



# Survey of Residential Landlords

Fourth Quarter 2014

## REPORT

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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 fourth quarter of 2014, ARLA conducted the fourth survey of the year. This survey ran during the month of November.

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 24 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 1,016 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

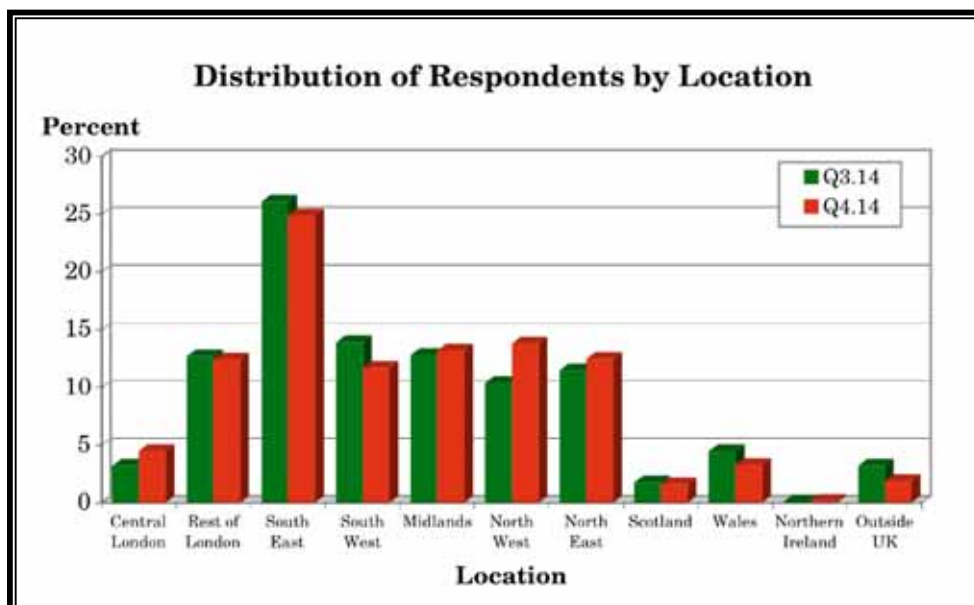
The following sections detail the results of the ARLA survey of residential landlords conducted during the fourth quarter of 2014. In addition to the overall results for the whole country, for some of the questions, data has been included for each of the regions making up the UK as shown in the table 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 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)

More than four out of ten respondents to the survey (42%) were from the South East of England (including London) with one in six (17%) being from London itself. The North West and the Midlands were the regions producing the next highest proportions of respondents (14% and 13% respectively). Scotland, Wales & Northern Ireland accounted for one in twenty respondents (5% in total) with only one in fifty respondents (2%) being landlords who were living outside the UK.

Location	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Central London	4.2	3.2	4.5
Rest of London ( <i>within M25</i> )	11.7	12.7	12.4
South East ( <i>outside M25</i> )	26.5	26.1	24.9
South West	12.3	13.9	11.7
Midlands	14.3	12.8	13.2
North West	10.5	10.4	13.8
North East	12.9	11.5	12.5
Scotland	1.3	1.8	1.6
Wales	4.1	4.5	3.3
Northern Ireland	0.2	0.1	0.2
Outside UK	2.1	3.2	1.9
Base: All answering	(987)	(908)	(962)



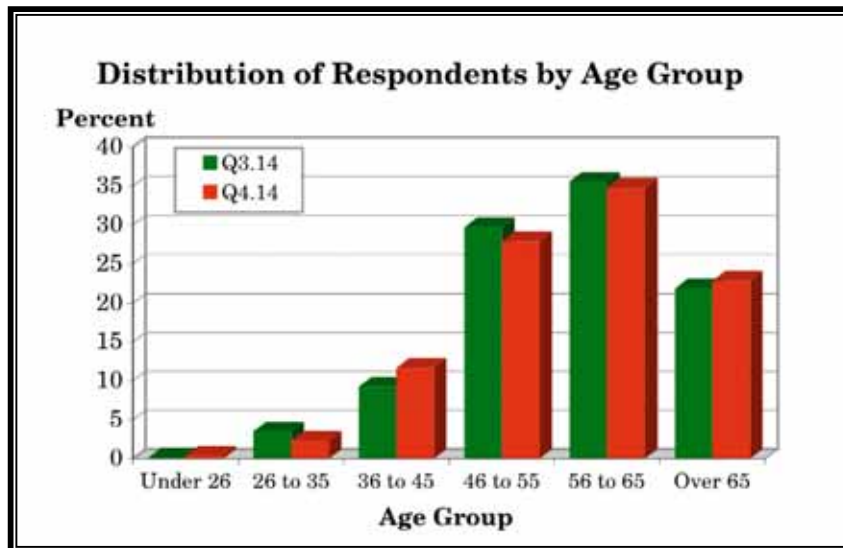
Compared with the third quarter survey, the main differences are that there were noticeably more respondents from Central London, the North West and the North East and noticeably fewer from the Rest of the South East, the South West, Wales and from outside the UK. The proportions from the Rest of London, the Midlands, Scotland and Northern Ireland were little changed.

### 3.2 How old are you? (Q.2)

More than a third of respondents (35%) were aged between 56 and 65 with nearly another three out of ten (28%) being aged between 46 and 55 and nearly a quarter (23%) being over 65. Nearly one in eight (12%) were aged between 36 and 45 with little more than one in forty (3%) being aged 35 or under.

Analysis of the results from this question reveals that the average age of respondents to the survey was 56.3 years.

Age Group	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Under 26	0.1	0.1	0.4
26 to 35	3.9	3.5	2.4
36 to 45	9.1	9.3	11.7
46 to 55	28.3	29.7	27.9
56 to 65	37.5	35.6	34.8
Over 65	21.1	21.8	22.8
<b>Average (years)</b>	<b>56.3</b>	<b>58.5</b>	<b>56.3</b>
Base: All answering	(986)	(908)	(964)



Compared with three months ago, the changes were quite small with the overall average figure rising from 58.5 years to 56.3 years, reversing the change seen then.

Within that overall change, the main differences were that the proportion aged 36 to 45 was up (from 9% to 12%), whilst the proportion aged 46 to 55 was down from 30% to 28%.



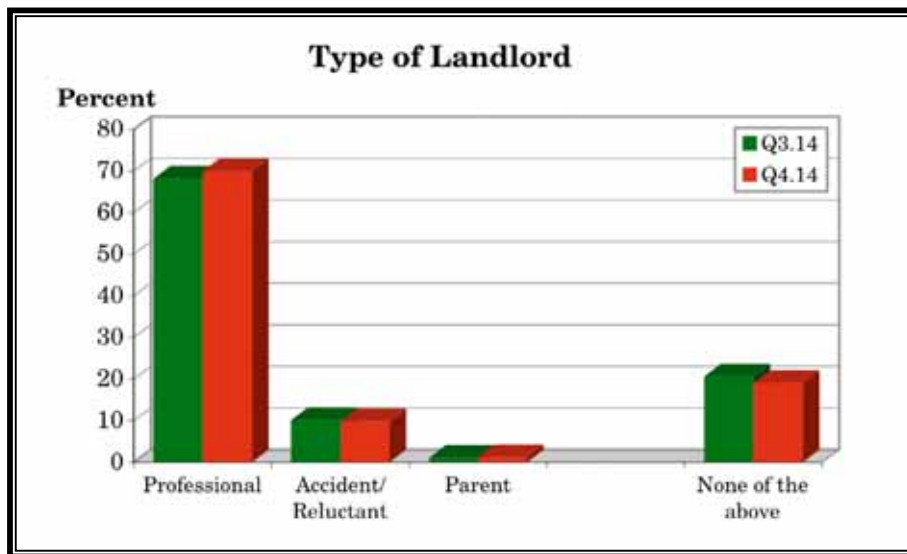
**3.3 As a landlord, which of the typologies below most closely fits your current situation? (Q.3)**

Almost two out of ten respondents to this question (19%) said that none of the landlord types listed fitted their current situation.

Of the remainder, the vast majority, amounting to seven out of ten (70%) of all those answering the question said that they were professional investment landlords.

Nevertheless, one in ten (10%) said they were either accidental or reluctant landlords with only one in a hundred (1%) saying they were parents renting out to children or dependants.

Typology	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Professional	68.8	68.2	70.1
Accident/Reluctant	9.5	10.1	9.8
Parent	1.5	1.0	1.1
None of the above	20.2	20.6	19.0
Base: All answering	(990)	(914)	(963)



Compared with the third quarter survey, there has been little change in the proportions of respondents falling into each of the typologies although more said they were professional investment landlords (up from 68% to 70%) and fewer said they were none of the listed types (down from 21% to 19%).

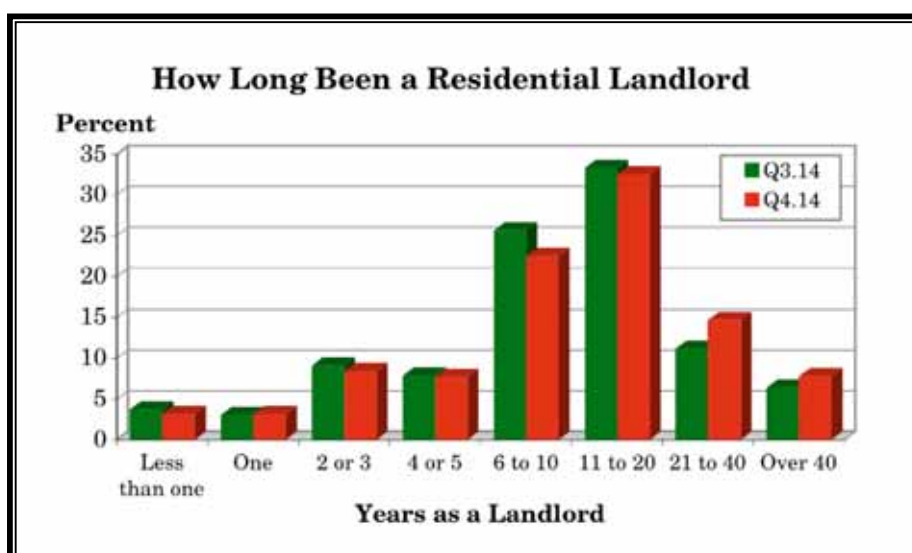
### 3.4 How long have you owned residential property to let? (Q.4)

Little more than one in twenty respondents (6%) had been residential landlords for one year or less whilst nearly four times as many (23%) had been residential landlords for more than 20 years.

However, the vast majority, amounting to more than seven out of ten respondents (71%) had been residential landlords for between 2 and 20 years with the largest proportion, almost a third (33%) having been residential landlords for between 11 and 20 years. The next largest group was those who had been residential landlords for between 6 and 10 years (23%).

Simple analysis of these figures indicates that the average time for which respondents had been residential landlords was 15.6 years, a figure which is up from 14.2 years three months ago.

