

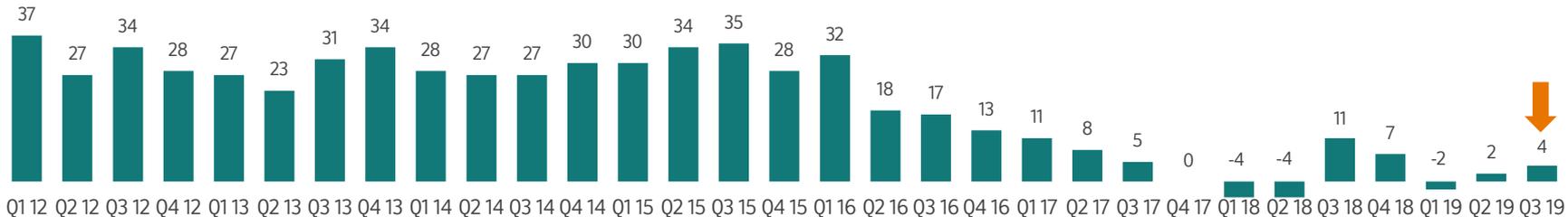
the mortgage works 

Tenant Demand Report

Q3 2019

Tenant Demand Report Q3 2019: Methodology

The TMW Tenant Demand Index has edged up 2pts from Q2 2019, remaining in positive territory at +4:



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 Q3 2019, the results were:

Increased significantly	6%
Increased slightly	16%
No change	37%
Decreased slightly	13%
Decreased significantly	5%
Unsure	24%

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

% landlords reporting tenant demand is growing significantly or slightly 6 + 16 = 22%

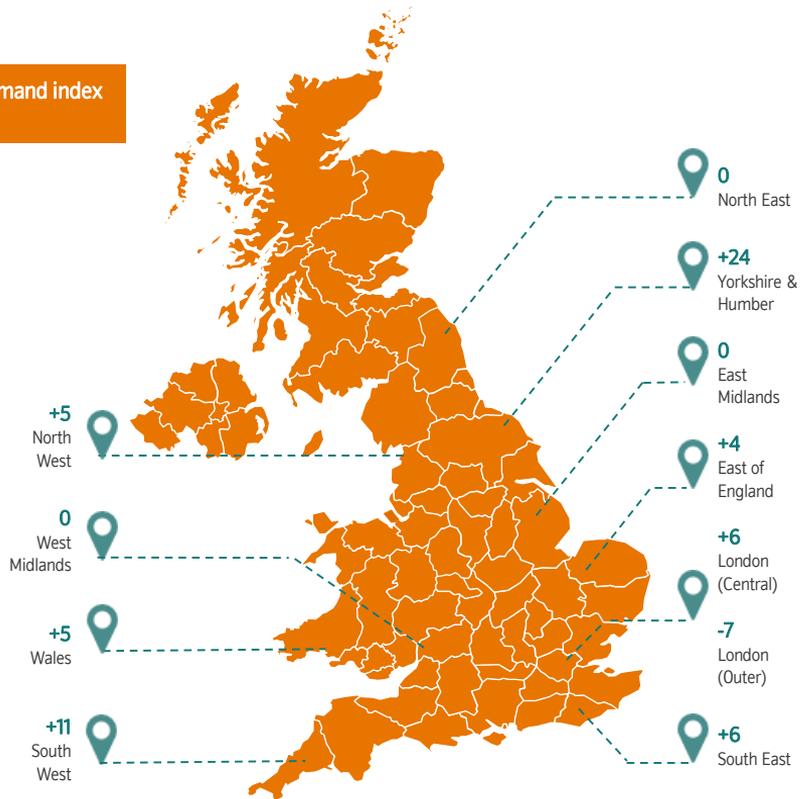
MINUS

% landlords reporting tenant demand is decreasing slightly or significantly 13 + 5 = 18%

Q3 2019 Tenant Demand Index = +4

Tenant Demand Report Q3 2019: Regional Analysis

UK tenant demand index average: +4



6 of the 11 standard regions in England & Wales achieve a Tenant Demand Index Score above the UK average, which sits at +4 this quarter.

Landlords in Yorkshire & Humber are the most likely to report seeing a growth in tenant demand, with a Tenant Demand Index Score of +24. The South West has the second highest TDI score at +11.

3 of the 11 regions have a tenant demand index score of 0, with an equal proportion of landlords reporting tenant demand has increased as report it has decreased. These regions are the West Midlands, East Midlands and North East.

Landlords with properties in Outer London have the lowest score on the Tenant Demand Index and are the only region in negative territory, at -7.

NOTE: Base size too small to report Scotland results separately

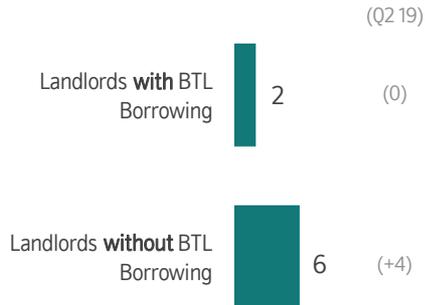
Source: BVA BDRCLandlord Panel research Q3 2019
 The Mortgage Works (UK) plc is a wholly owned subsidiary of Nationwide Building Society, Nationwide House, Pipers Way, Swindon. SN38 1NW T1394

Tenant Demand Report Q3 2019

Tenant Demand Index calculation:

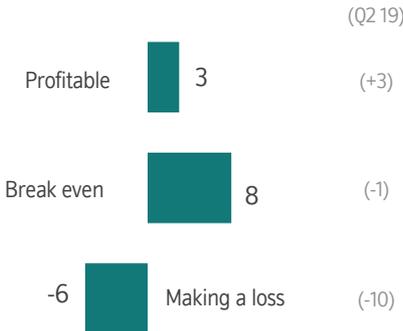
$$\% \text{ landlords reporting tenant demand is growing significantly or slightly} \text{ MINUS } \% \text{ landlords reporting tenant demand is decreasing slightly or significantly}$$

BTL Borrowing (Q3 TDI Score)



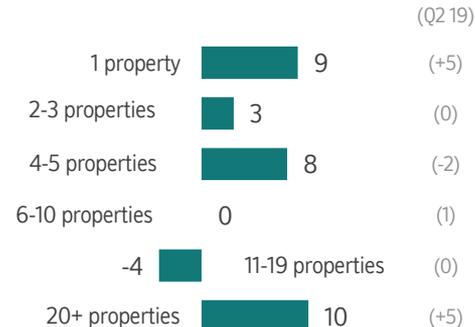
This quarter sees an increase in reported tenant demand among landlords both with and without BTL borrowing (both +2pts vs. Q2). Landlords without BTL borrowing continue to achieve a higher Tenant Demand Index score than those with BTL Borrowing (+6 vs. +2).

Profitability (Q3 TDI Score)



Landlords who are 'breaking even' achieve the highest tenant demand index score in Q3. Reported tenant demand has increased across those 'making a loss' and particularly amongst those 'breaking even' where the tenant demand index score has risen to +8, up 9pts from Q2.

Portfolio Size (Q3 TDI Score)



Landlords at the two extremes of the portfolio size spectrum continue to report the strongest demand from tenants, with **20+ property landlords achieving the highest TDI score of +10** in Q3 2019.