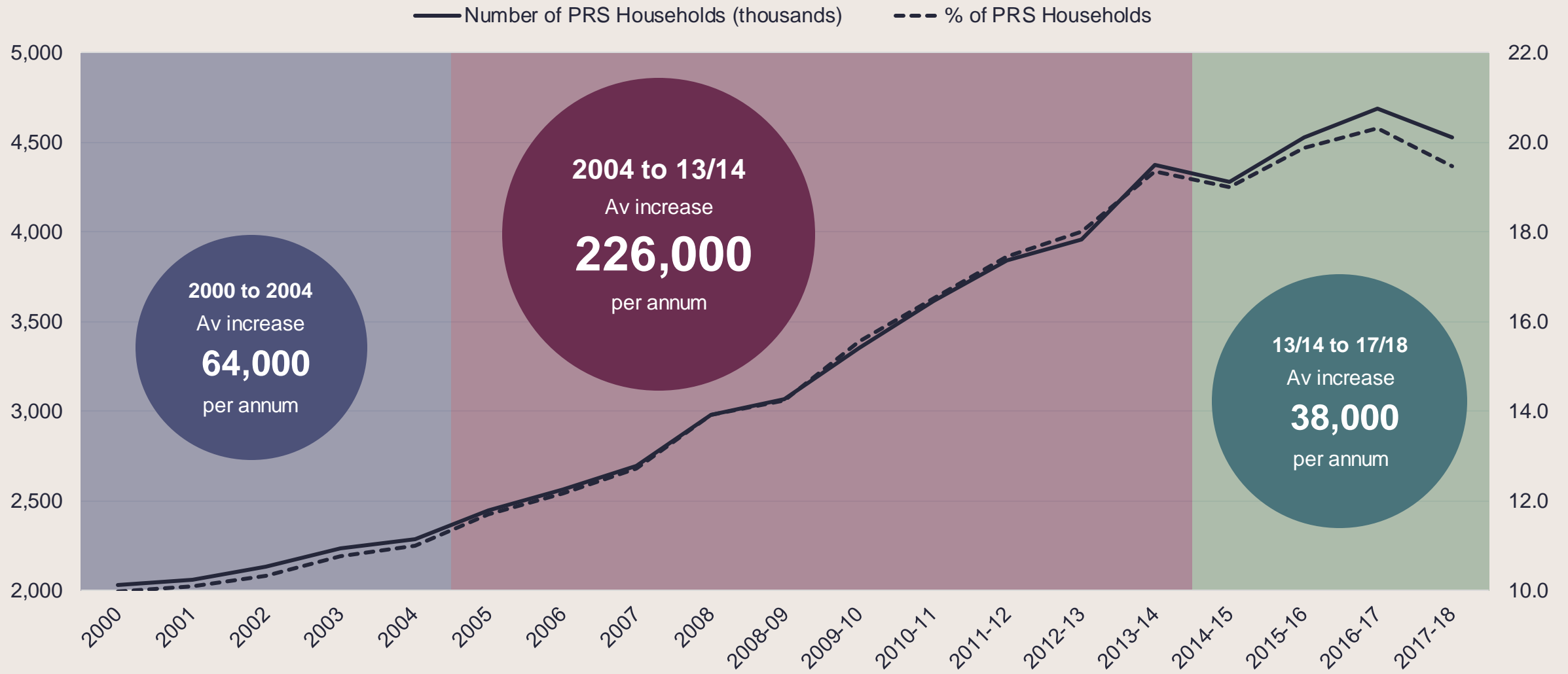


The slide features a background image of a row of colorful residential buildings (yellow, light blue, and light green) under a bright blue sky with scattered white clouds. A black street lamp is visible on the side of the buildings. A large yellow banner is overlaid on the bottom half of the image, containing the title and author's name.

Rental Market Overview

Lucian Cook

A slowing in the growth of the Private Rented Sector?



UK Transactional Activity since June 2016

savills

+13% (+41,350)

Increase in the number of first time buyers

Fall in the number of mortgaged buy to let purchases

-48% (-62,900)

1 52,000 loans in 2018 of which 82% to first time buyers

2 An increase of 13% year on year

3 In its current form the scheme ends in April 2021

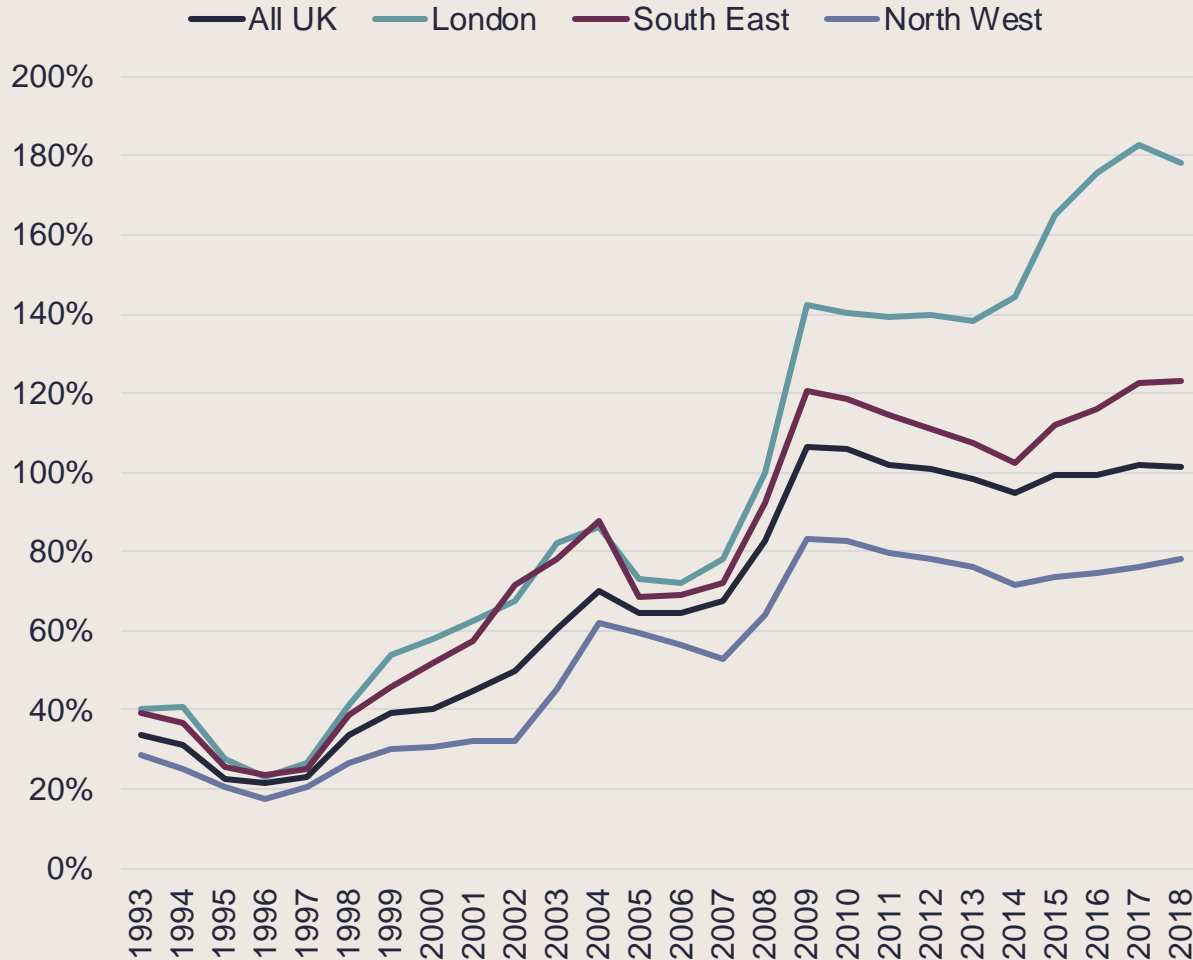
4 A “new” scheme will operate for 2 years until March 2023