Years as a Landlord	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Less than one	4.6	3.7	3.2
One	2.4	3.0	3.2
2 or 3	9.2	9.1	8.4
4 or 5	8.3	7.9	7.7
6 to 10	25.6	25.6	22.5
11 to 20	31.3	33.3	32.5
21 to 40	12.2	11.2	14.7
Over 40	6.3	6.4	7.8
<b>Average (years)</b>	<b>14.2</b>	<b>14.2</b>	<b>15.6</b>
Base: All answering	(984)	(904)	(944)



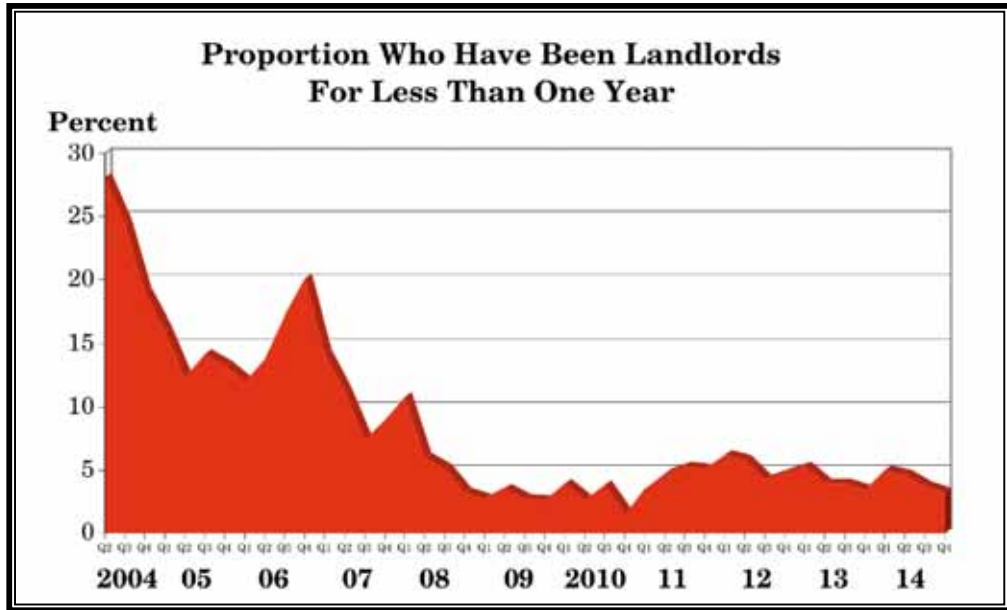
As the chart below shows, over the period during which this question has been asked, the proportion of relatively new landlords, i.e. those who have been residential landlords for less than one year, declined massively from 28% to just 3% at the beginning of 2009, perhaps reflecting the end of the boom 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 over the winter of 2012/13, the trend over the next couple of years was for the figure to decline gently.

The results from the first quarter of 2014 brought a sizeable increase, reversing the declines seen in the preceding three quarters, but the results from the last three surveys have eroded that increase and the trend does now appear to have turned downwards again.



### 3.5 How many rented residential properties do you currently have in your portfolio? (Q.5)

More than a third of respondents (34%) had only one or two properties in their portfolios with almost two out of ten (19%) 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 7.8 properties three months ago and reversing the decreases seen in then previous three quarters.

Number of Properties	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
One	18.2	19.3	18.1
Two	19.5	15.9	15.7
3 to 5	27.5	29.8	29.6
6 to 10	17.3	17.4	17.9
11 to 20	10.1	11.5	10.3
21 to 50	5.5	4.2	6.2
Over 50	1.9	1.9	2.2
<b>Average (no. of properties)</b>	<b>8.0</b>	<b>7.8</b>	<b>8.6</b>
Base: All answering	(982)	(903)	(943)



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.

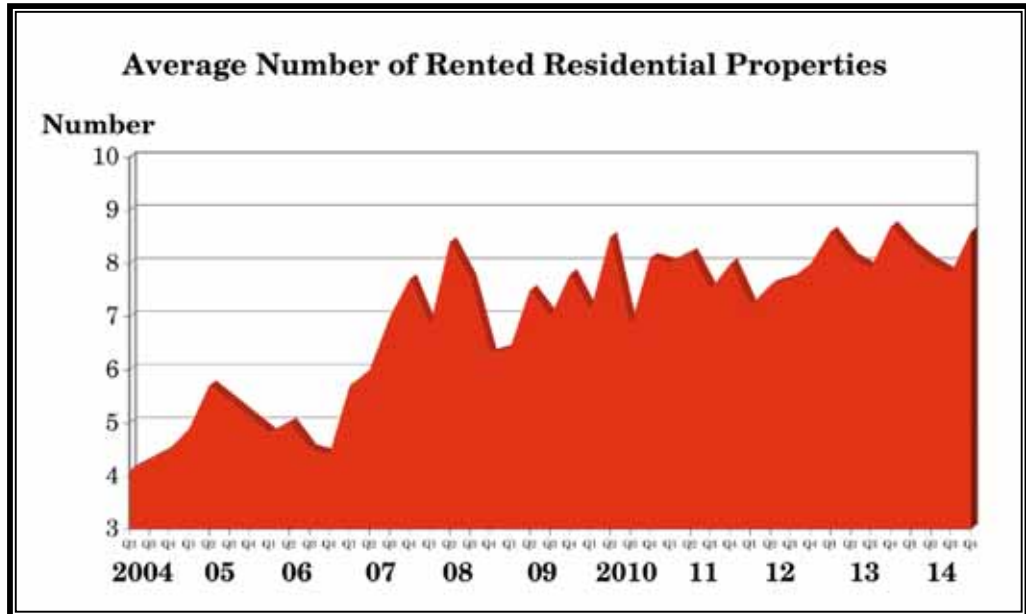
During 2010, the average levelled off at between 7 and 8 properties, despite quite large fluctuations, and during the first half of 2011, the

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 and the first quarter of 2013 all produced increases and these took the figure to its highest level since these surveys began ten years ago.

The fall seen in the middle two quarters of 2013 suggested that the upward trend might have ended but they were followed by an increase which more than reversed the fall.

The results from the first three quarters of 2014, which all brought decreases in the average number of properties, suggested that a downward trend was beginning to establish itself. However, the trend over the last two years has been for the figure to be fairly stable despite the large fluctuations, quarter by quarter, and the upturn seen this quarter confirms that this remains the case.



## 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 number of properties owned to increase as one moves north.

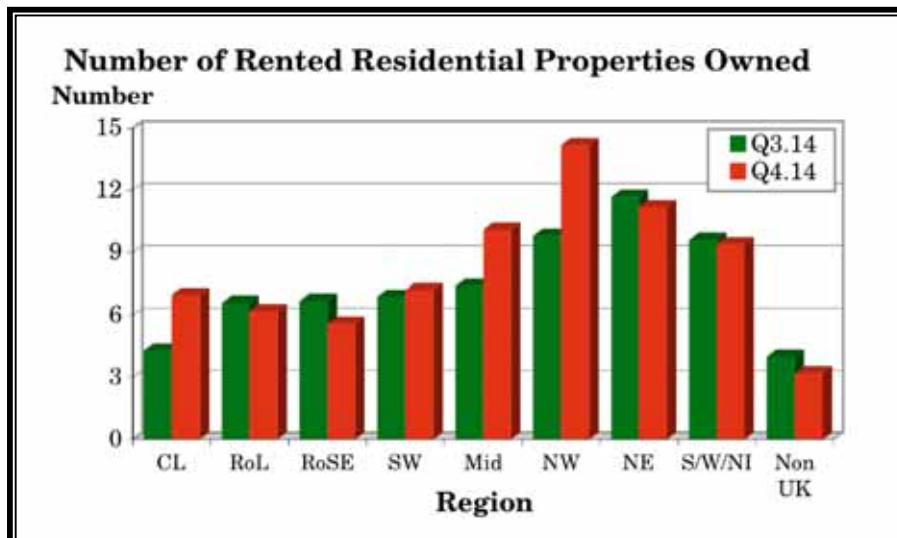
Number of Properties	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
One	22.0	22.2	23.6	18.2	12.8	11.3	14.8	19.6	22.2
Two	9.8	18.8	17.6	14.5	18.4	9.8	12.2	19.6	27.8
3 to 5	36.6	30.8	32.6	26.4	25.6	24.8	32.2	28.3	38.9
6 to 10	17.1	13.7	13.7	26.4	21.6	20.3	19.1	10.9	11.1
11 to 20	7.3	9.4	9.9	10.0	8.8	15.8	8.7	13.0	-
21 to 50	7.3	5.1	2.1	3.6	10.4	12.0	7.8	4.3	-
Over 50	-	-	0.4	0.9	2.4	6.0	5.2	4.3	-

Base: All answering (938)

Analysing these results to produce regional averages reveals that landlords in the North West had the highest average number of properties (14.2).

The regions in the south of the country all had averages of 7.2 properties or less with the Rest of the South East and Outside the UK, on this occasion, producing the lowest average numbers at 5.6 and 3.2 properties respectively.

Geographic Region	Average Number of Properties (%)		
	Jun 14	Sep 14	Dec 14
Central London	7.6	4.3	7.0
Rest of London ( <i>within M25</i> )	6.3	6.6	6.2
South East ( <i>outside M25</i> )	6.7	6.7	5.6
South West	6.3	6.9	7.2
Midlands	8.6	7.4	10.1
North West	11.7	9.8	14.2
North East	11.2	11.7	11.2
Scotland/Wales/NI	9.0	9.6	9.4
Outside UK	2.5	4.0	3.2
Base: All answering	(977)	(898)	(938)



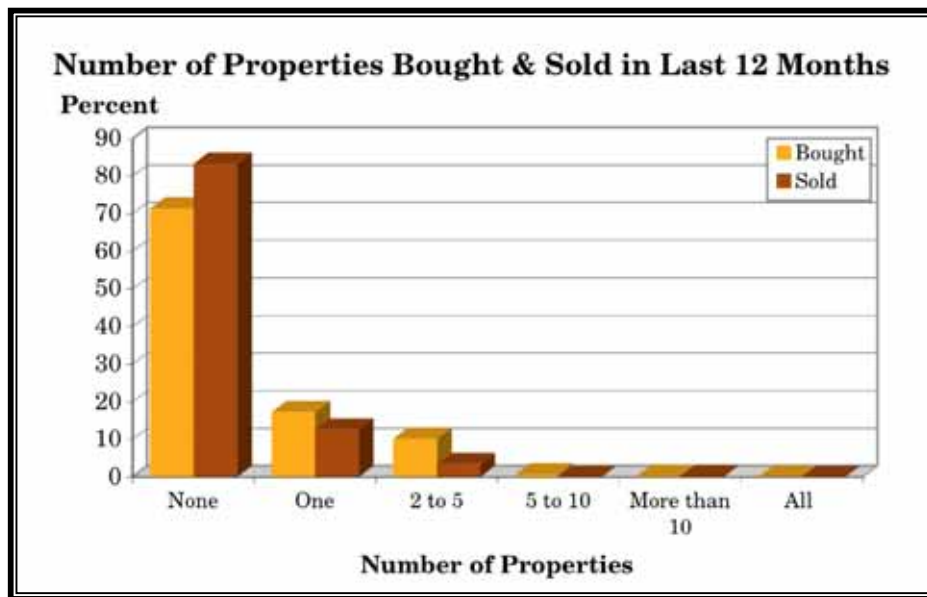
Compared with three months ago, four regions had increases and five had decreases in their average figures. The regions with biggest increases were the North West (up from 9.8 to 14.2 properties), Central London (up from 4.3 to 7.0) and the Midlands (up from 7.4 to 10.1) but these increase largely reverse or more than reverse the decreases seen last quarter).

The regions with the biggest decreases compared with three months ago were the Rest of the South East (down from 6.7 to 5.6 properties) and Outside the UK (down from 4.0 to 3.2).

**3.6 In the last 12 months, have you bought or sold any properties within your portfolio? (Q.6)**

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 not much more than half as many (17%) saying they had sold properties during the same period.

Number of Properties	Percent of Respondents – Dec 14 (%)	
	Bought	Sold
None	71.4	83.3
One	17.3	12.7
2 to 5	10.2	3.5
5 to 10	0.7	0.1
More than 10	0.3	0.3
All	0.1	0.1
Base: All answering	(863)	(774)



Compared with three months ago, as can be seen in the table below, the proportion saying they had bought properties in the preceding 12 months was almost unchanged at 29%, and the proportion saying they had sold properties was also almost unchanged at 17%.

Number of Properties	Percent of Respondents (%)			
	Bought		Sold	
	Sep 14	Dec 14	Sep 14	Dec 14
None	71.0	71.4	83.6	83.3
One	19.5	17.3	13.0	12.7
2 to 5	8.7	10.2	3.2	3.5
5 to 10	0.4	0.7	0.1	0.1
More than 10	0.4	0.3	0.1	0.3
All	0.1	0.1	-	0.1
Base: All answering	(817)	(863)	(718)	(774)



## Regional Analysis

The table below shows, for each region, excluding those living outside the UK, 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 22% and 44%) had bought properties.

Number of Properties Bought	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
None	56.1	72.1	73.6	78.4	74.8	66.4	66.4	70.7	87.5
One	26.8	18.3	17.1	13.4	17.1	18.6	15.0	19.5	6.3
2 to 5	17.1	9.6	7.4	7.2	5.7	15.0	16.8	9.8	6.3
5 to 10	-	-	0.9	-	1.6	-	1.9	-	-
More than 10	-	-	0.9	-	0.8	-	-	-	-
All	-	-	-	1.0	-	-	-	-	-

Base: All answering (858)

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 much fewer respondents in each region (between 6% and 28%) had sold any properties.

