

Overall UK

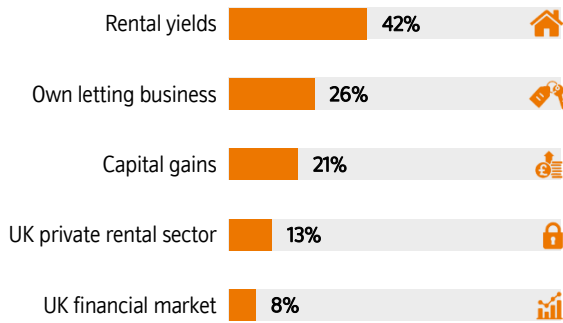
Landlords Outlook & Confidence

In comparison to Q4'22, Q1'23 reports slightly more optimism amongst landlords. Confidence has increased across 3 out of 5 key metrics this quarter versus Q4 i.e., rental yields (+5%), own letting business (+2%) and UK financial market (+3%). Confidence in both capital gains and the UK private rental sector however falls slightly by -1%.

Despite this, the proportion of landlords making a profit this quarter continues to decrease by -3% to 78%. Both rental arrears and void periods have also increased in Q1 (up by 4% and 3% respectively).

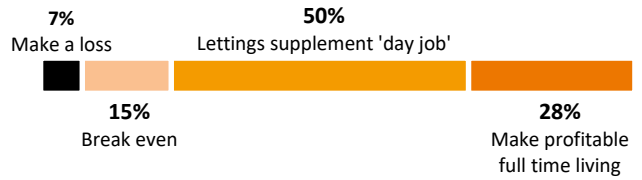
Current divestment has also increased (+4%), whilst acquisition has decreased (-3%).