5 which will only be available to first time buyers

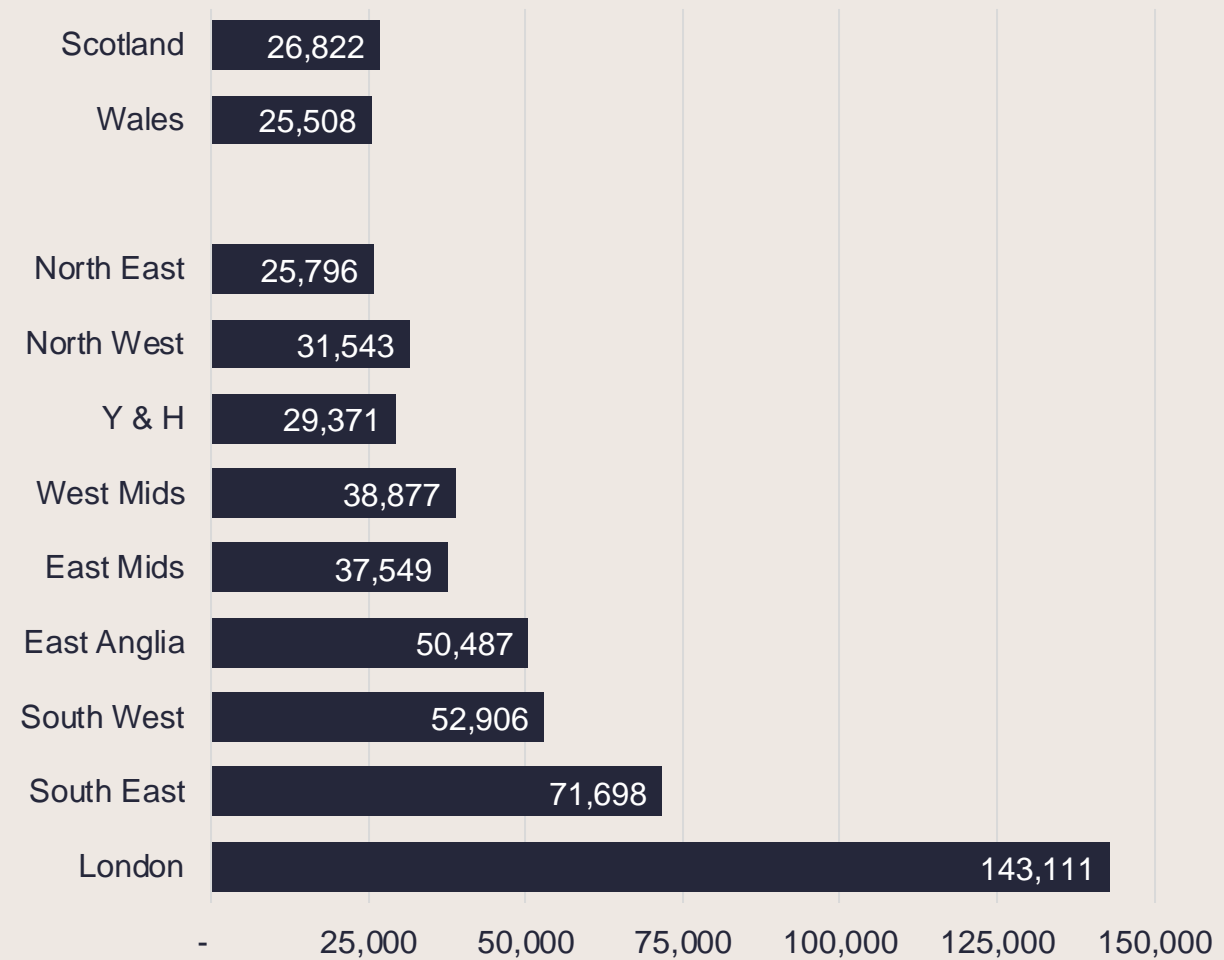
6and subject to regional value caps

Access to home ownership

Average First Time Buyer Deposit as a % of Income

