

16 November 2009

Buy-to-let sees signs of recovery

The buy-to-let sector has been one of the biggest casualties of the last two years, with 93% of all deals disappearing in that time.

Landlords unable to find more than a 20% deposit can no longer find a new deal, despite deals requiring just a 10% or 15% deposit making up 64.8% of the market just over two years ago.

Only four deals from Clydesdale and Yorkshire Bank remain for landlords with a 20% deposit. If landlords want a choice of deals then at least a 25% deposit is needed.

Date	Number of BTL Products available
August 2007 (Peak)	3,662
2 Years Ago	1,942
One Year Ago	308
September 2009 (Low)	179
Today	239

Source: Moneyfacts.co.uk 16.11.09

Max LTV	% of total deals August 2007	% of total deals today
90%	12.8%	0.0%
85%	52.0%	0.0%
80%	12.8%	1.4%
75%	12.6%	24.2%
70%	2.8%	21.4%
65%	5.1%	15.3%
60%	1.2%	30.6%
50%	0.7%	7.1%

Source: Moneyfacts.co.uk 16.11.09

	August 2007	2 Years Ago	1 Year Ago	Today
Average 2 year fixed	6.28%	6.44%	7.20%	5.71%
Average 2 year tracker	6.35%	6.66%	N/A	4.47%
Tracker margin above base rate	0.60%	0.91%	N/A	3.97%

Source: Moneyfacts.co.uk 16.11.09

Michelle Slade, spokesperson for Moneyfacts.co.uk commented:

“Numerous BTL lenders have pulled out of the sector, while many of the remaining lenders restricting the number of deals on offer, making it harder than ever for landlords to find a competitive mortgage.

“The number of deals available is a long way off the peak seen in August 2007, although in the last few months the sector has seen positive signs with the number of deals available increasing from the all time low of 179 in September 09 to 239 available today.

“Many landlords’ biggest problem in securing a competitive deal will be finding the deposit needed as previous house price falls are likely to have eaten into the equity available in their portfolio.

“At least a 25% deposit is needed, but in the residential market a 40% deposit is needed to secure a good deal.

“Despite a 5.25% drop in base rate between August 2007 and today’ the average fixed rate mortgage has only reduced by 0.57%, while the average tracker has only fallen 1.88%.

“BTL lenders have continued to tighten criteria, restricting the size of portfolios that landlords can have, both in number of properties and maximum total advance.”

About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website www.moneyfacts.co.uk **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at www.moneyfactsgroup.co.uk.

Contact us...

Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

Press Office	Darren Cook Head of Press & PR Michelle Slade Press Officer Louise Holmes Press Officer/Administrator	01603 476207 dcook@moneyfacts.co.uk 01603 476454 mslade@moneyfacts.co.uk 01603 476204 lhomes@moneyfacts.co.uk
	Darren Cook Head of Press & PR Michelle Slade Press Officer	07803 899935 07803 145643
	Out of hours	
Follow us at: http://twitter.com/MoneyfactsPress An ISDN line is available for broadcast: 01603 230551		