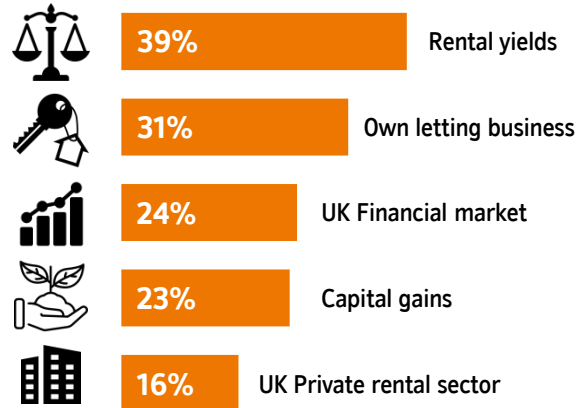


Overall UK

Landlords' Outlook & Confidence

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



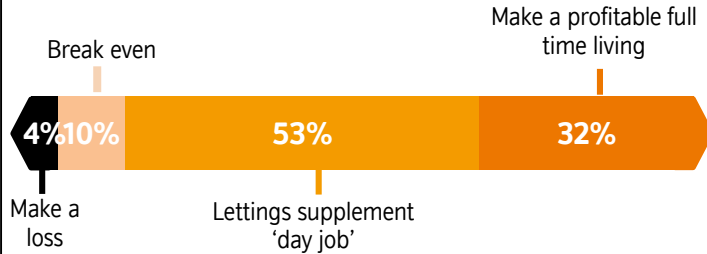
Post-election confidence in the UK Financial Market has increased significantly (+15% year-on-year). Other key indicators have improved for the first time in a number of waves, although the uplift on these is much less pronounced.

Profitability remains stable, with 85% making a profit in Q4, although the average rental yield achieved by landlords is now at a 9-year low of 5.4%.

Just under 2 in 3 landlords borrow against their BTL portfolio, with the typical leveraged landlord owing a total of £452k across 6.2 BTL loans.

Landlords' Balance Sheet

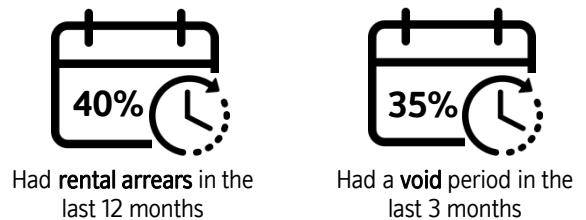
Profitability



Financials



Problems Experienced



PRS Dynamics



8.9

Properties in the average portfolio



25%

Report increasing tenant demand



7%

Bought a property in the last 3 months



8%

Sold a property in the last 3 months

BTL Dynamics



£452,000

Total amount owed through BTL mortgage borrowing



5.8

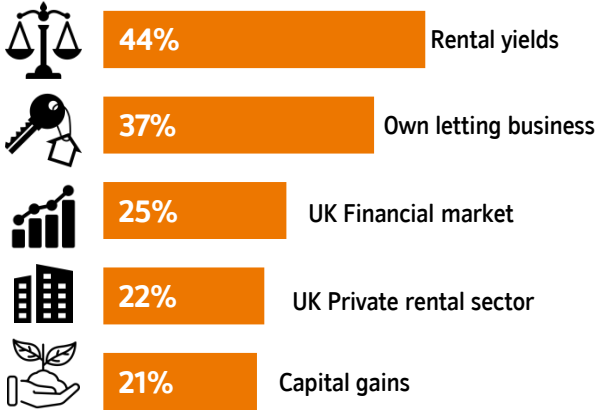
Average number of BTL loans held

the mortgage works

East of England

Landlords' Outlook & Confidence

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

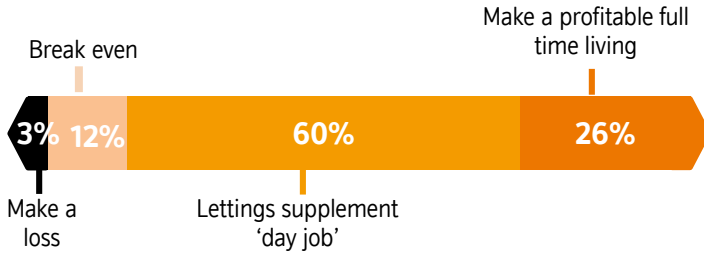


Landlords operating in the East of England are more positive than average across all outlook and confidence indicators bar capital gains. Despite this, yields achieved by those operating in the East of England remain below the national average at 5.0% (falling by 0.2% from Q3).

