

Prepared for
The Association of Residential Letting Agents

**ARLA Survey
of
Residential Investment Landlords**

March 2013

Prepared by

O M Carey Jones
5 Henshaw Lane, Yeadon, Leeds, LS19 7RW
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1. INTRODUCTION & BACKGROUND

ARLA surveys residential landlords through its Internet website with a view to canvassing the opinions of residential landlords on a number of topics.

During the first quarter of 2013, ARLA conducted the first survey of the year. This survey ran during the month of March.

Through many of its members completing questionnaires, The Residential Landlords Association (RLA) has assisted greatly with this research enhancing the sample size and making the results more robust.

2. METHODOLOGY

The method by which the data for this research was collected was through visitors to ARLA's web site taking the opportunity presented to complete an on-line questionnaire which included 21 questions.

The questions were devised by ARLA and included questions which were aimed at getting a better understanding of the profile of residential landlords and also at understanding better their views and opinions.

During the period when the questionnaire was available for completion, a total of 1,195 people went through the process of answering some or all of the questions.

These responses were analysed by the software running the survey and tables of data were produced on which this report is based.

3. RESULTS

The following sections detail the results of the ARLA survey of residential landlords conducted during the first quarter of 2013. In addition to the overall results for the whole country, for some of the questions, data has been included for each of the regions making up the UK as shown in the table in section 3.1 below except that Scotland, Wales & Northern Ireland have been combined to make the sample more robust.

With effect from the first quarter of 2011, the sample was greatly increased from between 200 and 300 respondents to more than 1,000 respondents but this did not result in significant changes to the profile of the sample and data from subsequent surveys should, therefore, be comparable with data from earlier surveys unless stated otherwise.

3.1 Where do you live? (Q.1)

Four out of ten respondents to the survey (40%) were from the South East of England (including London) with more than one in seven (15%) being from London itself. The Midlands was the region producing the next highest proportion of respondents (15%) followed by the South West (13%), the North East (13%) and the North West (12%). Only one in fifty respondents (2%) were living outside the UK when they completed the questionnaire.

Location	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Central London	6.0	4.8	5.0
Rest of London (<i>within M25</i>)	9.5	11.7	10.1
South East (<i>outside M25</i>)	23.7	24.4	24.9
South West	12.6	10.5	12.6
Midlands	13.2	13.3	14.8
North West	13.8	12.7	12.3
North East	13.4	13.1	12.5
Scotland	1.6	1.8	2.4
Wales	3.6	4.0	3.2
Northern Ireland	0.4	0.6	0.2
Outside UK	2.4	3.1	2.1
Base: All answering	(1,131)	(1,048)	(1,167)



Compared with the fourth quarter of 2012, the main differences are that there were noticeably fewer respondents from the Rest of London and noticeably more from the South West and the Midlands. The proportions from all the other regions were relatively little changed.

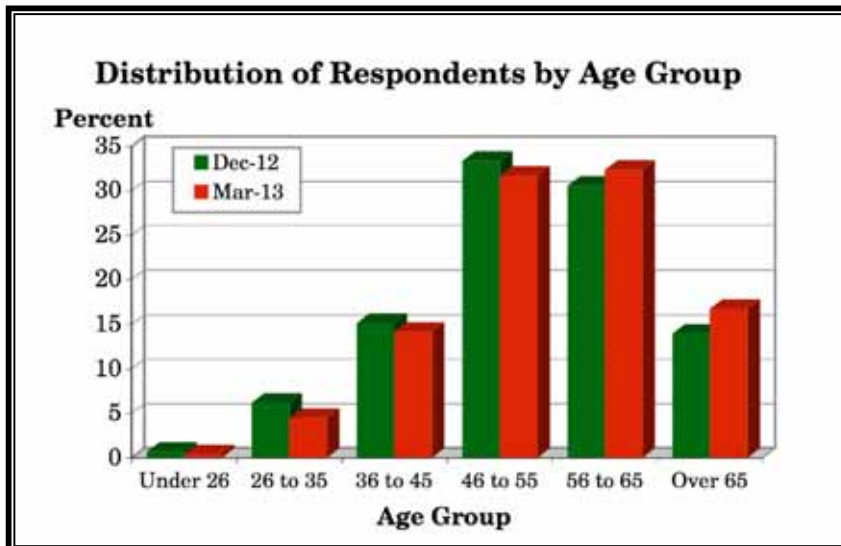
3.2 How old are you? (Q.2)

More than six out of ten respondents (64%) were aged between 46 and 65 with these respondents being almost equally split between those who were between 46 and 55 and those who were between 56 and 65 (32% in each case). A further one in seven (14%) were aged between 36 and 45.

At the extreme ends of the age scale, one in six respondents (17%) were aged over 65 with only one in twenty (5%) being aged 35 or under on this occasion.

Analysis of the results from this question reveals that the average age of respondents to the survey was 54 years, a figure which is up from 53 years three months ago.

Age Group	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Under 26	0.3	0.7	0.4
26 to 35	6.1	6.2	4.5
36 to 45	17.3	15.2	14.2
46 to 55	32.2	33.4	31.7
56 to 65	30.5	30.6	32.4
Over 65	13.6	14.0	16.8
Average (years)	52.7	52.9	54.2
Base: All answering	(1,132)	(1,037)	(1,159)



Compared with the last survey three months ago, the main changes are that there were more respondents aged over 55 (up from 45% to 49%) and fewer aged 26 to 55 (down from 55% to 50%).

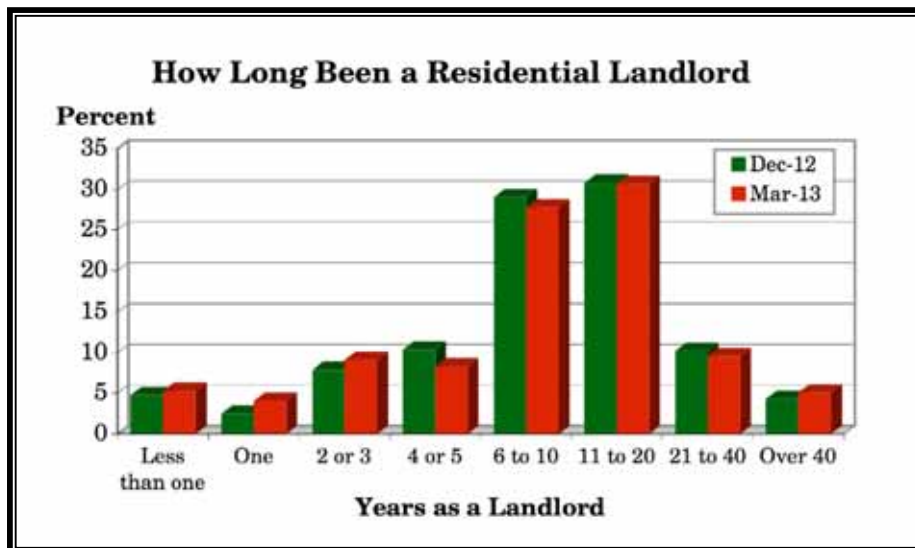
3.3 How long have you owned residential property to let? (Q.3)

Less than one in ten respondents (9%) had been residential landlords for one year or less whilst more than one in seven (15%) had been residential landlords for more than 20 years.

However, the vast majority, amounting to three quarters of respondents (75%) had been residential landlords for between 2 and 20 years with the largest proportion, more than three out of ten (31%) having been residential landlords for between 11 and 20 years. This group was closely followed by those who had been residential landlords for between 6 and 10 years (28%).

Simple analysis of these figures indicates that the average time for which respondents had been residential landlords was 13 years, a figure which is unchanged compared with three months ago.

Years as a Landlord	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Less than one	4.2	4.8	5.3
One	5.0	2.5	4.1
2 or 3	7.3	7.9	9.1
4 or 5	11.4	10.4	8.3
6 to 10	31.1	29.0	27.8
11 to 20	27.1	30.8	30.7
21 to 40	10.4	10.2	9.6
Over 40	3.4	4.3	5.1
Average (years)	12.2	12.9	12.9
Base: All answering	(1,112)	(1,026)	(1,148)

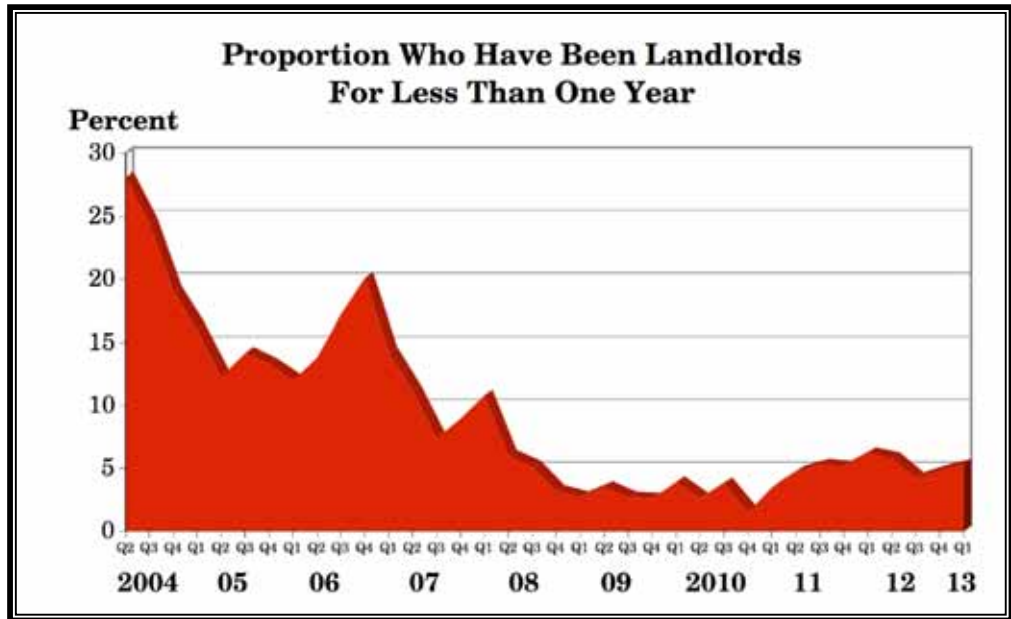


As the chart below shows, over the period during which this question has been asked, the proportion of relatively new landlords, i.e. those who have been residential landlords for less than one year, has declined massively from 28% to just 4%, perhaps reflecting the boom period of the early 2000s when a lot of new people entered the private rented sector as landlords.

Despite a couple of sharp increases in the figure in the second half of 2006 and the winter of 2007/2008, the trend was firmly downwards

until the end of 2010, reaching it's all time lowest figure (1.5%) in the last quarter of that year.

After that, the figure was on a rising trend but this ended in the second quarter of 2012 and, despite the increases seen in the last two quarters, the ongoing trend over the last couple of years has been for the figure to be stable around the 5% mark.

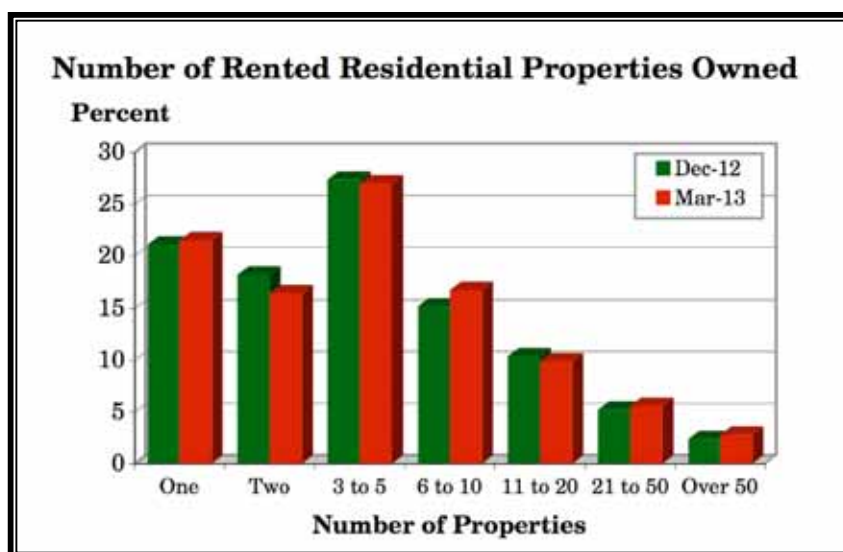


3.4 How many rented residential properties do you currently have in your portfolio? (Q.4)

Nearly four out of ten respondents (38%) had only one or two properties in their portfolios with less than half as many (18%) having more than ten properties in theirs.

Analysis of these results shows that the average size of respondents' portfolios was 8.6 properties, up from an average of 8.0 properties three months ago.

