

## Overall UK

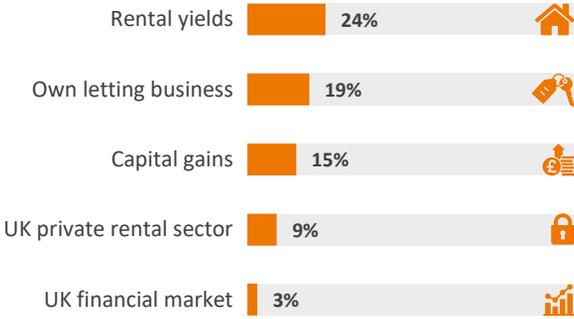
### Landlords Outlook & Confidence

The uptick in optimism following the general election has been extinguished by the Coronavirus pandemic, with all 5 key indicators recording a sharp decline in confidence to their lowest levels of the study's 14-year history.

Despite this, profitability remains strong, with 83% making a profit in Q1. However the average rental yield achieved by landlords has edged down to 5.3%, a new 10-year low. Additionally, 1 in 4 landlords are reporting falling tenant demand, which is the joint highest level ever recorded.

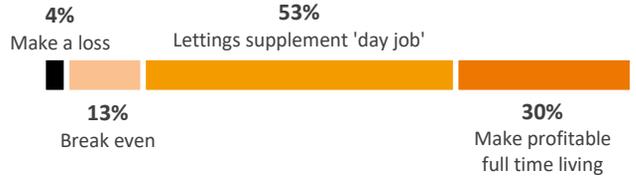
2 in 3 landlords borrow against their BTL portfolio, with the typical leveraged landlord owing a total of £519k across 5.4 BTL loans.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



7.7

Properties in the average portfolio



16%

Report increasing tenant demand



5%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

### BTL Dynamics



£519,000

Total amount owed through BTL mortgage borrowing



5.4

Average number of BTL loans held

the mortgage works

## East of England

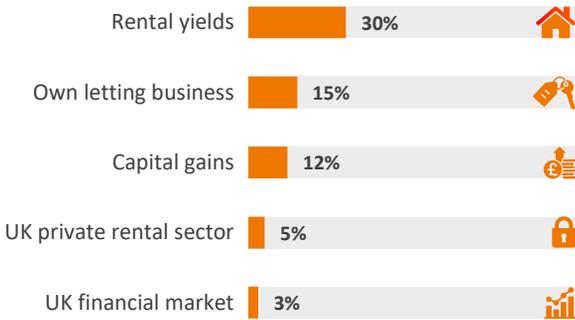
### Landlords Outlook & Confidence

Landlords operating in the East of England are more negative than average across 3 of the 5 confidence indicators. Despite rental yields being in line with the UK average (5.2%), expectations for yields in the next 3 months are the highest of all regions, with 30% feeling positive.

Profitability remains strong and above the national average at 85% in Q1, which is stable compared to previous quarters. However, fewer now report tenant demand is increasing vs. Q4, indicating profits may be impacted in the future.

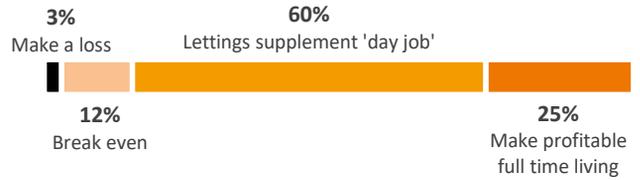
Sales activity has increased in the region from Q4 19 with a 7% increase in purchasing and a 6% increase in sales.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



6.4

Properties in the average portfolio



12%

Report increasing tenant demand



8%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

### BTL Dynamics



£533,000

Total amount owed through BTL mortgage borrowing



4.7

Average number of BTL loans held

the mortgage works

## East Midlands

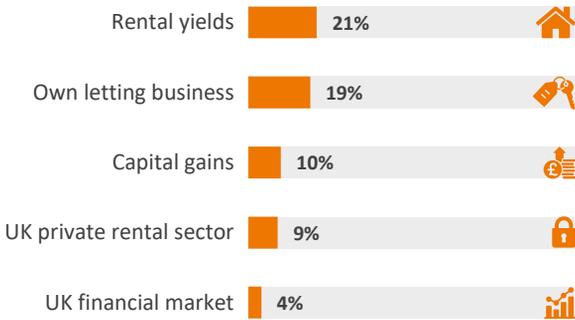
### Landlords Outlook & Confidence

Landlords with rental property in the East Midlands lose their traditional positive outlook this quarter. All confidence indicators are now either in line with or below the UK average. The impact is particularly notable for confidence in rental yields and their own letting business, down by -29% and -21% from Q4 19.