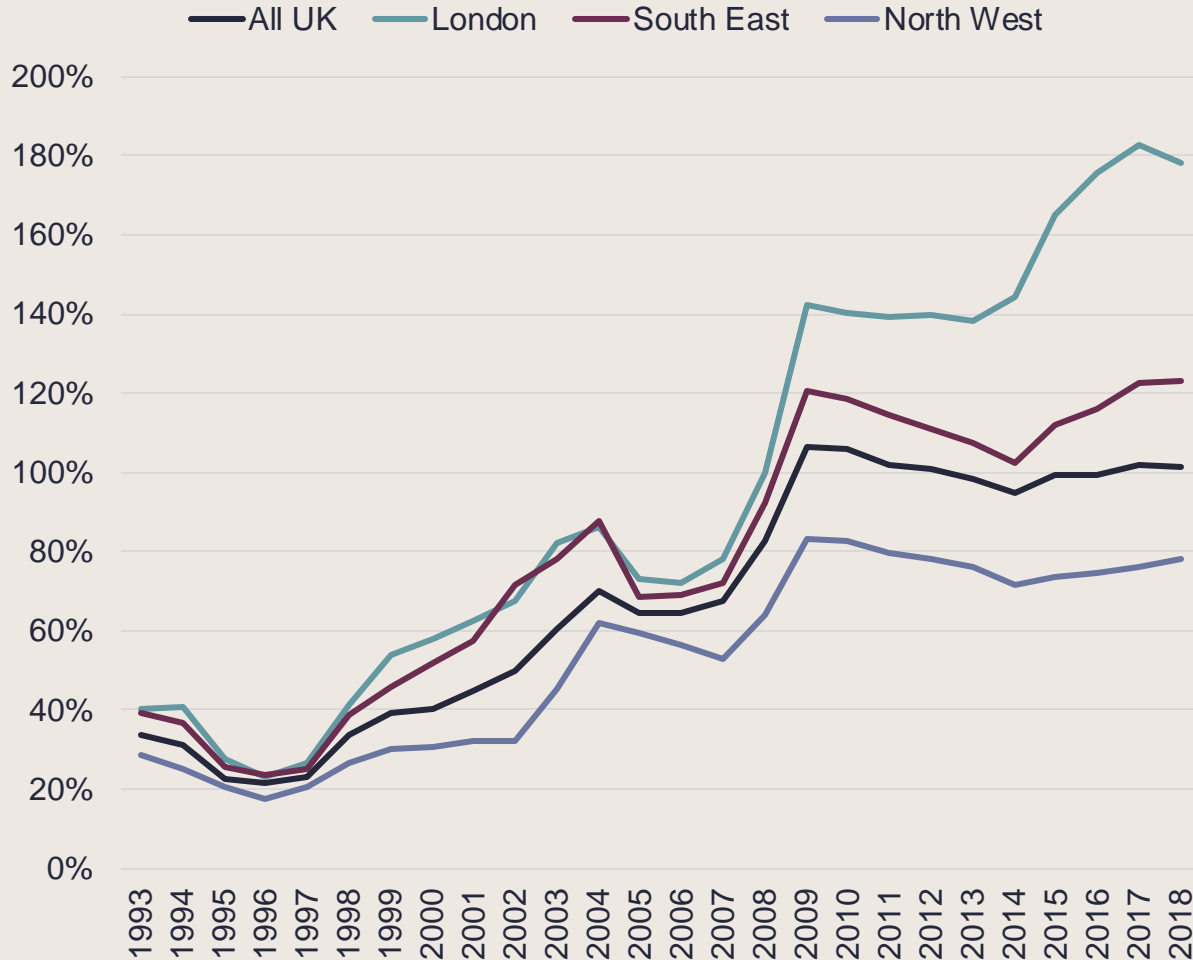


■ Average FTB deposit

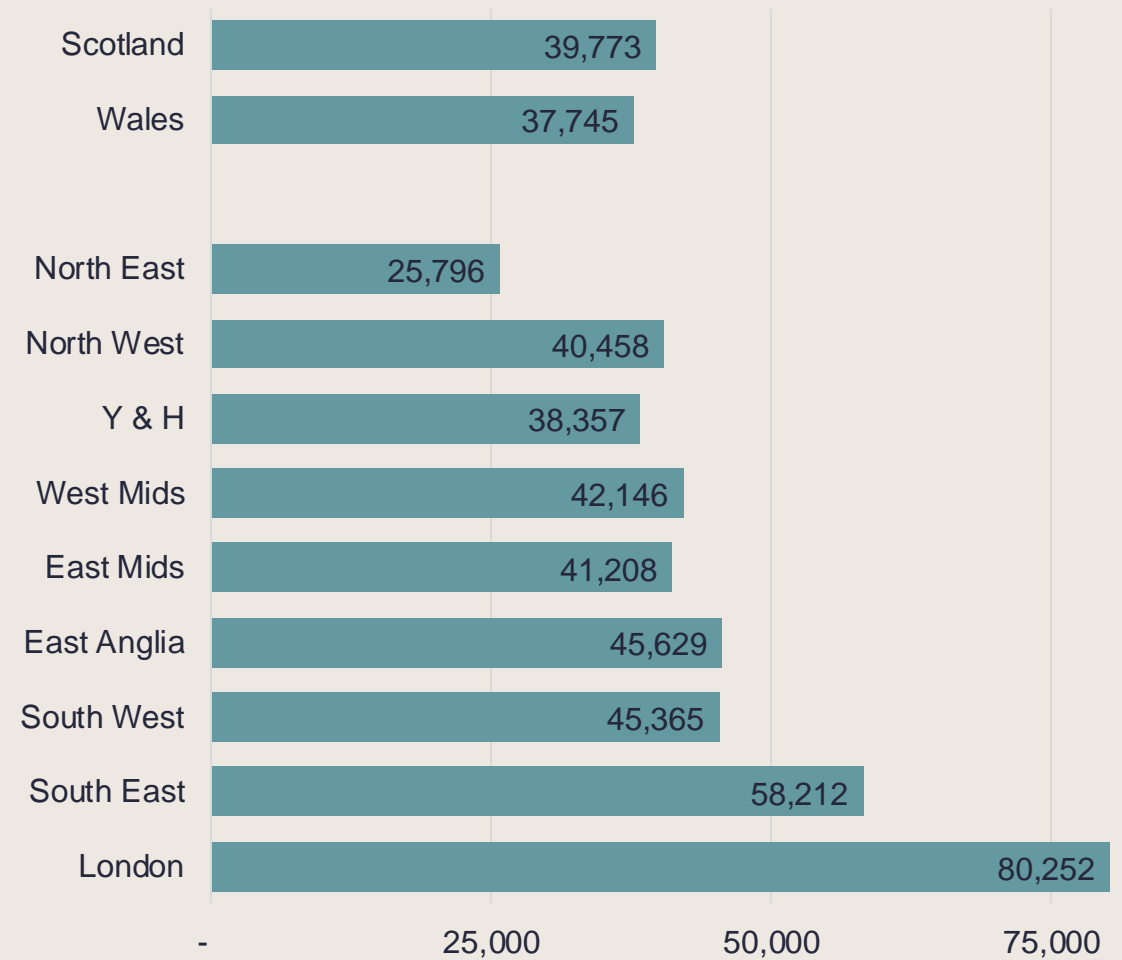


Access to home ownership

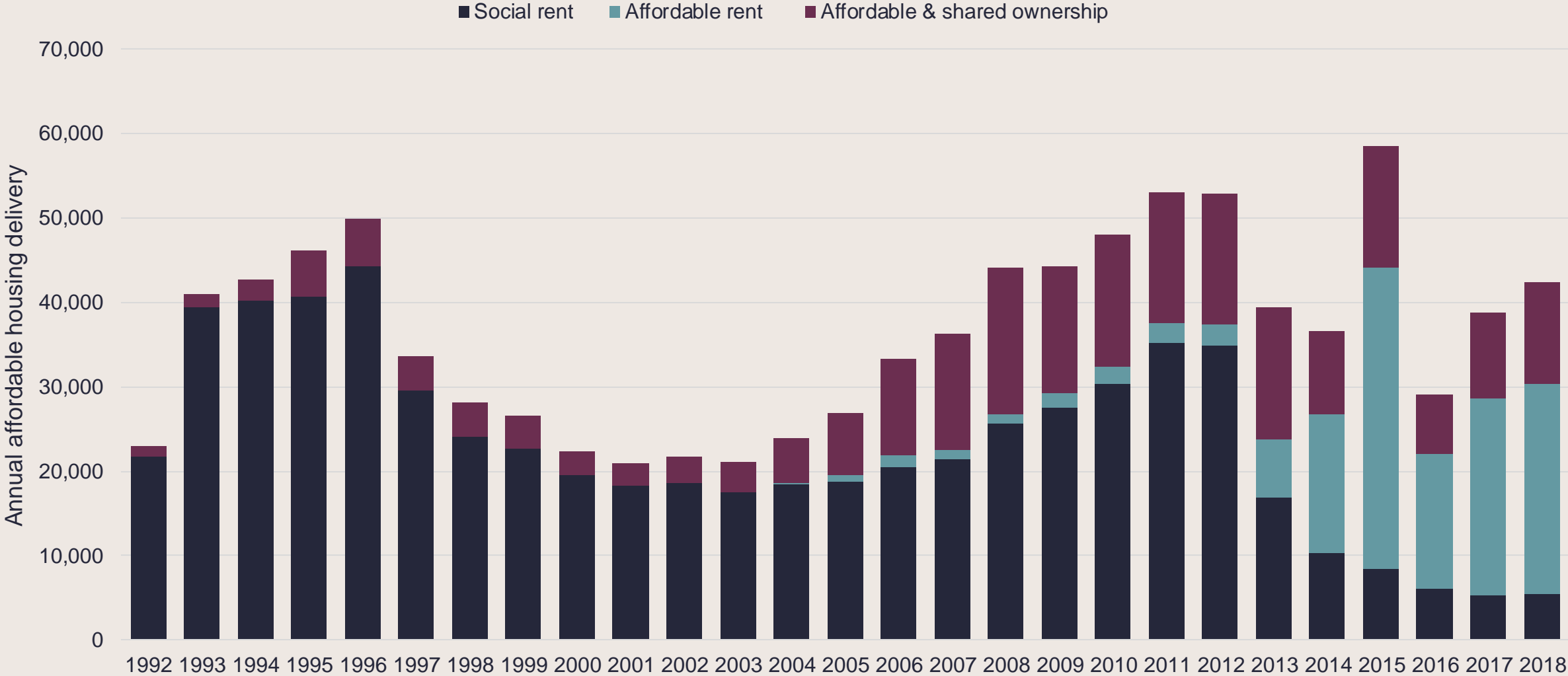
Average First Time Buyer Deposit as a % of Income



