Knowing your worth:

Using property search tools effectively to understand your property's rental value

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Understanding the value of your property

The first step when looking to rent out your property is ensuring that you have a solid understanding of its rental value. This will allow you to go into any discussion with a prospective letting agent with a set expectation and allow for a more informed discussion to take place.

The primary way in which a valuation for a rental property can be established is by comparing to other rental properties on the market in the local area. The easiest way to do this is with the use of rental search tools such as On the Market, Rightmove or Zoopla.

Whilst agents will have access to slightly more sophisticated software to run their search, it is still possible for you to complete effective preliminary research and ascertain a reasonable estimate of your rental value. If this value differs slightly from the letting agent, it is still useful to fuel further conversation and understanding by comparing those values and asking the agent to explain in more detail how they reached their assessment.
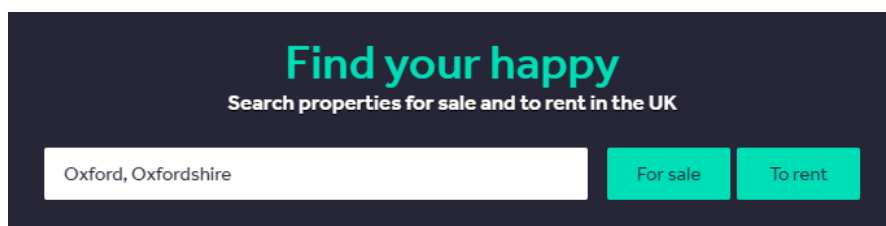
The aim of this tool is to guide you through the steps of running a comparison to ensure your estimate is as accurate as possible.

Setting up your search

*For the purpose of this guide I am using Rightmove to complete a comparison, however the methodology used can easily be transferred and used for other tools.

Locality

Initially start your search with a broad area to look at. This will need to be refined but gives you a baseline to start from. Ensure that you are looking at rental (not sales) on your given search tool.

The following search page will give more granularity with which to conduct your search and allow you the opportunity to refine your search. With the criteria as shown below, a search will yield 1752 results – far too many to be able to draw any conclusions from. As such we need to refine the search to start our comparison.

Property to rent in Oxford, Oxfordshire

Search radius	This area only ▼		Property type	Any ▼
Price range (£)	No min ▼	No max ▼	Added to site	Anytime ▼
No. of bedrooms	No min ▼	No max ▼	☐ Include Let Agreed properties (?)	
				Find properties

Search Criteria

There are certain criteria which we need to consider when refining our search to make it more precise.

Search area – Oxford was far too broad a search criteria to be able to get results which will match the property. The best suggestion here is to use the postcode of your property.

Search radius – You are unlikely to find comparisons which exactly match your postcode. Start with ¼ mile radius and slowly extend outwards if you are not finding enough matches. It is important to remember that the further you extend the radius, the less accurate the comparison is likely to be.

Number of bedrooms – Make sure the number of bedrooms matches your property. We have used 3 for this search.

Property type – Match this to the type which is applicable for your property. If you own a flat, there is limited value in comparing it to a house.

Property to rent in OX3 7BS

Search radius	Within ½ mile ▼		Property type	Houses ▼
Price range (£)	No min ▼	No max ▼	Added to site	Anytime ▼
No. of bedrooms	3 ▼	3 ▼	☐ Include Let Agreed properties (?)	
				Find properties

Certain tools will also give you the option to look at unfurnished / furnished for narrowing your search. We would recommend not changing this setting as generally this distinction has very little impact on rental values.

Analysing your search

Now that we have narrowed down the search, it is possible to start looking at a comparison of properties. In the case of the property search shown above, there are 6 results available for comparison ranging in price from £1200 to £1850.

This range is initially a little daunting as it gives a wide gap in which to place our property. However, there are some key considerations we can work with to understand this gap and narrow it down.