Profitability is below the national average at 79%, with fewer landlords making a full time living from letting vs. Q4 19. Although the region no longer achieves the highest rental yields, they remain above average at 5.7% (vs. 5.3%).

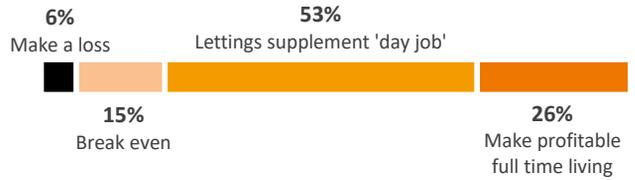
Landlords in the region continue to experience rental arrears and void periods more frequently than the average landlord.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



7.4

Properties in the average portfolio



22%

Report increasing tenant demand



6%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

### BTL Dynamics



£515,000

Total amount owed through BTL mortgage borrowing



5.0

Average number of BTL loans held

the mortgage works

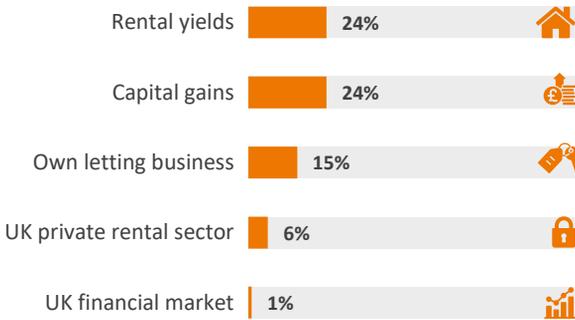
## Central London

### Landlords Outlook & Confidence

Landlords operating in Central London continue to be less likely to be feeling 'good' or 'very good' across all confidence indicators bar capital gains. Confidence in the UK's financial market is negligible with just 1% feeling positive. Landlords in the region continue to generate the lowest average rental yields (5.0%) and have smaller than average portfolio sizes (7.7 properties).

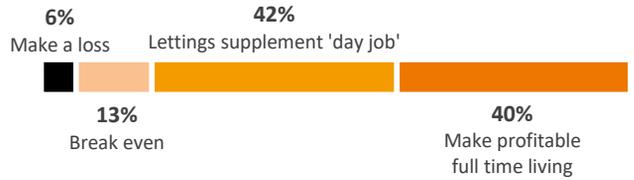
London is one of the most negatively impacted regions by Covid-19. However, profit making and gross rental income are the strongest of all regions at 82% and £14,026 respectively. Additionally Central London is one of the only regions to see more landlords buying than selling in the last 3 months.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



7.7

Properties in the average portfolio



10%

Report increasing tenant demand



10%

Bought a property in the last 3 months



3%

Sold a property in the last 3 months

### BTL Dynamics



£1.1 M

Total amount owed through BTL mortgage borrowing



5.9

Average number of BTL loans held

the mortgage works

## Outer London

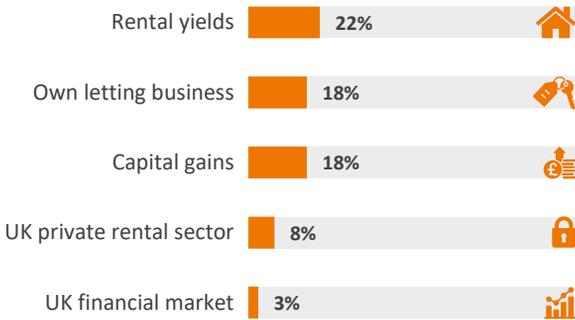
### Landlords Outlook & Confidence

Similarly to Central London, landlords operating in Outer London have below average confidence across all indicators except capital gains. Outer London Landlords have also been severely impacted by Covid-19 and record the lowest average yield of all regions, at 4.8%.

