

the mortgage works 

# Tenant Demand Report

Q4 2021

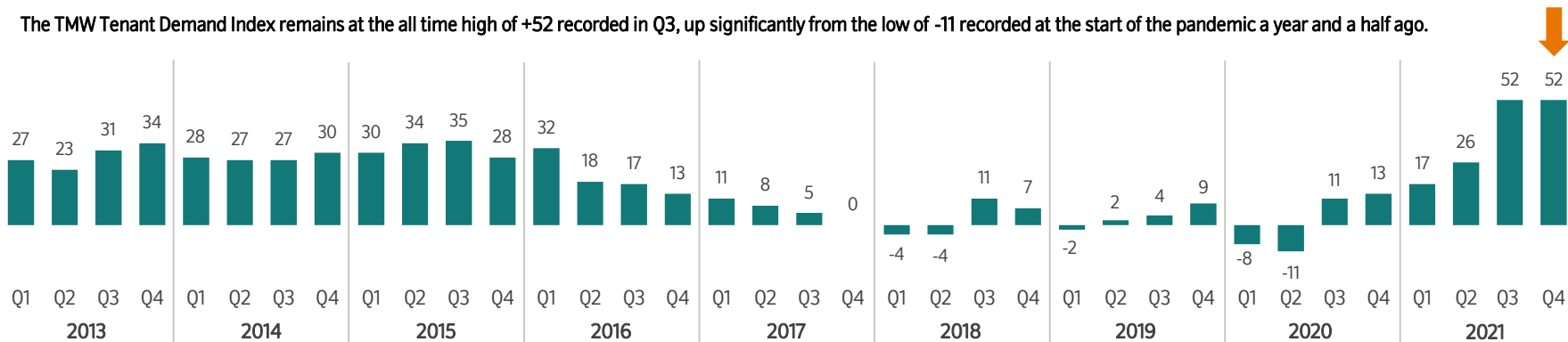
Fieldwork took place 5th December – 27 December 2021



For intermediary use only

# Tenant Demand Report Q4 2021: Methodology

The TMW Tenant Demand Index remains at the all time high of +52 recorded in Q3, up significantly from the low of -11 recorded at the start of the pandemic a year and a half ago.



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 2021, the results were:

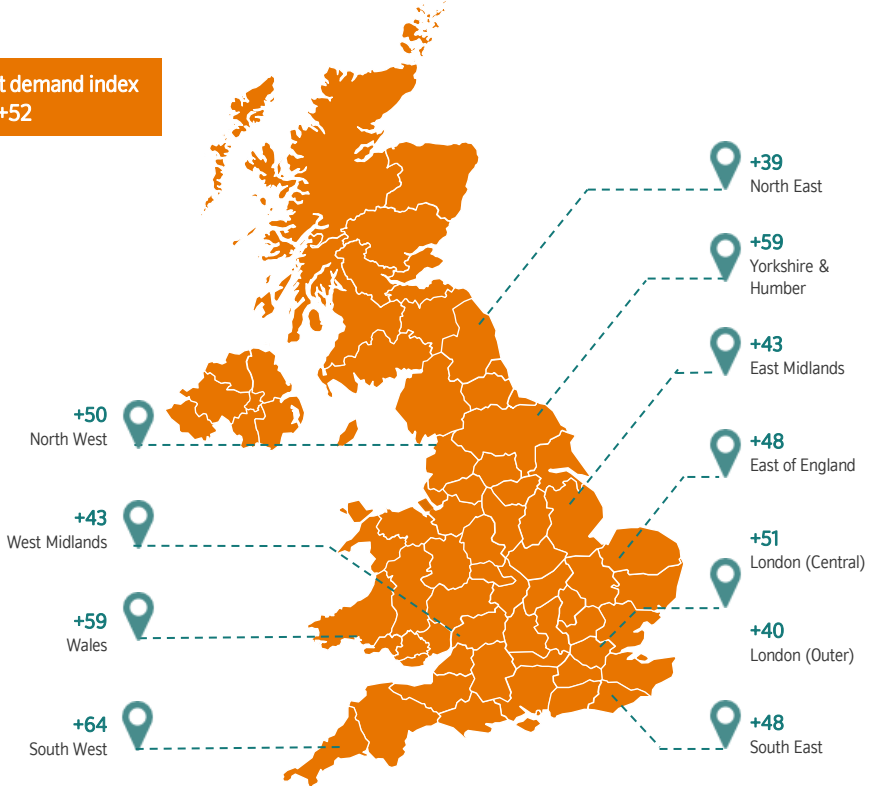
Increased significantly	27%
Increased slightly	29%
No change	21%
Decreased slightly	3%
Decreased significantly	1%
Unsure	19%

