

Landlords target 'doer-uppers' as privately rented property standards improve

- **44% of landlords prefer to purchase homes in need of improvement**
- **Average annual investment of approximately £8,500 across portfolio in addition to general maintenance**
- **New boilers, kitchens and bathrooms, as well as new windows amongst popular enhancements**

Landlords look for 'doer-uppers' when investing in property and typically spend approximately £8,500 a year on improvements across their portfolios, according to research by Paragon Bank.

A survey of over 500 landlords, carried out by Paragon Bank, has found that when investing in property, 44% target homes that require some form of improvement, while a quarter are more likely to purchase properties that are ready to rent. Just under a third, 32%, said that they have no preference between the two investment strategies.

The research, undertaken for Paragon's [Improving standards and sustainability in PRS properties](#) report, also revealed that in addition to general maintenance, annual investment in property improvements averages approximately £8,500 across a portfolio. Unsurprisingly, investment varies amongst landlords but as is to be expected, tends to increase with portfolio size. Those with between one and three properties spend £3,500 a year on average, increasing to £8,100 amongst landlords with between four and 10. Average annual investment of approximately £11,800 is made by landlords with eleven or more rental homes across their portfolio.

Louisa Sedgwick, Managing Director of Mortgages at Paragon Bank, said: "The findings of our research align with official Government data showing how the last 15 years has seen the proportion of PRS properties classed as 'non decent' fall from 41% to 21%. Of course, there's still work to do to ensure that all tenants live in safe, comfortable homes, so it's great to see many landlords are already actively improving their portfolios, especially as this a key facet of the Renter's Rights Bill."

Like investment levels, the types of improvements chosen by landlords varies but the data reveals a propensity for internal renovation. Around six in 10 landlords - 65% and 62% respectively – enhance the look and feel of homes with new bathrooms or new kitchens.

Three quarters, 76% of landlords have installed new boilers, but heat pumps are less prevalent, with just 3% opting for them.



Common external enhancements made in recent times include installing new windows, undertaken by half of landlords taking part in Paragon's research, while one in four, 39%, have replaced a roof or external doors. Over a quarter of landlords, 27%, have landscaped a garden and 6% have extended a property.

Alongside changes to enhance properties, landlords have also improved the safety of their rental homes, with just over half, 54%, remedying damp issues and 22% addressing any structural issues.

Sedgwick added: "This research showing that landlords spend substantial sums to improve their properties is supported by our own lending and our popular refurb-to-let product was developed precisely for this purpose. We often see borrowers take on extra funds when remortgaging and with the large number of mortgages set to mature this year, it's a great time for brokers to discuss the options available to their landlord clients who might want to take the opportunity to invest in enhancing their portfolios."