82% make a profit from their lettings activity, which is in line with the national average. Gross rental income and portfolio value are considerably above average, reflecting higher property prices in London.

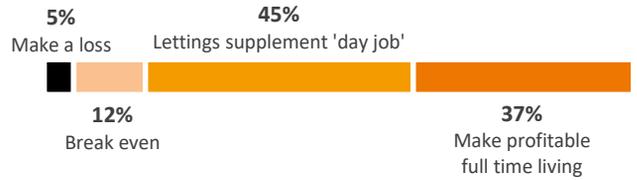
Despite tenant demand falling 6% from Q4 19, it is similar to the national average of 16%. The incidence of rental arrears and voids are also comparable to the UK average.

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



### Landlords Balance Sheet

#### Profitability



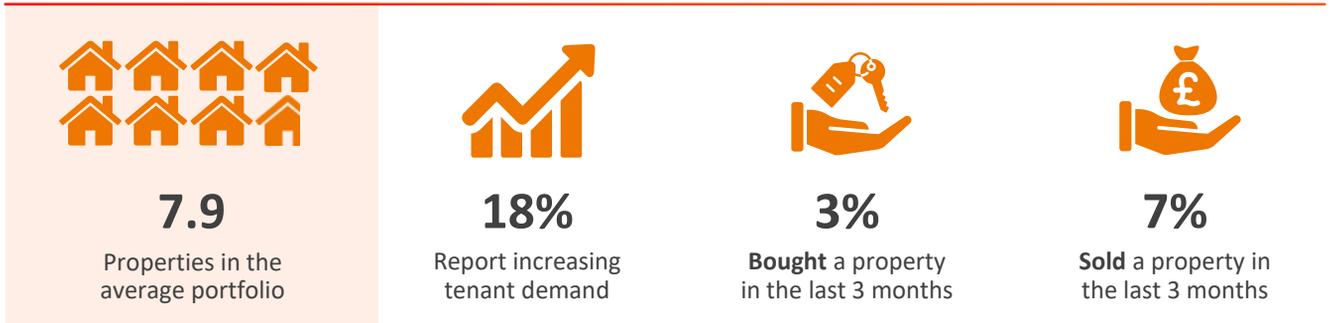
#### Financials



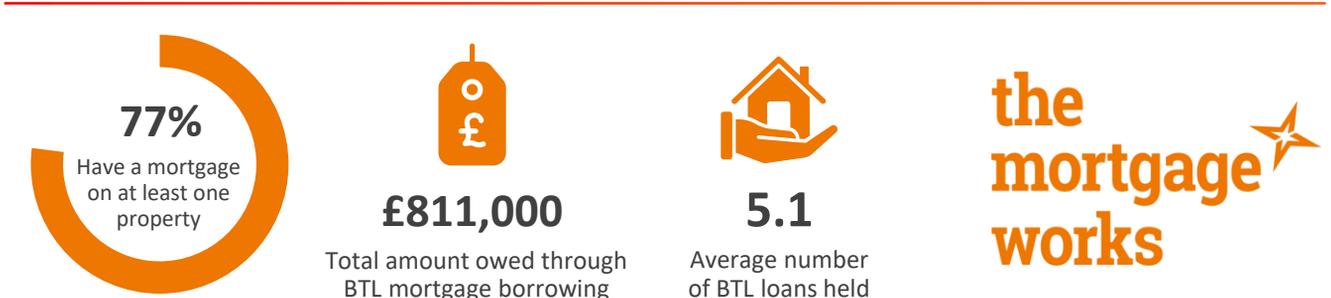
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## North East England

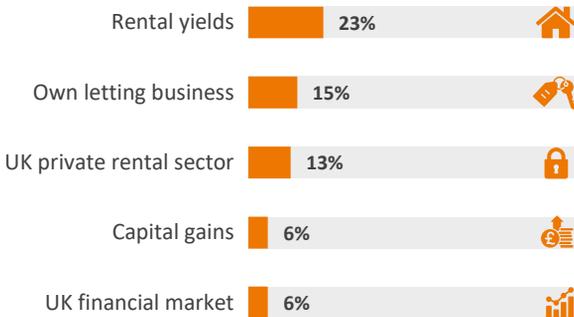
### Landlords Outlook & Confidence

Landlords in the North East are more confident about the UK PRS and financial market than the typical landlord, however confidence in their own lettings business is the lowest of all regions (15%).

