Private Rented Sector: navigating the changing landscape

June 2023

Executive summary

- **The imbalance between supply and demand in the private rented sector (PRS) has worsened.** The April RICS Residential Survey showed demand at +40% and landlord instructions at -31%. +56% of respondents expected rents to rise over the following 3 months, with every region seeing higher demand and upward pressure on rents. Similar findings have been reported by Rightmove and Zoopla.

- **Real rents in the PRS have declined in recent years despite the supply shortage.** Despite media headlines of soaring rents and the shortage of rented property, in the year to April existing private rents (as measured by the ONS – 4.8% up) failed to keep pace with consumer price inflation, which was 8.7%. Newly agreed rents (as measured by Homelet – 9.9% up) rose faster but has been broadly in line with inflation in recent months. One explanation why existing rents have not risen with inflation is that the majority of buy-to-let landlords remain on low fixed mortgage rates but this will change as borrowers come to the end of their current rate period.

- **Some landlords have seen mortgage payments rise by 238% since December 2021.** While the majority of landlords remain on low fixed rate loans for now, Octane Capital reports that landlords needing new deals have, on average, seen the cost of their monthly interest payments jump by 75.7% over the last year. Borrowers on a typical Bank Rate tracker mortgage taken out before the financial crisis have seen their mortgage payment rise by 238% since December 2021.

- **Higher rate tax paying landlords face a double whammy.** Many higher rate taxpaying landlords have been able to absorb the extra tax resulting from the restriction on interest deduction because mortgage rates have been so low. But when mortgage rates rise higher, landlords are hit by the direct increase in costs without the corresponding reduction in tax, pushing up their marginal tax rate. On a typical buy-to-let purchase today, a higher-rate taxpayer faces a marginal tax rate of 240%.

- **A significant proportion of buy-to-let landlords are failing affordability assessments and cannot remortgage.** Mortgage Broker Tools reported that 19% of buy-to-let landlords seeking to remortgage last November could not find a single lender willing to advance the loan size they were seeking. Fortunately, there are reasonably priced product transfer offers available for these landlords from most lenders.

- **As more landlords reach the end of their current fixed deal, rents will need to rise in real terms.** The substantial rise in interest costs that some landlords have already experienced will impact the majority of landlords over the next few years. This increase in costs will inevitably put upward pressure on rents.

- **The threat of more draconian regulation including rent controls is the most serious threat to the health of the PRS.** Increased regulation and adverse tax changes have discouraged investment in the PRS and led some landlords to sell up. But, rather than incentivising landlords to invest more, policymakers are threatening even more draconian and unrealistic regulation such as an Energy Performance Certificate (EPC) minimum rating of C. The Scottish government has gone further still, imposing a price cap on private rents. Rent controls typically lead to disinvestment by landlords, who exit the market because they are prevented from making adequate returns. In this scenario it is future tenants who will suffer the greatest harm, with still less supply and higher rents for new contracts.

1. An increasingly hostile regulatory climate

1.1 Calls for temporary rent freeze and eviction ban

On 23 February 2023, the London Renters Union published a letter calling for a nationwide rent freeze, a moratorium on evictions and the banning of fixed-term tenancies for the private rented sector (PRS). The letter was signed by Sadiq Khan, Mayor of London, Andy Burnham, Mayor of Manchester and a range of lobby groups and other bodies.

The letter followed the implementation of a six-month rent freeze and evictions ban in Scotland under the emergency Cost of Living (Tenant Protection) (Scotland) Act 2022, which took effect in October of that year. This was followed by the announcement of a 3% cap on rent increases from 1 April 2023 for an additional six months with the option to renew rent controls after that. Scottish social housing landlords and providers of purpose-built student accommodation were exempted from the April rent cap, despite these sectors containing some of the most financially challenged households.

Scotland had already created a mandatory register for private landlords and abolished fixed-term tenancies when it introduced the Private Residential Tenancy (PRT) to replace the Assured Shorthold Tenancy (AST) in December 2017. The PRT also includes an element of rent control in that it established a system where tenants can appeal a rent increase to a rent officer if they considered it unfair.

1.2 Renters Reform Bill and minimum EPC

While the UK government has so far resisted following the Scottish government's lead with a rent freeze, it has proposed a Renters Reform Bill which contains key changes that mirror those implemented in Scotland in 2017. It proposes to abolish Section 21 of the 1988 Housing Act, which created fixed-term contracts, and plans to create a national landlord register and a minimum statutory decent homes standard.

