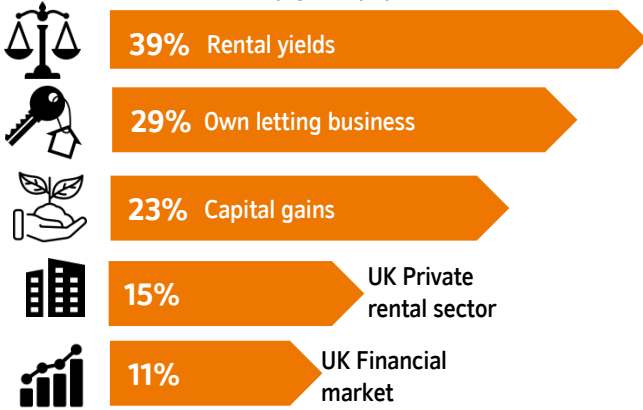


Overall UK

Landlords Outlook & Confidence

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



Landlord confidence continues to decline, with each of the 5 confidence indices at their lowest levels in 7 years.

Despite overall profitability remaining strong (84% make a profit), the average rental yield achieved by landlords is at a 9 year low of 5.5%.

Recent purchase and sales activity is largely stable vs. Q1, however, future intentions have seen a marked swing towards sales, with a record 36% looking to divest in the next year.

2 in 3 landlords borrow against their BTL portfolio, with the typical leveraged landlord owing a total of £514k across 6.3 BTL loans

Landlords Balance Sheet

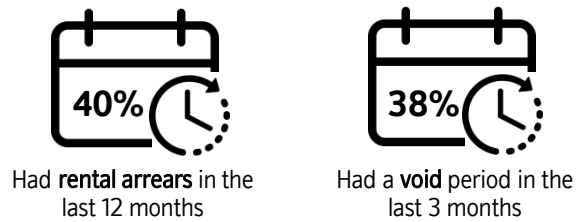
Profitability



Financials



Problems Experienced



PRS Dynamics



8.6

Properties in the average portfolio



23%

Report increasing tenant demand



9%

Bought a property in the last 3 months



11%

Sold a property in the last 3 months

BTL Dynamics



£514,000

Total amount owed through BTL mortgage borrowing



6.3

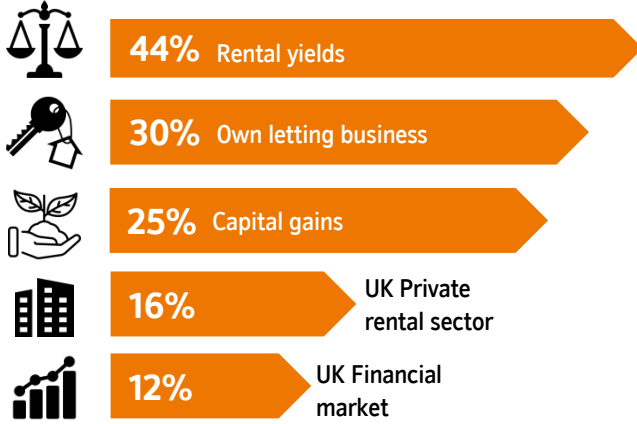
Average number of BTL loans held

the mortgage works

East of England

Landlords Outlook & Confidence

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



Landlords operating in the East of England report confidence levels broadly in-line with the average landlord, although they are slightly more positive about the prospects for rental yields (44% vs. 39%).

Despite this increased confidence in the prospects for yields, a higher proportion of East of England landlords report that they only break even on their lettings activity (23%) and tend to achieve lower than average yields (5.1%).

East of England landlords are more likely to have sold recently, with the proportion selling a property in the last 3 months doubling from 9% in Q1, to 18% in Q2 2019.

