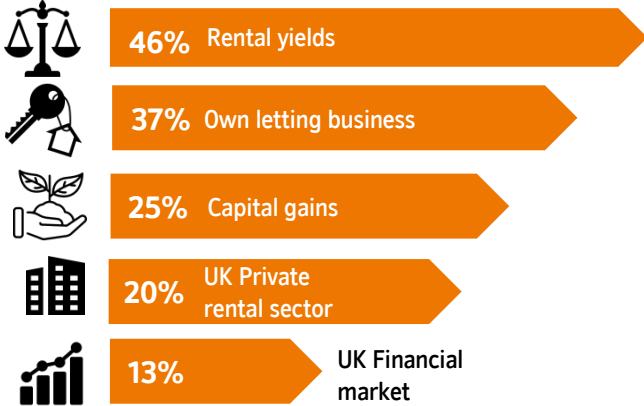


# Overall UK

## Landlords Outlook & Confidence

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



Mixed feelings in Q1 2019 with landlords being less optimistic about the prospects for their own lettings business, rental yields and UK's rental market, but being more hopeful for capital gains and the UK economy (up by 4pts since Q4 2018).

In Q1 2019, the typical landlord achieves a rental yield of 5.8%. This is up slightly from the 3 year-low recorded at the end of 2018. Landlords operating in the North East achieve the highest average rental yield at 6.7%, landlords in Outer London the lowest at 5.3%. Landlords letting HMOs generate the highest average rental yield, at 6.9%.

The proportion of landlords making a profit from their lettings remains at a record high (86%).

## Landlords Balance Sheet

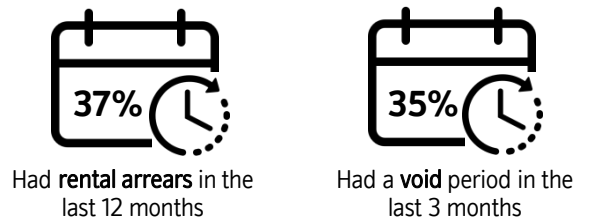
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



9.8

Properties in the average portfolio



20%

Report increasing tenant demand



9%

Bought a property in the last 3 months



8%

Sold a property in the last 3 months

## BTL Dynamics



£427,000

Total amount owed through BTL mortgage borrowing



5.7

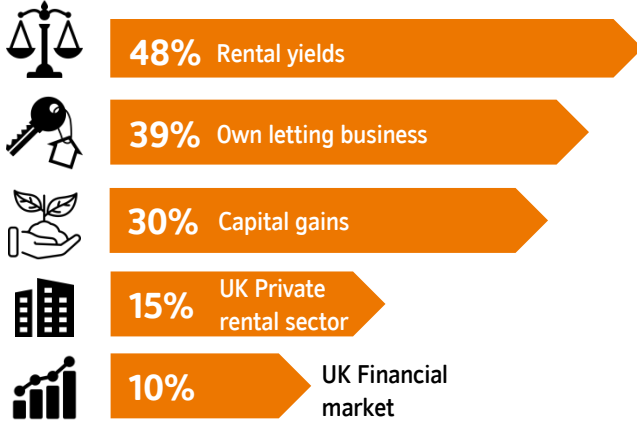
Average number of BTL loans held

the mortgage works

# East of England

## Landlords Outlook & Confidence

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



Landlords are pessimistic across all indicators especially rental yields (-7%pts) and own letting business (-6%pts).

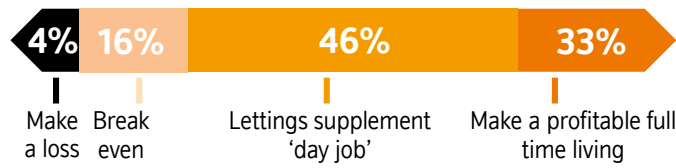
The proportion of East of England landlords who report tenant demand is increasing continues to fall -6%pts from Q4, although it remains just above the UK average. Despite this trend, void periods have reduced by 4%pts.

Only 79% of landlords report making a profitable living from letting vs 93% in Q4 2018.

Landlords with BTL property in the East of England are more likely to expand portfolios, although only just above the UK average, the number of sellers has also decreased by 4%pts.