Number of Properties Sold	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
None	71.9	84.9	84.5	85.4	94.2	72.0	84.2	77.8	81.3
One	15.6	10.8	13.5	11.2	4.9	19.6	12.6	19.4	6.3
2 to 5	9.4	4.3	1.5	3.4	1.0	8.4	2.1	2.8	6.3
5 to 10	-	-	-	-	-	-	1.1	-	-
More than 10	3.1	-	-	-	-	-	-	-	6.3
All	-	-	0.5	-	-	-	-	-	-

Base: All answering (771)

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.



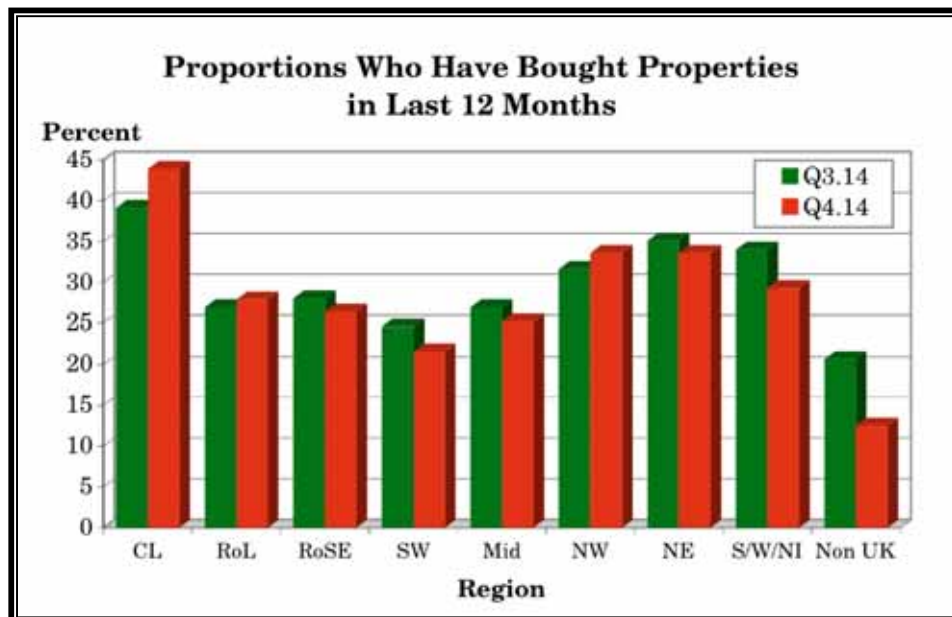
Geographic Region	Percent of Respondents - Dec 14 (%)	
	Bought	Sold
Central London	43.9	28.1
Rest of London ( <i>within M25</i> )	27.9	15.1
South East ( <i>outside M25</i> )	26.4	15.5
South West	21.6	14.6
Midlands	25.2	5.8
North West	33.6	28.0
North East	33.6	15.8
Scotland/Wales/NI	29.3	22.2
Outside UK	12.5	18.8
Base: All answering	(858)	(771)

The region with the highest proportions of landlords saying they had bought properties was Central London (44%) whilst the region with the lowest proportion was those living outside the UK (13%).

It would appear from these figures that those in the north of the country are more likely to have bought properties than those in the south with Central London being an exception to this trend.

When it comes to the proportions saying they had sold properties, the region with the lowest proportion was the Midlands (6%) and those with the highest were Central London and the North West (28% in both cases) with the other regions ranging between these extremes, but with no clear regional trend.

Compared with three months ago, as can be seen in the chart below, all but three regions saw decreases, with the largest decrease being for those living outside the UK. The region with the largest increase was Central London.



With regard to selling properties, compared with three months ago, five regions saw increases in the proportion saying that they had sold properties in the last 12 months and four saw decreases.

The largest increases were seen in the North West, Scotland, Wales & Northern Ireland and the South West. Those with the largest decreases were the Midlands and the Rest of the South East.



Geographic Region	Percent of Respondents (%)			
	Bought		Sold	
	Sep 14	Dec 14	Sep 14	Dec 14
Central London	39.1	43.9	31.3	28.1
Rest of London ( <i>within M25</i> )	26.9	27.9	13.6	15.1
South East ( <i>outside M25</i> )	28.0	26.4	20.2	15.5
South West	24.6	21.6	9.2	14.6
Midlands	26.9	25.2	12.9	5.8
North West	31.6	33.6	20.6	28.0
North East	35.1	33.6	14.1	15.8
Scotland/Wales/NI	34.0	29.3	14.3	22.2
Outside UK	20.7	12.5	21.4	18.8
Base: All answering	(817)	(858)	(718)	(771)

**3.7 In the next 12 months, do you expect to buy any further properties to let? (Q.7)**

A quarter of respondents (25%) said that they expected to acquire further properties to let during the next 12 months but almost twice as many (49%), said that they did not.

In addition, more than a quarter (26%) were unsure whether or not they would acquire further properties to let in the next 12 months.

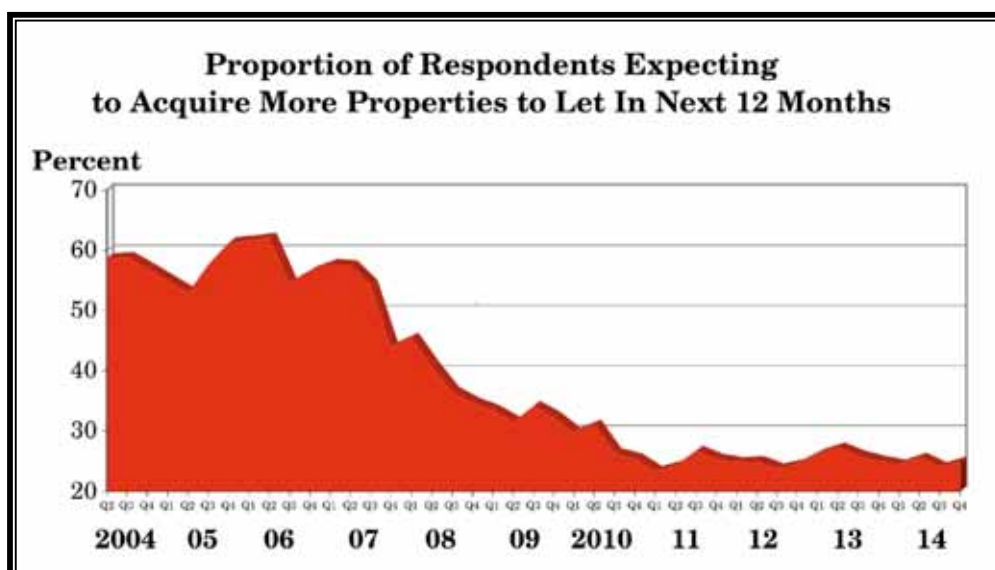
Response	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Yes	25.6	24.0	24.9
No	51.9	48.4	48.6
Not sure	22.5	27.6	26.6
Base: All answering	(969)	(896)	(933)

Compared with three months ago, there has been an increase in the proportion saying they expect to buy properties in the next 12 months (up from 24% to 25%, partially reversing the change seen then) whilst the proportion saying they do not is almost unchanged at 49%. The proportion saying they didn't know fell from 28% to 27%.

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.

After that, for nearly five years, from mid 2007 through to the beginning of 2011, the trend was downwards and, in the first quarter of 2011, it reached it's lowest level since these surveys began.

After that it increased for a couple of quarters and, since then, has been relatively stable around the 25% mark.



## 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 currently relatively little difference between the regions in terms of the proportion of respondents who say they expect to buy property in the next 12 months although the figures do range from 16% in the South West to 34% in Scotland, Wales & Northern Ireland.

In addition, quite a high proportion of respondents in every region (between 18% and 34%) said they were unsure whether they would buy properties in the next 12 months or not with the result that between 40% and 56% 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	33.3	25.2	25.4	15.5	26.0	26.0	23.7	34.1	23.5
No	40.5	48.7	52.6	56.4	39.8	49.6	46.5	47.7	47.1
Not sure	26.2	26.1	22.0	28.2	34.1	24.4	29.8	18.2	29.4

Base: All answering (928)



Geographic Region	Percent Expecting to Buy Properties (%)		
	Jun 14	Sep 14	Dec 14
Central London	28.2	21.4	33.3
Rest of London ( <i>within M25</i> )	29.7	31.3	25.2
South East ( <i>outside M25</i> )	23.2	24.4	25.4
South West	16.5	20.6	15.5
Midlands	25.5	22.4	26.0
North West	28.7	20.2	26.0
North East	29.8	24.0	23.7
Scotland/Wales/NI	33.3	24.6	34.1
Outside UK	20.0	24.1	23.5
Base: All answering	(966)	(891)	(928)

As can be clearly seen from the chart and table above, compared with three months ago, there were some quite big changes although these

seemed to bear little relation to where in the UK the regions were located.

The regions with the biggest increases in the proportions saying they expected to buy properties in the 12 months following the survey were Central London (up from 21% to 33%) and Scotland, Wales & Northern Ireland (up from 25% to 34%).

Those with the biggest decreases were the Rest of London (down from 31% to 25%) and the South West (down from 21% to 16%).

**3.8 In the next 12 months, do you expect to sell some or all of your let residential properties? (Q.8)**

Two thirds of respondents to this survey (67%) said that they did not expect to sell any of their let residential properties in the next 12 months.

Nevertheless, one in six (16%) said they did have such expectations with slightly more (17%) being unsure whether they would be selling any properties in the next 12 months or not.

Response	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Yes	17.0	16.6	16.1
No	65.9	64.9	66.7
Not sure	17.0	18.5	17.3
Base: All answering	(969)	(897)	(933)

Compared with three months ago, the proportion saying they do intend to sell some or all of their properties in the next 12 months is down slightly from 17% to 16% and the proportion saying that they do not have any such intentions has risen from 65% to 67%. The proportion saying they are unsure has fallen from 18% to 17%.

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 produced a fairly stable situation but the large increase in the first quarter of 2013 took the figure to its highest level for almost three years.

The decline seen in the following quarter only partially reversed that big increase and the increase seen in the third quarter of 2013 took the figure to its highest level since the financial crash in 2008.

The fall seen in the last quarter of 2013 was followed by two increases in the first two quarters of 2014 and, despite the relatively small falls seen in the last two quarters, the trend remains upwards.



## 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 the regions in terms of the proportions of respondents saying they expected to sell some or all of their let residential 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 (29%) and Scotland, Wales & Northern Ireland (27%) whilst the regions with the lowest proportions of respondents saying they expected to do so were the Midlands and the Rest of the South East (9% and 12% respectively).

A substantial proportion of respondents in every region (between 14% and 24%) said they were unsure whether they would sell properties in the next 12 months or not with the result that between 53% 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	28.6	19.3	11.6	14.5	9.0	22.0	14.9	27.3	23.5
No	54.8	66.7	73.8	66.4	74.6	57.6	64.0	59.1	52.9
Not sure	16.7	14.0	14.6	19.1	16.4	20.5	21.1	13.6	23.5

Base: All answering (928)

As can be clearly seen from the chart and table below, compared with three months ago, there have been some changes in the proportions from each region saying they expect to sell some or all of their properties in the 12 months to come with five regions seeing increases and four seeing decreases.



In particular, Scotland, Wales & Northern Ireland saw a sharp increase (up from 16% to 27%, as did the Rest of London (up from 13% to 19%, more than reversing the decrease seen then).

