

Prepared for

**The Association of Residential Letting Agents
& the ARLA Panel of Mortgage Lenders:**

**Birmingham Midshires
GMAC Residential Funding
Mortgage Express
NatWest Mortgage Services
Paragon Mortgages
The Mortgage Business**

**ARLA Members Survey
of the
Buy to Let sector**

First Quarter 2007

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1. **INTRODUCTION & BACKGROUND**

The mortgage lenders who make up the ARLA panel of lenders are keen to ensure that the service they provide to ARLA members is relevant to their needs and takes account of the specific and unique requirements of residential letting agents and their investor landlords.

In order to help achieve this, ARLA has commissioned research to ensure that ARLA panel lenders are kept up to date with agents' requirements and concerns as they change with economic conditions, hopes and fears.

The research is conducted by Owen Carey Jones who specialises in the UK mortgage market and currently conducts several regular quarterly surveys of residential landlords and financial advisers on behalf of a number of clients.

2. METHODOLOGY

Having considered the objectives of this project, it was decided that the most appropriate method to use was postal questionnaires.

Questionnaires were sent to 1,829 letting offices of ARLA members in February 2007 and 525 validly completed questionnaires were returned by the due date. These responses were input to our research analysis software and tables of data produced on which this report is based.

3. SUMMARY

- The overall average capital asset value of rented houses has risen by 10.7% over the last three months as a result of rises of 12.4% in Prime Central London and 15.5% in the Rest of the South East. In contrast, the average value for the Rest of the UK fell marginally by 0.6%.
- Over the same period the average value of rented flats throughout the country rose by 6.6%, again as a result of increases in Prime Central London (5.8%) and the Rest of the South East (11.3%) although prices of flats in the Rest of the UK did also rise marginally by 0.9%.
- The average weighted rental returns for houses are unchanged at 5.0% compared with three months ago and the equivalent figure for flats is also unchanged at 5.1%.
- On balance ARLA members report increased achievable rent levels over the last six months on all types of rented property with a higher proportion this quarter (64% compared with 61% in November 2006) saying that this is the case in Prime Central London. There was also a higher proportion in the Rest of the South East (42% compared with 39%) whilst in the Rest of the UK, the figure fell from 40% to 37%.
- The demand for rented residential properties has continued to outstrip supply, particularly for members managing properties in Prime Central London with more than six out of ten of these (62%) now saying there are more tenants than there are properties available for them, a figure which, although down from 71% three months ago, is historically very high. Meanwhile, the proportion of members in the Rest of the South East who say there are more tenants than properties is up from 37% to 42% and the proportion of those in the Rest of the UK who say this is up from 32% to 33%.
- Three out of ten ARLA members (30%) say that landlords are currently buying more properties, a figure which is down from 32% in the fourth quarter of 2006 but which is still double the 15% who say landlords are currently selling properties.
- Compared with the fourth quarter of 2006, the average void period is unchanged at 3.6 weeks (25 days) and the average number of new tenancies signed up in the preceding three months was 30, down from 34 in the fourth quarter of 2006 as a result of seasonal factors.
- The average proportion of ARLA members' offices' portfolios which are made up of investment property, at 52%, is down marginally from 53% in the fourth quarter of 2006.
- The average number of purely investment properties which are managed by ARLA members' offices is also down a little compared with three months ago from 110 properties to 108 properties.
- On average, ARLA members say that tenants remain in the same property for a period of 15.8 months, a figure which is up marginally from 15.7 months in November 2006.

- Too many new rules and the cost of alterations needed to comply with new regulations are seen by ARLA members' offices as having had the greatest impact on landlords' decisions on whether or not to stay in the HMO market. However, too much bureaucracy and the cost of obtaining HMO licences are also seen to have had nearly as much effect on those decisions.
- Overall, according to ARLA members' offices, new builds and properties in good condition are the types most popular with buy to let landlords although those managing properties in Prime Central London are more likely than average to think landlords are buying properties in need of refurbishment, refurbished properties and properties in poor condition.
- In terms of ages of properties currently being bought by buy to let landlords, on average, new properties (up to 10 years old) are by far the most popular although offices managing properties in Prime Central London are much more likely than average to think landlords are buying properties over 100 years old.
- On average, ARLA members believe that buy to let landlords typically borrow 72% of the purchase price with those managing properties in Prime Central London saying that the figure in their area is less at 68% compared with 73% for both the Rest of the South East and the Rest of the UK.

4. RESULTS

The following sections detail the results of the survey for the first quarter of 2007. The regional breakdown of results splits the South East into two component parts - London & South East based respondents who manage properties in Prime Central London and the Rest of the South East.

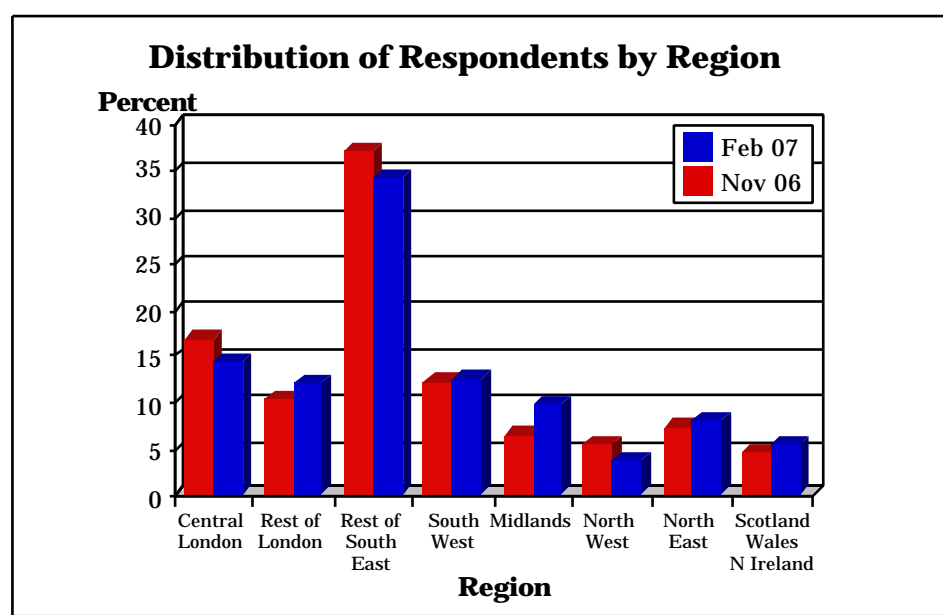
4.1 Geographic Location (Q.1)

The South East, including London, was the region with the highest proportion of ARLA member offices responding, accounting for more than six out of ten respondents (61%).

After the South East, the South West with 12% was the region with the most respondents.

Region	Percent of Respondents (%)		
	Aug 06	Nov 06	Feb 07
Central London	15.7	16.9	14.3
Rest of London (<i>inside M25</i>)	11.8	10.2	12.0
South East (<i>excl. London</i>)	33.7	37.1	34.3
South West	13.3	12.1	12.4
Midlands	8.9	6.5	9.7
North West	4.2	5.4	3.8
North East	6.9	7.3	8.0
Scotland/Wales/NI	5.5	4.6	5.5
Base: All respondents	(451)	(372)	(525)

Compared with the November 2006 survey, there has been little change in the regional breakdown of respondents although this time there were a few less respondents from Central London, the Rest of South East and the North West and a few more from all the other regions.



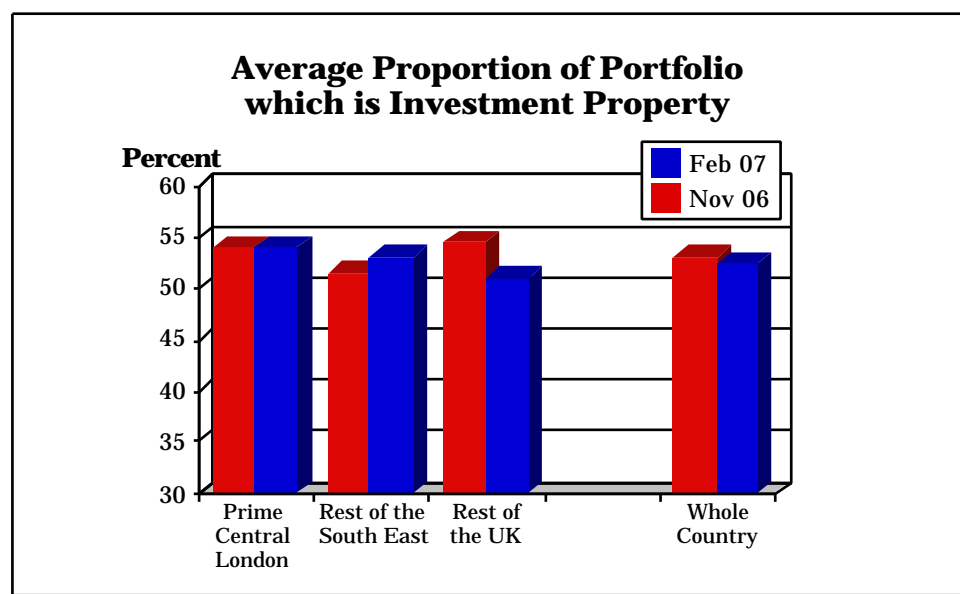
4.2 Proportion of Portfolio Made Up of Investment Property (Q.4)

Most respondents (82%) said that more than a quarter of their portfolio is investment property with getting on for six out of ten (56%) saying that more than half is investment property. Investment properties comprise a tenth or less of their portfolio for only about one in twenty offices (5.2%).

Analysis of the responses to this question reveals that, on average, investment properties account for 52% of ARLA member offices' portfolios.

Proportion of Portfolio	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
None	0.9	-	0.5	0.4
Up to 10%	3.8	4.2	5.8	4.8
11% to 25%	8.5	11.3	14.5	12.0
26% to 50%	30.2	26.9	24.2	26.5
51% to 75%	34.9	31.6	36.2	34.1
Over 75%	21.7	24.1	18.8	21.5
Not stated	-	1.9	-	0.8
Base: All respondents	(106)	(212)	(207)	(525)

For offices in the Rest of the UK, investment properties appear to make up a slightly smaller proportion of their portfolios with the average being 51% compared with 54% for offices managing properties in Prime Central London and 53% for offices in the Rest of the South East.



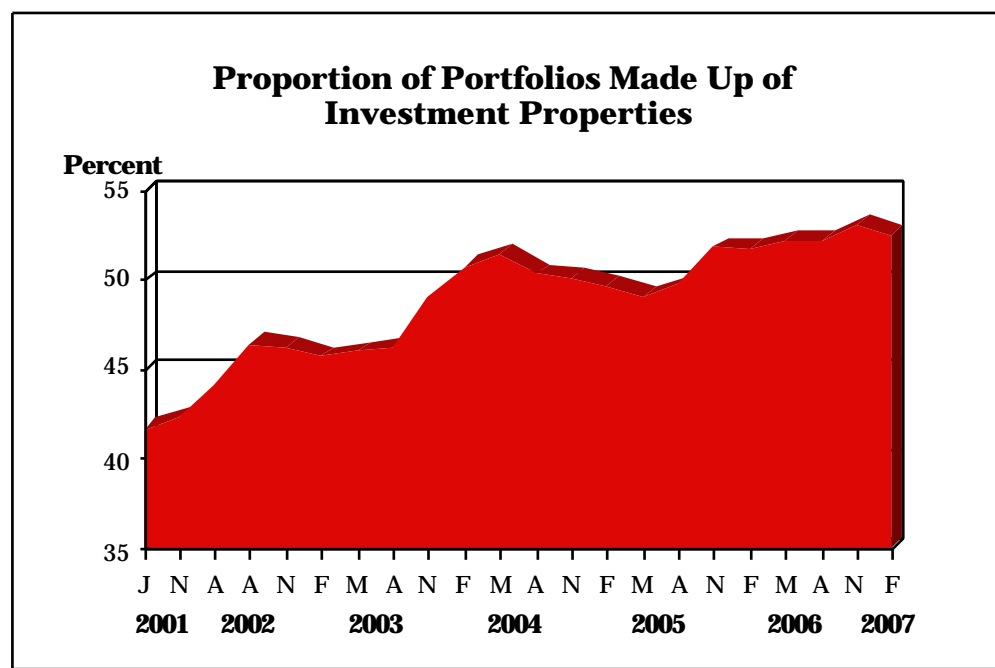
Compared with the last survey in November 2006, the average proportion of portfolios which are in the form of investment property is down very slightly from 53% to 52% as a result of the decrease from 55% to 51% in the average for the Rest of the UK.

Geographic Region	Average Proportion of Portfolio (%)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	51.2	49.8	53.8	53.8
South East	52.8	50.6	51.4	53.1
Rest of UK	52.0	55.1	54.5	51.0
All Regions	52.1	52.1	53.0	52.4
Base: All respondents	(470)	(451)	(372)	(525)

As can be seen from the chart below, the proportion of respondents' portfolios which is made up of investment property, having levelled off for a period of a year from mid-2002 to mid-2003, rose sharply between mid-2003 and mid-2004.

At the end of 2004 the figure levelled off again before slowly reducing during the first half of 2005.

However, both surveys for the second half of 2005 showed the figure was on the increase again and the results since then have delivered a continuing upward trend despite the small downturn seen this time.