The abolition of Section 21 is a concern for many landlords because it can be difficult and time-consuming to evict tenants for rent arrears or anti-social behaviour. In contrast, under Section 21 a tenant can be asked to leave at the end of a fixed tenancy period without the need for an explanation. For example, landlords with houses in multiple occupation (HMOs) may find that one tenant is causing others to leave through poor behaviour, but this may not rise to the level where an eviction could easily be obtained for anti-social behaviour. In this situation, responsible tenants may feel they have to leave a property if the landlord is powerless to evict an unreasonable housemate.

In 2015, Minimum Energy Efficiency Standards (MEES) were set for the PRS in England and Wales, stipulating that each property must have achieved an EPC rating of at least E. These came into force on 1 April 2018 for new tenancies, and on 1 April 2020 for existing tenancies. There are temporary exemptions where the cost of meeting the rating is above £3,500, where necessary third-party permissions cannot be obtained or where the upgrade would damage the property. The social rented and owner-occupied sectors were not subject to the same requirements.

However, in September 2020, the government published a new consultation entitled *Improving the energy performance of privately rented homes*, which proposed a more ambitious minimum EPC rating of C, to be met by 2025 for new tenancies and 2028 for all tenancies. Once again, the PRS has been singled out, with the proposals applying to neither the social rented nor owner-occupied sectors. The government has not yet progressed these proposals and a 2025 target date is now seen as unachievable by most commentators.

1.3 Labour party proposals

With the Labour party consistently ahead in the opinion polls in recent months, the prospect of a Labour government has become increasingly real. Labour has already set out a significant amount of detail on its plans for the PRS. In September 2022, it announced its intention to introduce a renters' charter. In line with the Renters Reform Bill, this would include the abolition of Section 21 evictions, a mandatory landlord register and minimum decent homes standard.

However, Labour's renters charter is expected to go further and introduce a minimum four-month notice period, a tenant right to keep pets and, of most concern to landlords, an end to the automatic granting of eviction for rent arrears. More broadly, Labour is also talking of expanding both owner-occupation and the social rented sector, pointing to a desire to shrink the PRS, which raises the risk of further adverse tax changes.

Furthermore, Labour has said it would introduce a 'Take Back Control Bill' to devolve powers to local authorities for issues such as housing. This could see local councils given the power to impose rent controls or a rent freeze, something that Labour Shadow Secretary of State for Levelling Up, Housing and Communities Lisa Nandy has supported.

1.4 Earlier adverse tax and regulatory changes

The first indication that government wished to begin reversing the deregulation brought about by the 1988 Housing Act came with the Housing Act 2004, which expanded regulation of HMOs, introducing for example minimum bedroom sizes. Subsequent regulatory changes have included minimum electrical safety standards and the requirement that rented properties must have an EPC. An increasing number of councils have introduced additional and selective licensing schemes covering homes with three or more sharers.

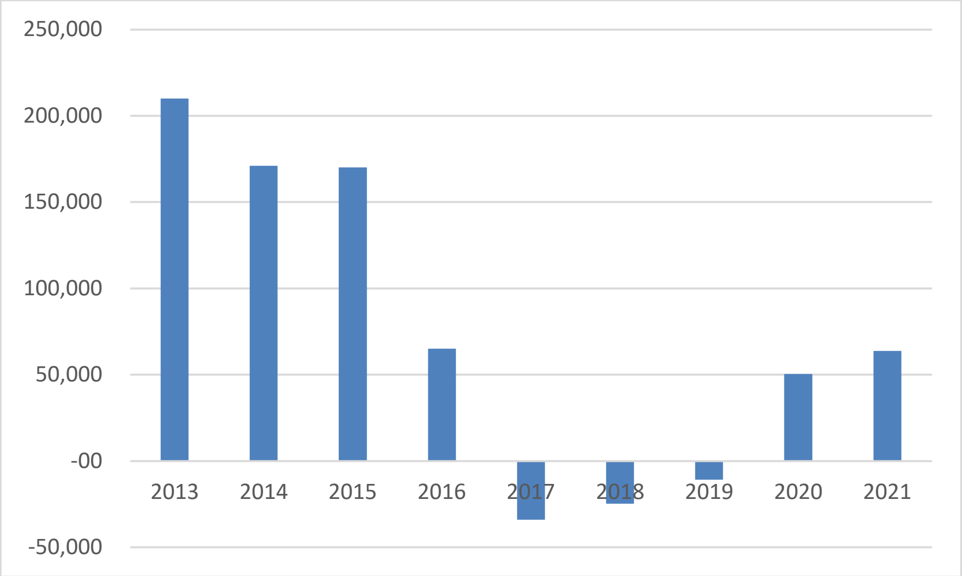
The supply of finance to landlords has also been subject to a series of regulatory changes. In 2016, the PRA issued new requirements to lenders on underwriting standards for buy-to-let mortgages requiring lenders to take account of a borrower's costs including tax liabilities, verified personal income (where used by the lender) and possible future interest rate increases. Lending to portfolio landlords (defined by the PRA as being those with four or more mortgaged buy-to-let properties) would need to be assessed using a specialist underwriting process with affordability assessed on the landlord's whole portfolio. The PRA prescribes that lenders must use an interest rate of at least 5.5% in their affordability assessment and that the income cover ratio (ICR) based on this interest rate cannot be below 125%. Changes to the Basel capital framework have also disadvantaged income-producing property relative to owner-occupied property.