Number of Properties	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
One	24.0	21.1	21.5
Two	17.2	18.2	16.4
3 to 5	28.4	27.4	27.0
6 to 10	14.8	15.2	16.7
11 to 20	8.3	10.4	9.9
21 to 50	4.9	5.2	5.6
Over 50	2.4	2.4	2.8
Average (no. of properties)	7.7	8.0	8.6
Base: All answering	(1,103)	(1,017)	(1,138)



As can be seen from the chart below, over the year to June 2005, the average number of properties in respondents' portfolios rose by 40%, from 4.1 to 5.7 properties before falling back to 4.4 properties by the end of 2006.

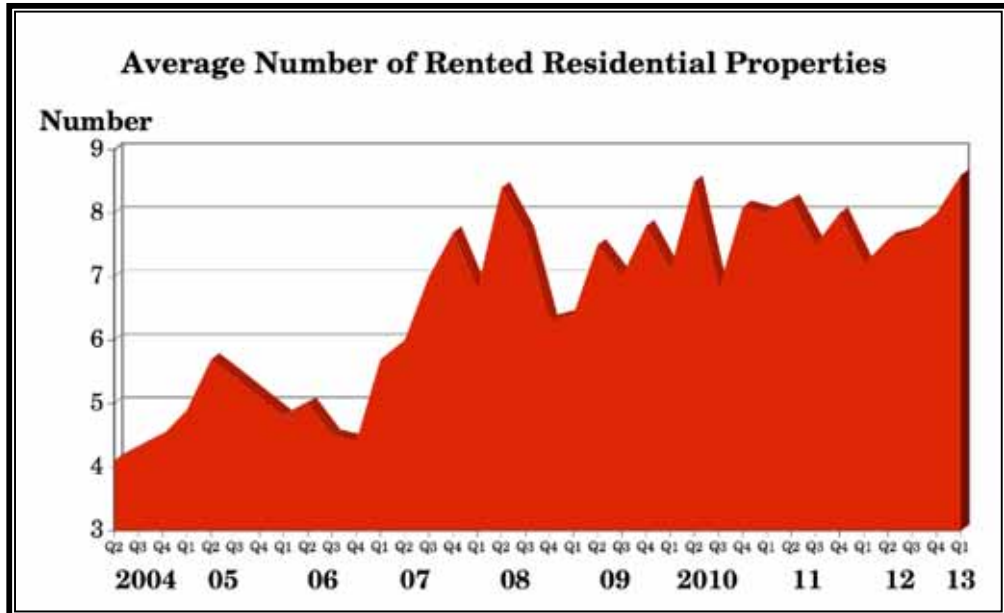
Throughout 2007, the average rose rapidly but two successive falls in the second half of 2008 took the figure to its lowest level since the third quarter of 2007.

The results from 2009 showed an increasing number of properties in respondents' portfolios although the average number did fluctuate from quarter to quarter.

During 2010, the average levelled off at between 7 and 8 properties, despite quite large fluctuations, and during the first half of 2011, the

figure stabilised at around 8 properties before falling quite sharply with the results from the third quarter 2011 survey.

Despite the quite marked fluctuations seen at the end of 2011 and in early 2012, there appeared to be a clear downward trend but the last three quarters of 2012 produced increases and these together with a sharp increase this quarter have resulted in a strong upward trend over the last year, taking the figure to its highest level since these surveys began nine years ago.



Regional Analysis

The results for this question for each of the regions of the UK are shown in the table below from which it can be seen that there is a tendency for the average number of properties owned to increase as one moves north with the North West and the North East having the highest proportions saying they had more than 20 properties (13% and 15% respectively) and Central London and the Rest of the South East having the lowest proportions (5% in both cases).

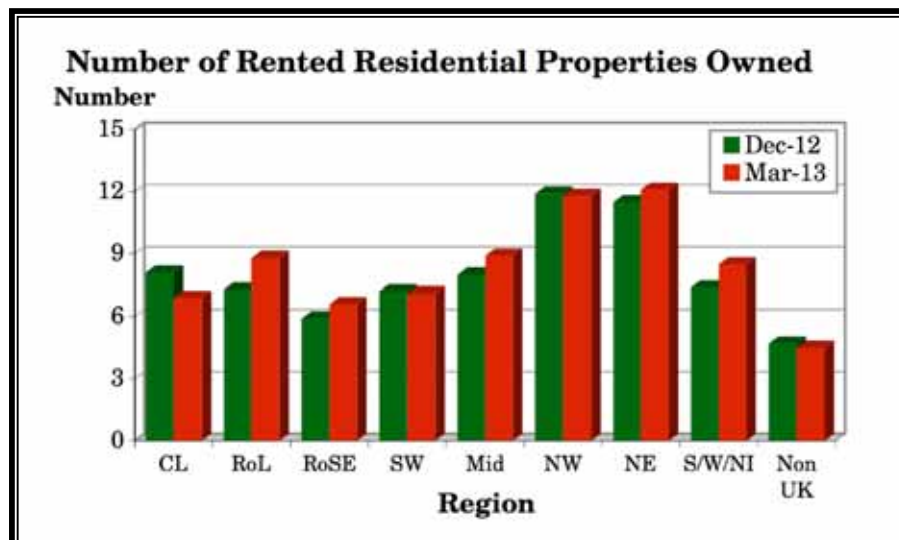
Number of Properties	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
One	29.3	25.9	23.1	20.0	21.8	17.0	15.0	23.1	30.4
Two	19.0	16.4	20.6	17.9	15.3	14.1	11.4	12.3	13.0
3 to 5	25.9	19.8	30.8	31.0	25.3	22.2	27.1	24.6	39.1
6 to 10	15.5	20.7	11.2	18.6	20.0	18.5	17.1	21.5	4.3
11 to 20	5.2	8.6	9.1	5.5	9.4	15.6	14.3	9.2	13.0
21 to 50	1.7	5.2	3.8	5.5	4.7	7.4	10.7	7.7	-
Over 50	3.4	3.4	1.4	1.4	3.5	5.2	4.3	1.5	-

Base: All answering (1,138)

Analysing these results to produce regional averages reveals that landlords in the North West and the North East had the highest average number (12 properties) with those in the rest of the country having much lower average numbers (between 5 and 9 properties).

Geographic Region	Average Number of Properties (%)		
	Sep 12	Dec 12	Mar 13
Central London	5.0	8.1	6.9
Rest of London (<i>within M25</i>)	6.4	7.3	8.8
South East (<i>outside M25</i>)	5.3	5.9	6.6
South West	5.5	7.2	7.1
Midlands	9.0	8.0	8.9
North West	12.1	11.9	11.8
North East	11.5	11.5	12.1
Scotland/Wales/NI	6.3	7.4	8.5
Outside UK	4.5	4.7	4.5

Base: All answering (1,099) (1,015) (1,138)



Compared with three months ago, most regions saw either an increase or virtually no change in the average number of properties in respondents' portfolios with the only regions seeing a noticeable reduction being Central London (down from 8 to 7 properties). The largest increase was for the Rest of London, which saw its average increase from 7 to 9 properties.

3.5 In the last 12 months, have you bought or sold any properties within your portfolio? (Q.5)

Almost three out of ten of those answering this question (29%) said they had bought properties for their portfolios during the last 12 months with little more than a third as many (10%) saying they had sold properties during the same period.

Number of Properties	Percent of Respondents – Mar 13 (%)	
	Bought	Sold
None	71.0	90.4
One	18.1	6.5
2 to 5	9.4	2.3
5 to 10	0.9	0.2
More than 10	0.4	0.6
All	0.2	-
Base: All answering	(1,069)	(878)



Compared with three months ago, as can be seen in the table below, there has been virtually no change in the proportion saying they had bought properties in the preceding 12 months (up from 28.9% to 29.0%) with the proportion saying they had sold properties also being virtually unchanged (up from 9.4% to 9.6%).

Number of Properties	Percent of Respondents (%)			
	Bought		Sold	
	Dec 12	Mar 13	Dec 12	Mar 13
None	71.1	71.0	90.6	90.4
One	18.3	18.1	6.4	6.5
2 to 5	9.2	9.4	1.7	2.3
5 to 10	0.4	0.9	0.5	0.2
More than 10	0.4	0.4	0.4	0.6
All	0.6	0.2	0.4	-
Base: All answering	(972)	(1,069)	(801)	(878)

Regional Analysis

The table below shows, for each region, the proportions of respondents saying they had bought properties in the 12 months preceding the survey from which it can be seen that a substantial proportion of respondents in each region (between 17% and 37%) had bought properties.

Number of Properties Bought	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
None	69.2	70.6	72.5	77.2	69.1	63.4	67.7	76.3	82.6
One	21.2	22.0	17.1	17.6	19.4	16.3	21.1	10.2	8.7
2 to 5	7.7	6.4	9.3	5.1	8.5	18.7	9.8	10.2	8.7
5 to 10	1.9	-	1.1	-	1.8	0.8	0.8	1.7	-
More than 10	-	0.9	-	-	1.2	-	0.8	-	-
All	-	-	-	-	-	0.8	-	1.7	-

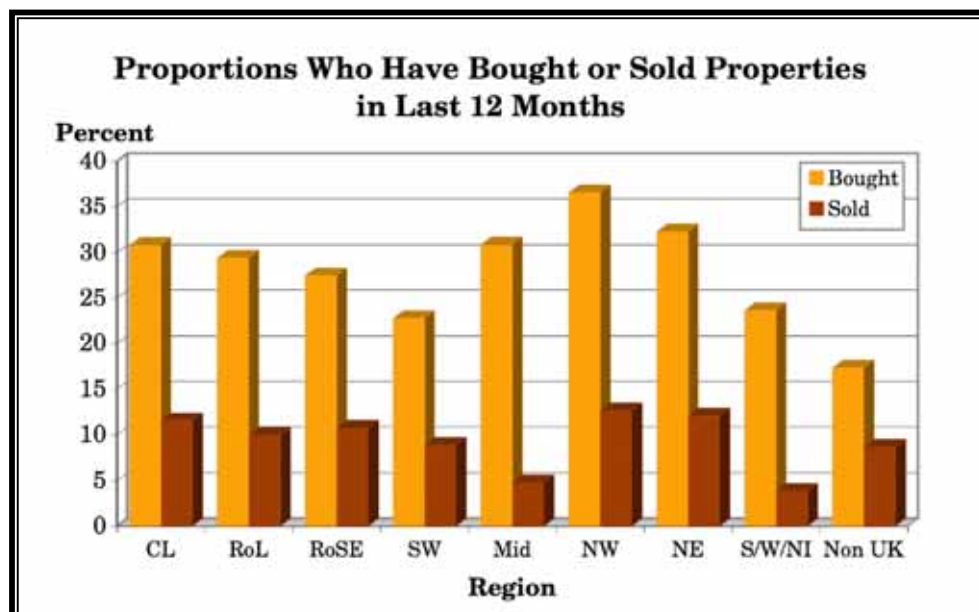
Base: All answering (1,069)

The table below shows the proportions of respondents saying they had sold properties in the 12 months preceding the survey from which it can be seen that only a small minority of respondents in each region (between 4% and 13%) had sold any properties.

Number of Properties Sold	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
None	88.4	90.0	89.2	91.1	95.2	87.3	87.9	96.1	91.3
One	9.3	7.8	6.5	6.3	1.6	10.8	8.1	3.9	4.3
2 to 5	2.3	2.2	3.4	1.8	0.8	2.0	3.0	-	4.3
5 to 10	-	-	-	-	1.6	-	-	-	-
More than 10	-	-	0.9	0.9	0.8	-	1.0	-	-
All	-	-	-	-	-	-	-	-	-

Base: All answering (878)

Simple calculations using these results produce the proportions of respondents from each region who said they had bought properties or who said they had sold properties in the 12 months preceding the survey and these are shown in the chart and table below.



