

Landlord Vision Landlord Survey 2021

LandlordVision



Contents

Background.....	4
Methodology.....	4
Key Findings	5
Question by Question Analysis.....	6
Is your property portfolio your sole source of income?	6
Do you use an accountant to manage your finances?.....	7
Where are your properties located?	7
Select all regions that apply.....	8
Roughly how much income do you make from your properties annually?	9
Excluding Covid what are your biggest concerns for your property business?	10
Generally, which types of tenants do you have?	14
Are you a member of a landlord association?.....	15
How has the pandemic affected your property business? I.e., have you had to sell properties, put off expanding, deal with more voids, etc?	17
How do you find answers to your landlord-related questions and keep up to date with landlord policy and practices?	19
Are you prepared for the changes that Making Tax Digital for individuals will bring?.....	23
When do you think you will start to prepare for Making Tax Digital?	23
What will you do to prepare for Making Tax Digital?	24
How long do you think it will take you to get ready for Making Tax Digital? ...	25
Would you recommend Landlord Vision to other landlords?	25
Do you use a letting agent?.....	26
If yes roughly how much do you spend on their services?.....	26
How long do you intend to be a landlord?	28
Do you plan to have any of these types of non-residential lets in the future?	30
Conclusions.....	31
Introduction.....	31

Landlord Vision Landlord survey Report 2021

First published November 2021

Copyright © 2022 Landlord Vision

The right of Landlord Vision to be identified as the authors of this report.

Disclaimer: This 'Landlord Vision' report is produced for general guidance only, and professional advice should be sought before any decision is made. Nothing in this report should be construed as the giving of advice. Individual circumstances can vary and therefore no responsibility can be accepted by the contributors or the publisher, Landlord Vision Ltd, for any action taken, or any decision made to refrain from action, by any readers of this report. All rights reserved. No part of this report may be reproduced or transmitted in any form or by any means. To the fullest extent permitted by law, the contributors and Landlord Vision do not accept liability for any direct, indirect, special, consequential or other losses or damages of whatsoever kind arising from using this report.

Survey Background and Methodology

Background

The Landlord Vision survey was conducted primarily for research purposes to help the company find areas for improvement and development.

The secondary purpose of the survey was to identify areas of concern for landlords, to gather insights into the market as a whole and to provide some benchmarks for interested landlords who frequently ask us for anonymised data about their fellow software users.

Methodology

The survey was conducted across our entire contact database. The survey ran across two weeks and the data was collected in Survey Monkey. Later the anonymised results were collated and analysed by Landlord Vision staff. There were 952 responses.

There was an incentive for completing the survey, this was entry into a prize draw for £200 in Amazon vouchers. The only conditions for entry were to complete the questions and provide an email address which was used only for the draw.

Questions were asked separately but in this report some are presented together.

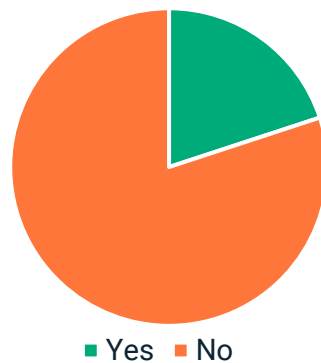
Key Findings

- § 20% of Landlords say property is not their sole source of income.
- § The South East and London are the regions with the most Landlord Vision users.
- § 32% of Landlords earn less than £15,000 from their properties annually.
- § 24% earn over £50,000 from their properties annually.
- § 40% of Landlords said constantly changing legislation was the biggest worry about their property business.
- § 26% of landlords said their biggest concern with their property business was non payment of rent, bad tenants or property voids.
- § For landlords who are concerned about costs, rising mortgage rates are the largest contributing factor to this concern.
- § 72% of landlords rent to families or professionals 28% have non standard tenancies like student housing.
- § 52% are a member of a landlord association and the most popular association among our members is the NRLA.
- § 92% of landlords who have used Landlord Vision would recommend it to other landlords.
- § 44% reported no negative changes to their property business as a result of the Coronavirus pandemic.
- § 21% of landlords had problems receiving the correct rent and 12% experienced voids as a result of the pandemic.
- § Landlords use the internet to find answers to their questions. Most popular sites include Landlord Vision and the NRLA.
- § Many landlords are not aware of or are not prepared for Making Tax Digital.
- § 30% said they were going to prepare for Making Tax Digital soon, or this year.

- § 19% said they would not prepare for Making Tax Digital until it was absolutely necessary to do so.
- § 43% are not sure how long it will take them to prepare for Making Tax Digital.
- § 68% of landlords intend to diversify their portfolios in the coming years.
- § The most common payment frequency for letting agents is annual, most spend between £1000 and £5000 a year.
- § 27% of landlords are intending to sell up in the next 10-20 years.
- § 52% use a letting agent at some point in their property management journey. 53% use an accountant to manage their finances.
- § 44% of landlords intend to be landlords forever.
- § On average around £2000 per year was the most common amount spent on letting agents.

Question by Question Analysis

Is your property portfolio your sole source of income?



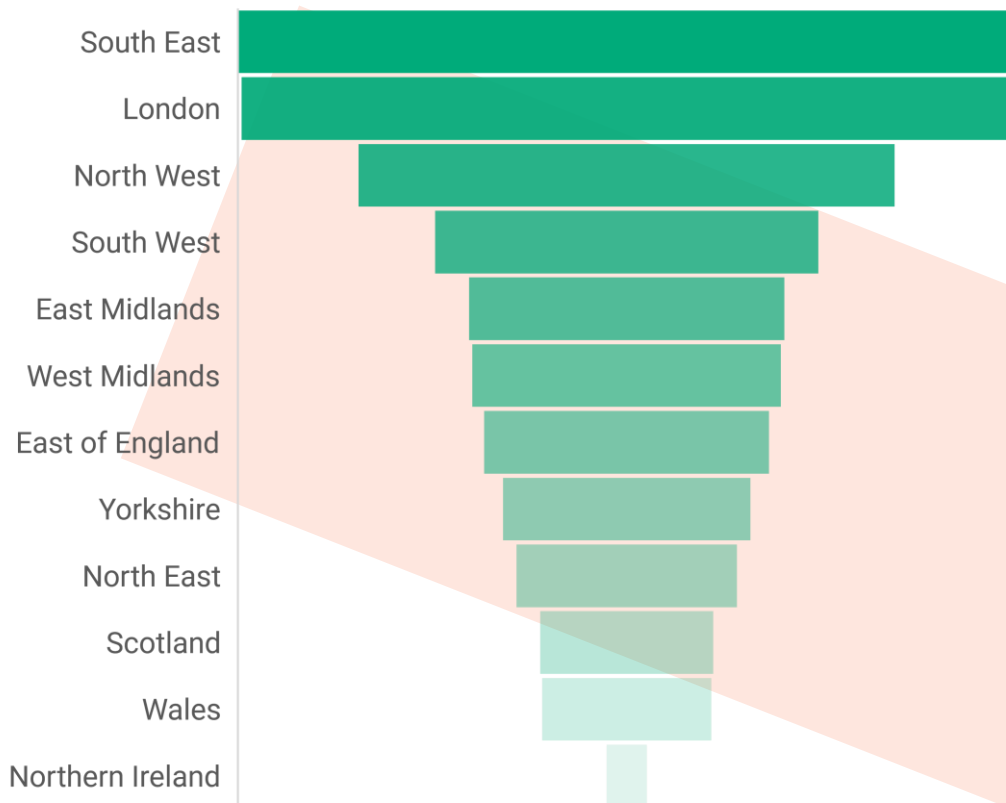
The vast majority of respondents (80%) say that property is not their sole source of income.

