



PRESS INFORMATION

23 June 2009

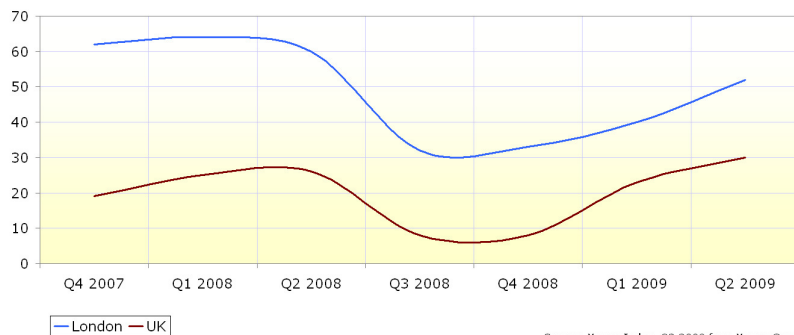
Young Index (Q2 2009)

Buy-to-Let Investors Maintain Positive Sentiment

Latest Young Index results from Young Group show the continuation of a rising trend; increasing numbers of buy-to-let investors are keen to return to the market as they believe property prices will stabilise and rise during the next 12 months.

Results from the Q2 2009 survey of investor market sentiment show that increasing numbers of residential property investors are considering purchasing additional UK properties within the next 12 months.

% of Investors Considering Purchasing Additional Property
(12 month outlook)



Source: Young Index, Q2 2009 from Young Group

London remains the preferred location for investors; 52% are considering buying additional property in the capital – an increase of 12% on the previous quarter (although still 8% down on Q2 2008). The trend is not only confined to London, with 30% of investors considering adding UK assets outside of the capital to their portfolios – compared to 24% in the Q1 this year.

The outlook for property prices shows a similar trend, with investors becoming increasingly positive; increasing numbers predict that prices will stabilise and/or rise over the next twelve months.

57% of investors believe that London prices will be at current levels or higher by this time next year (an increase from 49% in the previous quarter and up from a low of 36% in Q4 2008) and 42% expect the same to be true of UK property outside London (up from 24% in Q1 2009).

Neil Young, CEO – Young Group, warns: *"Making predictions is something that Young Group never likes to do, but this is the second quarter in which we've witnessed an increasingly positive sentiment for the Young Index data."*

"The trend continues to move in an upward direction and demonstrates a positivity and willingness of private investors to increase their holdings of

Michael Oakes – Young Group, Communications Manager

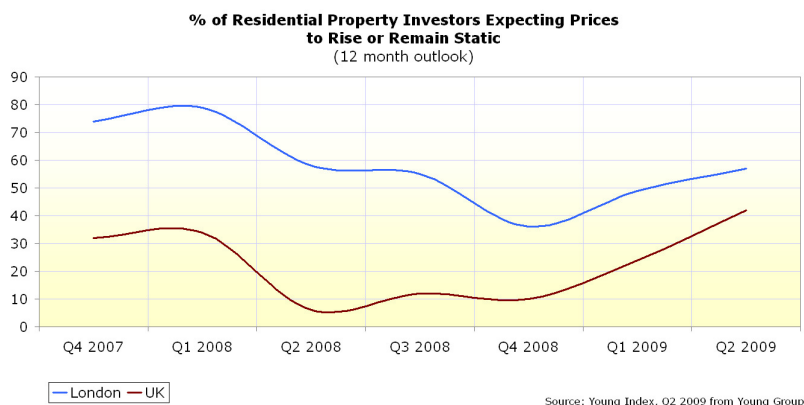
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residential property. It remains to be seen if this burgeoning demand will translate into purchases or whether the languishing mortgage market kills the prospect of a relatively smooth return to house price stability and growth.

The private rented sector plays a valuable role in providing housing, demonstrated by the Government's commitment to boosting the sector through the Homes and Communities Agency's (HCA) Private Sector Rental Initiative (PRSI), but the sector is suffering because private investors still find it difficult to secure appropriate mortgage products.

Neil Young continues, *"Rented accommodation is of immense value to the community, offering flexibility and choice. Currently, individual private investors are being prevented from investing in the sector by lenders' imposing unfavourable mortgage terms. This quarter's Young Index results show that there is appetite to invest in the sector, but it's now a question of whether mortgage lenders will match the demand."*



Young Index: Summary Results for Q2 2009

- 99% of investors intend to hold their residential property investments for the next 12 months. 41% intend to hold their assets for at least 10 years and 12% of private residential property investors intend to retain their property investments for the next 20 years or more.
- On average, residential property investors expect to hold their investment assets for the next 10 years.
- 52% of investors are considering purchasing additional residential property assets within London during the next 12 months, compared to 30% who are looking at opportunities in the UK outside of the capital.
- The outlook for London property prices is more than twice as strong as for the rest of the UK. 57% of investors believe that London prices will be at current levels or higher by this time next year (up from a low of 36% in Q4 2008) and 42% expect the same to be true of UK property outside London.

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- 84% of respondents expect the Bank of England base rate to have risen by this time next year, but expect it to remain below 1.5%. The average interest rate outlook for the next 12 months is 1.19%.
- More than 3 in 4 respondents expect to witness a return to economic growth by June 2010, with the majority anticipating positive growth as early as Q1 next year.

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About Young Index

Young Index is a quarterly gauge of market sentiment within the buy-to-let sector, polling Young Group's client base of around 500 active investors who hold UK investment property.

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

Young Group specialises in providing Property Portfolio Management services to private and institutional investors, offering asset management, acquisition and disposal of residential property investments in London.

Young Group in Numbers:

- **255:** The number of apartments that Young Group clients have successfully completed on in 2008
- **67%:** The percentage of new business generated through referral and by repeat investors
- **£700 million:** The value of property that Young Group has transacted since it formed in 2003
- **1,700:** The number of apartments that Young Group has transacted since 2003
- **15:** The number of developments offered to Young Group's clients
- **300:** The number of assets currently under management by Young London - our lettings business
- **£35 million:** The value of mortgages written by Young Finance in 2008
- **272:** The number of tenants who will sleep soundly in beds provided by Young Furnishing
- **99%:** The proportion of investors who will hold their property assets for at least the next 12 months.

Young Group supports NORWOOD and CHILDREN with LEUKAEMIA, two charities particularly close to our heart, donating £50 per property exchange and providing additional support throughout the year. Visit www.younggroup.co.uk to learn more.

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