But perhaps the most significant adverse change for landlords has come from tax changes implemented since July 2015, when Chancellor George Osborne restricted the mortgage interest tax deduction for landlords to the basic rate of income tax and removed the wear-and-tear allowance. Further adverse changes were announced in the Autumn Statement of that year with a stamp duty surcharge of 3% for investors and second home buyers and a requirement that capital gains tax be paid within 30 days for residential property. In 2016, buy-to-let was further disadvantaged when capital gains tax rates were reduced for other assets but not for residential property. The most significant of these changes was the 3% stamp duty surcharge and the restriction of mortgage interest, which is considered in more detail in Section 3 below.

1.5 Impact of adverse regulatory and tax changes

As with any other type of business, increased regulation leads to additional costs. The tax changes implemented since 2015 also reduced profits for many landlords. Economic theory tells us that in the long run businesses across different industries can expect similar risk-adjusted returns, so all costs will ultimately be passed onto customers. But in the short to medium term, how additional costs are shared between landlords and tenants is determined by the relative elasticities of supply and demand.

Chart 1 – Change in number of properties in PRS

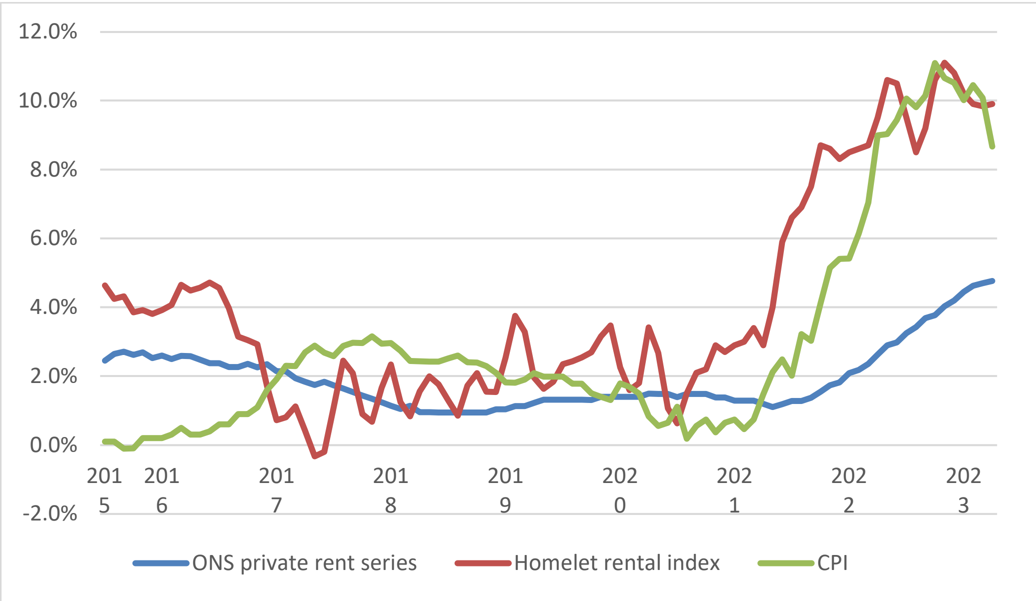


Source: DLUHC. Partly estimated

Evidence from government housing tenure statistics suggests that the tax and regulatory changes of recent years have indeed had an impact on the supply of rented property (see Chart 1). In particular, the tax changes of 2015 seemed to create something of a watershed, with growth in the number of private rented homes going from over 150,000 a year to an annual decline by 2017. The RICS Residential Market Survey confirms that supply has tightened, with landlord instructions falling for most of the period since 2017, but also that tenant demand has continued to rise during this time.

Such a reduction in supply would normally be expected to push up the price of any commodity. However, we can see from Chart 2 that rental price inflation has not substantially exceeded broader inflation as measured by the CPI. Between July 2015 and April 2023, rents on existing tenancies (as measured by the ONS index) increased by 17% against a cumulative increase in the CPI of 30%, meaning rents in real term actually fell 9%. While, over the same period, rents on new tenancies (measured by the Homelet index) rose by more than the CPI at 37%, providing some evidence that the contraction in supply is starting to push up rents, the real increase is a modest 5% over 8 years.