Do you use an accountant to manage your finances?



The majority 53% use an accountant to manage their finances.

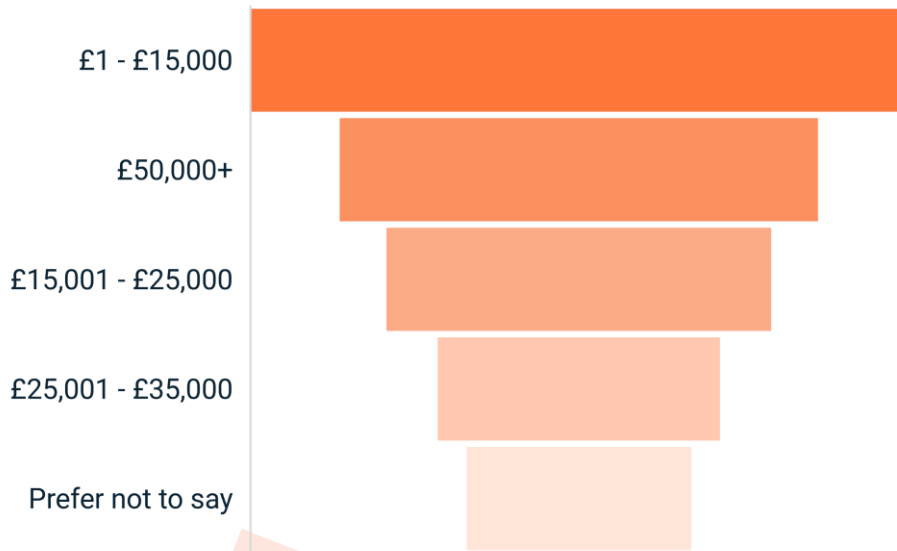
Where are your properties located?



Select all regions that apply

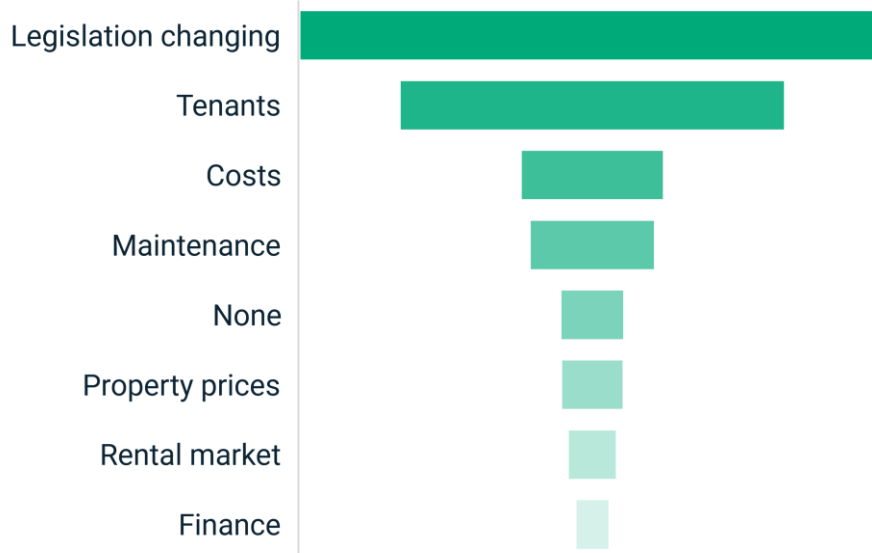
Region	%
South East	18%
London	18%
North West	13%
South West	9%
East Midlands	7%
West Midlands	7%
East of England	7%
Yorkshire	6%
North East	5%
Scotland	4%
Wales	4%
Northern Ireland	1%

Roughly how much income do you make from your properties annually?



- § 11% preferred not to say
- § 57% of respondents earn over £15,000 from property income annually
- § 32% of respondents earn less than £15,000 from their properties
- § 24% earn over £50,000

Excluding Covid what are your biggest concerns for your property business?



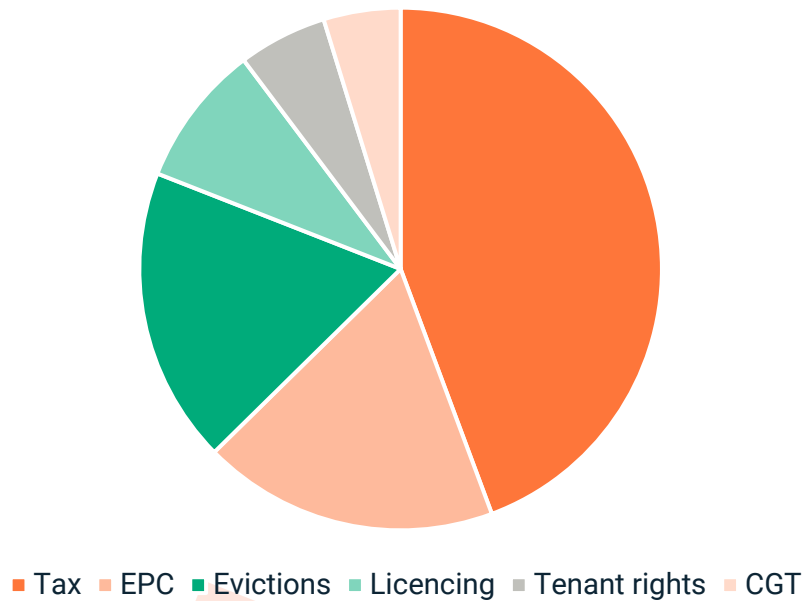
By far the largest set of concerns landlords have are around changing legislation (40%). The second largest set of concerns are to do with tenants (26%). Together these two segments make up 66% of all responses.

