



24 September 2009

Most UK landlords positive about real estate values

According to a survey conducted by the Young Group, the majority of residential landlords and buy-to-let investors in the United Kingdom believe that real estate prices will either be higher 12 months from now, or—at the very least—will remain at current levels. This positive prediction comes despite less optimistic suggestions that residential property values may fall further early next year, before recovering gradually. Fully 77 percent of buy-to-let investors, for example, expect real estate prices in London to increase over the course of the next 12 months. This represents a much more positive assessment than what appeared in late 2008, when only 34 percent of respondents believed that London values would either increase, or stagnate.

Investors and landlords seem to be most positive about London-area real estate, but a clear majority (51 percent) also believe that prices in England overall will either rise or remain at current levels. As such, only a minority currently give credence to darker predictions of further declines in value. Yet landlords and investors clearly have a realistic view of the sector's short-term prospects. Among those predicting a rise in property values in the case of London-area real estate, most suggest that it will be around 1 percent or less, while the predicted rise is slightly higher (1.62 percent) for Britain as a whole. But most investors (53 percent) do still prefer to purchase property in the capital, while only one in four anticipate expanding their portfolios with real estate in other regions over the next 12 months.