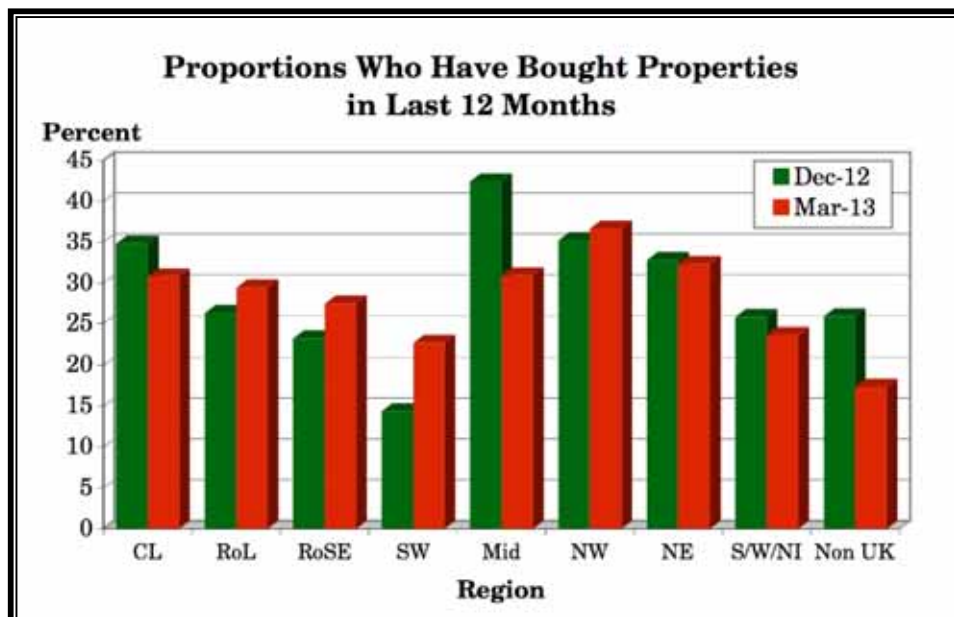
Geographic Region	Percent of Respondents – Mar 13 (%)	
	Bought	Sold
Central London	30.8	11.6
Rest of London (<i>within M25</i>)	29.4	10.0
South East (<i>outside M25</i>)	27.5	10.8
South West	22.8	8.9
Midlands	30.9	4.8
North West	36.6	12.7
North East	32.3	12.1
Scotland/Wales/NI	23.7	3.9
Outside UK	17.4	8.7
Base: All answering	(1,069)	(878)

The region with the highest proportion of landlords saying they had bought properties was the North West (37%) whilst the regions with the lowest proportions were the South West (23%) and Scotland, Wales & Northern Ireland (24%) with all the other regions having broadly similar proportions of respondents saying they had bought properties (between 28% and 32%).

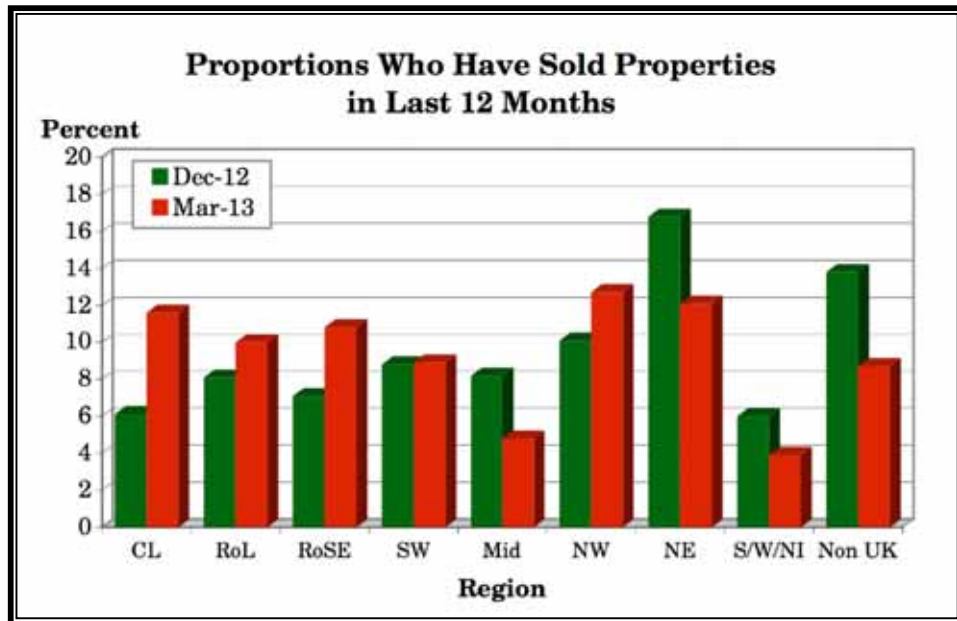
When it comes to the proportions saying they had sold properties, the regions with the lowest proportions were Scotland, Wales & Northern Ireland (4%) and the Midlands (5%) with all the remaining regions having between 8% and 13% saying they had sold properties in the preceding 12 months.

There was no clear pattern relating to where the region was in the UK although there was a slight tendency for the proportion who had bought properties to be higher in the north of England.

Compared with three months ago, as can be seen in the chart below, there were increases in most of the regions in the south (Central London was an exception) and decreases elsewhere with the North West being the exception here.



With regard to selling properties, compared with three months ago, there were some big variations with the south east generally seeing a big increase in the proportion saying that they had sold properties in the last 12 months and the other regions tending to see quite big decreases although the North West was again an exception.



Geographic Region	Percent of Respondents (%)			
	Bought		Sold	
	Dec 12	Mar 13	Dec 12	Mar 13
Central London	34.8	30.8	6.1	11.6
Rest of London (<i>within M25</i>)	26.3	29.4	8.1	10.0
South East (<i>outside M25</i>)	23.3	27.5	7.1	10.8
South West	14.4	22.8	8.8	8.9
Midlands	42.4	30.9	8.2	4.8
North West	35.2	36.6	10.1	12.7
North East	32.8	32.3	16.8	12.1
Scotland/Wales/NI	25.8	23.7	6.0	3.9
Outside UK	25.9	17.4	13.8	8.7
Base: All answering	(970)	(1,069)	(799)	(878)

3.6 In the next 12 months, do you expect to buy any further properties to let? (Q.6)

More than a quarter of respondents (26%) said that they expected to acquire further properties to let during the next 12 months but nearly half (47%) said that they did not.

In addition, more than a further quarter (26%) were unsure whether or not they would acquire further properties to let in the next year.

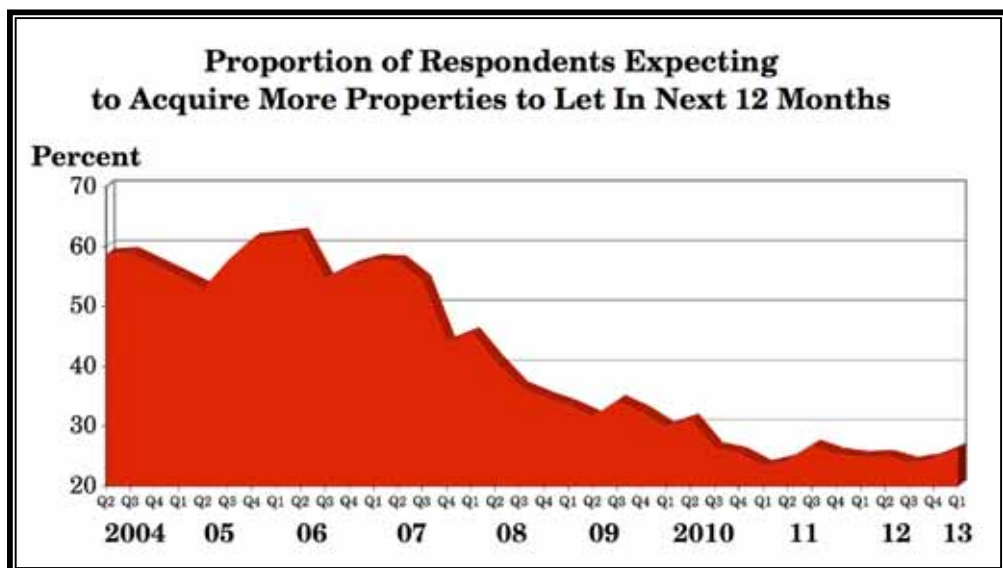
Response	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Yes	23.8	24.5	26.2
No	50.8	49.7	47.4
Don't know	25.4	25.8	26.4
Base: All answering	(1,090)	(1,002)	(1,133)

Compared with three months ago, there has been another small increase (from 25% to 26%) in the proportion saying they expect to buy in the next 12 months and a fall (from 50% to 47%) in the proportion saying they do not.

As the chart below shows, having declined for a year between June 2004 and June 2005, the proportion of respondents expecting to acquire further BTL properties in the next 12 months rose for the next four quarters. The substantial downturn seen towards the end of 2006 returned the figure to its former level before it began slowly to increase again.

However, for most of the last five years the proportion has been falling and with the results from the beginning of 2011, it reached it's lowest level since these surveys began.

After that it increased for a couple of quarters in mid-2011 before falling for two quarters in succession. The results from the last two quarters, however, suggest that the trend may now have turned upwards again.



Regional Analysis

The results for this question for each of the regions of the UK are shown in the table below from which it can be seen that there is little correlation between where in the country a region is located and the proportion of respondents who say they expect to buy property in the next 12 months although the figures do range from 19% in the South West to 34% in the Rest of London.

In addition, quite a high proportion of respondents in every region (between 23% and 29%) said they were unsure whether they would buy properties in the next 12 months or not with the result that between 40% and 55% said they did not expect to be buying properties in the next 12 months

Response	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
Yes	29.8	33.6	23.6	18.5	28.9	32.1	24.1	26.2	20.8
No	47.4	39.8	47.9	54.8	42.2	43.8	51.1	47.7	66.7
Not sure	22.8	26.5	28.5	26.7	28.9	24.1	24.8	26.2	12.5

Base: All answering (1,133)



As can be clearly seen from the chart above and the table below, compared with three months ago, whilst most regions saw little change in the proportion saying they expected to buy properties in the 12 months following the survey, there have been three noticeable changes.

The three regions where there was a significant change all saw the proportion saying they did expect to buy properties in the 12 months following the survey increase quite sharply. These regions were Central London (up from 19% to 30%), the South West (up from 11% to 19%) and the North West (up from 25% to 32%). For Central London and the South West these changes more than reverse the decreases seen three months ago and for the North West, the increase this quarter is the second large increase in succession.

No regions saw noticeable declines in the proportion saying they expected to be buying properties in the next 12 months with the

biggest falls being for the Rest of the South East (down from 25% to 24%) and the Midlands (down from 30% to 29%).

Geographic Region	Percent Expecting to Buy Properties (%)		
	Sep 12	Dec 12	Mar 13
Central London	24.2	18.8	29.8
Rest of London (<i>within M25</i>)	31.1	32.5	33.6
South East (<i>outside M25</i>)	25.4	24.7	23.6
South West	16.3	11.4	18.5
Midlands	32.2	30.3	28.9
North West	18.8	25.0	32.1
North East	18.9	24.4	24.1
Scotland/Wales/NI	23.3	24.6	26.2
Outside UK	26.9	19.4	20.8
Base: All answering	(1,086)	(1,000)	(1,133)

3.7 In the next 12 months, do you expect to sell some or all of your let residential properties? (Q.7)

Almost seven out of ten respondents to this survey (69%) said that they did not expect to sell any of their let residential properties in the next 12 months.

Nevertheless, more than one in eight (13%) said they did have such expectations with a further 18% being unsure whether they would be selling any properties in the next 12 months or not.

Response	Percent of Respondents (%)		
	Sep12	Dec 12	Mar 13
Yes	9.1	9.5	13.2
No	72.6	74.4	69.3
Not sure	18.3	16.1	17.5
Base: All answering	(1,098)	(1,006)	(1,137)

Compared with three months ago, the proportion saying they do intend to sell some or all of their properties in the next 12 months has risen from 10% to 13%, the second increase in succession and the proportion saying they are unsure whether they will or not has risen from 16% to 18%. As a result of these increases, the proportion saying that they do not intend to sell some or all of their properties in the next 12 months has fallen from 74% to 69%

As can be seen from the chart below, the proportion of respondents saying they expect to sell residential properties in the next 12 months rose during 2007 and the early part of 2008 before plummeting to a quarter of its former level by the end of 2008.

In 2009 and the first half of 2010, the proportion expecting to sell properties increased steadily but the results from the third quarter of 2010 brought an abrupt end to that upward trend with the first fall in the figure for nearly two years.

The results from 2011 and 2012, despite some fluctuations produced a fairly stable situation around the 10% mark but the large increase seen this quarter has taken the figure to its highest level for almost three years.



Regional Analysis

The results for this question for each of the regions of the UK are shown in the table below from which it can be seen that there was considerable variation between some of the regions in terms of the proportions of respondents saying they expected to sell properties in the 12 months following the survey.

The regions with the highest proportions saying they expected to sell properties in the next 12 months were Central London (17%) and Scotland, Wales & Northern Ireland (16%). The regions with the lowest proportions of respondents saying they expected to sell properties in the next 12 months were the Rest of London and the Rest of the South East (12% in each case).

Again, quite a high proportion of respondents in every region (between 10% and 22%) said they were unsure whether they would sell properties in the next 12 months or not with the result that around seven out of ten respondents for each region (between 65% and 75%) said they did not expect to be selling properties in the next 12 months

Response	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
Yes	17.2	12.2	11.5	13.2	13.6	13.2	14.2	15.6	12.5
No	72.4	71.3	75.2	64.6	65.1	67.6	66.7	67.2	70.8
Not sure	10.3	16.5	13.3	22.2	21.3	19.1	19.1	17.2	16.7

Base: All answering (1,137)

As can be clearly seen from the chart and table below, compared with three months ago, there have been some significant changes with all regions showing an increase in the proportion saying they expected to sell properties in the 12 months to come.