The third largest concerns are to do with rising costs (10%) and maintenance (9%).

4% had no concerns.

Property prices and rental market movements only concerned a small percentage of landlords.

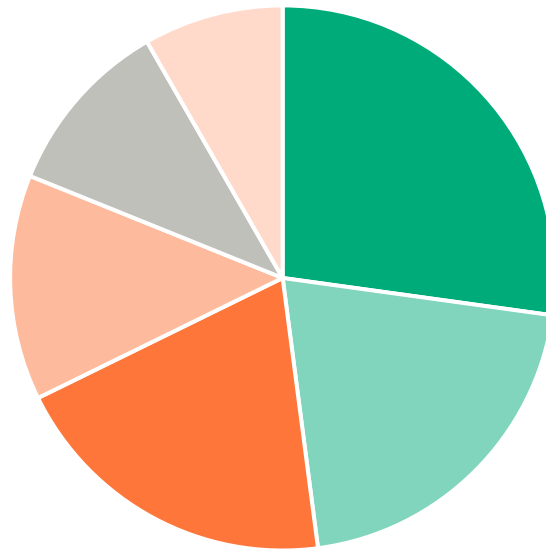
Largest Legislative Concerns



Of the 40% of respondents who were most worried about legislation:

- § 44% were most worried about increased taxes and changes to taxation legislation
- § 18% were most worried about the introduction of environmental legislation most notably EPC targets
- § 18% were most concerned with changing eviction legislation
- § 9% were most concerned about licencing
- § 5% expressed concerns about increasing tenant rights
- § 5% were specifically concerned with Capital Gains Tax

Largest Tenant Concerns

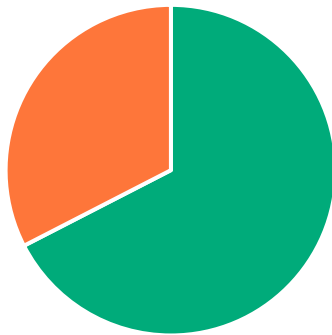


■ Non payment ■ Bad tenants ■ Voids ■ Damage ■ Finding ■ Arrears

Of the 26% of landlords whose largest concerns were tenant based:

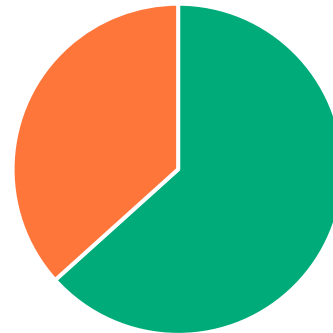
- § 27% were most worried about non payment of rent
- § 21% were worried they would have bad tenants
- § 20% were worried about tenants leaving them with voids
- § 13% were worried tenants would cause property damage
- § 11% were worried they wouldn't find tenants for their properties
- § 8% were concerned about property arrears

Cost Concerns



■ interest rates ■ Compliance

Maintenance Concerns



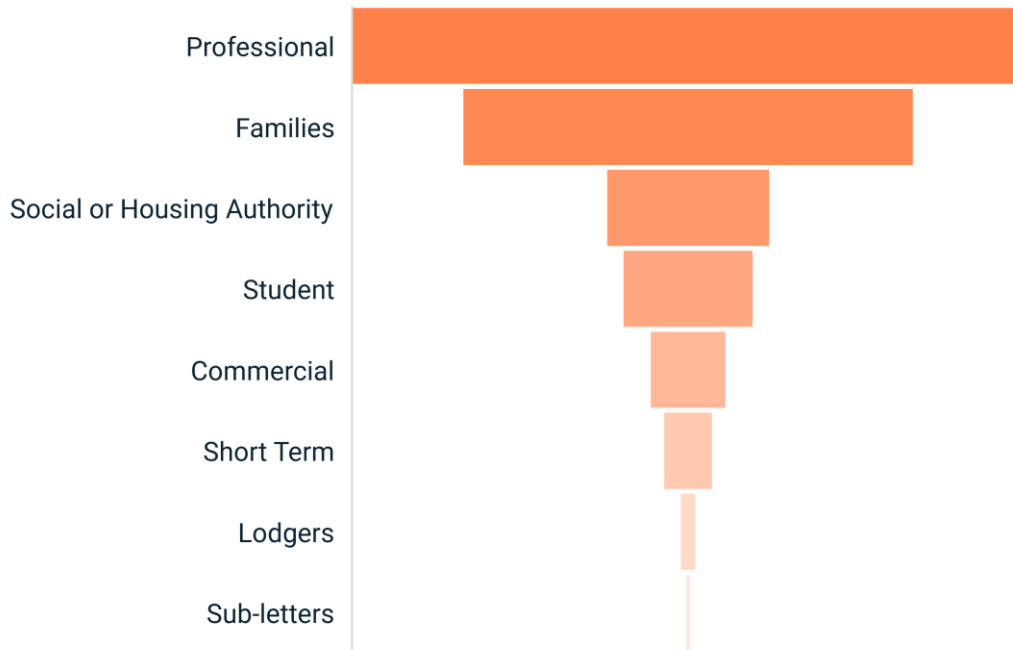
■ Costs ■ Supply issues

Many of the 10% of landlords who said they were most concerned about costs didn't go into further detail, just cited costs as a concern.

Of those who did go into more detail the overwhelming concern was around rising mortgage interest rates followed by the costs associated with complying with legislation. For instance, the costs associated with bringing properties into line with EPC targets, recent electrical safety legislation, etc.

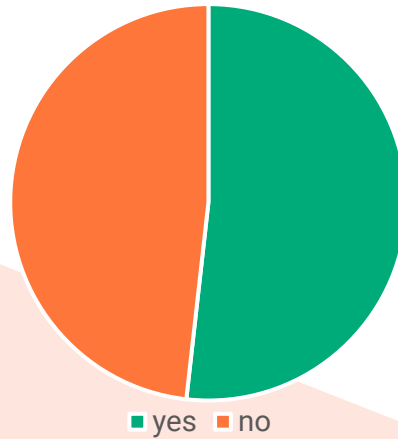
Of the 9% of landlords who were concerned with maintenance only a few reasons were given. Where this was elaborated on, the costs of ongoing maintenance was the most common concern followed by finding contractors to carry out maintenance.

Generally, which types of tenants do you have?



- § 28% have less standard types of tenancies
- § 43% rent to professionals
- § 29% rent to families
- § 10% rent to social or housing authority tenants
- § 8% let to students
- § 5% have commercial lets
- § 3% have short term lets
- § 1% have lodgers
- § Less than 1% have sub-letters

Are you a member of a landlord association?