Landlords Balance Sheet

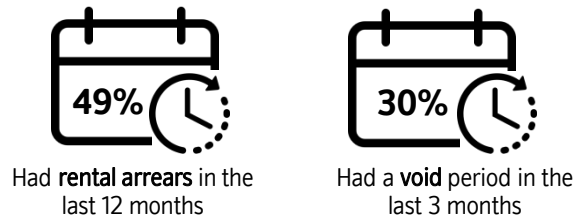
Profitability



Financials



Problems Experienced



PRS Dynamics



7.6

Properties in the average portfolio



28%

Report increasing tenant demand



4%

Bought a property in the last 3 months



18%

Sold a property in the last 3 months

BTL Dynamics



£564,000

Total amount owed through BTL mortgage borrowing



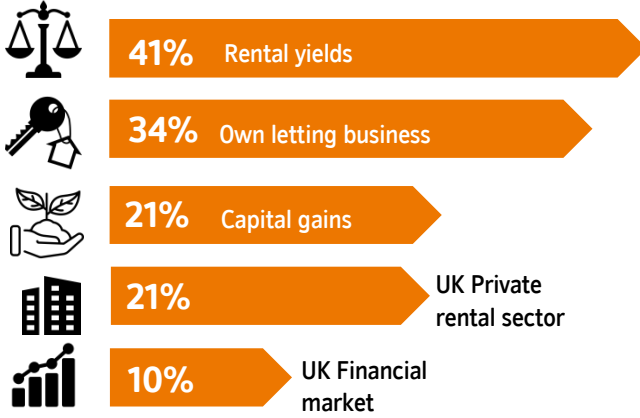
Average number of BTL loans held

the mortgage works

East Midlands

Landlords Outlook & Confidence

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

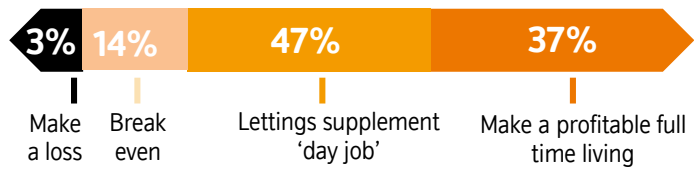


Landlords with rental property in the East Midlands are typically more positive than the average landlord, recording smaller quarter-on-quarter declines across the key confidence indicators relative to other regions.

Reflecting this, East Midland landlords are more likely to report making a full time living from their lettings activity (37%), more likely to say they have seen increased tenant demand (29%), and to have been more active in both buying and selling property in the last 3 months (12% and 14% respectively).

Landlords Balance Sheet

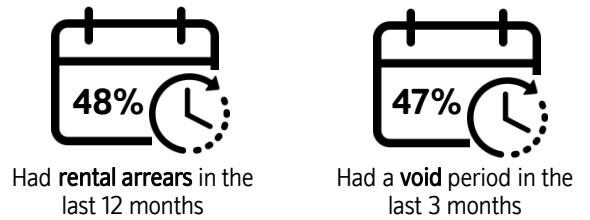
Profitability



Financials



Problems Experienced



PRS Dynamics



10.8
Properties in the average portfolio



29%
Report increasing tenant demand

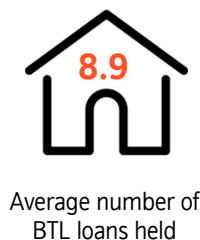


12%
Bought a property in the last 3 months



14%
Sold a property in the last 3 months

BTL Dynamics

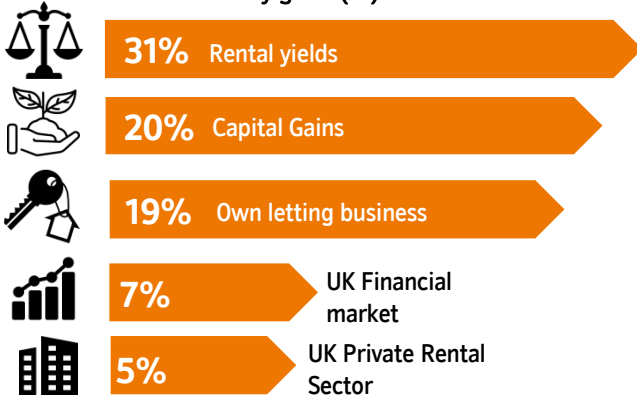


the mortgage works

Central London

Landlords Outlook & Confidence

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

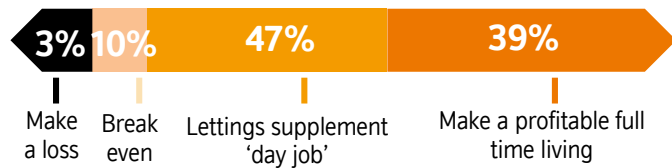


Compared to the other regions, landlords operating in Central London are less likely to be feeling 'good' or 'very good' about the prospects for each of the 5 confidence indicators. Each measure saw larger than average falls quarter-on-quarter, with confidence in the prospects for own lettings business (-18%), rental yields (-17%) and the UK private rental sector (-15%) all seeing substantial declines.