In particular, Scotland, Wales & Northern Ireland and all regions in the south of England saw sharp increases with the South West (up from 7% to 13%) and the Rest of the South East (up from 6% to 12%) showing the largest increases.

The regions in the north of England saw much smaller changes in the proportion saying they expected to sell properties in the next 12 months.

Geographic Region	Percent Expecting to Sell Properties (%)		
	Sep 12	Dec 12	Mar 13
Central London	9.4	12.5	17.2
Rest of London (<i>within M25</i>)	10.7	8.5	12.2
South East (<i>outside M25</i>)	6.5	6.2	11.5
South West	6.8	6.5	13.2
Midlands	7.6	11.4	13.6
North West	12.8	12.6	13.2
North East	12.0	12.8	14.2
Scotland/Wales/NI	11.3	10.6	15.6
Outside UK	7.4	9.7	12.5
Base: All answering	(1,094)	(1,004)	(1,137)

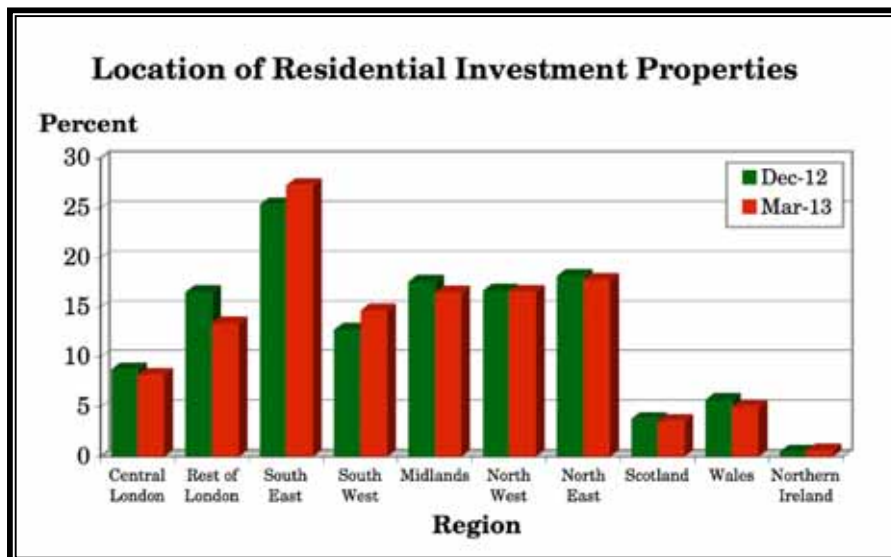
3.8 Where are your residential investment properties located? (Q.8)

Almost half of respondents (49%) said that they had properties in the South East (including London) with more than two out of ten (22%) saying they had properties in London itself.

Location	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Central London	7.6	8.8	8.2
Rest of London (<i>inside M25</i>)	12.6	16.6	13.4
South East (<i>outside M25</i>)	25.8	25.4	27.3
South West	13.7	12.8	14.7
Midlands	15.6	17.6	16.5
North West	16.1	16.7	16.6
North East	17.7	18.2	17.8
Scotland	2.4	3.8	3.6
Wales	4.6	5.7	5.0
Northern Ireland	0.3	0.5	0.6
Base: All answering	(1,057)	(954)	(1,095)

Compared with three months ago, most regions had roughly similar levels of respondents with properties in the region.

The most noticeable exception to this was the Rest of London which saw its proportion fall from 17% to 13% but, once again, this simply reverses the change seen in the previous quarter.



Comparing the distribution of properties with the distribution of respondents, as can be seen in the table and chart below, shows that a noticeably higher proportion of landlords said they had properties in every region. This suggests that landlords quite often own properties in more than one region.

The extent to which the proportion of respondents with properties in a region exceeded the proportion of respondents living in that region was greatest, in proportional terms, for Northern Ireland (200%) followed by Central London (64%), Wales (56%) and Scotland (50%)

3.9 What proportion of the residential properties you have bought are of each type? (Q.9)

Respondents to this survey were more likely to have bought properties in good condition than any of the other types listed with almost three out of ten respondents (29%) saying that more than three quarters of the properties they had bought were of this type. Next were houses in need of refurbishment with almost a quarter (24%) saying more than three quarters were of that type.

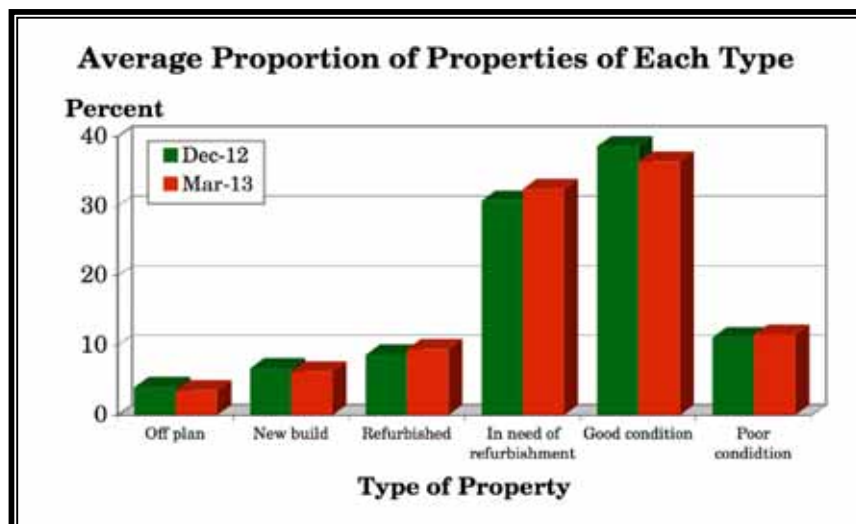
Proportion of Properties	Percent of Respondents - Mar 13 (%)					
	Off plan	New build	Refurb-ished	In need of refurb.	Good cond.	Poor cond.
None	90.6	83.7	80.5	45.6	38.6	73.9
Up to 25%	4.3	7.6	6.4	9.7	12.3	10.5
26% to 50%	2.6	4.0	4.7	11.8	13.3	5.2
51% to 75%	0.8	1.5	1.5	8.6	6.6	3.4
Over 75%	1.9	3.3	6.8	24.3	29.2	7.0

Base: All answering (1,059)

Analysis of these responses confirms that the most popular type of property has been those in good condition with, on average, more than a third of properties bought (36%) being of that type. Next most popular have been properties in need of refurbishment (33%). Least likely to have been bought by landlords, were properties which have been bought off plan or which have never been occupied (4%) followed by those which were new builds (6%), those which were refurbished (10%) and those in poor condition (12%).

Type of Property	Average Percent of Properties (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Off plan/never occupied	3.1	3.3	4.0	3.6
New build	7.2	6.6	6.7	6.3
Refurbished	8.5	8.0	8.7	9.5
In need of refurbishment	33.2	31.9	30.8	32.5
Good condition	37.3	40.2	38.6	36.4
Poor condition	10.7	10.0	11.2	11.6
Base: All answering	(962)	(1,004)	(917)	(1,059)

Compared with three months ago, there has been little change in the average proportions of each type of property.



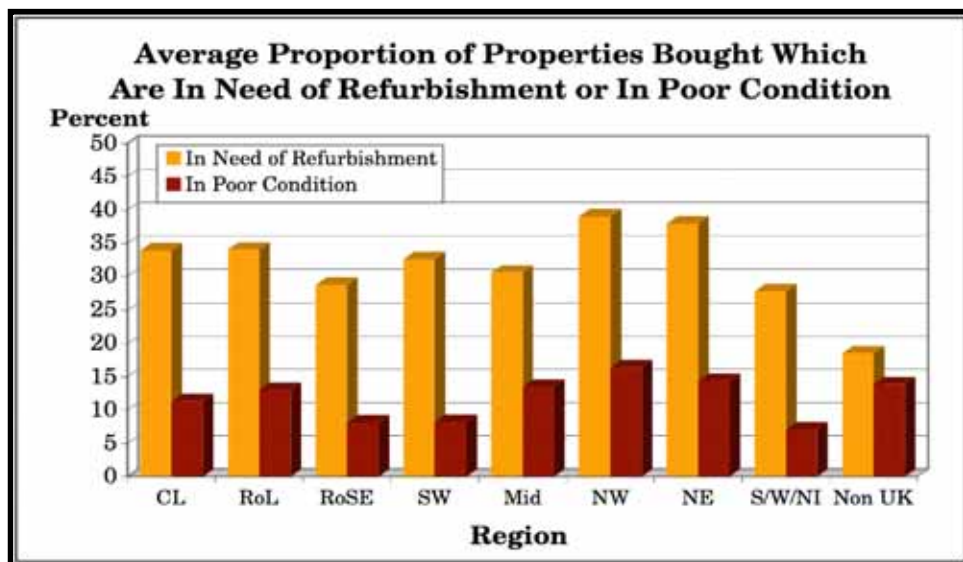
Regional Analysis

The average proportions of property types which have been bought by respondents from each of the regions of the UK are shown in the table below, from which it can be seen that there are some differences between the regions.

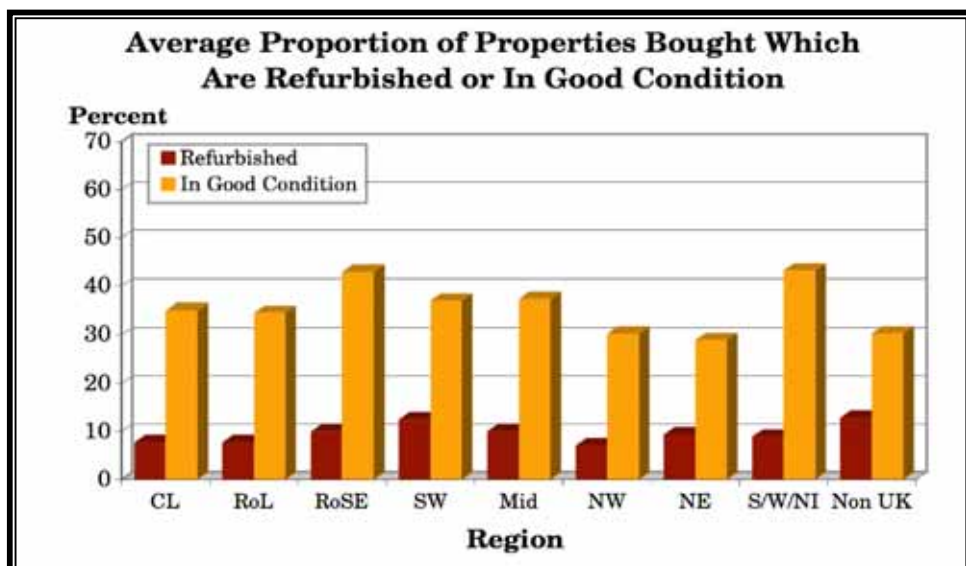
Response	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
Off plan/never occ.	3.9	5.5	4.3	3.5	2.3	1.6	2.7	5.5	9.3
New build	8.0	5.0	5.8	6.2	6.3	5.5	6.6	7.6	15.0
Refurbished	7.8	7.8	10.0	12.5	10.1	7.1	9.4	8.9	12.9
In need of refurb	33.9	34.0	28.7	32.6	30.5	39.0	37.9	27.7	18.6
Good condition	35.1	34.6	42.9	37.0	37.3	30.3	29.0	43.2	30.4
Poor condition	11.4	13.1	8.2	8.2	13.5	16.5	14.4	7.1	13.9

Base: All answering (1,059)

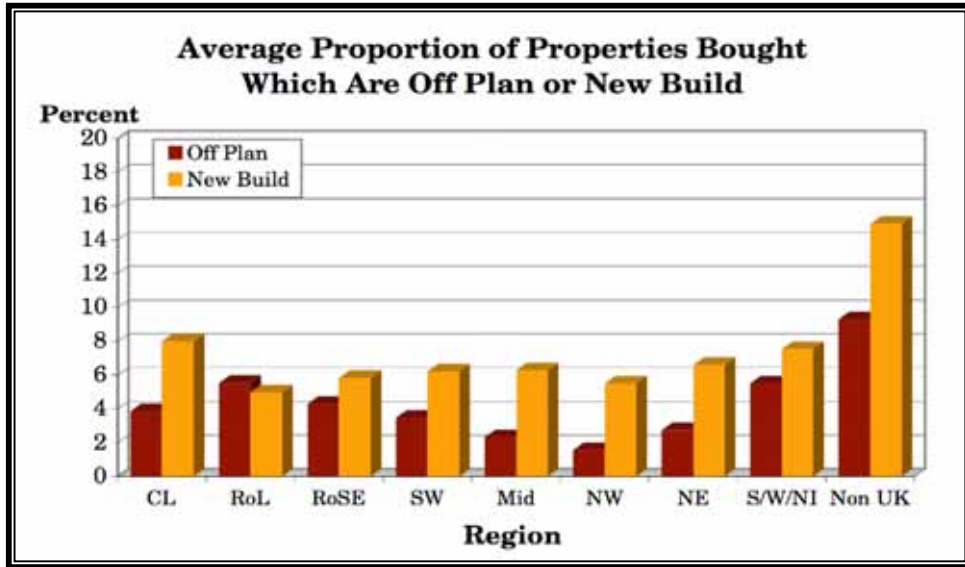
Landlords in the north of England are a little more likely than those elsewhere to have bought properties in need of refurbishment or properties in poor condition.