## Landlords Balance Sheet

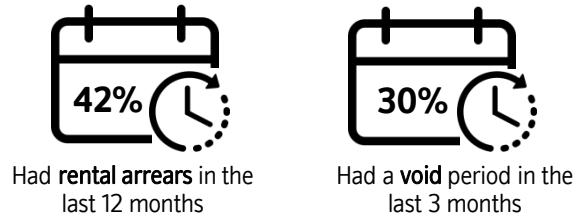
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



7.4

Properties in the average portfolio



21%

Report increasing tenant demand



10%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

## BTL Dynamics



£487,000

Total amount owed through BTL mortgage borrowing



6.0

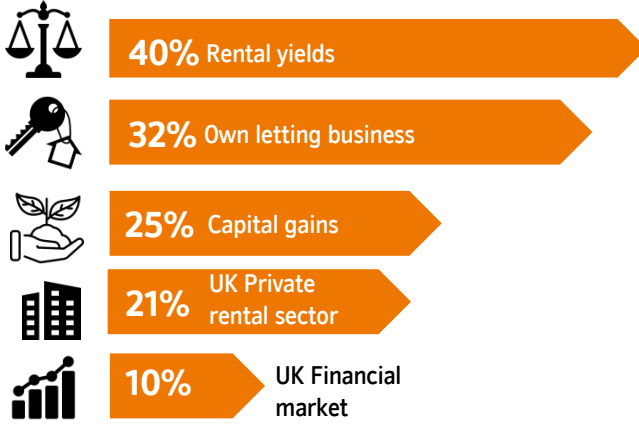
Average number of BTL loans held

the mortgage works

# East Midlands

## Landlords Outlook & Confidence

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



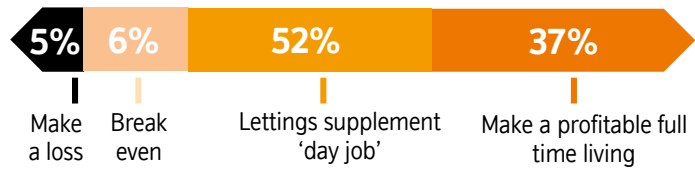
The decline in optimism amongst East Midlands landlords continued in Q1 across all sectors except capital gains which increased by 4pts and the UK's economy which remained at 10%.

Landlords in East Midlands follow the UK average trend in planning to buy more properties (+4pts) as well as reporting fewer void periods (-2pts) and rental arrears (-8pts).

Landlords in this region report a significant fall in tenant demand (increasing), it fell by 10pts in Q1.

## Landlords Balance Sheet

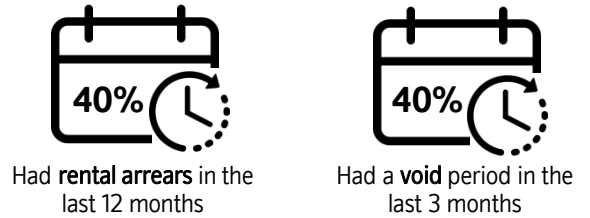
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



**12.0**  
Properties in the average portfolio



**23%**  
Report increasing tenant demand



**15%**  
Bought a property in the last 3 months



**12%**  
Sold a property in the last 3 months

## BTL Dynamics



**£458,000**  
Total amount owed through BTL mortgage borrowing



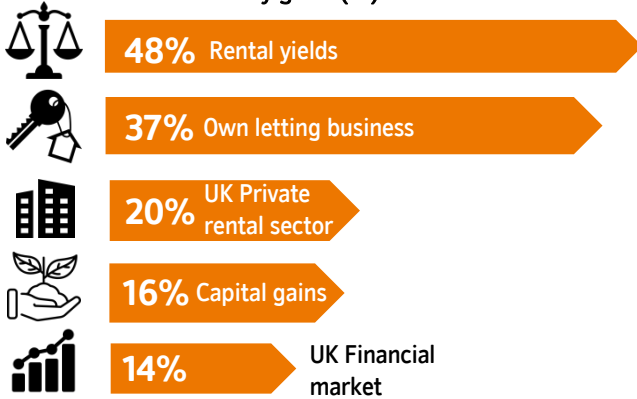
**6.7**  
Average number of BTL loans held



# Central London

## Landlords Outlook & Confidence

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



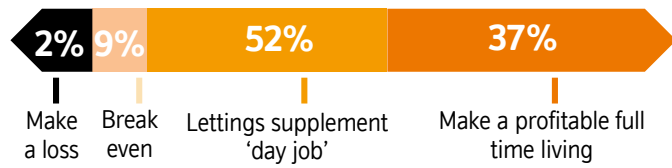
Compared to Q4, Central London landlords' confidence has increased across rental yields (+14pts), own letting business (+9pts), UK private rental sector (+12pts) and UK financial market (+11pts).