Driving this lower confidence is a perception that tenant demand is stagnating, with just 8% of London landlords believing tenant demand has increased in the last 3 months, the lowest of all regions. As a result, landlords in London are least likely to have purchased a property in the last quarter, at just 2%.

Landlords Balance Sheet

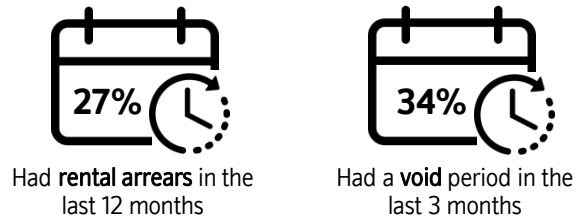
Profitability



Financials



Problems Experienced



PRS Dynamics



9.5

Properties in the average portfolio



8%

Report increasing tenant demand



2%

Bought a property in the last 3 months



10%

Sold a property in the last 3 months

BTL Dynamics



£981,000

Total amount owed through BTL mortgage borrowing



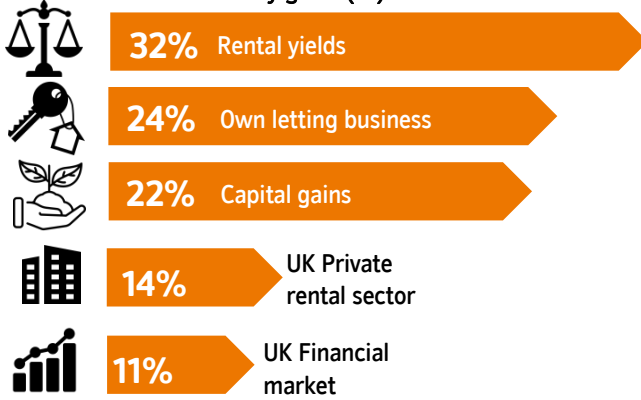
Average number of BTL loans held

the mortgage works

Outer London

Landlords Outlook & Confidence

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



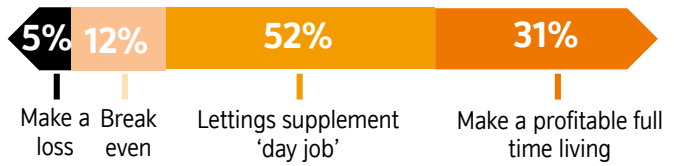
Landlords with property in Outer London tend to be feeling less positive about the prospects for their own lettings business and rental yields compared to the average landlord, with confidence in the latter down 9% from Q1.

Although the proportion making a profit is relatively similar to the overall average, the yield achieved by Outer London landlords is the lowest of all regions, at just 4.9%.

In terms of recent portfolio activity, Outer London landlords are more likely to have sold property than bought, with the proportion selling doubling from 7% in Q1 to 14% in Q2.