Just 1% of landlords operating in the East Midlands purchased a property in the last 3 months, down a significant 13% from Q3. However, recent sales activity remains largely unchanged, with just 5% selling a property in the last 3 months. Profitability remains strong, stable and above the national average with 86% making a profit in Q4.

Landlords' Balance Sheet

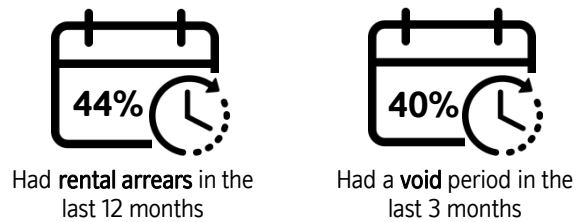
Profitability



Financials



Problems Experienced



PRS Dynamics



8.2

Properties in the average portfolio



24%

Report increasing tenant demand



1%

Bought a property in the last 3 months



5%

Sold a property in the last 3 months

BTL Dynamics



£368,000

Total amount owed through BTL mortgage borrowing



5.0

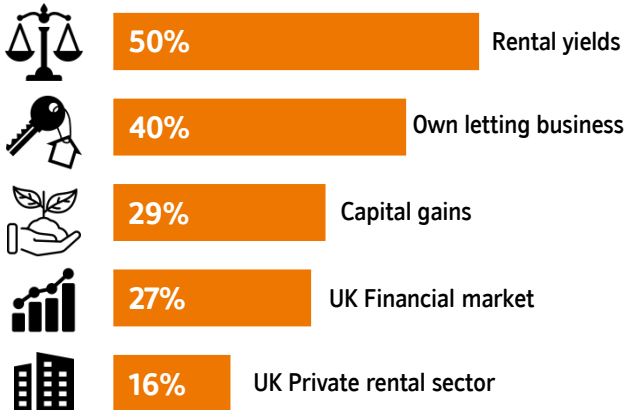
Average number of BTL loans held

the mortgage works

East Midlands

Landlords' Outlook & Confidence

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



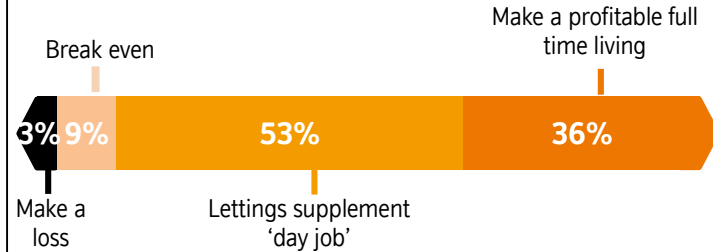
Landlords with rental property in the East Midlands remain more positive than the average landlord, particularly for confidence in their own lettings business and rental yields (both c. +10% vs. the UK average).

Reflecting this, East Midland landlords continue to achieve the joint highest average rental yield of any region, at 6.1%, with the proportion making a profit also high at 89%.

However, landlords in the East Midlands tend to experience rental arrears and void periods more frequently, most likely linked to a greater exposure due to their larger than average portfolio size (10.3 properties).

