Buy to Let: The Landlord Experience

A special report from The Mortgage Lender

Real life needs real life lending

June 2019

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Foreword

To say the buy to let market has faced challenges over the last three years is an understatement. But we're emerging into a new norm where the landlord/tenant relationship is more professional and brokers are now experts on everything from Ltd Company dividends to the cost of tenancy checks.

The Mortgage Lender's special report 'Buy to Let: The landlord experience' takes us through the market changes and provides a snapshot of how landlords feel about the market, their tenants and the impact the myriad of changes has had on their portfolio intentions.

There's a handy selection of case studies that provide insight into how landlords are structuring their portfolios and details about what is keeping them awake at night.

It's a must read for any brokers operating in the Buy to Let space as well as a downloadable guide for landlords who want to know which areas of the country will provide the best yields.

Doug Hall

Director 3mc

Introduction

Buy to Let (BTL) landlords have had a pretty tough few years, our research among landlords has revealed one has even endured a tenant that set up a manufacturing business from their rented home.

Away from the individual stories stamp duty changes have made high value, lower yielding properties in London and the South East less attractive and the tapering abolition of mortgage interest rate relief has eaten into profits on leveraged portfolios.

Added to the tax changes more stringent underwriting criteria and a ban on passing on letting agent fees to tenants have added to landlord woes. It's therefore not surprising the latest figures from the Ministry of Housing, Communities and Local Government show around 3,800 BTL properties are being sold every month.

The icing on the cake for BTL landlords is Brexit uncertainty and the latest dictate from the Government over S21 notices that is likely to make it harder for landlords to evict tenants.

But as difficult a journey as it has been for some landlords the Government objectives of making BTL more professional and less profitable at the same time as giving first time buyers more of a chance to get on the housing ladder – has worked – in London at least.

The number of London-based landlords buying in the capital has fallen by 31 per cent since 2010. Instead they are buying in the North and Midlands where prices are lower and yields higher.

Research from Hamptons International shows that in 2015 16 per cent of first-time buyers in London were facing competition from an investor, this has now dropped to 11 per cent.

Instead towns like Colchester, Stockport and Manchester are now regarded as the BTL hotspots with yields of up to 5.29 per cent compared to just 2.84 per cent in East Central London.

Despite all of these changes landlords remain resilient. Our research shows 84 per cent are planning to maintain or increase the number of properties in their portfolio over the next 12 months and just 16 per cent are looking to sell.

And it isn't tax changes, market conditions or Brexit that is keeping landlords awake at night, it's the cost of maintaining their properties, how tenants are treating their homes, or their behaviour in general.

We thought this was surprising in an environment where the Government is asking more and more of the private landlord.

In our report Buy to Let: the landlord experience, we take a look at the market, the influences and impacts on the sector and delve into the details that matter to landlords.

THE UK HOUSING MARKET

The UK housing market is slowing and the pace of the slowdown is accelerating thanks to stamp duty tax changes that have hit the top end of the market in London and the South East, a reduction in the number of BTL investors and Brexit uncertainty.

It's a perfect storm of higher costs and uncertainty which has seen the market record yearly falls or stagnate in five out of the UK's 12 economic regions.

The latest report from HM Land Registry shows the average house price in the UK now stands at £226,798 , a 1.4 per cent increase in the year to March 2019, up from from 1 per cent in the year to February 2019.

House price growth was strongest in Yorkshire and the Humber where prices increased by 3.6 per cent in the year to March 2019, followed by Northern Ireland , increasing by 3.5 per cent. The lowest years growth was in London where prices fell by 1.9per cent over the year to March 2019, up from a fall of 2.7 per cent in February 2019.

Average house prices in the UK

	Price	Monthly change	Yearly change
England	£243,128	-0.5%	1.1%
Northern Ireland (QTR 1 2019)	£134,811	-1.0%	3.5%
Scotland	£149,461	1.9%	3.3%
Wales	£158,696	0.0%	3%
East Midlands	£190,171	-0.4%	2.9%
East of England	£286,611	-1.1%	0.0%
London	£463,282	-0.4%	-1.9%
North East	£123,046	-1.1%	-0.8%
North West	£159,471	-1.7%	2.5%
South East	£318,491	-0.6%	-0.4%
South West	£253,752	-0.3%	1.3%
West Midlands	£196,571	-0.5%	3.4%
Yorkshire and the Humber	£162,129	1.8%	3.6%

Source: National Statistics: UK House Price Index Summary: March 2019

According to the Bank of England's Agents' summary of business conditions for the first quarter of the year sentiment is continuing to weaken with Brexit-related uncertainty deterring buyers.