Chart 2 – UK rental versus consumer price inflation



Source: ONS, Homelet

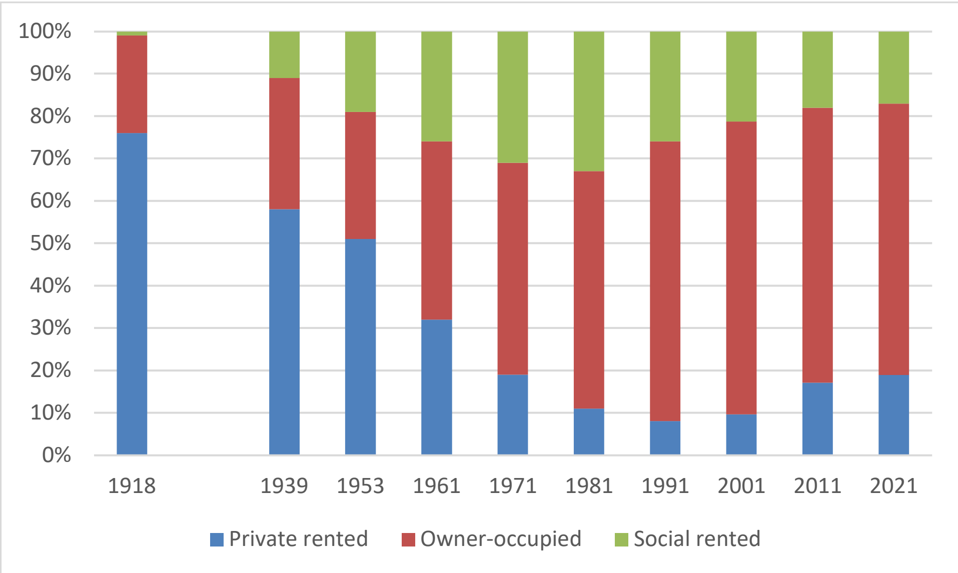
Why have real rents on existing contracts fallen despite the contraction in supply of privately rented homes? One explanation is that many landlords do not routinely increase rents when they have a tenant they are happy with. Another explanation is that one other cost, mortgage interest, which is for most buy-to-let landlords their largest single expense, fell consistently from 2015 until the start of 2022. Even for landlords without mortgage debt, falling interest rates mirrored falling risk-free returns, which should lower required returns from rented property. Of course, 2022 saw a sharp turnaround in the path of interest rates and, as a consequence, many landlords have seen their finance costs rise sharply as examined in more detail in Section 3 below.

2. Longer-term evolution of the PRS

2.1 The fall and rise of the PRS

For most of the twentieth century, the UK PRS was in decline (see Chart 3). Having comprised 90% of the housing stock in 1900, by its low point in 1986, its 1.9 million properties represented only 8.5% of all dwellings. Before WWII, the rise of owner-occupation drove the sector's relative decline but after the War a large council house building programme also had a major impact. Another key factor driving the decline of the PRS was rent controls. From 1939, private rents were frozen until the mid-1950s and, given that other costs were rising, many landlords were no longer able to maintain the condition of their properties, leading to declining states of repair.

Chart 3 – UK housing stock by tenure



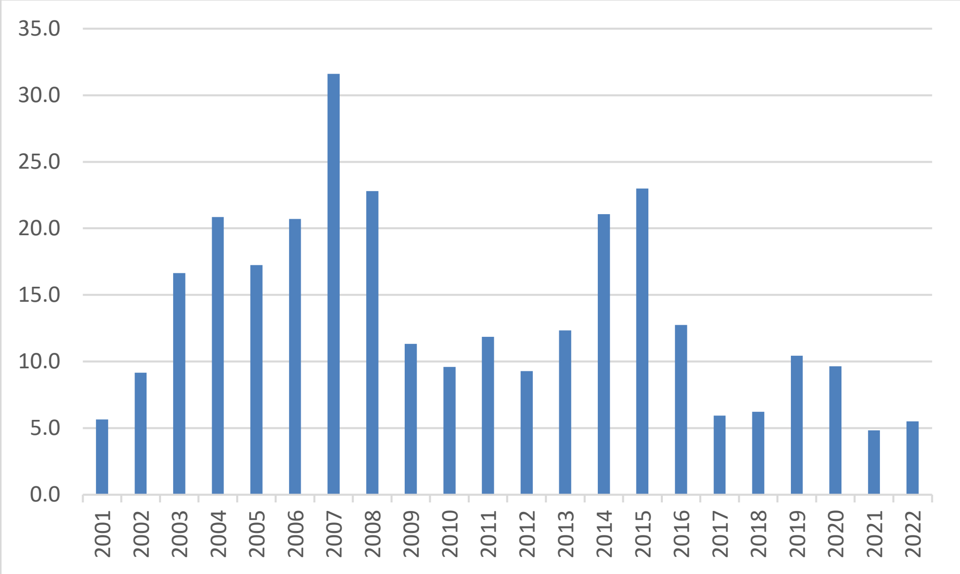
Source: DCLG

After partial deregulation by the Conservative government in 1957, the next Labour government introduced the Rent Act 1965, which recognized the desirability of landlords and tenants agreeing rents on new tenancies but provided security of tenure and allowed tenants to appeal rent increases to rent officers. Pension funds and other large investors continued to find this regulatory environment unattractive and the PRS continued to shrink until the mid-1980s.