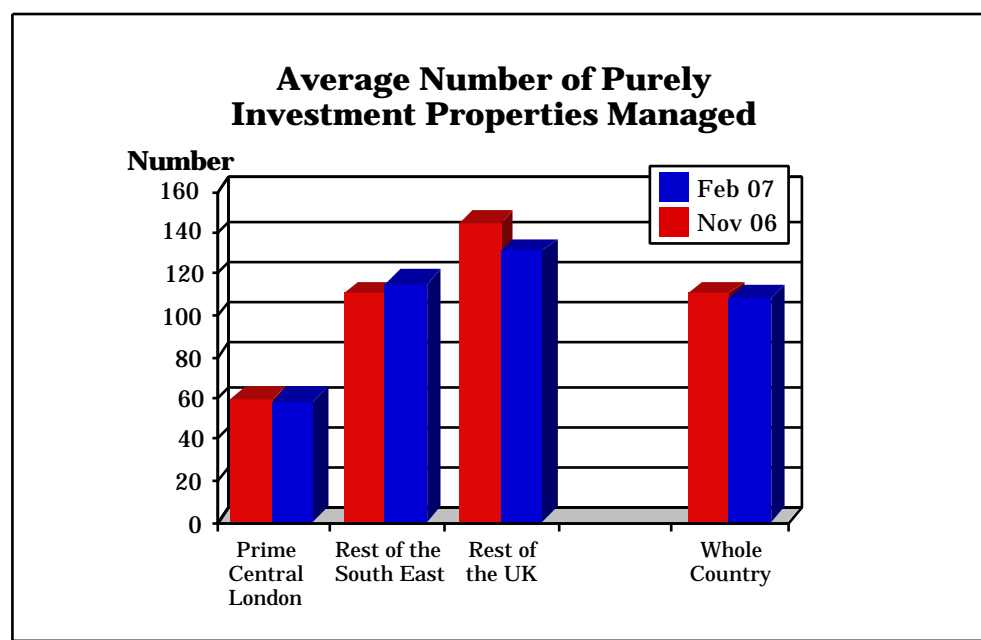
4.3 Number of Purely Investment Properties Managed (Q.5)

By and large, ARLA offices manage substantial numbers of purely investment properties with a third (33%) saying that they manage over a hundred properties and almost eight out of ten (79%) managing in excess of 20 properties.

Analysis of these responses shows that the average number of purely investment properties managed by ARLA offices is currently 108.

Number of Properties	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Up to 5	9.4	2.4	4.8	4.8
6 to 10	8.5	6.6	3.4	5.7
11 to 20	8.5	8.0	10.6	9.1
21 to 50	32.1	20.3	19.8	22.5
51 to 100	19.8	23.6	24.2	23.0
Over 100	19.8	36.8	35.7	33.0
Not stated	1.9	2.4	1.4	1.9
Base: All respondents	(106)	(212)	(207)	(525)

Offices in Prime Central London tend to manage considerably fewer properties on average than their counterparts elsewhere in the country with the average numbers being 58 for Prime Central London, 115 for the Rest of the South East and 131 for the Rest of the UK.



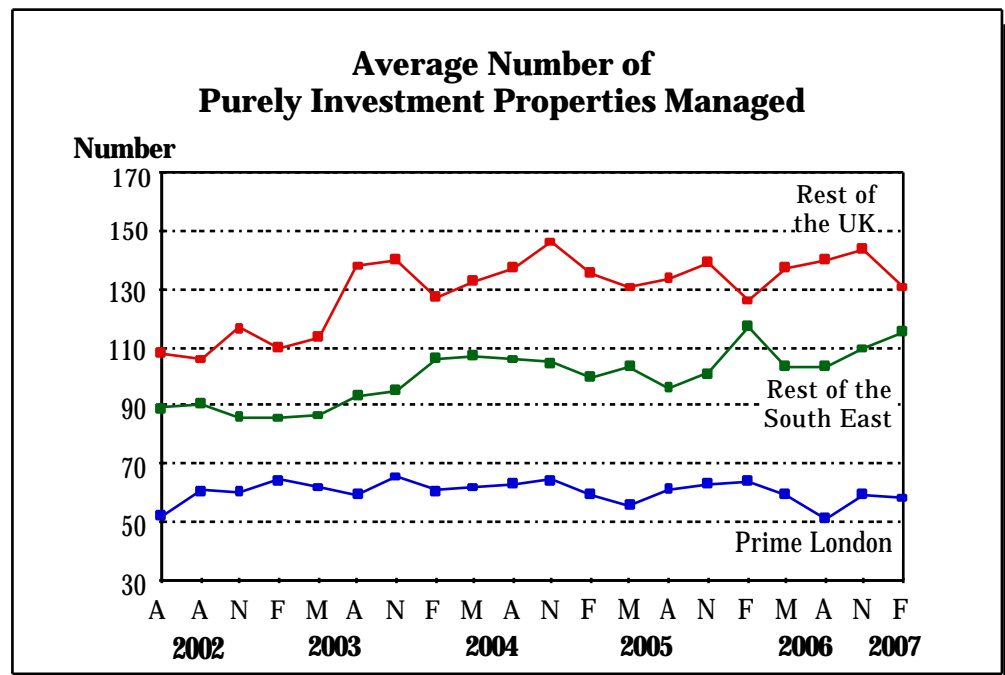
Compared with three months ago, the average number of properties managed is down a little from 110 to 108 properties mainly as a result of quite large decrease in the average for the Rest of the UK.

Geographic Region	Average Number of Properties			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	59.7	50.8	59.1	57.9
South East	103.8	103.1	109.2	114.8
Rest of UK	137.5	140.1	144.0	130.7
All Regions	105.4	103.2	109.7	107.8
Base: All respondents	(470)	(451)	(372)	(525)

As can be seen from the chart below, the average number of properties managed by ARLA members in the Rest of the UK has stayed in the range 130 to 150 properties for most of the last four years.

For Prime Central London the figure has also been relatively steady at an average of between 60 and 65 properties for some time despite occasionally moving a little outside this band.

The average for the Rest of the South East, however, has seen a slight rising trend over the last five years and despite staying level during 2004 and 2005 has risen from 90 properties five years ago to around 110 properties now.



4.4 Average Value of Rented Residential Properties (Q.6)

The response bands for this question were changed this time with the amalgamation of the two lowest bands into one band of up to £100,000 and the addition of a new band at Over £1 million. This change may have exaggerated the increase in prices for Prime Central London and the Rest of the South East a little but has probably not affected the figures much.

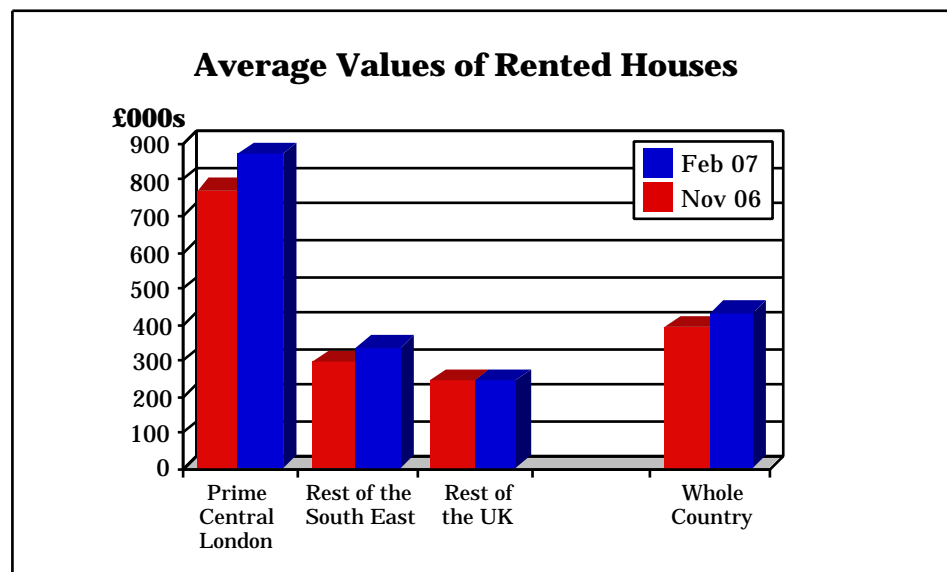
Houses

Slightly more than half of respondents (51%) say that the average value of a rented house in their area is between £150,000 and £350,000.

Only a little more than one in two hundred offices (0.6%) say the average is below £100,000 but for one in fourteen respondents (7%), the average in their area is in excess of £1 million.

Analysis of these figures gives an overall weighted average value for a rented house of £426,900.

Average Value of Houses	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Up to £100,000	-	-	1.4	0.6
£100,001 to £150,000	-	6.1	23.2	11.6
£150,001 to £200,000	1.9	25.0	36.7	25.0
£200,001 to £350,000	10.4	34.4	24.2	25.5
£350,001 to £500,000	16.0	20.8	8.7	15.0
£500,001 to £750,000	15.1	6.6	2.4	6.7
£750,001 to £1 Million	24.5	2.4	1.0	6.3
Over £1 Million	28.3	1.9	1.0	6.9
Not stated	3.8	2.8	1.4	2.5
Base: All respondents	(106)	(212)	(207)	(525)



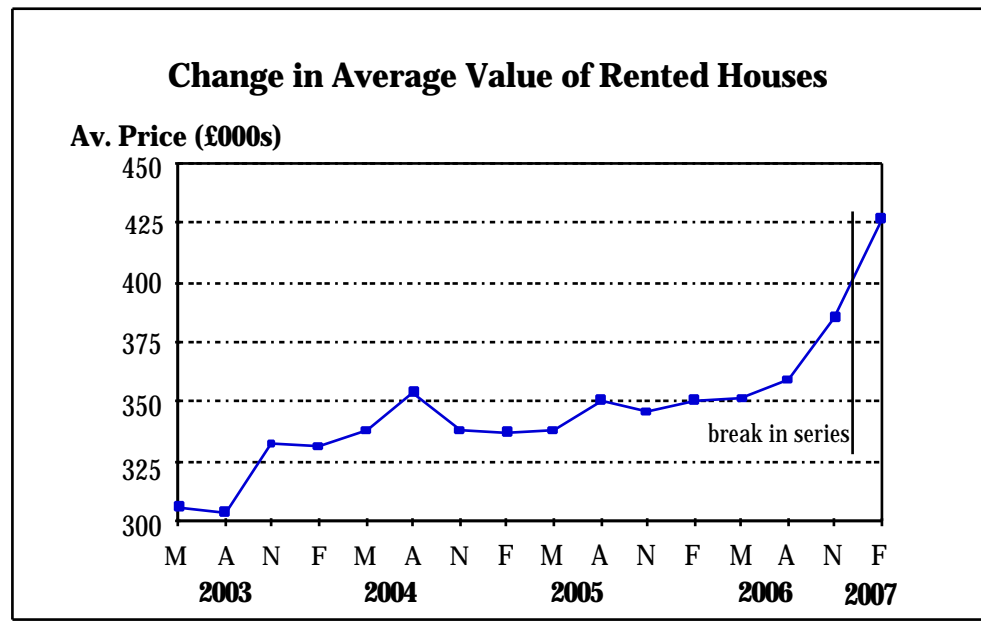
There are big differences between the values of rented houses in the different regional areas with the average for Prime Central London being well over three quarters of a million pounds (£866,200) compared with less than half that figure (£334,000) in the Rest of the South East and only a little more than a quarter of it (£239,200) in the Rest of the UK.

Compared with the last survey, the overall weighted average value of rented houses has risen by 10.7% from £385,600 to £426,900.

Geographic Region	Average Value of Rented Houses (000s)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	668.3	691.9	770.6	866.2
South East	295.8	302.5	289.2	334.0
Rest of UK	201.6	198.4	240.7	239.2
All Regions (weighted)	351.5	358.9	385.6	426.9
Base: All respondents	(443)	(470)	(372)	(525)

Within this overall change, the average price of a rented house in Prime Central London has risen by 12.4% whilst that for the Rest of the South East is up by 15.5%. The average for the Rest of the UK, however, is little changed.

As can be seen from the chart below, between May 2003 and August 2004 the average value of a rented house increased by 16% from £306,100 to £353,800 and, after stabilising for a couple of years, has again been rising since the end of 2005. Although this latest increase is large in historical terms, it is not that much greater than the increase seen in November last year.



Flats

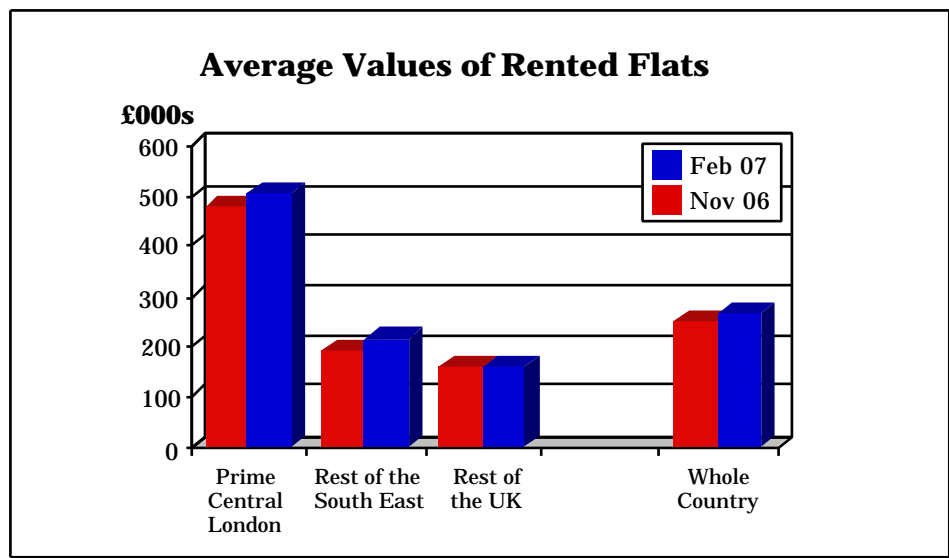
More than half of respondents (53%) say that the average value of a rented flat in their area is between £100,000 and £200,000.

However, getting on for one in ten respondents 8%, say the average value of a rented flat in their area is below £100,000 compared with only one in a hundred (1%) who say the average value is in excess of £1 million.

Analysis of these figures gives an overall weighted average value for a rented flat of £262,800.