Sales of new build homes have also slowed, despite the hugely successful Help to Buy scheme which offers borrowers a 20 per cent equity loan that is interest free for the first five years, leading to house builders offering significant incentives to complete sales.

Estate agents' industry body the Royal Institution of Chartered Surveyors' (RICS) is also reporting subdued activity across enquiries, sales and new instructions with demand falling for the seventh month running and a further decline in new instructions.

But the UK Property Transaction Statistics, seasonally adjusted for February, showed a 2.7 per cent reduction in transactions on residential properties worth £40,000 or more at 101,780 in February 2019.

However, it doesn't look as if the trend is set to continue as approvals for house purchase fell to 64,300 in February, a reduction on the average of the previous six months.

"BREXIT - related uncertainty is deterring buyers

MORTGAGE TRENDS

In 2018 the number of first-time buyers hit a 12-year high but home mover and BTL purchases were both down by 1.9 per cent and 11.5 per cent respectively.

Remortgaging increased by 10.8 per cent and BTL remortgaging increased by 11.2 per cent.

	2018	% change on 2017	Amount	% change on 2017
First-time buyer	370,000	1.7%	£62bn	4.9%
Home mover	367,800	-1.9%	£80bn	=
Remortgage	476,900	10.8%	£85bn	13%
BTL purchase	66,400	-11.5%	£96bn	-15%

Source: UK Finance, Mortgage Trends Update

GOVERNMENT INTERVENTION

> BTL mortgages dropped by
> **13%**
> after Stamp Duty was introduced

Stamp duty

In April 2016 the Government introduced a 3 per cent stamp duty surcharge on second properties increasing transaction costs for BTL investors.

The impact of this change has been marked. In 2016 the number of BTL mortgage for house purchase dropped by 13 per cent followed by a 27 per cent fall in 2017 and a further 11.5 per cent fall in 2018.

The surcharge is added to the regular rate of Stamp Duty Land Tax, which ranges from 2 per cent for homes worth up to £250,000 up to 12 per cent for properties worth over £1.5m.

To put this into context the SDLT on a BTL property in London, where average house prices are £459,800 is £26,784 compared to £12,990 if it is an owner occupier purchase.

In contrast someone buying in the North West, where the average property price is £163,758, would pay £775 in SDLT for an owner occupier purchase or £5,687 if it is a BTL property.

The difference in property prices and stamp duty burden explains why landlords are increasingly looking North and to university towns for returns on their BTL portfolios.

Mortgage Interest Tax Relief

“From 2020, a **20%** flat rate of BTL tax relief will apply

Before 2017 BTL landlords could offset the full cost of their mortgage interest payments against their tax bill.

From April 2017 landlords have been unable to deduct the full amount of their mortgage interest payments from their tax bills. The available deduction will be gradually reduced until 2020 when a 20 per cent flat rate of relief will apply.

This means many landlords will be facing a significant increase in their tax bills as the shift from taxation on rental profit is replaced by tax on gross income.

Higher rate taxpayers will see the largest impact on the profitability of their portfolios.

A private landlord with a rental income of £7,500 a month and mortgage interest costs of £6,000 would be left with an after-tax profit of £900 based on the old tax rules assuming the landlord pays 40 per cent income tax on the net profit of £1,500. When the new rules are fully implemented the same landlord would make a loss of £300 a month as the tax bill would rise from £600 to £1,800, exceeding the pre-tax profit.

The flat rebate of 20 per cent means the landlord needs to pay 40 per cent income tax on the gross rental income of £7,500 amounting to £3,000 less £1,200 resulting from the 20 per cent rebate of the £6,000 mortgage interest paid.

Underwriting changes

From 2017 lenders have had to apply stricter underwriting to all BTL mortgage applications.

The changes were introduced by the Prudential Regulatory Authority and mean lenders now need to check a mortgage is affordable through a minimum interest rate coverage ratio (ICR) test of 125 per cent.

The ICR test looks at whether the expected rental income will cover the monthly mortgage costs and other related expenditure, like management fees, tax, council tax, insurance and voids.