52% of respondents said they are a member of a landlord association. It should be noted that this data may be skewed due to Landlord Vision’s long running partnership with the NRLA.

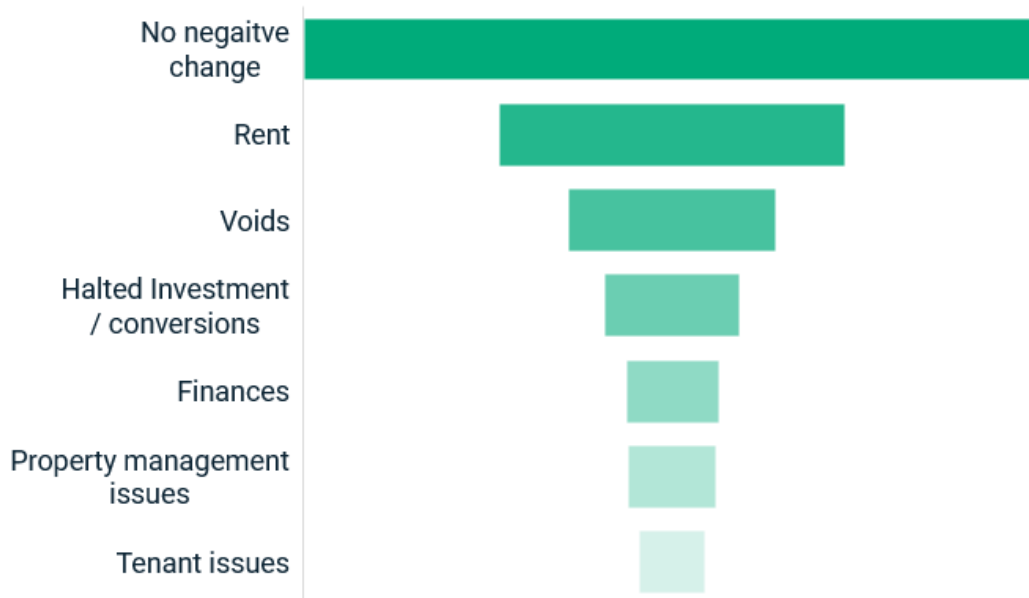
The following are the associations respondents told us they are members of:

NRLA	75%
Scottish Association of Landlords (SAL)	5%
RLA	3%
BLA	2%
North West Landlords Association (NWLA)	1%
Landlords Association for Northern Ireland	1%

All other associations listed (with 1-3 mentions):

- § Landlords Guild
- § National Renters Alliance (NRA)
- § EMPO (East Midlands)
- § Association Of Residential Letting Agents (ARLA)
- § York Residential Landlord Association
- § London Landlord Accreditation Scheme (LLAS)
- § Dundee Landlord Accreditation
- § Landlord Accreditation North Staffordshire
- § Jersey Landlord Association
- § Midland Landlord Accreditation Scheme (MLAS)
- § DASH Services
- § Landlord Protection Agency (LPA)
- § Eastern Landlords Association (ELA)
- § Rent Smart Wales
- § iHowz Landlord Association
- § Gateshead Property Landlord Association
- § Portsmouth & District Private Landlords Association (PDPLA)
- § South West Landlords Association (SWLA)

How has the pandemic affected your property business? I.e., have you had to sell properties, put off expanding, deal with more voids, etc?



Surprisingly, 44% of respondents reported no negative changes to their property business as a result of the pandemic.

- § 21% of landlords had problems receiving the correct rent
- § 12% of landlords faced voids
- § 8% halted investment/ conversions
- § 6% had issues with their finances
- § 5% had property management issues
- § 4% faced problems with their tenants

Of the 44% who reported no negative change:

- § 9 respondents were able to expand their business
- § 2 managed to increase rental prices

Of the 24% who experienced rent problems:

- § 74% – reduced their rents prices
- § 58% – dealt with arrears and rent losses
- § 5% – put a hold on rent increases
- § 1% – struggled to find rent guarantee insurance

Of the 8% who halted Investment/ conversions:

- § 16% – due to the shortage of labour
- § 14% – increased house prices
- § 10% – shortage of materials

Of the 6% who had issues with finances

- § 48% – had to sell up
- § 24% – Drop in profits
- § 11% – had increased expenses

Of the 5% who had property management problems

- § 53% – difficulty carrying out repairs
- § 18% – decided to/forced to change letting type e.g. HMO to holiday let
- § 6% – had to offer shorter tenancies

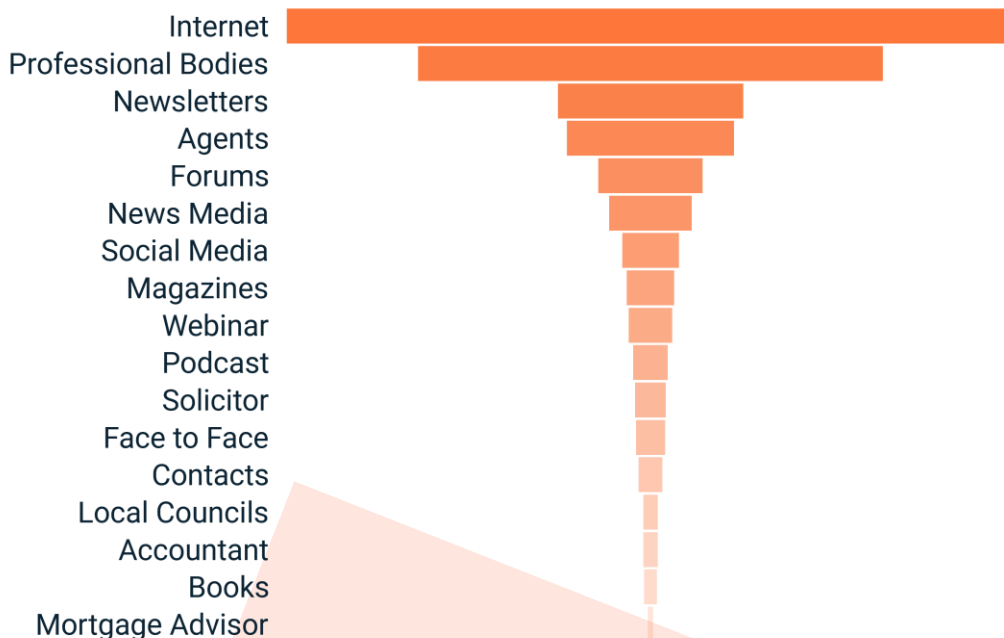
Of the 4% that had tenant issues

- § 51% – difficulty evicting tenants
- § 10% – couldn't gain access to the property
- § 10% – dealt with anti social behavior
- § 8% – saw more frequent tenant turnover

Note

Where percentages don't add up to 100% beneath each section this is because some respondents gave more than one reason / issue / concern in their free text answer.

