

PRESS INFORMATION

10 June 2009

Young Group Market Report

Built on Firm Foundations

key facts and figures supporting long term
residential property investment

Following last year's Rugg Report and the launch of the Homes and Communities Agency's (HCA) much anticipated initiative to drive institutional investment in the Private Rented Sector (PRS), the sector is coming under greater scrutiny than ever before.

As a residential property portfolio manager, Young Group has long championed residential property as an asset class and in its market report '*Built on Firm Foundations*' presents a summary of the latest pertinent data.

Headline statistics demonstrate continued population growth, which shows no signs of abating, increasing the demand for homes throughout the UK – most notably in London and the South East. The impact of the current constrained mortgage market is creating pent up demand from would-be purchasers who are buoying the rental market.

Coupled with this increasing demand, supply of homes continues to fall far short of the Government's own housebuilding targets. New home starts and completions have dropped below the level of the early 1990s caused, in part, by developers' reticence to build for the traditionally highly speculative residential market and the lack of readily available development finance.

The UK is a late adopter of institutional residential investment and has one of Europe's smallest PRSs. Past performance of residential property assets has been extremely robust, outperforming equities, gilts and commercial property over the medium and long term. These gains have traditionally been shared by a large number of small scale private landlords in what, at least currently, is a highly fragmented sector.

However, Neil Young, CEO of Young Group point out that things are changing. *"The HCA's PRSI is actively engaged in overcoming barriers to entry into the PRS, through facilitating seed funding and encouraging a professional residential asset management sector.*

"With the sector's strong fundamentals, the PRSI has the ability to build on already firm foundations and change the face of the private rented sector beyond all measure."

A copy of the report can be downloaded from www.younggroup.co.uk/research.

-ends-

Michael Oakes – Communications Manager, Young Group

T: +44 (0)845 356 1000 | M: +44 (0)7870 507 101 | E: moakes@younggroup.co.uk



YOUNG GROUP®

Property Portfolio Managers

About Young Group (www.younggroup.co.uk)

Young Group specialises in delivering Property Portfolio Management services to private and institutional investors.

The Group's activity spans the entire investment cycle from identifying opportunities and financing their acquisition, through to managing the asset (furnishing through Young Furnishing – www.youngfurnishing.co.uk; tenancing through Young London – www.younglondon.co.uk; refinancing through Young Finance – www.youngfinance.co.uk), regularly reviewing the performance of the property holdings and advising on strategic direction, through to realising returns in the most tax efficient manner. This process also includes sale of property through Young London.

Young Group Asset Management - At a Glance:

- All assets successfully tenanted with no rent arrears disputes
- Currently managing 300-400 units across London
- Accredited by the National Approved Letting Scheme (NALS)
- Highly experienced in marketing the entirety of new apartment blocks, e.g. My Base1, Southwark (85 units - phased occupation); The Interchange, Dalston (30 units – fully tenanted in 8 weeks); The Retreat, Earlsfield (22 units – fully tenanted in 6 weeks)
- Average void across the portfolio: 8 days
- Performance Example: Young London managed assets in Southwark outperformed the market by 50% over the past 12 months. [Based on FindaProperty rental index for Southwark compared to Young London rental income performance]
- The lettings business was shortlisted for National Estate Agent of the Year Awards in its first year of operation
- 5,000 unique visits per week to website viewing 1.5m pages per year, 300%+ more than the Google benchmark for similar sized estate agents; an in-house increase of 60% since the beginning of 2009
- In 2008, Young Furnishing provided furnishing on behalf of our landlords to accommodate 272 Young London tenants

Neil Young, CEO – Young Group

A qualified accountant, Neil has more than 10 years experience in global corporate finance having worked with companies such as Thomson Holidays and British Airways. In 2000 he was appointed European Chief Financial Officer at Highland Partners, before leaving to found Young Group.

Neil works closely with his management team to ensure that Young Group operates effectively to manage clients' investment assets and to ensure that all Group companies remain focused on delivering excellent service in all areas, whether it is in the realm of financial advice (Young Finance), investment opportunities, property management (Young London) or furnishing (Young Furnishing).

Visit www.younggroup.co.uk to learn more.

Michael Oakes – Communications Manager, Young Group

T: +44 (0)845 356 1000 | M: +44 (0)7870 507 101 | E: moakes@younggroup.co.uk