

Overall UK

Landlords Outlook & Confidence

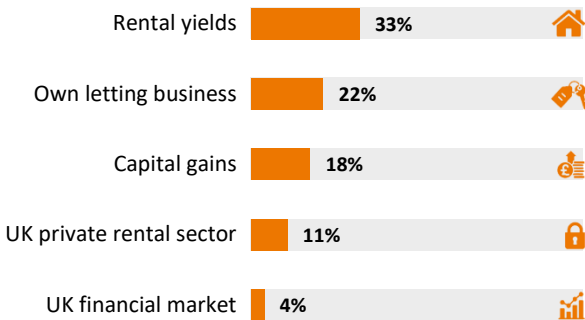
Landlord confidence has declined for all 5 metrics in Q2, most notably for rental yields which has fallen by 9% since Q1.

The proportion of landlords making a profit continues to decrease this quarter, albeit by a modest 1% to 77%.

Several metrics have remained mostly stable since Q1 including average rental yields, incidence of rental arrears and tenant demand.

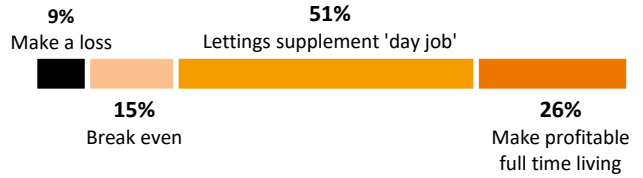
Recent acquisition has slightly increased (+1%), whilst recent divestment has decreased (-4%).

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

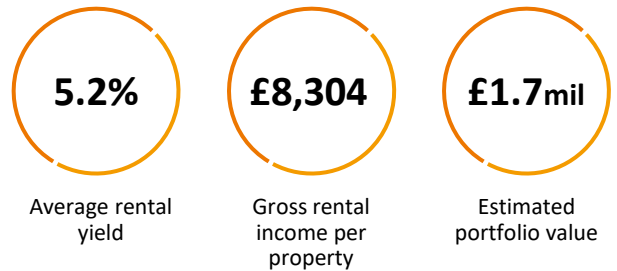


Landlords Balance Sheet

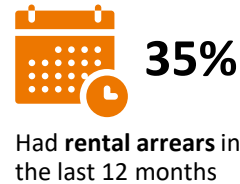
Profitability



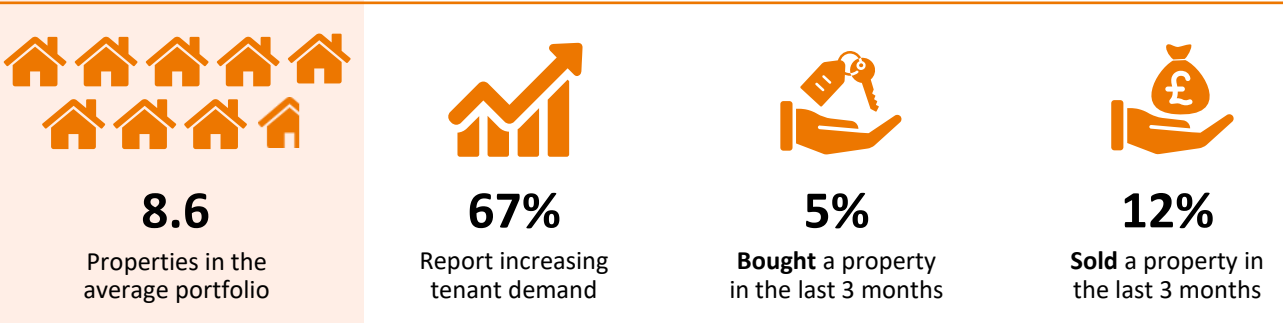
Financials



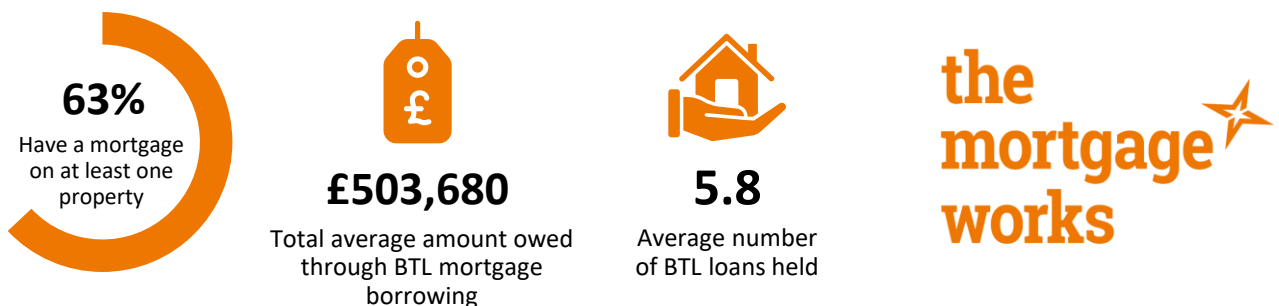
Problems Experienced



PRS Dynamics



BTL Dynamics



East of England

Landlords Outlook & Confidence

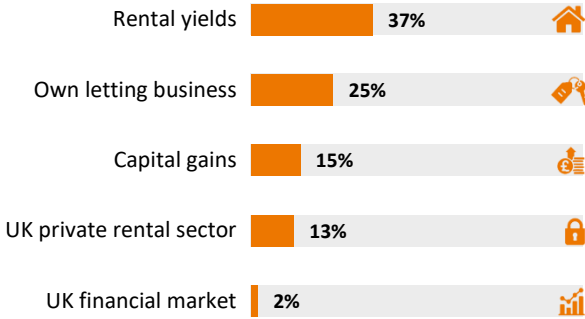
Landlord optimism in the East of England is down across 3 out of 5 metrics this quarter, with the exception of one's own letting business (+4%) and the UK private rental sector (+7%). Confidence in rental yields in particular has taken the largest hit, down by 19% vs Q1.

