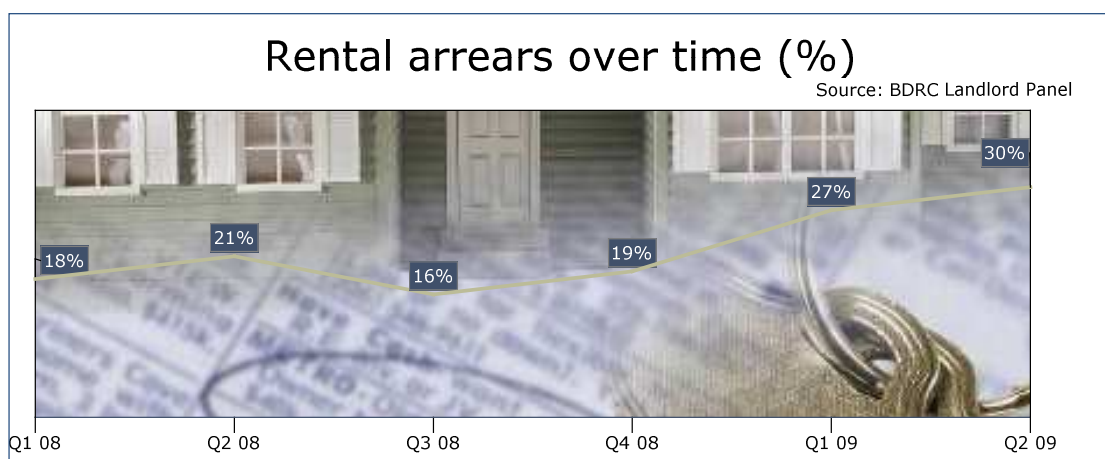


30% of all private landlords experienced rental arrears in last 12 months

London 4th August 2009: The latest research from research agency BDRC's (www.bdrc.co.uk) quarterly survey of 500 private landlords shows the battering some have taken in the recession: rental arrears, voids, struggles with loan repayments and repossession actions against their properties are just some of the pressures they have faced. Add to this the burden of new government legislation and you might ask yourself why anyone would be a private landlord in today's economic environment.

The number of landlords with rental arrears has increased from 18% in Q1 2008 to 30% 15 months later. Whilst 38% covered the cost of non-payment of rent from their tenants' deposit, 32% have taken direct action and evicted their tenants.



However, the research suggests that whilst there are undoubted challenges in the current economy, some private landlords feel that the worst is over. The

economic indicators that the Landlords Panel has been measuring since 2006 - capital gains, rental yield and overall letting prospects - suggest that confidence is returning for one in five respondents.

For instance, 19% of private landlords surveyed thought the prospect for rental yield in the next three months were “very good” – this is an improvement on Q1 this year but not so different from the first three quarters of 2008. 13% said the prospects for the private rental sector in the next three months were very good – increasingly slightly from 10% last quarter, and the second best result since measurement of this metric began in Q4 2007.

The biggest surge of optimism was in letting prospects – 17% said they were very good for the next three months – compared to 10% in Q1.

The belief that the private rental market is fundamentally sound appears to be the basis for this confidence and optimism. With mortgage finance currently so difficult to secure, and LTV on mortgages at 25% to 40% as standard, comments such as those below were common on the eleventh wave of this research:

“The market is better than ever. So many tenants - and so few properties to let.”

“There will still be demand for rental property as people are cautious of buying or cannot afford to buy.”

Mark Long, Director at BDRC, says “It is clearly a tough time for private landlords, with many more experiencing arrears and the longest void periods than at any time since we started tracking this market in 2006. However there is a feeling amongst some that prospects are good for the next three months as demand for rental property is fuelled by the restrictions on residential mortgage lending, making it hard for many people to buy properties.”

Ends

Note to editors

The eleventh wave of the BDRC Landlords Panel was carried out at the end of the second quarter of the year in June 2009 and consisted of 504 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 selected to ensure that the sample represents the total UK population of landlords by their letting portfolio. There have been 10 previous waves of the BDRC Landlords Panel in October 2006, February 2007, May 2007, August 2007, December 2007, March 2008 and June 2008, September 2008, December 2008 and March 2009.

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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 representation in South Africa and Asia. For more information, please visit www.bdrc.co.uk.