



**PARAGON MORTGAGES PRESS RELEASE
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LANDLORD OPTIMISM AT HIGHEST LEVEL IN THREE YEARS

- Survey reveals landlords are more optimistic for PRS prospects
- Yields continue to remain healthy at 6.2%
- Average void period decreases to 2.8 weeks

Landlord optimism is at the highest level it has been in almost three years, a survey by specialist buy-to-let lender Paragon Mortgages revealed.

Almost a third of landlords (30%) who took part in the quarterly survey said that they were feeling more optimistic about the prospects for their property portfolios. This is the highest level of optimism seen since the question was first asked in mid-2010.

Landlords' views on the availability of buy-to-let finance also improved in Q1, with 32% saying that finance was at least reasonably available, an increase on 29% in Q4 2012. Only 2% of landlords thought buy-to-let finance was unavailable.

The survey also reported that landlords had achieved an average yield in the first quarter of 2013 of 6.2%. Professional landlords achieved a higher average than private investor landlords – 6.6% compared to 4.7%.

The average void period landlords' experienced across their portfolio decreased in Q1 to 2.8 weeks, compared to 3.0 weeks in Q4. Void periods have been steadily declining over a two year period. The average dropped to its lowest level in Q1 2012 when it was 2.6 weeks.

John Heron, Director of Mortgages, said: "The first quarter of 2013 has been a relatively positive one for landlords. The increasing level of optimism is a good indication of how landlords are feeling about the prospects for the private rented sector.

"Due to such high levels of tenant demand it is unsurprising that void periods continue to remain low. Whilst we have seen a good start to the year, we need to see landlords making further investments in their portfolios to try and meet the growing demand for rental property. The buy-to-let market has made great progress over the last 18 months but it is vital that the momentum continues in the coming months.

"Driving that momentum will be the smaller private investor landlords, who will find it easier to secure finance. Professional landlords who have traditionally been the backbone of the PRS are finding it hard to secure new finance and, with little equity to release, they will not be able to make the investment the sector needs."

For a full copy of the PRS Trends Q1 2013 report click [here](#)

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NOTES TO EDITORS

[Paragon Mortgages](#) is the leading specialist provider of buy-to-let mortgages and is part of [The Paragon Group of Companies](#), a FTSE 250 company. Paragon's product range caters for both professional and private investor landlords. Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA) Lenders' Panel.