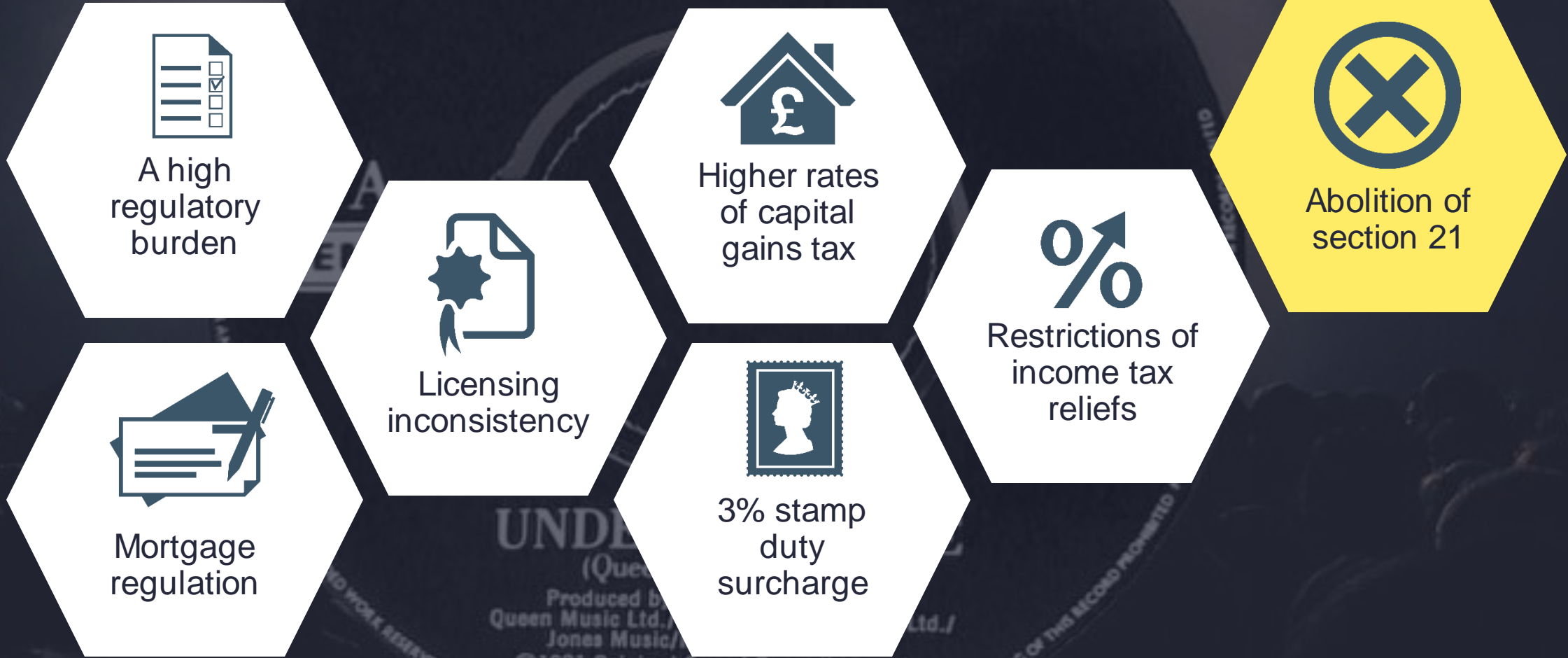
Average FTB Income



Access to affordable housing



The supply side





A high regulatory burden