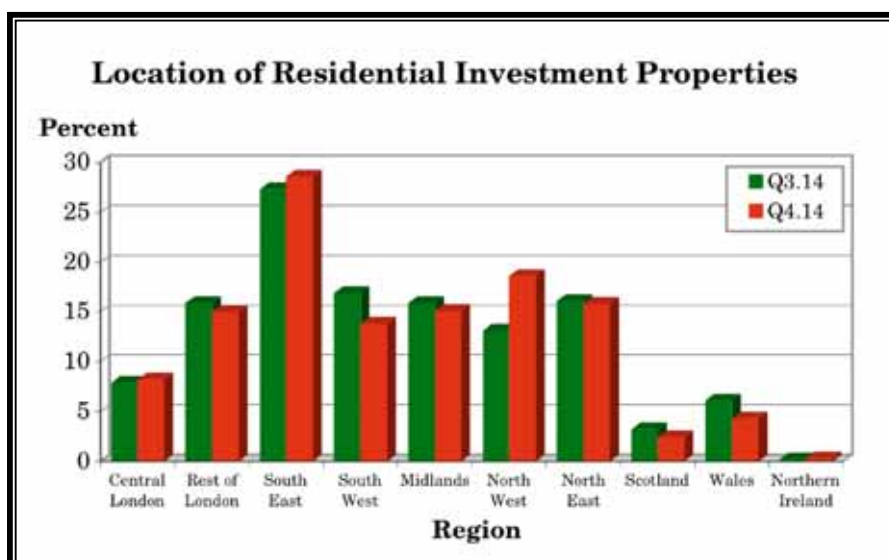
The region seeing the largest decrease was the Midlands (down from 20% to 9%).

<b>Geographic Region</b>	<b>Percent Expecting to Sell Properties (%)</b>		
	<b>Jun 14</b>	<b>Sep 14</b>	<b>Dec 14</b>
Central London	23.1	32.1	28.6
Rest of London ( <i>within M25</i> )	18.2	13.4	19.3
South East ( <i>outside M25</i> )	14.8	14.9	11.6
South West	17.4	13.5	14.5
Midlands	13.7	19.8	9.0
North West	20.4	20.2	22.0
North East	19.5	16.0	14.9
Scotland/Wales/NI	16.7	15.8	27.3
Outside UK	15.0	20.7	23.5
Base: All answering	(966)	(892)	(928)

### 3.9 Where are your residential investment properties located? (Q.9)

More than half of respondents (52%) said that they had properties in the South East (including London) with nearly a quarter (23%) saying they had properties in London itself.

Location	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Central London	9.5	7.9	8.2
Rest of London ( <i>inside M25</i> )	14.9	15.9	15.0
South East ( <i>outside M25</i> )	29.5	27.3	28.6
South West	14.4	16.9	13.8
Midlands	16.9	15.9	15.1
North West	15.7	13.1	18.6
North East	16.6	16.1	15.8
Scotland	3.3	3.2	2.4
Wales	6.3	6.1	4.3
Northern Ireland	0.3	0.2	0.3
Base: All answering	(907)	(850)	(903)

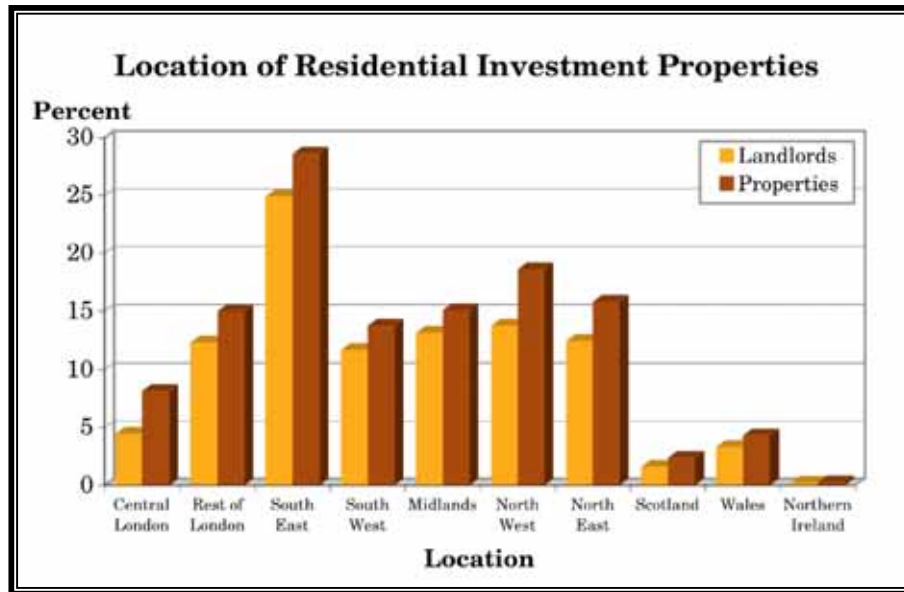


Compared with three months ago, most regions had roughly similar levels of respondents with properties in the region although the figure for the North West was up from 13% to 19%, the largest increase, and that for the South West was down from 17% to 14%, the largest decrease.

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 Central London (82%) followed by Scotland (50%) and Northern Ireland (50%).

The difference was the smallest in the Midlands (14%) and the Rest of the South East (15%) with all the other regions having a difference of between 18% and 35%.



Location	Percent of Landlords & Properties -Dec 14 (%)	
	Landlords	Properties
Central London	4.5	8.2
Rest of London ( <i>inside M25</i> )	12.4	15.0
South East ( <i>outside M25</i> )	24.9	28.6
South West	11.7	13.8
Midlands	13.2	15.1
North West	13.8	18.6
North East	12.5	15.8
Scotland	1.6	2.4
Wales	3.3	4.3
Northern Ireland	0.2	0.3
Base: All answering	(962)	(903)

**3.10 What proportion of the residential properties you have bought are of each type? (Q.10)**

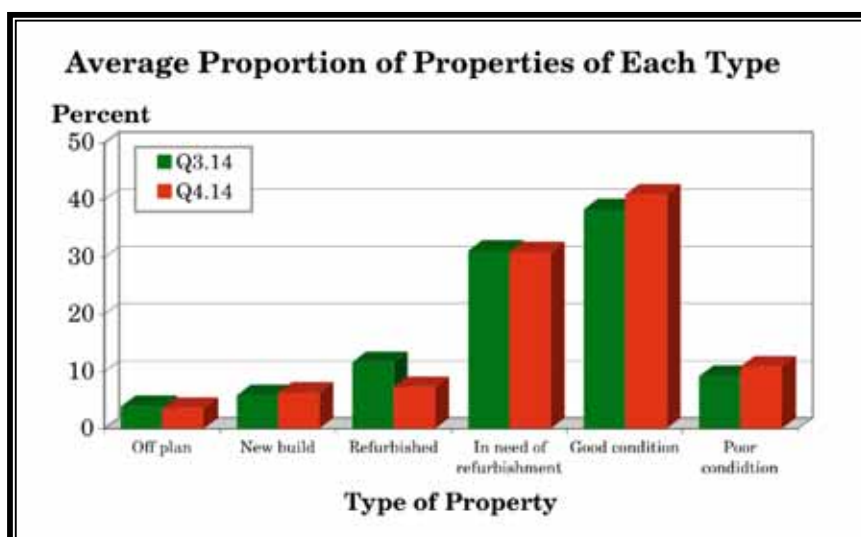
Respondents to this survey were more likely to have bought properties in good condition than any of the other types listed with more than three out of ten respondents (32%) saying that more than three quarters of the properties they had bought were of this type. Next were houses in need of refurbishment with more than two out of ten (21%) saying more than three quarters were of that type.

Proportion of Properties	Percent of Respondents - Dec 14 (%)					
	Off plan	New build	Refurb-ished	In need of refurb.	Good cond.	Poor cond.
None	89.7	83.5	84.5	43.8	29.7	73.6
Up to 25%	5.5	8.7	5.9	12.9	15.6	10.3
26% to 50%	2.2	2.4	2.4	12.3	14.1	7.7
51% to 75%	0.8	1.7	2.4	10.4	8.7	2.8
Over 75%	1.7	3.7	4.7	20.5	32.0	5.7

Base: All answering (867)

Analysis of these responses confirms that the most popular type of property has been those in good condition with, on average, more than four out of ten properties bought (41%) being of that type. Next most popular have been properties in need of refurbishment (31%). Least likely to have been bought by landlords, were properties which had been bought off plan or which had never been occupied (4%) followed by those which were new builds (6%), those which were refurbished (7%) and those in poor condition (11%).

Type of Property	Average Percent of Properties (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Off plan/never occupied	3.0	2.8	3.9	3.6
New build	5.0	6.6	5.8	6.3
Refurbished	10.0	9.8	11.6	7.3
In need of refurbishment	32.1	30.4	31.1	30.9
Good condition	39.6	40.1	38.4	40.9
Poor condition	10.4	10.4	9.2	10.9
Base: All answering	(902)	(881)	(828)	(867)



Compared with three months ago, there has been some change in the average proportions of each type of property with refurbished properties becoming noticeably less popular and both properties in good condition and properties in poor condition have become noticeably more popular. These changes more than reverse the changes seen three months ago

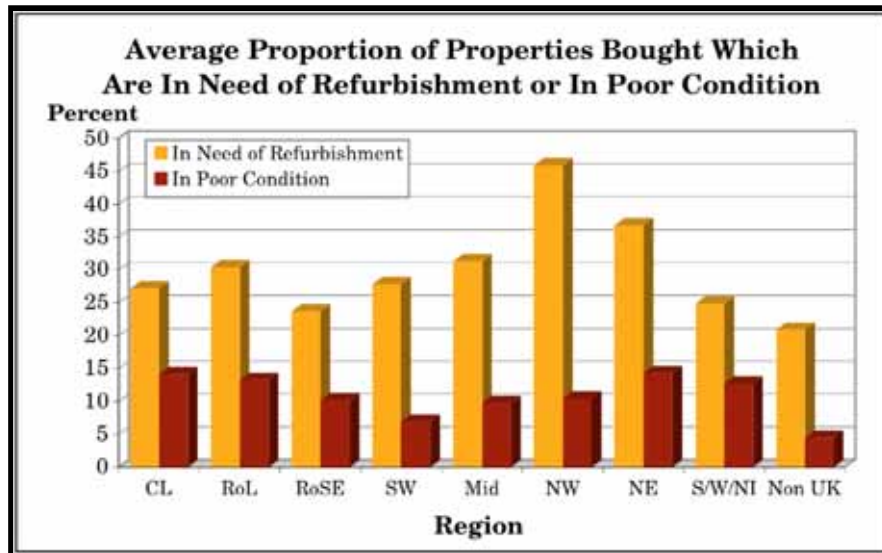
## Regional Analysis

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.

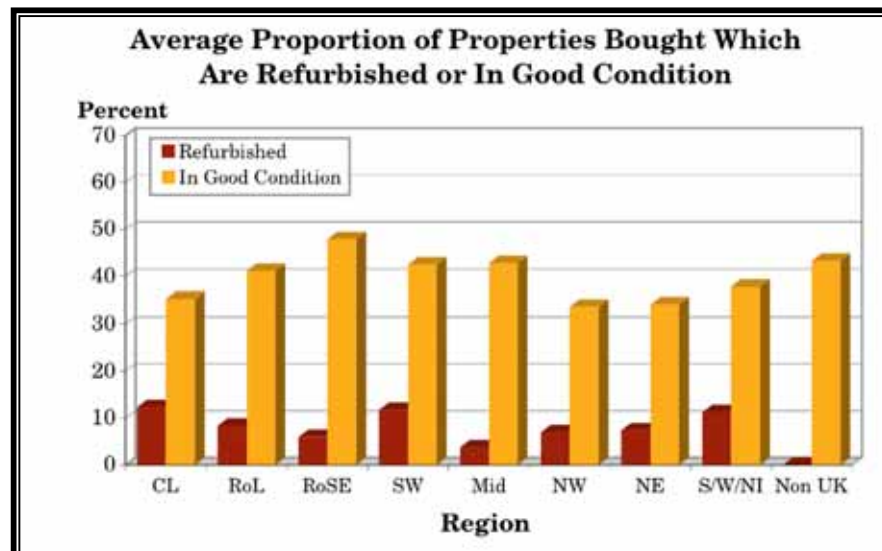
Response	Region								
	CL	ROL	SE	SW	MID	NW	NE	S,W & NI	Non UK
Off plan/never occ.	8.1	3.0	4.0	4.0	3.5	1.1	2.1	4.9	12.7
New build	2.8	3.9	8.3	6.9	8.9	1.9	5.2	8.4	18.7
Refurbished	12.4	8.4	6.0	11.7	3.7	7.0	7.4	11.3	-
In need of refurb	27.2	30.4	23.7	27.8	31.3	45.9	36.8	24.9	20.9
Good condition	35.3	41.1	47.9	42.6	42.8	33.7	34.2	37.9	43.3
Poor condition	14.2	13.2	10.2	6.9	9.8	10.5	14.3	12.7	4.5