A decisive watershed was created by the 1988 Housing Act, which created a deregulated market for new tenancies by allowing rents to be set by the market with fixed-term contracts, which gave landlords the confidence that they could regain vacant possession if necessary. The recovery was gradual at first but, seeing the opportunities presented by a market-driven PRS, a small group of lenders launched the buy-to-let mortgage in 1996.

The level of investment in the PRS since 1996 has been remarkable (see Chart 4). We estimate that, since its inception in 1996, buy-to-let landlords have invested over £300 billion in property purchases in net terms. Many billions more have been invested in property improvements. But, as Chart 4 shows, the rate of investment has been more modest since 2015 with net investment falling to around £5 billion in 2021 and 2022.

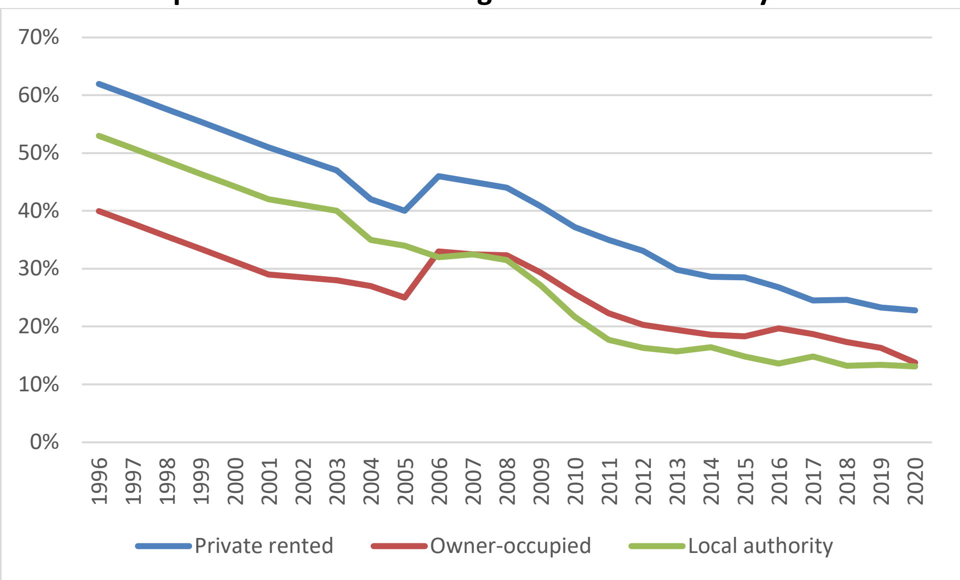
Chart 4 – Estimated net investment in buy-to-let property purchases (£ billion)



Source: ONE, UK Finance, IMLA estimates

The substantial investment in the PRS has not only resulted in a large rise in the number of privately rented properties, but also in the quality of the stock as shown by Chart 5. Interestingly, the rate of improvement has slowed markedly since 2015. In the five years to 2020, the proportion of private rented homes failing the decency standard fell by 20%, while in the five years to 2013 they fell 32%. It is impossible to know whether this trend reflects the increased cost of regulation and tax rises, but it would be entirely logical if the worst affected landlords had cut back on improvements in response to a squeeze on their profit margins.

Chart 5 – Proportion of homes failing to meet the decency standard



Source: DCLG. Definition was altered in 2006

It would be fair to conclude that, to some extent at least, the PRS has become a victim of its own success. The heavy investment of the past two decades has increased choice and raised standards for tenants but it has also to some extent crowded out first-time buyers. As the sector has grown and the alternatives of social renting and owner-occupation have become more difficult to access, resentment has increased.