The proportion of Central London landlords reporting increased tenant demand remained stable versus Q4 2018, they also reported considerably fewer rental arrears and void periods which decreased by -18pts and -15pts respectively.

Central London landlords' selling and buying activities have shrunk in Q1 and the average borrowed BTL amount has also fallen by £300K to £650K.

## Landlords Balance Sheet

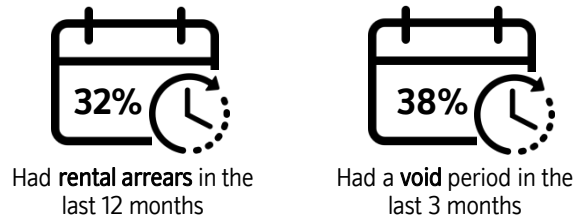
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



8.9

Properties in the average portfolio



12%

Report increasing tenant demand



5%

Bought a property in the last 3 months



2%

Sold a property in the last 3 months

## BTL Dynamics



£648,000

Total amount owed through BTL mortgage borrowing



5.0

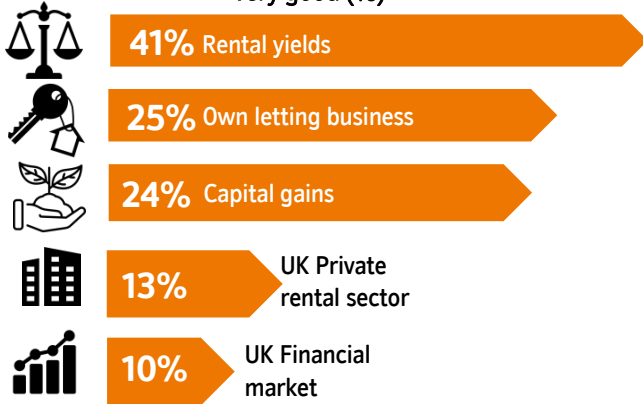
Average number of BTL loans held



# Outer London

## Landlords Outlook & Confidence

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

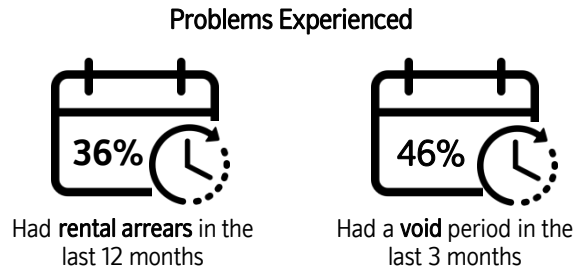
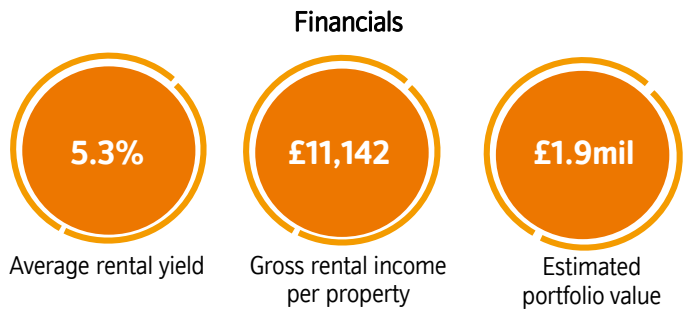
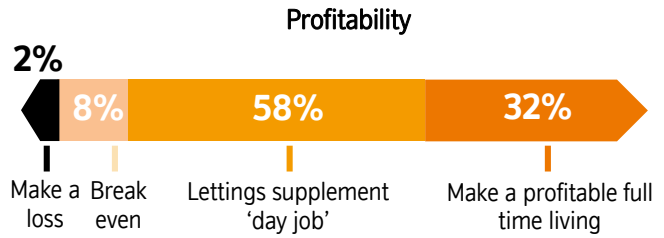


It's a mixed picture for confidence amongst Outer London landlords in Q1, with more feeling positive about the prospects for their rental yields, capital gains and the UK's financial market, but fewer feeling upbeat about their own lettings business and the UK Private Rental sector (+7%pts and +2%pts respectively).