Landlords' Balance Sheet

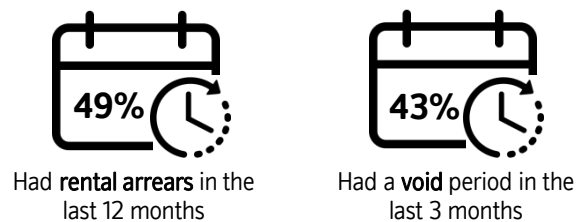
Profitability



Financials



Problems Experienced



PRS Dynamics



10.3

Properties in the average portfolio



30%

Report increasing tenant demand



11%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

BTL Dynamics



£437,000

Total amount owed through BTL mortgage borrowing



7.2

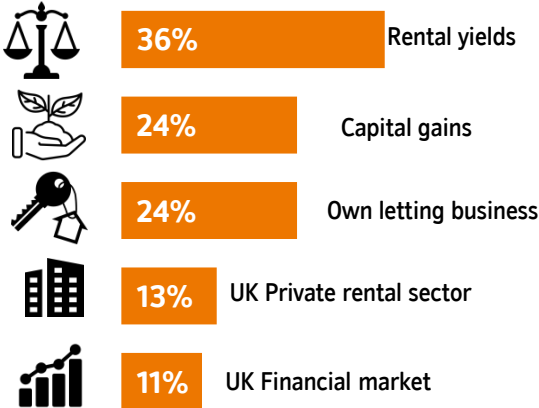
Average number of BTL loans held

the mortgage works

Central London

Landlords' Outlook & Confidence

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



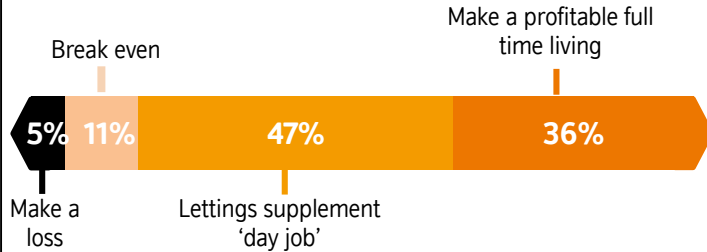
Compared to the national average, landlords operating in Central London are less likely to be feeling 'good' or 'very good' across all confidence indicators bar Capital gains, and have the lowest confidence levels of all landlords about the prospects for the UK's PRS and Financial market.

Landlords in this region tend to achieve the lowest average rental yields (4.3%) and have smaller than average portfolios (7.0 properties).

Central London landlords are also less likely to borrow against their portfolio, with just 49% having at least 1 BTL mortgage.

Landlords' Balance Sheet

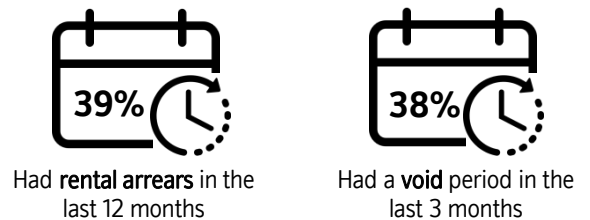
Profitability



Financials



Problems Experienced



PRS Dynamics



7.0

Properties in the average portfolio



30%

Report increasing tenant demand



5%

Bought a property in the last 3 months



4%

Sold a property in the last 3 months

BTL Dynamics



£665,000

Total amount owed through BTL mortgage borrowing



5.4

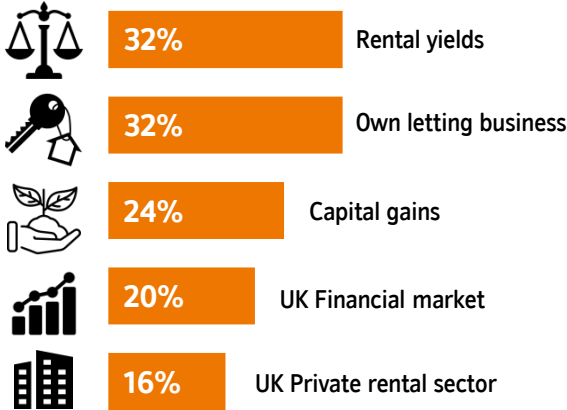
Average number of BTL loans held

the mortgage works

Outer London

Landlords' Outlook & Confidence

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



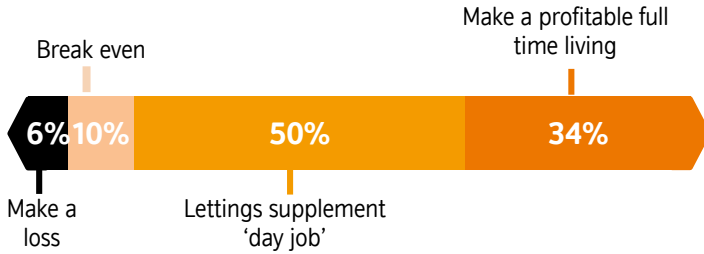
Confidence amongst landlords with property in Outer London has generally edged up in Q4. However, confidence in rental yields for these landlords remains 7% below the UK average (at 32%). This is likely linked to a lower than average typical yield of 4.8%, which is down 0.6% vs. Q3.