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

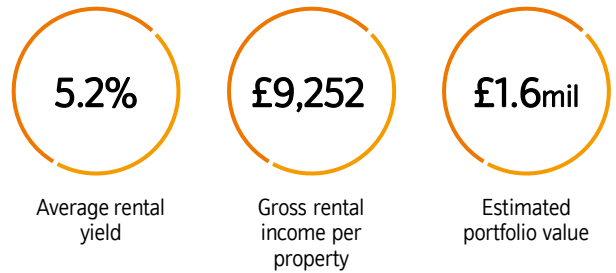


Landlords Balance Sheet

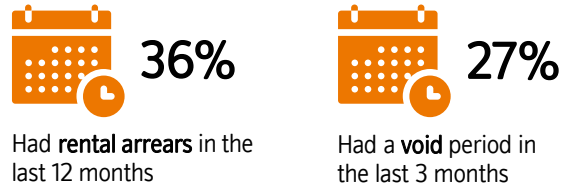
Profitability



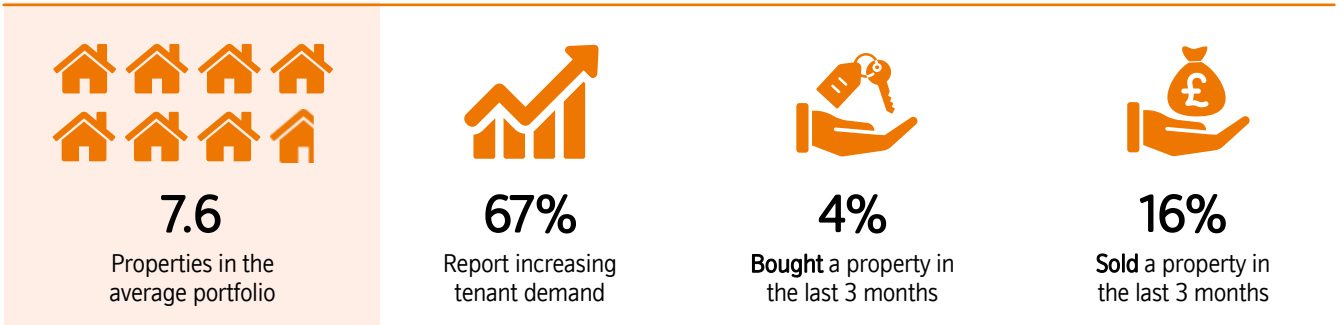
Financials



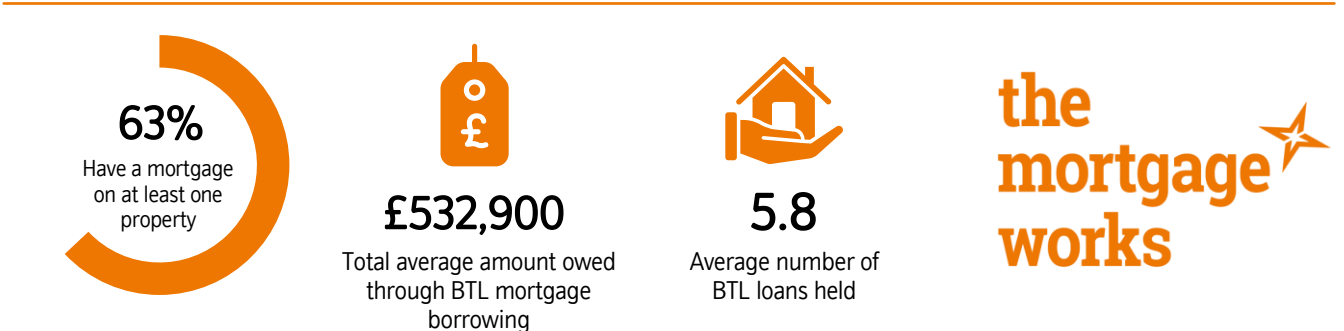
Problems Experienced



PRS Dynamics



BTL Dynamics



East of England

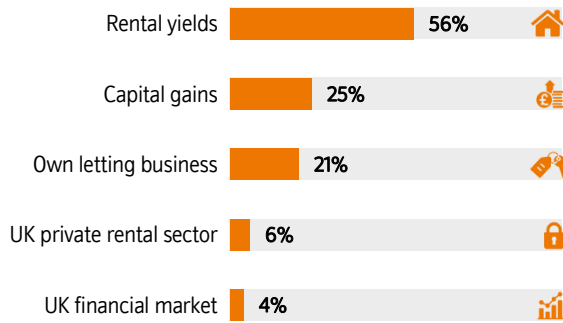
Landlords Outlook & Confidence

Landlords in the East of England are feeling more optimistic this quarter across 4 out of 5 metrics, most notably with regards to rental yields (up by 26% vs. Q4 and 14% above the national average). Landlords are however feeling less confident about the UK private rental sector (-7% vs. Q4).

In comparison to Q4, a higher proportion of landlords are making a profit from their lettings at 81% (up by 3% this quarter and 3% above the UK average).

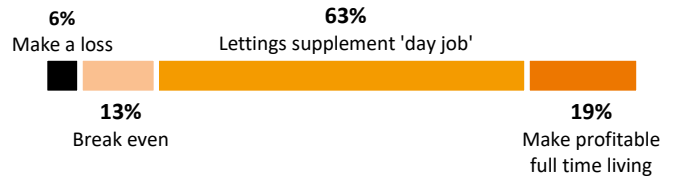
Despite this, average rental yields and average gross rental income has decreased in Q1. Rental arrears and void periods have also increased by 11% and 9% respectively.

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

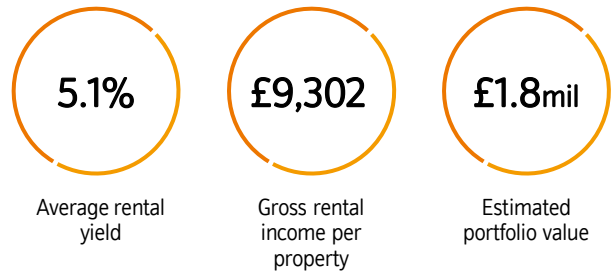


Landlords Balance Sheet

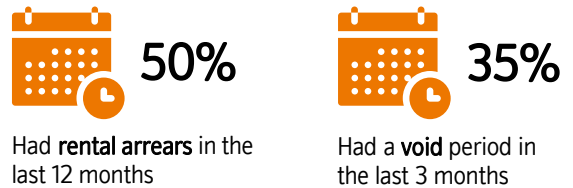
Profitability



Financials



Problems Experienced



PRS Dynamics



9.2

Properties in the average portfolio



71%

Report increasing tenant demand



4%

Bought a property in the last 3 months



17%

Sold a property in the last 3 months

BTL Dynamics



£835,870

Total average amount owed through BTL mortgage borrowing



7.2

Average number of BTL loans held

the mortgage works

East Midlands

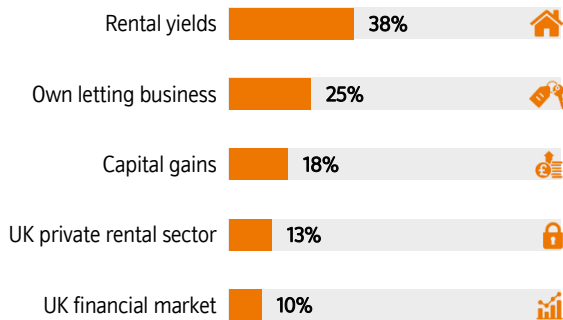
Landlords Outlook & Confidence

Confidence amongst landlords in the East Midlands is up across 4 out of 5 key optimism metrics, with the exception being capital gains (-5% vs. Q4).

Gross rental income per property has also increased (+£4.1k), following a significant dip in Q4. This is most likely due to a decrease in the size of the average portfolio.

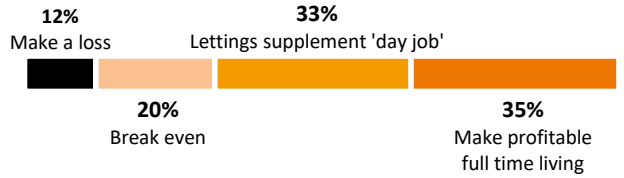
However, the proportion of landlords making a profit has edged down slightly this quarter (-1% vs. Q4), remaining below the UK average (by 9%). The proportion of loss making landlords has also increased (by 2%) and sits above the UK average by 5%.

