

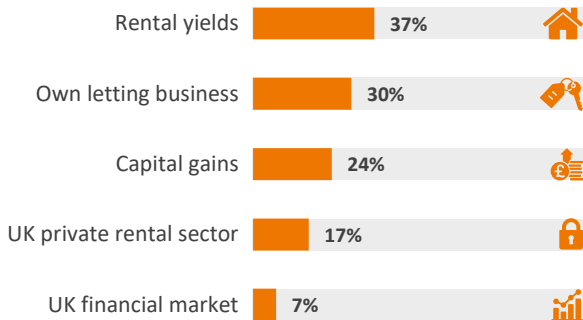
## Overall UK

### Landlords Outlook & Confidence

Q3 sees a general cooling in landlord sentiment following a 'bounce' in Q2. In particular, confidence in the UK's PRS fell by 5%, yields by the same amount and optimism for the landlord's own business reduced by 7%. However, all remain above the historic lows recorded at the start of the year.

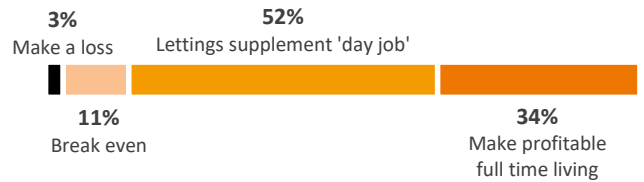
Underlying business profitability also remains resilient, with an additional 4% of landlords claiming to make a profitable full time living from their lettings activity vs. Q2. Perceived tenant demand also increased strongly (+15%) to 29%. Less positively, the incidence of arrears and voids both rose this quarter (+4% & +6% respectively).

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

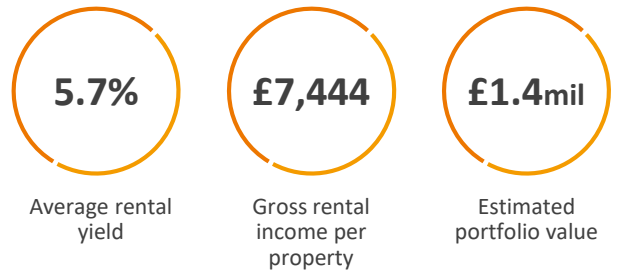


### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



8.1

Properties in the average portfolio



29%

Report increasing tenant demand



5%

Bought a property in the last 3 months



8%

Sold a property in the last 3 months

### BTL Dynamics

60%

Have a mortgage on at least one property



£418,000

Total amount owed through BTL mortgage borrowing



5.3

Average number of BTL loans held

the mortgage works

## East of England

### Landlords Outlook & Confidence

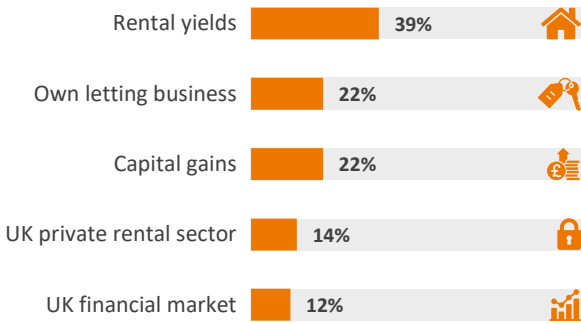
The optimism of landlords operating in the East of England fell across all indices in Q3, in some cases very sharply (own lettings business -19%, capital gains -9%, yields -8%).

Helping to drive some of these attitudinal declines was the sharp rise in both the incidence of rental arrears (+9%) and void periods (+14%) compared to the preceding quarter. Property acquisition levels also fell to just 3% (from 6%).

The proportion of landlords perceiving an increase in tenant demand increased (+11%) but the region still sits below the national average on this measure (22% vs. 29%).

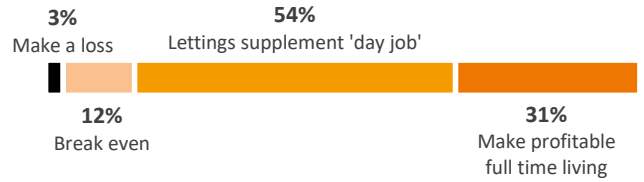
BTL dynamics in the area were unchanged compared to Q2.