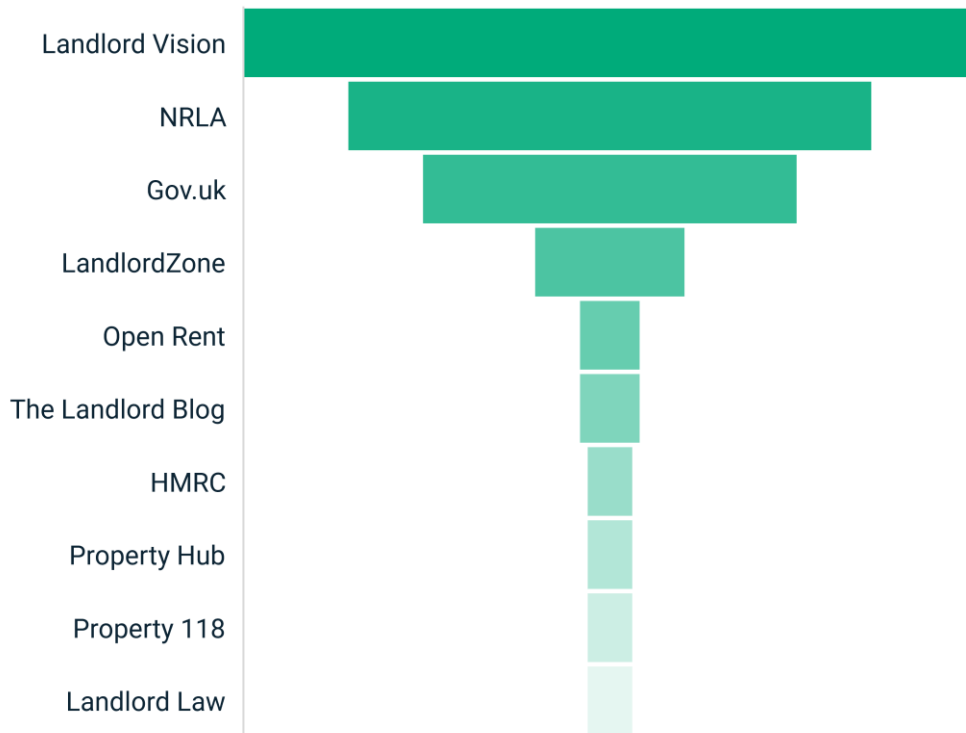
How do you find answers to your landlord-related questions and keep up to date with landlord policy and practices?



Not surprisingly most landlords turn to the internet to find answers to their questions (36%).

A large proportion rely on information from professional bodies (23%) such as landlord associations, though it is worth noting that this data might be skewed due to our long running relationship with the NRLA.

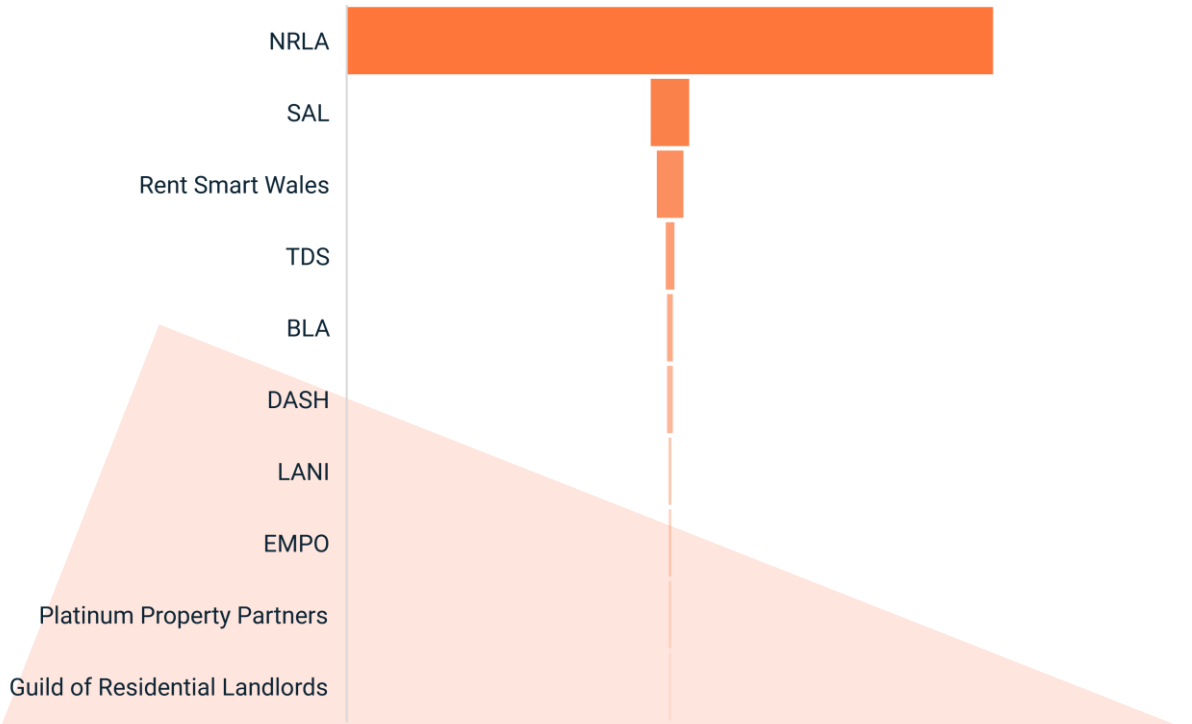
Most popular websites



Of the 36% of respondents who told us they used the internet to answer their landlord related questions, these were the sites they mentioned using most frequently.

It should be noted that the data may be skewed because we asked this question to people who frequently visit Landlord Vision. Also, we have a long running relationship with the NRLA which means a higher number of respondents are also NRLA customers.

Most Popular Professional Bodies



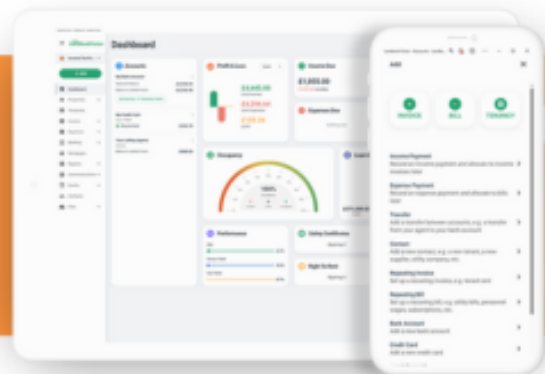
Of the 23% of respondents who told us they used professional bodies to answer their landlord related questions, these were the ones they mentioned using most frequently.