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



Landlords Balance Sheet

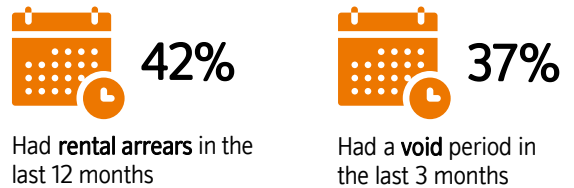
Profitability



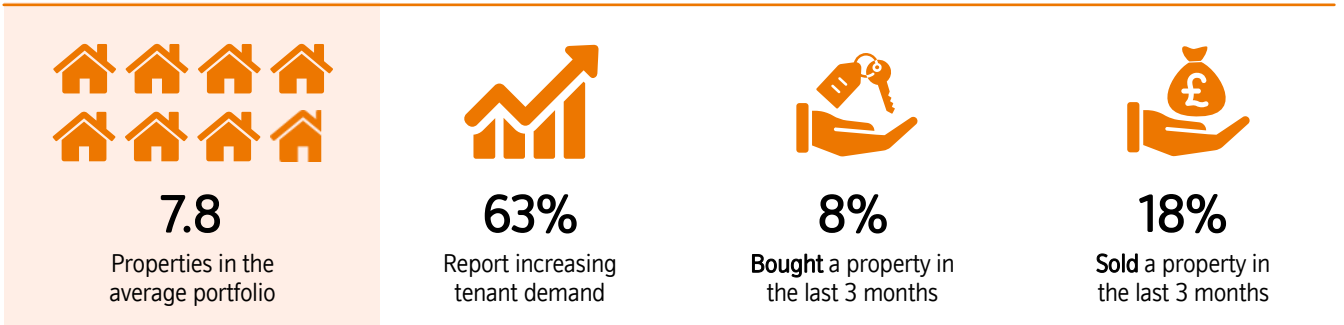
Financials



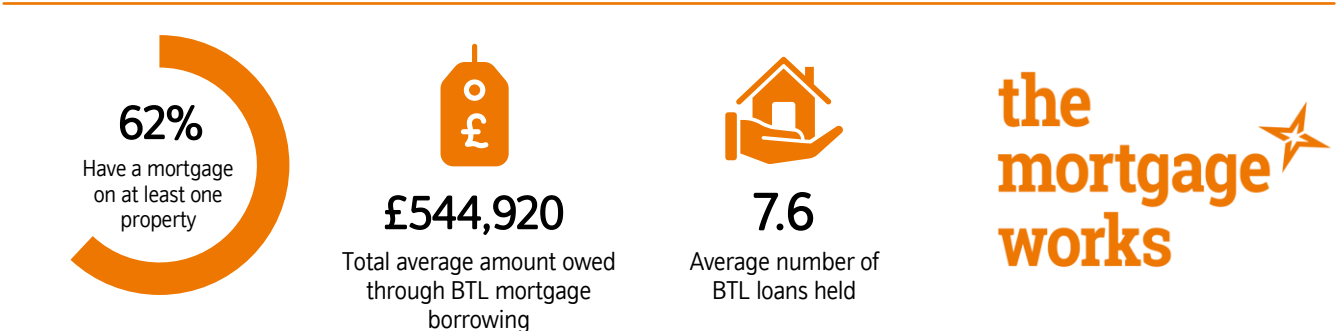
Problems Experienced



PRS Dynamics



BTL Dynamics



Central London

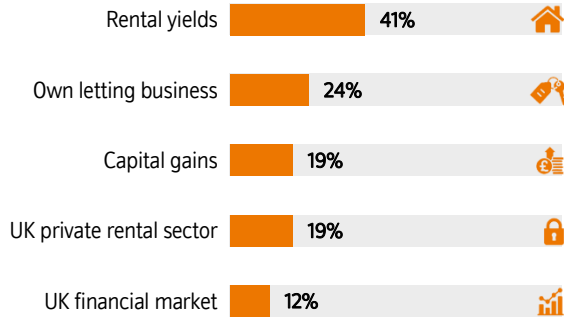
Landlords Outlook & Confidence

Following an uptick in optimism in Q4, confidence for landlords in Central London has decreased for 4 out of 5 metrics this quarter (with the exception of the UK financial market, which is up by 10%). Confidence also sits below the UK average across most metrics.

Although net profitability has remained fairly consistent, fewer landlords are breaking even and in turn, a higher proportion of landlords are making a loss (+12% vs. Q4).

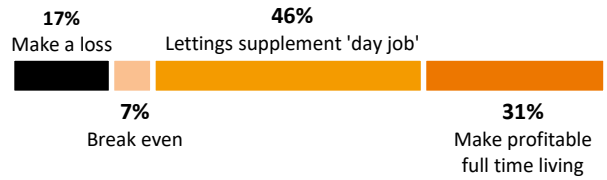
Central London's financial situation has also worsened this quarter with a reduction in average rental yield, gross rental income per property and estimated portfolio value. Central London reports the lowest rental yield amongst all UK regions.

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



Landlords Balance Sheet

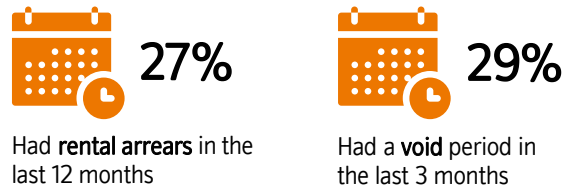
Profitability



Financials



Problems Experienced



PRS Dynamics



8.1

Properties in the average portfolio



76%

Report increasing tenant demand



5%

Bought a property in the last 3 months



14%

Sold a property in the last 3 months

BTL Dynamics



£1,181,580

Total average amount owed through BTL mortgage borrowing



5.7

Average number of BTL loans held

the mortgage works

Outer London

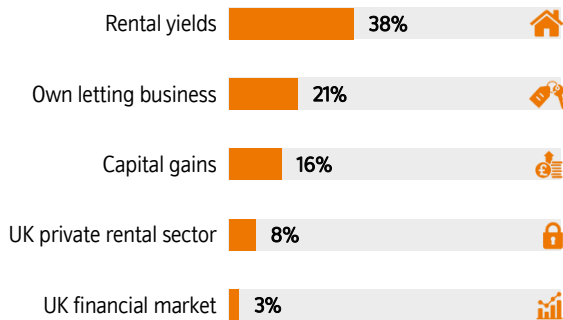
Landlords Outlook & Confidence

Similarly to central London, landlords in outer London are less optimistic this quarter. Confidence across all 5 metrics has decreased vs. Q4, most notably for capital gains (down by 8% in Q1).

In better news, business profitability has remained mostly stable compared to Q4, sitting just above the UK average. Gross rental income per property has also increased by approximately £2.4k.

