over £100k

**43%**  
Low earners  
£10-£20k

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## What's your image of sharers?



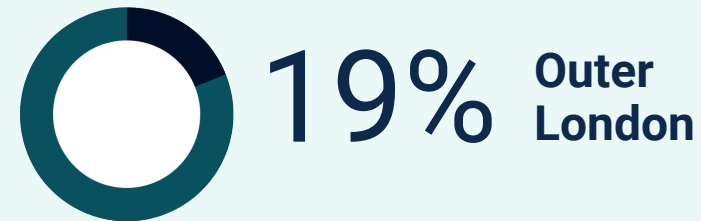
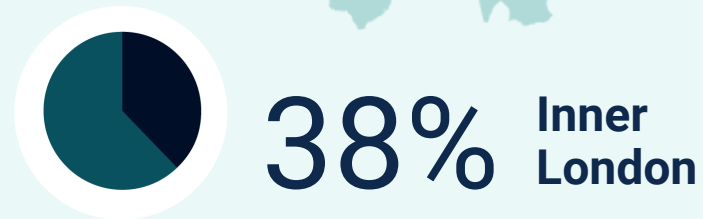
Generation Share  
London's rental market



## A substantial force in the London rental market



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The majority of sharers are 2 person households



**57%**



**23%**



**20%**

Source: Dataloft, shares as % of new leases 2018



## Currently, peak age of sharers is 24 ...



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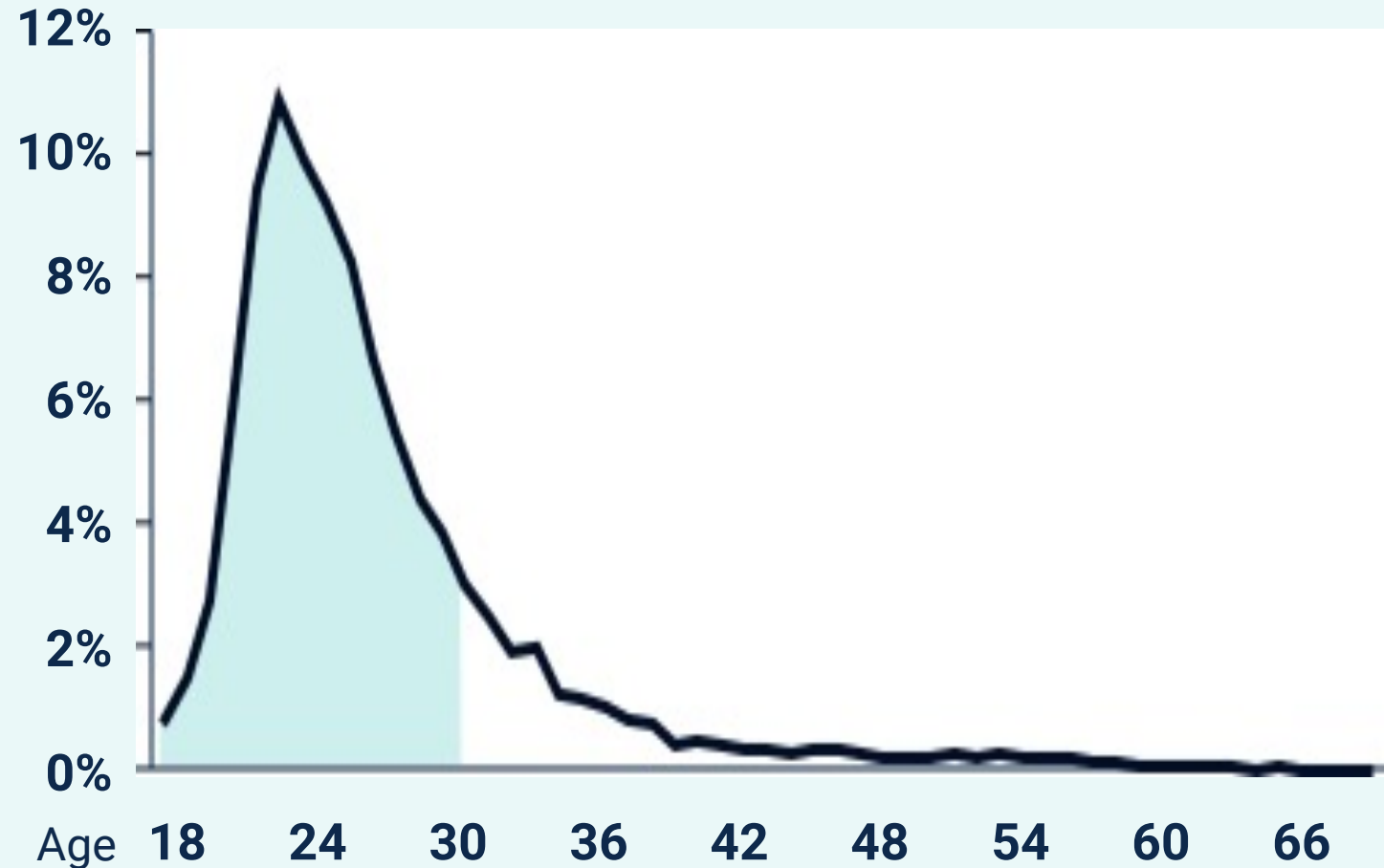
# 24 years