Significantly fewer landlords expect rising tenant demand (-8pts). Again, Outer London landlords see projected buying activity climbing (+7pts) and selling activity falling (-5pts).

The incidence of portfolio voids and arrears remained almost unchanged in Q1.

## Landlords Balance Sheet



## PRS Dynamics



**7.0**  
Properties in the average portfolio



**13%**  
Report increasing tenant demand



**10%**  
Bought a property in the last 3 months



**7%**  
Sold a property in the last 3 months

## BTL Dynamics



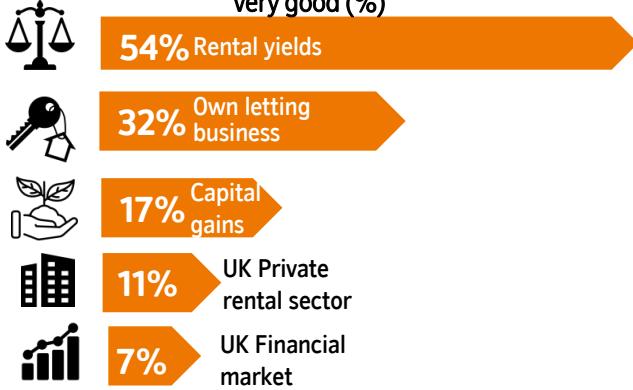
**4.9**  
Average number of BTL loans held



# North East England

## Landlords Outlook & Confidence

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



Landlords are feeling less optimistic with regards to capital gains (-12pts) and UK private rental sector (-6pts) in Q1 whereas rental yields (+4pts) and own letting business (+6pts) have seen increased optimism.

Overall positivity can be seen in the proportion of landlords making a profitable letting business (83% in Q1 vs 71% in Q4'18).

In line with the UK average, NE England has seen the incidence of voids/arrears decreasing, the potential for tenant demand rising and projected selling activity dropping. Landlords with property in the North East continue to have larger than average portfolios and tend to borrow less through BTL.

## Landlords Balance Sheet

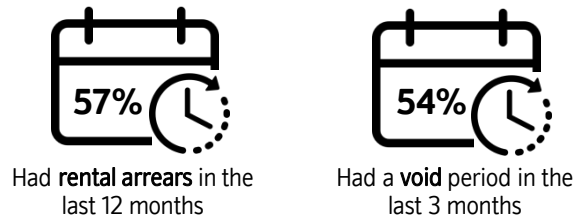
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



10.0

Properties in the average portfolio



19%

Report increasing tenant demand



13%

Bought a property in the last 3 months



8%

Sold a property in the last 3 months

## BTL Dynamics



£450,000

Total amount owed through BTL mortgage borrowing



7.7

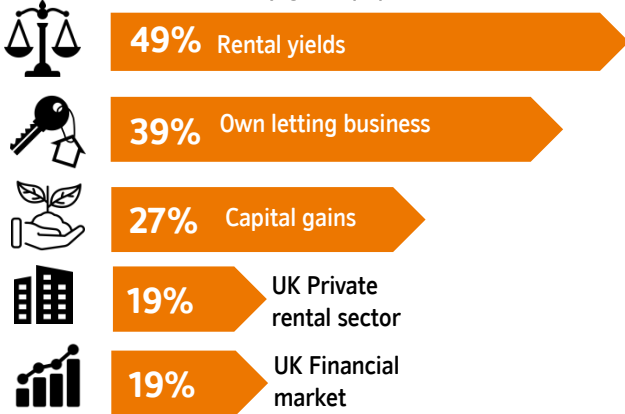
Average number of BTL loans held



# North West England

## Landlords Outlook & Confidence

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



North West landlord confidence has recovered across all key indicators in Q1, especially in the UK financial market (+14pts).

Fewer landlords report positively with regards to the prospect of rising tenant demand (-7pts) even though the incidence of voids and arrears has decreased.

