London property management firms are becoming increasingly important by John M. Alcorn

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With rents rising across London, the idea of becoming a landlord or adding to an existing property portfolio is an attractive one for many investors.

With many would-be purchasers unable to afford to buy a property, demand for rental accommodation is rising rapidly, pushing rents higher in the process.

Average rents in London have increased to over Â£1,170 per month, led by growth in prime areas such as Mayfair, Chelsea and Marylebone, according to the latest HomeLet Rental Index.

The increase in rental prices in London means that costs are now 13 per cent higher than last year which is in stark contrast to rents in other UK regions which are only 1.6 per cent higher, on average, compared to the same time in 2010.

John Boyle, Managing Director of HomeLet, said: "The soaring cost of renting a home in the capital, compared to the rest of the UK, reflects how demand for rental properties is increasing due to peopleâ€™s continuing struggle to get onto the property ladder.

"This demand offers a fantastic opportunity for landlords and property investors who could offer a much needed supply of rental properties to the industry."

A hike in activity amongst property investors looking to cash in on higher rental prices in the heart of the capital has pushed property prices in prime central London up by over 13 per cent year-on-year, according to the Knight Frank Prime Central London Sales Index (PCL).

The PCL index shows that average property prices in central London are now 40 per cent above their post-credit-crunch low of March 2009 and six per cent above their previous peak of March 2008.

Sales volumes are running at 17% above a year ago, driven partly by greater property investor activity, suggesting that prices in prime central London could increase further in the coming months.

But with higher rental prices comes greater expectations as far as tenants are concerned, as they seek a more professional letting experience.

This means that more landlords in prime central London are now relying on professional London property management firms. A good property management service is designed to give landlords peace of mind and relieve them of the commitment of being a full-time landlord.

Professionally managed flats to rent in Marylebone, for example, are increasingly in demand from both private and corporate tenants.

The same could be said as far as houses to rent in Marylebone are concerned, as more private tenants expect a 24/7 service when they rent a property, which can prove difficult for some landlords.

"For the vast majority of reputable landlords, rents reflect the cost of providing accommodation," said Richard Lambert, Chief Executive Officer at the National Landlords Association. "Rising rents in the private sector do not automatically mean bigger profits. Managing and maintaining property is

becoming increasingly expensive, which means yields are not increasing at anything like the same rate."

Using a professional property management firm is particularly important for many of the overseas buyers who are investing in Marylebone.

Andrew Ellinas of Sandfords commented: "Marylebone, with its wealth of elegant properties and desirable High Street, has been attracting affluent buyers for a number of years. Demand for properties priced between Â£1.5 and Â£4million is intense, resulting in properties selling within an average of just seven days in Marylebone."

Flats to rent in Marylebone Village and houses to rent in Marylebone Village are also proving popular for those looking to secure a home in and around Marylebone, particularly families seeking to rent a home close to a wide selection of top quality schools.

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John M. Alcorn - About Author:
With strong demand for a houses to rent in Marylebone and a flats to rent in Marylebone, John Alcorn finds that more landlords in the area are turning to London property management firms to help manage their properties.

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