Landlords Balance Sheet

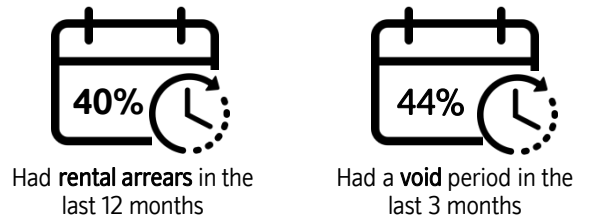
Profitability



Financials



Problems Experienced



PRS Dynamics



8.2

Properties in the average portfolio



17%

Report increasing tenant demand



7%

Bought a property in the last 3 months



14%

Sold a property in the last 3 months

BTL Dynamics



£803,000

Total amount owed through BTL mortgage borrowing



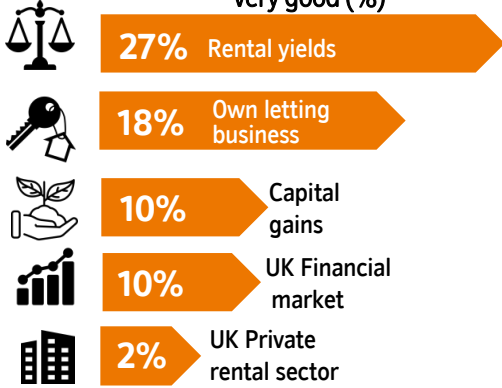
Average number of BTL loans held

the mortgage works

North East England

Landlords Outlook & Confidence

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



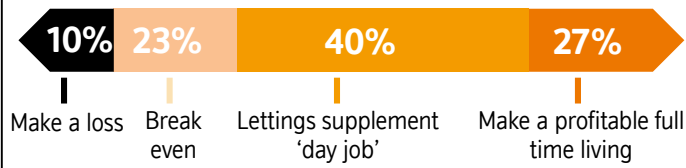
Confidence amongst landlords active in the North East has fallen significantly this quarter, with the proportion feeling positive about the prospects for rental yields halving vs. Q1 and 4 of the 5 measures recording the lowest confidence levels of all regions.

North East landlords are now less likely to report making a profit from their lettings activity, with the incidence of those either breaking even or in a loss making situation doubling from Q1, to 33%.

Landlords in the North East also record the highest level of recent sales activity, at 19%, and the highest incidence of both recent arrears and void periods (at 69% and 56% respectively).

Landlords Balance Sheet

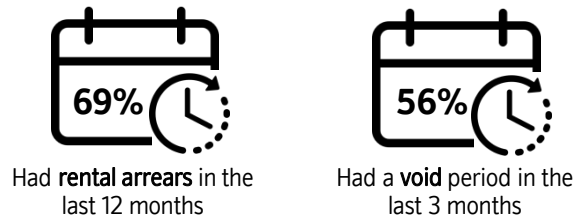
Profitability



Financials



Problems Experienced



PRS Dynamics



10.5

Properties in the average portfolio



19%

Report increasing tenant demand



8%

Bought a property in the last 3 months



19%

Sold a property in the last 3 months

BTL Dynamics



£521,000

Total amount owed through BTL mortgage borrowing



8.5

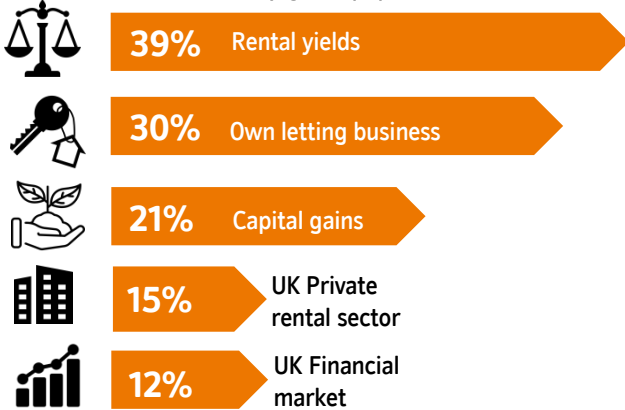
Average number of BTL loans held



North West England

Landlords Outlook & Confidence

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



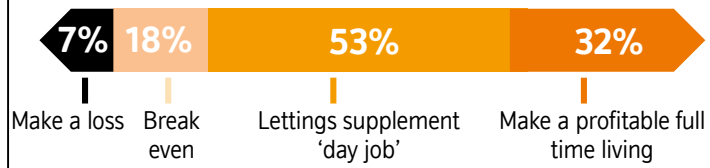
Landlord confidence in the North West has fallen across each of the 5 key indicators in Q2, although levels remain broadly in-line with the overall average.

Landlords in the North West continue to have larger than average portfolios and tend to have a greater number of BTL mortgages when borrowing.

Although there is a higher than average incidence of North West landlords who report they are either loss making or breaking even on their lettings activity (25%), the typical yield achieved remains above the norm at 5.9%.