Profitability has also decreased by 7% to 74%, now sitting below the national average.

Reported tenant demand has also fallen by 4%.

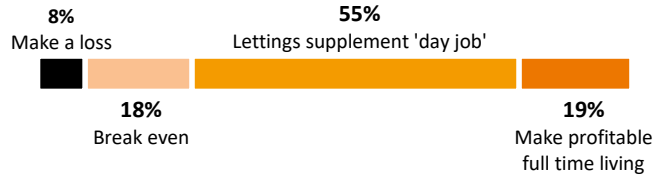
In better news, average rental yields have increased (+0.4% vs. Q1) and the incidence of rental arrears has fallen considerably (-11% vs. Q1).

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



Landlords Balance Sheet

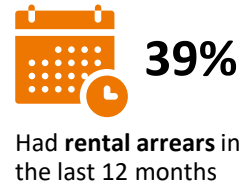
Profitability



Financials



Problems Experienced



PRS Dynamics



8.3

Properties in the average portfolio



67%

Report increasing tenant demand



7%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



£532,280

Total average amount owed through BTL mortgage borrowing



6.2

Average number of BTL loans held

the mortgage works

East Midlands

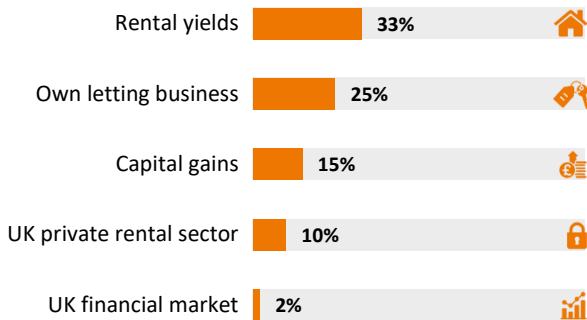
Landlords Outlook & Confidence

Landlords in the East Midlands are also feeling less optimistic this quarter for 4 out of 5 metrics, with the exception of one's own letting business which has remained stable.

Despite this, a higher proportion of landlords this quarter are reporting their lettings are supplementing their day job (+13%). In turn, the proportion of loss-making landlords has decreased (-7%), now sitting above the national average only slightly by 1%.

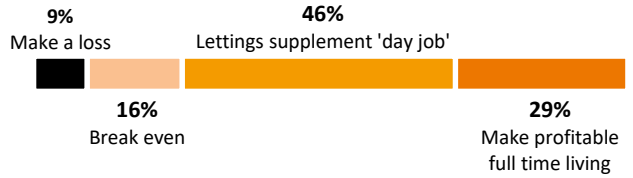
Estimated rental yield and portfolio value are also up by +0.2% and £0.4M respectively.

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

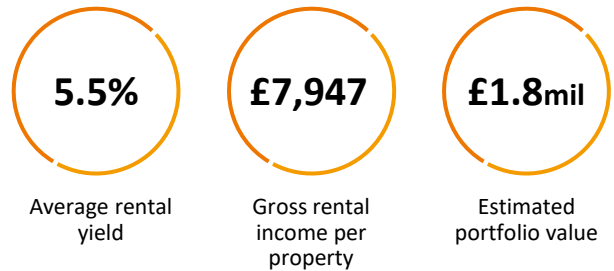


Landlords Balance Sheet

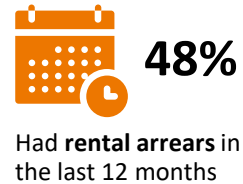
Profitability



Financials



Problems Experienced



PRS Dynamics



9.6

Properties in the average portfolio



68%

Report increasing tenant demand



8%

Bought a property in the last 3 months



15%

Sold a property in the last 3 months

BTL Dynamics



£463,640

Total average amount owed through BTL mortgage borrowing



6.2

Average number of BTL loans held

the mortgage works

Central London

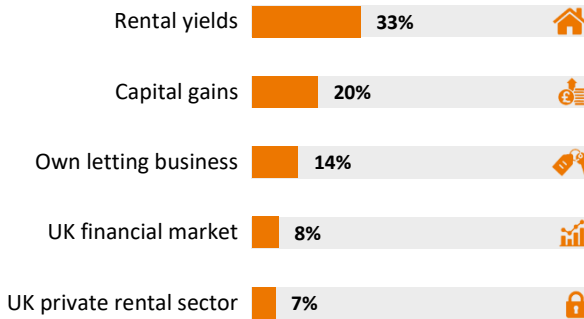
Landlords Outlook & Confidence

Central London landlords are less optimistic on 4 out of the 5 metrics compared to Q1, most striking being a fall in confidence in the UK private rental sector (-12%). Outlook for capital gains is the only metric which has remained mostly stable.