This is underpinned by the North East having an above average level of void periods and the highest incidence of rental arrears. The high incidence of both arrears and voids is likely linked to them having the largest average portfolio size of 13.1 properties.

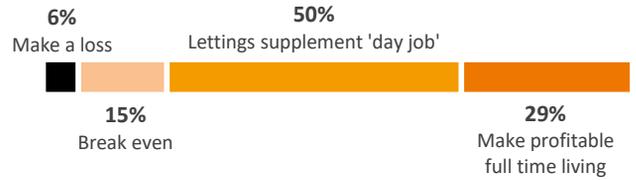
Landlords in this region are looking to reduce their portfolios, with none purchasing property in the last 3 months and sales activity higher than average at 13%.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



13.1

Properties in the average portfolio



15%

Report increasing tenant demand



0%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

### BTL Dynamics



£720,000

Total amount owed through BTL mortgage borrowing



8.3

Average number of BTL loans held

the mortgage works

## North West England

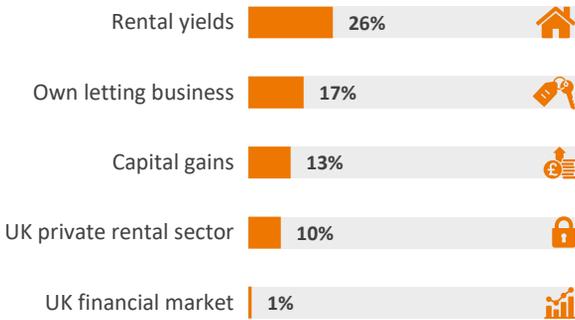
### Landlords Outlook & Confidence

The North West achieves the highest rental yield (6.3%), with perceived tenant demand also the highest of all regions (23%). Despite this strong performance, the region is experiencing the highest selling activity at 16%.

Additionally the region experiences a higher incidence of arrears and void periods, both of which are 12% above average. This high incidence is likely linked to their larger portfolio size of 8.8 properties.

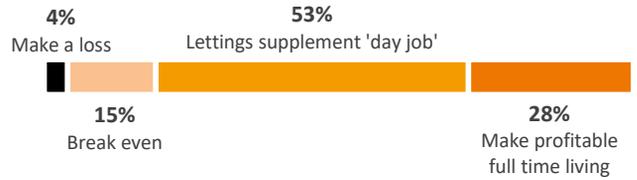
North West landlords are the most likely to borrow to fund their portfolio, with 3 in 4 having a mortgage on at least one property and 8.4 BTL loans held on average, the highest of all regions.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



8.8

Properties in the average portfolio



23%

Report increasing tenant demand



5%

Bought a property in the last 3 months



16%

Sold a property in the last 3 months

### BTL Dynamics



£559,000

Total amount owed through BTL mortgage borrowing



8.4

Average number of BTL loans held

the mortgage works

## South East England

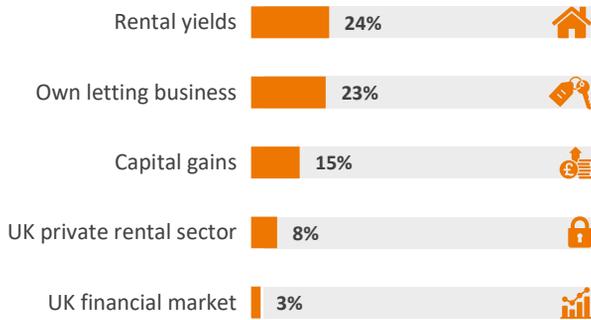
### Landlords Outlook & Confidence

Landlords in operating in the South East are generally more upbeat about the prospects for their own lettings business than the average landlord (23% vs. 19%), although confidence in the prospects for the other key indicators is broadly in line with the rest of the UK.