There has however been an increase in perceived tenant demand vs. Q3, now placing it more in line with the average across all regions, at 24%.

Additionally the incidence of rental arrears in the last 12 months and void periods in the last 3 months are both below the national average, by 3% and 4% respectively.

Landlords' Balance Sheet

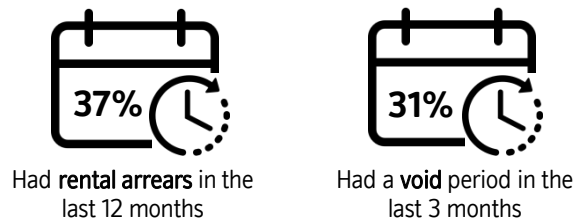
Profitability



Financials



Problems Experienced



PRS Dynamics



8.9

Properties in the average portfolio



24%

Report increasing tenant demand



7%

Bought a property in the last 3 months



6%

Sold a property in the last 3 months

BTL Dynamics



£660,000

Total amount owed through BTL mortgage borrowing



5.0

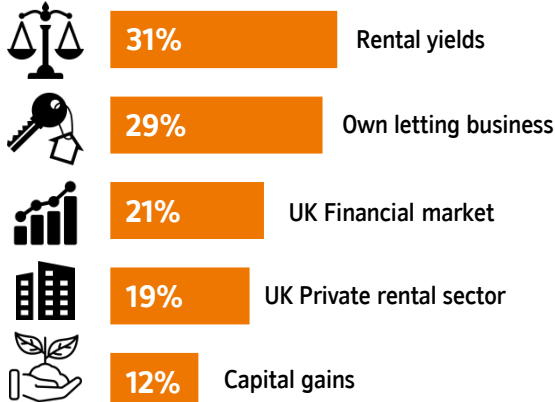
Average number of BTL loans held

the mortgage works

North East England

Landlords' Outlook & Confidence

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



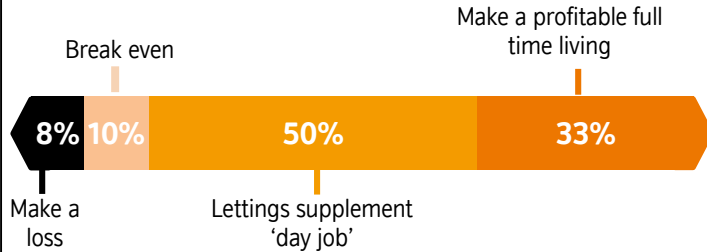
Landlords who have property in the North East record the lowest levels of confidence on 2 of the 5 key indicators. Confidence in the prospects for capital gains is particularly low, at around half the level of the typical landlord (12% vs. 23%). However, all confidence indicators have improved notably from the lows recorded in Q3.

Those operating in the North East have the highest incidence of both arrears and voids; this is likely to be linked to them having the largest average portfolios, at 11 properties.

Landlords in the North East are nearly twice as likely as the average landlord to have recently bought or sold a property. They are also most likely to borrow to fund their portfolio, with 3 in 4 having a mortgage on at least one property.