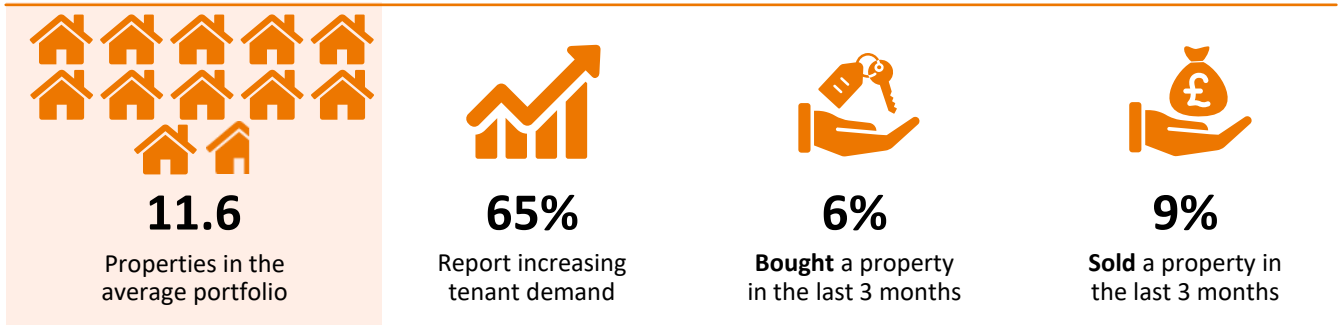
On the balance sheet, although there has been a small uptick in average rental yield (+0.4%), average gross rental income per property has decreased since Q1.

The proportion of landlords experiencing problems with rental arrears has gone up considerably (+8%) to be more in line with the national average. The proportion of those divesting has fallen (-5%) whilst acquisition increased slightly (+1%).

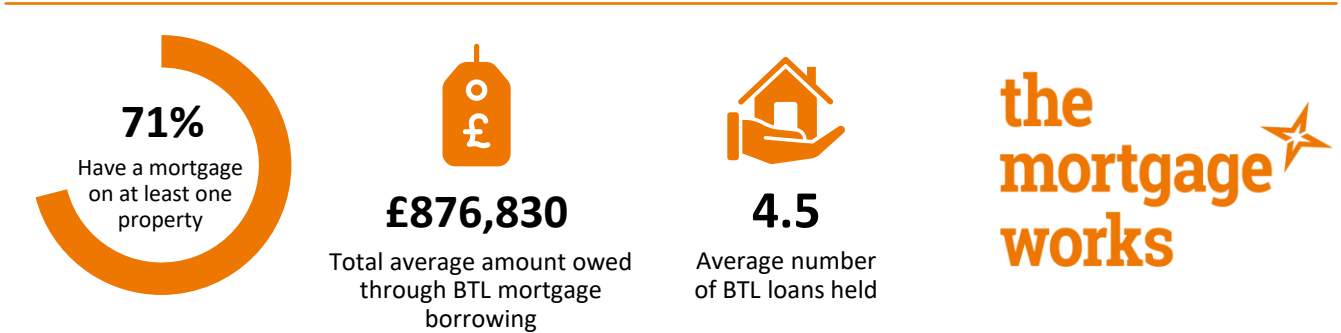
Expectations for the next 3 months rated as good/very good (%)



PRS Dynamics

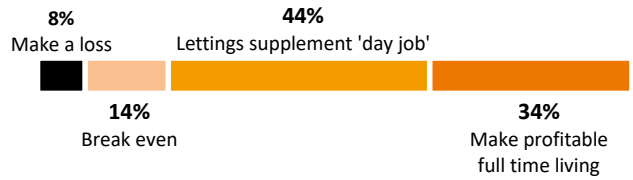


BTL Dynamics



Landlords Balance Sheet

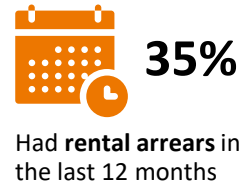
Profitability



Financials



Problems Experienced



Outer London

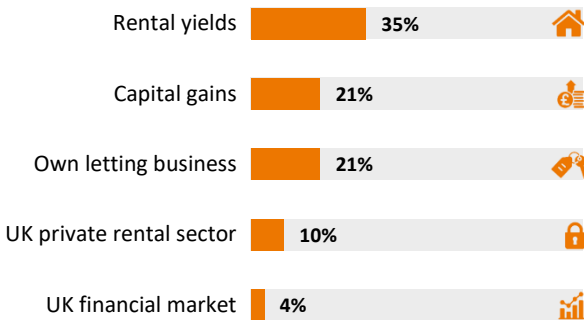
Landlords Outlook & Confidence

Noticeable for Outer London is that only 1 of the confidence metrics has declined since Q1 and that only marginally. Lower optimism in rental yields (-3%) is offset by more optimism for capital gains (+5%), UK private rental sector (+2%) and the UK financial market (+1%). This bucks the trend of other regions.

On their balance sheet there has been a small increase in average rental yield (+0.3%), a decrease in income per property and no change in estimated portfolio value.