Base: All answering (911)

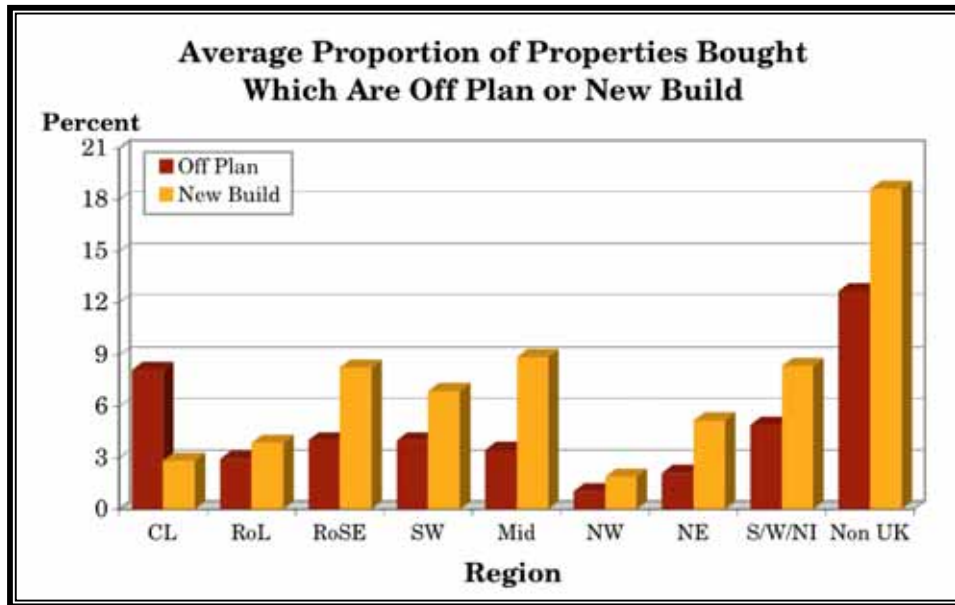
Landlords in the north of England are more likely to have bought properties in need of refurbishment whilst properties in poor condition are least likely to have been bought in the South West.



On the other hand, those in the south of England are more likely to have bought properties in good condition. There is little correlation between where a region is located and the propensity of landlords to buy refurbished properties.



When it comes to new builds and properties bought off plan, there is little correlation between their popularity and where a region is located within the UK although those living outside the UK are by far the most likely to have bought properties which are off plan or new builds.





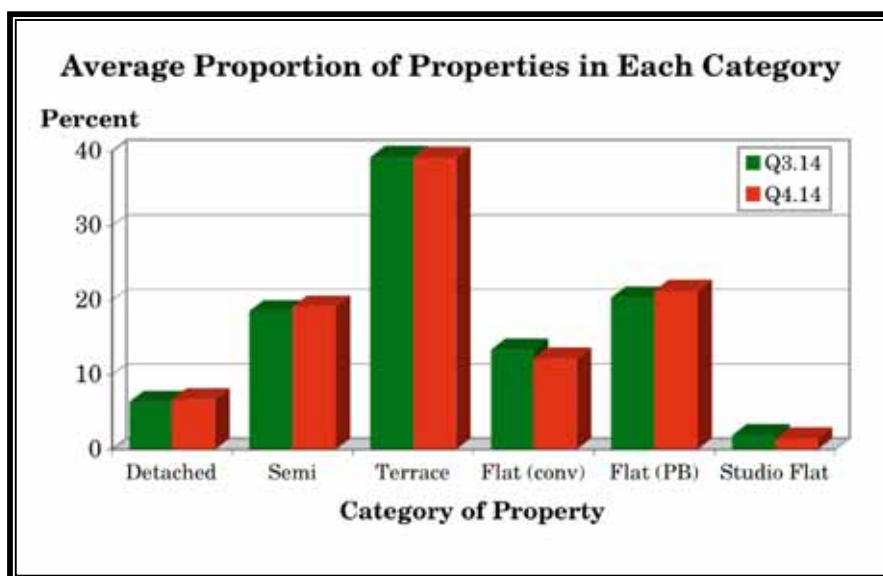
**3.11 What proportion of the residential properties you have bought fall into the following categories? (Q.11)**

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 just 0.4% saying that more than three quarters of theirs have been studio flats.

Proportion of Properties	Percent of Respondents – Dec 14 (%)					
	Detached	Semi	Terrace	Flat (Conv)	Flat (PB)	Studio Flat
None	77.7	50.7	28.4	71.1	56.0	93.6
Up to 25%	13.9	20.8	15.7	11.0	14.4	4.6
26% to 50%	4.5	14.3	19.1	8.3	9.8	1.3
51% to 75%	0.8	5.2	9.9	3.4	6.2	0.1
Over 75%	3.1	9.0	26.8	6.3	13.5	0.4

Base: All answering (775)

Analysis of these responses confirms that the most popular properties have been terraced houses (39%) followed by purpose built flats/maisonettes (21%) and semi-detached houses (19%).



Category of Property	Average Percent of Properties (%)		
	Jun 14	Sep 14	Dec 14
Detached house	6.1	6.4	6.7
Semi-detached house	17.9	18.6	19.2
Terraced house	37.9	39.2	39.1
Flat/maisonette (conv)	13.7	13.4	12.2
Flat/maisonette (PB)	22.5	20.4	21.3
Studio Flat	1.8	1.9	1.5
Base: All answering	(795)	(722)	(775)

Compared with three months ago, there has been little change in the results from this question.

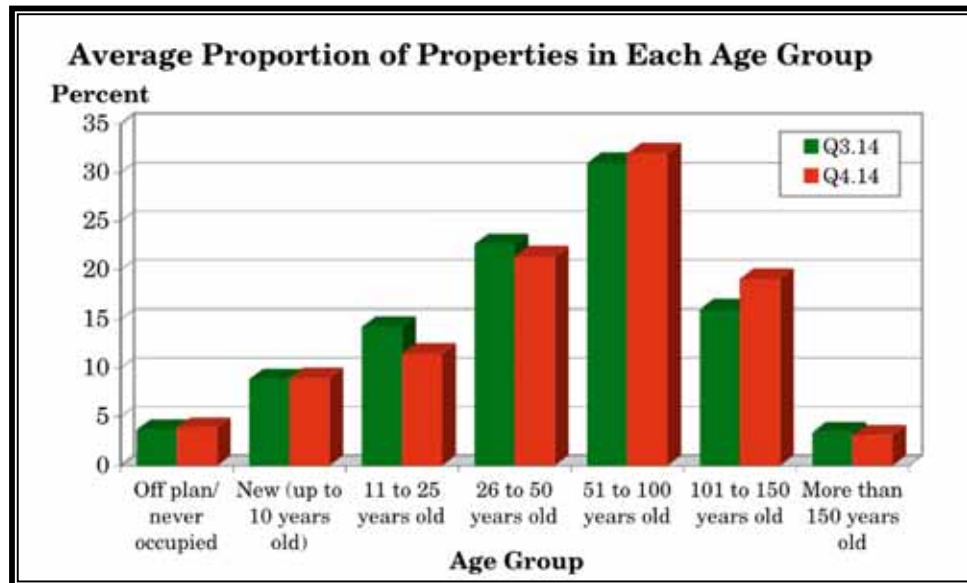
**3.12 What proportion of the residential properties you have bought fall into each age band? (Q.12)**

Respondents have tended to favour properties which are between 51 and 100 years old with nearly a quarter (23%) 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 and those over 150 years old each only having 2% of respondents saying that more than three quarters of their purchases have been in that age band.

Proportion of Properties	Percent of Respondents - Dec 14 (%)						
	Off plan	New (up to 10)	11 to 25	26 to 50	51 to 100	101 to 150	Over 150
None	89.3	77.0	71.8	56.3	45.2	64.7	93.3
Up to 25%	5.4	11.0	11.5	12.8	9.6	9.3	2.7
26% to 50%	2.5	5.2	7.9	11.9	13.2	7.6	1.3
51% to 75%	0.8	1.6	2.8	5.8	9.6	4.5	0.5
Over 75%	2.1	5.3	5.9	13.2	22.5	13.8	2.2

Base: All answering (773)

Analysis of these responses confirms that the most popular properties have been those which are between 51 and 100 years old (32%) followed by those between 26 and 50 years old (21%) and those between 101 and 150 years old (19%).



Age of Property	Average Percent of Properties (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Off plan/never occupied	3.1	4.0	3.7	3.9
New (up to 10 years old)	7.8	10.2	8.9	9.0
11 to 25 years old	13.2	13.2	14.3	11.5
26 to 50 years old	20.7	21.1	22.7	21.4
51 to 100 years old	31.6	29.5	31.0	32.0
101 to 150 years old	20.5	19.2	16.0	19.1
More than 150 years old	3.2	2.9	3.4	3.1
Base: All answering	(792)	(794)	(727)	(773)

Compared with the survey in the third quarter of the year, properties between 11 and 25 years old and properties between 26 and 50 years old have become less popular with those between 51 and 100 years old and between 101 and 150 years old both seeing higher proportions this time.

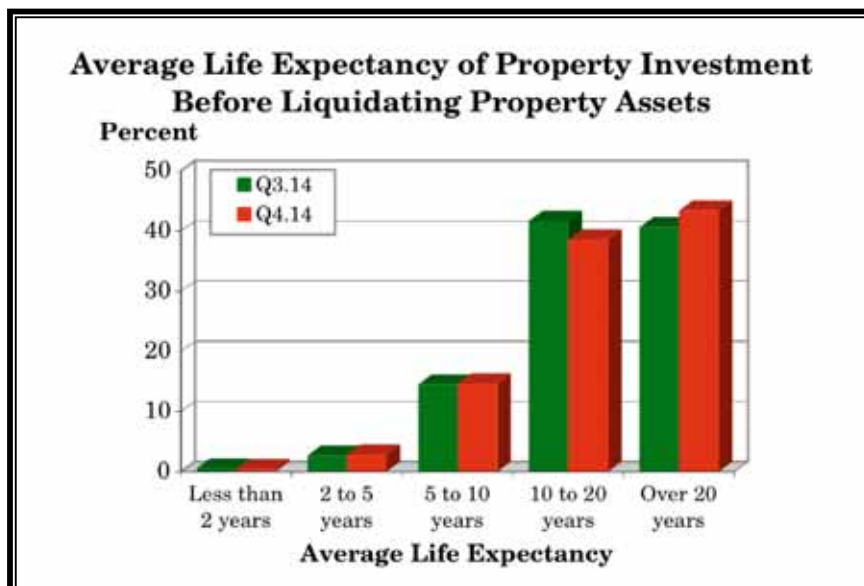
**3.13 From original acquisition time, what do you expect to be the average life expectancy of your property investment before you liquidate your property assets? (Q.13)**

Clearly the vast majority of residential landlords are in the business for the long term with more than eight out of ten (82%) saying that the average life expectancy of their property investments is more than 10 years.

In fact, only one in thirty respondents (3.3%) said they saw their investment as being for 5 years or less and less than one in two hundred (0.4%) 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 20.3 years, a figure which is up from 19.9 years three months ago, the second increase in succession.

Average Life Expectancy	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Less than 2 years	0.4	0.5	0.4
2 to 5 years	3.2	2.7	2.9
5 to 10 years	15.4	14.5	14.7
10 to 20 years	44.6	41.7	38.6
Over 20 years	36.4	40.6	43.4
<b>Average (years)</b>	<b>19.2</b>	<b>19.9</b>	<b>20.3</b>
Base: All answering	(940)	(854)	(904)



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.