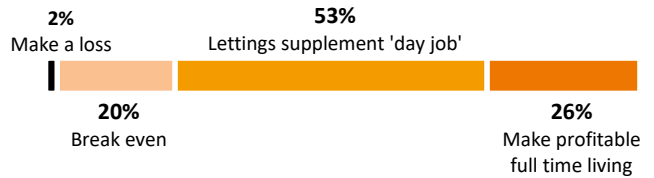
Although both divestment and acquisition have increased this quarter (by 6% and 1% respectively), they mostly sit in line with the UK average.

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



Landlords Balance Sheet

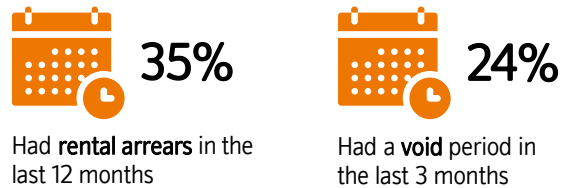
Profitability



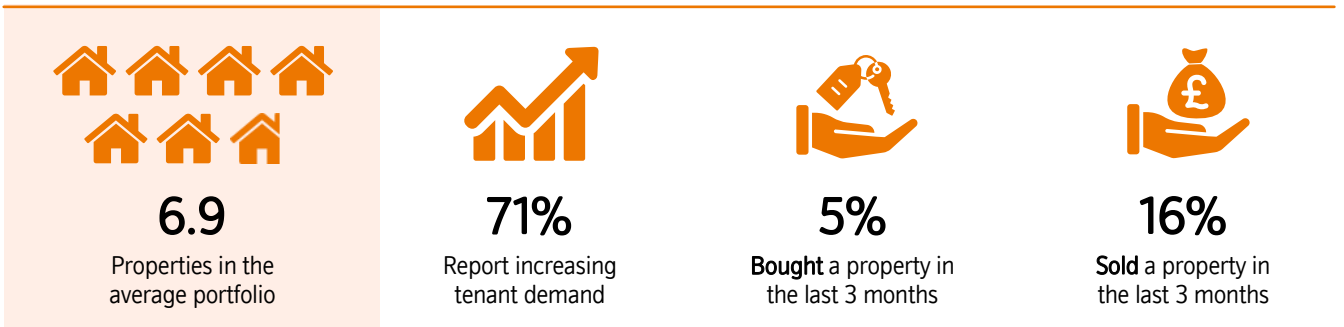
Financials



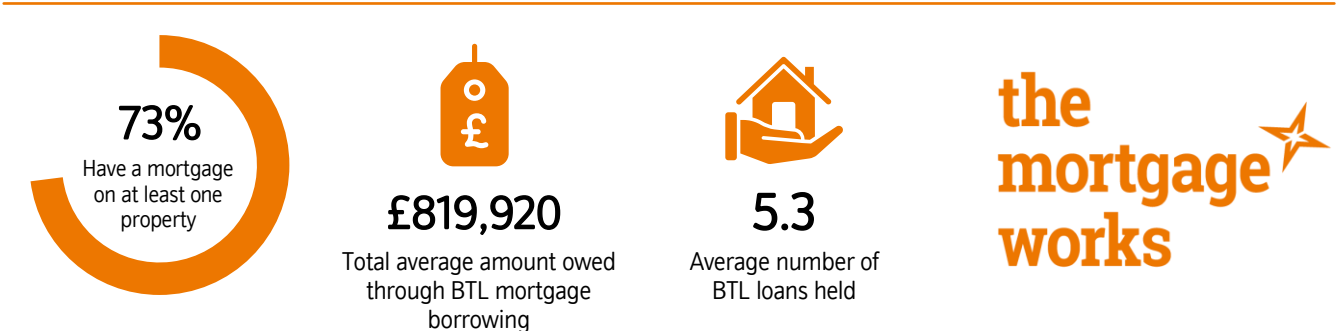
Problems Experienced



PRS Dynamics



BTL Dynamics



North East England

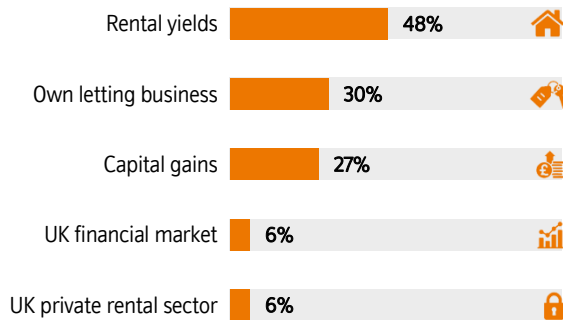
Landlords Outlook & Confidence

In line with most other regions, confidence amongst landlords operating in the North East has increased this quarter. 4 out of 5 metrics have seen an improvement. The most significant increase was for rental yields, which has seen a considerable uplift of 20% vs. Q4, now sitting above the UK average.

Although net profitability remains mostly consistent this quarter (decreased by 2% vs. Q4), the proportion of loss making landlords has increased by 7%.

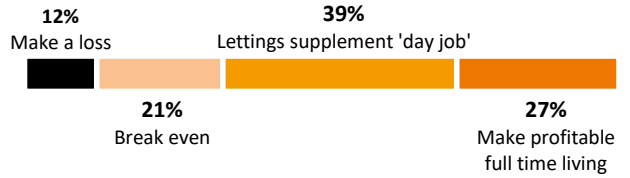
Incidence of arrears and voids has also increased this quarter by 6% and 13% respectively. The North East now reports the highest incidence of arrears in the UK.

