

**PARAGON MORTGAGES PRESS RELEASE  
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**LANDLORDS BRACED FOR IMPACT AS TAX RELIEF CHANGES TAKE EFFECT**

- Government's tax relief changes phased in from 6 April 2017
- 78% of landlords now say they understand the personal implications, up 8%
- "Full impact won't be felt until 2022," warns Paragon Mortgages' John Heron

There is an increased understanding of the implications of the Government's changes to tax relief on finance costs amongst landlords, according to Paragon Mortgages' latest PRS Trends Report for Q1 2017, based on interviews with 203 experienced residential landlords.

The Government's reduction in buy-to-let mortgage interest tax relief, announced in 2015, is being phased in from this month and 78% of landlords surveyed reported an understanding of the personal implications of the changes, up from 71% in Q4 2016.

This increase in understanding is paired with a smaller percentage of landlords saying they do not understand the implications (7% from 11%) or they require more information (13% from 18%), and is a further indication that landlords are preparing for the impact of the changes.

Reassuringly, landlord optimism was stable in Q1 2017, with the overall average rating of prospects for the PRS over the next 12 months now at 6.7. This maintains a modest upward trend since Q1 2016 and suggests confidence is returning amongst landlords following a turbulent 18 months, as they gain greater understanding of the pressures they are likely to face and developing strategies to mitigate at least some of the impact.

John Heron, Managing Director, Paragon Mortgages, said: "It's encouraging to see that the PRS has not been negatively impacted to the degree that had been widely predicted, despite some turbulence over the last couple of years. This increase in understanding combined with effective financial planning may be the key drivers behind a steadier picture in terms of overall optimism amongst landlords.

“However, we remain cautious, as landlords will not be fully impacted for some years yet and, whilst we have been able to track a modest recovery in confidence since 2015, the sector is still some way off its peak; the PRS is finely balanced and will remain so for some time.”

[Click here to see the full Paragon Mortgages Q1 2017 PRS Trends Report.](#)

**ENDS**

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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.