Again, NW England follows the UK average in more projected buying than selling activity. However, the average portfolio size has reduced compared to other regions.

The borrowed amount on BTL has declined by almost half vs Q4 2018.

## Landlords Balance Sheet

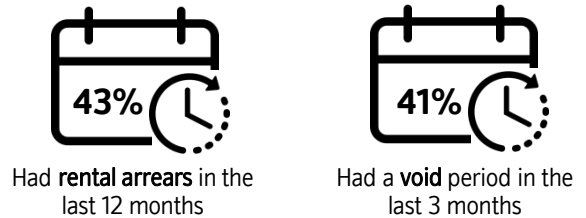
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



10.5

Properties in the average portfolio



21%

Report increasing tenant demand



12%

Bought a property in the last 3 months



12%

Sold a property in the last 3 months

## BTL Dynamics



£490,000

Total amount owed through BTL mortgage borrowing



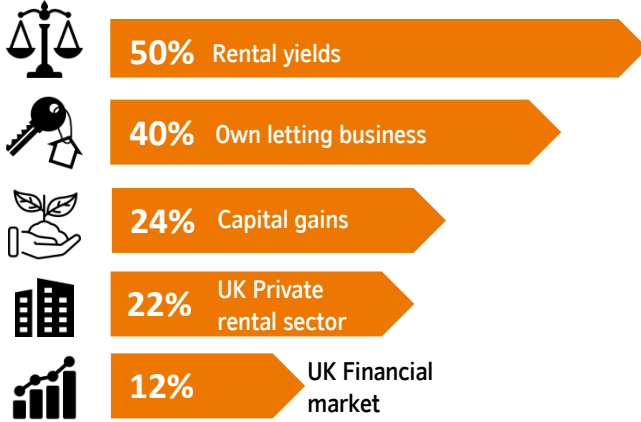
Average number of BTL loans held

the mortgage works

# South East England

## Landlords Outlook & Confidence

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



South East landlords are feeling at least as confident across all key measures in Q4, with rental yields and UK private rental sector remaining the same as in Q4.

The proportion of landlords operating in the South East reporting increasing tenant demand has remained at 19%, the incidence of arrears/voids at 35%. More landlords also remain active in property purchase (+3pts).

Q1 has seen a fewer number of SE landlords making profitable letting business (only 85% vs 90% in Q4'18) and a greater proportion of those who have taken out a BTL mortgage (+5pts).

## Landlords Balance Sheet

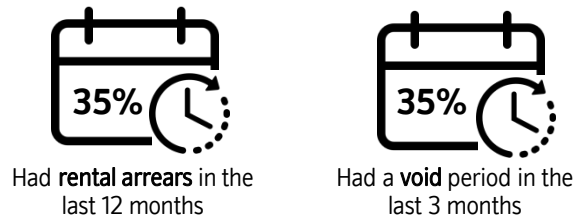
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



**12.0**  
Properties in the average portfolio



**19%**  
Report increasing tenant demand



**11%**  
Bought a property in the last 3 months



**9%**  
Sold a property in the last 3 months

## BTL Dynamics



**£453,000**  
Total amount owed through BTL mortgage borrowing



**5.0**  
Average number of BTL loans held

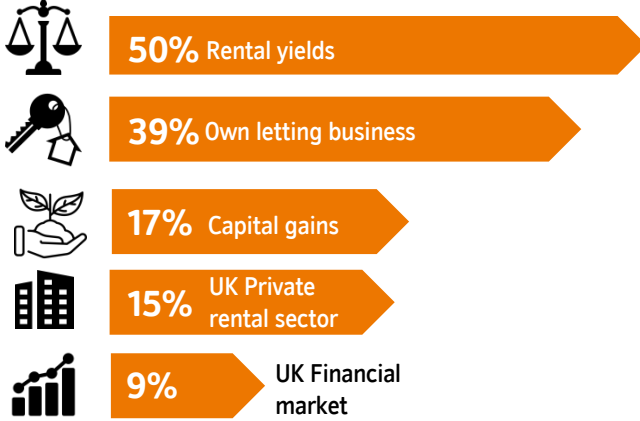




# South West England

## Landlords Outlook & Confidence

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



Confidence has continued to edge further down amongst South West landlords in Q1 across all measures.