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

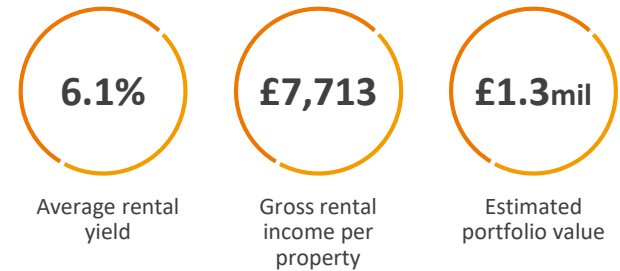


### Landlords Balance Sheet

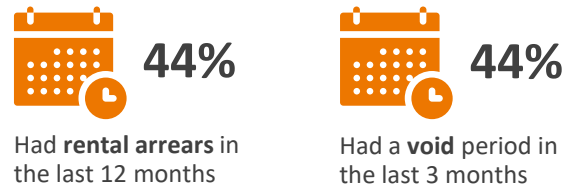
#### Profitability



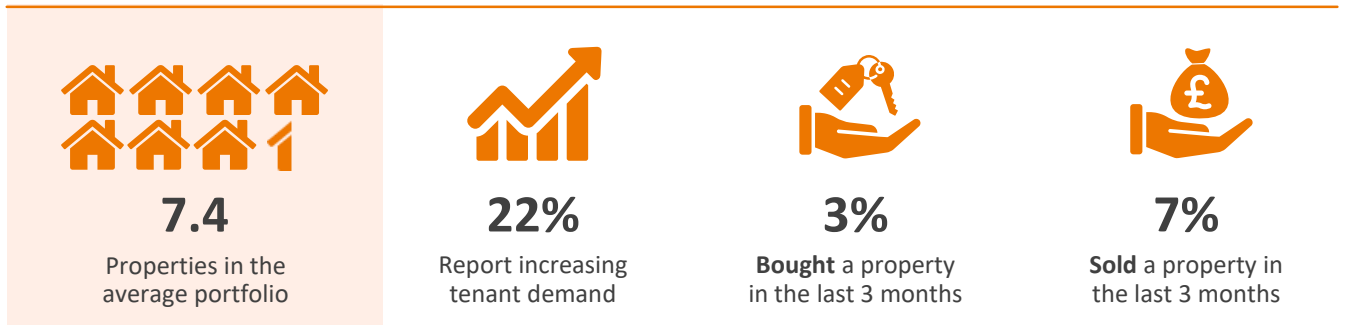
#### Financials



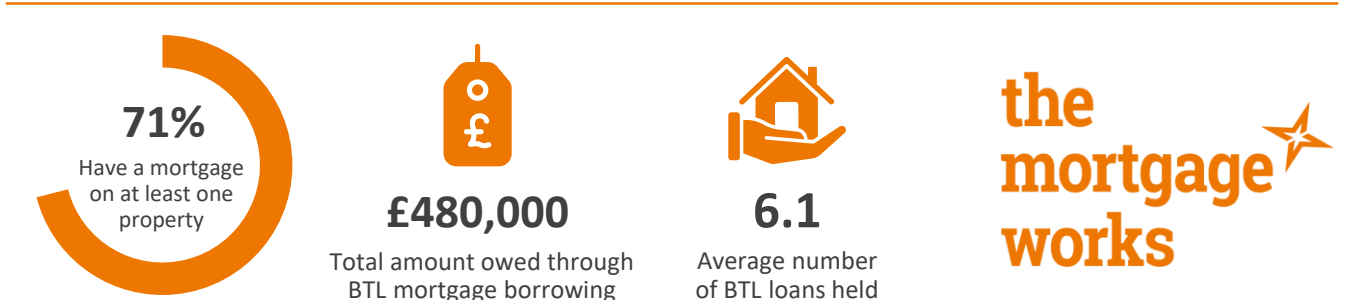
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## East Midlands

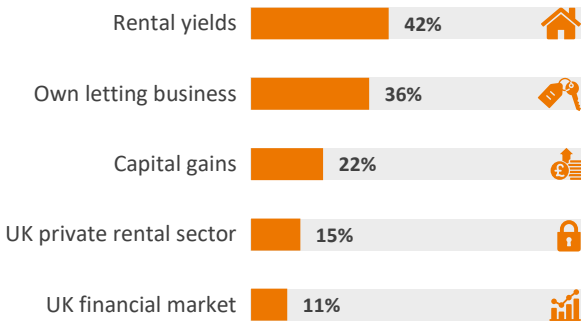
### Landlords Outlook & Confidence

Landlords in the East Midlands region are currently among the most optimistic in the UK. Confidence is ahead of the national average for yields, their own letting business and the UK's economy.

Landlords here continue to be more likely to have purchased property in the preceding quarter (9% vs. national average of 5%), and also to have sold (11% vs. 8%).

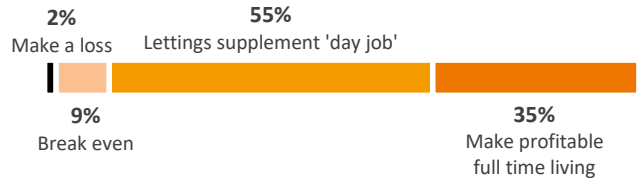
The incidence of arrears is running ahead of the average at 50%, but this has edged down by 2% in the area since Q2. 4 in 10 have experienced a recent void, which is reflective of the UK average.