Mortgages also need to be stress tested against future increases in interest rates – although landlords can avoid the stress test and potentially borrow more if they opt for a five-year fixed rate, which explains the increasing popularity of longer-term fixed rates with savvy landlords.

Portfolio landlords, those with four or more mortgaged properties, have had an additional level of scrutiny applied to the underwriting process.

For these landlords lenders may ask for a cash flow analysis, business plan, property schedule and details of assets and liabilities.

Taken together these changes have, in the space of three years, increased entry costs for BTL investors, reduced the profitability of the investment class and made it more difficult to access finance for leveraged portfolios.

> “In 3 years the changes have reduced the PROFITABILITY of the investment class

THE MORTGAGE LENDER
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Tenant Fees Act 2019

From the 1 June this year the Tenant Fees Act 2019 comes into force and restricts the fees letting agents and landlords can charge a tenant, it also puts limits on acceptable charges for some of the more regular transactions that form part of a residential tenancy.

The guidance for letting agents and landlords states:

> You cannot require a tenant (or anyone acting on their behalf or guaranteeing their rent) to make certain payments in connection with a tenancy. You cannot require them to enter a contract with a third party or make a loan in connection with a tenancy.
>
> The only payments you can charge in connection with a tenancy are:
>
> - **the rent**
> - **a refundable tenancy deposit** capped at no more than five weeks' rent where the annual rent is less than £50,000, or six weeks' rent where the total annual rent is £50,000 or above
> - **a refundable holding deposit** (to reserve a property) capped at no more than one week's rent
> - **payments to change the tenancy** when requested by the tenant, capped at £50, or reasonable costs incurred if higher
> - **payments associated with early termination of the tenancy**, when requested by the tenant
> - **payments in respect of utilities**, communication services, TV licence and council tax; and
> - **a default fee for late payment of rent and replacement of a lost key/security device**, where required under a tenancy agreement
>
> If the fee you are charging is not on this list, it is a prohibited payment and you should not charge it. A prohibited payment is a payment outlawed under the ban.

"A prohibited payment is a PAYMENT OUTLAWED under the ban.

The changes have been introduced because of the application fees charged by lettings agents and/or landlords to carry out basic checks on a tenant before they agree to the tenancy.

The checks included right to rent, identity verification, credit file information and references and were an accepted part of the process of entering into a tenancy. Landlords will now need to bear the cost of these checks which will undoubtedly lead to rental increases.

"cost of these checks will undoubtedly lead to RENTAL INCREASES

Increased oversight

In addition to the changes above landlords have a whole host of certificates, licences and GDPR responsibilities they need to adhere to.

These include but are not limited to:

- **Right to rent** – the landlord is responsible for checking their prospective tenant has the right to live in the UK
- **Energy Performance Certificates** – since April 2018 a rented property has to have a minimum EPC rating of E, unless exempt. Failure to comply could result in a penalty of up to £4,000
- **GDPR** – a landlord is considered a 'data controller' under GDPR rules and has to comply with data protection regulation
- **Houses in Multiple Occupation** – HMO's are properties rented to three or more people whose relationship is solely based on the tenancy. Since last year HMO's have a minimum room size of 6.51 Sq metres. Larger HMO's may require a licence issued by the local authority
- **Electrical safety**
- **Gas safety**
- **Fire safety**
- **Housing Health Safety Rating System**

"In addition to the CHANGES landlords have a whole host of certificates, licences and GDPR responsibilities they need to adhere to.

The landlord right to evict – Section 21 notices

In April this year the Government signalled its intention to change the existing Section 21 notice which landlords use to give two months' notice to their tenant that they will seek possession of the property, provided it is outside the fixed term of a tenancy, and they don't need to provide a reason.

If the tenant doesn't leave the landlord is then guarantees a possession order if they take the case to court and providing they have completed the paperwork correctly.

In future landlords will have to use the Section 8 process and only be allowed to seek possession of their property under certain grounds, mainly where the tenancy agreement has been breached. This could include for rent arrears, damage to the property or antisocial behaviour.

Landlords are rightly concerned. The Section 8 process generally takes longer than a Section 21 process and it could restrict landlords ability to manage their portfolios effectively as the balance in the relationship between tenant and landlord becomes ever more biased in the tenants favour.

The Government will need to pass legislation in Parliament to bring in the changes and they have indicated they would like to do this as soon as possible.