Landlords Balance Sheet

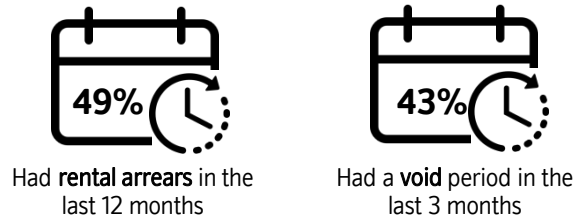
Profitability



Financials



Problems Experienced



PRS Dynamics



10.4

Properties in the average portfolio



21%

Report increasing tenant demand



9%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



£589,000

Total amount owed through BTL mortgage borrowing



9.4

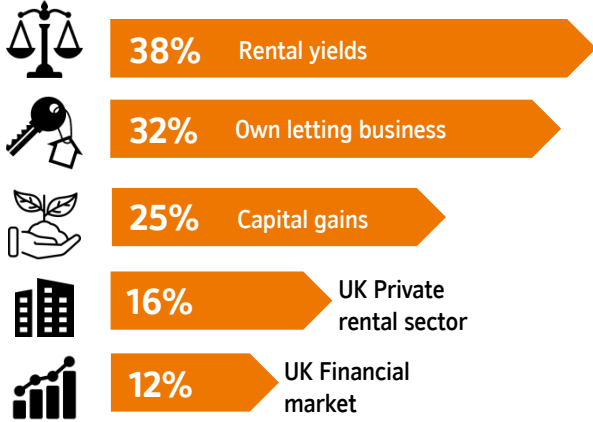
Average number of BTL loans held

the mortgage works

South East England

Landlords Outlook & Confidence

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



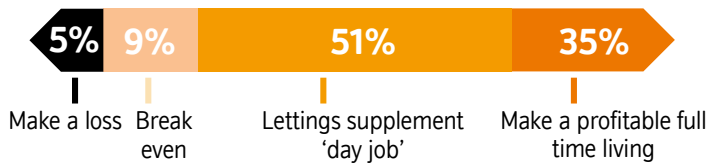
Confidence amongst landlords with property in the South East fell for 3 of the 5 key indicators in Q2, with prospects for rental yields recording the biggest decline (-12%). Despite this, confidence remains largely similar to the overall average.

South East landlords continue to be less likely to borrow against their portfolio, with just 59% having a mortgage on at least one of their BTL properties.

Relative to the other regions, landlords in the South East tend to achieve a lower yield, at 5.1%, although profitability remains strong at 86%.

Landlords Balance Sheet

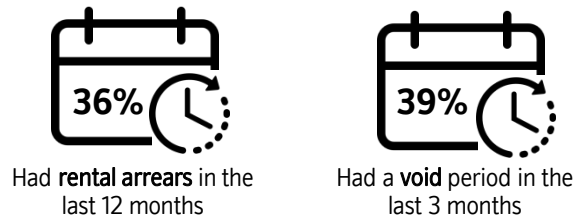
Profitability



Financials



Problems Experienced



PRS Dynamics



8.8

Properties in the average portfolio



19%

Report increasing tenant demand



6%

Bought a property in the last 3 months



10%

Sold a property in the last 3 months

BTL Dynamics



£435,000

Total amount owed through BTL mortgage borrowing



6.2

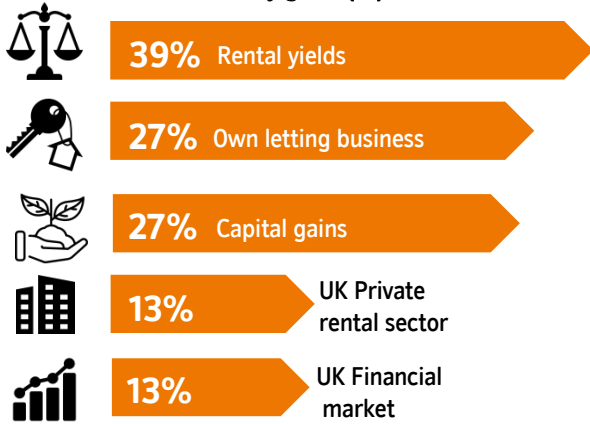
Average number of BTL loans held

the mortgage works

South West England

Landlords Outlook & Confidence

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



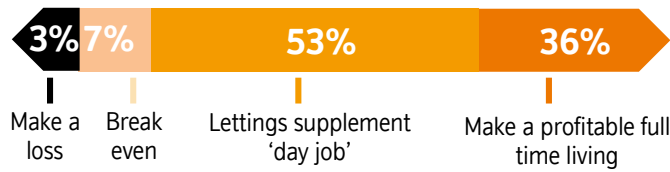
Q2 sees a fall in confidence amongst landlords operating in the South West, with all indicators seeing a double-digit decline vs. Q1.