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

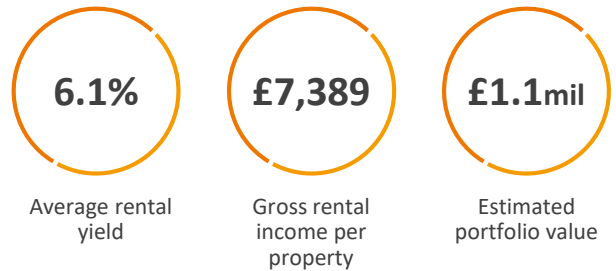


### Landlords Balance Sheet

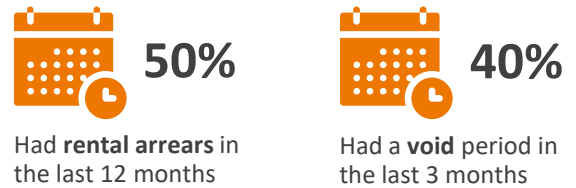
#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



7.9

Properties in the average portfolio



33%

Report increasing tenant demand



9%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

### BTL Dynamics



£459,000

Total amount owed through BTL mortgage borrowing



6.2

Average number of BTL loans held

the mortgage works

## Central London

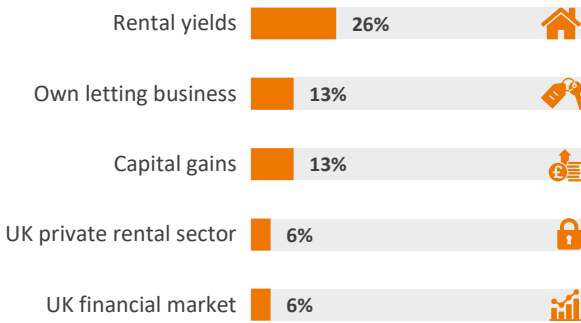
### Landlords Outlook & Confidence

Central London is the UK region experiencing most 'pain' at the current time. On many aspects of outlook and portfolio performance, the area records the weakest performance of any in the country.

In particular we see that landlords in Central London are least optimistic on the prospects for their own letting business, just 13% rate their prospects as 'good' or 'very good' in the next 3 months (vs. the national average of 30%). A key driver of this is the very low level who perceive that tenant demand is increasing in the area (just 13%).

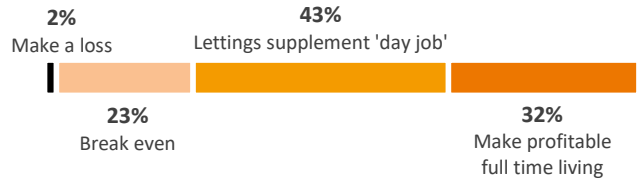
In comparison to Q2 rental yields fell by 0.3%, while gross rental income also reduced by c.£3,400 per property.

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

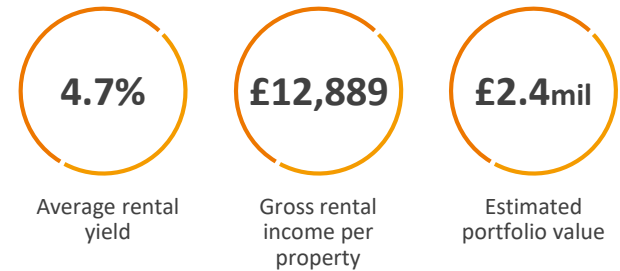


### Landlords Balance Sheet

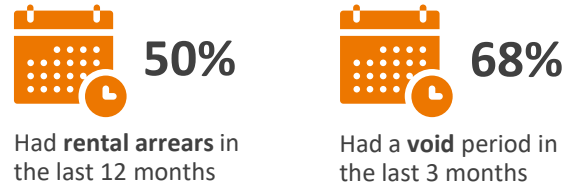
#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



6.8

Properties in the average portfolio



13%

Report increasing tenant demand



4%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

### BTL Dynamics



£867,000

Total amount owed through BTL mortgage borrowing



5.4

Average number of BTL loans held

the mortgage works

## Outer London

### Landlords Outlook & Confidence

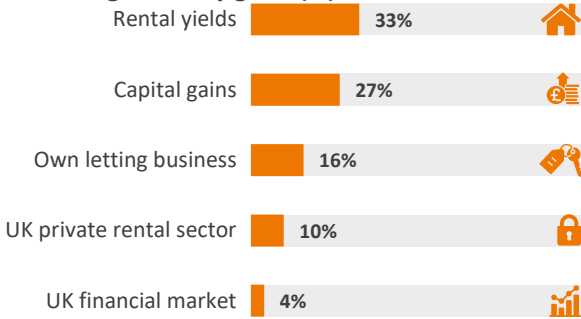
All confidence indices were lower in Q3 than Q2 for landlords operating in Outer London, in particular the prospects for yields and the UK's PRS were reduced vs. Q2.

However, the proportion of landlords who identified increased levels of tenant demand rose strongly, from 9% to 20%, well ahead of the situation in Central London.