"landlords will only be allowed to SEEK POSSESSION of their property under certain grounds

BTL-CHASING YIELD

In our special report – The buy to let economy - last year we identified that the demand for private rented accommodation is likely to remain strong over the foreseeable future, resulting in upward pressure on rents and providing favourable returns.

We also said Investors are increasingly likely to turn their attention to cheaper, higher-yielding properties to make the finances work.

This has materialised over the last year as the move away from London and the South to elsewhere has accelerated. Many investors now have a presence in locations such as Manchester, with an increasing focus on other centres such as Leeds, Sheffield and Nottingham, as many seek to further diversify their portfolios.

The latest report from lendinvest puts Colchester and Stockport as the top two BTL postcodes offering a balance of entry price, capital and rental income growth.

The top ten buy-to-let postcodes

	Yield	Capital gains	Rental growth
Colchester	3.60%	3.61%	6.50%
Stockport	3.75%	6.34%	3.18%
Manchester	5.29%	4.26%	3.42%
Birmingham	4.49%	4.67%	3.44%
Canterbury	3.66%	7.83%	0.64%
Coventry	4.17%	6.36%	1.31%
Wolverhampton	4.15%	4.47%	2.90%
Peterborough	4.04%	4.02%	3.34%
Enfield	3.62%	3.35%	4.25%
Luton	3.70%	5.31%	2.17%

Source: lendinvest

The bottom 10 buy-to-let postcodes

	Yield	Capital gains	Rental growth
East Central London	2.84%	-11.63%	2.17%
Llandrindod Wells	2.97%	2.56%	-8.47%
Slough	2.94%	-1.86%	-2.76%
Durham	4.40%	-4.32%	-1.53%
Cleveland	4.16%	-1.51%	-3.14%
Crewe	3.59%	-2.16%	-0.87%
Galashiels	3.45%	-1.72%	0.50%
Hull	3.90%	-4.71%	2.52%
Telford	3.87%	-3.14%	2.02%
South West London	2.93%	-1.76%	-1.74%

