

PARAGON MORTGAGES PRESS RELEASE 3 AUGUST 2015

THREE QUARTERS OF LANDLORDS EXPECT RENTAL ARREARS TO HOLD STEADY

- 75% of landlords expect rental arrears to remain stable
- Proportion of landlords expecting any increase is unchanged
- Almost a fifth of landlords expect to expand rental portfolios in Q3

The latest landlord research by buy-to-let lender Paragon Mortgages has revealed three quarters (75%) of landlords are confident rental arrears will remain stable over the next 12 months.

The lender's PRS Trends Survey results for the second quarter showed a 4% increase in those landlords who felt tenant rental arrears would remain stable, the third successive improvement. The proportion of landlords reporting an expected increase remained low and unchanged from the previous quarter at 8% whilst those landlords expecting a decline in arrears was 6%.

The survey also revealed almost one fifth (17%) of landlords are planning to purchase additional rental properties over the summer quarter. There was little movement in the most popular property types landlords are looking to buy, with terraced properties and semi-detached houses topping the list (38%), followed by 35% looking to buy apartments.

John Heron, Director of Paragon Mortgages, said: "Landlords continue to experience strong tenant demand and are keen to add to their portfolios. The positive signals being picked up elsewhere around the economy also seem to have flowed through to the PRS with landlords experiencing low arrears and low, stable voids."

The PRS Trends Q2 report is available to download here.

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NOTES TO EDITORS

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.