Average Value of Flats	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Up to £100,000	-	3.8	15.5	7.6
£100,001 to £150,000	0.9	22.6	40.6	25.3
£150,001 to £200,000	6.6	36.8	29.5	27.8
£200,001 to £350,000	21.7	25.0	8.7	17.9
£350,001 to £500,000	37.7	5.2	1.4	10.3
£500,001 to £750,000	13.2	0.5	1.9	3.6
£750,001 to £1 Million	11.3	1.4	-	2.9
Over £1 Million	4.7	-	-	1.0
Not stated	3.8	4.7	2.4	3.6
Base: All respondents	(106)	(212)	(207)	(525)

As with rented houses, there are big differences between the values of rented flats in the different regional areas with the average for Prime Central London being more than half a million pounds (£504,200) compared with £211,600 in the Rest of South East and just £159,900 in the Rest of the UK.

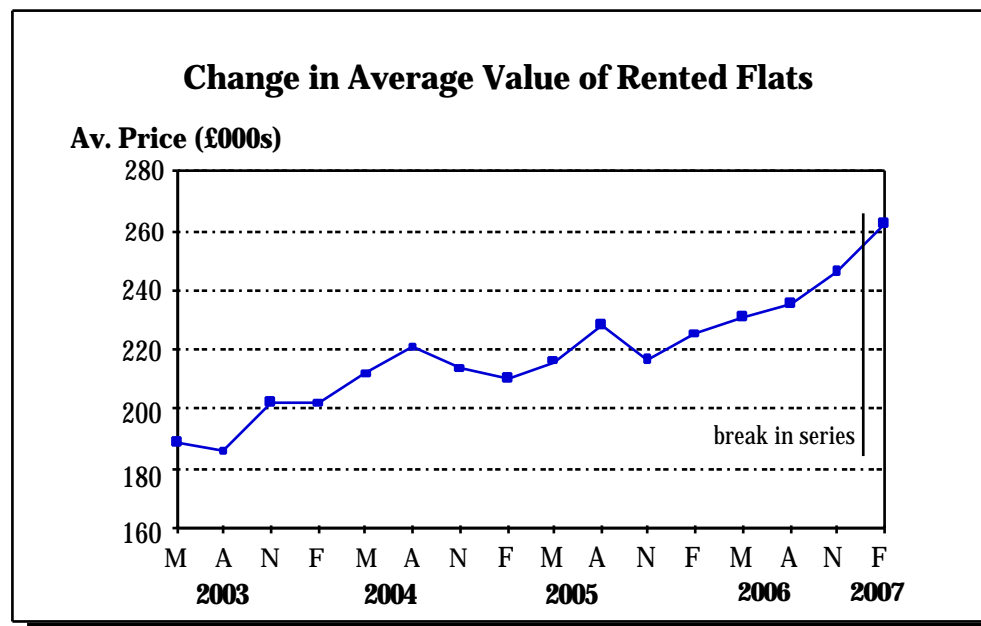


Compared with three months ago, the overall weighted average value of a rented flat has risen by 6.6% from £246,500 to £262,800.

Geographic Region	Average Value of Rented Flats (000s)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	444.1	460.3	476.6	504.2
South East	187.1	190.8	190.2	211.6
Rest of UK	139.1	136.2	158.4	159.9
All Regions (weighted)	231.2	235.6	246.5	262.8
Base: All respondents	(470)	(451)	(372)	(525)

Within that overall change, the average value of rented flats in the Rest of the South East has risen by 11% and in Prime Central London by 5.8%. As was the case with houses, the average for the Rest of the UK is little changed.

As can be seen from the chart below, over the last four years, the average value of a rented flat has increased by 39% from £189,100 to £262,800 despite the occasional temporary downturn.



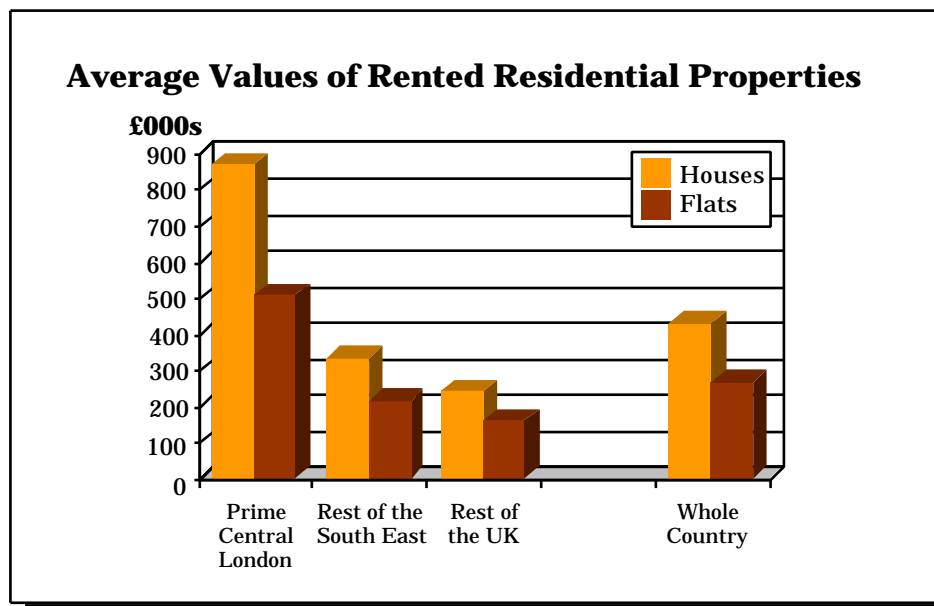
Summary

As was to be expected, average values of rented houses are much higher than those of rented flats with the figure for houses in Prime Central London being 72% higher than that for flats.

There is also a big difference between the values of houses and flats in the rest of the country although the difference is a little less marked at 58% for the Rest of the South East and 50% for the Rest of the UK.

Geographic Region	Average Value of Properties (000s)	
	Houses	Flats
Prime Central London	866.2	504.2
South East	334.0	211.6
Rest of UK	239.2	159.9
All Regions (weighted)	426.9	262.8

Base: All respondents (525)



4.5 Average Rental Return on Rented Residential Property (Q.7)

Houses

According to ARLA members' offices, a rental return of between 4% and 5% is the norm for rented houses with more than half of all respondents (52%) saying that this applies to their area. Analysis of these results reveals a weighted average rental return on rented houses of 5.0%.

Average Return	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Less than 4%	17.9	17.0	14.0	16.0
4% to 5%	57.5	49.1	53.1	52.4
6%	7.5	13.2	10.6	11.0
7%	3.8	4.7	5.8	5.0
8%	2.8	3.8	2.9	3.2
9% to 10%	1.9	3.8	4.3	3.6
11% to 12%	1.9	0.5	1.4	1.1
12% to 15%	-	0.5	-	0.2
Over 15%	0.9	1.4	1.4	1.3
Not stated	5.7	6.1	6.3	6.1
Base: All respondents	(106)	(212)	(207)	(525)

There is some difference in rates of return between the three broad geographic areas with the average for Prime Central London (4.7%) being the lowest and that for the Rest of the UK (5.1%) being the highest.

Geographic Region	Average Rental Return (%)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	5.0	4.6	5.3	4.7
South East	5.2	4.8	5.0	5.0
Rest of UK	5.4	5.3	4.8	5.1
All Regions (weighted)	5.2	4.9	5.0	5.0
Base: All respondents	(470)	(451)	(372)	(525)

Compared with three months ago, the overall average weighted rental return on houses is unchanged at 5.0%.

The average rental return on houses in Prime Central London, however, has fallen quite sharply from 5.3% to 4.7% whilst that for the Rest of the UK has risen from 4.8% to 5.1%. However both these changes merely go most of the way to reversing the changes seen in November last year and are probably not significant. As if to emphasise this, the average for the Rest of the South East is unchanged at 5.0%.

Flats

A rental return of between 4% and 5% also appears to be the norm for rented flats with more than half of respondents (56%) saying that this applies to their area. Analysis of these results reveals a weighted average rental return on rented flats of 5.1%.

Average Return	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Less than 4%	10.4	9.4	14.0	11.4
4% to 5%	62.3	53.3	55.1	55.8
6%	8.5	17.5	12.1	13.5
7%	6.6	3.8	2.9	4.0
8%	0.9	2.4	2.9	2.3
9% to 10%	4.7	3.8	3.9	4.0
11% to 12%	0.9	0.5	1.0	0.8
12% to 15%	-	-	-	-
Over 15%	1.9	1.4	1.4	1.5
Not stated	3.8	8.0	6.8	6.7
Base: All respondents	(106)	(212)	(207)	(525)

There is some difference in the rates of return for rented flats between the different geographical areas, with the averages for Prime Central London and the Rest of the South East, at 5.2%, being higher than that for the Rest of the UK which stands at 5.0%.

Geographic Region	Average Rental Return (%)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	5.3	5.0	5.6	5.2
South East	5.3	4.9	5.1	5.2
Rest of UK	5.2	5.4	4.8	5.0
All Regions (weighted)	5.3	5.1	5.1	5.1
Base: All respondents	(470)	(451)	(372)	(525)

Compared with the last survey in November 2006, the overall weighted average rental return on flats is an unchanged 5.1%.

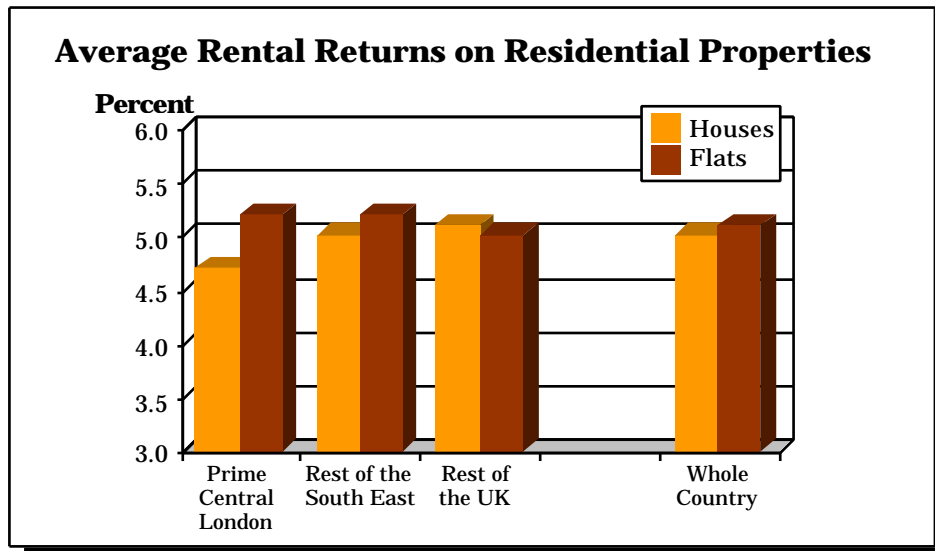
Within this, there has been some divergence from the overall for each of the broad geographic areas with the average for Prime Central London falling from 5.6% to 5.2%, the average for the Rest of the South East rising a little from 5.1% to 5.2% and that for the Rest of the UK also rising, from 4.8% to 5.0%.

Summary

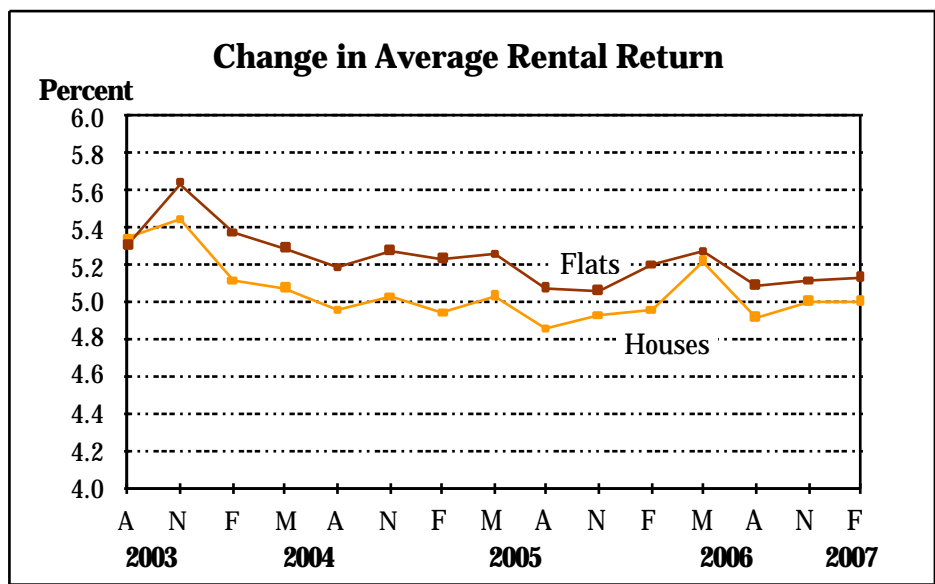
The lowest rental returns are currently being earned on houses in Prime Central London (4.7%) whilst, at the other end of the scale, average rental returns are highest for flats in both Prime Central London and the Rest of the South East (5.2%).

Geographic Region	Average Rental Return (%)	
	Houses	Flats
Prime Central London	4.7	5.2
South East	5.0	5.2
Rest of UK	5.1	5.0
All Regions (weighted)	5.0	5.1

Base: All respondents (525)



Overall, flats appear to earn a slightly higher gross return than do houses, particularly in Prime Central London, although this no longer seems to be the case in the Rest of the UK.



As can be seen in the chart above, after quite a long period of declining average rental returns, the averages for both houses and flats turned upwards in the autumn of 2005. The very sharp reduction six months ago followed a sharp increase, and the results from the last two surveys suggest that the current trend is for average rental returns to be fairly stable.