Sharers  
peak age

75% of sharers  
are under

# 30 years

Sharers by age



Source: Dataloft

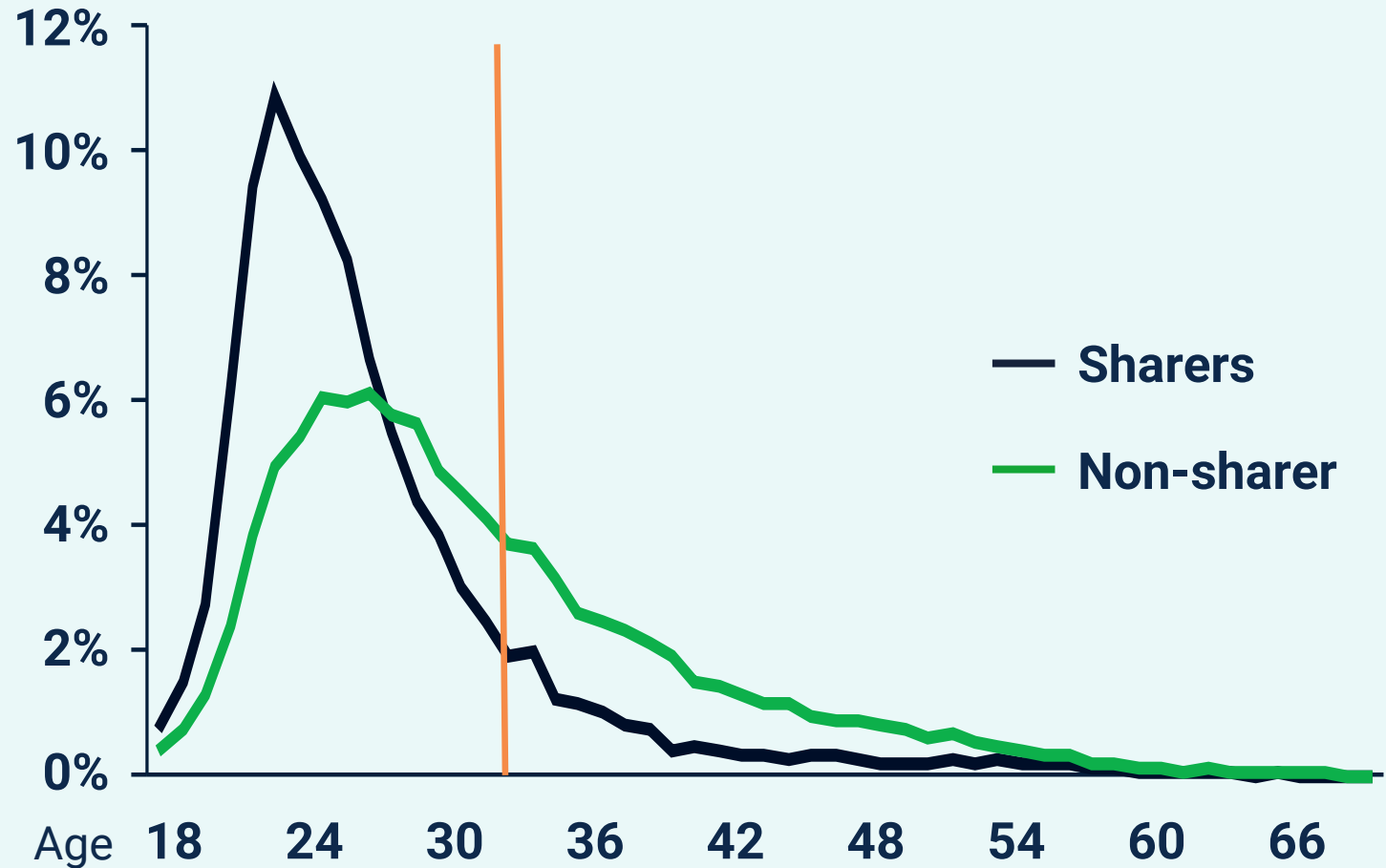


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**24 years**  
Sharers  
peak age

