



3 October 2009

Landlords give up on mortgage options

by *Gill Montia*

Young Group has described buy-to-let landlords as “jaded” in its latest rental market survey.

Research from the property management firm shows that in the three months to the end of September, fewer than one in three investors were taking the trouble to review the mortgage market on a regular basis.



Only 11% were making an assessment every quarter; 29% of respondents said they evaluated their loans at least every 6 months and 27% admitted to making an evaluation less than once a year.

The Young Index for Q3 2009 also indicates that buy-to-let landlords are sitting tight, with the average length of time respondents expected to retain individual property assets at 12 years, up from 10 years in the third quarter of 2008.

The firm’s chief executive officer, Neil Young, comments: “Young Group’s research suggests that investors are fully aware of the constricted conditions in the mortgage market; 57% cited difficulties in obtaining mortgage funds as the principal barrier to investment property acquisitions.”

He adds: “It seems they may be jaded by current lending conditions and have taken their eye off the ball when it comes to tracking the mortgage market.”

Landlords committed to reviewing the mortgage market regularly will need to set aside much less time than in the heyday of buy-to-let.

Research published last month by Paragon Mortgages revealed that since the onset of the credit crisis, the number of buy-to-let loans available has nosedived to just 196, with 94% of loans disappearing since August 2007.