



**PARAGON MORTGAGES PRESS RELEASE
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61% OF INTERMEDIARIES SAY BTL BUSINESS IS INCREASING

- Intermediaries expect BTL business to increase in next 12 months
- 18% expect up to 10% more business
- 22% of intermediary mortgage business was BTL in Q2

More than half of mortgage intermediaries (61%) expect to do more buy-to-let business in the next 12 months, research by Paragon Mortgages has revealed.

Of those intermediaries who took part in the specialist lender's quarterly confidence tracking survey, 18% expect to do up to 10% more buy-to-let mortgage business. There were no respondents expecting to do less.

The majority of intermediaries surveyed, (81%) said they would describe the current level of landlord demand as strong or stable. Just 10% said in their view demand was weak.

Of the total mortgage business completed by intermediaries in the second quarter, 22% was buy-to-let, 36% residential remortgages, 23% next-time buyers and 18% from first-time buyers. On average intermediaries expect to do 5% more mortgage business in the third quarter than they did in Q2.

The most popular mortgage products by interest rate in Q2 were fixed rate products (76% of cases) and trackers (20%) and least popular were standard variable rates (3%).

Intermediaries were also asked for their views on what factors they thought would be most important for the prospects of the private rented sector (PRS) in the next 12 months. Two thirds (70%) said rental demand, 67% said interest rates and 66% said buy-to-let mortgage availability.

John Heron, Director of Mortgages, said: "There has clearly been a surge in buy-to-let activity just as we have seen in the wider mortgage market. The primary driver for this growth would appear to be strong rental demand which should ensure a sustainable future for buy-to-let. The fact that so many advised sales are for fixed rates would also suggest a continuing caution about the prospect of rate increases."

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NOTES TO EDITORS

Paragon Mortgages is a 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.