Higher rates of capital gains tax


Abolition of section 21

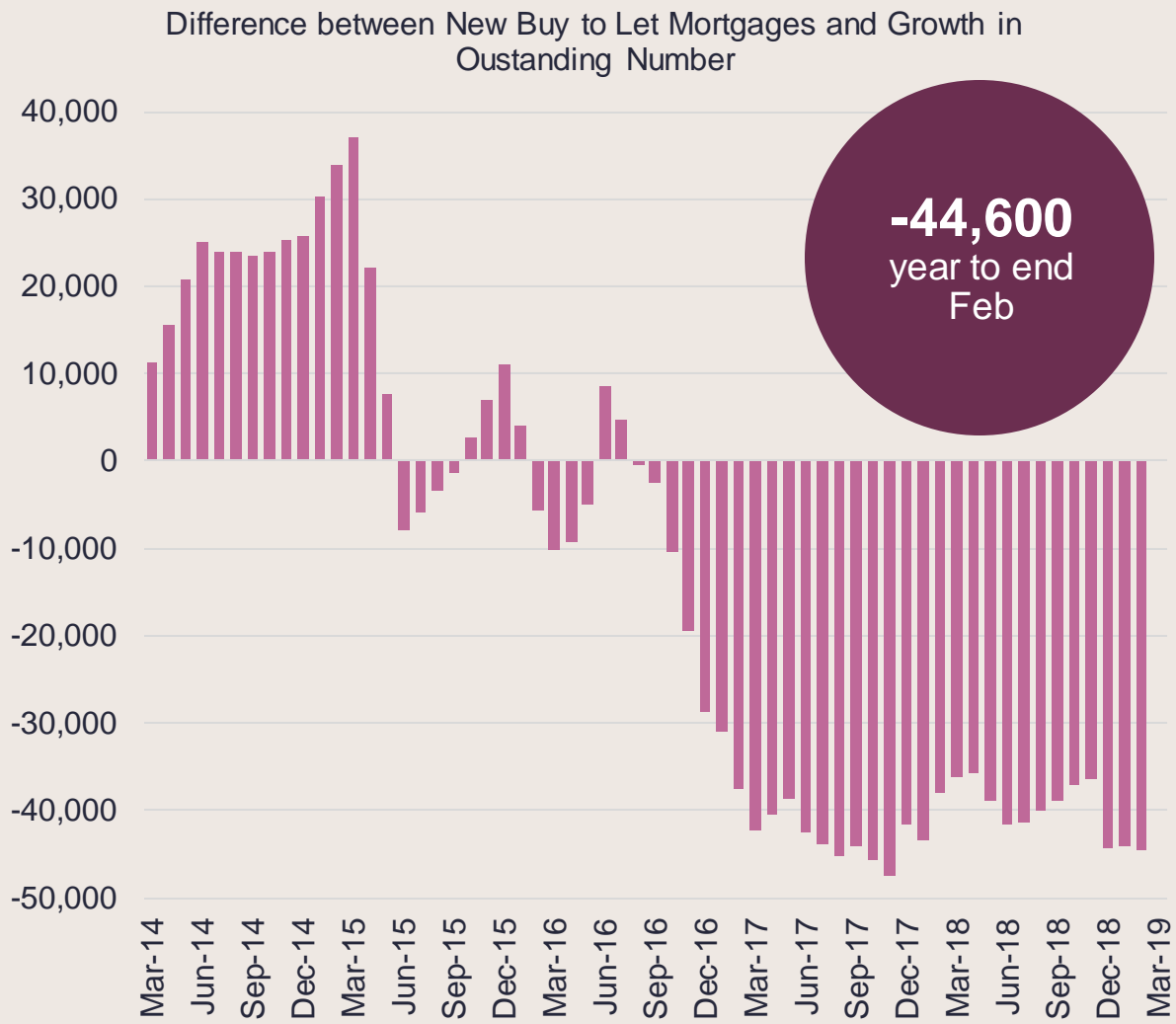
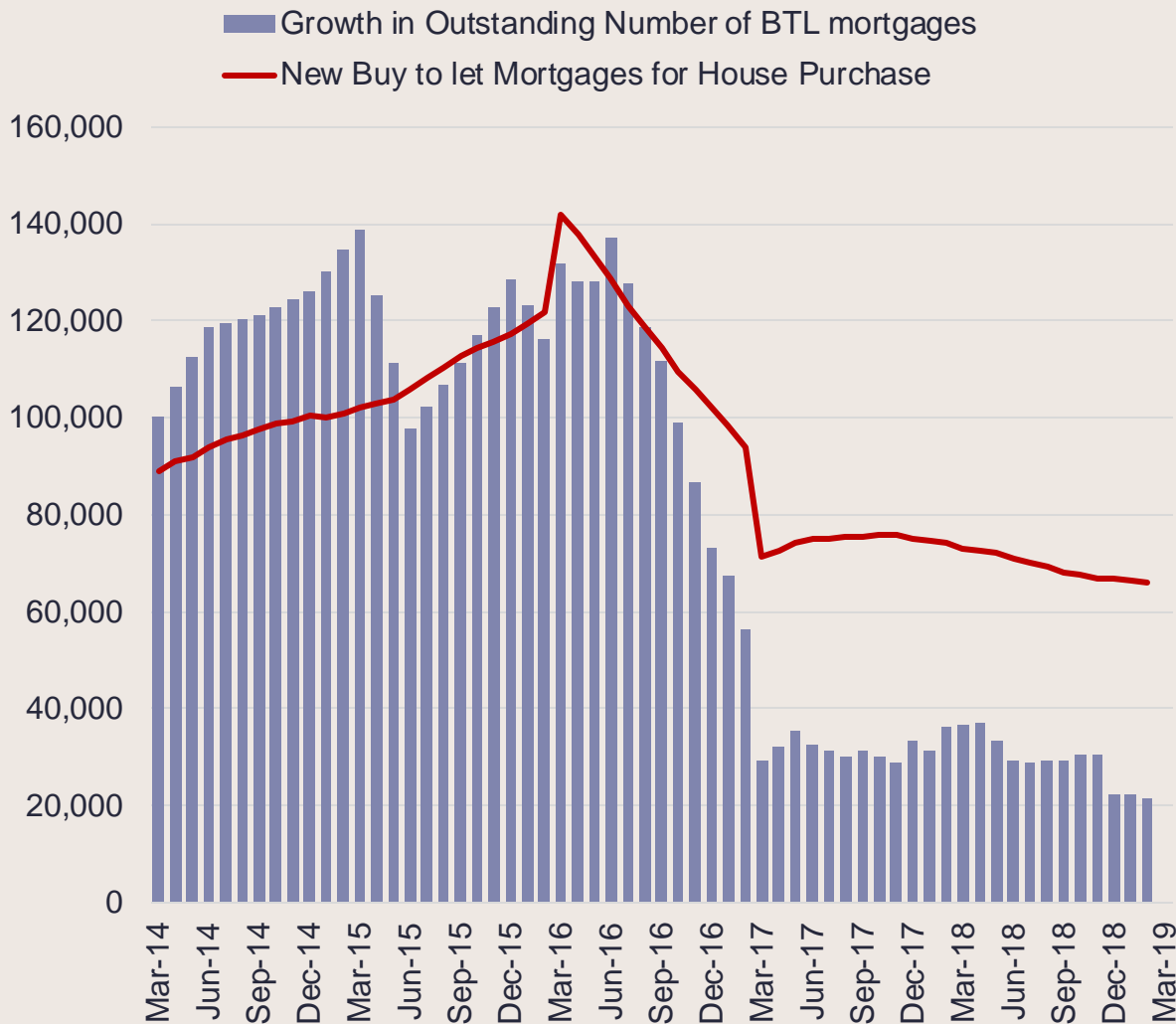

