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Mortgage News

London the preferred location for investors



More buy-to-let landlords are showing optimism in the property market after the recent rise in property prices.

Landlords now believe that property prices will gradually rise further over the next 12 months, report by the Young Group suggests.

The price of the London property will remain the same as the current levels or will rise by this time next year (an increase from 57% in the previous quarter and up from a low of 36% in Q4 2008) is conceived by more than three quarter of the investors. 51% of the investors expect that the same thinking to be true of UK property outside the capital (up from 42% in Q2 2009 and just 12% a year ago).

The 12 month outlook seems very positive and optimistic. Still the expected pace of market recovery remains very delicate.

The forecast of the landlords with regard to the London property is believed to be an average property rise of less than 1% and a fall of 1.62% for UK property outside the capital.

Despite all these, London still remains the preferred location for investors.

The report stated that investors are coming forward with 53% giving a thought to buy additional property in the capital within the next 12 months.

26% of investors are considering adding UK property outside of the capital to their rental portfolios.

According to Neil Young, chief executive of Young Group,: "From a practical point of view, it appears that landlords are fully aware of the current difficulties in securing buy-to-let mortgage funding to acquire additional rental property and the proportion of those who expect to add to their property portfolios is leveling off."