

Limited Company Landlords

Profiling the Market



Q3 2024

Limited Company buy to let borrowing profile

Compared to those operating as an individual, Limited Company landlords are more likely to borrow money to fund their lettings business (72% vs. 52%). They also have a higher number of Buy to Let loans on average (7.9 vs. 2.2). Typical LTVs are however relatively similar between the two landlord groups (52% for Limited Company vs. 49% for individuals).



72% borrow to fund their rental portfolio

29% have borrowing on all their properties

7.9

Average # Buy to Let loans held

£1.2M

Average amount owed

52%

Typical LTV

56%

Expect to remortgage or make a product transfer on at least one property in the next 12 months

22%

The share of remortgages and product transfers that Limited Companies will account for in the next 12 months

Limited Company market dynamics

Levels of confidence are broadly similar between Limited Company landlords and those operating as individuals in Q3 2024. Limited Company landlords are however more likely to be active in buying and selling property in the next 12 months.

Limited Company landlord confidence

% rating prospects in next 3 months as 'good'

34%

Rental yields

31%

Own lettings business

18%

Capital gains

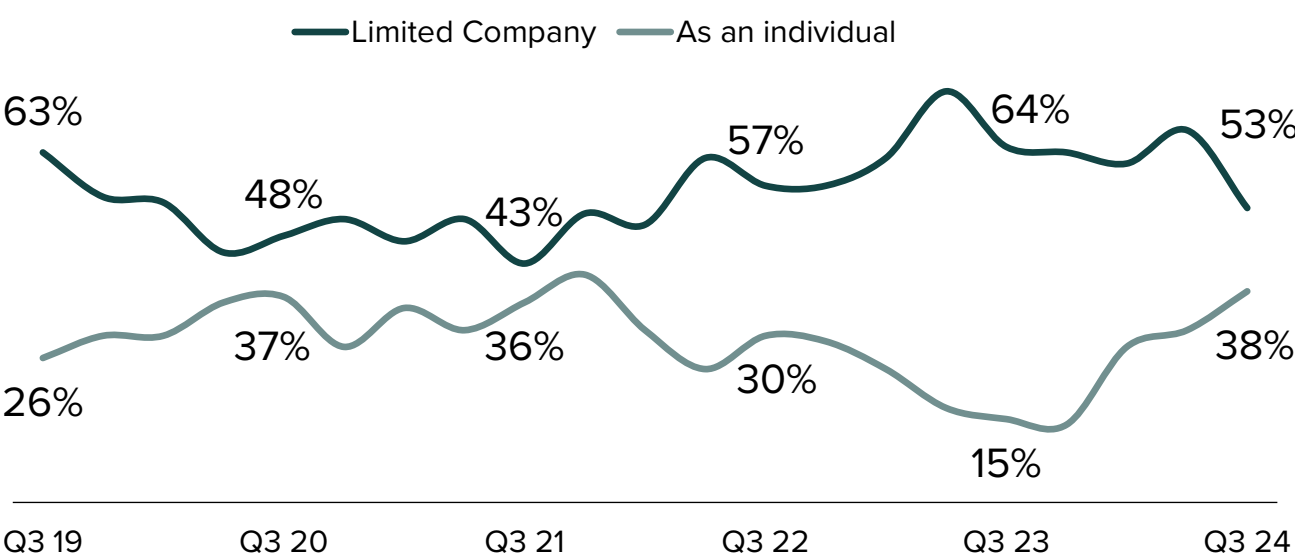


14% Intend to buy in the next 12 months



45% Intend to sell in the next 12 months

Intent to purchase in a Limited Company:



Limited Company landlord rental portfolio structure

On average, Limited Company landlords manage portfolios over three times the size of those operating as an individual. Limited Company landlords are also increasingly incorporating their portfolios. The share of properties held in this way has doubled from 36% in Q1 2020, to 76% in Q3 2024. This uplift is primarily being driven by incorporation at the point of new property purchase.

44%

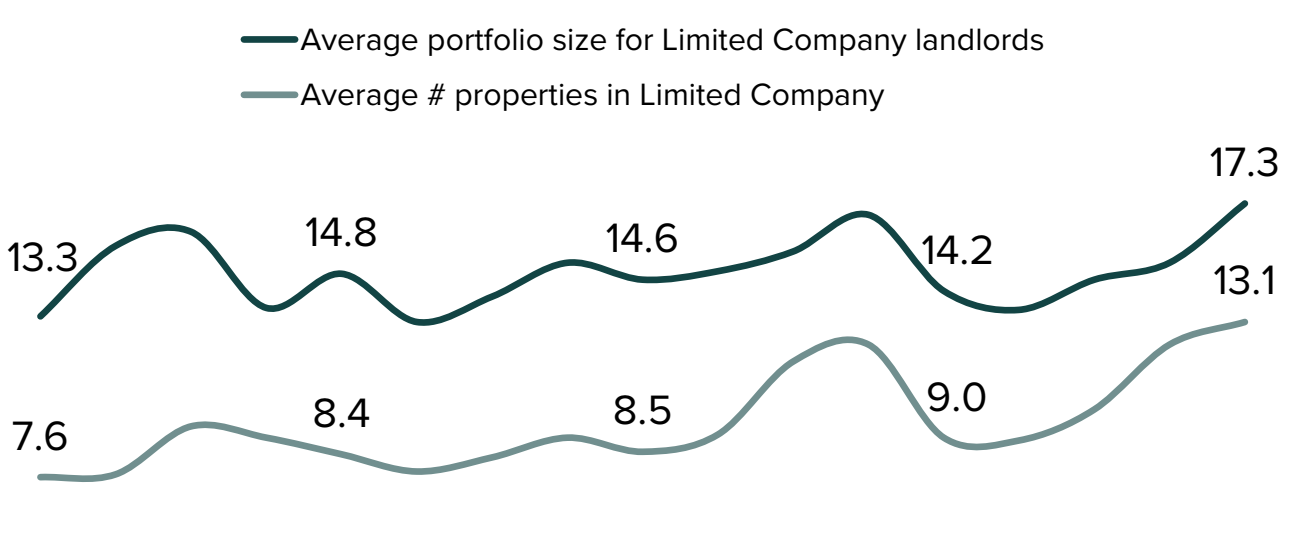
Hold all their rental properties in a Limited Company

80%

Share of Ltd Company landlords' properties that are incorporated

(56% have a mix of individually held & Limited Company)

Property ownership structure (number of properties)



Limited Company landlord portfolio financials

Limited Company landlords have an average portfolio value of £3.1M. This is significantly higher than those holding their properties as individuals (£1.1M). They also have a higher annual gross rental income on average, although there's no difference in the typical achieved yield and overall perceived profitability.

£3.1M

Average portfolio value

£170k

Average annual gross rental income

6.5%

Typical yield

Profitability



Limited Company landlord profile

The typical Limited Company landlord is 58 years old, 5 years younger than the average landlord operating as an individual. As a result, they are more likely than individual landlords to be in full time employment (as a landlord or otherwise) and much less likely to be retired.

17.8

Average years letting

58

Average age

Employment Status