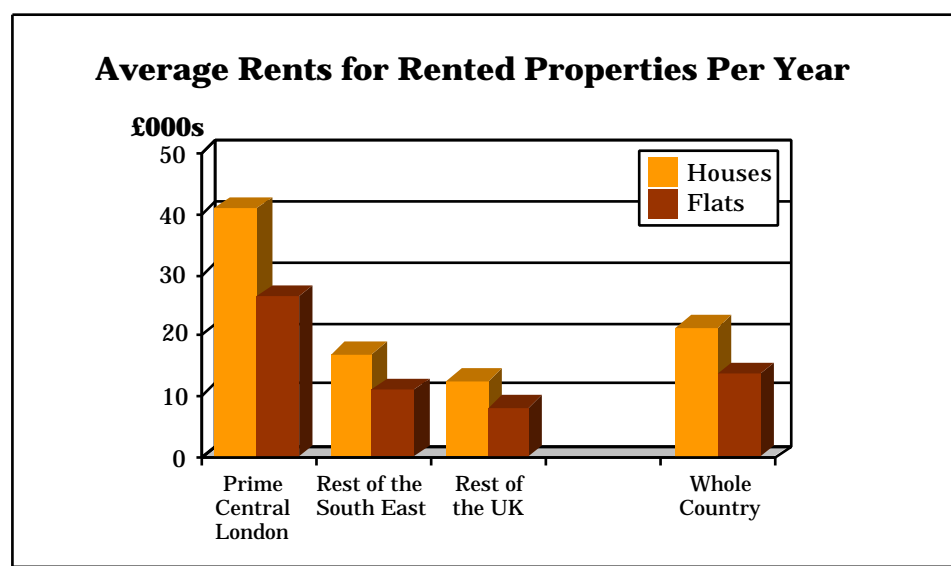
Average Rents

The table below shows the average rents being received by landlords based on the average rental returns and average property values quoted above.

Geographic Region	Average Rents - Feb 07					
	HOUSES			FLATS		
	Week (£)	Month (£)	Year (£000)	Week (£)	Month (£)	Year (£000)
Prime Central London	783	3,393	40.7	504	2,185	26.2
South East	321	1,392	16.7	212	917	11.0
Rest of UK	235	1,017	12.2	154	666	8.0
All Regions (weighted)	407	1,765	21.2	259	1,124	13.5

Base: All respondents (525)

In the case of all the broad geographic regions, the average rent of a house is more than half as much again as the average rent for a flat (between 52% and 55% higher).



Compared with three months ago, average rents for houses are up by 10% mainly as a result of a big increase of 15% for the Rest of the South East and a smaller increase of 6% for the Rest of the UK. On average, respondents managing properties in Prime Central London reported no change in the average house rents for their area.

Average rents for flats are also up overall, by 7%, although they have fallen a little for respondents managing properties in Prime Central

London where they have reduced by 2% compared with increases of 13% for respondents in the Rest of the South East and 5% for respondents in the Rest of the UK

Geographic Region	Average Rents - Nov 06					
	HOUSES			FLATS		
	Week (£)	Month (£)	Year (£000)	Week (£)	Month (£)	Year (£000)
Prime Central London	785	3,403	40.8	513	2,224	26.7
South East	278	1,205	14.5	187	808	9.7
Rest of UK	222	963	11.6	146	634	7.6
All Regions (weighted)	371	1,608	19.3	243	1,051	12.6

Base: All respondents (372)

Further analysis of the responses to this question enables average rents to be derived for each of the geographic regions included in the survey and these are shown for this quarter and last quarter in the tables below.

However, it should be noted that the number of respondents for some of the regions is relatively small with the smallest number (20) being for the North West.

Geographic Region	Average Rents - Feb 07					
	HOUSES			FLATS		
	Week (£)	Month (£)	Year (£000)	Week (£)	Month (£)	Year (£000)
Prime Central London	783	3,393	40.7	504	2,185	26.2
Rest of London	479	2,075	24.9	324	1,404	16.9
Rest of South East	295	1,277	15.3	185	802	9.6
South West	274	1,189	14.3	181	786	9.4
Midlands	175	759	9.1	115	498	6.0
North West	235	1,017	12.2	151	654	7.8
North East	227	983	11.8	149	648	7.8
Scotland/Wales/NI	244	1,059	12.7	164	711	8.5

Base: All respondents (525)

Geographic Region	Average Rents - Nov 06					
	HOUSES			FLATS		
	Week (£)	Month (£)	Year (£000)	Week (£)	Month (£)	Year (£000)
Prime Central London	785	3,403	40.8	513	2,224	26.7
Rest of London	356	1,541	18.5	239	1,034	12.4
Rest of South East	268	1,162	13.9	178	772	9.3
South West	256	1,110	13.3	172	745	8.9
Midlands	179	775	9.3	111	483	5.8
North West	243	1,055	12.7	148	643	7.7
North East	181	784	9.4	124	537	6.4
Scotland/Wales/NI	183	792	9.5	156	674	8.1

Base: All respondents (372)

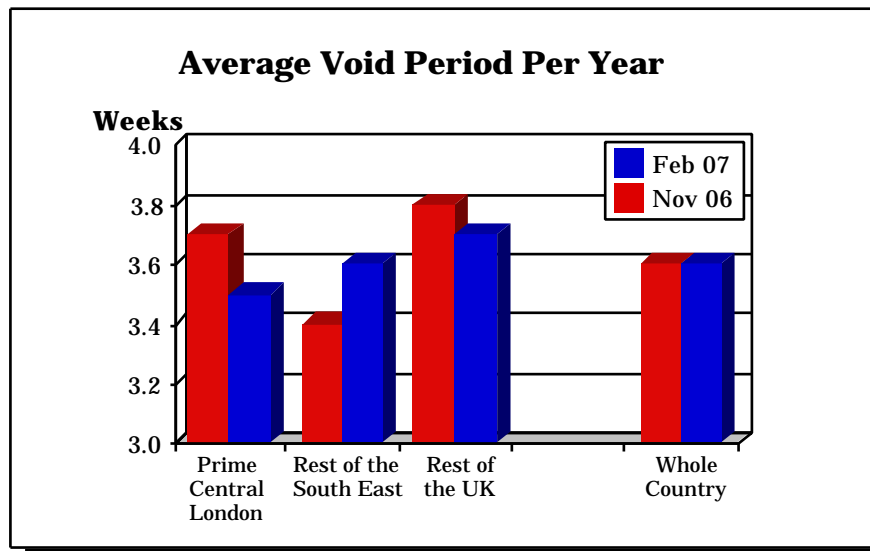
4.6 Average Void Period Per Year (Q.8)

Average void periods for rented residential properties tend to be quite short with almost seven out of ten ARLA members' offices (69%) reporting averages of 4 weeks or less per year and, in addition, a quarter (25%) say the average is between 5 and 6 weeks.

These figures indicate an overall average void rate of 3.6 weeks (25 days) per year.

Average Void Period	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Less than 2 weeks	14.2	13.7	11.1	12.8
2 to 4 weeks	58.5	55.2	55.1	55.8
5 to 6 weeks	22.6	25.0	25.6	24.8
7 to 8 weeks	3.8	3.3	5.3	4.2
More than 8 weeks	-	1.4	0.5	0.8
Don't know	0.9	0.9	2.4	1.5
Not stated	-	0.5	-	0.2
Base: All respondents	(106)	(212)	(207)	(525)

Respondents from the Rest of the UK experience a slightly higher void rate than average at 3.7 weeks (26 days) whilst the average void period for the Rest of the South East is the same as the overall average at 3.6 weeks (25 days) and that for Prime Central London is below average at 3.5 weeks (24 days).

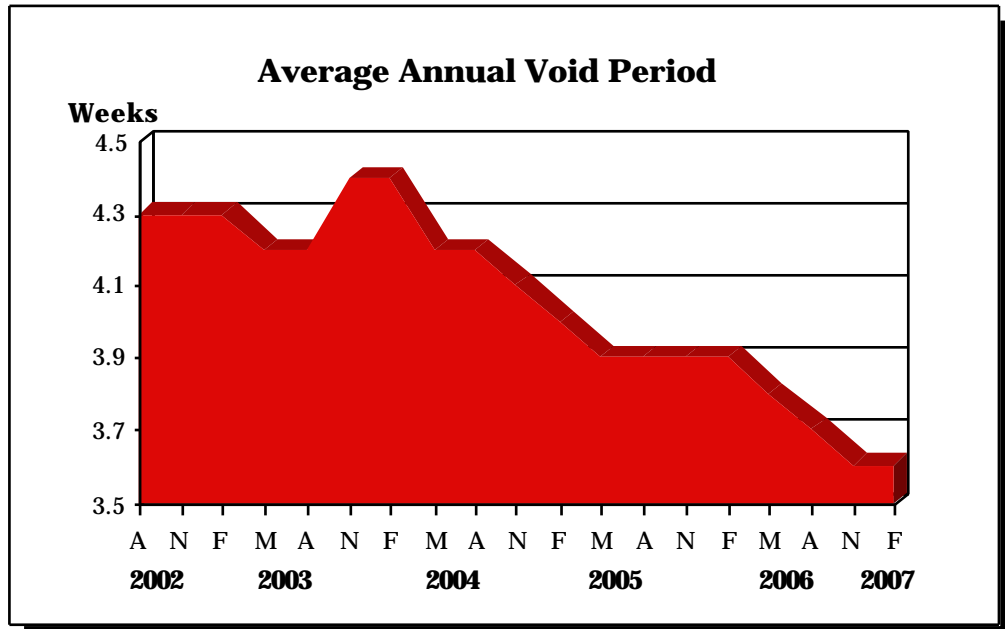


Compared with three months ago, the average void period for the whole country is unchanged at 3.6 weeks (25 days).

This overall relatively static position is reflected in the figures for each of the broad geographic areas although the individual averages have changed by a day or so one way or the other.

Geographic Region	Average Void Period (weeks)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	4.0	3.8	3.7	3.5
South East	3.7	3.6	3.4	3.6
Rest of UK	3.8	3.8	3.8	3.7
All Regions	3.8	3.7	3.6	3.6
Base: All respondents	(470)	(451)	(372)	(525)

As can be seen from the chart below, whilst this quarter's average figure is unchanged, the average has been declining for some time and has fallen by 18% from a high of 4.4 weeks (31 days) per year in the winter of 2003/2004 to 3.6 weeks (25 days) now.



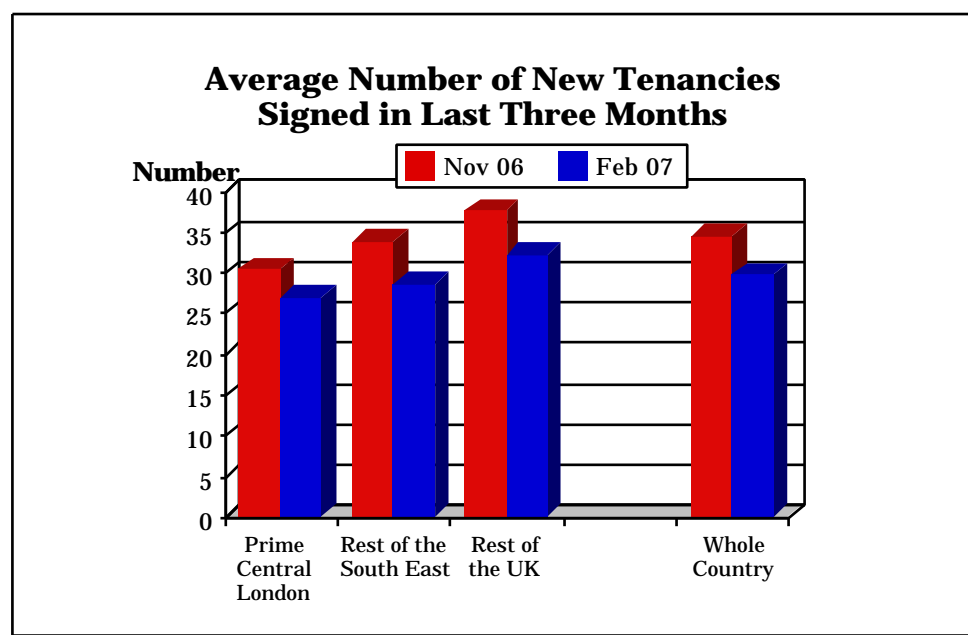
4.7 Number of New Tenancies (Not Renewals) Signed Up in the Last Three Months (Q.9)

More than three quarters of ARLA members' offices (77%) have signed up more than 10 new tenancies (other than renewals) in the last three months with almost half (49%) having signed up more than 20 and getting on for two out of ten (17%) more than 50.

Analysis of these results reveals that, on average, ARLA members' offices have each signed up 30 new tenancies in the last three months.