Landlords' Balance Sheet

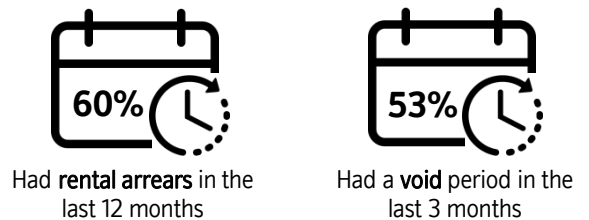
Profitability



Financials



Problems Experienced



PRS Dynamics



11.0

Properties in the average portfolio



21%

Report increasing tenant demand



13%

Bought a property in the last 3 months



15%

Sold a property in the last 3 months

BTL Dynamics



77%
Have a mortgage on at least one property



£498,000

Total amount owed through BTL mortgage borrowing



6.7

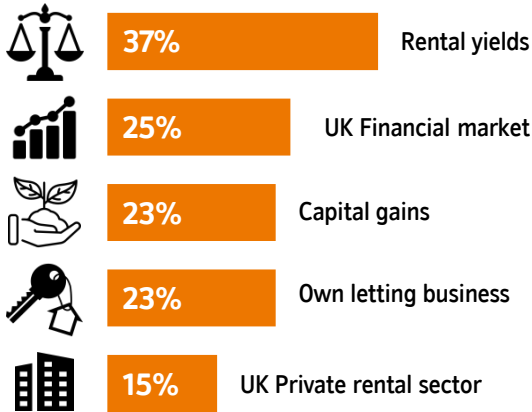
Average number of BTL loans held

the mortgage works

North West England

Landlords' Outlook & Confidence

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

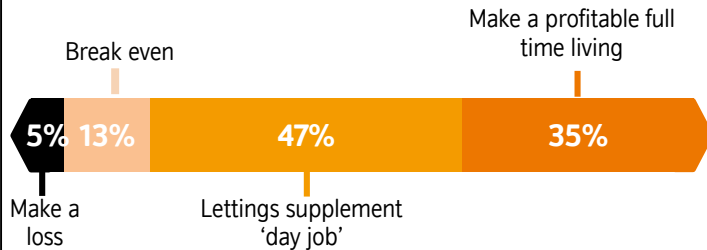


Landlords operating in the North West have the largest portfolios on average, at 15.1 properties. Tenant demand (27%) and yields (5.7%) remain slightly above the national average. However, landlords' confidence in their own letting business is lowest among all regions and North Western landlords are over twice as likely to have sold a property vs. buying a property over the last 3 months. Reflecting this, profitability is lowest among all regions, standing at 82%.

Likely linked to their larger portfolio size, landlords with property in the North West are more likely to have experienced a recent rental arrear (52%) and / or void period (41%) compared to the national average.

Landlords' Balance Sheet

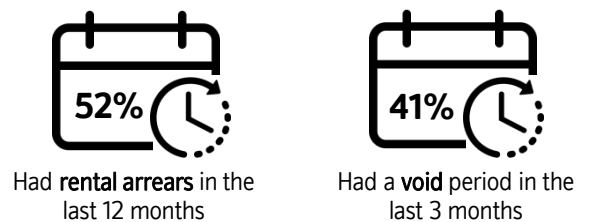
Profitability



Financials



Problems Experienced



PRS Dynamics



15.1

Properties in the average portfolio



27%

Report increasing tenant demand



6%

Bought a property in the last 3 months



14%

Sold a property in the last 3 months

BTL Dynamics



£540,000

Total amount owed through BTL mortgage borrowing



8.9

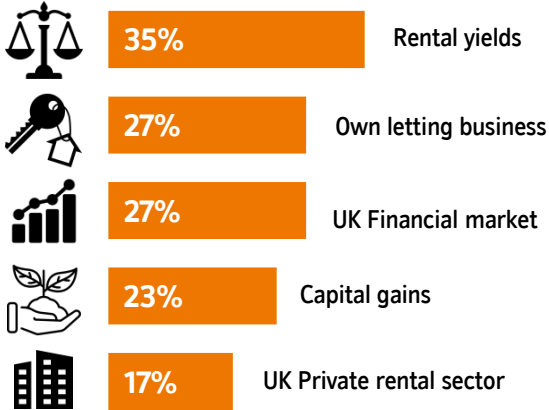
Average number of BTL loans held

the mortgage works

South East England

Landlords' Outlook & Confidence

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

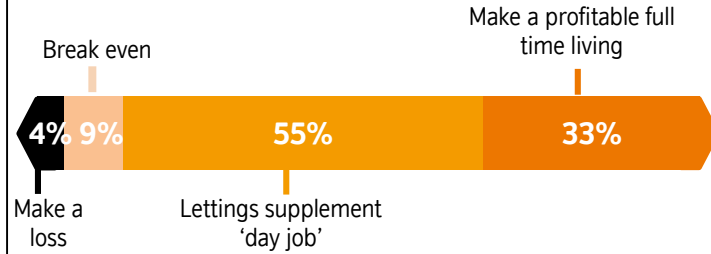


Confidence amongst landlords with property in the South East is mixed in Q4, with both confidence in prospects for the UK financial market and private rental sector above average. However, confidence in rental yields and their own letting business has declined from Q3, standing below the national average. This is despite a larger than average profitability of 88% vs 85%.