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

% landlords reporting tenant demand is growing significantly or slightly	27 + 29 = 56%
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MINUS	
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% landlords reporting tenant demand is decreasing slightly or significantly	3 + 1 = 4%
<b>Q4 2021 Tenant Demand Index</b>	<b>= +52</b>

# Tenant Demand Report Q4 2021: Regional Analysis

UK tenant demand index average: +52



In Q4 '21, 3 of the 11 standard regions in England & Wales achieve a TDI score above the UK average, which has remained unchanged from Q3 at +52.

The South West currently achieves the highest TDI score (+64), followed by Wales and Yorkshire and the Humber (both at +59).

All other regions record TDI scores that are below the national average, most notably the North East (+39), Outer London (+40), and the West / East Midlands (both at +43).

However, although more regions now post TDI scores that are below the national average compared to Q3, the gap between the region with the lowest TDI and the region with the highest TDI has narrowed (from 30pts to 25pts).

NOTE: Base size too small to report Scotland results separately

Source: BVA BDRCLandlord Panel research Q4 2021  
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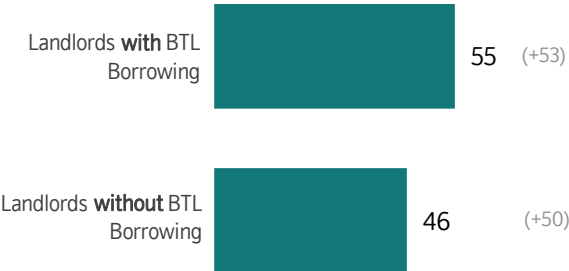
# Tenant Demand Report Q4 2021

Tenant Demand Index calculation:

$$\begin{matrix} \% \text{ landlords reporting tenant demand is} \\ \text{growing significantly or slightly} \end{matrix} \quad \text{MINUS} \quad \begin{matrix} \% \text{ landlords reporting tenant demand is} \\ \text{decreasing slightly or significantly} \end{matrix}$$

### BTL Borrowing (Q4 TDI Score)

(Q3 '21)

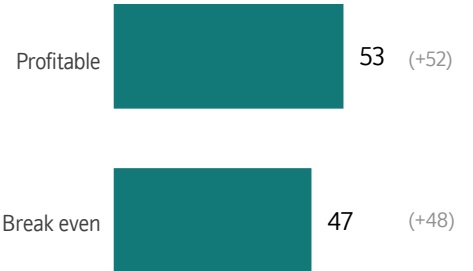


The TDI score for landlords both with and without BTL borrowing remains high after improving significantly from the start of the year.

Landlords with BTL borrowing continue to achieve a Tenant Demand Index score that is above that recorded by those without borrowing (+55 vs. +46) with the gap between the two groups widening in Q4 (from 3pts to 9pts).

### Profitability (Q4 TDI Score)

(Q3 '21)

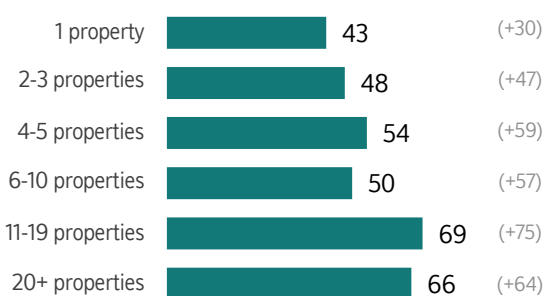


The TDI score for landlords making a profit from their lettings activity remains slightly above that of those who break even, at +53 (vs. +47).

Regardless of profitability, the TDI score posted by both landlord groups remains at the improved levels recorded in Q3 '21.

### Portfolio Size (Q4 TDI Score)

(Q3 '21)



Landlords with larger portfolios continue to achieve the most positive TDI scores. In Q4, landlords with 11-19 properties achieved the highest TDI score, at +69, although this has decreased slightly from Q3 (-6pts).

However, it is the smallest landlords with a single property who saw a notable improvement in Q4, with their TDI score increasing by 13pts to +43.

Source: BVA BDRG Landlord Panel research Q4 2021  
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