It should be noted that the data may be skewed because we have a long running relationship with the NRLA which means a higher number of respondents are also NRLA customers.



Approved by Landlords

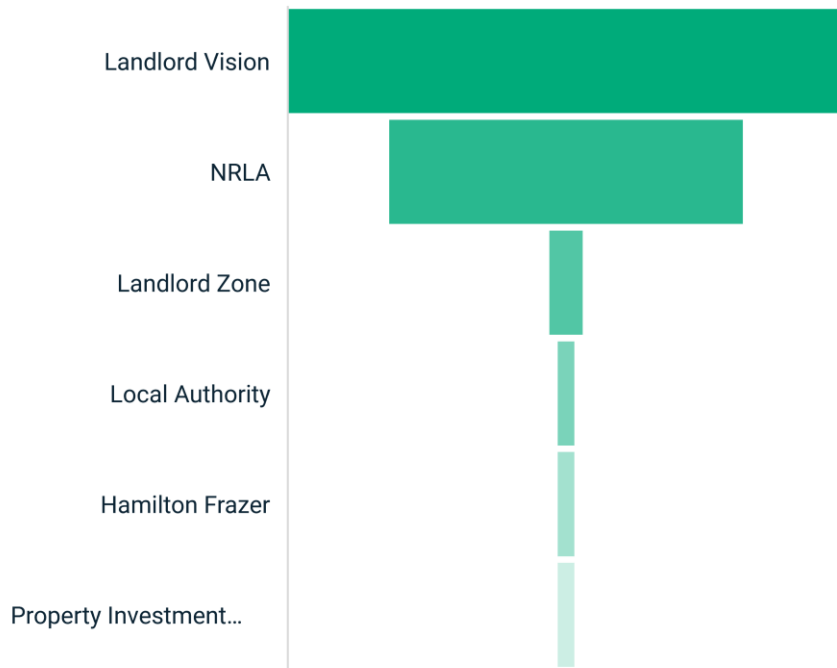
Landlord Vision comes highly recommended for property management. Find out how it can help you.



[Book A Free Demo](#)



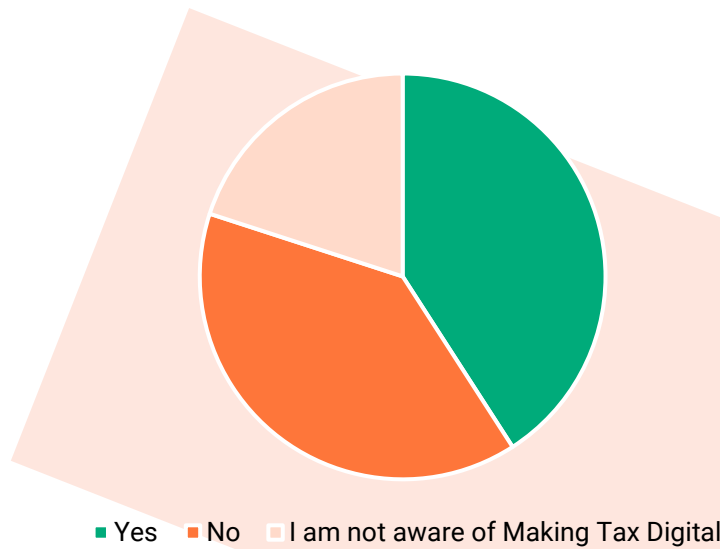
Most Popular Newsletters



9% said they found answers to their landlord related questions via the newsletters they subscribed to. These were the most frequently mentioned newsletters.

It should be noted that the data may be skewed because we asked this question to people who are in regular receipt of the Landlord Vision newsletter. Also, we have a long running relationship with the NRLA which means a higher number of respondents are also NRLA customers.

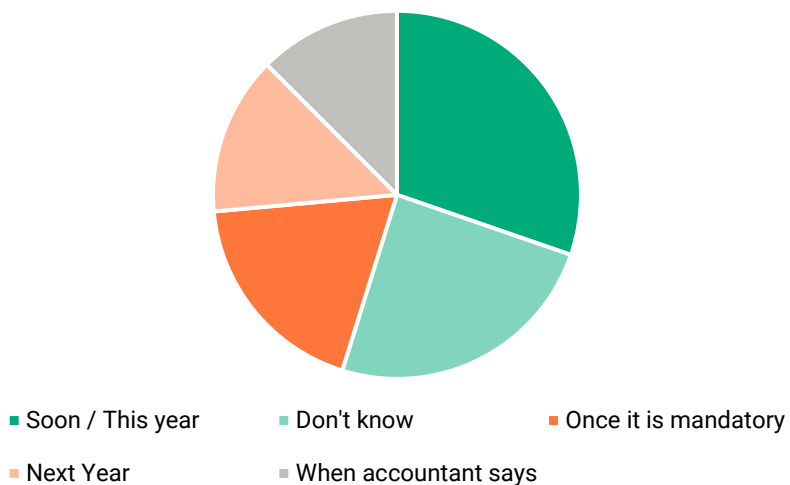
Are you prepared for the changes that Making Tax Digital for individuals will bring?



There is a relatively even split between those who feel they are prepared for MTD and those who aren't. 41% feel that they are ready for MTD and 39% feel that they aren't.

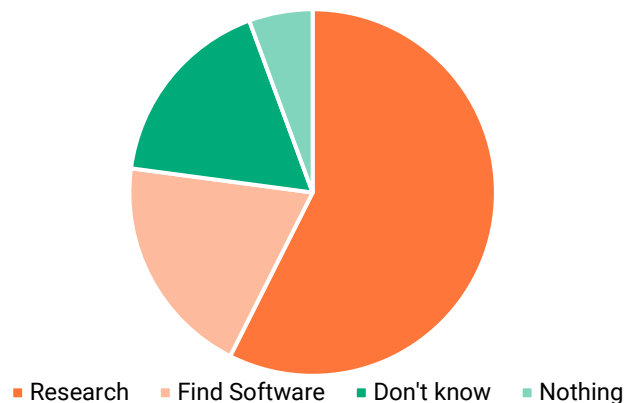
20% are unaware of Making Tax Digital.

When do you think you will start to prepare for Making Tax Digital?