The level of property sales increased significantly from 3% to 11% which places the area slightly ahead of the UK average on this dimension (8%).

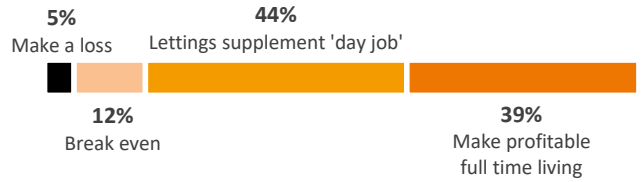
A larger proportion of Outer London landlords reported deriving their full time living from their portfolio in Q3 (+5% to 39%).

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

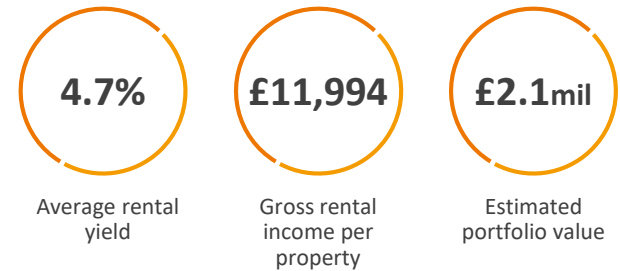


### Landlords Balance Sheet

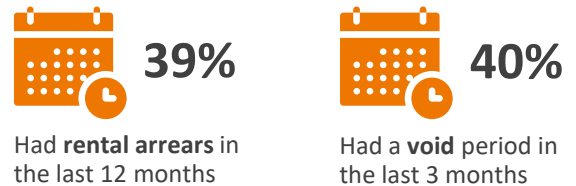
#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



6.9

Properties in the average portfolio



20%

Report increasing tenant demand



5%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

### BTL Dynamics

63%

Have a mortgage on at least one property



£599,000

Total amount owed through BTL mortgage borrowing



4.7

Average number of BTL loans held

the mortgage works

## North East England

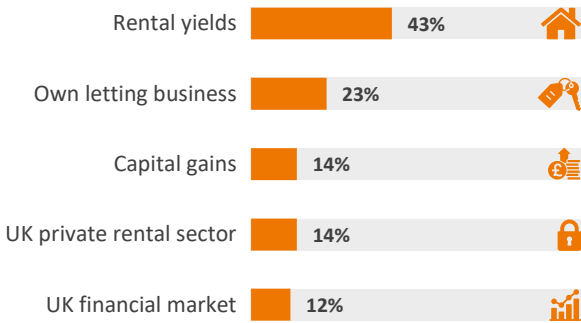
### Landlords Outlook & Confidence

Q3 saw a small improvement in the general sentiment of landlords in the North East of England. Most confidence indicators improved (own lettings business was the exception to this -10%).

It was more of a mixed picture across some of the 'harder' business performance measures. The incidence of rental arrears fell by 10%, but voids increased (+9%) and both of these indicators are well above the national average.

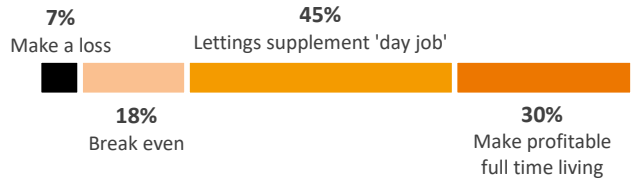
A much higher proportion of landlords in the area reported an increase in perceived tenant demand vs. Q2 (+18% to 32%) which now puts the NE ahead of the national average of 29%. Property sales remain subdued at just 2%.

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



### Landlords Balance Sheet

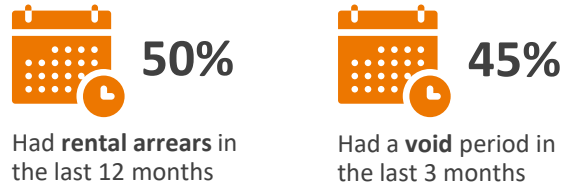
#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



9.3

Properties in the average portfolio



32%

Report increasing tenant demand



5%

Bought a property in the last 3 months



2%

Sold a property in the last 3 months

### BTL Dynamics



£460,000

Total amount owed through BTL mortgage borrowing



6.9

Average number of BTL loans held

the mortgage works

## North West England

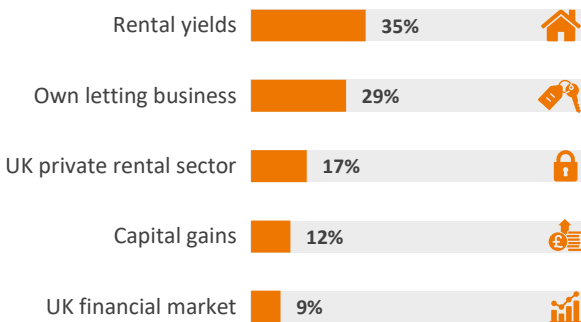
### Landlords Outlook & Confidence

Optimism among landlords in the North West has softened markedly since Q2. In particular, confidence about the prospects for rental yields (-18%), business prospects (-21%) and the UK's PRS (-12%) have each been impacted.