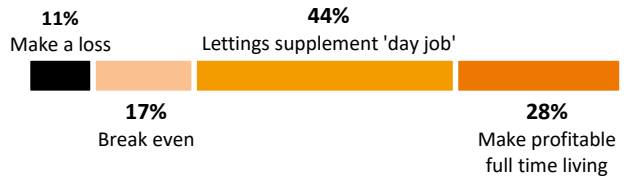
Landlords in this region also report a small decline in recent divestment (-3%) and a small increase in recent acquisition (+2%).

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

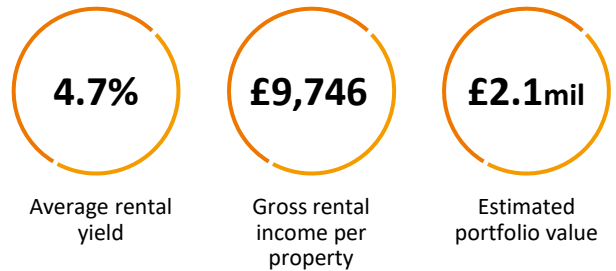


Landlords Balance Sheet

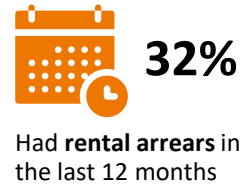
Profitability



Financials



Problems Experienced



PRS Dynamics



8.1

Properties in the average portfolio



73%

Report increasing tenant demand



7%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



£722,980

Total average amount owed through BTL mortgage borrowing



4.7

Average number of BTL loans held

the mortgage works

North East England

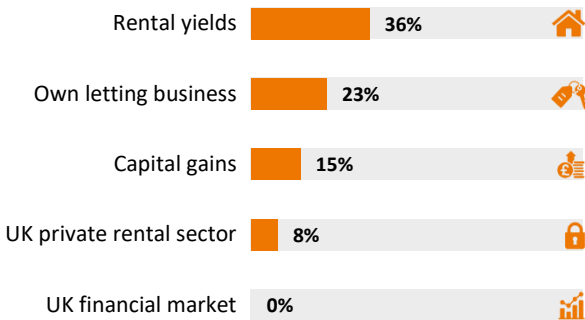
Landlords Outlook & Confidence

A stand-out headline for the North East region is that absolutely no landlords have at least 'good' expectations for the UK financial market for the next 3 months (-6%). There is also less optimism in rental yields (-12%), one's own letting business (-7%) and capital gains (-13%).

Although only a small increase on Q1 (+1%), the North East remains the region where most landlords have experienced rental arrears in the last 12 months.

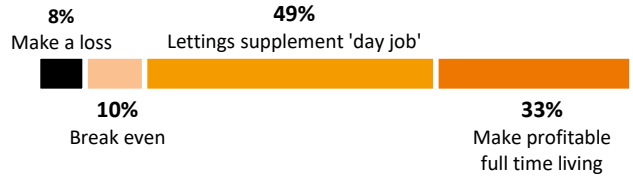
Like elsewhere recent divestment has decreased (-5%) whilst recent acquisition rates are unchanged.

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



Landlords Balance Sheet

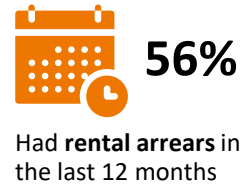
Profitability



Financials



Problems Experienced



PRS Dynamics



11.3

Properties in the average portfolio



64%

Report increasing tenant demand



3%

Bought a property in the last 3 months



13%

Sold a property in the last 3 months

BTL Dynamics



£847,370

Total average amount owed through BTL mortgage borrowing



8.1

Average number of BTL loans held

the mortgage works

North West England

Landlords Outlook & Confidence

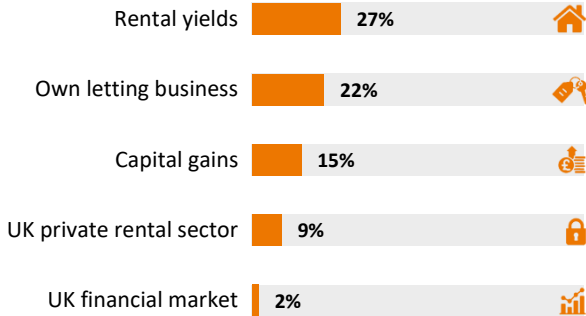
Noticeable for the North West this quarter is the increase in the proportion of landlords making a loss (+9%), which now equates to 1 in 7 in the region.

Unsurprisingly, optimism on all the confidence metrics has fallen, with 'good' expectations for rental yields having fallen the most since Q1 (-22%).

On their balance sheet there has been a decline in both average rental yield (-0.4%) and income per property (-£1.4k) vs. Q1. Additionally, those experiencing rental arrears has also gone up (+6%).

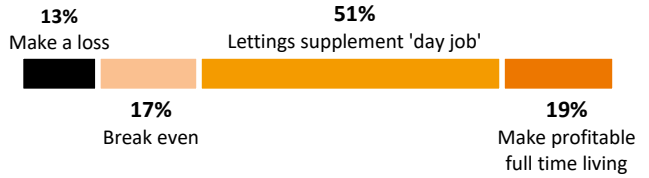
Following the pattern of other regions, recent divestment has fallen (-8%), whilst recent acquisition has increased (+6%).

