



How are private landlords coping in the crunch?

London 27th January 2009: Mark Long, Director at leading specialist market research agency BDRC presents his 'State of the Nation' review of the Buy-to-Let (BTL) and private rental market in credit-crunched Britain this morning at the British Property Federation's Residential Conference. Since October 2006 this independent research has measured the private rental market by surveying the opinions, attitudes and expectations of more than 500 British landlords every quarter.

Buy-to-Let arrears rising

Published in the Landlords Panel report, the latest wave of the research, covering the last quarter of 2008 has returned statistics never seen before and presents a picture of a market characterised by over-supply, reduced rental incomes, less hope of securing finance.

- 7% of private landlords had been involved in some repossession activity by a lender
- 4% had missed at least one mortgage payment in 2008

And in terms of their expectations for 2009

- 8% are very likely or quite likely to miss a mortgage payment in the next three months
- 2% believed repossession proceedings against them are imminent.

Portfolio size is the key to survival in this market

The report distinguishes between the struggling 'amateur' private landlords with between one and four properties and 'professional' landlords with 20 or more who are enjoying higher profits in the current climate. Not only are 100% of professional landlords making a profit, but they are also taking advantage of falling property prices, repossessions, auctions and sale and rent back

schemes to add to their portfolios. Amateur landlords by comparison are much less likely to be making a profit - 15% with one property and 7% with two to four properties say they are making a loss at the moment.

Mark Long, Client Services Director at BDRC, says "The credit crunch has polarised the private rental market. Whilst professional landlords are able to cover their costs and expand their portfolios, the amateur landlords, many of whom 'fell' into letting by accident, are really starting to feel the pinch. Our research shows that thousands of private landlords expect to fall behind on mortgage payments in the next three months and a considerable proportion are likely to face repossession on one of their properties."

Ends

Note to editors:

The ninth wave of the BDRC Landlords Panel was carried out at the end of the third quarter of the year in December 2008 and consisted of 500 x 30 minute online surveys with residential property landlords. Participants need to own at least one residential or holiday property in the UK. The majority had residential lets. The participants are measured against data from the Association of Residential Letting Agents (ARLA) to ensure that the sample represents the total UK population of landlords by their letting portfolio. There have been seven previous waves of the BDRC Landlords Panel in October 2006, February 2007, May 2007, August 2007, December 2007, March 2008, June 2008 and September 2008. The next wave is scheduled for March 2009.

For more information about the event, please see

<http://www.bpf.org.uk/newsroom/pressreleases/document/23564/industry-calls-for-new-housing-agenda>

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About BDRC

Founded in 1991, Business Development Research Consultants is a leading full service market research agency. Working primarily for service organisations, the company specialises in hotels, finance, travel and tourism and mobile telephony. The acquisition of Continental Research at the beginning of 2008 added media and advertising, public sector and technology research expertise to the portfolio of market sectors covered. Headquartered in London, BDRC works internationally and has additional representation in South Africa and Asia.

For more information, please visit www.bdrc.co.uk.