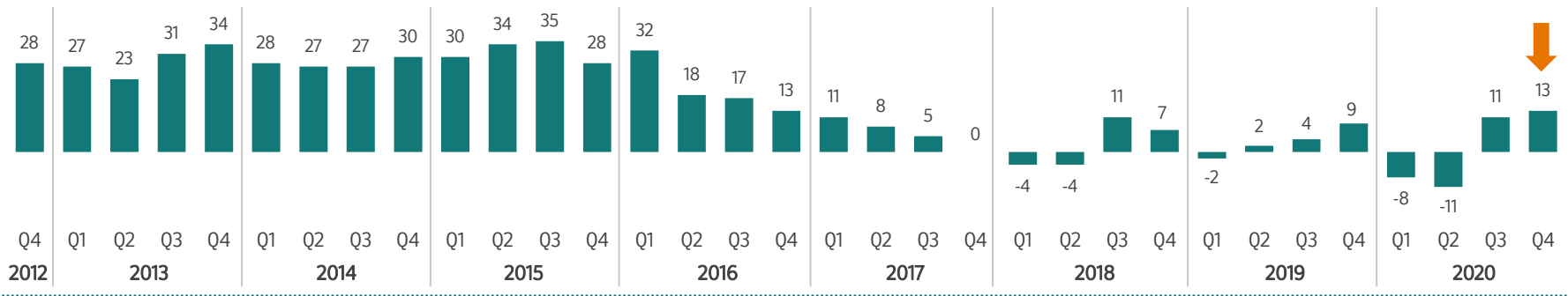


Tenant Demand Report

Q4 2020

Tenant Demand Report Q4 2020: Methodology

The TMW Tenant Demand Index remains relatively stable at +13 in Q4, following last quarter's recovery from the all time low of -11



For many years, BVA BDRC have surveyed landlords about whether they see rental demand increasing, decreasing or staying the same in the areas that they let properties.

Landlords are asked the following question:

In your opinion what has happened to tenant demand in the last 3 months?

In Q4 2020, the results were:

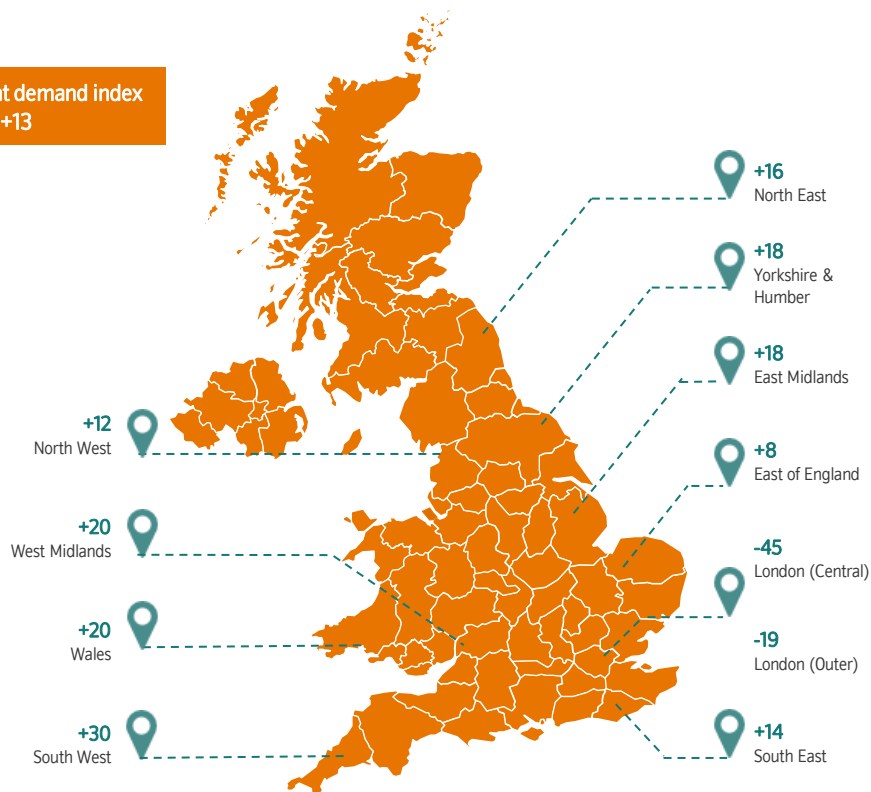
Increased significantly	9%
Increased slightly	23%
No change	24%
Decreased slightly	12%
Decreased significantly	7%
Unsure	25%