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



Landlords Balance Sheet

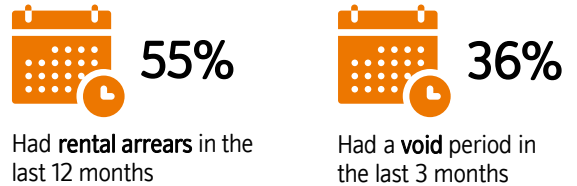
Profitability



Financials



Problems Experienced



PRS Dynamics



10

Properties in the average portfolio



70%

Report increasing tenant demand



3%

Bought a property in the last 3 months



18%

Sold a property in the last 3 months

BTL Dynamics



£466,130

Total average amount owed through BTL mortgage borrowing



8.3

Average number of BTL loans held

the mortgage works

North West England

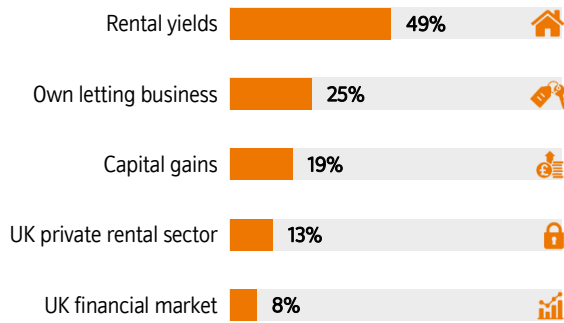
Landlords Outlook & Confidence

Q1 sees confidence levels amongst landlords in the North West increase for 3 out of 5 metrics, most notably for rental yields (up by 16% vs. Q4). Confidence in one's own letting business and the UK private rental sector have however fallen by 5% and 6% respectively.

The proportion of landlords making a profit has also decreased this quarter slightly by 3%.

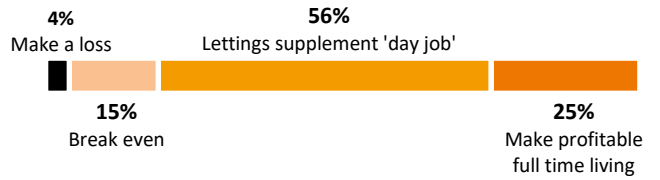
Moreover, although landlords are reporting that demand is increasing (+6% vs Q4), divestment has increased (+10%) whilst acquisition has decreased (-8%).

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



Landlords Balance Sheet

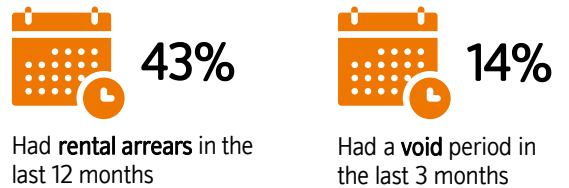
Profitability



Financials



Problems Experienced



PRS Dynamics



8.8

Properties in the average portfolio



65%

Report increasing tenant demand



2%

Bought a property in the last 3 months



27%

Sold a property in the last 3 months

BTL Dynamics



£412,350

Total average amount owed through BTL mortgage borrowing



6.2

Average number of BTL loans held

the mortgage works

South East England

Landlords Outlook & Confidence

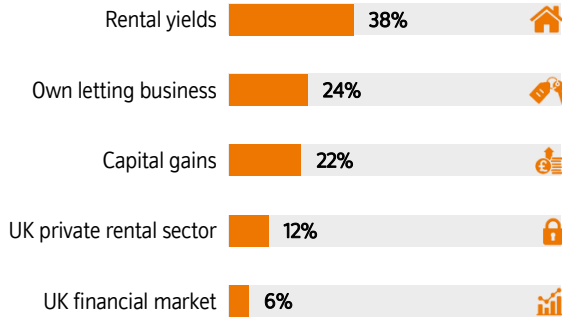
Confidence across optimism indicators in the South East remains broadly stable this quarter, with the exception of capital gains which has seen a slight increase of 4% vs. Q4.

Incidence of rental arrears (+2% vs. Q4) and voids (-3%) also remain relatively stable since Q4.

Business profitability has slightly decreased vs. Q4 by 2% whilst loss making has slightly increased by 5%, now sitting above the UK average. Rental yields are also down by 1%, now scoring the lowest in the UK outside of London.

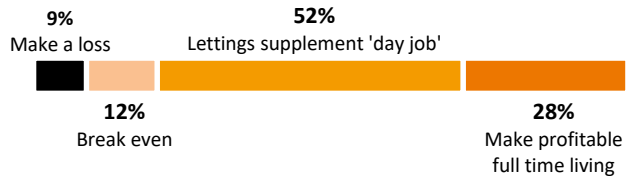
Current divestment has also increased by 5%.

