

PRESS RELEASE

20 January 2012

1 in 5 Landlords Bought Additional Rental Property in 2011

The latest Young Index report of Private Rented Sector (PRS) sentiment shows that 19.1% of landlords added additional residential property assets to their portfolios during 2011.

The activity was driven by strong positive expectations for both capital growth and income returns for the year ahead.

London clearly leads the way with 85.1% of respondents expecting rents in the capital to continue to rise throughout 2012 and a full 100% of landlords predict that property values in London will be at current levels or higher by the end of the year.

Interest rates are widely expected to remain low. 58.3% of landlords expect the Bank of England base rate to remain static throughout 2012. Of those who do see a rise on the horizon, their average prediction for Q4 2012 is less than half a percentage point higher than the current all time low of 0.5%, at 0.78%.



The full report is available to download at:

http://www.younggroup.co.uk/downloads/YIndexQ4_2011.pdf

Charts available as jpeg by request: moakes@younggroup.co.uk

Undoubtedly, current low costs of finance represent a short term fillip but landlords clearly see the Private Rented Sector as a long term investment class. Data from Young Index Q4 2011 show that 36.9% of landlords intend to hold their property until 2031. The average future hold period across all respondents was 15.4 years.

Neil Young, CEO of Private Rented Sector specialists, Young Group, who carry out the quarterly research comments: "Without a doubt, the appetite from private investors in the PRS for additional investments is

extremely strong. The London rental market is particularly strong and demand from tenants seeking quality PRS accommodation shows no sign of abating, buoyed by a population that is spending longer than ever living in rented homes and increasingly living in solo households.”

PRS Sentiment at a Glance: Young Index, Q4 2011 Headline Statistics

Long Term Focus

- 97.8% of all landlords intend to hold their property for the next 12 months.
- 58.7% intend to hold their property assets for the next 10 years or more.
- 36.9% intend to hold their property assets for the next 20 years or more.
- 15.4 years is the average future hold period that residential landlords expect to retain their property assets for.

Appetite for Investment

- 41.9% of investors are considering purchasing additional residential property assets within London over the next 12 months.
- 16.2% of investors are looking at opportunities in the UK outside of the capital.

Capital Growth and Income

- A full 100% of respondents believe that London property values will be at current levels or higher by Q4 2012.
- For UK property outside of the capital, only 30.4% expect values to be at current levels or higher by this time next year.
- 85.1% of respondents expect rents in London to rise over the coming year.
- 79.5% of landlords expect UK rents outside London to rise over the coming year.
- Landlords expect capital values in London to see an average increase of 4.7% during 2012 with rental income increasing by an average of 2.4%.
- The predicted 12 month outlook for PRS capital values outside of London UK is a drop of 1.3% but rental income is expected to increase by an average of 1.2%.

Future Base Rate Expectation

- On average, landlord investors expect the base rate to be 0.75% at Q4 2012.
- 58.3% of investors in the PRS expect the Bank of England base rate to remain static for the coming 12 months.

2011 Activity

- 19.1% of active PRS investors added additional assets to their portfolios during 2011.
- 19.6% of investors re-financed existing Private Rented Sector assets during 2011.

Principal Concerns for 2012

- 42.2% of active landlord investors are principally concerned with the lack of available mortgage finance.
- 24.4% of investors cite 'Job Security' as their main concern for the coming 12 months, up from 10% in Q4 2010.

-ENDS-

NOTES TO EDITOR

About Young Index:

Young Index is a quarterly gauge of market sentiment within the private rented sector, polling Young Group's client base of around 500 active investors/landlords who hold UK residential investment property.

About Young Group

www.younggroup.co.uk

Young Group is shaping the Private Rented Sector through research, investment, finance and asset management. The Group's activity spans the entire investment cycle from identifying opportunities and financing their acquisition, through to managing the asset, regularly reviewing the performance of the property holdings and advising on strategic direction, through to realising returns in the most tax efficient manner.

Young Group delivers day-to-day asset management through Young London, its lettings and management agency, which has won multiple awards from The Times, The Sunday Times and Bloomberg for the quality of its service.

Press Contact:

Michael Oakes

Director of Communications

Young Group

DDL: +44 (0)20 7593 3309

Office: +44 (0)20 7593 3300

Email: moakes@younggroup.co.uk

www.younggroup.co.uk