Like many other regions, the NW reported an uptick in tenant demand (+19%, to 33%) placing the region ahead of the national average of 29%. The incidence of arrears is however the highest in the country at 60% and well ahead of the UK average of 42%.

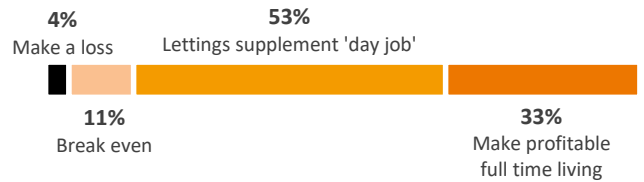
This is a relatively active area in terms of property acquisition (8%) and sales (14%) with both measures up vs. last quarter (+3% and +6% respectively).

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

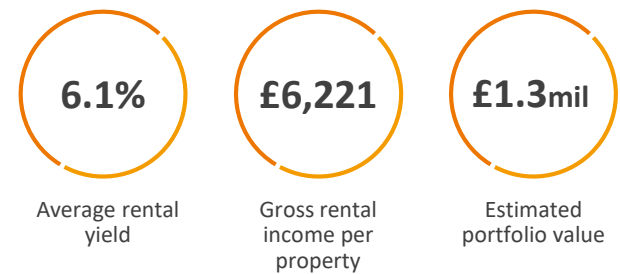


### Landlords Balance Sheet

#### Profitability



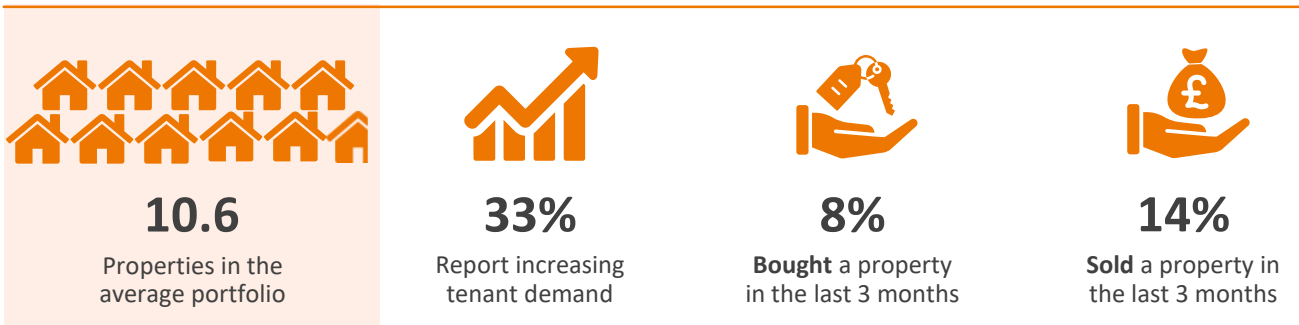
#### Financials



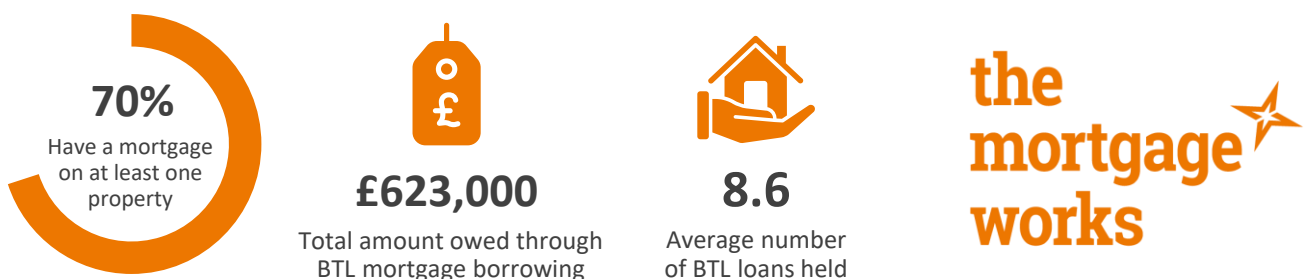
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## South East England

### Landlords Outlook & Confidence

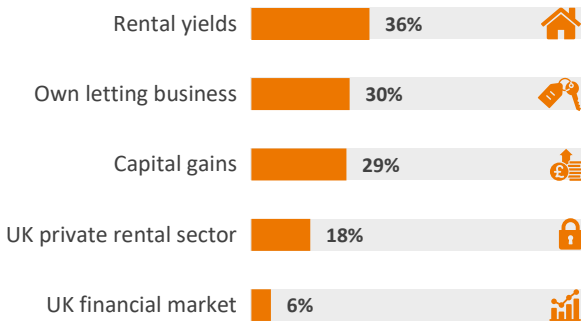
Confidence levels in the SE were largely unchanged from Q2, and this region almost exactly reflects the UK national average on the optimism indices.