South West landlords currently have the smallest portfolios at 5.9 properties on average, with the vast majority making a profit from their lettings activity (90%).

Profitability is likely to be linked to a lower than average leveraging and a lower incidence of both rental arrears and void periods relative to the other regions.

Landlords Balance Sheet

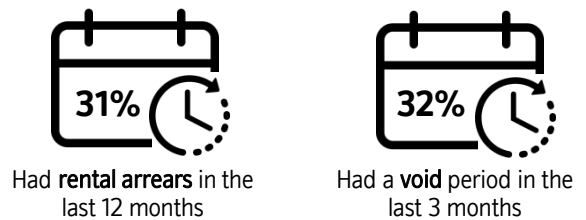
Profitability



Financials



Problems Experienced



PRS Dynamics



5.9

Properties in the average portfolio



25%

Report increasing tenant demand



6%

Bought a property in the last 3 months



12%

Sold a property in the last 3 months

BTL Dynamics



£392,000

Total amount owed through BTL mortgage borrowing



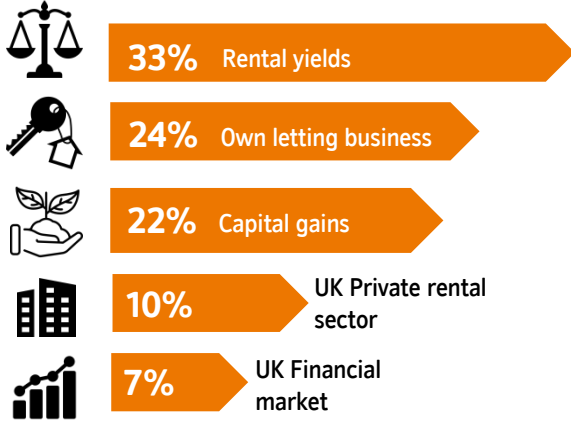
Average number of BTL loans held



Wales

Landlords Outlook & Confidence

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



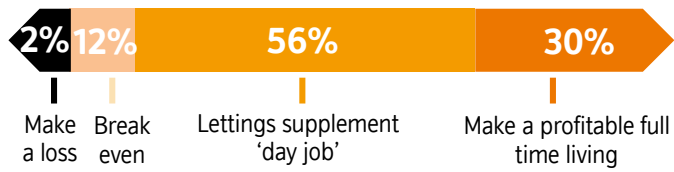
Confidence is generally slightly lower amongst landlords with property in Wales, with prospects for the UK private rental sector seeing a notable decline vs. Q1 (-12%).

Despite this, Welsh landlords are less likely to have experienced a recent void period, with a higher than average proportion reporting that they have seen increasing tenant demand in the last 3 months (44%).

Landlords in Wales tend to have larger than average portfolios, are more likely to be borrowing and are more likely than the typical landlord to have bought a property in the last 3 months (16%).

Landlords Balance Sheet

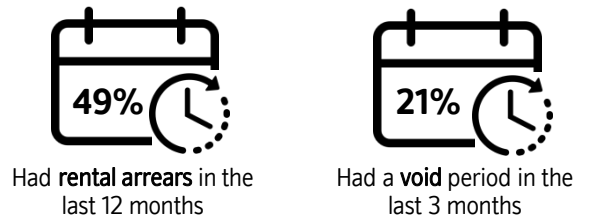
Profitability



Financials



Problems Experienced



PRS Dynamics



12.3
Properties in the average portfolio



44%
Report increasing tenant demand



16%
Bought a property in the last 3 months



9%
Sold a property in the last 3 months

BTL Dynamics



£680,000
Total amount owed through BTL mortgage borrowing

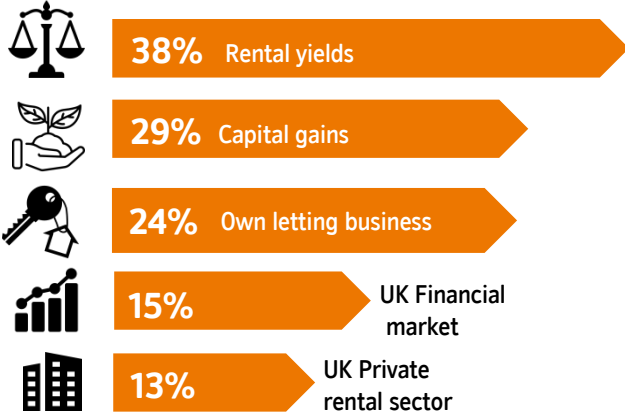
9.4
Average number of BTL loans held

the mortgage works

West Midlands

Landlords Outlook & Confidence

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



West Midland landlord confidence in the prospects for rental yields and the UK private rental sector both fell 10% in Q1, with those feeling positive about their own letting business down 15%.