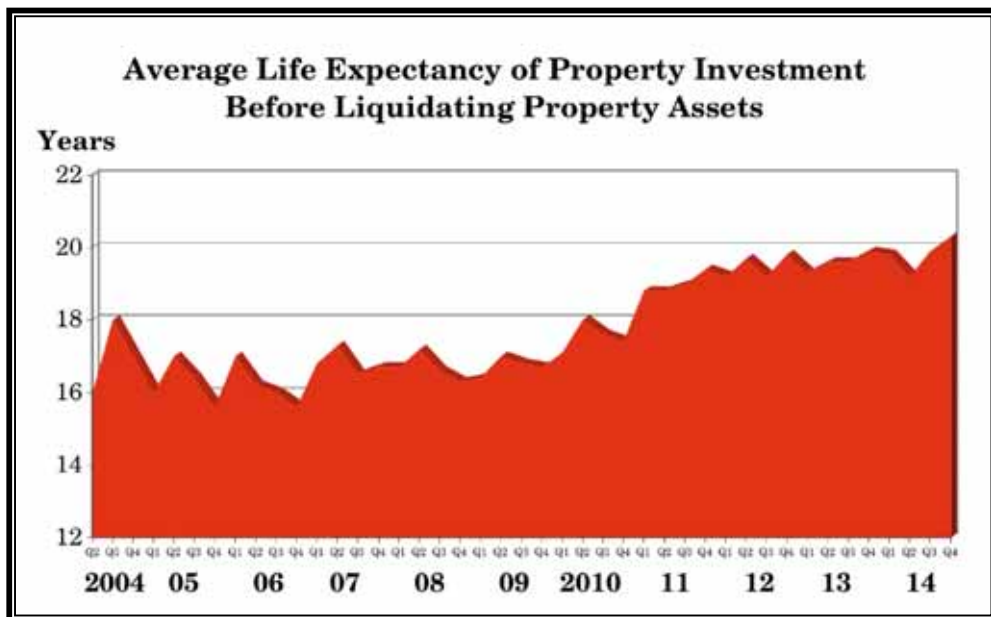
The results from the first half of 2010 indicated that an upward trend might be beginning to establish itself but the results from the last two quarters of 2010 ended that.

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 ten years ago in the last quarter of 2012.

The fall seen in the first quarter of 2013, which again reversed the change seen three months earlier, was followed by an increase in the second quarter, an unchanged average in the third quarter and an increase in the fourth quarter.

The decreases seen in the first two quarters of 2014 suggested that the trend might be changing but the increases seen in the last two quarters of the year have more than reversed those falls taking the figure to its highest level since this question was first asked almost 11 years ago.



### 3.14 Do you use a letting agent? (Q.14)

Nearly half of residential landlords (48%) say that they use letting agents but more (52%) say that they do not.

<b>Response</b>	<b>Percent of Respondents (%)</b>	
	<b>Sep 14</b>	<b>Dec 14</b>
Yes	50.2	48.0
No	49.8	52.0
Base: All answering	(856)	(905)

Compared with the last survey three months ago, the proportion of respondents saying that they use letting agents has fallen a little, from 50% to 48%.

**3.15 If you use a letting agent, do you usually use them for let-only let and rent collection, or a fully managed service? (Q.15)**

Those respondents who do use letting agents are most likely to be getting a fully managed service from them with getting on for half (45%) saying this was so in their case.

Of the remainder, most, amounting to more than four out of ten (42%) only use letting agents for the purposes of letting their properties with only one in eight (12%) using letting agents' let and rent collection service.

What Letting Agent Used For	Percent of Respondents (%)	
	Sep 14	Dec 14
Let-only	38.2	42.4
Let and rent collection	14.0	12.2
Fully managed service	47.8	45.4
Base: All using agent & answering	(429)	(434)



Compared with three months ago, the proportion of landlords using the let-only service has risen from 38% to 42% whilst the proportions using the let and rent collection service and the fully managed service have both fallen (from 14% to 12% and from 48% to 45% respectively).

### 3.16 How much do you pay? (Q.16)

Nearly six out of ten residential landlords (58%) are paying between 6% and 11% for the service they get from their letting agents with more than a third (34%) saying that they pay between 9% and 11%.

However, a substantial minority amounting to nearly two out of ten (18%) say that they pay a flat fee rather than a fee based on a percentage of the rent.

Amount Paid	Percent of Respondents (%)	
	Sep 14	Dec 14
0 – 5%	10.8	8.1
6 – 8%	25.3	24.0
9 – 11%	33.3	34.2
12 – 14%	8.4	6.9
15 – 17%	1.6	1.4
18 – 20 %	0.7	0.7
21% and above	0.7	0.9
Flat Fee	15.0	17.6
Other	4.2	6.2

Base: All using agent & answering (427) (433)

Most of the 6% of respondents who said the amount they paid was something other than the options listed in the question said that they either paid an amount based on a proportion of a month's rent or a number of months rent (e.g. 3 weeks rent or half of first month's rent) or that the amount they paid varied.



Compared with three months ago, there was not much change although noticeably fewer respondents said that they paid 8% or less or 12% to 14% with noticeably more saying that they paid 9% to 11% or a flat fee.



### 3.17 Are you charged a renewal fee? (Q.17)

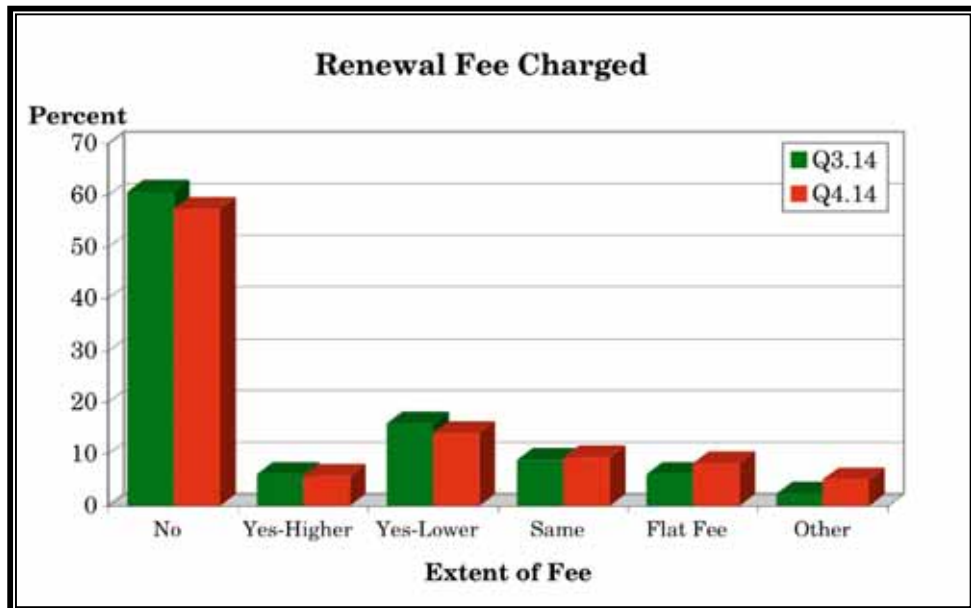
Getting on for six out of ten (57%) of those respondents who said they used lettings agents said that they were not charged a renewal fee.

Those who were paying a renewal fee were most likely to be paying a fee that was lower (14%) with almost one in ten (9%) paying the same fee for renewals and more than one in twenty (6%) paying a higher fee for renewals.

Nearly another one in ten (8%) said that they paid a flat fee for renewals and one in twenty said they paid a renewal fee of some other kind with these responses varying widely and including such things as “we arrange the renewal” and “sometimes”.

Response	Percent of Respondents (%)	
	Sep 14	Dec 14
No	60.7	57.4
Yes - Higher	6.1	5.8
Yes - Lower	15.9	14.1
Same	8.9	9.4
Flat Fee	6.1	8.3
Other	2.3	5.1

Base: All using agent & answering (428) (434)



Compared with the last survey in the third quarter, there was some change with noticeably fewer saying they were not charged a renewal fee (down from 61% to 57%) or that they were charged a lower renewal fee (down from 16% to 14%) and noticeably more saying they were charged a flat fee (up from 6% to 8%).

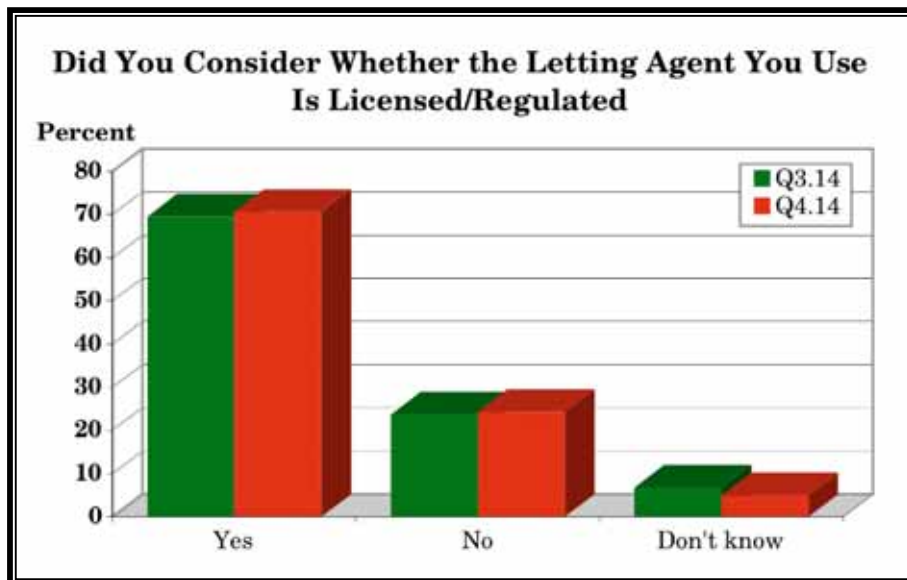
**3.18 When you decided which lettings agency to use, did you consider whether the agent was licensed/regulated? (Q18)**

More than a third of respondents to this question (34%) said that they did consider whether an agent was licensed or regulated when they were deciding which lettings agency to use. Only about a third as many (12%) said that they did not consider whether an agent was licensed or regulated, leaving more than half of all respondents who either did not know whether they did or did not (2%), or simply did not use a lettings agent (52%).

Response	Percent of Respondents (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Yes	34.4	36.3	34.9	34.0
No	15.7	15.9	11.9	11.7
Don't know	2.3	2.2	3.4	2.4
Don't use a letting agent	47.6	45.7	49.8	51.9
Base: All answering	(939)	(926)	(856)	(908)

When figures are calculated just for those who do use a lettings agent, more than seven out of ten (71%) say that they do consider whether the agent is licensed or regulated when deciding which one to use.

Response	Percent of Respondents (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Yes	65.6	66.7	69.5	70.7
No	30.0	29.2	23.7	24.3
Don't know	4.4	4.0	6.8	5.0
Base: All using agent & answering	(391)	(402)	(330)	(434)



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 again, this time from 70% to 71%, the sixth increase in succession during which it has increased from 62% (its lowest ever figure) to 71% (its highest ever figure).

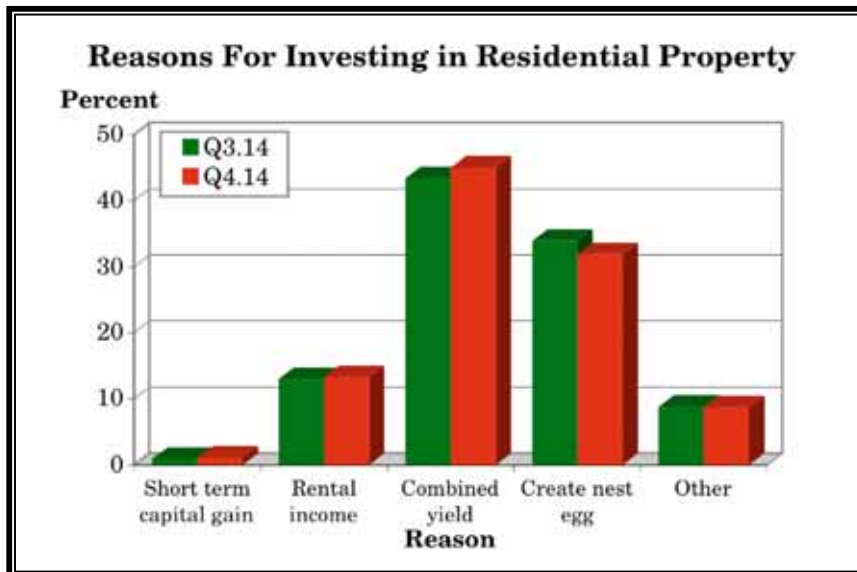
**3.19 Why did you first decide to invest in residential property? (Q.19)**

Most respondents either said that they had become residential landlords in order to achieve a combined yield from rental income and capital appreciation (45%) or that they had done so in order to create a nest egg for their long term future (32%).