Licensing inconsistency


Restrictions of income tax reliefs


Mortgage regulation

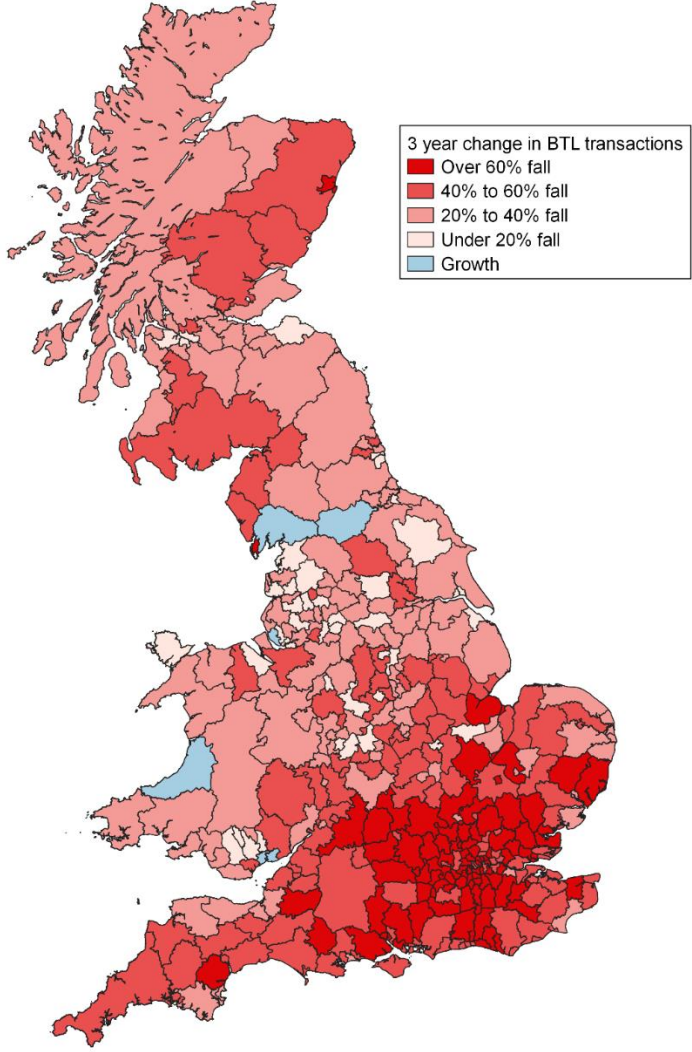

3% stamp duty surcharge

Mortgaged Buy to Let Activity

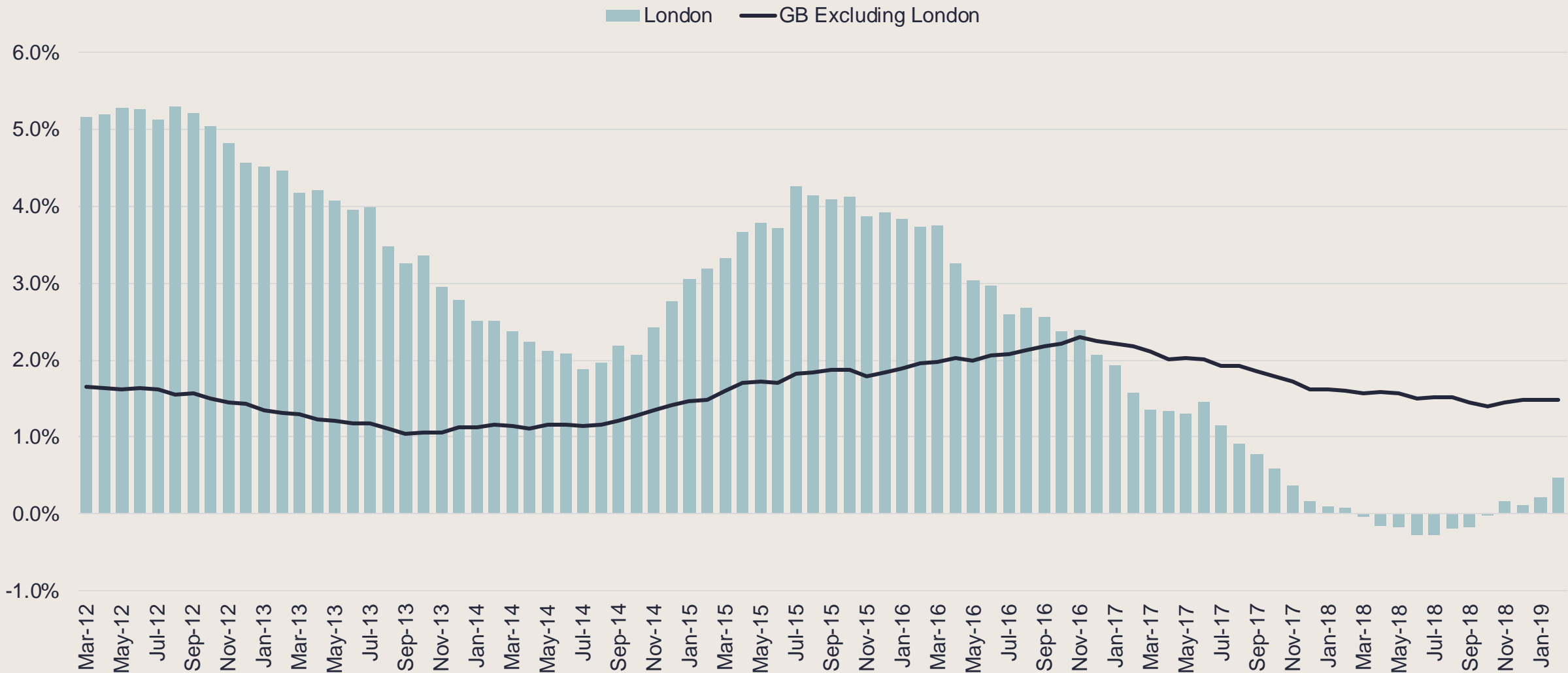


Mortgaged BTL at a regional level

	3 year change in transactions	Average Purchase Price	Average Gross Yield
London	-62%	514,306	4.4%
South East	-59%	304,199	4.9%