Compared to Q4, South East landlords are now much less confident than they were about the outlook for the UK financial market (-24%) and for rental yields (-11%).

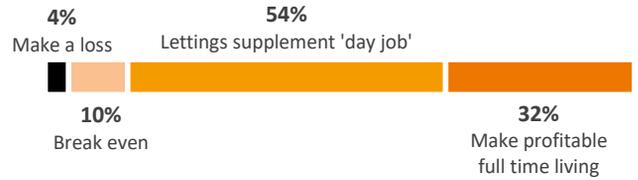
This may be linked to landlords in this region reporting the equal lowest demand from tenants, with just 10% saying they have seen it increase. Despite this 86% are still making a profit from their lettings activity, 3% above average.

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



### Landlords Balance Sheet

#### Profitability



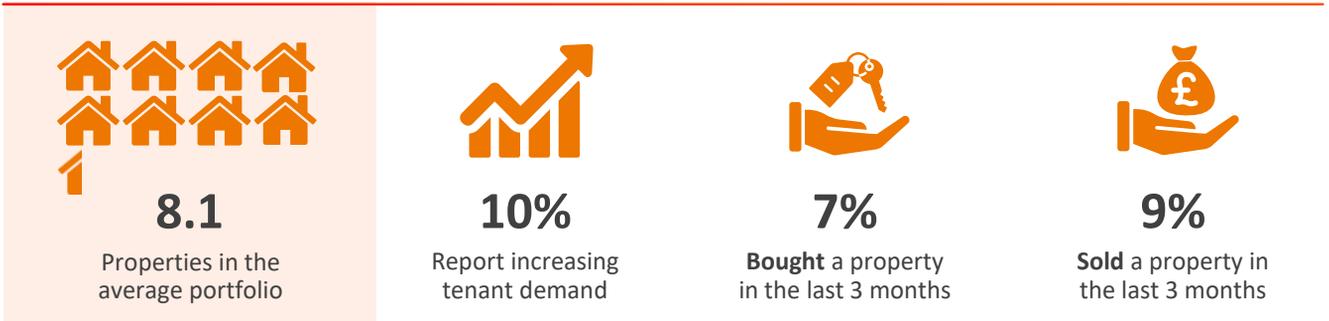
#### Financials



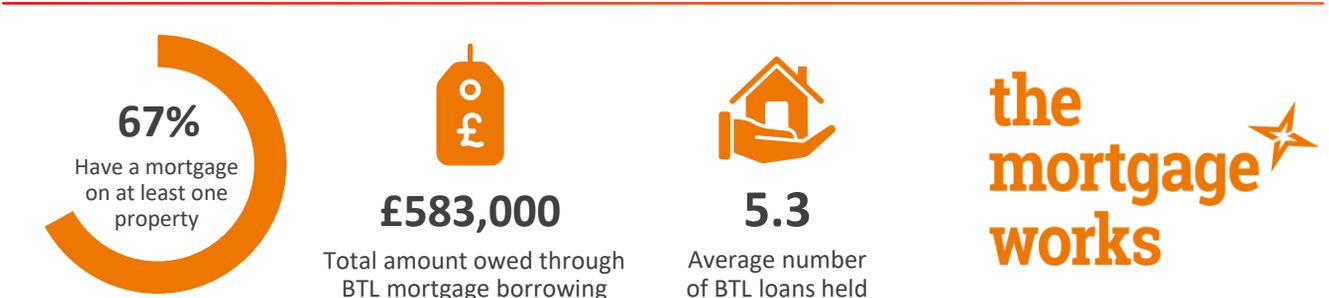
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## South West England