When analysing responses to this question the general feeling was that, aside from the respondents that said they were getting ready soon or this year (30%), landlords were only going to prepare when it was absolutely necessary to do so or they were going to rely on others to prepare for them (i.e. Accountants).

What will you do to prepare for Making Tax Digital?



57% said research and the additional context suggested this was because they were not sure what they would have to do to prepare. Of the 57% who said they would conduct research some shared how they would go about that:

44 – Said they would ask their accountant

22 – Said they would seek advice from Landlord Vision

From this we can surmise that the majority of respondents are not sure how to prepare for Making Tax Digital.

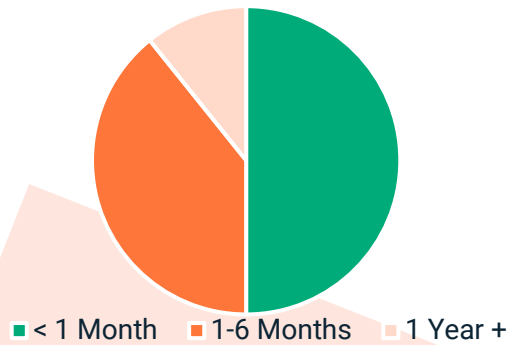
The Very Unprepared

2 – Said they would panic

1 – Said they would sing

1 – Said they would scream

How long do you think it will take you to get ready for Making Tax Digital?



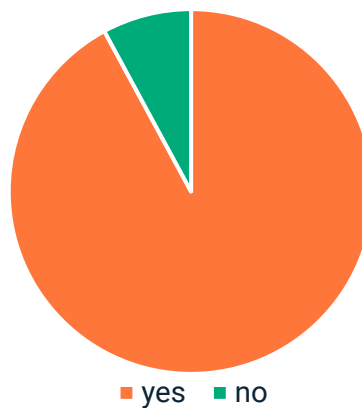
43% said they didn't know how long it would take to prepare.

6% said they weren't planning to prepare – this is usually because they assumed their accountant would do it for them.

The chart on the left is made up of the remaining 50% of responses.

- § 25% expect it to take less than one month
- § 20% expect it to take between 1 and 6 months
- § 5% expect it to take upwards of a year

Would you recommend Landlord Vision to other landlords?



Overall, 92% of people who have used Landlord Vision would recommend it to other landlords.

Respondents to this question also included customers who have cancelled their subscription and customers who have taken a free trial but not gone on to subscribe.

Do you use a letting agent?



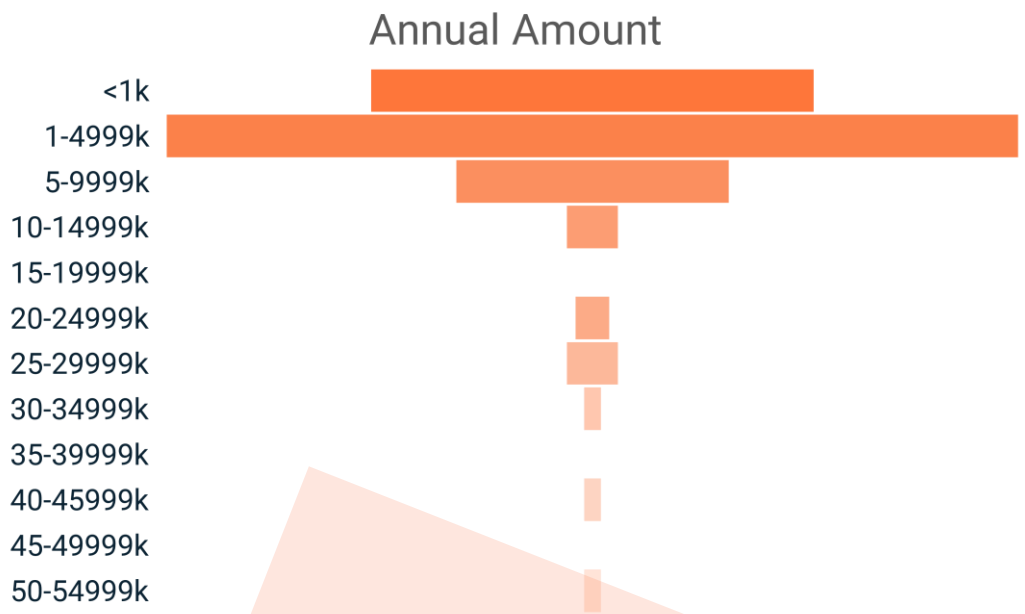
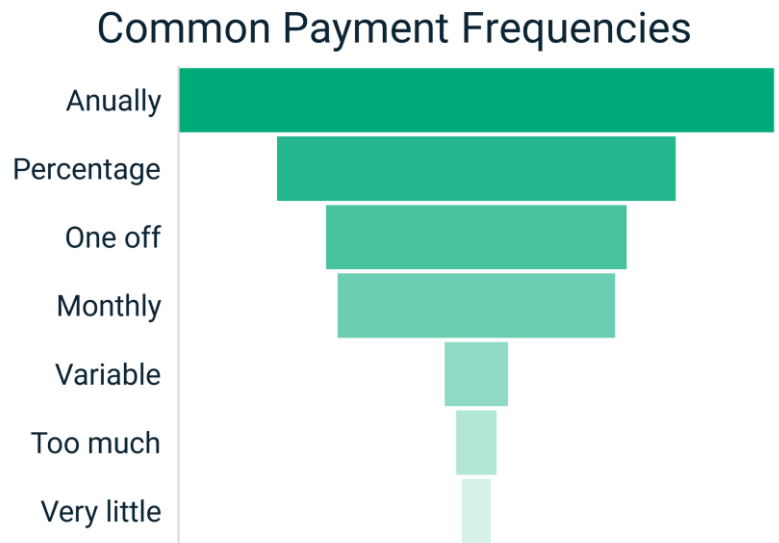
Overall, 52% of respondents said they use a letting agent.

If yes roughly how much do you spend on their services?

This was a free text question, so the amount spent on letting agent services was split between one off payments, annual payments and monthly payments. Some gave actual payment amounts while others cited percentage amounts. The next few graphs will analyse the letting agent spend.

The most commonly given payment frequency was Annual followed by a percentage of the rent and then one-off payments for tenant finding services.

Most annual payers spend between £1000 & £5000 a year, on average around £2000 was the most common amount.



Most people paying monthly are paying between £100 and £199.

Percentage wise 6%-10% of the monthly rental income is the most common payment model. Of these 10% is by far the most common percentage given. In the 11%-15% category 12% is the most common percentage given.