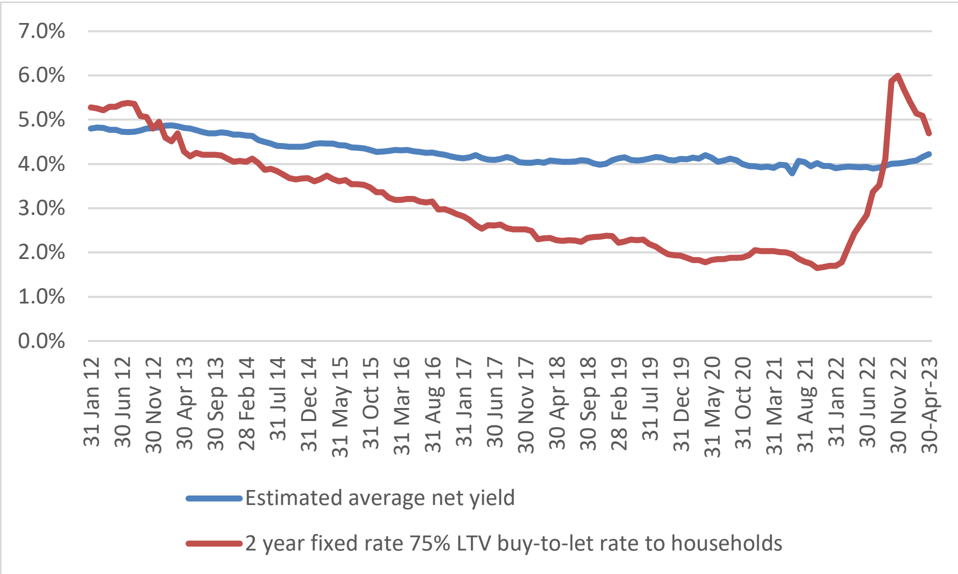
One of the PRS's greatest strengths, its flexibility to meet changing patterns of demand, is also a weakness in the sense that the sector has not been geared towards providing longer-term stable accommodation. As more families with children have struggled to find social housing and been unable to enter owner-occupation, the PRS has failed to provide them with the assurance they need in order to be able to put down roots. This uncertainty for tenants has driven calls for the abolition of fixed-term contracts. However, unless the abolition of section 21 evictions is accompanied by protections that ensure that landlords can evict tenants with serious arrears, or those engaged in anti-social behaviour without undue delays or drawn-out court processes, the result will be lower supply, higher rents and a more dysfunctional rental market for tenants.

3. Landlord costs

3.1 Impact of rising mortgage rates on new investment

As mentioned in Section 1, the largest cost for most buy-to-let landlords is mortgage interest. As Chart 6 illustrates, until the start of 2022 landlords had enjoyed a long period of falling financing costs. We can compare these costs with average net rental yields. To calculate yields we divide the average annual rent by the current average purchase price to estimate gross yields. We then assume that average operating costs are 25% of gross rental income and apply this figure to calculate net yields. Net yield is therefore the landlord's return before financing costs.

Chart 6 – Buy-to-let mortgage rates and estimated net rental yields



Source: ONS, Bank of England, Homelet

Chart 6 shows that, between 2013 and the middle of 2022, estimated net yields exceeded buy-to-let mortgage rates, meaning that landlords could achieve positive gearing, increasing their return on the equity they put into the property by increasing their debt. This provided a favourable economic environment for further investment which provided a counterweight to the increasingly unfavourable regulatory and tax environment.

But the dramatic rise in mortgage rates over the course of 2022 transformed these economics. Today, 2-year fixed-rate mortgage rates are above average net yields, producing negative gearing. Table 1 illustrates the impact of rising mortgage rates on new buy-to-let investments. Taking average rents from the Homelet index and assuming the typical buy-to-let purchase price is 90% of average UK property prices as measured by the ONS and that operating costs will amount to 25% of gross rental income, we can calculate the expected return on a new purchase using a 2-year fixed-rate mortgage.

Table 1 – Illustrated returns for buy-to-let purchases

	December 2021	November 2022	March 2023
Property price	£241,200	£263,700	£256,508
Expected annual rent	£12,784	£13,976	£14,108
Gross rental yield	5.3%	5.3%	5.5%
Expected operating costs	£3,196	£3,494	£3,527
Expected operating profit	£9,588	£10,482	£10,581
Mortgage rate	1.7%	6.0%	5.0%
Mortgage (75% LTV)	£180,900	£197,775	£192,381
Mortgage interest	£3,075	£11,867	£9,619
Expected profit	£6,512	-£1,384	£962
Pre-tax expected return on equity	10.8%	-2.1%	1.5%

Source: ONS, Bank of England, Homelet, IMLA estimates. Purchase price includes stamp duty

Table 1 shows that when mortgage rates were at their lowest level at the end of 2021, a typical buy-to-let purchase would be expected to produce an operating profit of around £6,500, a return of nearly 11% on the 25% equity investment not including any possible future capital gains. As future capital gains are uncertain, this could be described as a solid but not spectacular expected return. The mortgage would also have met the lender's affordability assessment as the ICR (gross rental income as a percentage of mortgage interest) was 128% at a stressed mortgage rate of 5.5% but at this mortgage rate the investment would have a small operating loss so the lender would need to be satisfied that the borrower could meet this shortfall from other income.