On the other hand, those in the north of England are less likely to have bought properties which are refurbished.



When it comes to new builds, there is little difference by region with regard to new builds although this type appears more popular in Central London than anywhere else. With regard to properties bought off plan, however, these are much more popular in the south of the country and in Scotland, Wales & Northern Ireland.



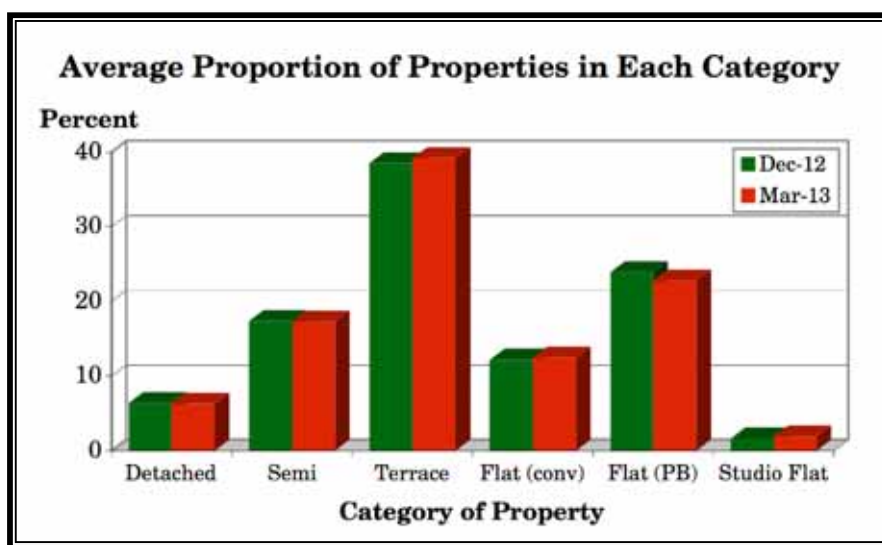
3.10 What proportion of the residential properties you have bought fall into the following categories? (Q.10)

Respondents have tended to favour terraced houses with more than a quarter (27%) saying that more than three quarters of the properties they have bought have been in this category. Least popular with landlords are properties at each end of the spectrum with only 3% of respondents saying that more than three quarters of their purchases have been detached houses and even fewer (less than 1%) saying that more than three quarters of theirs have been studio flats.

Proportion of Properties	Percent of Respondents - Mar 13 (%)					
	Detached	Semi	Terrace	Flat (Conv)	Flat (PB)	Studio Flat
None	79.1	55.9	30.2	73.3	55.7	93.0
Up to 25%	12.7	19.2	13.4	8.0	12.5	4.4
26% to 50%	4.5	12.3	19.5	8.0	10.1	1.7
51% to 75%	0.9	3.3	9.5	3.9	7.0	0.2
Over 75%	2.8	9.3	27.4	6.8	14.7	0.6

Base: All answering (927)

Analysis of these responses confirms that the most popular properties have been terraced houses (39%) followed by purpose built flats/maisonettes (23%) and semi-detached houses (17%).



Category of Property	Average Percent of Properties (%)		
	Sep 12	Dec 12	Mar 13
Detached house	6.5	6.4	6.3
Semi-detached house	19.0	17.4	17.3
Terraced house	39.5	38.5	39.2
Flat/maisonette (conv)	12.8	12.2	12.5
Flat/maisonette (PB)	20.4	23.9	22.8
Studio Flat	1.8	1.6	1.9
Base: All answering	(908)	(839)	(927)

Compared with three months ago, there has been very little change in the results from this question although terraced houses have increased their average proportion slightly at the expense of purpose built flats.

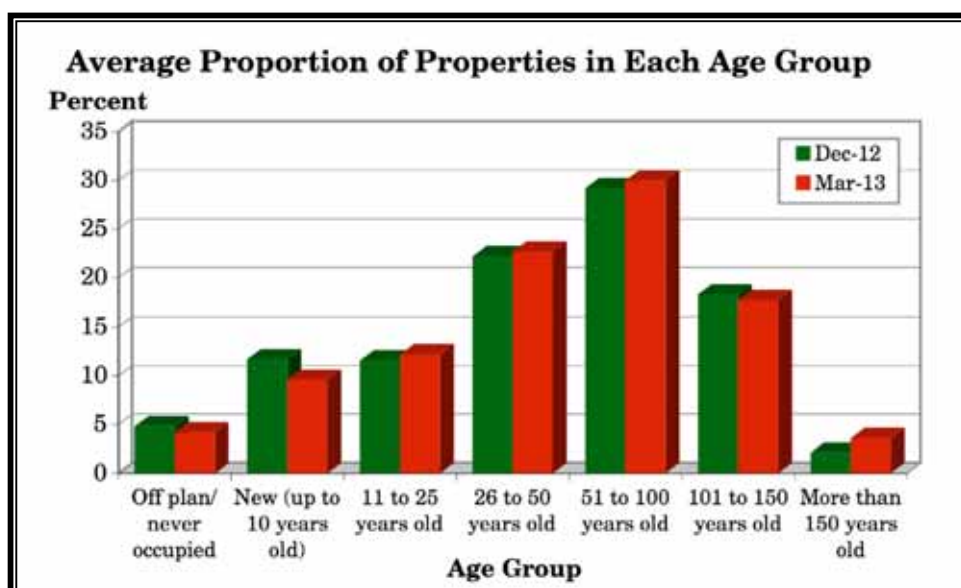
3.11 What proportion of the residential properties you have bought fall into each age band? (Q.11)

Respondents have tended to favour properties which are between 51 and 100 years old with more than two out of ten (22%) saying that more than three quarters of the properties they have bought have been in this age band. Least popular with landlords are properties at each end of the age scale, with those being bought off plan or which have never been occupied only having 2.4% of respondents saying that more than three quarters of their purchases have been in that age band and those over 150 years old only having 2.6% saying so.

Proportion of Properties	Percent of Respondents - Mar 13 (%)						
	Off plan	New (up to 10)	11 to 25	26 to 50	51 to 100	101 to 150	Over 150
None	89.4	76.5	72.2	54.2	49.0	67.0	92.7
Up to 25%	4.7	9.2	10.2	12.4	8.8	8.7	2.6
26% to 50%	2.6	7.1	7.9	13.9	12.5	7.6	1.4
51% to 75%	0.9	2.2	2.6	5.2	7.8	3.6	0.7
Over 75%	2.4	5.0	7.1	14.2	21.9	13.1	2.6

Base: All answering (919)

Analysis of these responses confirms that the most popular properties have been those which are between 51 and 100 years old (30%) followed by those between 26 and 50 years old (23%) and those between 101 and 150 years old (18%).



Age of Property	Average Percent of Properties (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Off plan/never occupied	4.1	4.0	4.8	4.2
New (up to 10 years old)	10.4	9.7	11.7	9.6
11 to 25 years old	11.7	12.0	11.6	12.2
26 to 50 years old	23.6	21.7	22.2	22.7
51 to 100 years old	28.4	30.7	29.2	30.0
101 to 150 years old	19.0	18.3	18.3	17.7
More than 150 years old	2.8	3.7	2.1	3.6
Base: All answering	(890)	(895)	(827)	(919)

Compared with the survey in the fourth quarter of 2012, the main differences are that new properties, both those off plan and those up to 10 years old, are less popular this time (down from 5% to 4% and from 12% to 10% respectively) but these changes just reverse the changes seen then. Properties between 101 and 150 years old were also slightly less popular but properties in all the other age bands were slightly more popular this quarter.

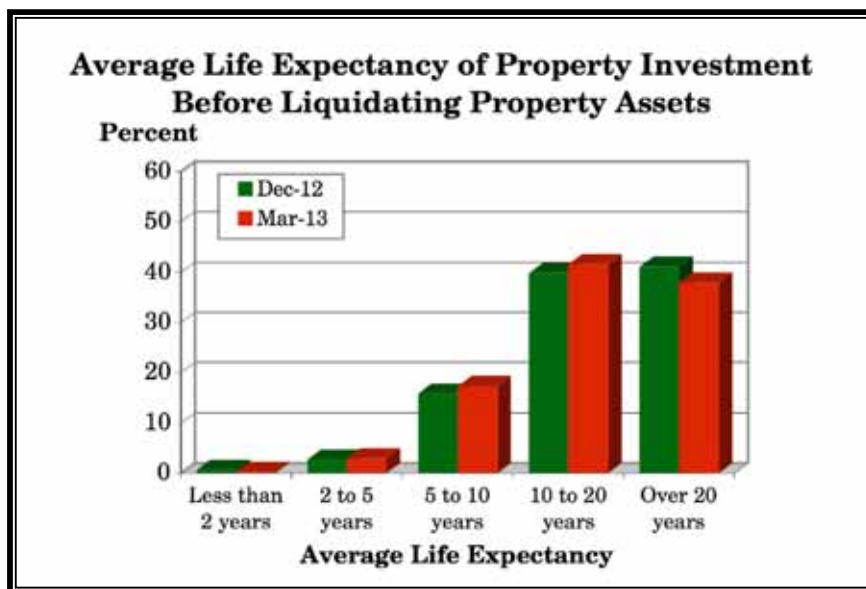
3.12 From original acquisition time, what do you expect to be the average life expectancy of your property investment before you liquidate your property assets? (Q.12)

Clearly the vast majority of residential landlords are in the business for the long term with eight out of ten (80%) saying that the average life expectancy of their property investments is more than 10 years.

In fact, only one in thirty respondents (3.2%) said they saw their investment as being for 5 years or less and less than one in three hundred (0.3%) saw it as being very short term (i.e. for less than 2 years).

Simple analysis of these results reveals that the average life expectancy of their property investments for all respondents is 19.3 years, a figure which is down from 19.8 years three months ago, largely reversing the change seen then.

Average Life Expectancy	Percent of Respondents (%)		
	Sep 12	Dec 12	Mar 13
Less than 2 years	0.7	0.6	0.3
2 to 5 years	3.2	2.7	2.9
5 to 10 years	15.6	15.8	17.3
10 to 20 years	43.6	39.8	41.6
Over 20 years	36.9	41.1	37.9
Average (years)	19.2	19.8	19.3
Base: All answering	(1,049)	(969)	(1,090)



As can be seen from the chart below, the average life expectancy of respondents' property investments declined slowly until the beginning of 2007 despite an increase after every decline of two or three quarters.

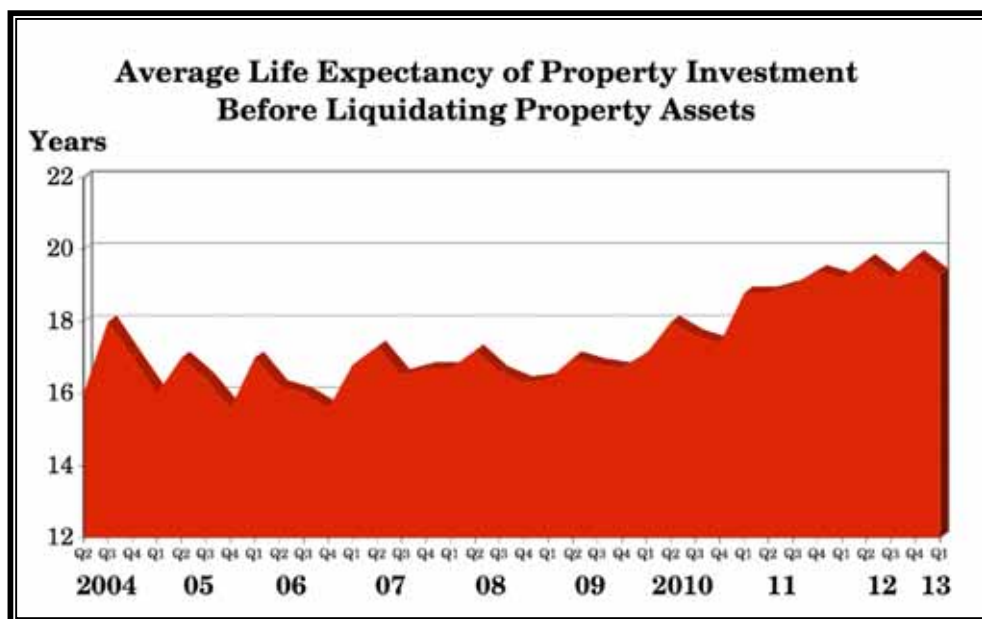
After that, it increased for two quarters before levelling off at between 16 and 17 years where it remained until the beginning of 2010.