Number of Tenancies	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
None	0.9	0.5	0.5	0.6
Up to 5	7.5	7.1	7.2	7.2
6 to 10	12.3	18.9	13.0	15.2
11 to 20	28.3	26.9	27.5	27.4
21 to 50	42.5	29.2	30.0	32.2
Over 50	8.5	16.5	21.7	17.0
Not stated	-	0.9	-	0.4
Base: All respondents	(106)	(212)	(207)	(525)

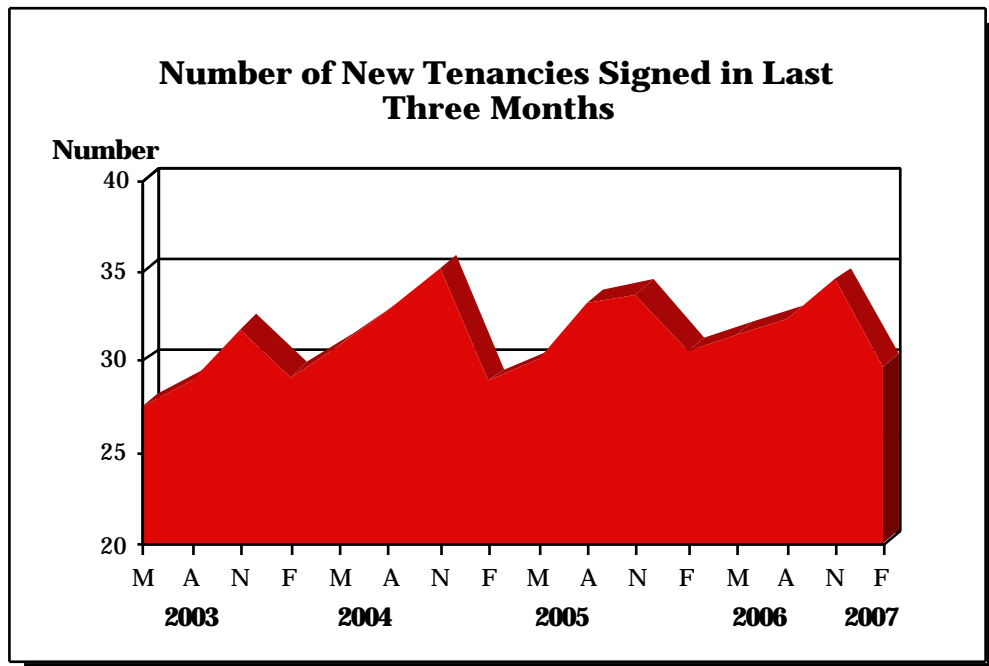
Offices managing properties in Prime Central London have fared less well than those in the Rest of the South East and those the Rest of the UK with the average figures being 27 for Prime Central London compared with 29 for the Rest of the South East and 32 for the Rest of the UK.



Compared with the last survey, there has been a decrease in the average number of new tenancies signed up in the preceding three months from 34 to 30. This decrease is reflected in decreases for each of the three broad regional areas.

Geographic Region	Number of New Tenancies			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	28.7	29.0	30.3	26.8
South East	31.8	32.7	33.8	28.7
Rest of UK	32.8	33.9	37.6	32.3
All Regions	31.4	32.3	34.4	29.7
Base: All respondents	(470)	(451)	(372)	(525)

As can be seen from the chart below, the decline seen this quarter is seasonal with decreases in the average number of new tenancies occurring in the first quarter for each of the last four years.



4.8 Balance of Supply & Demand in Rented Residential Property Sector (Q.10)

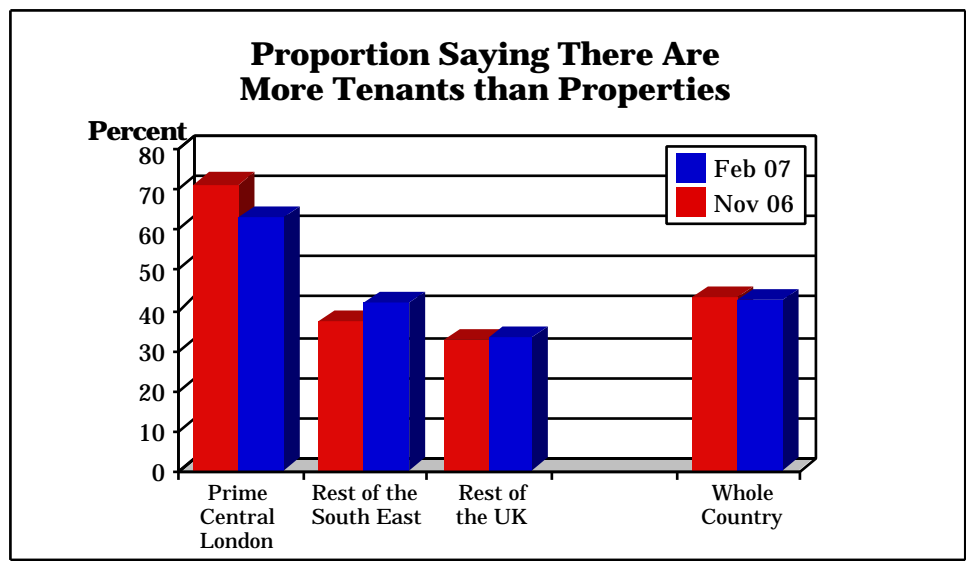
More than four out of ten ARLA members' offices (42%) say that there are currently more tenants than there are properties available for them.

This compares with a smaller proportion (27%) who believe that there are more residential properties available for rent than there are tenants to fill them. However, slightly more than three out of ten (31%) believe that supply of, and demand for, rented residential properties is in balance.

These figures suggest that, overall, the demand for and supply of rented residential properties is fairly well balanced although demand may be outstripping supply in some places.

Balance of Supply and Demand	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Lot more props than tenants	2.8	7.1	8.2	6.7
Few more props than tenants	15.1	19.8	23.7	20.4
Equal nos of props & tenants	19.8	31.6	35.3	30.7
Lot more tenants than props	32.1	22.6	12.6	20.6
Few more tenants than props	30.2	18.9	20.3	21.7
Not stated	-	-	-	-
Base: All respondents	(106)	(212)	(207)	(525)

Once again, Prime Central London has the highest proportion of respondents saying that there are more tenants than properties (62%) with the comparative figure for the Rest of the South East being 42% and for the Rest of the UK being 33%.



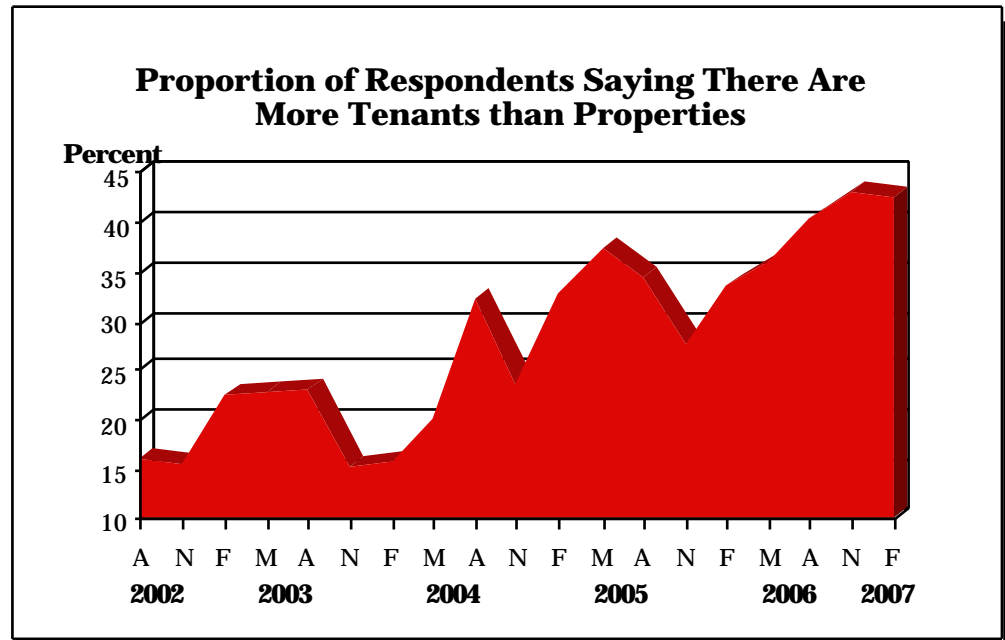
Compared with three months ago, there has been a decline for Prime Central London, albeit from a very high level, with the proportion of respondents saying there are more tenants than properties falling from

71% to 62%. The Rest of the South East, on the other hand, experienced an improvement, rising from 37% to 42% whilst the Rest of the UK saw a small improvement in its fortunes with the figure for that region rising slightly from 32% to 33%.

Overall, more than four out of ten respondents to this survey (42%, down marginally from 43% three months ago) said there were more tenants than properties suggesting that the situation with regard to the balance of supply and demand has changed little since November.

Geographic Region	Proportion Saying There Are More Tenants than Properties (%)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	51.3	61.4	71.0	62.3
South East	35.2	34.2	36.8	41.5
Rest of UK	27.2	33.7	32.1	32.9
All Regions	36.0	40.1	42.7	42.3
Base: All respondents	(470)	(451)	(372)	(525)

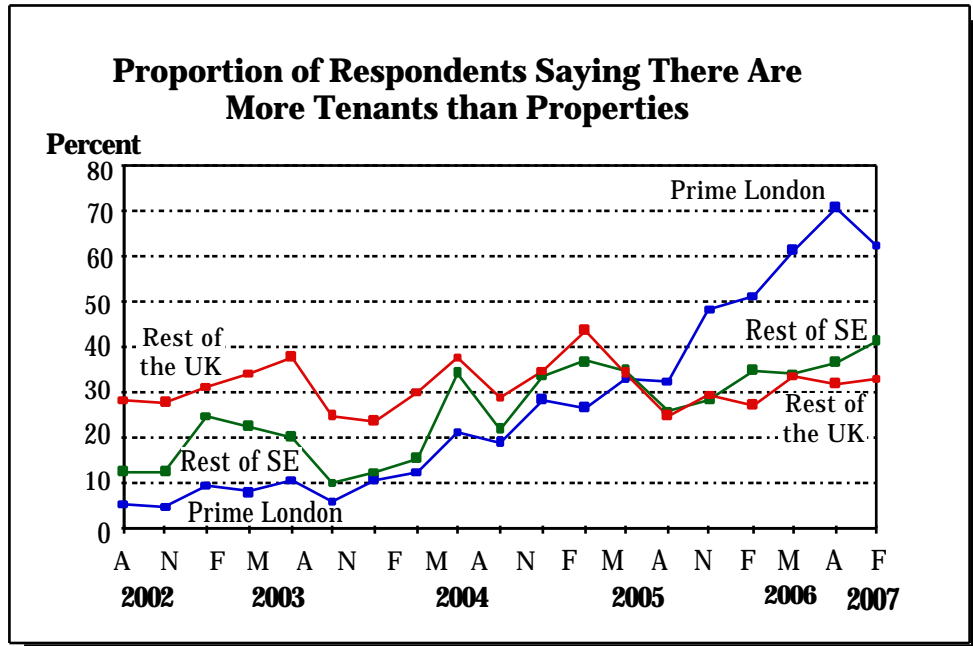
As the chart below shows, the proportion of respondents saying that there are more tenants than properties is still at an historically high level, in fact the second highest level since this question was first asked more than four years ago.



Looking at changes for each of the broad geographic areas over the last four years, as can be seen from the chart below, the most dramatic turnaround has taken place in Prime Central London where the proportion of respondents saying that there are more tenants than there are properties available for them rose fourteenfold, from a low of 5% in the last quarter of 2002 to a high of 71% in the fourth quarter of 2006. Despite the fall this time, the figure is still very high.

In the Rest of the South East, the figure has also risen but not as dramatically, growing more than fourfold from a low of 10% in the last quarter of 2003 to the present figure of 42%.

In the Rest of the UK, on the other hand, the figure has remained relatively steady at between 30% and 40% although it has strayed outside this band from time to time.

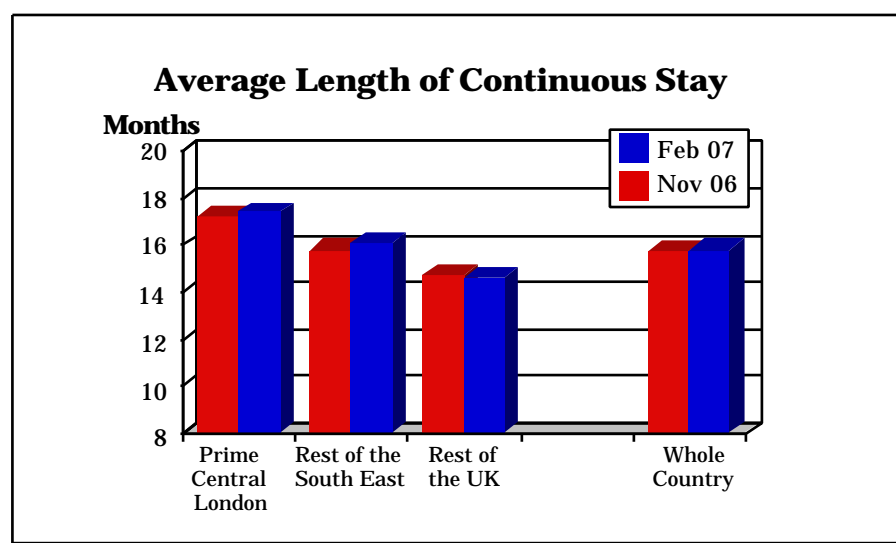


4.9 Average Length of Continuous Stay in Property (Q.11)

Almost three quarters of tenants (74%) remain in the same property for between 10 and 18 months. Based on these figures, tenants tend to stay in the same property for an average of 15.8 months.

Average Length of Continuous Stay	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
6 to 9 months	1.9	0.5	7.7	3.6
10 to 12 months	17.0	30.2	30.0	27.4
13 to 18 months	47.2	47.2	45.4	46.5
19 to 24 months	26.4	17.0	11.6	16.8
More than 24 months	7.5	5.2	2.9	4.8
Don't know	-	-	2.4	1.0
Not stated	-	-	-	-
Base: All respondents	(106)	(212)	(207)	(525)

The average time a tenant stays in the same property is longest for Prime Central London at 17.4 months compared with 16.1 months for the Rest of the South East and 14.6 months for the Rest of the UK.