Size

Setting the number of bedrooms has helped us to narrow down the size of the houses but there will be some variance between properties. If possible, it is best practice to look at the floorplan to see the square footage to match these as closely as you can. Below shows an example of the square footage value from a floorplan.

Headington, Oxford OX3

APPROX. GROSS INTERNAL FLOOR AREA 1234 SQFT / 114.6 SQM

Not all adverts will have a floorplan available or other information for the size of the property. If this is the case, use the photos available on the advert to compare against your property. You will not be able to get a perfect match but will give you a good understanding for the value of similarly sized properties.

Condition

An important consideration for any comparison is the condition of the property. It is key to make sure that you are comparing your property to others which are of a similar standard. If your property has been recently refurbished to a high standard, you want to compare it to others which have had the same or similar treatment. Photos of properties are the best way for you to do this.

Bathrooms

All adverts should clearly state how many bathrooms a property has. Whilst this factor will not have a significant impact on property value, it is preferable to compare with a property with a matching number where possible.

Garden

Having an open space outside is a valued characteristic for properties. Photos and floorplan will allow you to look at other properties to see how they match your property. As with other criteria, the more closely you can match this characteristic to your property, the better your comparison will be.

Making your comparison

In the previous section it was noted that the search completed found 6 properties with a range from £1200 to £1850. Using the principles described above I can narrow this down quickly to get my comparison:

Property #	Price	Bedrooms	Size	Condition	Bathrooms	Garden
Our property	???	3	105 SQM	Good condition	1	Small garden
A	1350	3	69.8 SQM	New build	2	Small garden, no grass
B	1450	3	114.6 SQM	Good, not refurbished	2	Small garden, no images
C	1850	3	No floorplan, photos show it to be large and extended	Good, high quality kitchen and bathrooms	2	Large garden with grass
D	1425	3	110.6 SQM	Mediocre standard, poorly painted	1	Small, paved garden

E	1200	3	Unlisted – small size based on images	Ok standard	1	No garden
F	1350	3	63.3 SQM	Good standard	1	Small gravel garden

With the information now available I can now start narrowing my comparison to match my property – the details of which are included in the table. Let us now consider each property:

A – Whilst the condition is better as it is a new build and it has one more bathroom, the size of this property is significantly smaller than ours. This immediately makes it a weaker direct comparison.

B – This is a good match for our property. The size and condition of the property match closely with our own. The number of bathrooms is also the same which is a bonus. There are no images of the garden so unfortunately it is not possible to compare this feature.

C – This property can be almost entirely discounted. Whilst there is no floorplan available, the photos make it clear that it is vastly larger than any other in this comparison, and the price reflects that. The garden re-enforces this as it is around 2/3 times bigger than ours.

D – This property matches well but not perfectly. The size is similar, but the condition is of a lower standard. Photos show that certain rooms have been painted with questionable colours (which will put off some prospective tenants) and the quality of painting is exceptionally low in some rooms. The garden is of a similar size and the property has one less bathroom – these factors are not as important but as mentioned previously worth considering.

E – A note on this property shows that this property is listed as student accommodation and as such not a good comparator. Images also show that it is a much smaller property, and the condition is worse.

F – This property is listed as a cottage and this is reflected in the much smaller size. Whilst the condition of the property and garden match well, it is not a good comparison for our property.

Our final comparison

The best two properties for our comparison were identified as being B (£1450) and D (1425). B was arguably the best comparison as its features matched almost entirely with our own whilst D had some issues in terms of decoration.

Given the information available and comparison we have undertaken, our property would reasonably be priced between £1425 – 1475. It may be possible to stretch this to £1500 and a letting agent might suggest starting at this value, which could then be changed based on interest.

Bright Properties are an ARLA registered letting agent based in Oxford providing personalised property management services to landlords across Oxford and the surrounding area. We aim to raise the bar for property standards across the city. Being landlords ourselves, we understand the importance of diligent property management and deliver the same high standards for your properties as we do for our own.

This guide is intended to be informative. Any advice taken from this document should be followed up with a consultation with a relevant property

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