The results from the first half of 2010 indicated that an upward trend might be beginning to establish itself but the results from the last two quarters of 2010 ended that.

However, the results from the first quarter 2011 survey suggested that the upward trend was, in fact, continuing and the results from the rest of 2011 showed that the long term trend was quite firmly upwards.

Despite the fluctuations seen in 2012 there still appeared to be a slight upward trend with the figure reaching its highest level since these surveys began almost nine years ago with the increase seen in the last quarter of the year.

The fall seen this quarter, again reversing the change seen three months earlier, does little to change the overall picture although the long term trend does now seem to be levelling off.



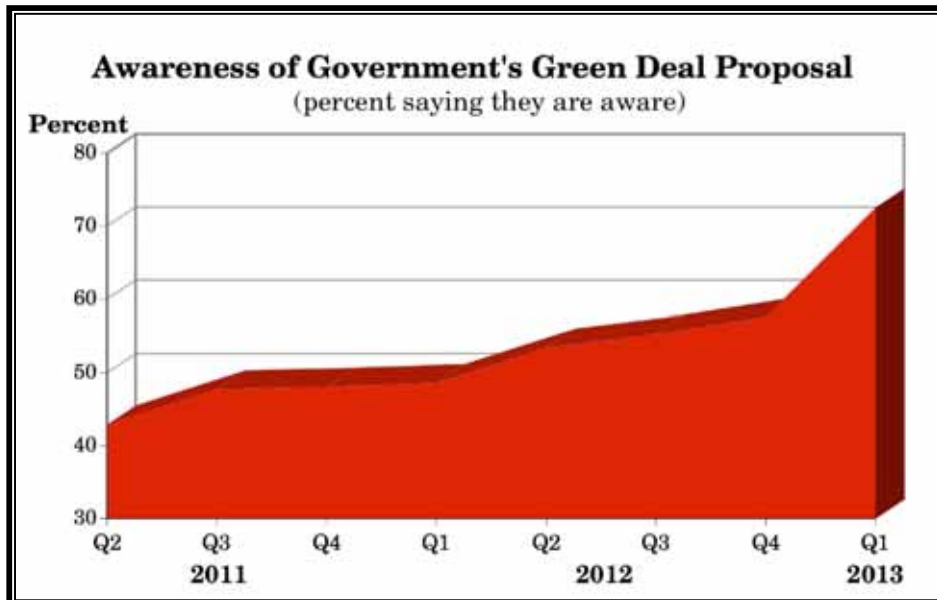
3.13 Are you aware of the Government's Green Deal Proposal for improving PRS housing energy performance? (Q.13)

Nearly three quarters of respondents to this survey (73%) said that they were aware of the Government's Green Deal Proposal for improving Private Rented Sector housing energy performance.

Nevertheless, a substantial minority of more than a quarter (27%) said they were not aware of the proposal.

Response	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Yes	53.4	55.3	57.6	72.6
No	46.6	44.7	42.4	27.4
Base: All answering	(1,021)	(1,045)	(960)	(1,084)

Compared with three months ago, the proportion who said they were aware of the Government's Green Deal Proposal for improving Private Rented Sector housing energy performance was up sharply and the ongoing trend, as can be seen from the chart below, remains quite strongly upwards.

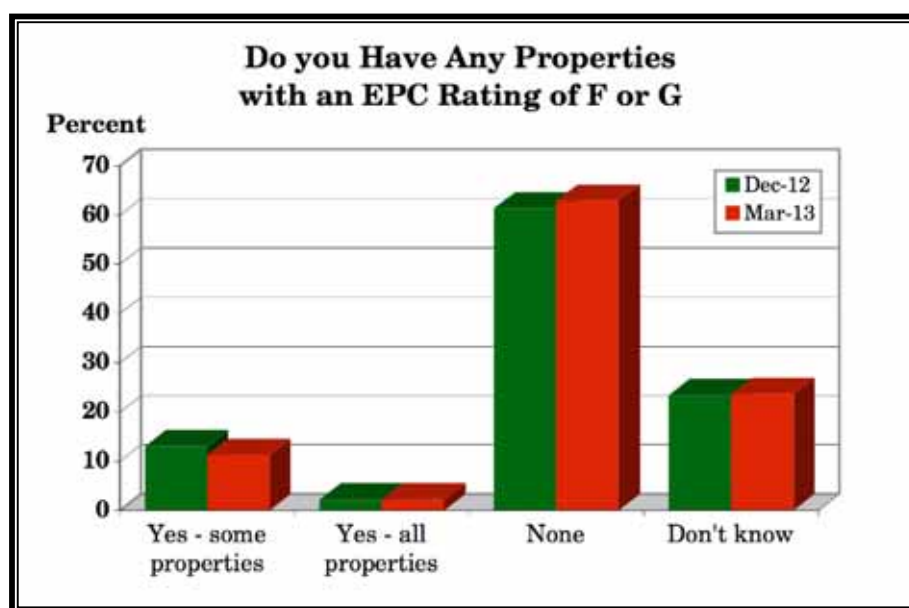


3.14 Do you have any properties with an EPC rating of F or G? (Q.14)

One in seven respondents to this survey (13%) said that they had at least some properties with an Energy Performance Certificate rating of F or G but only one in fifty (2%) said that this was the case for all their properties.

More than six out of ten respondents (63%) said that none of their properties had EPC ratings of F or G whilst almost a quarter (24%) said they did not know if any of their properties had such EPC ratings.

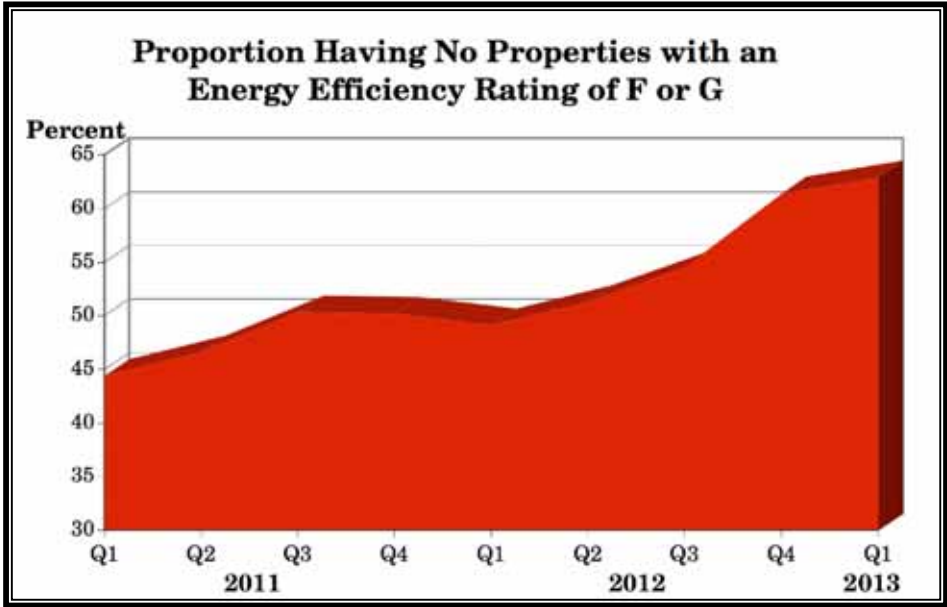
Response	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Yes - some properties	13.0	11.0	13.0	11.2
Yes - all properties	3.3	2.9	2.2	2.2
None	51.3	54.5	61.4	62.9
Don't know	32.4	31.6	23.4	23.6
Base: All answering	(1,025)	(1,047)	(964)	(1,085)



Compared with the fourth quarter of 2012, there has been some change with the proportion saying that they had at least some properties with an EPC rating of F or G falling from 15% to 13%, more than reversing the increase seen then.

More interestingly, however, the proportion saying that they had no such properties increased again, this time from 61% to 63%, the fourth increase in succession, with the proportion who were unsure remaining virtually unchanged.

As can be seen from the chart below, despite a reduction for two quarters, over the winter of 2011/2012, the proportion of respondents having no properties at all with an EPC rating of F or G has increased substantially since this question was first asked two years ago, rising from 44% to 63%.



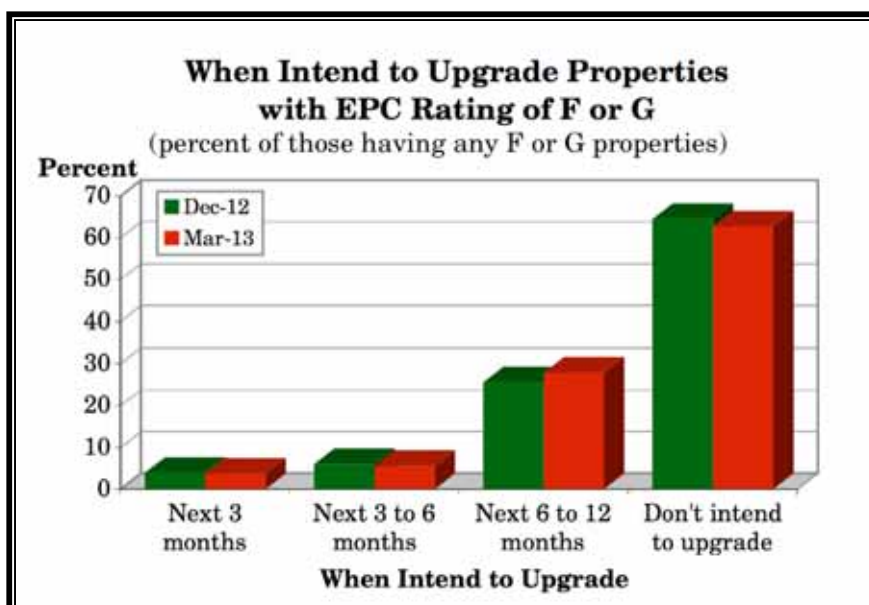
3.15 Do you intend to upgrade the energy efficiency of your F or G rated properties? (Q.15)

More than six out of ten (63%) of those respondents who said that they had at least some properties with an Energy Performance Certificate rating of F or G said that they did not see themselves upgrading the energy efficiency of their rental properties.

Nevertheless, one in twenty five (4%) of those with properties having an EPC rating of F or G said that they planned to upgrade them in the next 3 months. A further 6% said they intended to do so within 3 to 6 months whilst nearly three out of ten (28%) said they intended to do so within 6 to 12 months.

Response	Percent of Respondents (%)	
	Dec 12	Mar 13
Within the next 3 months	3.9	3.8
Within the next 3 to 6 months	6.0	5.6
Within 6 to 12 months	25.6	27.9
Don't intend to upgrade	64.5	62.7
Base: All having props with F or G ratings	(356)	(405)

Compared with three months ago, there has been little change although the proportion saying they didn't intend to upgrade fell a little from 65% to 63% with the proportion saying they intended to upgrade within 6 to 12 months rising from 26% to 28%.

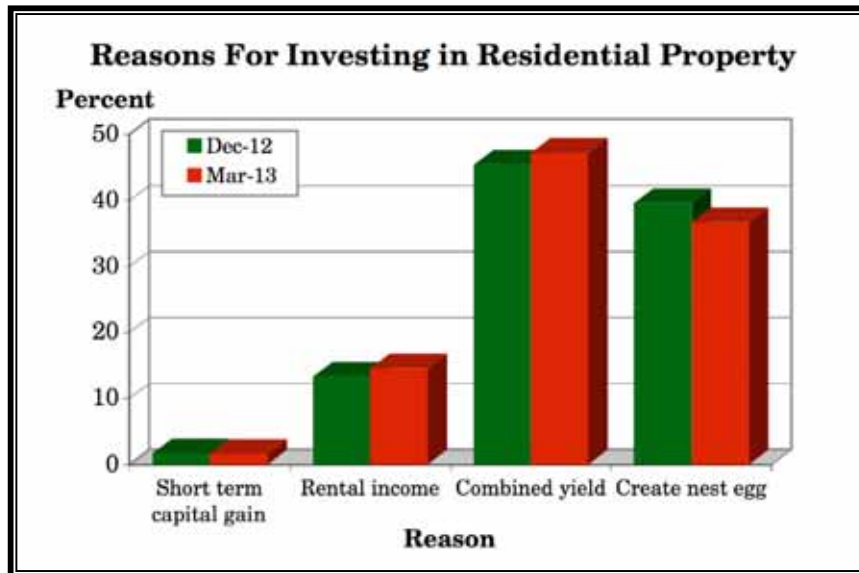


3.16 Why did you first decide to invest in residential property? (Q.16)

Most respondents either said that they had become residential landlords in order to achieve a combined yield from rental income and capital appreciation (47%) or that they had done so in order to create a nest egg for their long term future (37%).