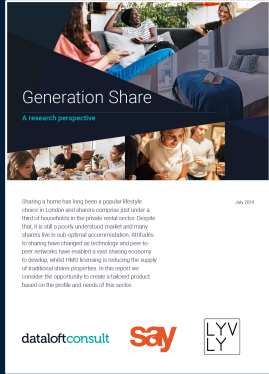
**33 years**  
London FTB

Sharers versus non-sharers by age



Source: Dataloft

## Sharers: well paid, with choices



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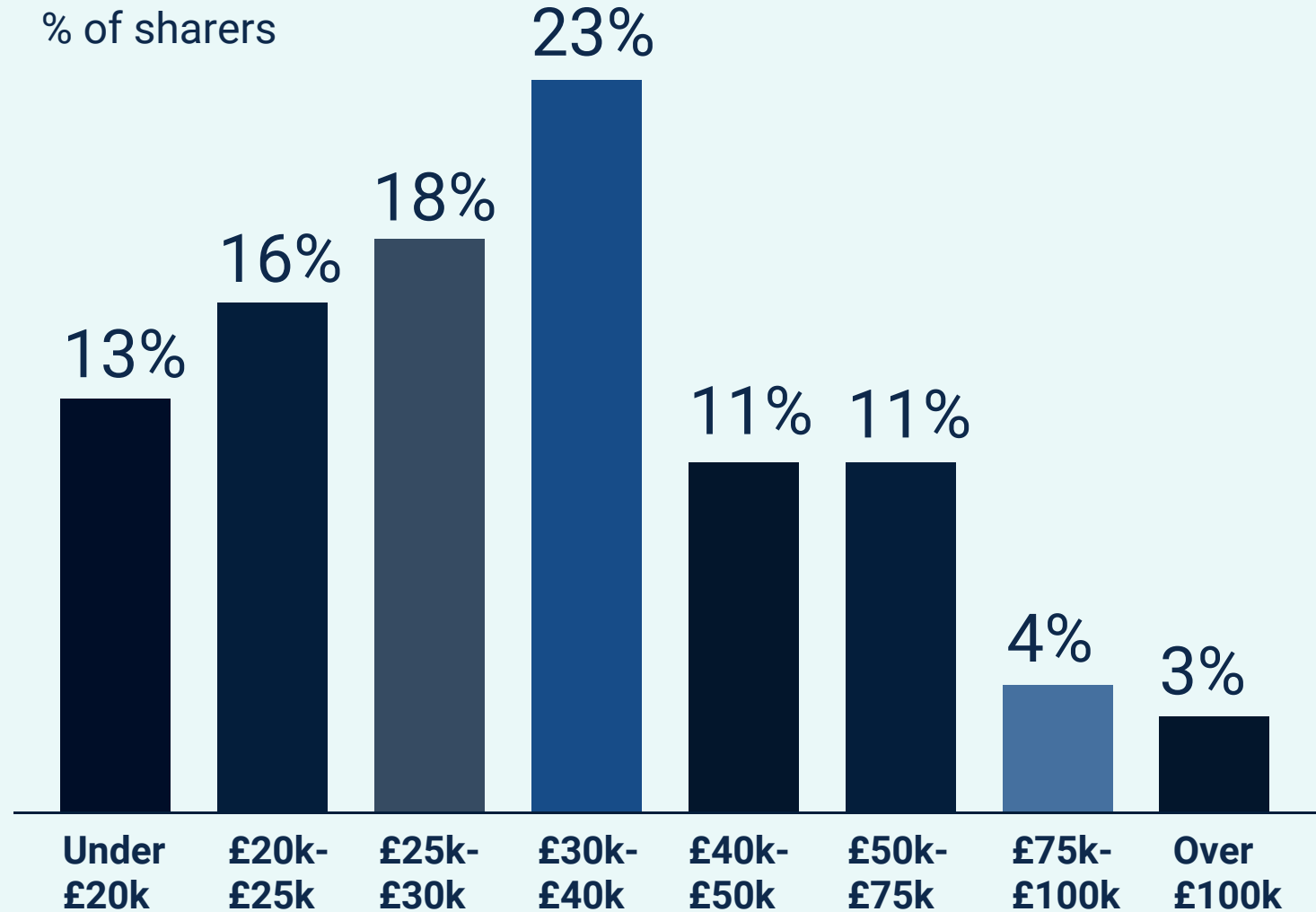