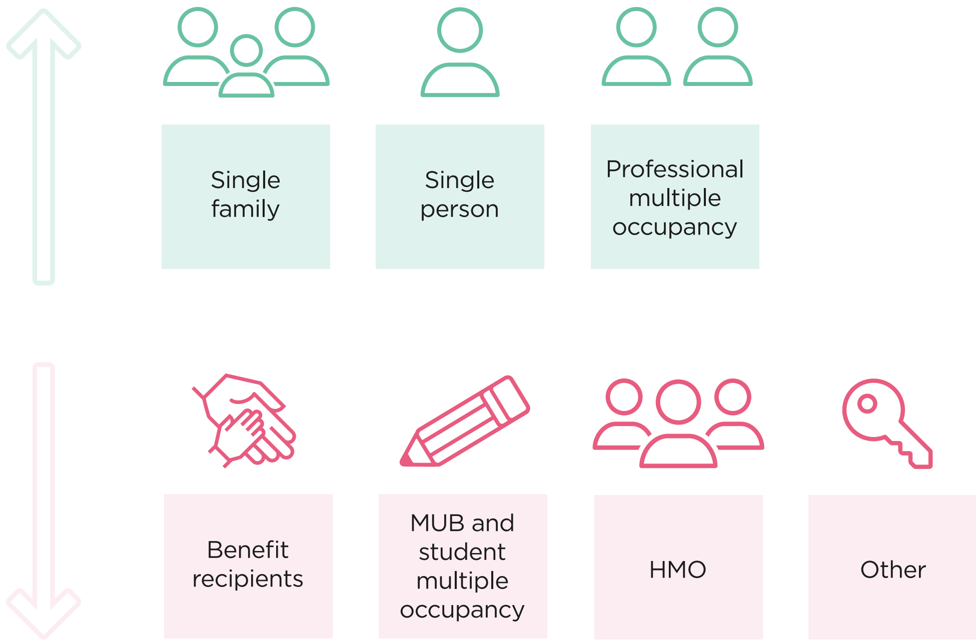
Source: lendinvest

THE LANDLORD EXPERIENCE

Research findings

- The **most common number of properties for landlords is between two and four** – 45 per cent.
- **One in ten landlords** are now using a **Ltd Company structure for their investments** – 11 per cent.
- **84 per cent of landlords are looking to maintain or increase the number of properties** they have over the next 12 months.
- **16 per cent looking to reduce the number of properties** they have over the next 12 months.
- **Property maintenance, care of property and tenant behaviour are the top three concerns** keeping landlords awake at night
- **Half of landlords agree that tax changes have reduced the number of private landlords** while a third think the changes have increased rents but only 1 per cent think they have contributed to an increase in quality of rental property
- **67 per cent of landlords agree the Rogue Landlord database is a good idea** and 64 per cent believe the information on the database should be available to mortgage lenders as part of their underwriting process.
- **80 per cent of landlords agree there should be an accessible database of Rogue Tenants.**
- Only **15 per cent of landlords are seeking out specialist tax advise** about their rental properties.
- Of those landlords using a mortgage to purchase their BTL properties **only 42 per cent are using a specialist BTL mortgage broker.**

Types of tenancy most common to least



- Private landlords are providing properties for **single families, single people and professionals in multiple occupancy units**.
- **Benefit recipients, multi-unit blocks and student multiple occupancy** are less likely to be catered for by private landlords.

Landlords intentions over the next 12 months

- **84 per cent of landlords are looking to maintain or increase the number of properties** they have over the next 12 months.
- **16 per cent looking to reduce the number of properties** they have over the next 12 months.
- **35 to 44-year olds** (25 per cent) **are the most likely to want to reduce their number of properties** over the next 12 months.

"84% of landlords looking to maintain or INCREASE the number of properties they have over the next 12 months.

Top Ten issues keeping landlords awake at night

Property maintenance	Care of Property	Tenant behaviour	Taxation	Costs V Rental income
Landlord regulation/ council checks	Collecting rent	Finding tenants	Property prices	Market Conditions

- **Property maintenance came top of the issues keeping landlords awake at night**

A landlord said: ***"Local Council's Landlord Registration Scheme, which is charged per property"***

A landlord said: ***"Rent arrears"***

IMPACT OF TAX CHANGES ON LANDLORDS

51%

of private landlords think tax changes have reduced the number of private landlords

"

Tax changes

Half of landlords (49 per cent) think tax changes have reduced the number of private landlords and a quarter (25 per cent) think they have reduced the supply of rental properties.

Nearly a third of landlords (31 per cent) think tax changes have contributed to a rise in rent.

Only 1 per cent of landlords think the tax changes have improved the quality of rental properties.

Increased Regulation

Nearly one in five (18 per cent) of private landlords think increased regulation has improved the quality of rental properties.

Additional stamp duty

Half of private landlords (51 per cent) think the additional stamp duty charges have reduced the number of private landlords and one in five (21 per cent) think it has reduced the supply of rental properties.

28 per cent of private landlords think it has contributed to a rise in rents.

Only 2 per cent of landlords think the additional charge has improved the quality of rental properties.

"18-34 YEAR OLDS

are most likely to use an estate agent

Rogue Landlord Database

There is widespread support among landlords for the Rogue Landlord database, 67 per cent of agree it is a good idea and 64 per cent believe the information on the database should be available to mortgage lenders as part of their underwriting process.

Rogue Tenant Database

80 per cent of landlords believe there should be an accessible database of rogue tenants they can access as part of their tenant vetting process.

Estate Agents

Overall half of landlords use estate agents to manage their rental properties (51 per cent) and more than half (57 per cent) think their fees represent good value for money.

The average fees paid to estate agents to manage a rental property are 8.39 per cent with 69 per cent of those surveyed paying between 6 per cent and 10 per cent.

18 to 34-year olds are most likely to use an estate agent (67 per cent) and 35 to 44 year olds are the least likely.

Issues landlords have experienced

Top Five issue landlords have experienced (excluding the 27 per cent who haven't experienced any)

Property damage	Nonsensical complaints ie changing a lightbulb	Arrears up to 3 months	Furniture damage/ theft	Arrears over 3 months/ unpaid utility, other bills (5=)

A landlord said: ***"Arguments between tenants and neighbours"***

A landlord said: ***"Leaving without cleaning. Throwing away items that belong to the flat"***

A landlord said: ***"Less care taken with the properties and contents than I took myself when living in them"***

A landlord said: ***"Starting a business from private residence (manufacturing) without informing and no insurance"***

Tenants responsible for issues above

1	Single family
2	Single person
3	Benefit recipients
4	Professional multiple occupancy
5	HMO

Tenants landlords think are the most problematic

1	Single person
2	Benefit recipients
3	Single family
4	HMO
5	Student
6	MUB
7	Professional multiple occupancy

A landlord said: ***"you can never predict"***

A large proportion of landlords (40 per cent) reported they hadn't experienced any issues with tenants.