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

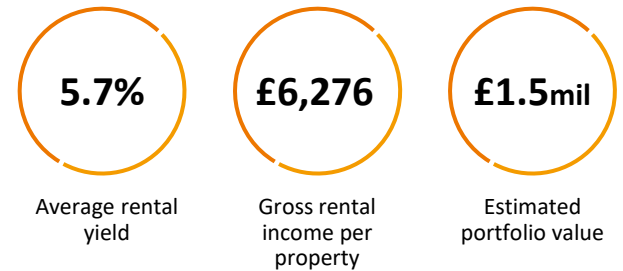


Landlords Balance Sheet

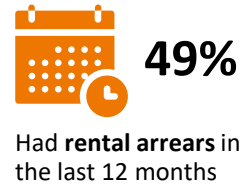
Profitability



Financials



Problems Experienced



PRS Dynamics



11.3

Properties in the average portfolio



69%

Report increasing tenant demand



8%

Bought a property in the last 3 months



19%

Sold a property in the last 3 months

BTL Dynamics



£573,700

Total average amount owed through BTL mortgage borrowing



8

Average number of BTL loans held

the mortgage works

South East England

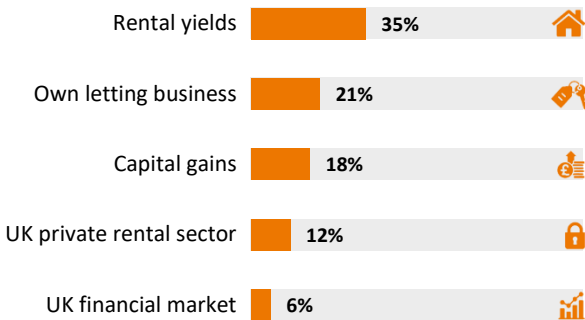
Landlords Outlook & Confidence

Although optimism is still falling for 3 of the 5 confidence metrics in the South East, the decline is not as steep as for most other regions. Moreover, confidence in both the UK private rental sector and UK financial market remain stable compared to Q1, albeit still at low levels.

On the balance sheet, although there has been a small increase in rental yield (+0.4%), there has been a decrease in rental income per property (-£800).

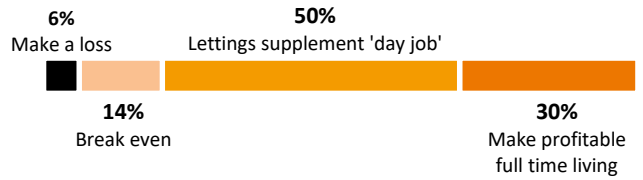
Landlords also report a decrease in recent divestment (-6%).

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



Landlords Balance Sheet

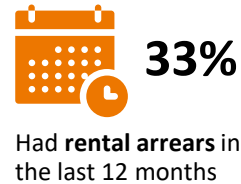
Profitability



Financials



Problems Experienced



PRS Dynamics



8

Properties in the average portfolio



65%

Report increasing tenant demand



5%

Bought a property in the last 3 months



9%

Sold a property in the last 3 months

BTL Dynamics



£514,470

Total average amount owed through BTL mortgage borrowing



5

Average number of BTL loans held

the mortgage works

South West England

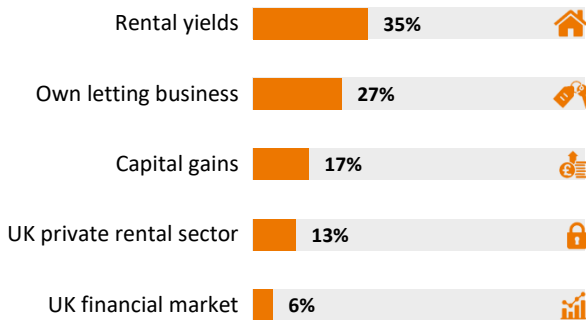
Landlords Outlook & Confidence

The South West report a relatively stable balance sheet compared to Q1, with only a small variation in profitability, key financials and incidence of rental arrears.

Despite that relative stability, optimism has declined in relation to all confidence metrics, expectations for at least good rental yields having fallen the most (-11%).

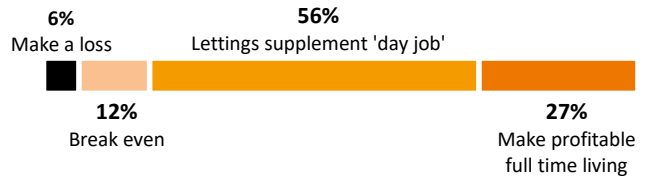
Landlords in the region report an increase in recent acquisition (+1%), but like elsewhere a decrease in recent divestment (-3%).