Most sharers  
earn between

£30k-  
£40k

29%

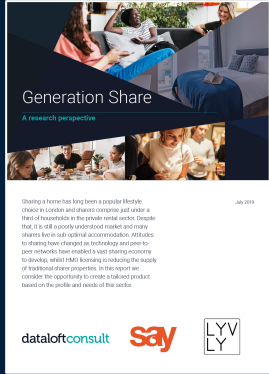
Earn over £40k



Source: Dataloфт, data for 2018, excludes earnings less than £10k

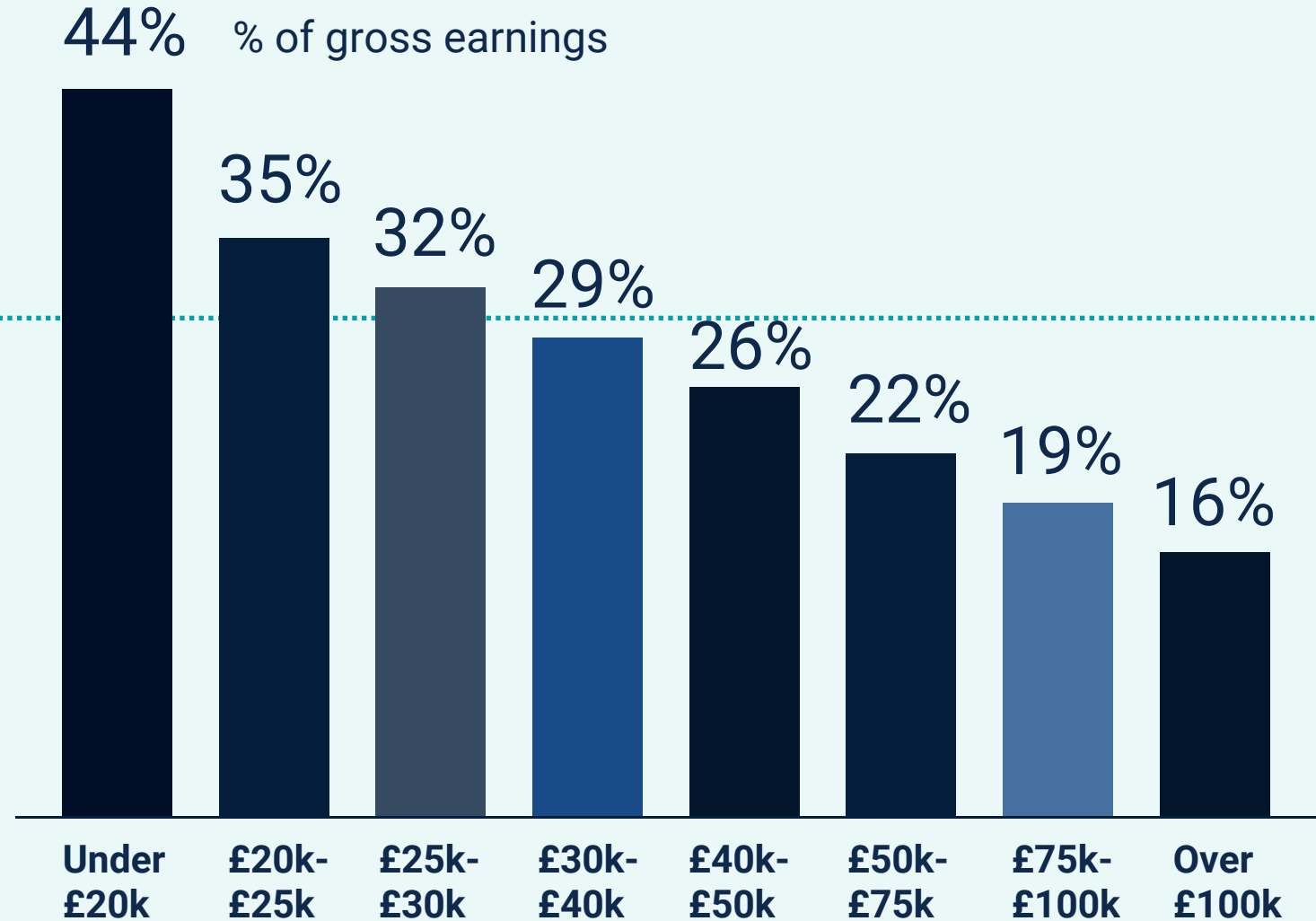


## Sharers: higher earners allocate less to rent



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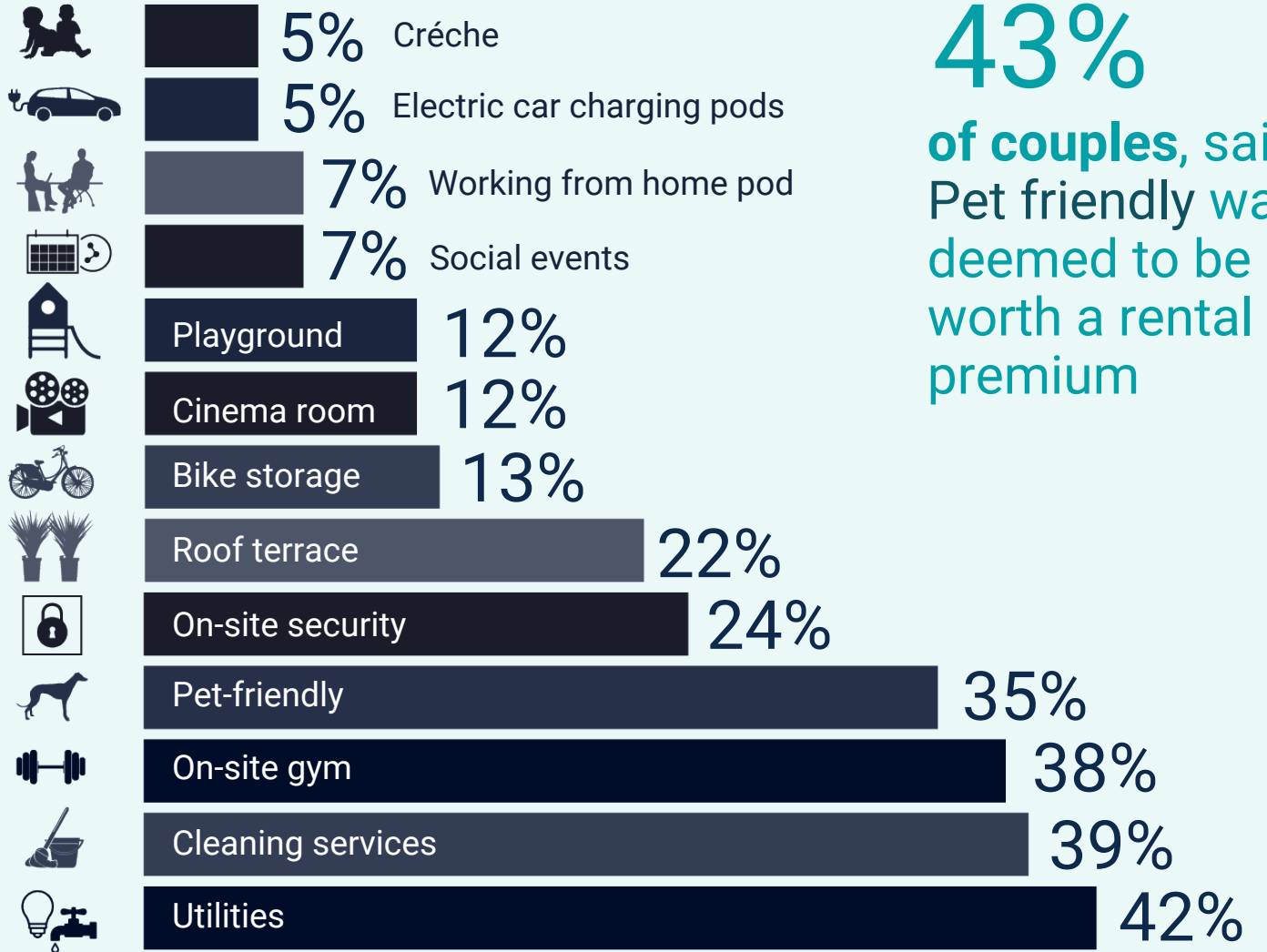
**30%**  
Average spend on rent, but this is not consistent across earnings brackets



Source: Dataloft, data for 2018, excludes earnings less than £10k

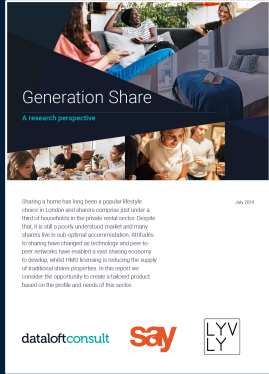
## Facilities attracting rental premium

Which three facilities would you pay an additional **£40\* pcm** for?

