

PRESS RELEASE

26 October 2011

Professional Property Management Enhances Private Rented Sector (PRS) Investment Returns

In every third quarter of the year, Young Index gauges landlords' views of the value of professional property management and its impact on residential investment returns.

76.6% of landlords believe that tenants pay higher rent for properties that are professionally managed and 82.9% think that average tenancies are longer for property that is professionally managed. 73.0% of landlords also believe that professional management of property enhances its capital value over and above any market uplift.

Minimising unnecessary repair and maintenance costs is a factor and 81.3% of landlords believe that tenants take better care of a property that is professionally managed.

77.6% of respondents would recommend professional property management and, interestingly, 50% of those who currently manage their own properties would also recommend that investors use professional property managers.

100% of landlords who manage their own properties cited cost saving as an influencing factor in their decision with 82% not enjoying doing so. Yet, this eye to cost saving seems, by their own admission, short-sighted; 63% agree that professional management results in tenants paying higher rent and 55% believe that it enhances the capital value of their asset.

In summary, 85.7% of all landlords questioned thought that professional property management is money well spent.

Neil Young, CEO of Young Group and lettings agency, Young London, comments; *"As the private rented sector continues to grow, it is particularly heartening to see that professional property management – and its impact on asset value and income returns - is so keenly recognised by the entire investment community."*

"In a sector that is characterised by large numbers of 'amateur' landlords, it is encouraging to see that they wholeheartedly value professional property management and indicate that they believe it results in higher rents, enhanced capital values, longer tenancies and encourages tenants to take better care of their rental property."

Here, Young Group summarises the full Q3 2011 headline statistics; the PRS in numbers.

The Impact of Professional Property Management

* 76.6% of landlords believe that tenants pay higher rent for properties that are professionally managed by an agency.

* 82.9% of landlords believe that average tenancies are longer for property that is professionally managed.

* 81.3% of landlords believe that tenants take better care of a property that is professionally managed.

- * 73.0% of landlords believe that professional management of property enhances its capital value.
- * 85.7% of landlords think that professional property management is money well spent.
- * 77.6% of landlords would recommend using a professional property management company.
- * 81.0% of landlords questioned employ an agent to manage their property.
- * 17.2% manage the property themselves and 1.7% of landlords' properties are managed by a member of their family or friend.
- * Of those who do not use the services of a managing agent, 100% cited cost saving as an influencing factor in their decision, and only 18% enjoy doing so.
- * 63% of landlords who manage their own properties agree that using a professional property manager results in tenants paying higher rent and 55% believe that it enhances the capital value of their asset.
- * Interestingly, 50% of those who do not currently retain property management services would recommend to other investors that they employ professional property managers.

Looking to the Long Term

- * 95.2% of landlords intend to hold their residential property investments for the next 12 months.
- * 85.9% intend to hold their assets for at least 10 years.
- * 25.0% of landlords intend to retain their property investments for the next 20 years or more.
- * The average period that residential property investors expect to hold their property investment assets is 13.5 years.

Appetite for Acquisition

- * 33.4% of investors are considering purchasing additional residential property assets within London over the next 12 months.
- * 12.5% of investors are looking at opportunities in the UK outside of the capital.

Capital Growth & Income Return

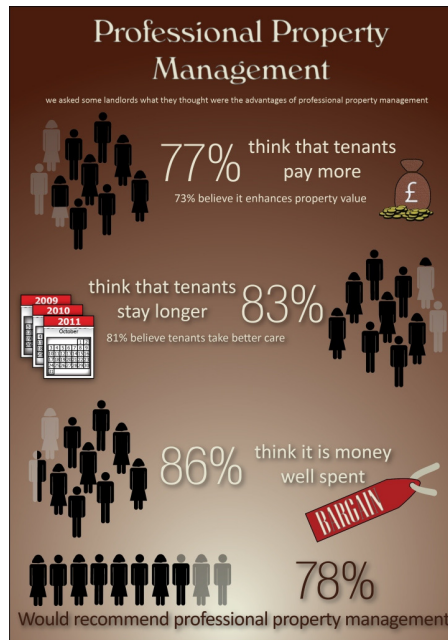
- * 78.6% of respondents believe that London prices will be at current levels or higher by this time next year.
- * For UK property outside of the capital, 54.8% expect prices to be at current levels or higher by this time next year.
- * Landlords expect London property prices to see a small average price increase of 0.9% by this time next year with rents increasing by 2.47%.
- * The predicted 12 month outlook for UK property prices outside the capital is a fall of 1.6% with rents remaining broadly flat, increasing by 0.3%.

Base Rate Expectation

- * The average base rate expectation for Q3 2012 stands at 0.73%.

The full report is available to download at:
<http://www.younggroup.co.uk/downloads/YIndexQ32011.pdf>

A hi-res version of the accompanying infographic (below) is available online at:
<http://prsupdate.co.uk/wp-content/uploads/2011/10/PropertyManageInfoGraph-compressed-21.jpg>



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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.

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