By November 2022, a landlord considering the same investment, faced with a mortgage rate of 6%, would face interest costs of nearly £12,000 a year, £1,400 more than their expected operating profit. Unless the investor is expecting large capital gains this is an unattractive proposition. Moreover, it would fail to reach an ICR of 125%, so additional equity would need to be injected as well as the need for a substantial on-going cash injection to meet operating losses.

Although the position had improved by March 2023 (the latest available data point for mortgage rates from the Bank of England), the investment was still quite marginal, generating a return on equity of 1.5% before capital gains. However, since the end of March government bond yields have risen sharply, leading to higher fixed-rate mortgage pricing and a decline in the number of fixed-rate buy-to-let mortgage deals available.

By the end of April, 10-year government bond yields were almost back to where they had been following the mini-budget in September 2022, following disappointing inflation figures, creating concerns that more buy-to-let borrowers will find it difficult to meet lenders' affordability tests when trying to remortgage. Of course, many rented properties will offer higher than average yields, so the figures in Table 1 should not be thought of as making all new buy-to-let purchases marginal. Nonetheless, the economics for new property purchases are certainly more difficult than they were.

3.2 Additional impact of restriction of mortgage interest tax deduction

Table 2 – Impact of restriction of interest deduction on higher tax taxpayers

	December 2021	November 2022	March 2023
Expected operating profit	£9,588	£10,482	£10,581
Mortgage rate	1.7%	6.0%	5.0%
Mortgage (75% LTV)	£180,900	£197,775	£192,381
Mortgage interest	£3,075	£11,867	£9,619
Expected pre-tax profit	£6,512	-£1,384	£962
Tax for 40% taxpayer	£3,220	£1,820	£2,309
Post-tax profit	£3,292	-£3,204	-£1,347
Effective tax rate	49%	N/A	240%
Post-tax expected return on equity	5.5%	-4.9%	-2.1%

Source: ONS, Bank of England, Homelet, IMLA estimates. Purchase price includes stamp duty

For higher rate landlords, rising mortgage rates are exacerbated by the restriction of the tax deduction on interest to the basic rate. Table 2 shows the same examples as Table 1 but examines the impact of tax on returns. When mortgage rates were low, the impact on higher-rate taxpayers was not too severe: a tax bill of £3,220 in the December 2021 example (first data column), against £2,605 if interest was fully deductible.

However, in the November 2022 example, even though the property is loss-making to the tune of £1,384 a tax bill of £1,820 is still incurred. Even in the March 2023 example a pre-tax operating profit becomes a loss thanks to an effective tax rate of 240%. Not only does this make new investment in buy-to-let look uneconomic for higher rate taxpayers unless they establish a limited company, but it also suggests that many existing landlords who are higher-rate taxpayers who may have found the new tax system tolerable at low interest rates will find it punitive once they move onto today's higher rates. Unsurprisingly then, for new investments most higher-rate taxpaying landlords are now investing through limited companies and face a flat 19% tax rate up to £50,000 of profit. Thus they would receive much more modest tax bills on the same profits as shown in Table 3 below.

Table 3 – Lower tax bills for limited companies

	December 2021	November 2022	March 2023
Expected operating profit	£9,588	£10,482	£10,581
Mortgage rate	1.9%	6.2%	5.2%
Mortgage (75% LTV)	£180,900	£197,775	£192,381
Mortgage interest	£3,437	£12,262	£10,004
Expected pre-tax profit	£6,151	-£1,780	£577
Tax at 19%	£1,169	£0	£110
Post-tax profit	£4,982	-£1,780	£467
Post-tax expected return on equity	8.3%	-2.7%	0.7%

Source: ONS, Bank of England, Homelet, IMLA estimates. Purchase price includes stamp duty.
Assumes a 20bp premium in mortgage rates over personal buy-to-let mortgages reflecting the absence of some large buy-to-let lenders in the market for lending to limited companies.

3.3 Impact on existing buy-to-let landlords

The impact of rising mortgage rates on existing landlords is a much more mixed picture. As 5-year fixed-rate mortgages have become increasingly popular with landlords in recent years, many will have the guarantee of stable payments for several years to come. Those with 2-year fixes will have less breathing space.

Those who have reached the end of a fixed period since last summer are likely to have faced a sharp increase in payments. Many have found that the remortgage market is effectively closed to them because at these higher rates they fail lenders' affordability assessments. Mortgage Broker Tools reported that 19% of landlords trying to remortgage in November 2022 were unable to find a single lender willing to remortgage the full balance. Most of these borrowers will still be offered reasonable product transfers but nonetheless face a steep rise in mortgage costs. Octane Capital reports that landlords have, on average, seen the cost of their monthly interest payments jump by 75.7% over the last year.