Overall the least problematic tenants seem to be students and multi-unit blocks.

Given the general acceptance that student accommodation, houses of multiple occupation and multi-unit blocks are where we would historically have expected issues to arise these findings could reflect landlord expectations about tenants and the fact issues are less expected with families and single tenancies.

"A large proportion of landlords

40%

reported they hadn't experienced any issues with tenants.

Specialist advice

Half of landlords (49 per cent) don't access any specialist tax advice to help with tax planning, 37 per cent use an accountant and 15 per cent consult a specialist tax adviser.

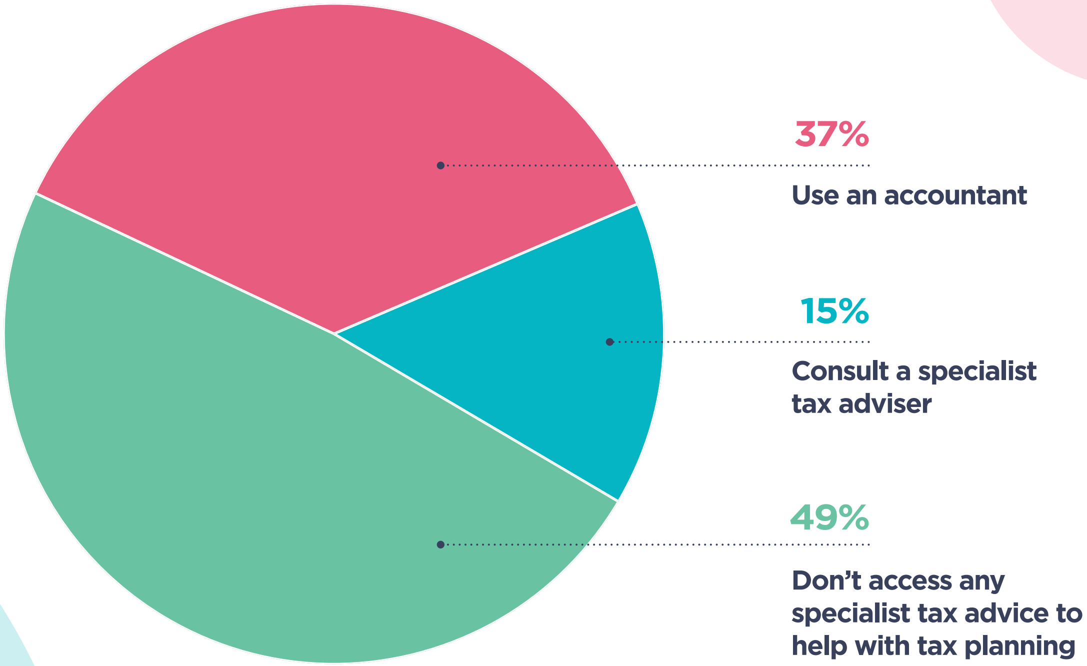
35 to 44-year olds are the most likely to use a tax specialist (20 per cent) and landlords who are 65 plus are least likely to use a tax specialist (7 per cent).

A landlord said: ***"I do it myself, but I run it past my father-In-law who is a chartered accountant"***