Profitability of letting business is reported to be down as well (only 86% of landlords are profitable vs 90% in Q4'18).

Despite the incidence of rental arrears and void periods both decreasing slightly, the proportion of landlords feeling positive about tenant demand has halved this quarter.

Landlords in the South West are more in favour of keeping a property rather than selling it (only 7% sold in the last 3 months vs 21% in Q4'18).

## Landlords Balance Sheet

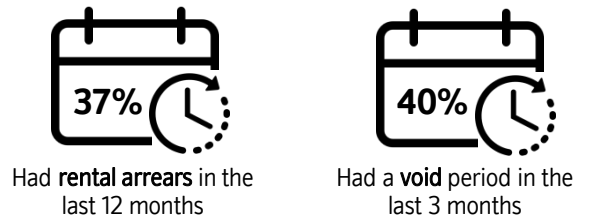
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



12.3  
Properties in the average portfolio



17%  
Report increasing tenant demand



6%  
Bought a property in the last 3 months



7%  
Sold a property in the last 3 months

## BTL Dynamics



£495,000  
Total amount owed through BTL mortgage borrowing



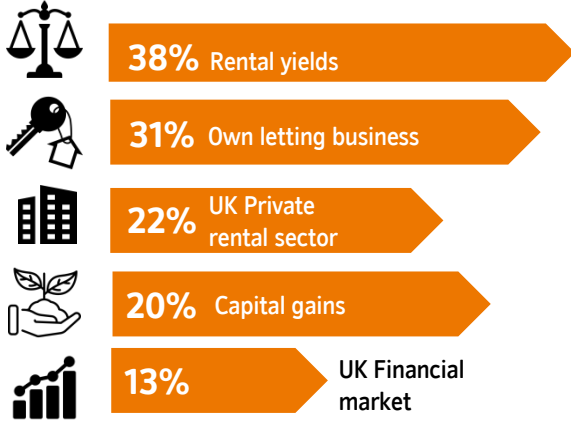
5.5  
Average number of BTL loans held



# Wales

## Landlords Outlook & Confidence

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



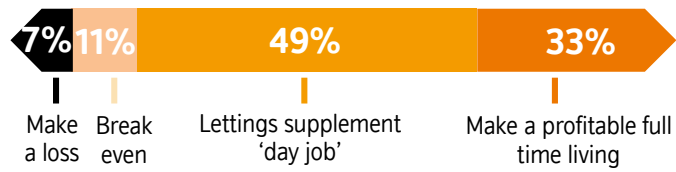
Welsh landlords are feeling slightly less positive than UK average about prospects for the key confidence indicators in Q4, with the exception of the UK financial market and capital gains which slightly increased (+2%pts and +5%pts, respectively).

Although the incidence of rental arrears and void periods are both down from Q4, the proportion of Welsh landlords making a profit from their lettings activity has also decreased from 89% in Q4 to 82% in Q1.

Overall an equal proportion are likely to buy and sell property (9% each, down from 19% each in Q4'18).

## Landlords Balance Sheet

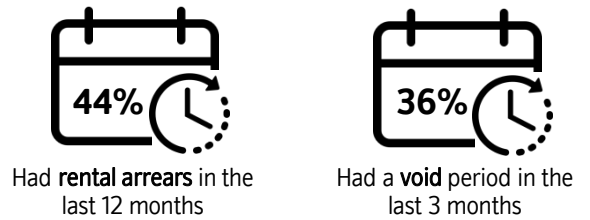
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