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



Landlords Balance Sheet

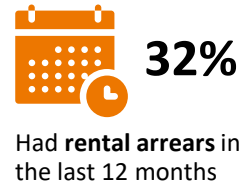
Profitability



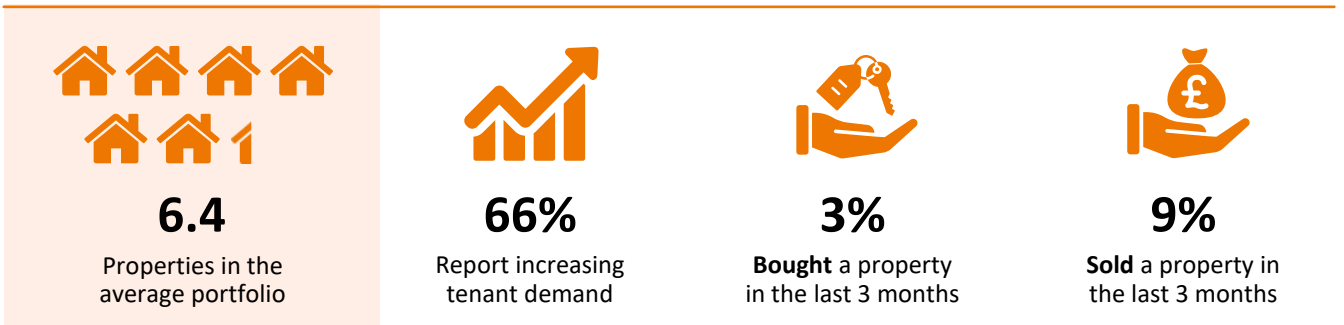
Financials



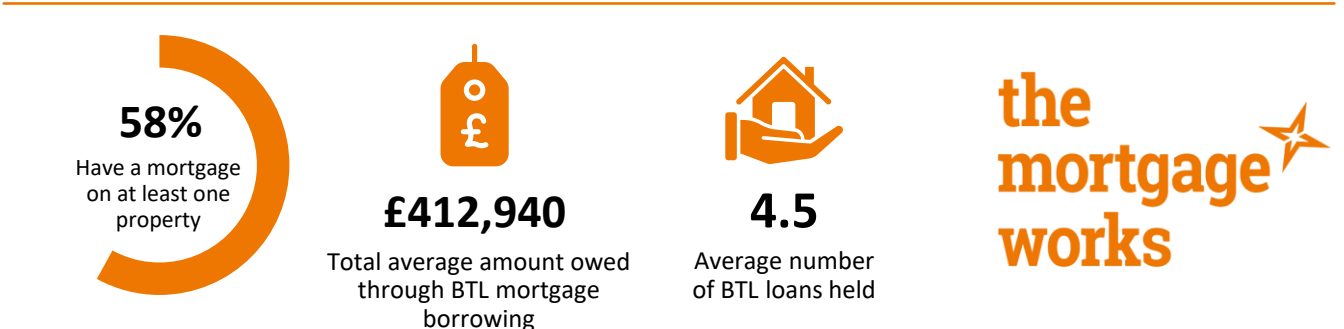
Problems Experienced



PRS Dynamics



BTL Dynamics



Wales

Landlords Outlook & Confidence

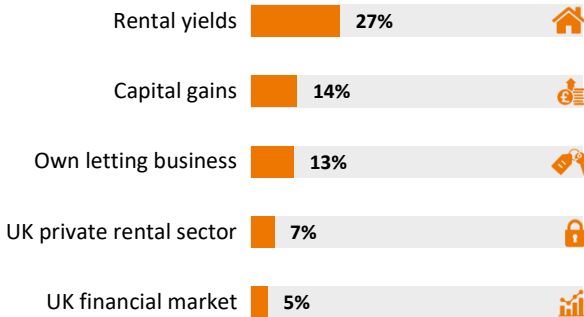
Noticeable for Wales this quarter is the lack of any recent acquisition activity. Whilst recent divestment has fallen (-5%), no landlords reported buying a property in the last quarter (-6%).

Welsh landlords' balance sheet is relatively stable with small increases in rental yield (+0.8%), income and portfolio value. Reassuringly, proportions experiencing rental arrears in the last 12 months has also fallen significantly (-15%).

Regardless, optimism in 4 of the confidence metrics has declined, with expectations for good rental yields again falling the most (-13%).

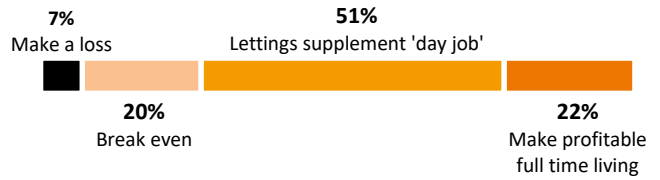
An uptick in tenant demand (+10%) should also be noted.