A landlord said: ***"We are both chartered accountants and tax advisors"***

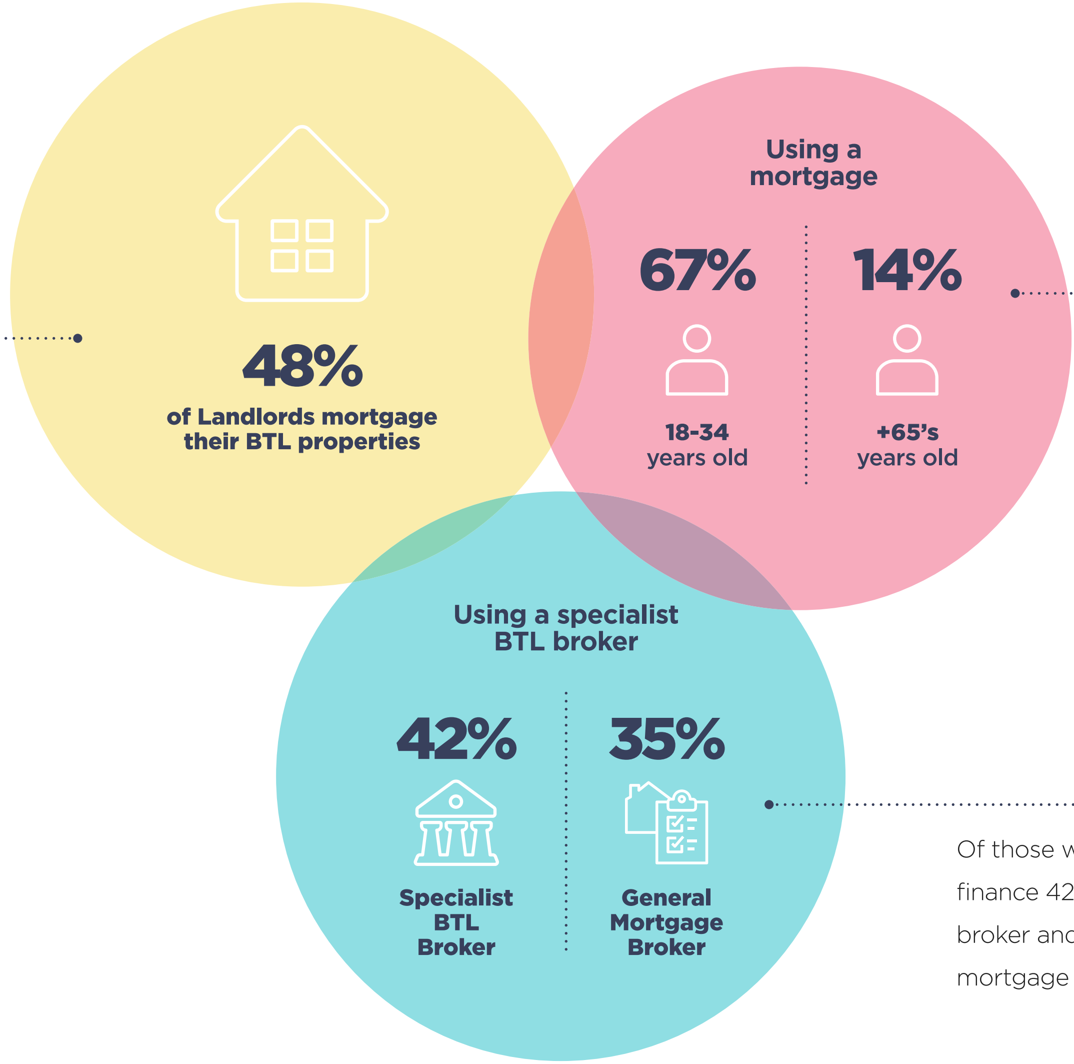
"35-44 YEAR OLDS

are the most likely to use a tax specialist



Buying with a mortgage

Overall 48 per cent of landlords mortgage their BTL properties.



Unsurprisingly 18 to 34-year olds are the most likely to use a mortgage (67 per cent) and the over 65's are the least likely (14 per cent).

Of those who are looking for mortgage finance 42 per cent use a specialist BTL broker and 35 per cent use a general mortgage broker.

Case studies

REAL LIFE LANDLORDS AND REAL LIFE LENDING

Family gift boosts BTL portfolio for Chester-based wealth manager

When a Chester-based 42-year old wealth manager wanted to increase his portfolio of buy to let properties from four to seven he used a family gift and personal savings to buy three new-build one bedroom flats through a limited company of which he is a sole director. With an average rental yield across the three properties of 5.38 per cent the mortgages were granted at 75 per cent loan to value on a five-year fixed rate loan at 3.65 per cent.

Engineer renovates and releases capital to add to BTL portfolio

A 39-year old sole director of a Ltd Company set up to manage his buy to let portfolio wanted to add to his investments using the value created in three properties that were renovated in the six months he'd had them. Four applications, three remortgages at 75 per cent loan to value and one purchase at 80 per cent loan to value later the engineer had increased his portfolio from three to four properties, a mix of two and three-bedroom flats in Glasgow. The average rental yield on the four properties is 9.3 per cent and the five-year fixed rates mortgages ranged from an initial rate of 3.99 per cent to 4.72 per cent.