Only less than one in fifty respondents (1.6%) said that they had become residential landlords in order to make a short term capital gain over a period of less than 5 years but quite a substantial minority of more than one in seven (15%) said that they had done so in order to obtain a stream of rental income.

Reason	Percent of Respondents (%)	
	Dec 12	Mar 13
Short term capital gain (less than 5 years)	1.7	1.6
Rental income	13.3	14.6
Combined yield from rent & capital apprec.	45.4	47.2
Create nest egg for long term future	39.6	36.7
Base: All answering	(961)	(1,075)



Compared with three months ago, the most noticeable change was that there were fewer respondents who said they had first decided to invest in residential property to create a nest egg for the long term future (down from 40% to 37%).

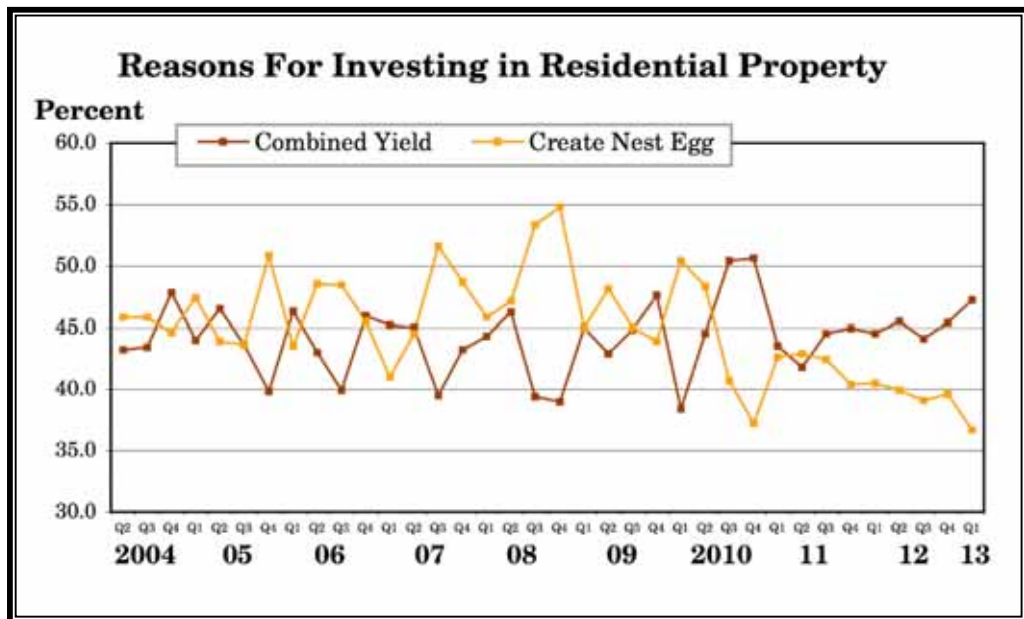
To compensate for this increase there were rises in the proportions saying they had done so in order to achieve a combined yield from rental income and capital appreciation (up from 45% to 47%) and those saying they had done so in order to achieve rental income (up from 13% to 15%).

Over the past nine years since this question was first asked, the proportions of respondents saying that they had first decided to invest in residential property in order to create a nest egg for the long term future and those saying they had done so in order to achieve a combined yield from rental income and capital appreciation have remained between 35% and 55% with any changes taking place each quarter simply mirroring each other.

However, the results from the third quarter of 2012 changed that with both these reasons moving in line, declining in order to allow the proportion who are simply looking for a rental income to increase.

The results from the last quarter of 2012, however, reversed those changes and the results from this quarter have produced a quite dramatic result in that the proportion saying they had done so in order to create a nest egg for their long term future has fallen to its lowest level since these surveys began.

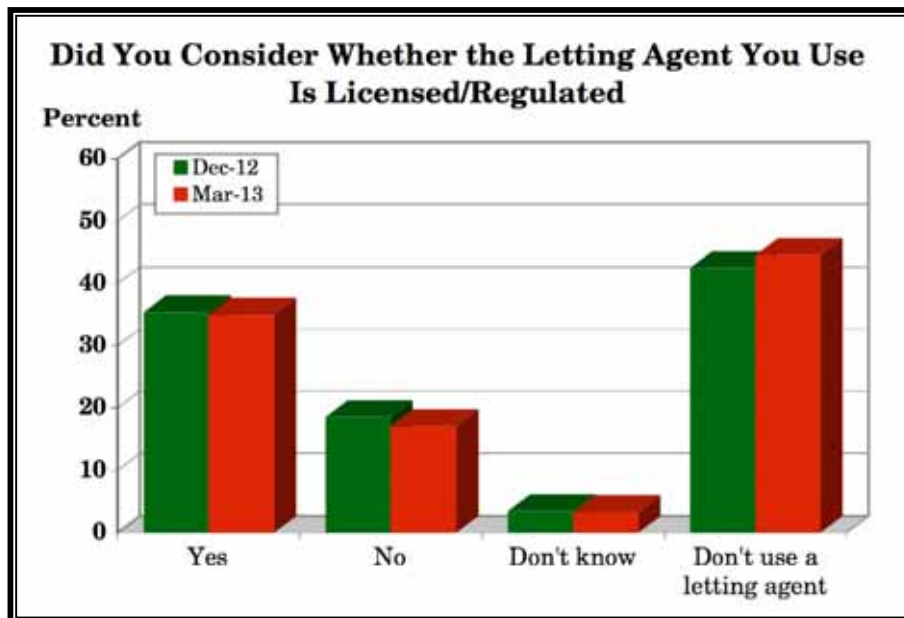
As a consequence, the proportion saying they had done so to generate a combined yield from rent and capital appreciation has risen to its highest level for more than two years and the gap between the two is at one of its highest ever levels.



3.17 When you decided which lettings agency to use, did you consider whether the agent was licensed/regulated? (Q17)

More than a third of respondents to this question (35%) said that they did consider whether an agent was licensed or regulated when they were deciding which lettings agency to use with less than two out of ten (17%) saying that they did not, leaving nearly half of all respondents who either did not know whether they did or did not (3%), or simply did not use a lettings agent (45%).

Response	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Yes	34.6	35.1	35.4	35.0
No	14.5	14.7	18.6	17.1
Don't know	2.8	3.3	3.5	3.3
Don't use a letting agent	48.1	47.0	42.5	44.6
Base: All answering	(1,018)	(1,044)	(963)	(1,083)



When figures are calculated just for those who do use a lettings agent, nearly seven out of ten (68%) say that they do consider whether the agent is licensed or regulated when deciding which one to use.

Response	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Yes	66.7	66.1	61.6	67.9
No	27.9	27.7	32.3	30.9
Don't know	5.4	6.2	6.1	6.0
Base: All using agent & answering	(528)	(553)	(554)	(600)

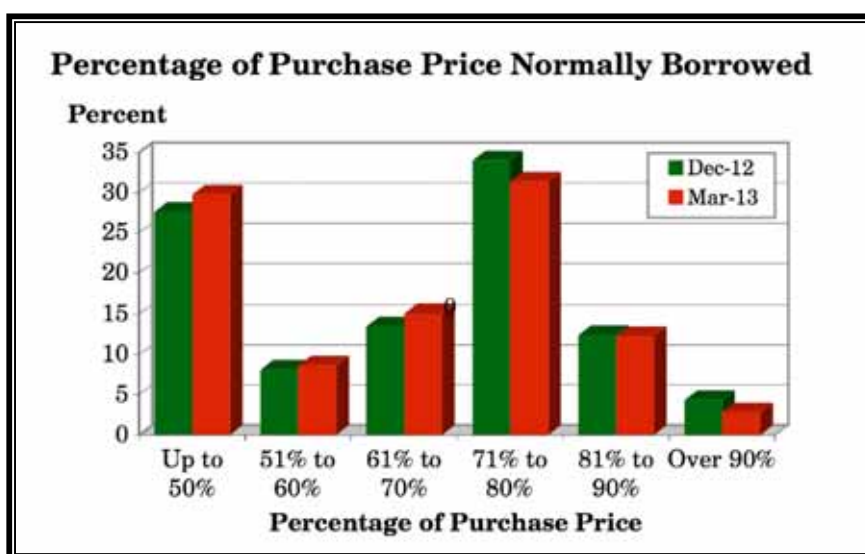
Compared with three months ago, the main difference is that the proportion of those using a letting agent who say that they do consider whether an agent is licensed or regulated when they are deciding which lettings agency to use is up significantly from 62% to 68%, more than reversing the change seen then.

3.18 What percentage of the purchase price of a buy to let property do you normally borrow from a lender? (Q.18)

Almost six out of ten respondents (59%) said that they normally borrow between 61% and 90% of the purchase price of a buy to let property with the largest proportion, amounting to more than three out of ten (31%) saying they normally borrow between 71% and 80% of the purchase price. Nevertheless, a substantial minority of three out of ten (30%) said that they normally borrow less than half of the purchase price.

Analysis of these figures reveals that the average proportion of the purchase price of a buy to let acquisition is currently 59%.

Percent of Purchase Price	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Up to 50%	27.3	29.0	27.6	29.8
51% to 60%	8.4	9.1	8.1	8.6
61% to 70%	15.1	12.9	13.5	15.1
71% to 80%	29.7	28.3	34.0	31.4
81% to 90%	14.9	16.8	12.4	12.3
Over 90%	4.6	3.2	4.3	2.8
Average (%)	60.9	60.2	60.7	59.0
Base: All answering	(913)	(938)	(879)	(961)



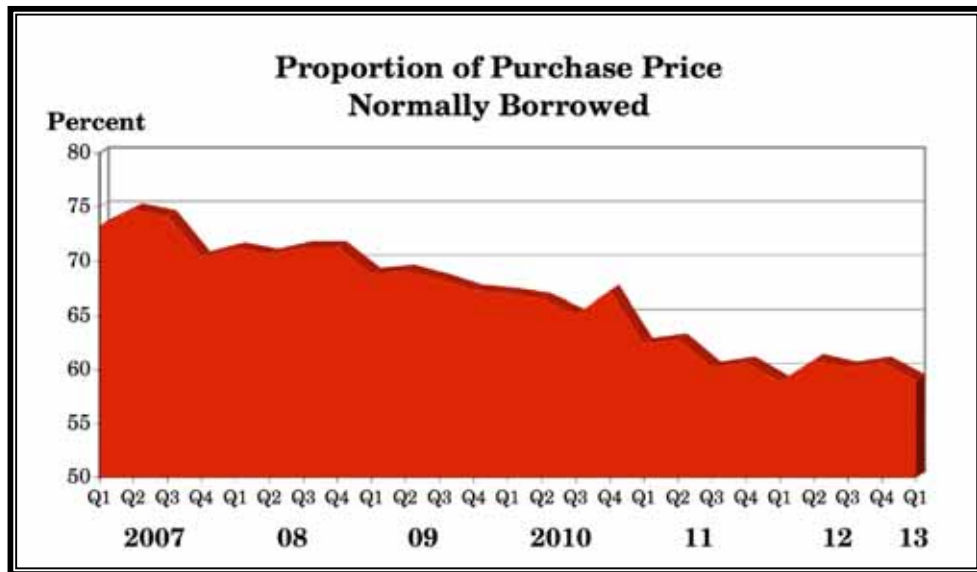
Compared with three months ago, the average proportion of the purchase price of a buy to let property which respondents normally borrow has fallen from 61% to 59%, its lowest level since this question was first asked six years ago.

As can be seen from the chart below, over the last six years, the average proportion of a property's price which is usually borrowed by respondents rose initially and then fell at the end of 2007 before levelling out at between 70% and 72% throughout 2008.

At the beginning of 2009, the average fell again and, despite an upturn three months later, the average proportion being borrowed declined steadily to reach another all time low with the results from the survey in the third quarter of 2010.

The results from the last quarter 2010 survey, however, brought an end to this downward trend but a big fall in the average in the first quarter of 2011 indicated that this was a temporary increase. After that, despite some fluctuation, the average proportion borrowed continued to decline.

Against this backdrop, the quite large increase seen in the second quarter of 2012, and which suggested a possible change in the trend, was followed by a decline in the second quarter. That decline was largely reversed with the results from the third quarter of 2012 and the results from this quarter, more than reversing the small increase seen in the last quarter of 2012, confirm that a slight downward trend is in place.

