



**PARAGON MORTGAGES PRESS RELEASE
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LANDLORDS PREDICT BUSY YEAR AHEAD

- Rental demand is most important factor for landlords in 2013
- 15% of landlords looking to grow portfolios this year
- Terraced houses remain top of investment list

Research from specialist buy-to-let lender Paragon Mortgages has revealed that landlords operating in the Private Rented Sector (PRS) are feeling positive and optimistic about the year ahead.

Of those landlords who took part in the lender's Q4 research report PRS Trends, three quarters (76%) said they would rate the overall prospects for the PRS in 2013 between five and eight – with one being the lowest and ten the highest level of optimism.

Landlords were also asked to determine what they considered to be the most important factors for their business over the coming year. The majority (83%) said the most relevant factor was rental demand, 69% said rent levels and 46% said tenant arrears.

Over the next 12 months 15% of landlords expect to purchase buy-to-let property. Of those looking to invest, 47% are expecting to purchase terraced houses and flats or maisonettes. Almost a third (30%) of landlords are hoping to buy semi-detached houses and 20% multi-unit blocks. The least popular investment choices were HMOs (13%) and detached houses (10%).

Landlords were also asked if they plan to make any home improvements to their rental properties in 2013, 64% said that they were planning to make improvements to some or all of their properties. The most likely improvement landlords hope to make is installing a new kitchen or bathroom (30%) followed by fitting new boilers (26%).

Other key facts from the PRS Trends Q4 survey include:

- Landlords' average portfolio size in Q4 was 12.7 properties, this is expected to increase to an average of 13.2 in the next 12 months
- 41% of landlords think that tenant demand will increase in 2013, just 6% think it will decline
- The average yield achieved by landlords was 6.5%
- The average void period reported was 3.0 weeks per annum

John Heron, Managing Director of Paragon Mortgages, said: "2012 was a good, steady year for landlords. They continued to invest in their property portfolios, albeit at a slower pace than needed for the PRS to cope with increasing levels of tenant demand.

"Void periods throughout last year remained low as they have done for some time now, and the average yield landlords achieved on their portfolios was healthy. The next 12 months will be very interesting for the PRS and the buy-to-let market, there will be continuing progress and we will hopefully see confidence levels increase even further."

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NOTES TO EDITORS

To view the PRS Trends Q4 2012 report please click [here](#)

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 smaller scale 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.