East	-52%	261,918	4.9%
South West	-49%	238,019	5.0%
East Midlands	-34%	166,662	5.8%
Scotland	-33%	135,694	6.9%
North East	-32%	106,607	7.8%
Wales	-28%	143,358	6.1%
West Midlands	-26%	169,875	5.7%
Yorkshire & The Humber	-26%	128,279	6.4%
North West	-23%	139,630	6.9%

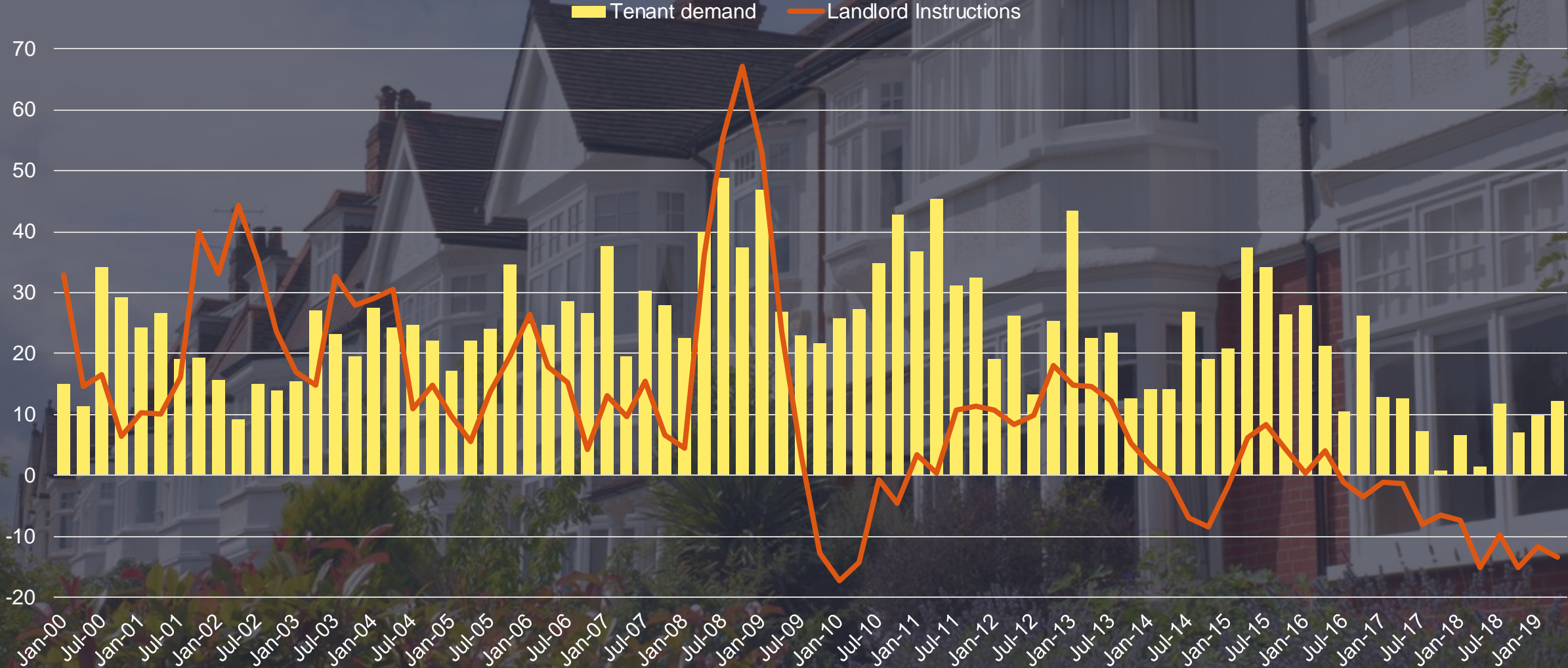


No evidence of an upward impact on rents (yet)