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

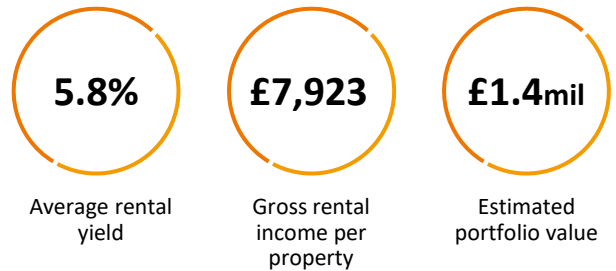


Landlords Balance Sheet

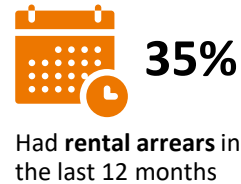
Profitability



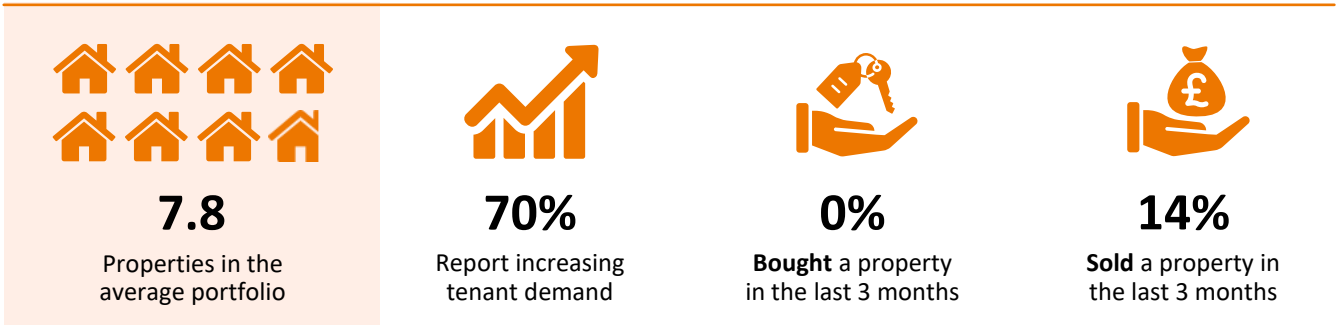
Financials



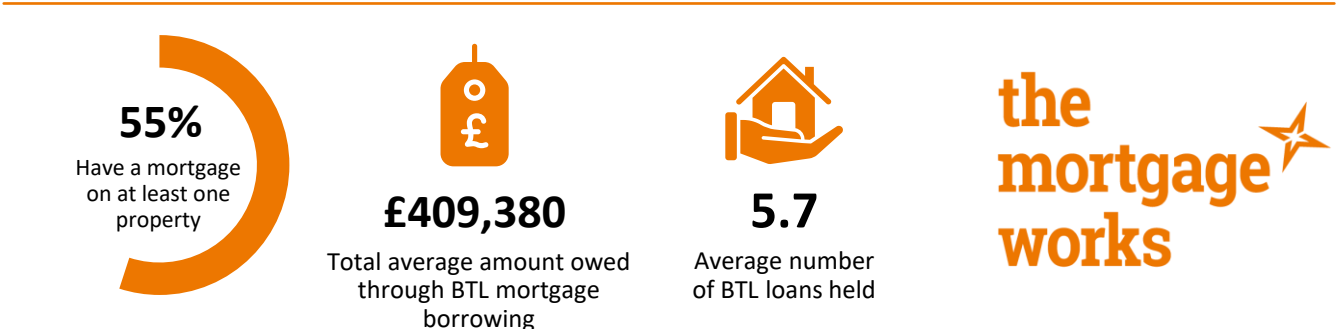
Problems Experienced



PRS Dynamics



BTL Dynamics



West Midlands

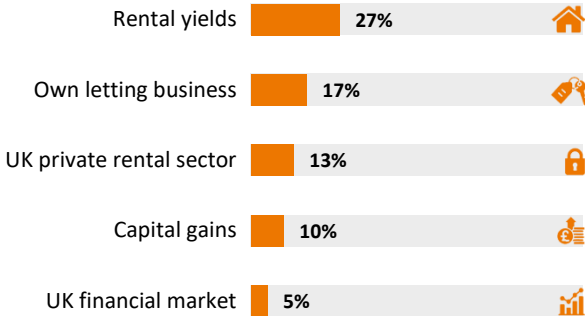
Landlords Outlook & Confidence

The proportion of landlords operating in the West Midlands making a profitable full-time living has decreased (-11%) compared to Q1. It is now the lowest reported figure of all the regions. Elsewhere on the balance sheet, average rental yield has also declined this last quarter (-1.1%).

Optimism in all of the confidence metrics has declined compared to Q1 with the biggest fall in expectations for good rental yields (-13%). Optimism for capital gains and own letting business also fallen steeply (-10% for both).

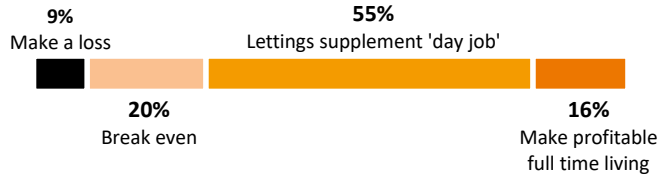
In line with most of the rest of UK, landlords report small decreases in recent divestment and small increases in recent acquisitions.