Milton Keynes secretary builds HMO portfolio

Two five-bedroom terraced houses of multiple occupation (HMO) in Milton Keynes held the key for a 36-year old self-employed secretary with a portfolio of 19 BTL properties. Remortgaging in a Ltd company structure at 75 per cent loan to value released £135k giving her the freedom to grow the portfolio. With a rental yield of 12.2 per cent on both properties the five-year fixed rate mortgages both had an initial rate of 3.75 per cent.

Keeping it in the family in the commuter belt

A Ltd company remortgage on four unencumbered properties that were part of a portfolio of 219 provided this Ltd company family business, consisting of mum and dad 67 and son 39, with the capital to expand. Remortgages on a two-bed flat at 75 per cent LTV, a two-bed flat at 65 per cent LTV, a two-bed mid-terrace at 75 per cent LTV and further two-bed flat at 75 per cent LTV in the Hampshire and Kent commuter belt provided the cash they needed to grow their property empire. All four mortgages were five-year fixed rates with an initial rate of 3.65 or 3.70 per cent based on an average rental yield of 5.44 per cent.

Ten remortgages give professional landlords capital to grow their portfolio

With 122 properties this Irish husband and wife team wanted to raise £400k to grow their portfolio. Ten properties, a mix of two and three-bedroom terrace and semi-detached homes, in Bedfordshire and Hertfordshire provided the means. With total borrowing of £2m at 75 per cent across the ten properties the couple, in their sixties, secured the capital and moved a step closer to their next investment. All ten mortgages were granted on a five-year fix with an initial rate of 3.59 per cent and rental yields ranging from 4.05 to 4.98 per cent.

Southend on Sea landlord seeking new investment opportunities

With a portfolio of four HMO's and one BTL this 45-year old professional landlord saw an opportunity to expand but needed to release capital before she could make her next move. Refinancing the whole portfolio, which is made up of three-bed mid terraced houses, at 75 per cent LTV for three of the properties and 50 per cent LTV for one of the HMO's gave her the £228k she needed. The five mortgages had an initial rate of 3.75 or 3.65 per cent on a five-year fix with an average rental yield of 7.98 per cent.

Buckinghamshire landlord remortgages to raise £600k

A combination of Ltd company and individual BTL provided just the right mix for this 46-year old Buckinghamshire-based landlord with an appetite for expansion. Six Ltd Company remortgages, five standard BTL and one HMO, plus two individual remortgages on the mix of three and four-bedroom terraces houses with an average LTV of 77 per cent provided the £600k capital the professional landlord had earmarked to grow his portfolio. All of the mortgages were five-year fixes with an initial rate between 3.70 to 4.55 per cent and a rental yield ranging from 4 per cent to 7.04 per cent.

CONCLUSION

Our special report into the landlord experience in 2019 reveals the changes introduced by the Government over the last three years have fundamentally changed the BTL market.

It's more, professional landlords are being held to a higher standard, the cost of entry has risen and tax changes have led to structural change as investors leverage the benefits of Ltd company incorporation over the individual tax regime.

Some landlords have sold up, some have increased their portfolios and some have been frozen by uncertainty. But everything now points to a stabilisation in the market – landlords have navigated the myriad of changes and now know whether they are in it for the long run or if they're going to exit, when the time is right.

Lenders have got to grips with underwriting changes and different categories of applicants and are, at the time of writing, jockeying for position in the market with product innovations, like single application fees for multiple applications, and margin tweaks.

There is also some evidence that the bottleneck of Brexit may have been released after the UK's failure to leave the European Union on 29th March.

Those landlords and homeowners who had adopted a wait and see approach to the uncertainty have decided they can wait no longer to get on with their plans – be that moving, selling or buying more properties.

Mortgage approvals are up, Zoopla is predicting house prices will rise over the next six months, the decline in property prices in the capital is slowing and one removal company, really moving, has suggested the market could see a 9 per cent surge in property prices over the next three months based on the number of bookings it has received from people who are planning to move home.

At TML we've witnessed a dramatic increase in BTL applications, with many landlords refinancing their portfolios to release capital so they can expand.

And that's going to mean a buoyant second half for BTL and TML as we continue to innovate, compete and make sure we've got the right products to underpin our commitment to real life lending.