Only one in a hundred respondents (1%) 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 eight (13%) said that they had done so in order to obtain a stream of rental income and almost one in ten (9%) said they had done so for other reasons.

Of the 79 people (9%) who gave Other reasons, 16 said it was because they moved and didn't sell the property, 14 said they had done so to help family, 13 said they had inherited property and 11 said it was to provide a pension, leaving 45 who gave a variety of other reasons.

Reason	Percent of Respondents (%)	
	Sep 14	Dec 14
Short term capital gain (less than 5 years)	0.9	1.1
Rental income	13.0	13.3
Combined yield from rent & capital apprec.	43.4	45.0
Create nest egg for long term future	33.9	31.9
Other reasons	8.8	8.7
Base: All answering	(853)	(907)

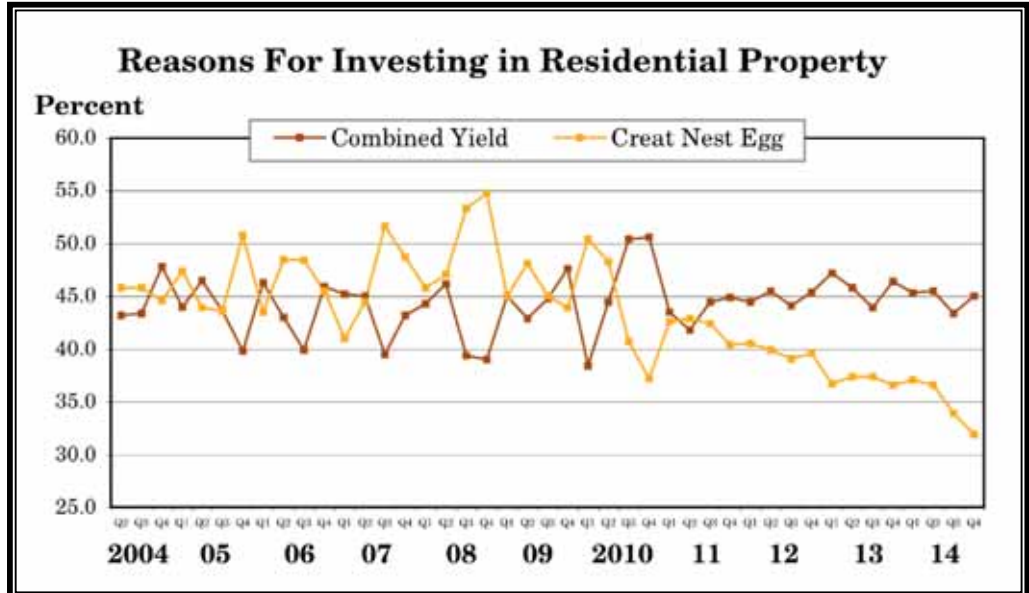


Compared with three months ago, the only changes were that a higher proportion said they had become residential landlords in order to achieve a combined yield from rental income and capital appreciation (up from 43% to 45%) and fewer said that they had done so in order to create a nest egg for their long term future (down from 34% to 32%).

For most of the past ten 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 remained

between 35% and 55% with any changes taking place each quarter simply mirroring each other.

However, over the last three years, there has been a change to this with combined yield tending to stay quite flat, at around 45%, in terms of the proportion saying that it was their reason for first deciding to invest in residential property whilst create a nest egg has been on a declining trend, falling from 43% in mid 2011 to 32% now.

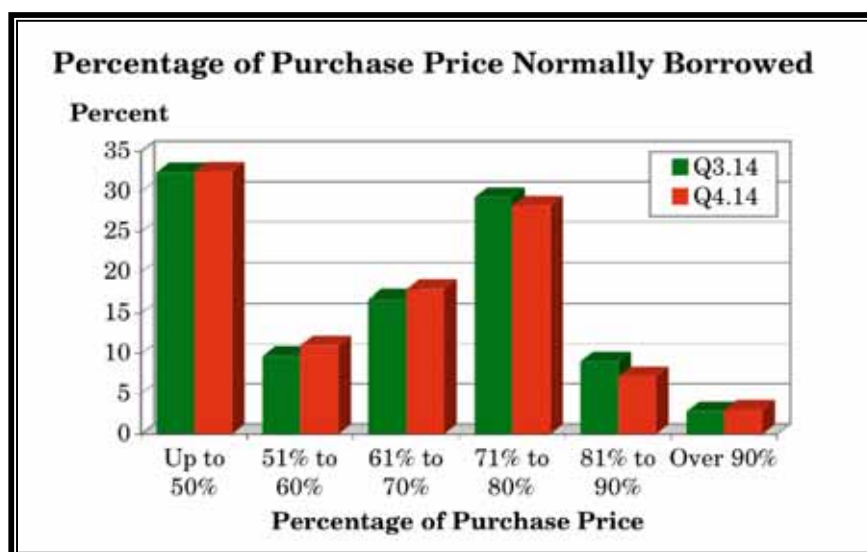


**3.20 What percentage of the purchase price of a buy to let property do you normally borrow from a lender? (Q.20)**

Nearly half of respondents (46%) said that they normally borrow between 61% and 80% of the purchase price of a buy to let property with nearly three out of ten (28%) saying they normally borrow between 71% and 80% of the purchase price. However, a very substantial minority of almost a third (33%) 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 which is borrowed, is currently 56%.

Percent of Purchase Price	Percent of Respondents (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Up to 50%	35.6	31.8	32.4	32.5
51% to 60%	8.9	8.5	9.7	11.0
61% to 70%	17.5	19.3	16.7	17.9
71% to 80%	27.9	29.0	29.3	28.3
81% to 90%	7.2	9.4	9.0	7.2
Over 90%	3.0	2.0	2.8	3.0
<b>Average (%)</b>	<b>55.3</b>	<b>57.1</b>	<b>57.0</b>	<b>56.4</b>
Base: All answering	(796)	(799)	(741)	(788)



Compared with three months ago, the average proportion of the purchase price of a buy to let property which respondents normally borrow is down slightly from 57% to 56%.

As can be seen from the chart below, over the last seven 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.

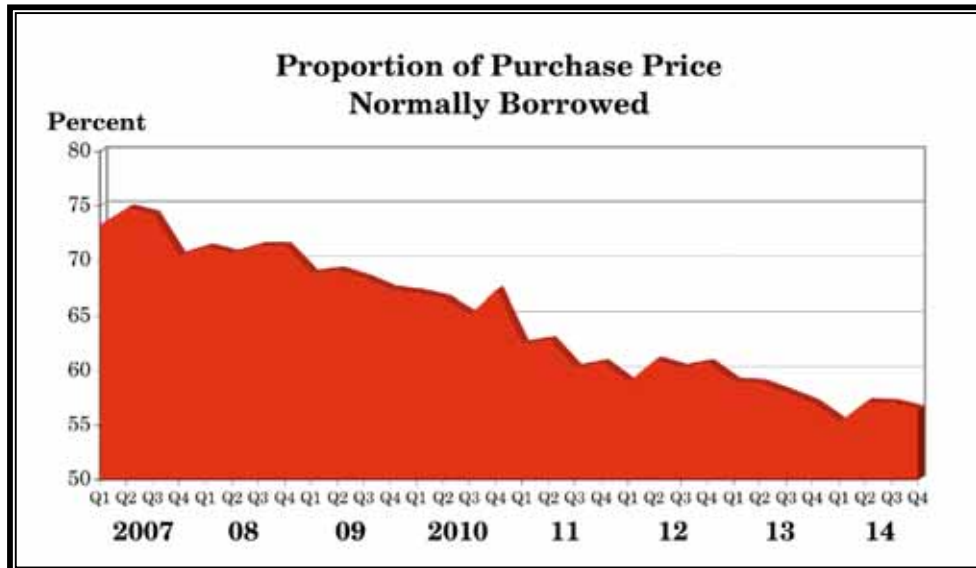
At the beginning of 2009, the average fell again and, despite an upturn three months later, the average proportion being borrowed declined steadily to reach another all time low with the results from the survey in the third quarter of 2010.

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 third quarter. That decline was largely reversed with the results from the fourth quarter of 2012.

The results from the first quarter of 2013 more than reversed the small increase seen in the last quarter of 2012 and confirmed that a slight downward trend was in place, something which the results from subsequent surveys continued.

The results from the second quarter of 2014, with the biggest increase we had seen for two years, suggested that the trend might be changing but the results from the last two quarters of 2014 have returned to the downward trend.

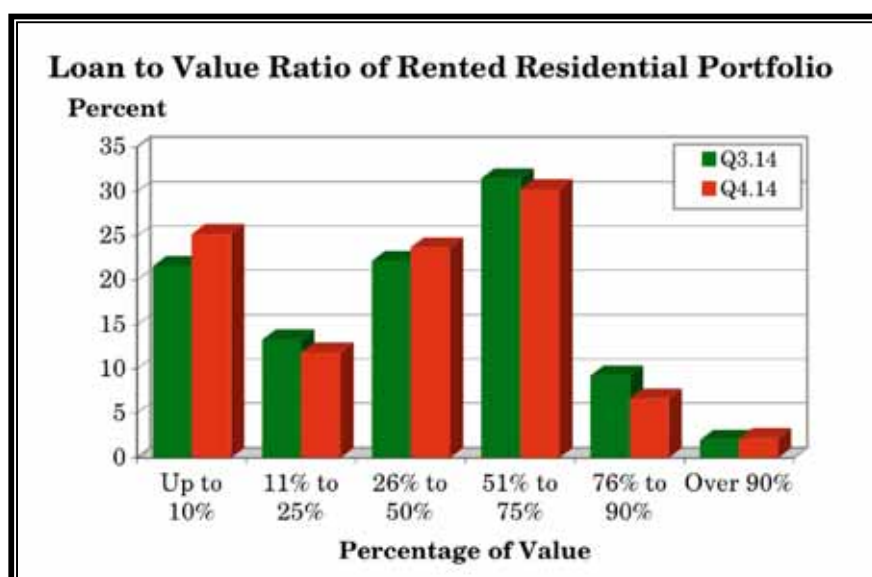


**3.21 What is the approximate overall loan to value ratio of your rented residential portfolio? (Q.21)**

The largest proportion of respondents, amounting to three out of ten (30%) said that the approximate overall loan to value ratio of their rented residential portfolio was between 51% and 75% with almost another quarter (24%) saying it was between 26% and 50%. However, a quarter (25%) said the loan to value ratio of their portfolios was 10% or less.

Analysis of these figures reveals that the average loan to value ratio of respondents' portfolios is 39%.

<b>Loan to Value Ratio</b>	<b>Percent of Respondents (%)</b>			
	<b>Mar 14</b>	<b>Jun 14</b>	<b>Sep 14</b>	<b>Dec 14</b>
Up to 10%	25.7	23.3	21.6	25.2
11% to 25%	10.7	11.5	13.3	11.9
26% to 50%	22.1	21.9	22.2	23.7
51% to 75%	31.2	32.4	31.5	30.3
76% to 90%	7.8	8.7	9.3	6.7
Over 90%	2.5	2.3	2.0	2.2
<b>Average (%)</b>	<b>40.1</b>	<b>41.3</b>	<b>41.4</b>	<b>39.2</b>
Base: All answering	(805)	(794)	(742)	(775)



Compared with the last survey three months ago, the average loan to value ratio of respondents' portfolios is down from 41% to 39%.

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 in the last quarter of 2012 took the figure to its highest level for more than a year.

The big fall seen with the results from the first quarter of 2013 took the average loan to value ratio of respondents' portfolios to its lowest level since this question was first asked more than six years ago and the further fall in the second quarter again took the figure to an all time low.

The increase seen in the third quarter of 2013 reversed the fall seen in the second quarter of the year but the fall seen in the last quarter of the year restored the downward trend which continued into the first quarter of 2014.

Against that backdrop, the increase seen in the second quarter of 2014 hinted at a change to the long term downward trend but that ended with an unchanged figure three months ago and the reduction seen this quarter, which has again taken the average to its lowest level since this question was first asked almost eight years ago.