Low comparable confidence is likely due to below average rental yields (5.2% vs 5.4%) and reported increasing tenant demand (23% vs. 25%).

Landlords' Balance Sheet

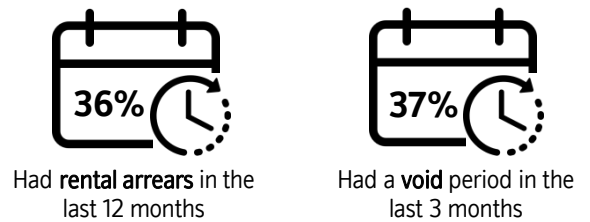
Profitability



Financials



Problems Experienced



PRS Dynamics



9.8

Properties in the average portfolio



23%

Report increasing tenant demand



6%

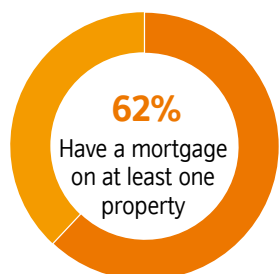
Bought a property in the last 3 months



8%

Sold a property in the last 3 months

BTL Dynamics



£504,000

Total amount owed through BTL mortgage borrowing



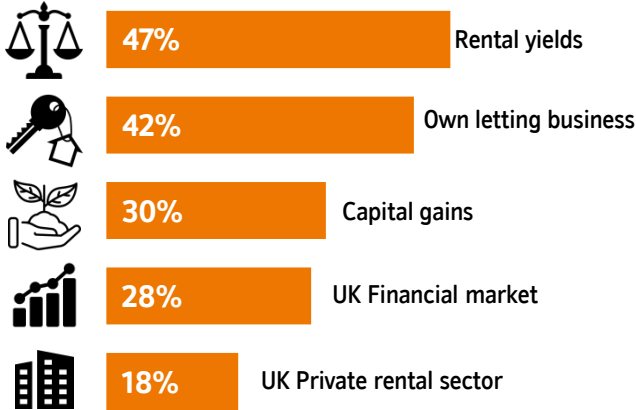
5.4

Average number of BTL loans held

the mortgage works

Landlords' Outlook & Confidence

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

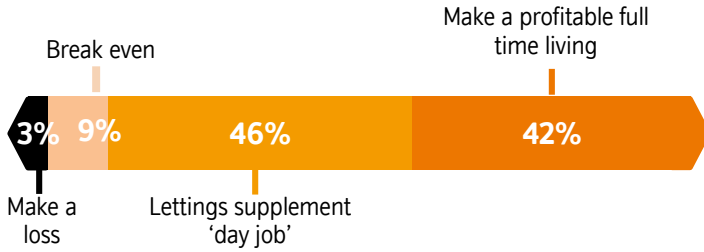


Confidence amongst landlords operating in the South West has boomed this quarter with all 5 indicators outperforming the national average. Improved confidence is likely to be fuelled by the reported increase in tenant demand (31%), the highest across all regions.

Additionally, South West landlords are less likely than average to have experienced a recent rent arrear (28% vs. 40%) or had a void period (29% vs 35%), contributing to this added confidence. Furthermore, profitability for these landlords is also above the national average (88% vs. 85%).