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



Landlords Balance Sheet

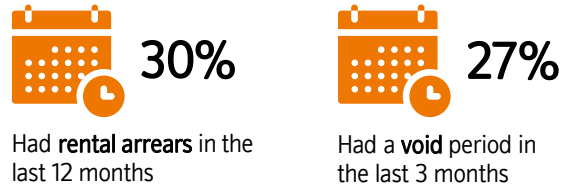
Profitability



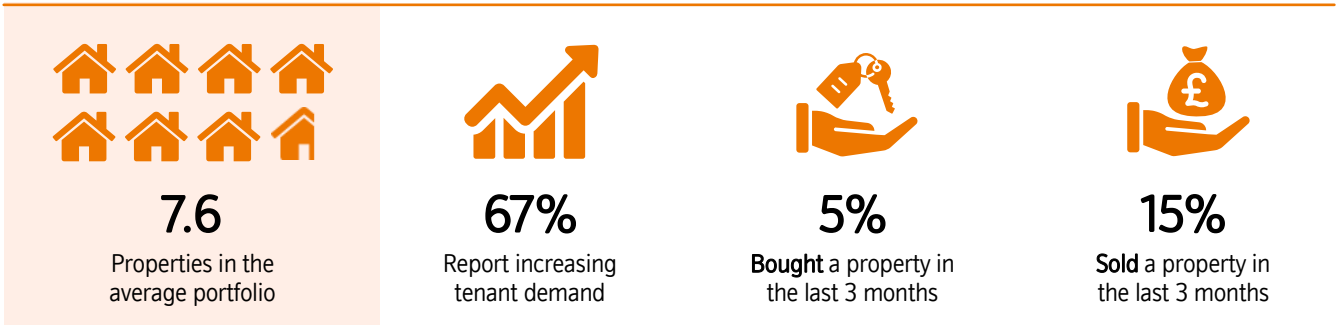
Financials



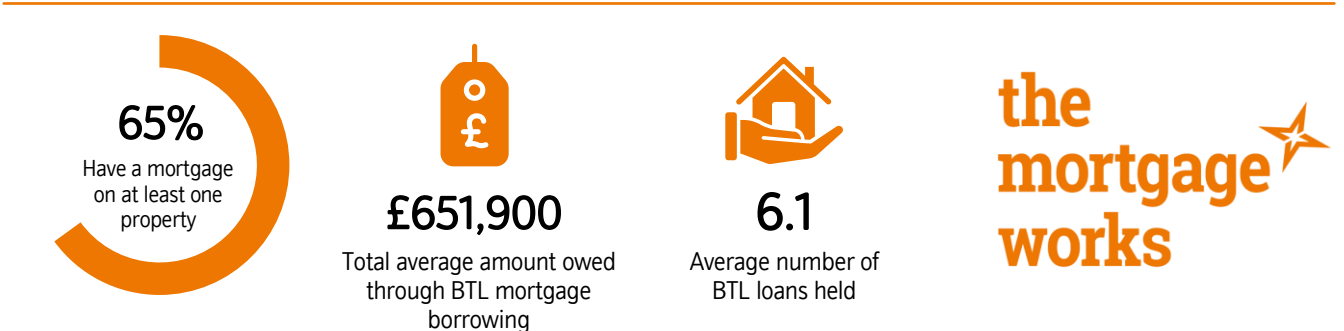
Problems Experienced



PRS Dynamics



BTL Dynamics



South West England

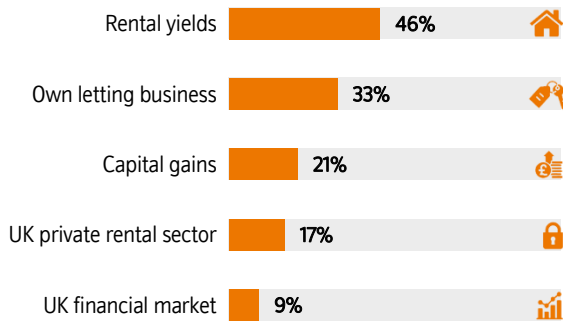
Landlords Outlook & Confidence

Q1 sees confidence increase across 3 out of 5 key optimism metrics for landlords in South West England, most notably for the UK financial market which is up from 3% to 9% since Q4. Confidence in capital gains and one's own letting business has decreased by 5% and 1% respectively.

The proportion of landlords making a profit this quarter has slightly decreased by 3%, whilst the proportion of landlords making a loss has increased by 2%.

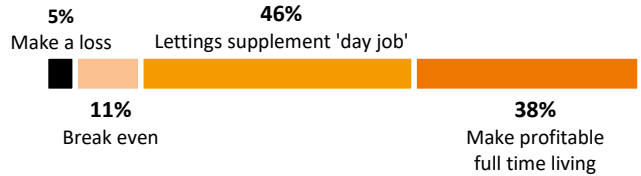
The incidence of rental arrears has increased by 8% this quarter, although this still sits below the UK average. Current acquisition has fallen (-4%) and divestment has risen (+5%).

