



## The buy-to-let market: where are we now?

After a whirlwind past 18 months, it would seem some form of normality is on the horizon. The pandemic has changed the face of the housing industry drastically given the unprecedented level of uncertainty we were all subjected to. So, how has the buy-to-let (BTL) market changed as we finally emerge from the other side?

First of all, it's important to note that the BTL market has been doing really quite well throughout the pandemic and is showing signs of improving still. Fears over the stability of the market echoed as the sheer scale of the Covid crisis was realised, but those worries haven't quite materialised.

Various schemes designed to encourage market growth throughout the pandemic have given landlords a boost as lower mortgage rates have helped them to manage their property portfolios more easily.

### Is now the time to invest?

In recent times, the property market has boomed. House prices have

been at an all-time high recently and with the lower mortgage rates still available to potential landlords, could now be the time to get involved in the BTL market? According to a new report by Shawbrook Bank, landlords are growing increasingly confident about expanding their portfolios as mortgage rates fall and rent rises. 34% of landlords are supposedly looking to invest in the BTL market over the coming 12 months, with 1 in 10 planning to expand into new areas given the changes in tenant priorities since the start of the pandemic. Rural areas are becoming increasingly popular with landlords as living in cities becomes less desirable given the rise in flexible working.

### Lack of supply is good news for BTL market

Although rent prices have only seen a relatively modest increase of 1.6% over the last year, the sharp increase in house prices has given BTL properties a big boost in value. According to Shawbrook, the value of the private rented sector had grown to £1.2 trillion by the end of 2020, with BTL properties growing by 5.8% in value year-on-year. With the unprecedented lack of supplies and building materials currently available, rental properties are becoming rare commodities. This could see a substantial increase in rent prices over the next year or so.

### Mortgages for landlords

BTL mortgage availability took a massive hit due to the pandemic as lenders withdrew a huge number of deals after the outbreak of Covid. Now, however, with the market settling down, BTL mortgages have returned at lower rates, which is great news for landlords. If getting into the market is potentially on the horizon for you, it is important to seek sound advice to make the most of a good period for the buy-to-let market.



**If you'd like to discuss the options available to you, contact your adviser today.**