Landlords' Balance Sheet

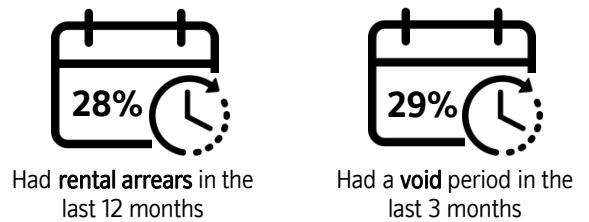
Profitability



Financials



Problems Experienced



PRS Dynamics



8.8

Properties in the average portfolio



31%

Report increasing tenant demand



3%

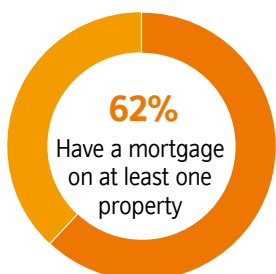
Bought a property in the last 3 months



9%

Sold a property in the last 3 months

BTL Dynamics



£533,000

Total amount owed through BTL mortgage borrowing



6.3

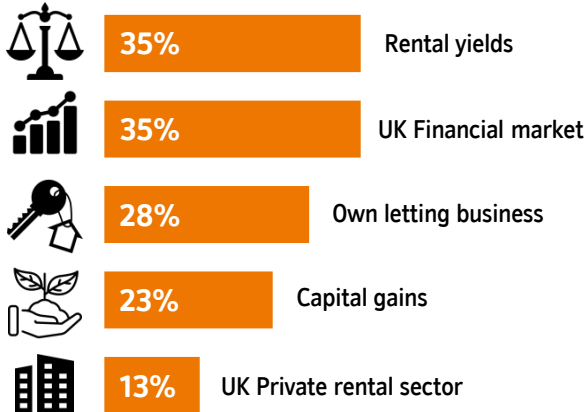
Average number of BTL loans held

the mortgage works

Wales

Landlords' Outlook & Confidence

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

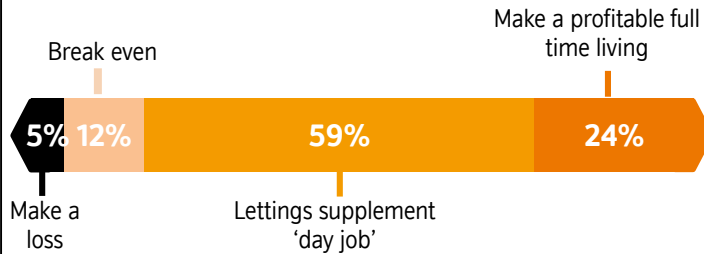


Confidence is slightly lower than average amongst landlords with property in Wales, with fewer than average feeling 'good' or 'very good' about the prospects for rental yields (35% vs. 39%) and their own lettings business (31% vs. 28%), a very similar picture to Q3. However, confidence in the UK Financial market is 11% pts above the national average.

Despite Wales having the smallest average portfolio size (5.4 properties) across all regions, the incidence of rental arrears is high and 13% above average. Profitability has improved by 7% pts from Q3 to 83%.

Landlords' Balance Sheet

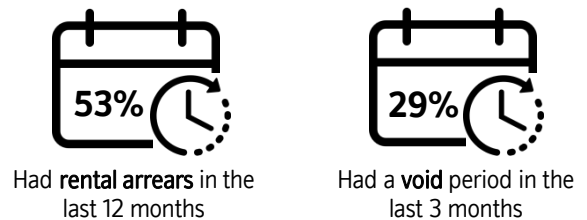
Profitability



Financials



Problems Experienced



PRS Dynamics



5.4

Properties in the average portfolio



29%

Report increasing tenant demand



17%

Bought a property in the last 3 months



5%

Sold a property in the last 3 months

BTL Dynamics



£325,000

Total amount owed through BTL mortgage borrowing



4.2

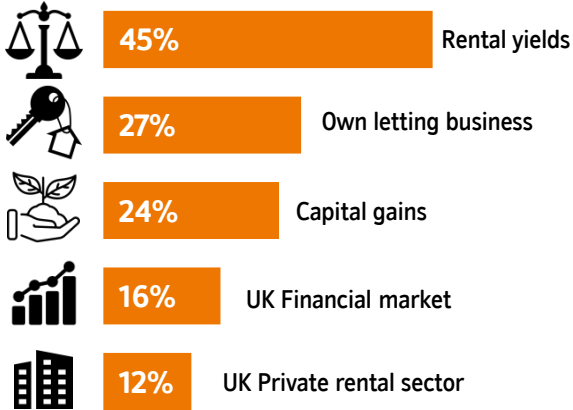
Average number of BTL loans held

the mortgage works

West Midlands

Landlords' Outlook & Confidence

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

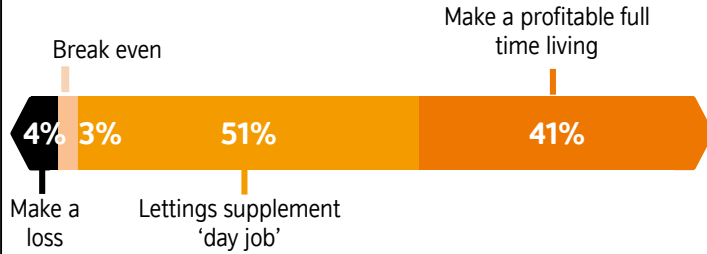


Despite landlords operating in the West Midlands reporting higher than average confidence in rental yields (45% vs 39%) and the highest profitability (92%) across all regions, confidence in their own letting business is below average (27% vs 31%). This may be attributed to the below average increase in tenant demand (18% vs 25%) and higher than average rental arrears (47% vs 40%).