9.8

Properties in the average portfolio



29%

Report increasing tenant demand



9%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

## BTL Dynamics



£709,000

Total amount owed through BTL mortgage borrowing



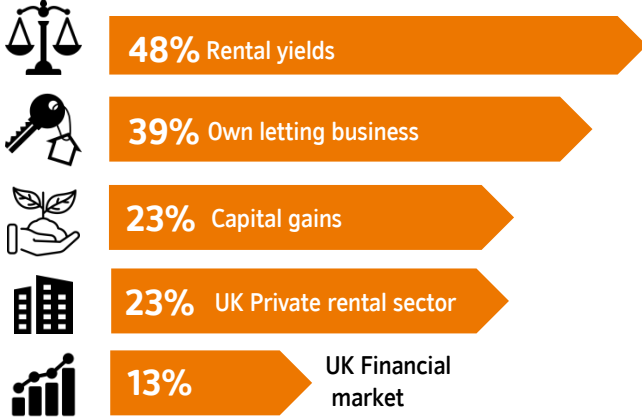
Average number of BTL loans held

the mortgage works

# West Midlands

## Landlords Outlook & Confidence

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



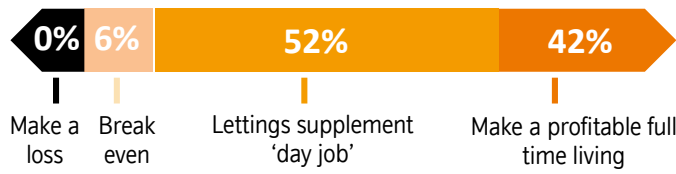
Landlords operating in the West Midlands are generally feeling more optimistic in Q1, across all indicators except capital gains which remained unchanged.

The proportion of West Midlands landlords making a full-time profitable living from their lettings activity remains the highest of any region at 94%, with only a 1% fall from Q4'18.

Fewer West Midlands landlords expect an increase in tenant demand (-9pts). Similarly to Q4'18, the same number of West Midlands landlords have bought property in the last 3 months but contrary to Q4, in Q1 the proportion selling has decreased by 5%pts.

## Landlords Balance Sheet

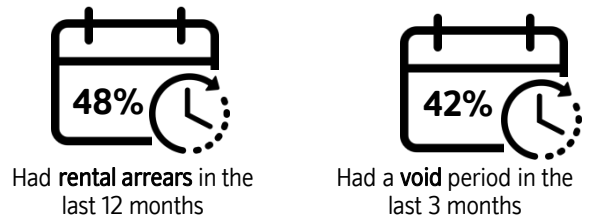
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



7.0

Properties in the average portfolio



19%

Report increasing tenant demand



5%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

## BTL Dynamics



£402,000

Total amount owed through BTL mortgage borrowing



5.7

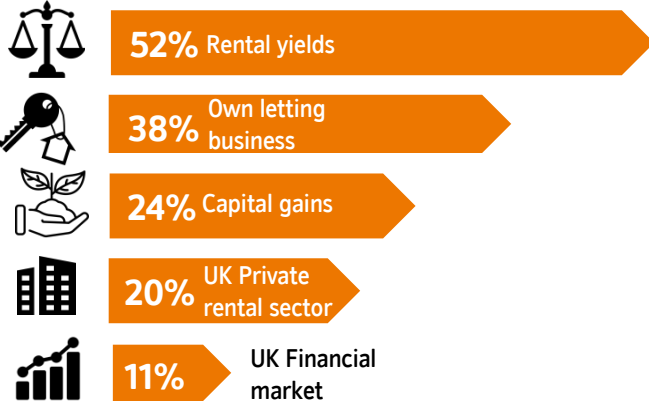
Average number of BTL loans held



# Yorkshire and the Humber

## Landlords Outlook & Confidence

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



In Q1, landlords in Yorkshire & The Humber manage the largest portfolios on average, at 15.2 properties, with both, buying and selling, activity reducing.

Yorkshire & Humber landlords are more likely than the typical landlord to report having a recent void period, with the incidence of rental arrears dropping only slightly (-1pt).

The proportion making a profitable living from their letting activity remains high, at 82%, although this is again down from Q4'18 (-8pts).

Almost 1 in 4 landlords in this region report an increase in perceived tenant demand, second only to Wales.

## Landlords Balance Sheet

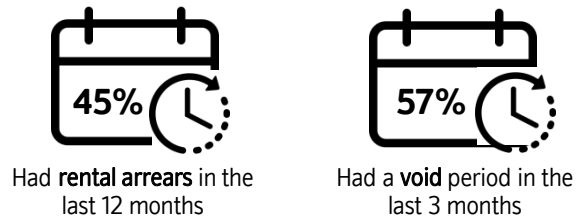
### Profitability



### Financials



### Problems Experienced



## PRS Dynamics



**15.2**  
Properties in the average portfolio



**23%**  
Report increasing tenant demand



**11%**  
Bought a property in the last 3 months



**7%**  
Sold a property in the last 3 months

## BTL Dynamics



**the mortgage works**