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



Landlords Balance Sheet

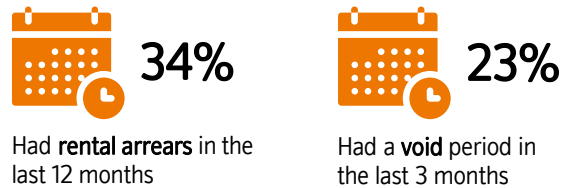
Profitability



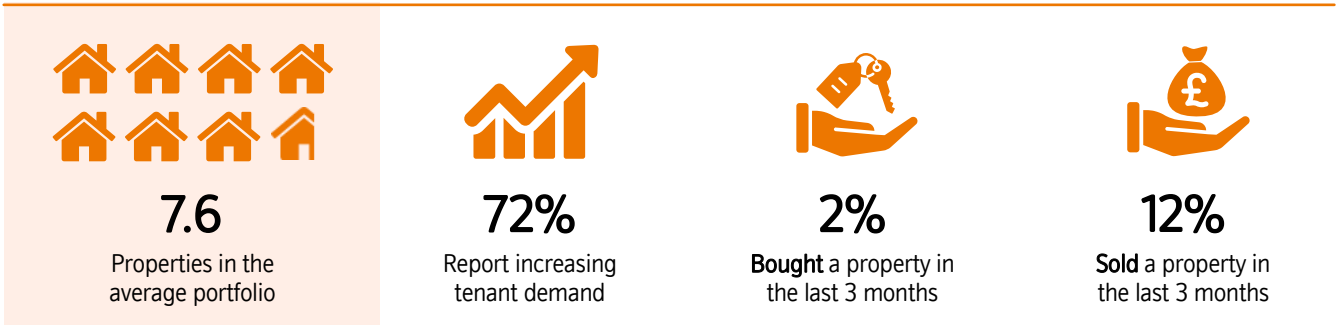
Financials



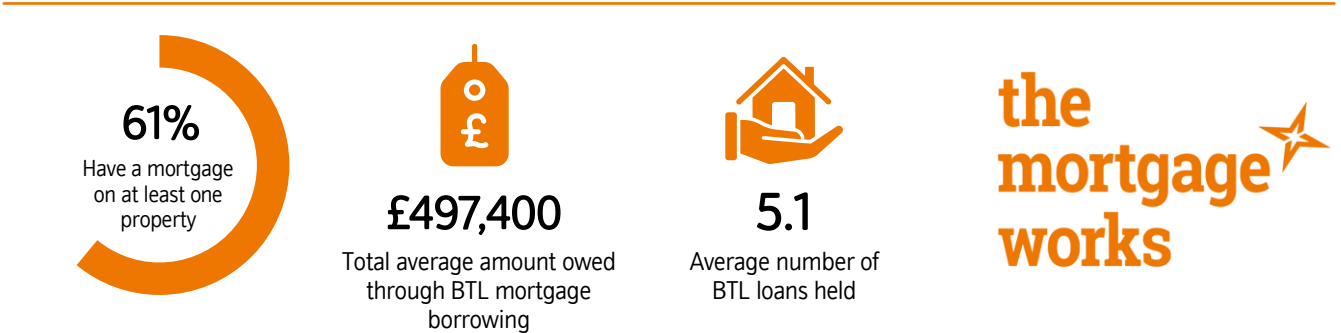
Problems Experienced



PRS Dynamics



BTL Dynamics



Wales

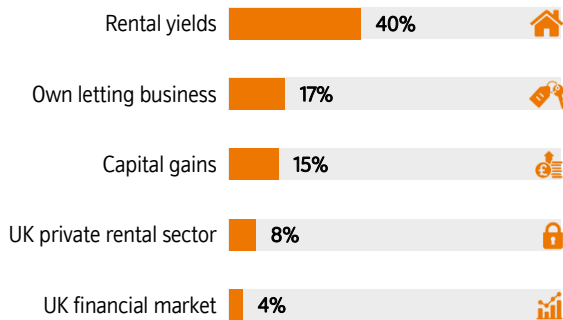
Landlords Outlook & Confidence

Confidence across most metrics has remained broadly stable for landlords in Wales (with the exception of rental yields +14%). All metrics now sit below the equivalent national averages.

Landlords in Wales have however seen a decline in their financial situation this quarter, with average rental yield, gross rental income and estimated portfolio value all down vs. Q4. Alongside this, business profitability has decreased by 10% to 73% in Q1.

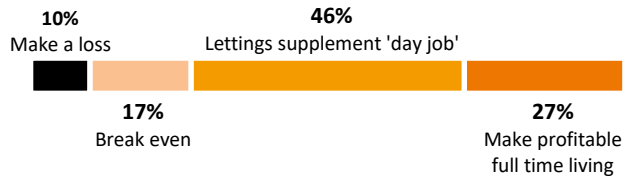
The incidence of both rental arrears and void periods has also increased (up by 15% and 6% respectively since Q4), now sitting above the UK averages.

