



**PARAGON MORTGAGES PRESS RELEASE  
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## **LANDLORDS REPORT FALLING VOID PERIODS AND LOWER RENTAL ARREARS**

- Research shows numbers of void periods are falling
- Duration of void periods is also decreasing
- Lower levels of tenant arrears

Landlords are reporting that the incidence of void periods are falling, which is good news for the wider private rented sector.

It isn't just the incidence of voids that are decreasing; the duration of the average void period is falling too, according to research by BDRC Continental commissioned by Paragon Mortgages.

Of the 1,000 landlords that took part in the Landlord Panel, 34% said they had experienced at least one void period in the last quarter of 2013 compared with 36% in Q3.

The average duration of a void period is also falling, standing at 59 days in Q4 in comparison with 64 days in Q3 and 69 days in Q2.

Landlords were also asked, where they had experienced a void, how they cover the financial impact. Those small-scale landlords with only one property were more likely to cover any shortfall using either their own savings (17%) or from other income (19%).

A quarter of all landlords (25%) said they would cover it with rental income from other properties, 10% would look to absorb it and 16% would use cash reserves that had built up whilst the property was occupied.

John Heron, Director of Mortgages, said: "It is good to see that void periods are less frequent and getting shorter. What is also important to note is the resilience of landlords when coping with a shortfall of income on an individual property, this provides further insight into just why the credit quality of buy-to-let lending is so much better than regular mortgages."

The same research revealed that landlords in Q4 experienced a reduction in the level of tenant arrears. The average number of tenants in arrears remained low at around two against a portfolio size of 11 properties. Of those landlords surveyed, 28% of landlords said that they were concerned about rental arrears in the next 12 months.

In terms of other areas of concern for landlords, 31% said that they had property which had been damaged by tenants and 15% had problems with anti-social behaviour. Interestingly, just 1% of landlords had missed a buy-to-let mortgage repayment in the fourth quarter.

### **ENDS**

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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.