The same observation applies to rental yields, arrears and voids.

In comparison to Q2, the incidence of voids did increase a little (+3%) as did recent voids (+5%). Property purchase and sales activity were marginally below average, but sales did increase by 3% against Q2.

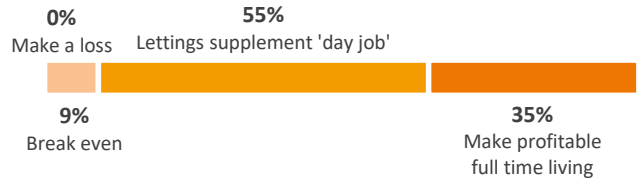
Landlords here were much more likely to believe that tenant demand had increased (+15%) vs. Q2.

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

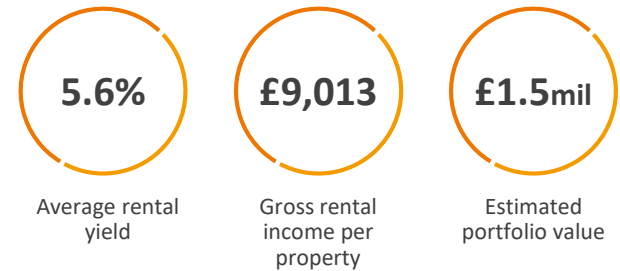


### Landlords Balance Sheet

#### Profitability



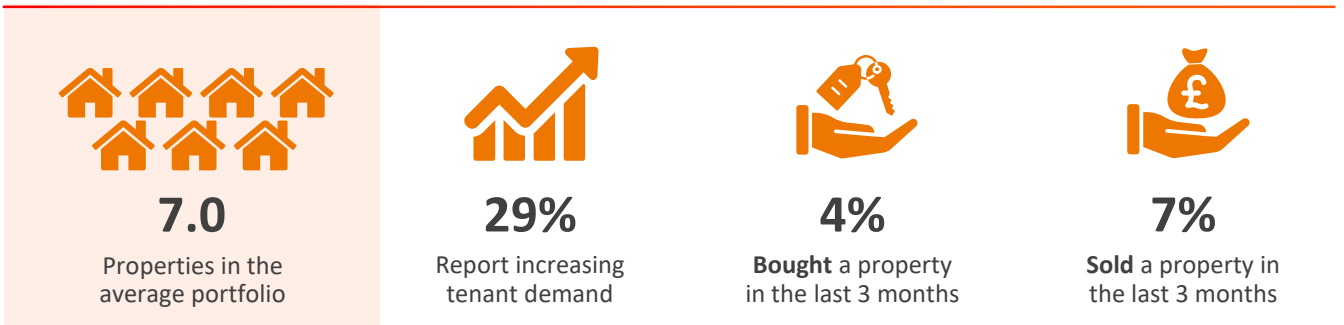
#### Financials



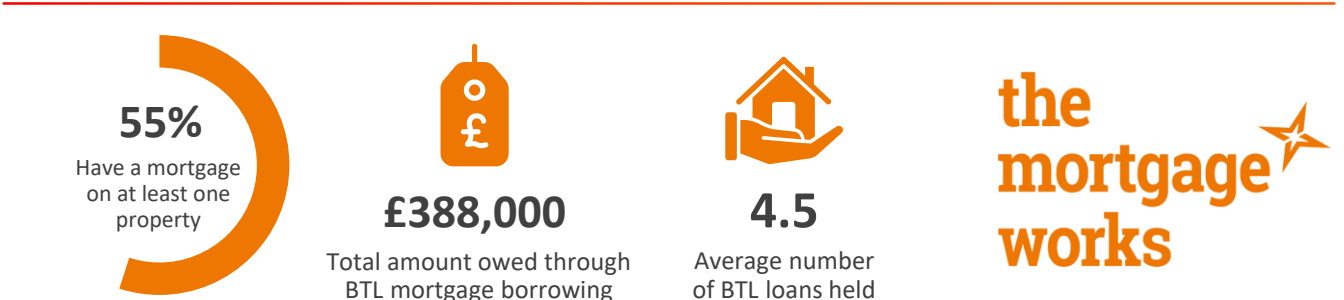
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics





## South West England

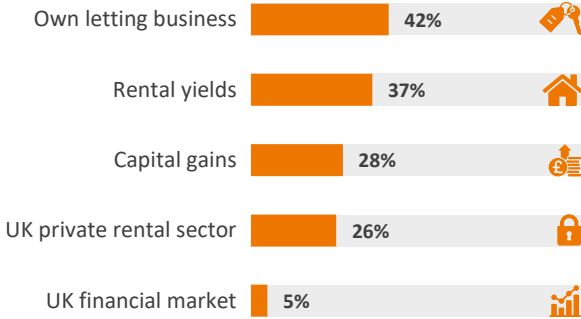
### Landlords Outlook & Confidence

Landlords in the South West are ahead of the national average in terms of their overall optimism and confidence. However, comparing attitudes in this region to those collected in Q2, there were a few negative movements (yields, UK's PRS and the UK's economy).