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



Landlords Balance Sheet

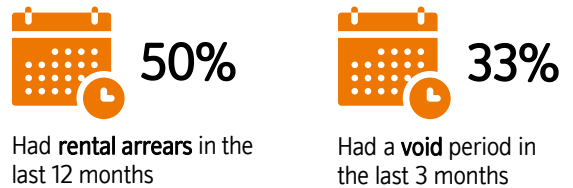
Profitability



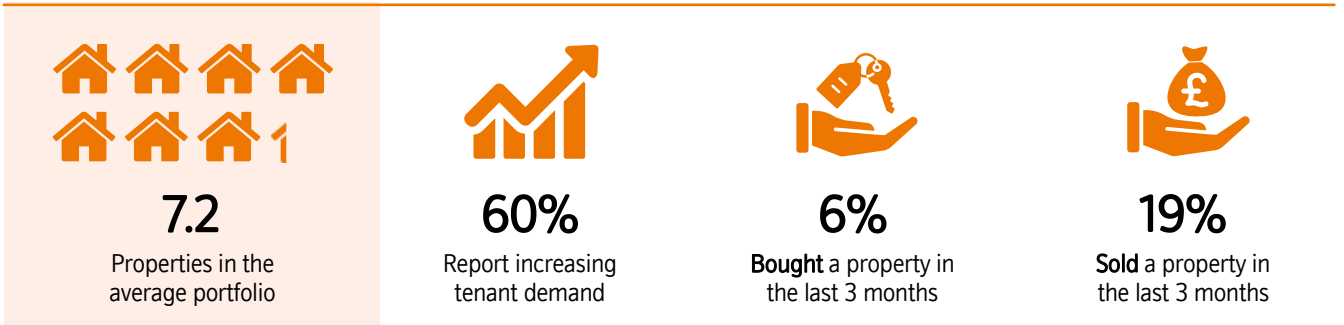
Financials



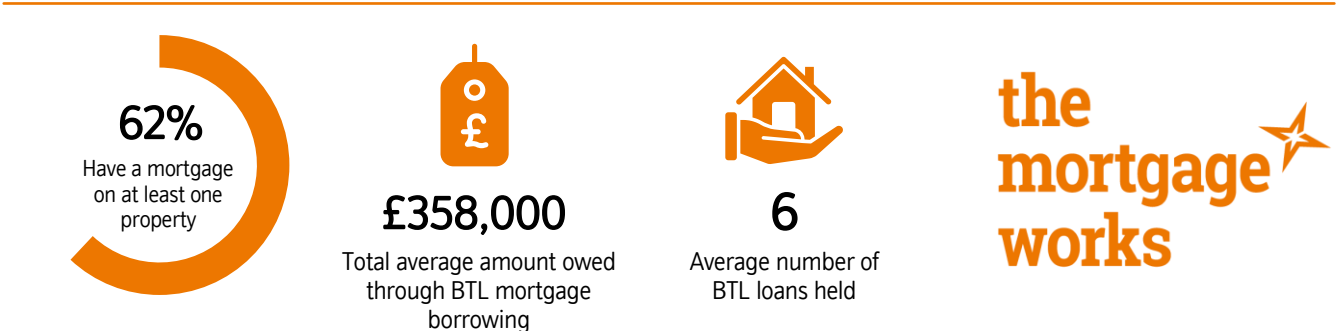
Problems Experienced



PRS Dynamics



BTL Dynamics



West Midlands

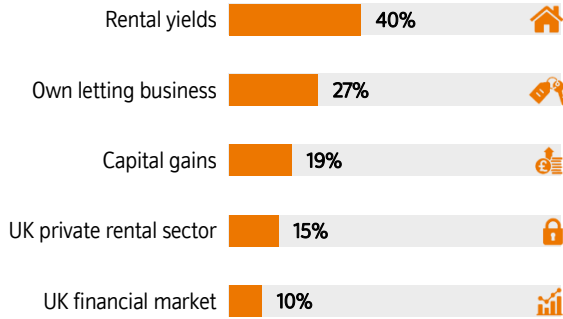
Landlords Outlook & Confidence

In comparison to Q4, landlords operating in the West Midlands are less confident with regards to rental yields (-4%) and capital gains (-2%). Conversely, confidence in the UK private rental sector and the UK financial market has increased, and these both sit above the UK averages.

Net profitability remains stable this quarter vs. Q4, however remains below the UK average by 8%.

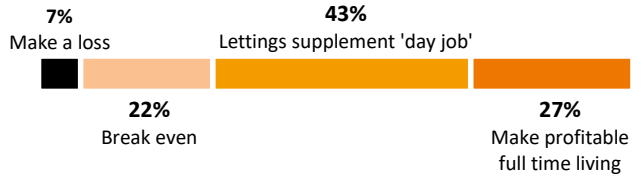
Current acquisition and divestment have decreased (by 4% and 8% respectively), whilst tenant demand has increased (+5%).

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



Landlords Balance Sheet

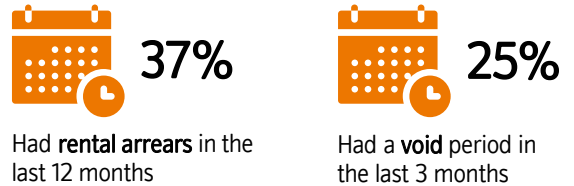
Profitability



Financials



Problems Experienced



PRS Dynamics



9.2

Properties in the average portfolio



61%

Report increasing tenant demand



3%

Bought a property in the last 3 months



12%

Sold a property in the last 3 months

BTL Dynamics



£486,150

Total average amount owed through BTL mortgage borrowing



8.2

Average number of BTL loans held

the mortgage works

Yorkshire and The Humber

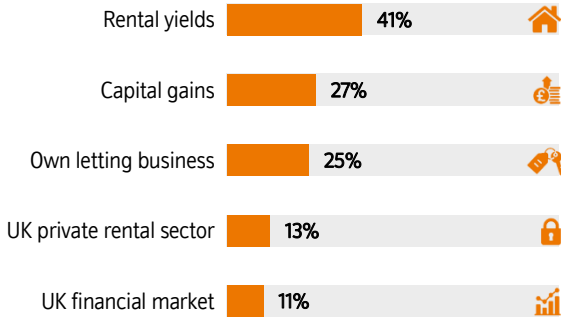
Landlords Outlook & Confidence

After a period of particularly low confidence in Q4, landlords operating in Yorkshire and the Humber are more optimistic this quarter across all 5 metrics. Confidence in rental yields particularly improved (up by 16% vs. Q4).

Business profitability remains consistent this quarter and sits in line with the UK average at 78%.

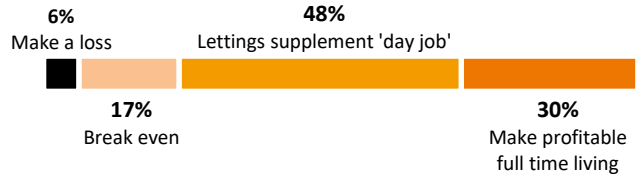
Despite this, like many regions this quarter, there has been an increase in the incidence of both rental arrears and voids. Current divestment has also considerably increased to 32%, substantially higher than all other UK regions and double the UK average.

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



Landlords Balance Sheet

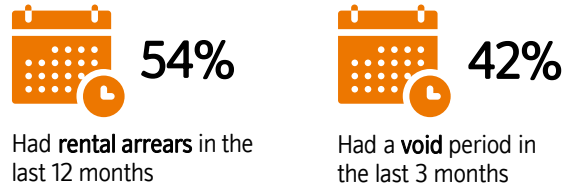
Profitability



Financials



Problems Experienced



PRS Dynamics



12

Properties in the average portfolio



73%

Report increasing tenant demand



6%

Bought a property in the last 3 months



32%

Sold a property in the last 3 months

BTL Dynamics



£596,380

Total average amount owed through BTL mortgage borrowing



8

Average number of BTL loans held

the mortgage works