



**PARAGON MORTGAGES PRESS RELEASE  
5 JUNE 2014**

## **NO PLACE LIKE HOME LANDLORDS PREFER TO INVEST LOCALLY**

- Majority of landlords look for property in areas they know well
- 68% of landlords say tenant demand is key deciding factor in purchasing
- Three quarters of landlords prefer to buy close to home

Latest research commissioned by Paragon Mortgages has revealed the top factors that landlords consider when getting ready to make a buy-to-let property purchase.

The specialist lender, who works with BDRC Continental to survey more than 1,000 NLA landlords, has found the most common factor when selecting a potential rental property will be a landlord's own knowledge of the area, with 86% of landlords reporting this is at the top of their checklist.

More than two thirds (68%) of landlords said that strength of tenant demand in the local area was an important factor, and 63% said that local rent levels were also a big consideration.

Other important factors landlords cited were the prospect of capital growth (56%), proximity to local transport connections (55%) and future development plans in the area (37%).

Almost three quarters (74%) of landlords planning to make property purchases said they would be looking for one near their home, and just 10% said that they would be prepared to buy further afield, but only up to 100 miles.

John Heron, Managing Director of Paragon Mortgages, said: "Whilst the factors landlords have selected may not be entirely surprising, their feedback is important nonetheless. From time to time landlords get a bad press. What this research shows, and what we already know, is that the majority of landlords view the running of their portfolios as a business. They buy property only after careful consideration, and have a very strong preference for investing in their own local communities.

“The buy-to-let sector continues to perform well, with landlords feeling more confident. In fact, 25% of the landlords we surveyed are planning to buy further rental property in the next 12 months alone.”

## **ENDS**

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### **NOTES TO EDITORS**

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

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).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.