



**PARAGON MORTGAGES PRESS RELEASE
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PARAGON CALLS ON GOVERNMENT TO ALLOW RESIDENTIAL PROPERTY TO BE HELD IN PERSONAL PENSIONS

Paragon Mortgages, the buy-to-let specialist lender, applauds the greater freedom that the Chancellor has handed to savers, allowing them to make their own decisions in terms of how best to receive their pension benefits,

However, the buy-to-let lender is asking Government to also allow greater freedom in how savers build their pension fund by allowing buy-to-let property to be included in self-invested pension schemes.

The private rented sector (PRS) has grown considerably to meet the demand for housing that can no longer be satisfied by owner-occupation, local authorities and housing associations alone.

Social and demographic change, along with economic factors, has driven private renting higher over the last 25 years and there is no sign that this trend is slowing. The sector has been able to grow to meet demand because private landlords have been willing to invest in the sector assisted by the development of buy-to-let lending.

John Heron, Managing Director of Paragon Mortgages, said: "It is clear from independent research that landlords favour an investment in residential property because it is a physical asset, has a strong performance record through the cycle and acts as a hedge against inflation.

"It is also clear from research that landlords regard their investment in property as part of their wider planning for their financial security in later life. The vast majority of landlords hold just one or two properties to augment other savings and investments, but buy-to-let property is unusual in that investors cannot currently hold their buy-to-let property in their pension. The last Labour Government did look at this but failed in the final analysis to deliver."

Independent research commissioned by Paragon Mortgages in 2013, and completed by BDRC Continental, revealed three quarters of landlords (75%) state that their properties are their pension. Of those that made this statement, 65% plan to live off their rental income when they reach retirement.

John continued: "Private rented property is a popular choice for private investors and could sit well in a personal pension arrangement because it generates a flow of income, has strong defensive qualities and has an excellent track record for producing good returns. Having given more choice to how we take our pension benefits, the Government should consider how we can be given more flexibility in building our pension savings and allow individuals to include in their pension the one asset that many investors regard above all others, an investment in housing."

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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.