The most common variable cost is for the tenant finder service, the most popular fee cited for this was one month's rent.

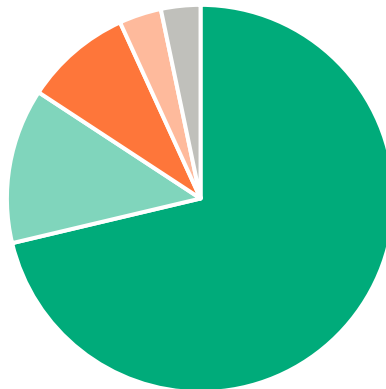
Monthly Amount



Percentage Amount



How long do you intend to be a landlord?



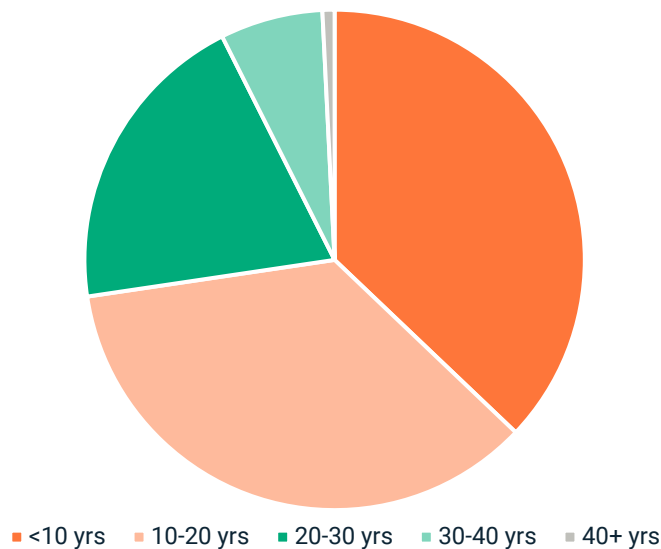
■ Forever ■ Don't Know ■ Until Retirement ■ Pass to Kids ■ Until I Sell

62% of respondents didn't give a specific time frame or number of years.

- § 44% said they intend to be a landlord forever.
- § 8% didn't know how long they were going to be a landlord for.
- § 6% said they intend to be a landlord until they retire.
- § 2% intend to pass their properties on to their children.
- § 2% indicated that they are currently waiting for a tenant to vacate so they can sell their property and exit the sector.

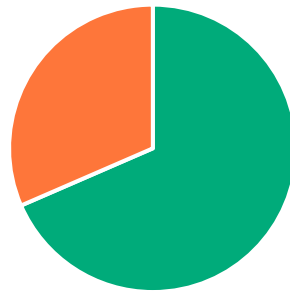
38% of respondents gave a specific time frame for when they intend to exit the sector. The majority of these respondents (27%) plan to sell within the next 20 years.

- § 14% plan to sell within the next 10 years
- § 13% in the next 10 to 20 years
- § 7% in 20 to 30 years
- § 2% in 30 to 40 years
- § And less than 1% plan to sell in more than 40 years

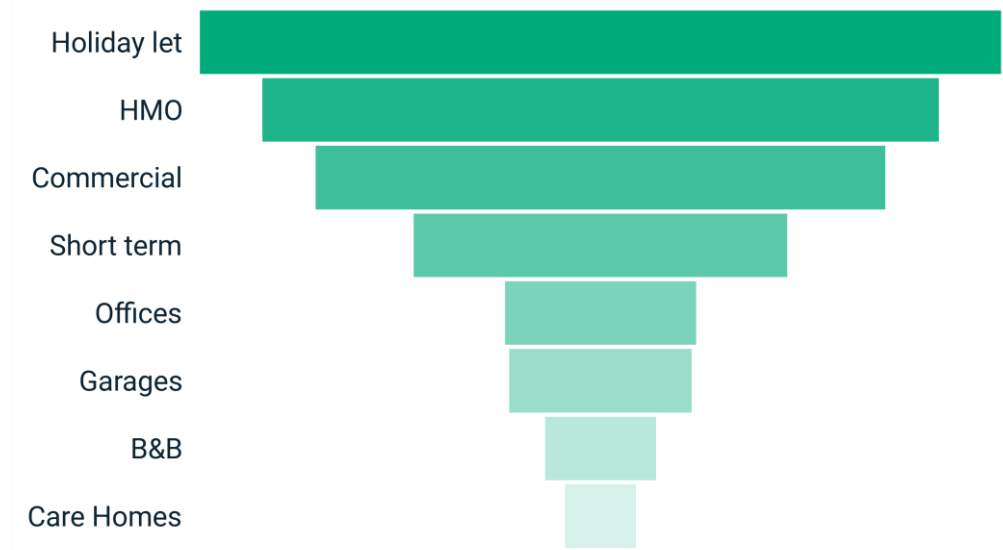


Do you plan to have any of these types of non-residential lets in the future?

68% of respondents said they are considering buying non-residential lets in future.



■ Yes ■ No



Together, holiday and short term lets (27%) seem to be the most considered followed by commercial and offices (17%) and then HMO (15%).

Conclusions

Introduction

Much of the data published within this report speaks for itself. Where it's been possible to assert conclusions alongside the data this has been done.

However, a holistic reading of the data gave way to three more general suppositions that are presented in this final conclusion.

Longevity

While there seems to be a news story every week about landlords selling up and leaving the sector, this research shows that for many landlords this isn't on the cards. Many landlords see letting their properties as a lifelong vocation.

However, the increasingly hostile legislative agenda in the PRS – often cited as the reason landlords are selling up – is indeed a major cause of concern for landlords.

Landlords mostly have a good understanding of the sector and given the number of people who indicated that property is not their sole source of income and those who are planning to diversify their property model, there is plenty of mileage in property investment yet.

Finance

A large proportion of landlords have income from other sources besides property. Aside from this 57% earn over £15,000 per year from their properties. Despite the data suggesting that landlords do not have much

disposable income from properties only 10% cited cost as one of the largest issues facing their property business. Of greater concern to landlords is the threat of rising costs with larger numbers sharing concerns around rising interest rates and increasing taxes.

Coronavirus

While there's been a lot of concern around how landlords have been impacted by COVID, this research shows that a large number of landlords felt no negative impact. This was a surprise to us and we could see no inherent bias in the question or the people asked that might skew the outcome.

Having said that, more landlords in this survey had issues caused by the pandemic than those who felt no negative impact. The majority of these issues were around receiving the correct rent which tallies with news media reports.

Special Thanks

We want to take this opportunity to thank everyone who took part in the survey. Without their candour this report would not be possible.



 **LandlordVision**

© Landlord Vision 2022