In terms of portfolio financial performance, yields softened slightly vs. Q2 (-0.6%) as did gross rental income per property (-£881). The incidence of recent void periods also increased from 33% to 42% in Q3.

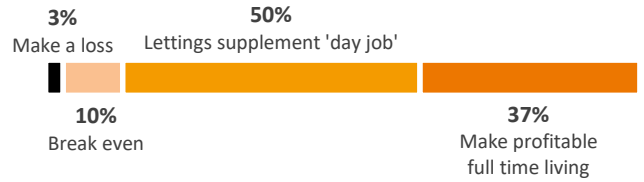
Property purchase and sales were marginally ahead of the national average, but up versus the preceding quarter.

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

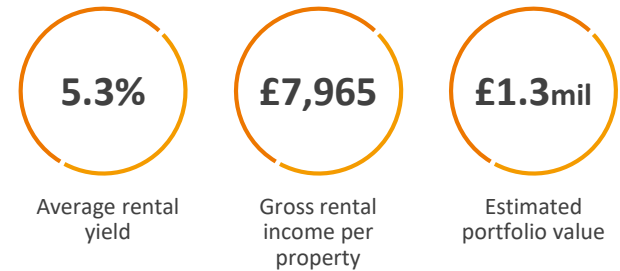


### Landlords Balance Sheet

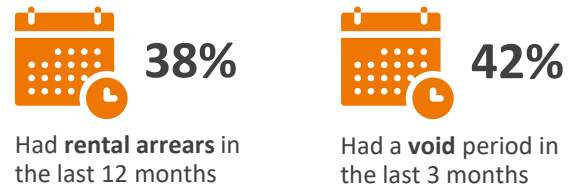
#### Profitability



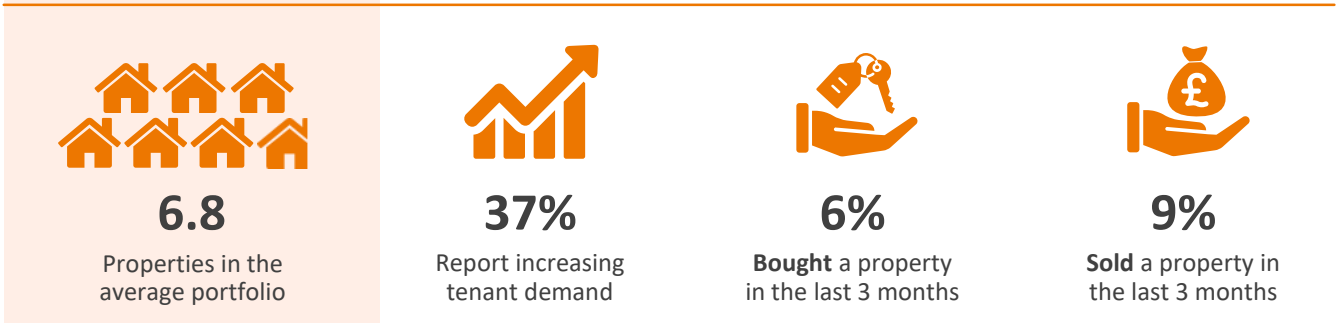
#### Financials



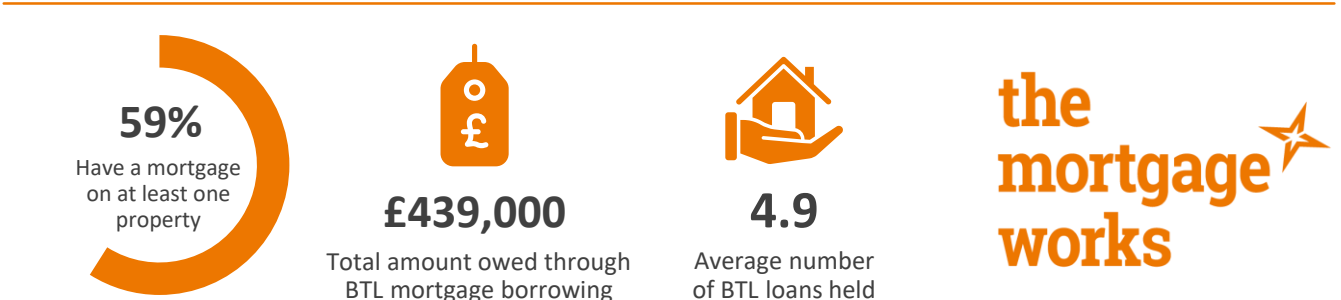
#### Problems Experienced



### PRS Dynamics



### BTL Dynamics



## West Midlands

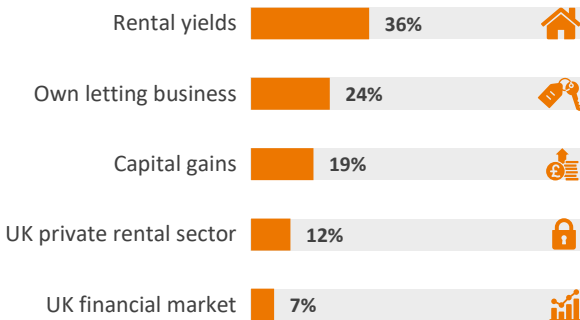
### Landlords Outlook & Confidence

Landlords in the West Midlands manage relatively large portfolios, second only to those in the Yorks & Humber region. They also shared the strongest average rental yield in Q3, at 6.2%.

Notwithstanding this, all of the confidence indices were down versus the preceding quarter, in particular there was a fall of 17% in terms of the proportion of landlords feeling optimistic about their own business prospects, with just 24% now feeling 'good' or 'very good'.

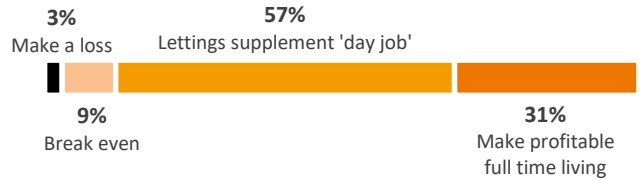
This region attracts the widest differential between property acquisition and sales (7%) with the balance towards divestment.

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

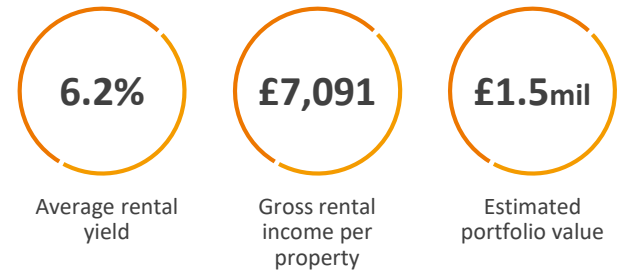


### Landlords Balance Sheet

#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