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



Landlords Balance Sheet

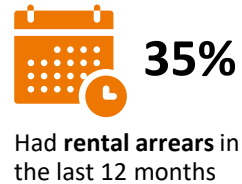
Profitability



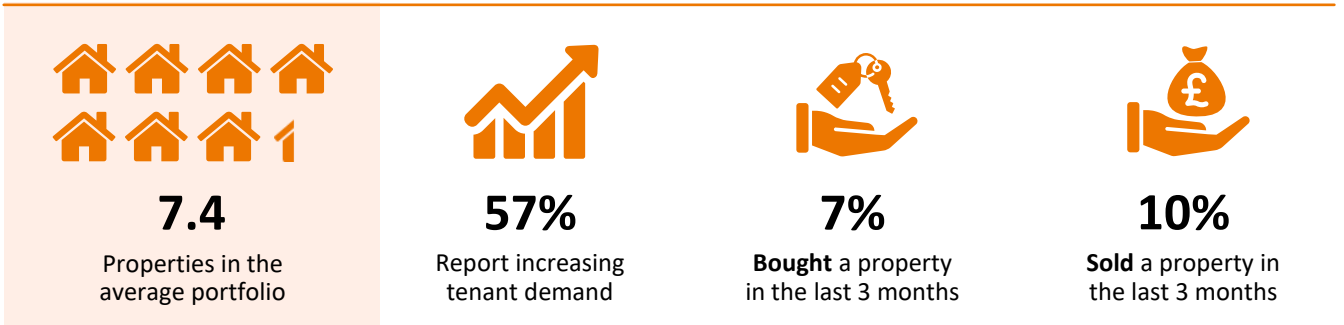
Financials



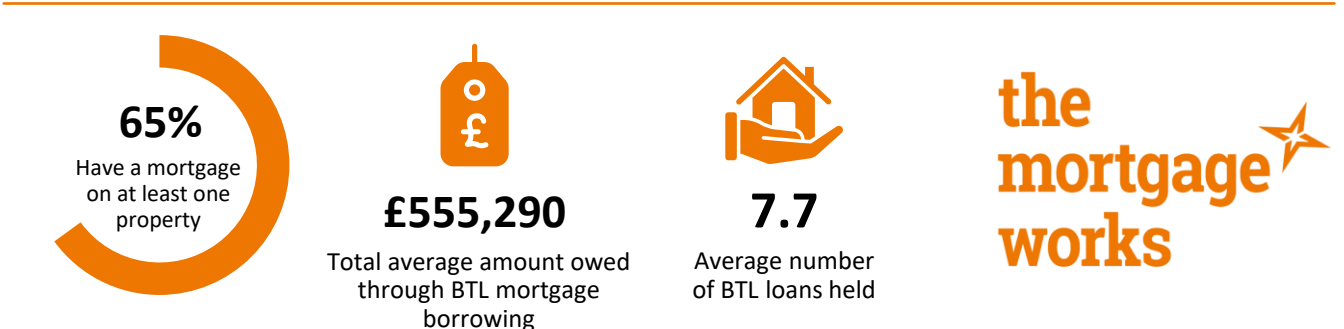
Problems Experienced



PRS Dynamics



BTL Dynamics



Yorkshire and The Humber

Landlords Outlook & Confidence

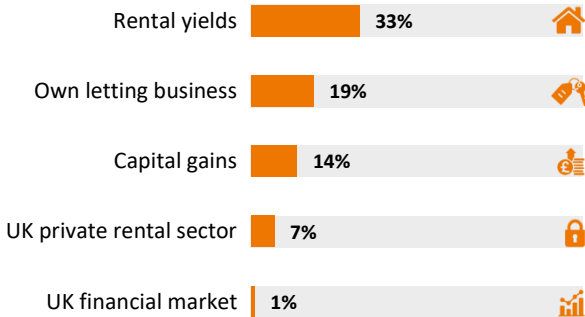
Landlords operating in Yorkshire & The Humber report a strong decline in optimism across all of the confidence indicators. The strongest decline is for capital gains (-13%) whilst the weakest decline for own letting business and UK private rental sector (-6% for both) is still notable.

There is also a notable increase in proportions of landlords making a loss from their business (+8%).

Whilst it is positive to see a fall in those experiencing rental arrears in the last year (-6%), the figure remains one of the highest in the country.

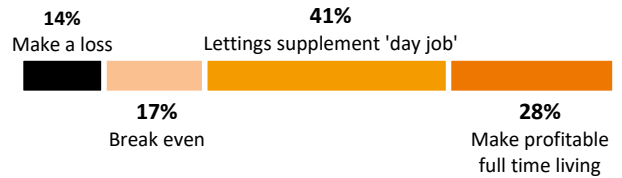
However, with 1 in 10 (+4%) having bought a property in the last 3 months, Yorks & The Humber landlords have been the most active in the recent acquisitions market.

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

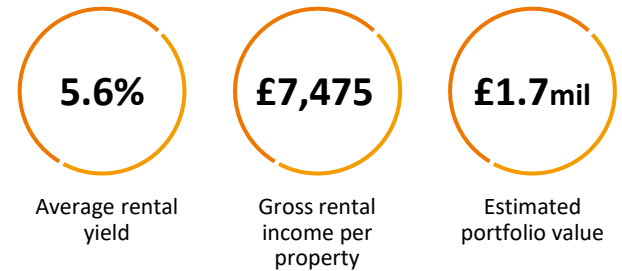


Landlords Balance Sheet

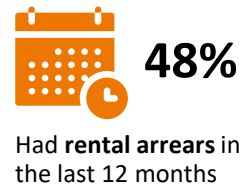
Profitability



Financials



Problems Experienced



PRS Dynamics



11.2

Properties in the average portfolio



66%

Report increasing tenant demand



10%

Bought a property in the last 3 months



18%

Sold a property in the last 3 months

BTL Dynamics



£647,920

Total average amount owed through BTL mortgage borrowing



9.1

Average number of BTL loans held

the mortgage works