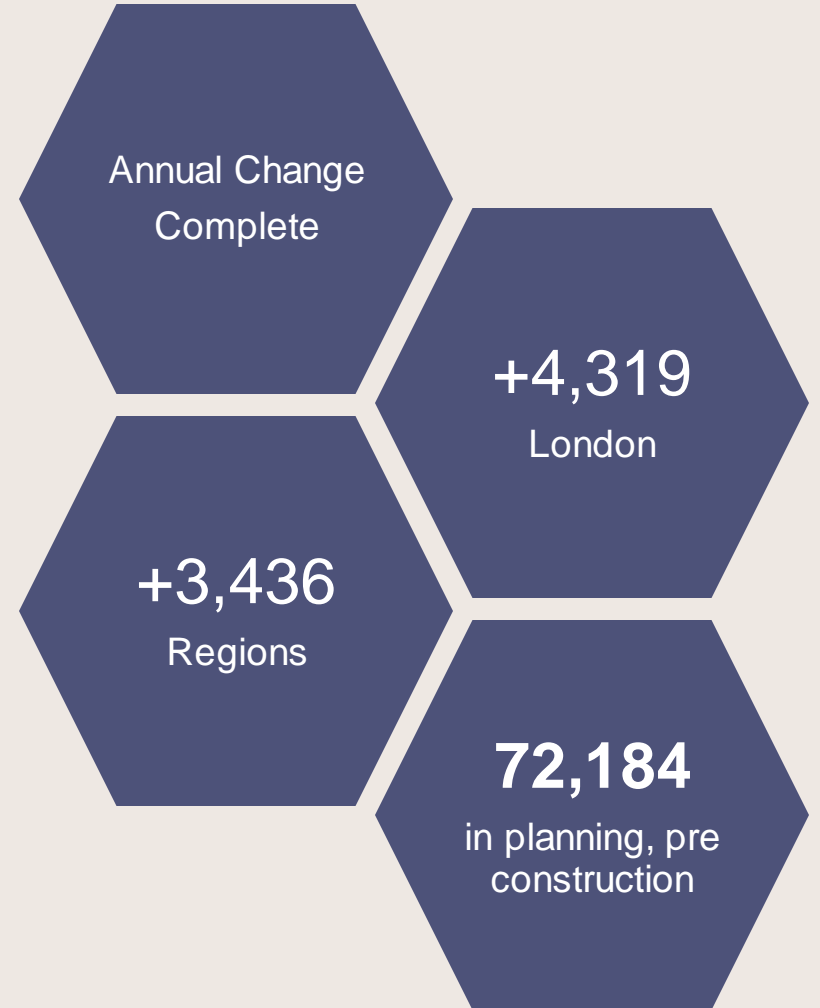
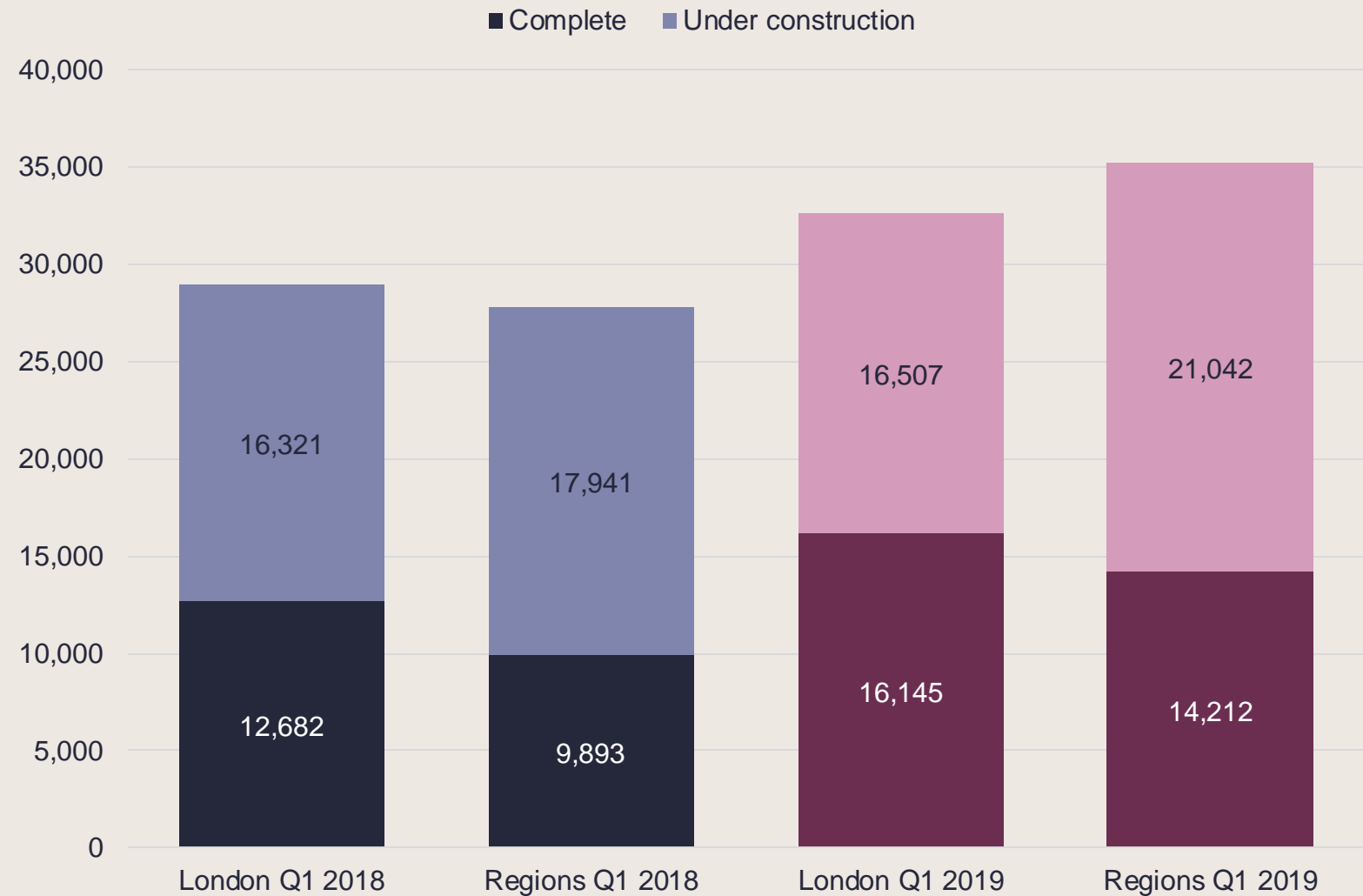
Source: ONS

Impact on supply and demand



Source: London

Build to Rent pipeline



Section 21 and Liquidity

As part of a **complete overhaul of the sector**, the government has outlined plans to **consult** on new legislation to abolish Section 21 evictions – so called ‘no-fault’ evictions.

To ensure responsible landlords have confidence they will be able to end tenancies where they have legitimate reason to do so, ministers will **amend the Section 8 eviction process**, so property owners are able to regain their home should they wish **to sell it** or **move into it**.

Under the proposals, landlords will have to provide a **concrete, evidenced reason already specified in law** for bringing tenancies to an end

Court processes will also be expedited so landlords are able to **swiftly and smoothly** regain their property in the **rare event** of tenants falling into **rent arrears** or **damaging the property** – meaning landlords have the security of knowing disputes will be resolved quickly.

A bright yellow square containing the word "savills" in a lowercase, red, sans-serif font.

savills

Thank you