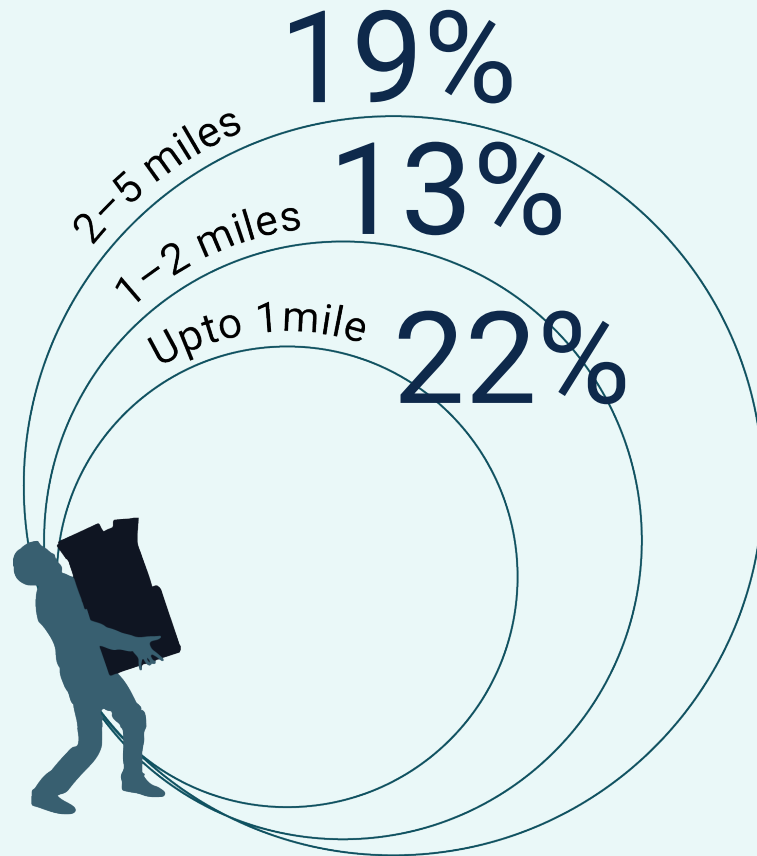


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## Sharers: are predominantly footloose and mobile



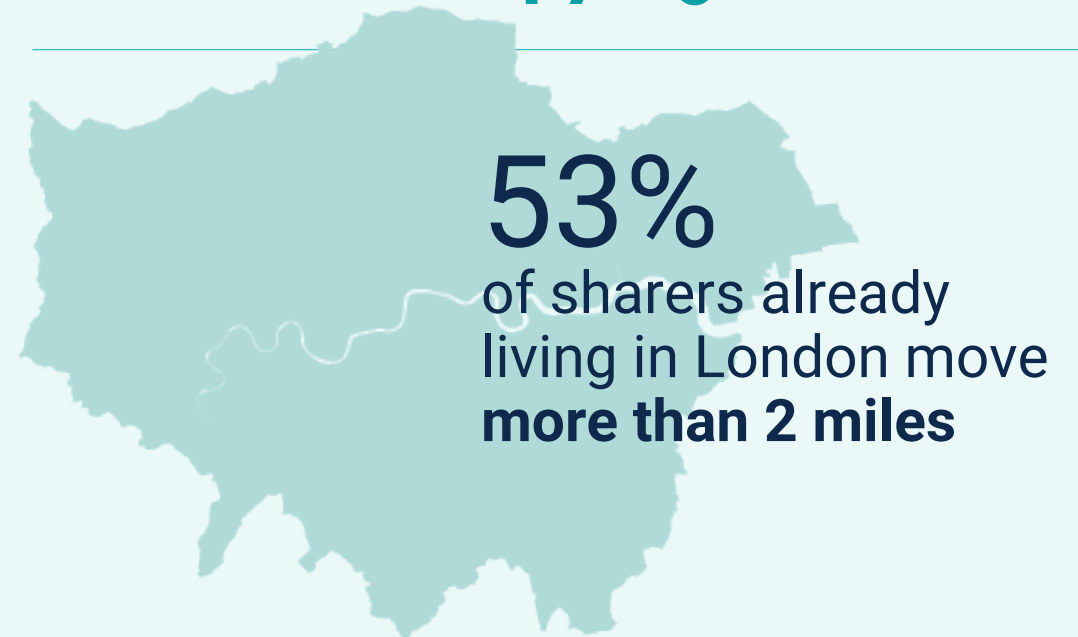
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London's rental market