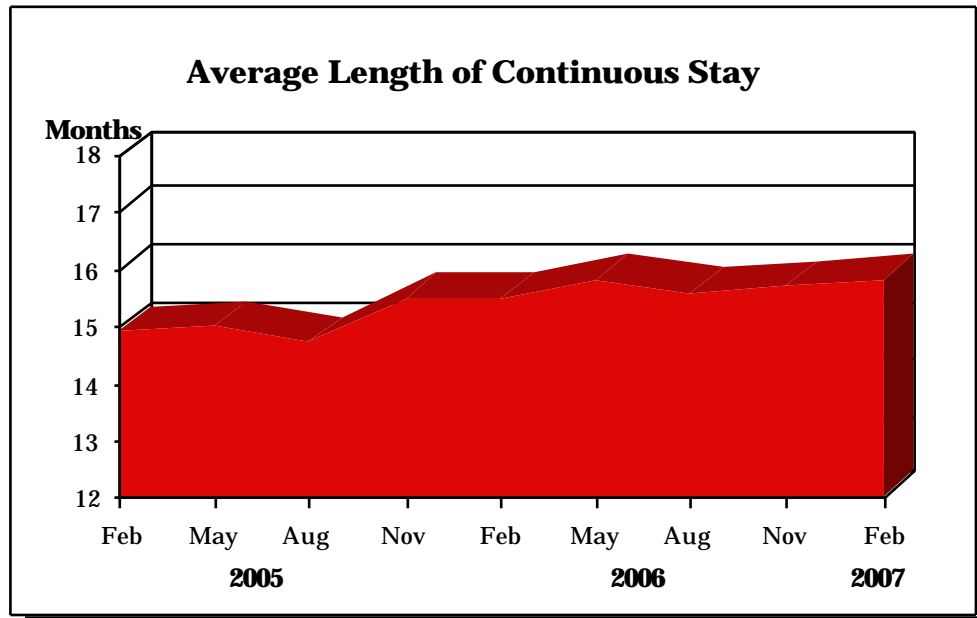


Geographic Region	Average Continuous Stay (months)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	17.8	17.7	17.2	17.4
South East	15.8	14.8	15.8	16.1
Rest of UK	14.6	15.1	14.7	14.6
All Regions	15.8	15.6	15.7	15.8
Base: All respondents	(470)	(451)	(372)	(525)

Compared with the last survey, there has been little change in these figures although the average for the Rest of the South East has risen

from 15.8 months to 16.1 months and that for Prime Central London has increased from 17.2 months to 17.4 months whilst that for the Rest of the UK has fallen a little from 14.7 months to 14.6 months.

As can be seen from the chart below, the average length of stay in a property has changed little over the last two years although it has been drifting gently upwards.



4.10 Change in Achievable Rent Levels Over Last 6 Months (Q.12)

All Regions

In the case of each of the listed property types, between 38% and 49% of ARLA members' offices believe that achievable rent levels have increased over the last six months whilst only between 4% and 11% believe they have fallen.

Response	Percent of Respondents (%)					
	Det House	Semi House	Terr House	Conv Flat	PB Flat	Studio Flat
Increased a lot	2.5	1.9	3.4	6.3	6.5	3.4
Increased a little	37.0	46.1	45.5	37.1	41.5	34.9
Stayed the same	43.0	40.6	42.5	42.9	37.7	42.5
Decreased a little	7.4	4.8	3.8	6.9	10.1	6.3
Decreased a lot	0.6	0.2	0.2	0.4	1.0	0.8
Don't know	8.8	5.5	3.6	5.9	2.5	11.2
Not stated	0.8	1.0	1.0	0.6	0.8	1.0

Base: All respondents (525)

These figures tend to suggest that, on average, achievable rent levels have increased significantly over the past six months.

Prime Central London

Within the overall figures, there is a bigger spread between property types in Prime Central London with between 50% and 76% saying that achievable rent levels for each type of property have risen.

With regard to the proportions who think achievable rent levels in Prime Central London have decreased, the spread is smaller than for the whole country with between 2% and 5% saying they think this is the case.

Response	Percent of Respondents (%)					
	Det House	Semi House	Terr House	Conv Flat	PB Flat	Studio Flat
Increased a lot	7.5	7.5	10.4	19.8	17.0	12.3
Increased a little	42.5	48.1	54.7	54.7	58.5	50.0
Stayed the same	19.8	22.6	26.4	19.8	17.9	26.4
Decreased a little	2.8	3.8	1.9	1.9	4.7	1.9
Decreased a lot	1.9	0.9	0.9	-	-	0.9
Don't know	24.5	16.0	4.7	2.8	0.9	7.5
Not stated	0.9	0.9	0.9	0.9	0.9	0.9

Base: All respondents (106)

It would appear from these figures that, on average, achievable rent levels in Prime Central London have increased very significantly over the past six months.

Rest of the South East

With regard to the Rest of the South East, the picture is close to the overall average for the whole country with between 36% and 47% of respondents saying that achievable rent levels have increased compared with between 3% and 9% saying they have decreased.

Response	Percent of Respondents (%)					
	Det House	Semi House	Terr House	Conv Flat	PB Flat	Studio Flat
Increased a lot	1.4	0.5	0.5	2.8	3.8	0.9
Increased a little	34.4	44.8	42.9	36.8	42.9	38.2
Stayed the same	49.1	46.2	48.6	44.8	42.9	42.0
Decreased a little	7.1	3.8	3.3	7.1	8.5	3.8
Decreased a lot	0.5	-	-	-	-	0.5
Don't know	6.1	2.8	3.3	7.5	0.9	13.2
Not stated	1.4	1.9	1.4	0.9	0.9	1.4

Base: All respondents (206)

These figures tend to suggest that rent levels in the South East have also increased significantly in the last six months.

Rest of the UK

For the Rest of the UK, the position, whilst still being strongly positive, is the least positive. Nevertheless, many more respondents say that achievable rent levels have increased than say they have decreased.

Between 25% and 47% of offices say that achievable rent levels for each type of property have increased whilst only between 5% and 17% believe rent levels have decreased over the last six months.

Response	Percent of Respondents (%)					
	Det House	Semi House	Terr House	Conv Flat	PB Flat	Studio Flat
Increased a lot	1.0	0.5	2.9	2.9	3.9	1.4
Increased a little	36.7	46.4	43.5	28.5	31.4	23.7
Stayed the same	48.8	44.0	44.4	52.7	42.5	51.2
Decreased a little	10.1	6.3	5.3	9.2	14.5	11.1
Decreased a lot	-	-	-	1.0	2.4	1.0
Don't know	3.4	2.9	3.4	5.8	4.8	11.1
Not stated	-	-	0.5	-	0.5	0.5

Base: All respondents (207)

As with the other geographical areas, it appears from these figures that achievable rent levels in the Rest of the UK have increased significantly over the last six months.

Summary

The table and graph below show the proportion of ARLA members' offices from each geographical area who say they believe achievable rent levels have increased for each type of property.

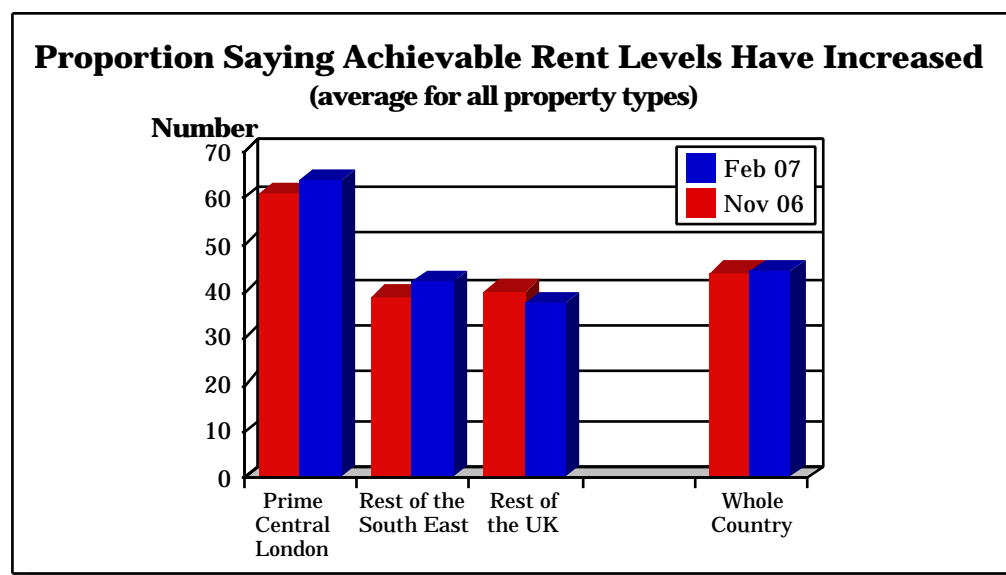
Geographic Region	Percent Saying Achievable Rents Levels Have Increased (%)					
	Det House	Semi House	Terr House	Conv Flat	PB Flat	Studio Flat
Prime Central London	50.0	55.7	65.1	74.5	75.5	62.3
Rest of the South East	35.8	45.3	43.4	39.6	46.7	39.2
Rest of the UK	37.7	46.9	46.4	31.4	35.3	25.1
All regions	39.4	48.0	49.0	43.4	48.0	38.3

Base: All respondents (525)

Compared with three months ago, there has been virtually no change in the average proportion of respondents saying achievable rents across all property types have increased with the figure remaining at 44%.

As between the geographic regions, the average proportion of respondents saying achievable rent levels across all property types have increased for Prime Central London is again up, this time from 61% to 64%. The average for the Rest of the South East is also up, from 39% to 42%.

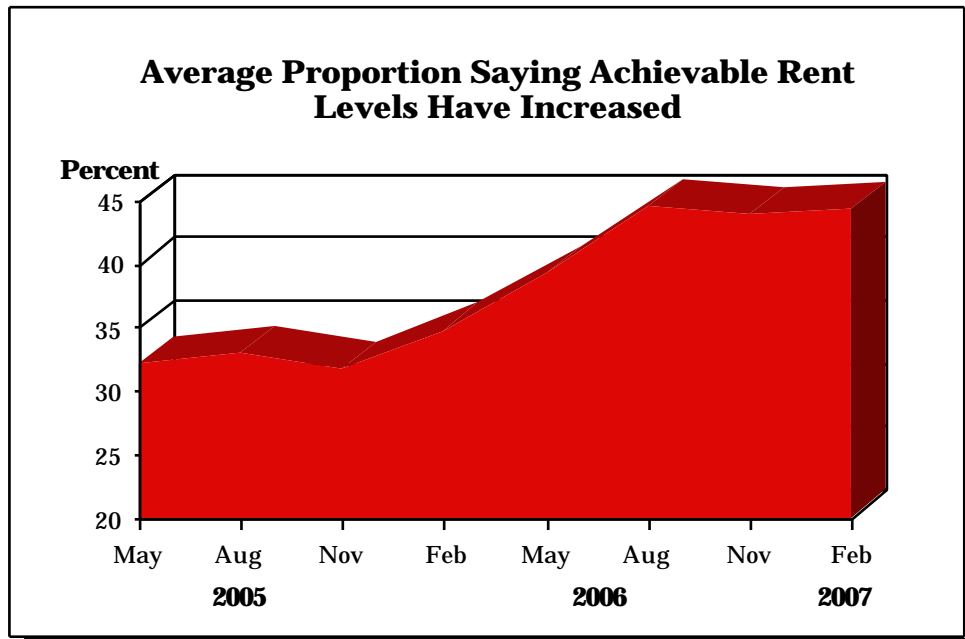
However, the comparative figure for the Rest of the UK tells a different story with the average falling from 40% to 37%.



Having been fairly settled at around 32% until the last quarter of 2005, the figure for the overall average proportion of respondents saying that achievable rent levels have risen increased significantly for most of 2006.

The results from the last two surveys suggest that this rising trend has now ceased but that does not alter the fact that a much higher proportion of respondents are still saying that achievable rent levels have increased.

Geographic Region	Percent Saying Achievable Rents Have Increased (%)			
	May 06	Aug 06	Nov 06	Feb 07
Prime Central London	46.8	55.9	60.8	63.8
Rest of the South East	34.7	42.2	38.5	41.7
Rest of the UK	39.1	40.4	39.7	37.1
All regions	39.2	44.6	43.9	44.3
Base: All respondents	(470)	(451)	(372)	(525)



4.11 **Importance of Factors Affecting Decision to Leave HMO Market (Q.13)**

This question sought to establish what were the most significant factors affecting decisions by landlords with Houses in Multiple Occupation (HMOs) to leave the HMO market.

Although an “other” option was included hardly any respondents used it and those that did merely used it to qualify their choice of one of the four listed options.

Furthermore, quite a high proportion of respondents (21%) did not answer the question at all and it is clear from comments written on some of the questionnaires that this was probably because they have no connection with HMOs and therefore did not have a view.

Too Much Bureaucracy under New Regulations

More than half of ARLA members’ offices (53%) said that they thought too much bureaucracy under new regulations was either extremely or quite important to landlords in making a decision to leave the HMO market with a quarter (25%) saying it was an extremely important factor.

When the non responses are excluded, the proportion saying this factor was extremely important rises from 25% to 31%.

Level of Importance	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Extremely important	24.5	24.1	25.2	24.6
Quite important	31.1	27.4	29.1	28.8
Not very important	9.4	4.2	4.9	5.5
Not at all important	3.8	0.9	1.5	1.7
Don't know/not sure	14.2	20.8	18.4	18.5
Not stated	17.0	22.6	20.9	20.8
Base: All respondents	(106)	(212)	(207)	(525)

There was very little difference between the geographic areas with regard to the proportion saying this factor was either extremely or quite important.

Too Many New Rules to Comply With

Getting on for six out of ten ARLA members’ offices (56%) said that they thought too many new rules to comply with was either extremely or quite important to landlords in making a decision to leave the HMO market with more than three out of ten (31%) saying it was an extremely important factor.

When the non responses are excluded, the proportion saying this factor was extremely important rises from 31% to 39%.

Level of Importance	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Extremely important	27.4	32.5	31.1	30.9
Quite important	32.1	20.3	25.2	24.6
Not very important	6.6	3.3	2.4	3.6
Not at all important	1.9	0.5	0.5	0.8
Don't know/not sure	15.1	20.3	18.9	18.7
Not stated	17.0	23.1	21.8	21.4
Base: All respondents	(106)	(212)	(207)	(525)

Respondents from Prime Central London were the most likely to rate this factor as either extremely or quite important (60% compared with 56% for the Rest of the UK and 53% for the Rest of the South East).