The **TMW Tenant Demand Index** is based on a simple calculation:

% landlords reporting tenant demand is growing significantly or slightly	9 + 23 = 32%
MINUS	
% landlords reporting tenant demand is decreasing slightly or significantly	12 + 7 = 19%
Q4 2020 Tenant Demand Index	= +13

Tenant Demand Report Q4 2020: Regional Analysis

UK tenant demand index
average: +13



7 of the 11 standard regions in England & Wales achieve a TDI score above the UK average, which remains largely stable following the significant recovery recorded in Q3.

The South West currently achieve the highest TDI score (+30), with the other regions achieving an above average TDI score being the West Midlands, Wales, East Midlands, Yorks & Humber, North East and South East.

2 regions continue to have a negative Tenant Demand Index score and remain significantly below other regions in the UK in Q4 2020; Outer London at -19 and Central London at -45.

Outside of London, only the North West record a TDI score that is below the national average and this is only by 1pt (+12).

NOTE: Base size too small to report Scotland results separately

Source: BVA BDRC Landlord Panel research Q4 2020

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T1572

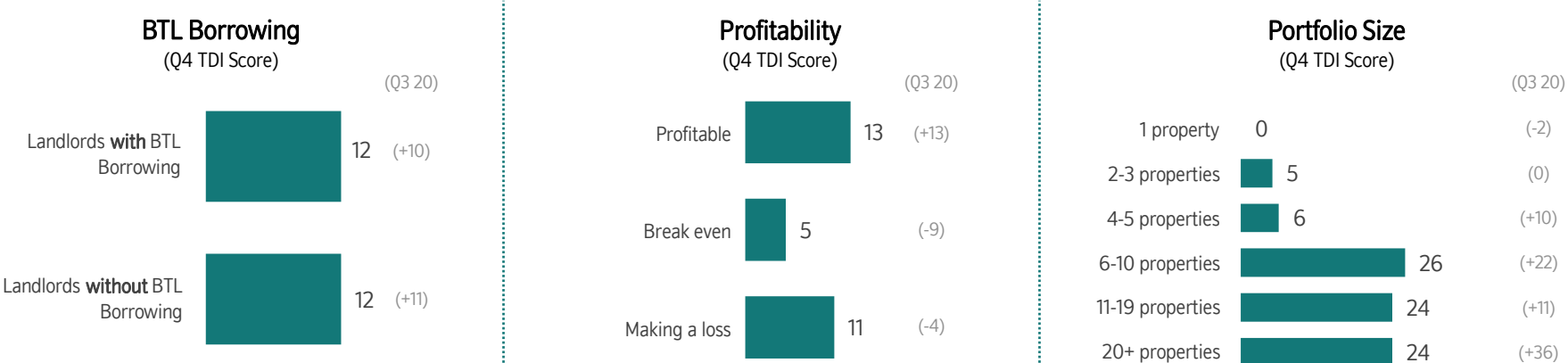
Tenant Demand Report Q4 2020

Tenant Demand Index calculation:

% landlords reporting tenant demand is growing significantly or slightly

MINUS

% landlords reporting tenant demand is decreasing slightly or significantly



The TDI scores for landlords with and without BTL borrowing remain largely unchanged in Q4, with both now achieving the same TDI score of +12.

The TDI scores for both segments of the market also remain significantly above the lows recorded in Q2 2020 (-16 for landlords with BTL borrowing and -3 for landlords without BTL borrowing).

All landlords across the profitability spectrum now achieve a TDI score in positive territory.

The TDI score for landlords who make a profit from their letting activity remains stable this quarter (+13), however landlords who either break even or make a loss both recorded significant improvements in their TDI score from Q3, up 14pts and 15pts respectively.

Landlords with 6+ properties in their portfolio achieve the highest TDI scores in Q4, with all 3 of the larger portfolio size brackets achieving a similar score between +24 and +26.

Landlords in the smaller portfolio size brackets also achieve similar, but lower, TDI scores to each other, with a range from 0 to +6.