Just under 2 in 3 West Midlands landlords borrow against their BTL portfolio, this is in line with the average UK landlord. The typical leveraged West Midlands landlord owes a total of £443k across 6.8 BTL loans.

Landlords' Balance Sheet

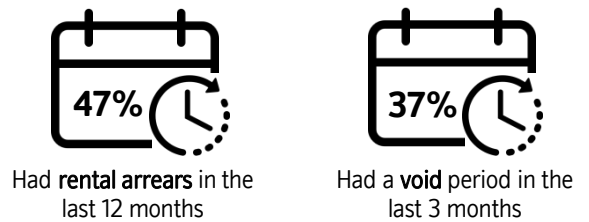
Profitability



Financials



Problems Experienced



PRS Dynamics



9.1

Properties in the average portfolio



18%

Report increasing tenant demand



4%

Bought a property in the last 3 months



3%

Sold a property in the last 3 months

BTL Dynamics



£443,000

Total amount owed through BTL mortgage borrowing



6.8

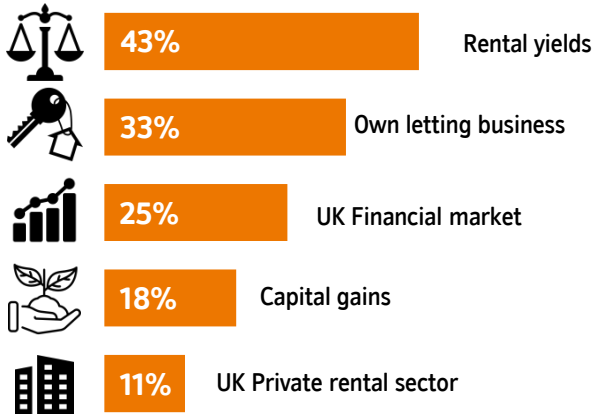
Average number of BTL loans held

the mortgage works

Yorkshire and the Humber

Landlords' Outlook & Confidence

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



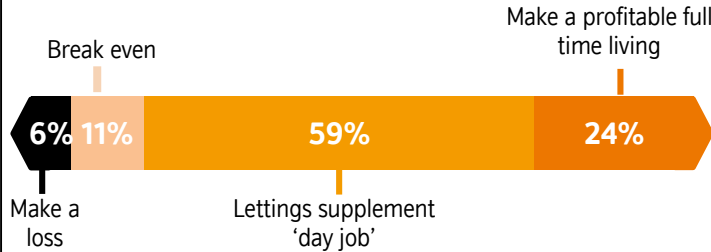
Landlords operating in Yorkshire & Humber tend to be more upbeat than the average landlord about the prospects for rental yields (43% vs. 39%), but continue to be less optimistic about capital gains (18% vs. 23%).

Although tenant demand has dipped by 2% pts from Q3, demand in this region is above average (29% vs 25%). Despite this, landlords in Yorkshire & Humber have high incidence of voids in the last 3 months, at 42%, and an above average experience of arrears (51% vs. 40%).

However, yields are strong and stable at 6.1%, the joint highest of all regions.

Landlords' Balance Sheet

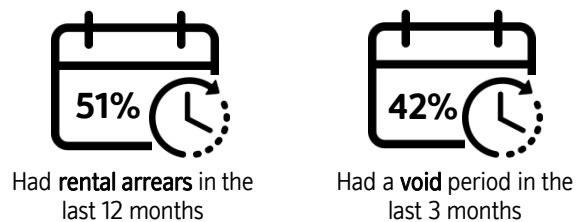
Profitability



Financials



Problems Experienced



PRS Dynamics



12.4

Properties in the average portfolio



29%

Report increasing tenant demand



11%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



67%

Have a mortgage on at least one property



£522,000

Total amount owed through BTL mortgage borrowing



7.4

Average number of BTL loans held

the mortgage works