Cost of Obtaining HMO Licences

Half of ARLA members' offices (50%) said that they thought the cost of obtaining HMO licences was either extremely or quite important to landlords in making a decision to leave the HMO market with more than a quarter (26%) saying it was an extremely important factor.

When the non responses are excluded, the proportion saying this factor was extremely important rises from 26% to 33%.

Level of Importance	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Extremely important	26.4	22.2	29.0	25.7
Quite important	21.7	23.6	26.1	24.2
Not very important	14.2	10.8	5.3	9.3
Not at all important	3.8	1.4	1.0	1.7
Don't know/not sure	16.0	19.3	18.4	18.3
Not stated	17.9	22.6	20.3	20.8
Base: All respondents	(106)	(212)	(207)	(525)

Respondents from the Rest of the UK were most likely to rate this factor as either extremely or quite important (55%) whilst those from the Rest of the South East were least likely to do so (45%) with those from Prime Central London falling in between the two (52%).

Cost of Alterations Needed to Comply With New Regulations

Approaching six out of ten ARLA members' offices (56%) said that they thought the cost of alterations needed to comply with new regulations

was either extremely or quite important to landlords in making a decision to leave the HMO market with almost four out of ten (39%) saying it was an extremely important factor.

When the non responses are excluded, the proportion saying this factor was extremely important rises from 39% to 49%.

Level of Importance	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Extremely important	36.8	39.2	39.1	38.7
Quite important	22.6	14.2	18.8	17.7
Not very important	5.7	3.8	2.4	3.6
Not at all important	1.9	0.5	0.5	0.8
Don't know/not sure	16.0	19.3	18.4	18.3
Not stated	17.0	23.1	20.8	21.0
Base: All respondents	(106)	(212)	(207)	(525)

Respondents from Prime Central London and the Rest of the UK were more likely than those from the rest of the South East to rate this factor as either extremely or quite important (59% and 58% respectively compared with 53% for the Rest of the South East).

Summary

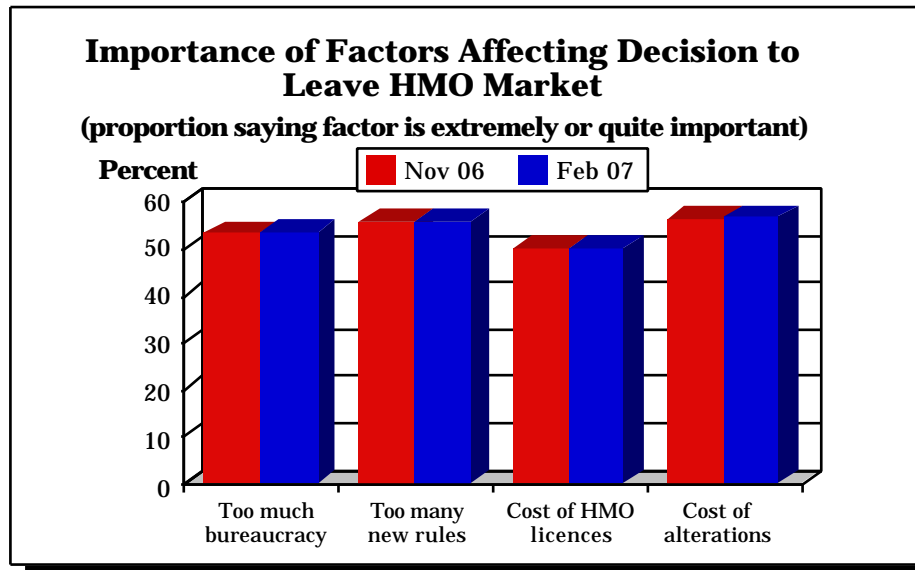
The results from this question make it quite clear that those respondents who have an involvement with HMOs believe that all of the four listed factors have played a significant part in any decisions by landlords with HMOs to leave the HMO market.

Factor	Percent of Respondents (%)					
	Ext	Quite	Not very	Not at all	Don't know	Not stated
Too much bureaucracy	24.6	28.8	5.5	1.7	18.5	20.8
Too many new rules	30.9	24.6	3.6	0.8	18.7	21.4
Cost of HMO licences	25.7	24.2	9.3	1.7	18.3	20.8
Cost of alterations needed	38.7	17.7	3.6	0.8	18.3	21.0

Base: All respondents (525)

Having said that, at the extremely important level, there are some distinctions between the factors with the most important being seen to be the cost of alterations needed under the new regulations with almost four out of ten ARLA members' offices (39%) saying this factor was extremely important.

This compares with a little more than three out of ten (31%) saying that too many new rules to comply with was an extremely important factor, just over a quarter (26%) saying the cost of HMO licences was extremely important and a quarter (25%) saying that too much bureaucracy was.



In terms of differences between the three broad geographical areas, it is clear that HMOs are a little less relevant to offices in the Rest of the South East with 23% not answering the question compared with 21% in the Rest of the UK and 17% in Prime Central London.

This difference is the main reason for the differences in the proportions rating each factor as either extremely or quite important

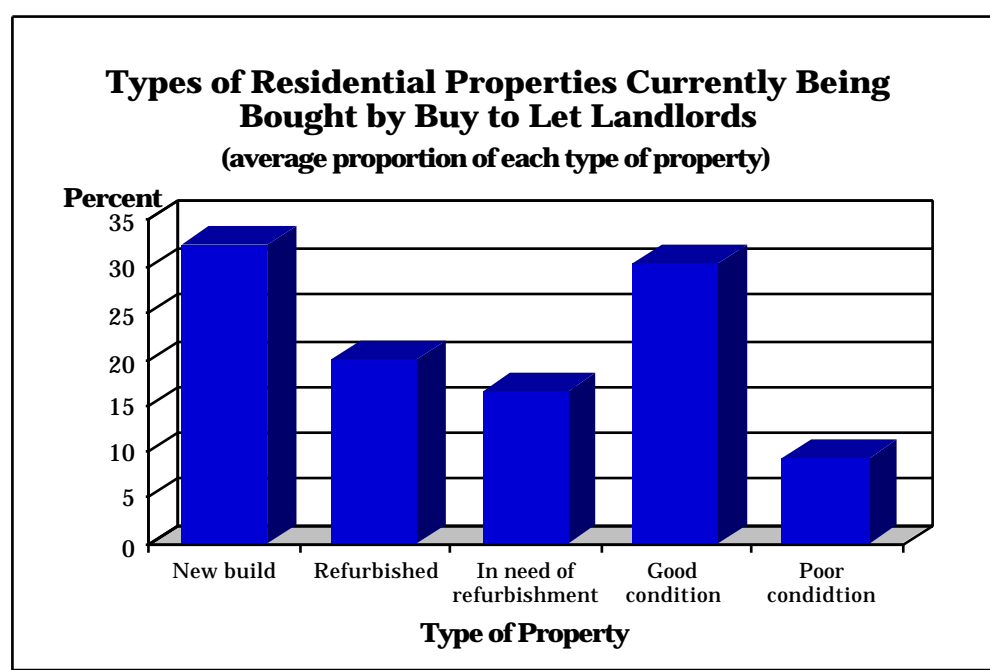
4.12 **Types of Residential Properties Currently Being Bought by Buy to Let Landlords (Q.14)**

Properties which are either new builds or in good condition appear to be the ones which are, according to ARLA members' offices, the most popular with buy to let landlords with, on average, 32% and 30% respectively of properties being bought by buy to let landlords being of these types.

Behind these two types, the next most popular are those properties which are refurbished (20%) or in need of refurbishment (16%).

Least popular property type for buy to let landlords appears to be those in poor condition (9%).

Inevitably there is some overlap between these property types and the aggregate percentages do not therefore add up to 100% but exceed it.



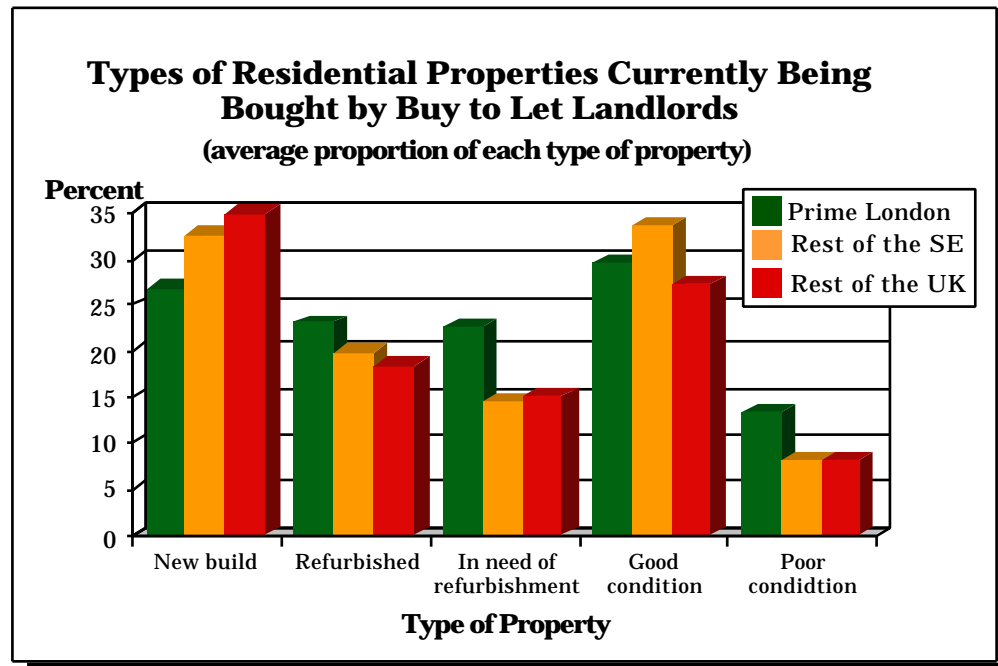
Type of Property	Average Proportion of Properties (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
New build	26.6	32.5	34.7	32.2
Refurbished	23.0	19.8	18.2	19.8
In need of refurbishment	22.5	14.4	14.9	16.2
Good condition	29.5	33.4	27.1	30.2
Poor condition	13.3	8.1	8.0	9.1
Base: All respondents	(106)	(212)	(207)	(525)

There is a some difference in the response to this question depending on the location of the respondents with offices managing properties in Prime Central London being the ones most likely to think buy to let landlords in their area are buying refurbished properties, properties in poor condition

or properties in need of refurbishment and least likely to think they are buying new builds.

Respondents from offices in the Rest of the South East, on the other hand, are the ones most likely to think buy to let landlords in their area are buying properties in good condition.

Respondents in the Rest of the UK are the ones most likely to think that buy to let landlords in their area are buying new builds and least likely to think they are buying refurbished properties.

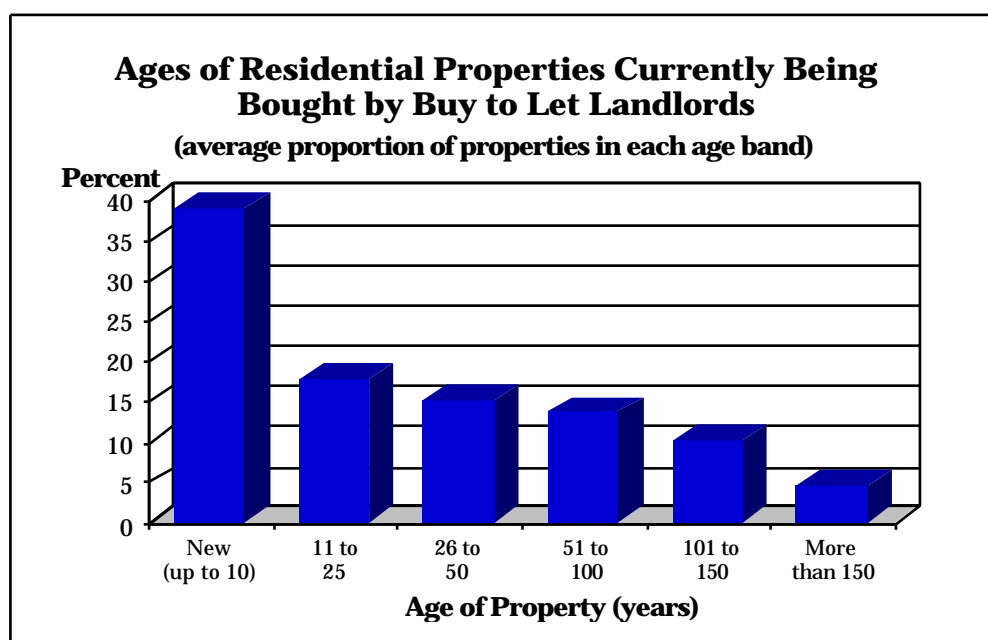


4.13 **Ages of Residential Properties Currently Being Bought by Buy to Let Landlords (Q.15)**

Overall, new properties (up to 10 years old) are the age of property currently most likely to be being bought by buy to let landlords with, on average, respondents believing that almost four out of ten properties being bought by buy to let landlords (39%) being in this age group.

With the exception of properties which are more than 150 years old, all the other property age groups are more or less equally popular with, on average, between 10% and 18% of properties being bought by buy to let landlords being in each age group.