9.6

Properties in the average portfolio



25%

Report increasing tenant demand



3%

Bought a property in the last 3 months



10%

Sold a property in the last 3 months

### BTL Dynamics

57%

Have a mortgage on at least one property



£491,000

Total amount owed through BTL mortgage borrowing



7.6

Average number of BTL loans held

the mortgage works

## Yorkshire and the Humber

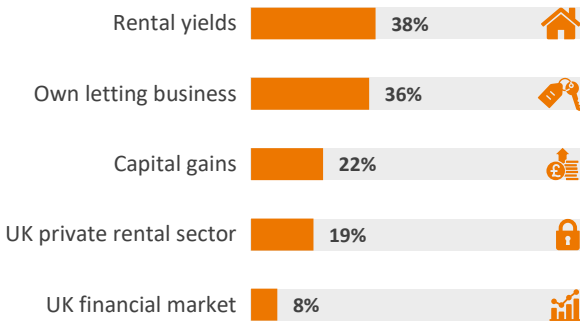
### Landlords Outlook & Confidence

Landlords in Yorks & Humber manage the largest portfolios in the UK, at 17.5 properties on average. Q3 saw a fall in each of the attitudinal business confidence indices, most significantly for rental yields (-17%), own lettings business (-13%), and capital gains prospects (-13%).

In this region, the incidence of both arrears and voids increased (+16% and +7% respectively) placing Y&H ahead of the national average on both metrics.

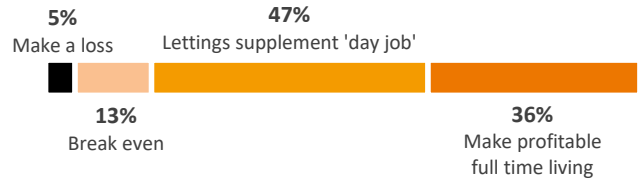
Elsewhere, gross rental income per property fell sharply vs. Q2, although achieved yields held up and remain ahead of the national average.

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



### Landlords Balance Sheet

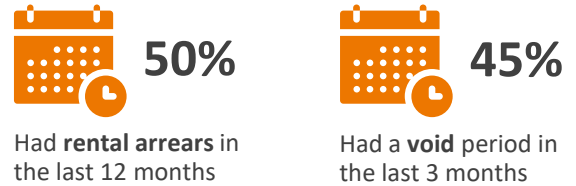
#### Profitability



#### Financials



#### Problems Experienced



### PRS Dynamics



9.9

Properties in the average portfolio



30%

Report increasing tenant demand



3%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

### BTL Dynamics



£460,000

Total amount owed through BTL mortgage borrowing



7.1

Average number of BTL loans held

the mortgage works