**35%**  
of sharers  
moved less  
than 2 miles

But, if we exclude  
sharers moving from  
outside London, this  
rises to

**47%**



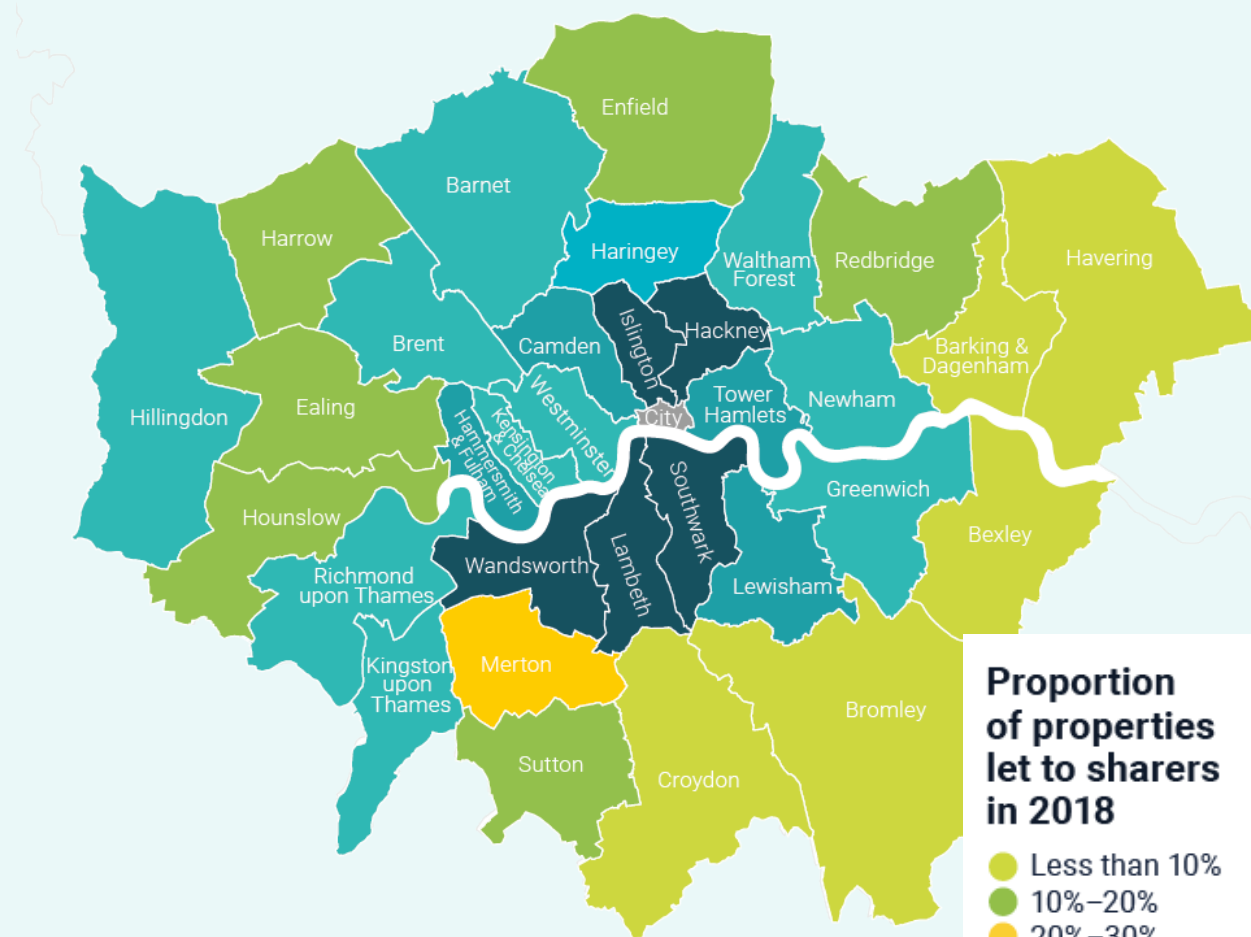
Source: Dataloft, data for 2018



## Sharers: give priority to location



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Higher concentrations in Inner London

Average rent per room per month

£886 Inner London

£676 Outer London

Source: Dataloфт, data for 2018. Rent per room excludes the bottom 25% of lets



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**Live centrally**  
Can they be tempted to Zone 3, 4, 5, 6 ...?

**Are relatively footloose**  
What will determine where they choose to live next?

**Are high earners**  
What else do they spend on? Could it translate into amenities/inclusive costs?



**Have varying affordability ratios**  
What might persuade high earners to commit more income to rent?

**Are younger than other renters**  
What might persuade them to stay longer as sharers?

**Come from across the employment sectors**  
Do they choose to mix it up or cluster?



# Thank you

Unless otherwise specified source is Dataloft

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