The proportion of landlords in the West Midland making a profitable full time living from their letting activity has also fallen 12% this quarter, with more now saying they either break even or make a loss (15%).

Despite this, West Midland landlords are equally likely to have bought as they are to have sold property in the last 3 months (12%), with the proportion buying more than doubling vs. Q1.

Landlords Balance Sheet

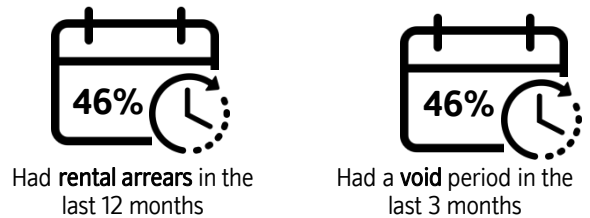
Profitability



Financials



Problems Experienced



PRS Dynamics



8.9

Properties in the average portfolio



24%

Report increasing tenant demand



12%

Bought a property in the last 3 months



12%

Sold a property in the last 3 months

BTL Dynamics



£548,000

Total amount owed through BTL mortgage borrowing



6.8

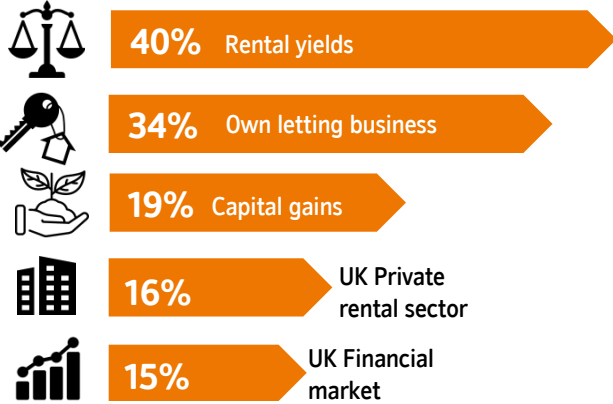
Average number of BTL loans held

the mortgage works

Yorkshire and the Humber

Landlords Outlook & Confidence

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



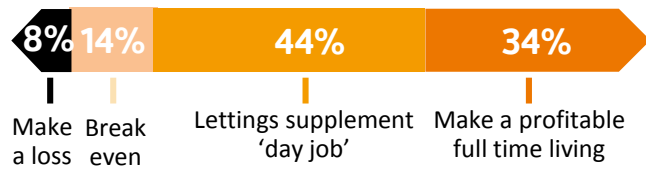
Despite a 12% fall in confidence around the prospects for rental yields, landlords active in Yorks and Humber tend to be more positive than the typical landlord about the prospects for their own lettings business over the next 3 months.

Landlords with property in Yorks and Humber have the largest average portfolios, at 13.6 properties, with a higher proportion using a mortgage to fund their lettings activity (73%).

Yorks and Humber landlords are also the most active in terms of recent buying and sales activity, with the incidence of both now at 17% following a 6% and 10% increase respectively vs. Q1.

Landlords Balance Sheet

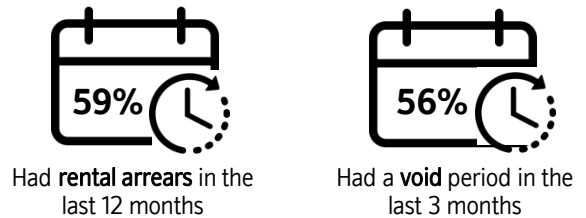
Profitability



Financials



Problems Experienced



PRS Dynamics



13.6

Properties in the average portfolio



31%

Report increasing tenant demand



17%

Bought a property in the last 3 months



17%

Sold a property in the last 3 months

BTL Dynamics



£493,000

Total amount owed through BTL mortgage borrowing



8.0

Average number of BTL loans held

the mortgage works