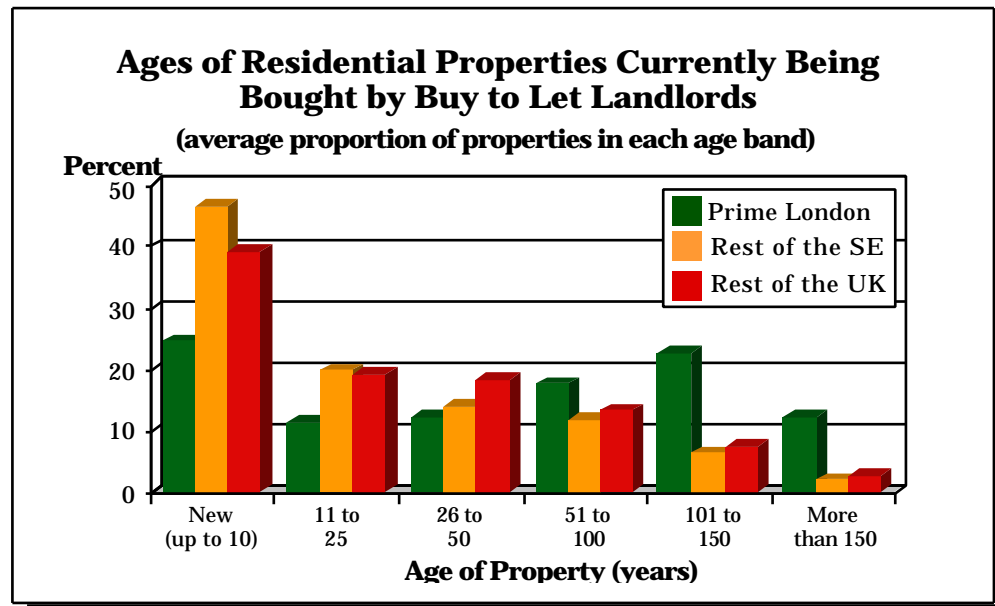
Simple analysis of the responses to this question reveals that the average age of properties currently being bought by buy to let landlords is 43 years.



Age of Property	Average Proportion of Properties (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
New (up to 10 years old)	24.4	46.4	39.0	38.9
11 to 25 years old	11.2	19.6	19.2	17.7
26 to 50 years old	12.3	13.9	18.2	15.2
51 to 100 years old	17.6	11.7	13.3	13.6
101 to 150 years old	22.5	6.3	7.6	10.2
More than 150 years old	12.0	2.1	2.8	4.5
Base: All respondents	(106)	(212)	(207)	(525)

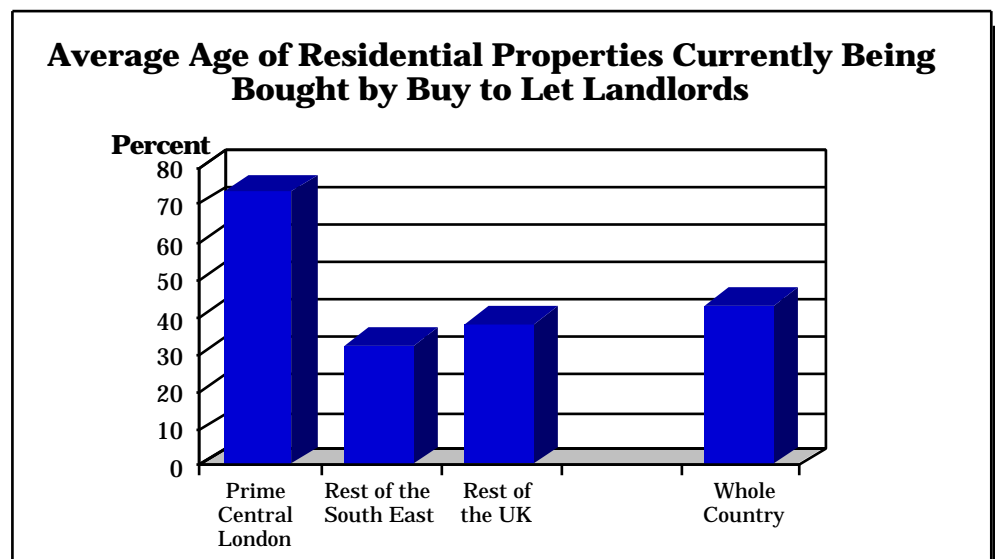
Geographically, there are some noticeable differences, the main ones being that respondents from offices which manage properties in Prime Central London are the ones least likely to think that buy to let landlords in their area are buying new (up to 10 years old) properties and the ones most likely to think they are buying properties more than 100 years old.

Respondents in the Rest of the South East and in the Rest of the UK have broadly similar views about the age of properties being bought by buy to let landlords in their areas.



These differences are reflected in the average age of properties being bought by buy to let landlords in each area with the average for Prime Central London being 74 years compared with 38 years for the Rest of the UK and 32 years for the Rest of the South East.

Geographic Region	Average Age of Properties (years) Feb 07
Prime Central London	73.5
Rest of the South East	32.1
Rest of the UK	37.5
All Regions	42.8
Base: All respondents	(525)



4.14 Proportion of Purchase Price Typically Being Borrowed by Buy to Let Landlords (Q.16)

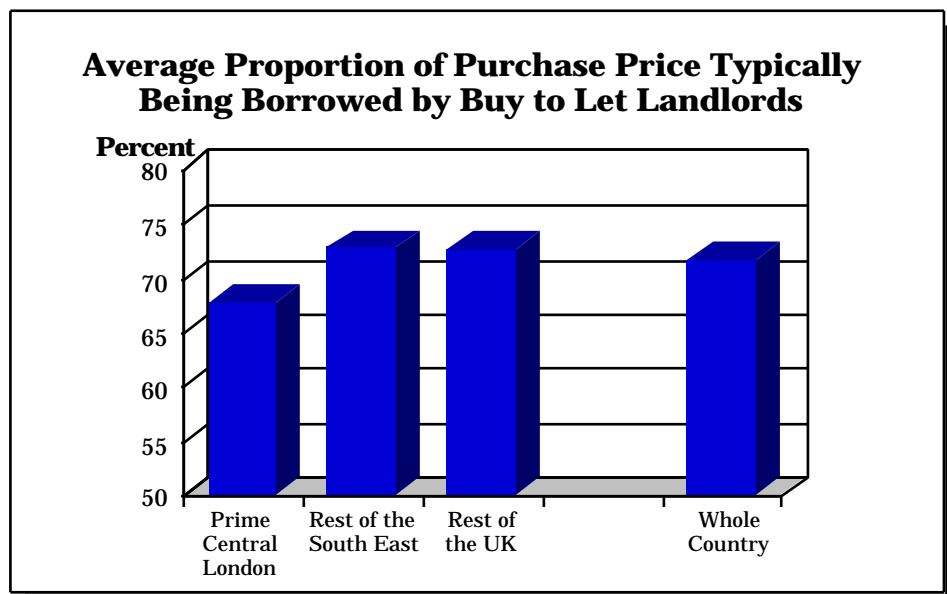
Nearly half of respondents (47%) believe that, typically, buy to let landlords in their area are borrowing between 70% and 85% of the purchase price of properties they are buying.

Analysis of these figures reveals that the overall average percentage of the property price which is being borrowed by buy to let landlords is 72%.

Proportion of Purchase Price	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Up to 50%	11.3	7.1	5.8	7.4
51% to 60%	11.3	4.2	4.8	5.9
61% to 70%	11.3	6.6	12.6	9.9
71% to 75%	13.2	12.3	16.9	14.3
76% to 80%	14.2	18.4	15.9	16.6
81% to 85%	7.5	21.7	14.0	15.8
86% to 90%	7.5	5.2	10.1	7.6
Over 90%	5.7	2.4	1.9	2.9
Not stated	17.9	22.2	17.9	19.6
Base: All respondents	(106)	(212)	(207)	(525)

Geographically, respondents who manage properties in Prime Central London are likely to think that landlords are borrowing a smaller proportion of the purchase price with 23% saying they are borrowing 60% or less compared with 11% of respondents in the rest of the country.

As a result, respondents from offices which manage properties in Prime Central London believe that the average percentage being borrowed by landlords is 68% compared with 73% for respondents from both the Rest of the South East and the Rest of the UK.



Geographic Region	Average Proportion of Purchase Price Feb 07
Prime Central London	67.6
Rest of the South East	72.7
Rest of the UK	72.5
All Regions	71.6
Base: All respondents	(525)

4.15 How Are Landlords Currently Acting Over Their NET Investment in Residential Property (Q.17)

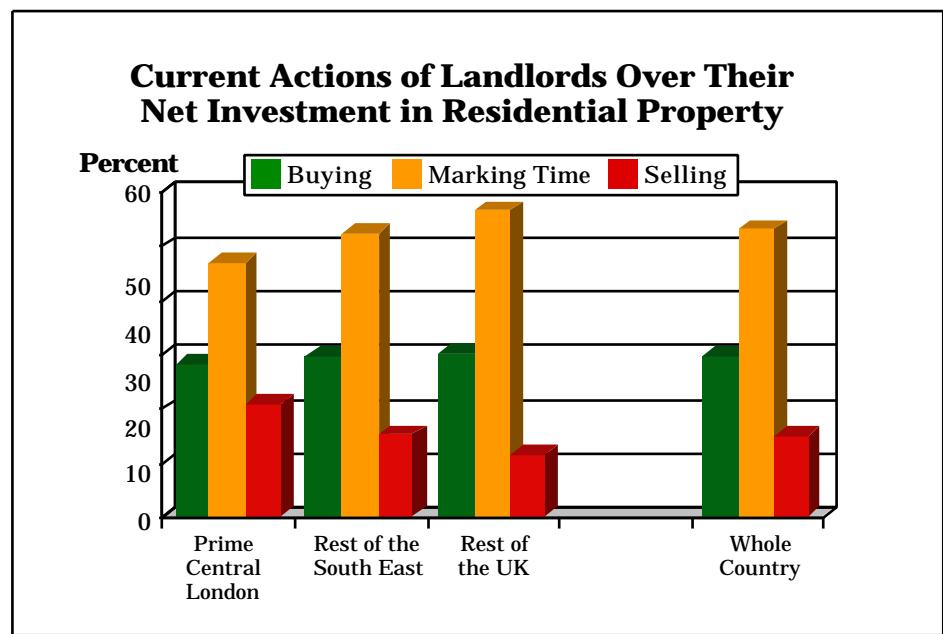
More than half of ARLA members' offices (53%) think that residential landlords are currently marking time with regard to their net investment in residential property.

However, whilst slightly more than one in seven respondents (15%) think landlords are decreasing their net investment by selling properties, twice as many (30%) think they are increasing their net investment by buying more properties.

How Landlords Are Currently Acting	Percent of Respondents (%)			
	Prime London	Rest of SE	Rest of UK	All Regions
Buying	28.3	29.7	30.0	29.5
Marking time	47.2	52.4	56.5	53.0
Selling	20.8	15.1	11.1	14.7
Not stated	3.8	2.8	2.4	2.9
Base: All respondents	(106)	(212)	(207)	(525)

Geographically, similar proportions of respondents from each of the three broad geographic areas think that landlords are currently buying more properties.

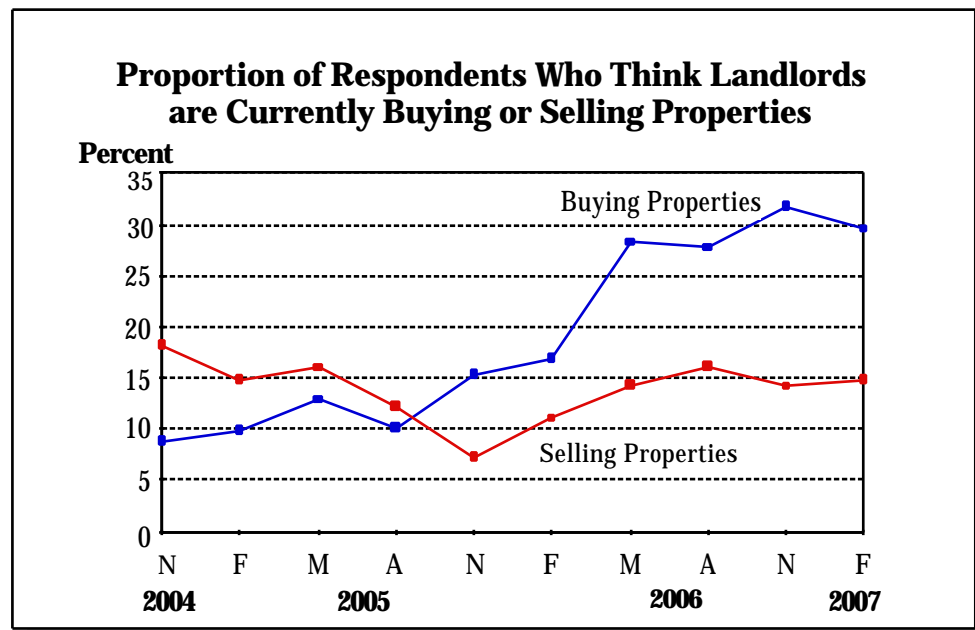
However, there is some difference with regard to the proportions who think landlords are currently selling properties with more than two out of ten (21%) of those who manage properties in Prime Central London saying they think landlords are currently selling properties compared with 15% of those in the Rest of the South East and just 11% of those in the Rest of the UK.



Compared with three months ago, there has been a decrease in the proportion of respondents who think landlords are currently buying more properties (down from 32% to 30%) and a small increase in the proportion saying landlords are selling (up from 14% to 15%) with the proportion saying landlords are marking time remaining unchanged at 53%.

How Currently Acting	Percent of Respondents (%)			
	May 06	Aug 06	Nov 06	Feb 07
Buying	28.3	27.7	31.7	29.5
Marking time	56.2	54.5	53.2	53.0
Selling	14.3	16.2	14.2	14.7
Not stated	1.3	1.6	0.8	2.9
Base: All respondents	(470)	(451)	(372)	(525)

As the graph below shows, during the autumn of 2005, the relationship between the proportion believing that landlords are buying properties and the proportion believing they are selling properties reversed with those saying landlords are buying now exceeding, by a wide margin, those saying they are selling.



Questionnaire