**3.22 What is the most common reason for a tenant leaving your rental property? (Q.22)**

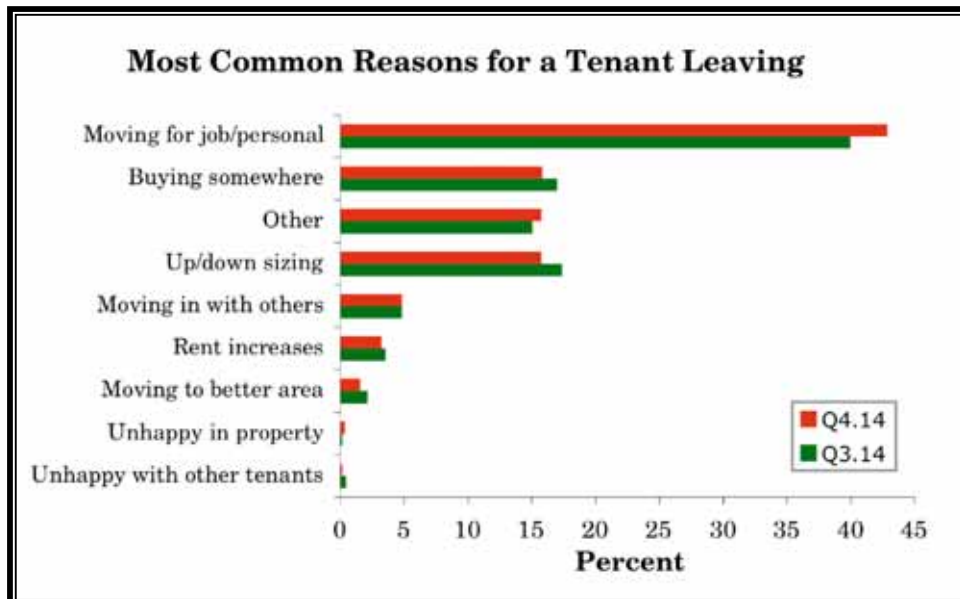
One reason for tenants leaving respondents' rental properties is clearly much more prevalent than any other and that is where they are moving for job or personal reasons, with more than four out of ten respondents (43%) saying this is the most common reason.

Behind this, two reasons stand out from the others, with almost identical proportions saying they are the most common reason, and these are buying somewhere of their own and moving to a bigger/smaller property (16% in both cases).

Next most common reasons, but a long way behind, were moving in with other people/person (5%) and rent increases/difficulty in making payments (3%).

Least common reasons for leaving a rental property were moving area for better location, amenities, transport links, etc. (1.5%), unhappy in the property (0.3%) and unhappy with the other tenants (0.1%).

Reason For Leaving	Percent of Respondents (%)		
	Jun 14	Sep 14	Dec 14
Buying somewhere	13.8	16.9	15.8
Rent increases	4.0	3.5	3.2
Moving for job/personal	39.3	39.9	42.8
Moving to better area	1.5	2.1	1.5
Up/down sizing	13.1	17.3	15.7
Unhappy in property	0.1	0.1	0.3
Unhappy with other tenants	0.4	0.4	0.1
Moving in with others	4.5	4.8	4.8
Other	<i>not incl</i>	15.0	15.7
Don't know/other	23.4	<i>not incl</i>	<i>not incl</i>
Base: All answering	(918)	(839)	(877)



Compared with three months ago, the only reason with a noticeably higher proportion saying that it was the most common reason was moving for job or personal reasons (up from 40% to 43%).

The 16% (138 respondents) who said the most common reason was something other than the listed reasons were most likely to say that it was because they were students on fixed term lets (25), they had been evicted (10), they were moving to their own or a council property (7) or it was the result of a relationship break up (2). Another 36 respondents either said that it was a variety of reasons or gave another different reason.

A substantial number of those saying the most common reason was something other than the listed reasons (58 respondents) said that they had not had a tenant leave yet.

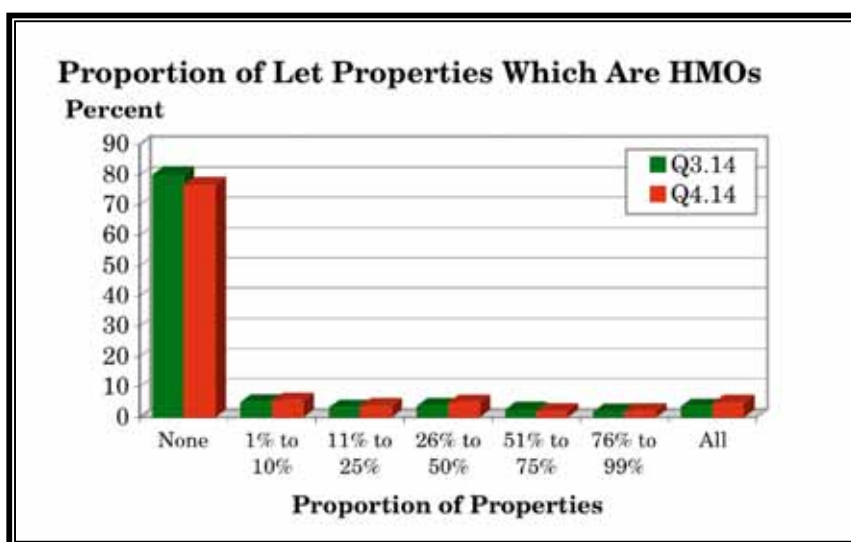
**3.23 What proportion of the properties you let are Houses in Multiple Occupation (HMOs), i.e. houses occupied by 3 or more unrelated tenants? (Q.23)**

Only a minority of respondents (23%) had any let properties which were Houses in Multiple Occupation (HMOs) although one in twenty (5%) 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 11%.

However, amongst those who have any such properties at all, the average proportion is much higher at 47%.

<b>Proportion of Properties</b>	<b>Percent of Respondents (%)</b>			
	<b>Mar 14</b>	<b>Jun 14</b>	<b>Sep 14</b>	<b>Dec 14</b>
None	78.5	79.3	80.2	76.8
1% to 10%	5.0	3.8	5.0	5.5
11% to 25%	2.7	3.5	3.2	3.7
26% to 50%	4.4	4.7	3.8	4.9
51% to 75%	1.8	2.9	2.4	2.1
76% to 99%	1.4	1.4	1.8	2.1
All	6.1	4.4	3.6	4.7
<b>Average (%)</b>	<b>10.9</b>	<b>10.1</b>	<b>8.9</b>	<b>10.8</b>
Base: All answering	(923)	(923)	(840)	(885)



Compared with the last survey, the overall average proportion of HMOs is up from 9% to 11%, reversing the falls seen in the previous two quarters.

The proportion for those with any HMOs at all is also up, from 45% to 47%, but this only partially reverses the fall seen three months ago.

The chart below shows how the average proportion of properties which are HMOs has changed over the last nine 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.

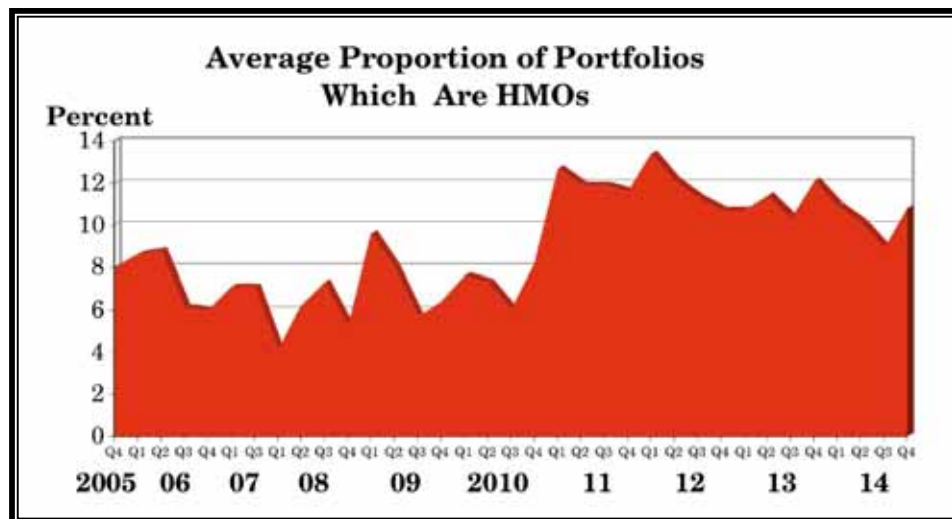
Against this backdrop, the increase seen in the first quarter of 2012 suggested that a change had occurred but that was negated by the results from the last three quarters of the year.

The unchanged figure in the first quarter of 2013 suggested that the downward trend seen in 2012 might have ended and the increase seen in the second quarter suggested that might indeed be the case.

However, the decrease seen three months later took the figure to its lowest level for three years, suggesting that the longer term downward trend was still in place. The quite large increase seen in the last quarter of 2013 again raised the question about where the figure was heading with the short term trend during 2013 having been for the figure to be fairly stable at between 10% and 12%. The results from the first quarter of 2014 maintained the average within that band, as did the results from the second quarter.

The results from the third quarter, however, bringing the third fall in succession, took the figure to its lowest level since the last quarter of 2010 and suggested that a downward trend was becoming established.

Against that backdrop, the quite big increase seen this quarter might indicate a change to that idea although the trend over the last three years has still been downward overall.



**3.24 Which of the following categories best applies to recent new tenants? (Q24)**

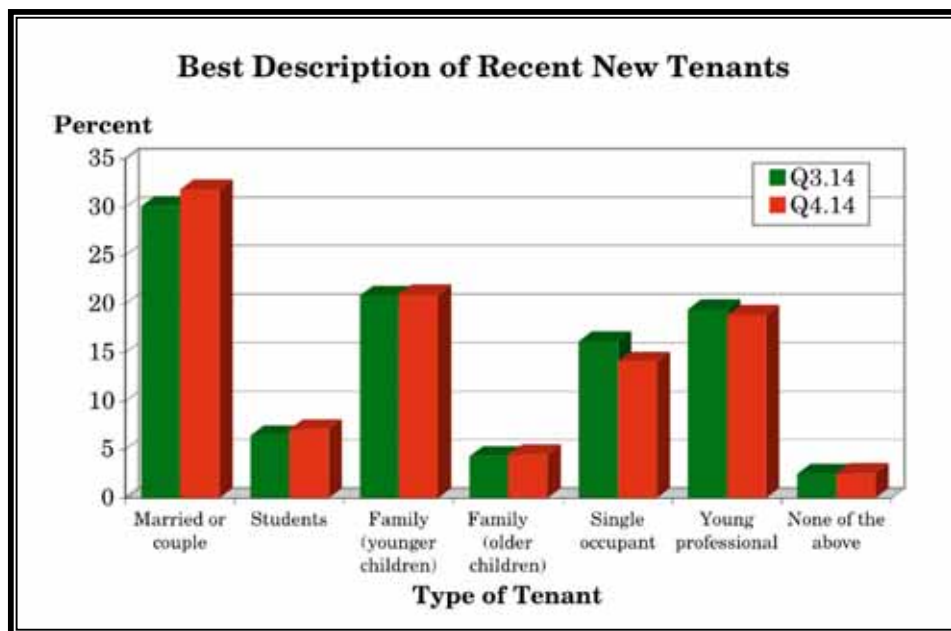
The results from this question show that four of the listed types of tenant were more likely to describe recent new tenants than were the other two with married or a couple being the most likely at 32%.

Behind this, was family with younger children (baby/toddler/primary school) at 21%, followed by young professional (19%) and single occupant (14%).

Least likely to be the categories which best applied to recent new tenants were students (7%) and family with older children (teenagers/young adults) at just 5%.

One in forty respondents (2.6%) said that none of the listed categories best applied to recent new tenants.

Type of Tenant	Percent of Respondents (%)			
	Mar 14	Jun 14	Sep 14	Dec 14
Married or a couple	30.5	29.0	30.1	31.8
Students	7.8	8.9	6.5	7.1
Family with younger children	23.7	21.1	20.9	21.0
Family with older children	4.8	4.8	4.3	4.5
Single occupant	15.2	14.5	16.2	14.1
Young professional	14.3	18.4	19.5	18.9
None of the above	3.7	3.3	2.5	2.6
Base: All answering	(928)	(923)	(846)	(887)



Compared with three months ago, the main changes are that married or a couple has increased noticeably whilst single occupant and young professional have both decreased noticeably.

All the other categories had similar proportions compared with three months ago.