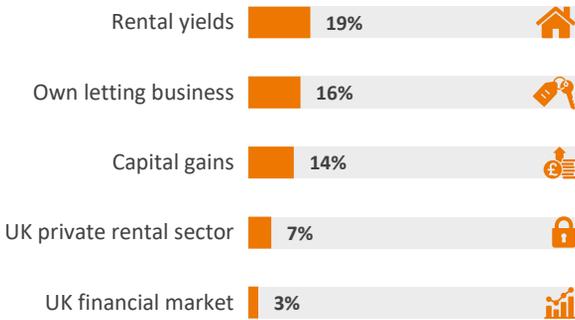
### Landlords Outlook & Confidence

Confidence amongst landlords in the South West has been particularly hard hit, with those operating in this region feeling less positive than average on 4 of the 5 key indicators. This is most evident in those feeling 'good' or 'very good' about the prospects for rental yields, which has fallen 27% from Q4, and is 5% below the UK average.

Landlords in the South West also achieve lower yields and were less likely to have bought property in the last 3 months.

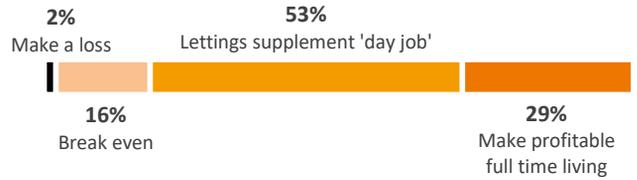
Despite this, these landlords are less likely to have had arrears or experienced void periods and are more likely that average to report tenant demand is increasing.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



6.5

Properties in the average portfolio



21%

Report increasing tenant demand



2%

Bought a property in the last 3 months



6%

Sold a property in the last 3 months

### BTL Dynamics

60%

Have a mortgage on at least one property



£438,000

Total amount owed through BTL mortgage borrowing



5.2

Average number of BTL loans held

the mortgage works

## West Midlands

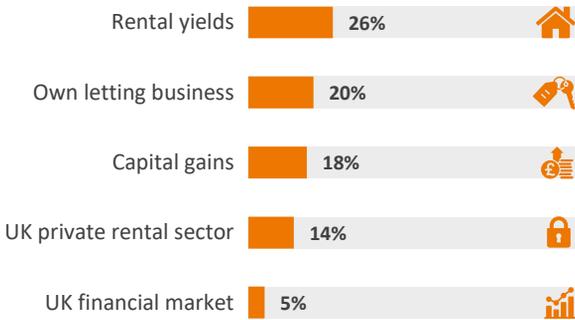
### Landlords Outlook & Confidence

The profile of landlords with property in the West Midlands is generally very similar to the 'typical' landlord, with profitability, portfolio size, incidence of leveraging and the experience of rental arrears / voids all broadly comparable to the national average.

Confidence also tends to be similar to the overall UK figures, although their outlook for the UK PRS is more positive (14% vs. 9%).

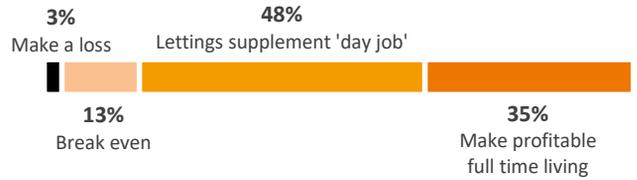
The other notable exception is recent portfolio activity, with West Midland landlords over twice as likely as the typical landlord to have recently bought property (12% vs. 5%), and sales activity also above average (13% vs. 9%).

