

# Buy-to-let Mortgages - UK - March 2011

Report Price: £1500 / \$2310 / €1793



## What is this report about?

Taking into account recent developments and new business data, this report provides a comprehensive overview of the market and considers its prospects for further growth. Drawing on a range of information sources, including consumer survey findings and trade interviews, the report examines distribution trends, identifies the main players and their respective market shares and reveals the key issues exerting influence over the market. Mintel's consumer research additionally provides insight into property ownership and aspirations, as well as general consumer attitudes towards investing in buy-to-let.

## What have we found out?

- The liquidity drought, caused by the collapse of the wholesale funding markets, led to an exodus of many smaller and specialist lenders who were reliant on this source of funding. As a result, the buy-to-let market has become highly concentrated and much less competitive, potentially offering opportunities for new entrants to rapidly expand.
- The buy-to-let market has grown strongly over the past decade and a half, although the pace of market expansion has slowed since 2007, due to the effects of the financial crisis.
- There are around 1.3 million buy-to-let mortgages outstanding. Given that there are some 3.4 million privately rented properties in the UK, this suggests that nearly two fifths of them are being financed by a buy-to-let mortgage.
- New business volumes have also shrunk to less than a third of what they were in 2006 and 2007. However, supply has recently picked up and the market has started to recover.
- Although the issue of funding remains an ongoing challenge, lenders are generally feeling more positive about the market's prospects and expect to see further growth in 2011.
- The underlying fundamentals remain solid, with strong tenant demand, moderating house-price inflation, and high levels of consumer interest in direct property investment.

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