

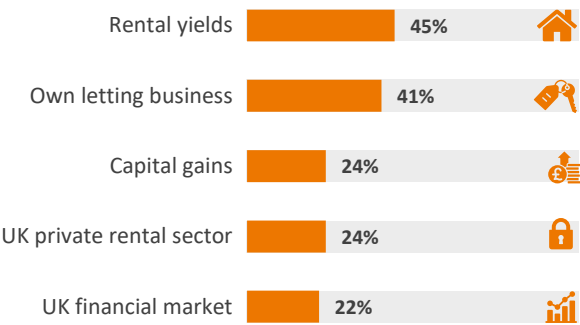
North East England

Landlords Outlook & Confidence

Q1 sees an uplift in the general sentiment of landlords in the NE of England. All confidence indicators improved vs. Q4, significantly so for confidence in rental yields, the UK’s financial market (+9%pts) and landlords own letting business (+8%pts).

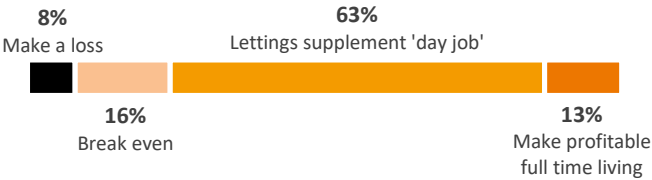
Helping to drive some of these improvements was the increase in rental yields (+0.4% from Q4) to stand at 6.6%, and a fall in the incidence of rental arrears (-4%pts), although this remains the highest nationally at 47%. Similarly, the incidence of voids remains the equal highest nationally, at 39%. A larger proportion of landlords in the NE are BTL leveraged, with 84% having a BTL mortgage on at least 1 property vs. the national average of 59%.

Expectations for the next 3 months rated as good/very good (%)

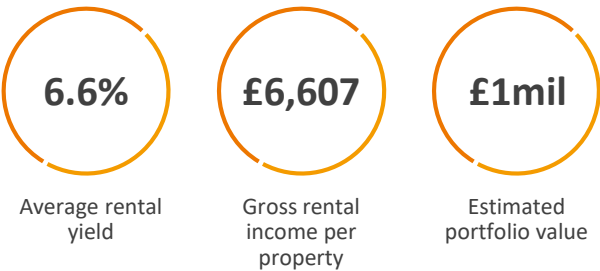


Landlords Balance Sheet

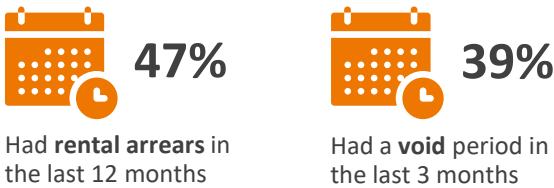
Profitability



Financials



Problems Experienced



PRS Dynamics



6.7

Properties in the average portfolio



37%

Report increasing tenant demand



13%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



£456,000

Total average amount owed through BTL mortgage borrowing



5.8

Average number of BTL loans held

the mortgage works