



## Landlord and BTL Blog

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### What do Landlords think? Young Index for Q4 2009

What do landlords think about the state of the buy-to-let investment market? According to the latest survey by the Young Group quite a lot!

It appears that landlords are quite opinionated people. I can't believe that can you?

Some of the most interesting findings from the Young Group Index are as follows.

- 99% of investors intend to hold their residential property investments for the next 12 months. 49% intend to hold their assets for at least 10 years (up from 44% in Q3 2009) and 22% of private residential property investors intend to retain their property investments for the next 20 years or more.
- On average, residential property investors now expect to hold their property investment assets for the next 12 years, two years longer than this time last year.
- 59% of investors are considering purchasing additional residential property assets within London over the next 12 months, compared to 43% who are looking at opportunities in the UK outside of the capital. This compares to 33% and 8%, respectively, in Q4 2008 and is a continuation of last quarter's upward trend.
- The outlook for London property prices remains stable and is stronger than for the rest of the UK. 76% of investors believe that London prices will be at current levels or higher by this time next year (up from a low of 36% this time last year).
- An increasingly large proportion of respondents (60% in Q4 2009, compared to 51% in the previous quarter) believe that UK property prices outside of the capital will rise within the next 12 months.
- The expectation for the pace of property price recovery remains conservative. Landlords predict that average property prices across London will stand 0.7% higher by the end of 2010 – but that outside the capital, the UK will see a fall of 1.0% over the same period.
- Perhaps unsurprisingly, 76% of respondents expect the Bank of England base rate to be higher than the current all time low of 0.5% by the end of 2010. But only 6% of respondents believe that it will have risen to more than 2.0% by the end of 2010, well below the long term average of 5.0%.
- According to latest Young Index results, the average base rate expectation for Q4 2010 1.1%.
- Despite reports of mortgage finance becoming more widely available of late, 39% of respondents cite a lack of appropriate mortgage finance as their current main concern, compared to just 28% this time last year.
- Pointing to an increasingly positive outlook towards property prices, currently only 16% of landlords are hoping to see greater house price stability in the New Year, a marked swing from the 36% who hoped for increasing stability in Q4 2008.