



**PARAGON MORTGAGES PRESS RELEASE
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PARAGON REPORT RISE IN FIRST-TIME LANDLORDS

- Number of first-time landlord cases increase
- Highest level reached in Q3 2012
- Private investor landlords will drive growth, says Paragon

Research by specialist buy-to-let lender Paragon Mortgages has revealed that intermediaries are seeing a steady increase in the number of first-time landlords entering the buy-to-let market.

The quarterly trend survey carried out by Paragon Mortgages shows that intermediary buy-to-let business has been growing from first-time landlords since mid-2009.

Perhaps, unsurprisingly the number of buy-to-let cases from first-time landlords was at its peak in Q2 2002 when the buy-to-let market was experiencing its 'boom' period. During 2008 demand from new landlords fell to its lowest level, largely attributed to the general financial crisis.

On average since Q4 2010 20% of intermediaries' business came from first-time landlords. The percentage of cases peaked at 24% in Q3 2012.

Latest figures for Q1 2013 show that almost a quarter (22%) of intermediaries' buy-to-let business was from first-time landlords.

John Heron, Director of Mortgages, said: "The dynamics of the landlord market are changing. Professional landlords were typically the backbone and driving force behind growth in the market. However, in recent times, we are seeing them becoming more constrained in terms of being able to release equity and secure new finance.

"Private investor landlords – those with between one and five properties – will be the ones to pick up the slack. These landlords have access to more flexible finance and are able to agree deals much more quickly.

"These landlords are financially astute individuals they typically have other investments such as equities and gilts or bonds, and are well-placed to cope with fluctuations in the economy and the general demands of being a landlord."

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NOTES TO EDITORS

*Paragon's quarterly landlord research in Q4 2012 showed that 27% of private investor landlords had invested in equities and 15% in gilts/bonds.

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.