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



### Landlords Balance Sheet

#### Profitability



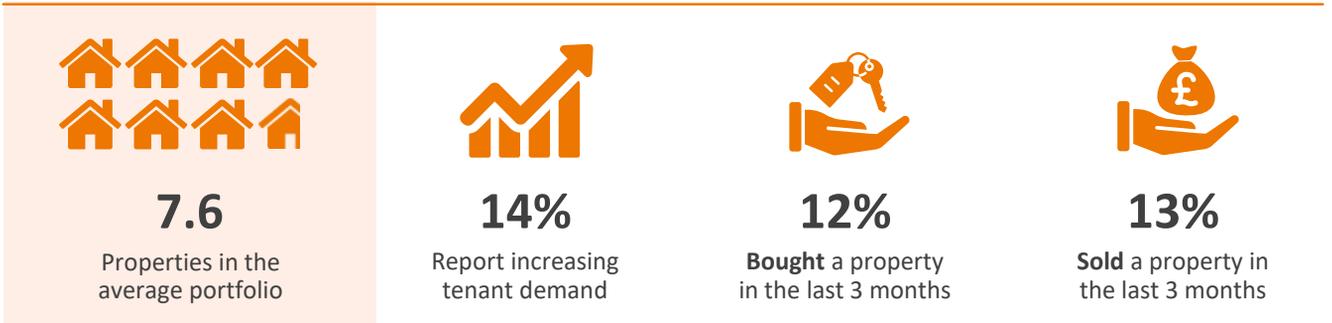
#### Financials



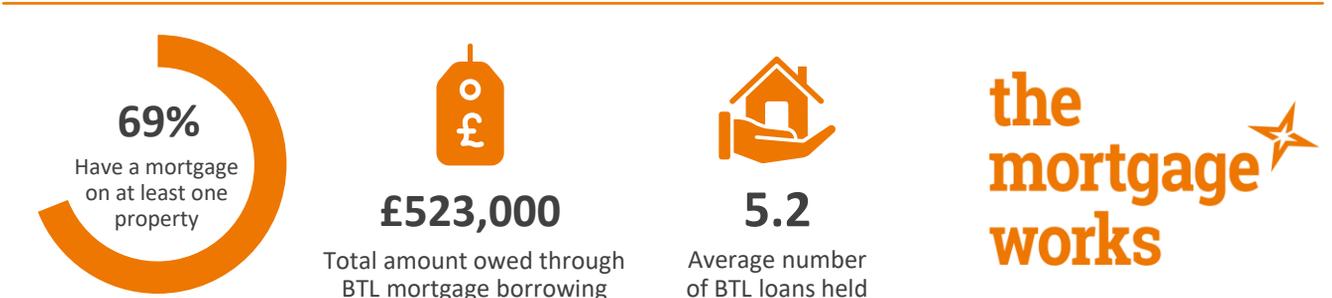
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## Yorkshire and the Humber

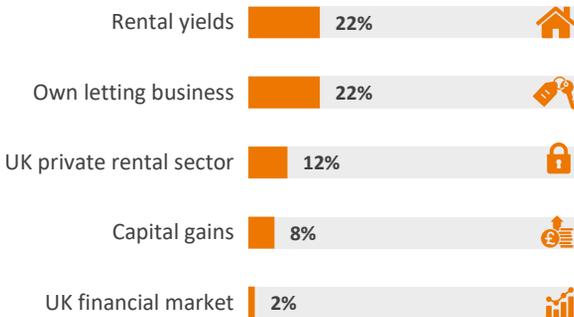
### Landlords Outlook & Confidence

Yorks & Humber landlord confidence is broadly in line with the national average, with the exception of prospects for capital gains where they remain less optimistic (8% vs. 15%).

Compared to Q4, fewer report having rental arrears in the last year (42%), although the incidence of voids has risen to become the highest of all regions (55% vs. 34% on average).

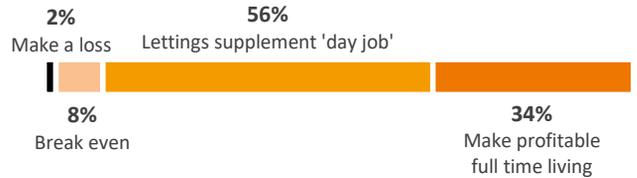
Landlords in the region continue to have larger than average portfolios, at 11 properties, with the number of BTL loans also higher at 7.7. Yorks & Humber landlords are also more likely to be looking to grow their portfolio with more recently buying and fewer selling compared to the typical landlord.

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



### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



11.0

Properties in the average portfolio



19%

Report increasing tenant demand



8%

Bought a property in the last 3 months



3%

Sold a property in the last 3 months

### BTL Dynamics



£581,000

Total amount owed through BTL mortgage borrowing



7.7

Average number of BTL loans held

the mortgage works