Another borrower segment that has seen sharp increases in mortgage costs are those on tracker or variable rates. Many of these are landlords who have loans taken out before the financial crisis of 2008-9. For example, borrowers who took a loan at Bank Rate plus 1.75% would have seen their monthly payments rise by 238% since December 2021.

But landlords have also been hit by other rising costs. Many report finding it difficult to find contractors to carry out repairs and that material costs have often soared by more than broader prices. It is difficult to provide an estimate of how fast landlords' operating costs have risen and no doubt experience varies from one landlord to another. But there is little reason to suppose their costs have risen by significantly less than the general rate of inflation.

Thus, even for landlords who have not faced a mortgage rate increase, there is likely to be a need to increase rents to prevent a squeeze on profitability. Under such circumstances, the rent freeze imposed in Scotland last year and advocated in England by Sadiq Khan and others implies a serious squeeze on landlords' profitability. This in turn would lead to under-investment in the PRS and it is future tenants who, finding it increasingly difficult to find affordable accommodation, will suffer the most.

4. Conclusion

In recent months, headlines from the PRS have been dominated by rent increases and the shortage of supply. After a prolonged period of increasing regulation, when the cost of this additional regulation was offset by falling mortgage rates, we have now entered a period when landlords are facing a serious increase in the cost of operating their businesses, the largest component being the rising cost of mortgage finance.

Due to the increased prevalence of 2-5 year fixed-rate mortgages the impact of higher rates has not hit all landlords in unison. Those unfortunate enough to have had a deal ending last Autumn will have seen a large rise in mortgage costs but few commentators expect rates to come back down to the ultra-low levels of 2021, so over the next few years we can expect landlord costs on average to keep on rising. Rising costs and increased regulation will encourage more landlords to leave the sector, particularly smaller operators who are disproportionately affected by the cost of increased regulation, exacerbating the supply shortage, putting further upward pressure on rents.

If the pattern of recent years is maintained, rather than responding to this shortage of accommodation by incentivizing landlords to increase supply, we can expect politicians and lobby groups to blame landlords for a situation largely created by the increasingly hostile regulatory environment imposed by these very politicians and call for even more draconian regulation, making the problem worse still. One of the most bizarre aspects of the increased regulatory burden being imposed on landlords is that the politicians imposing it and the lobby groups supporting it seem oblivious to the fact that these costs will ultimately fall on tenants.

The most extreme manifestation of this trend is the rent freeze that was imposed in Scotland and is now being advocated in England by Sadiq Khan and Andy Burnham. It is particularly perverse to impose such a freeze at a time when many landlords face spiraling finance and other costs. Such a rent freeze can protect some tenants from rent increases in the short term but at the long-term cost of making the PRS a thoroughly unattractive arena for investors to deploy their resources. As landlords fail to invest in or even exit the market in response to such price controls, those looking for new tenancies will be worse off than ever. So politicians risk exacerbating the housing crisis.

A report by Propertymark showed that 93% of letting agents in Scotland reported landlords expressing a desire to withdraw from the PRS due to the Scottish government's emergency protections for tenants. A total of 94% of letting agents said that their landlords have become more inclined to raise rents between tenancies as a result of the Cost of Living (Tenant Protection) Act. And the threat of a rent freeze in England is likely to encourage landlords to raise rents more aggressively than they would otherwise.

Why would investors invest in a sector where they cannot recoup costs through higher prices? Why would investors invest in a sector that has clearly been singled out for regulations such as minimum EPCs when other sectors have been exempted? In Scotland it would appear that larger organizations with the clout to lobby government such as housing associations and providers of purpose-built student accommodation have been able to avoid regulations such as the current rent cap, despite having far greater financial resources than a typical small landlord and despite the fact that their tenants are typically in a more precarious financial position. While such discriminatory policymaking continues, the outlook for the PRS and the tenants who depend on it to put a roof over their heads will be bleak indeed.

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About IMLA

The Intermediary Mortgage Lenders Association (IMLA) is the trade association that represents mortgage lenders who lend to UK consumers and businesses wholly or predominantly via the broker channel. Its membership of 54 banks, building societies and specialist lenders include 18 of the 20 largest UK mortgage lenders (measured by gross lending) and account for approximately 93% of gross mortgage lending.

IMLA provides a unique, democratic forum where intermediary lenders can work together with industry, regulators and government on initiatives to support a stable and inclusive mortgage market.

Originally founded in 1988, IMLA has close working relationships with key stakeholders including the Association of Mortgage Intermediaries (AMI), Building Societies Association, UK Finance and the Financial Conduct Authority (FCA).

Visit www.imla.org.uk to view the full list of IMLA members and associate members and learn more about IMLA's work.

About the author

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