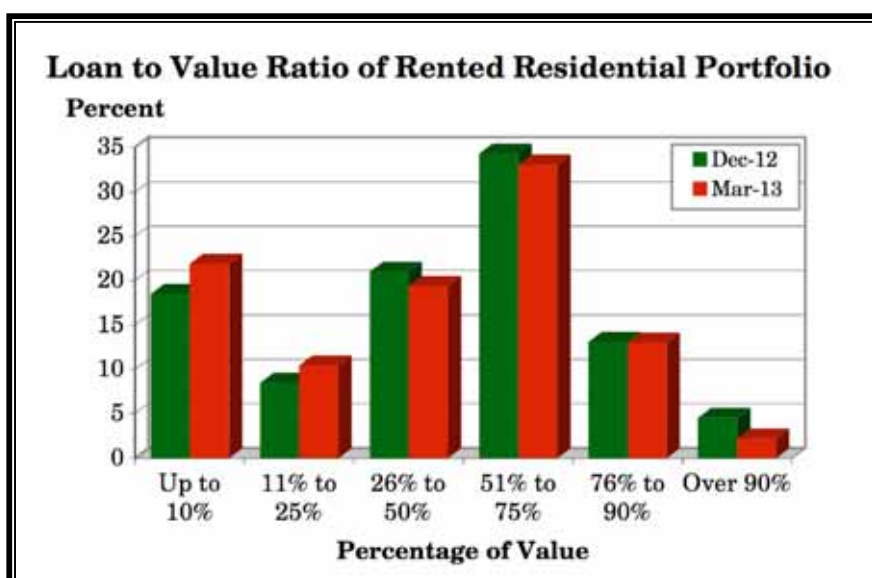


3.19 What is the approximate overall loan to value ratio of your rented residential portfolio? (Q.19)

The largest proportion of respondents, amounting to a third (33%) said that the approximate overall loan to value ratio of their rented residential portfolio was between 51% and 75% with almost another two out of ten (21%) saying it was between 26% and 50%.

Analysis of these figures reveals that the average loan to value ratio of respondents' portfolios is 44%.

Loan to Value Ratio	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Up to 10%	20.7	20.6	18.5	21.9
11% to 25%	8.2	9.3	8.5	10.4
26% to 50%	20.6	21.4	21.0	19.4
51% to 75%	32.3	30.1	34.3	33.1
76% to 90%	14.5	13.6	13.1	13.0
Over 90%	3.7	5.0	4.5	2.2
Average (%)	46.3	45.8	47.2	44.1
Base: All answering	(894)	(925)	(880)	(937)



Compared with the last survey three months ago, the average loan to value ratio of respondents' portfolios has fallen from 47% to 44%, more than reversing the increase seen then.

As can be seen from the chart below, the average loan to value ratio of respondents' property portfolios did tend to fluctuate between 55% and 60% during 2007 and 2008.

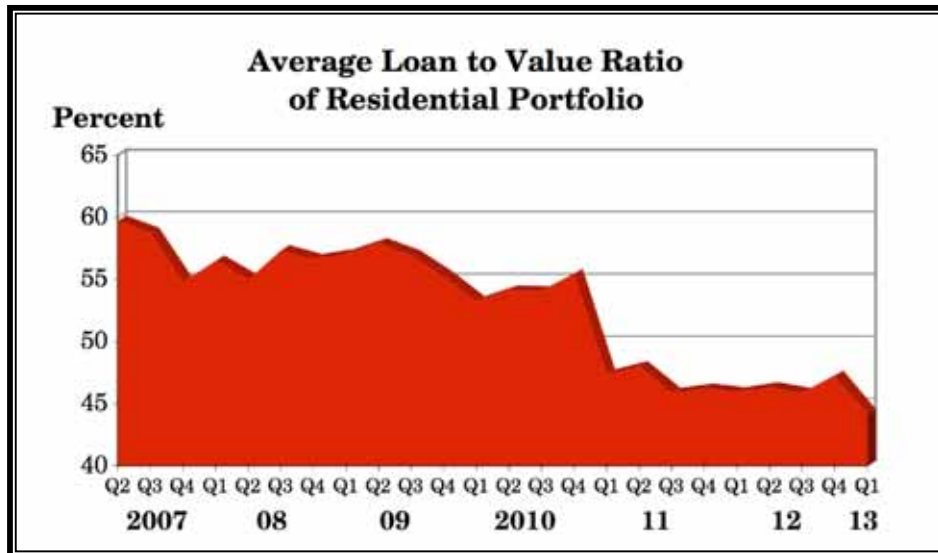
However, the trend from the middle of 2009 until the first quarter of 2010 was for the average loan to value ratio to decline quite consistently.

This trend came to an end in the spring/summer of 2010 with the first increase for a year and the results during the rest of 2010 indicated that the average figure was on an upward trend.

Against this backdrop, the big fall in the figure seen in the first quarter of 2011 is quite likely to have been a result of the big increase in the number of respondents.

The results from the second half of 2011 and the first three quarters of 2012 resulted in a fairly stable average loan to value ratio around 46% but the increase seen three months ago took the figure to its highest level for more than a year.

However, the big fall seen with the results from this quarter have taken the average loan to value ratio of respondents' portfolios to its lowest level since this question was first asked six years ago.



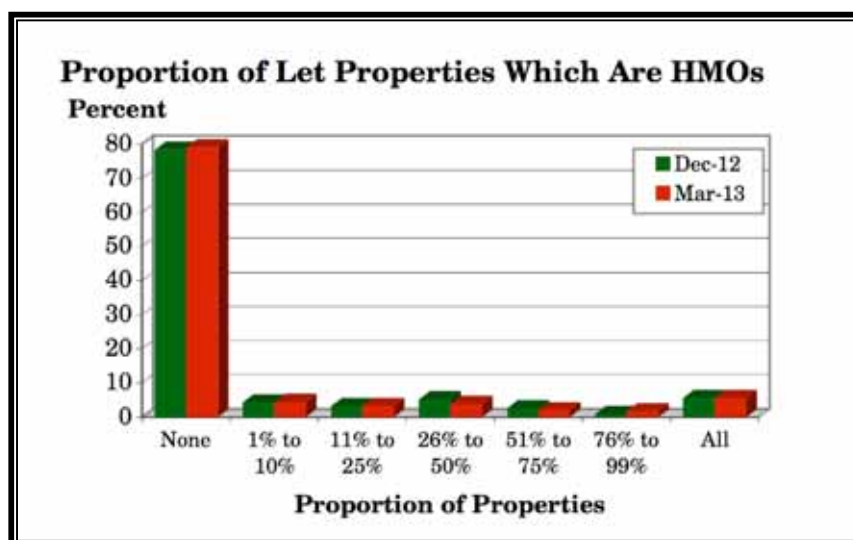
3.20 What proportion of properties you let are Houses in Multiple Occupation (HMOs), i.e. houses occupied by 3 or more unrelated tenants? (Q.20)

Only a minority of respondents (21%) had any let properties which were Houses in Multiple Occupation (HMOs) although more than one in twenty (6%) said that all of their let properties were HMOs.

Simple analysis of these figures reveals that, for respondents to this survey, the average proportion of their properties which are HMOs is 10.7%.

However, amongst those who have any such properties at all, the average proportion is much higher at 59%.

Proportion of Properties	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
None	77.6	78.8	78.4	79.1
1% to 10%	3.5	3.7	4.3	4.4
11% to 25%	4.4	3.4	3.2	3.2
26% to 50%	4.2	4.3	5.2	3.9
51% to 75%	1.8	1.8	2.5	2.1
76% to 99%	1.1	2.1	0.9	1.7
All	7.5	6.0	5.5	5.6
Average (%)	12.1	11.3	10.7	10.7
Base: All answering	(1,006)	(1,023)	(948)	(1,064)



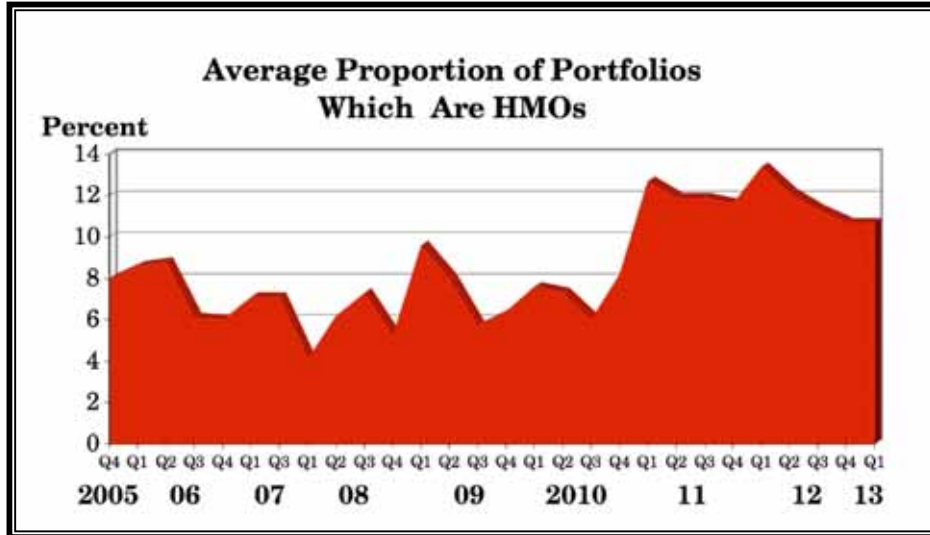
Compared with the last survey, the overall average proportion of HMOs is unchanged at 10.7%.

The proportion for those with any HMOs at all, however, is up quite sharply from 49% to 59%.

The chart below shows how the average proportion of properties which are HMOs has changed over the last seven years and whilst the figure fluctuated quite a lot during 2008, 2009 and 2010, it appears, overall, to have increased a little over that period whilst remaining in the range 5% to 10%.

The results from the first quarter of 2011, however, saw a quite dramatic change to this figure, almost certainly accounted for by the increased respondent base, and this was confirmed by the results during the rest of 2011 which produced a gently declining average proportion of HMOs.

Against this backdrop, the increase seen in the first quarter of 2012 suggested that a change had occurred but that was negated by the results from the last three quarters of the year. The unchanged figure this quarter suggests that the downward trend seen in 2012 may now have ended but further results are needed to determine whether or not that is the case.



3.21 Which of the following categories best applies to recent new tenants? (Q21)

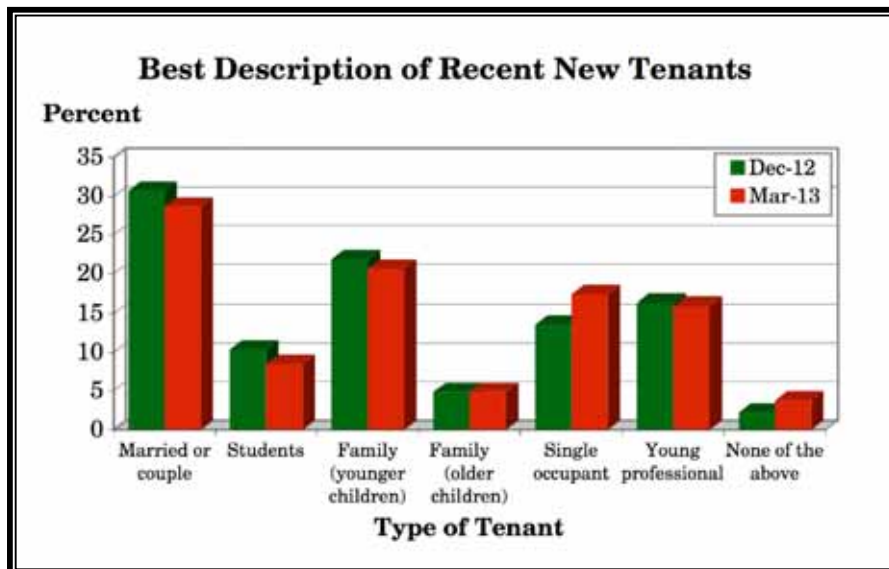
The results from this question, which included the additional category “young professional” from the third quarter of 2012, show that four of the listed types of tenant were more likely to describe recent new tenants than were the other two with married or a couple being the most likely at 29%.

Behind this, was family with younger children (baby/toddler/primary school) at 21%, followed by single occupant (17%) and young professional (16%).

Least likely to be the categories which best applied to recent new tenants were students (9%) and family with older children (teenagers/young adults) at just 5%.

One in twenty-five respondents (4%) said that none of the listed categories best applied to recent new tenants.

Type of Tenant	Percent of Respondents (%)			
	Jun 12	Sep 12	Dec 12	Mar 13
Married or a couple	32.2	28.9	30.7	28.7
Students	10.4	9.5	10.4	8.5
Family with younger children	23.1	21.4	21.9	20.7
Family with older children	6.0	4.0	4.9	4.9
Single occupant	23.0	16.1	13.6	17.4
Young professional	<i>not incl.</i>	17.3	16.3	15.9
None of the above	5.3	2.7	2.2	3.8
Base: All answering	(1,000)	(1,023)	(951)	(1,067)



Compared with three months ago, the main changes are that single occupant increased quite noticeably (from 14% to 17%) with all but one of the other categories falling a little, the exception being family with older children which was unchanged.