

A quarter of landlords plan to sell at least one property this year, putting over half a million homes up for sale

- A quarter (26%) of UK landlords plan to sell at least one property in 2020, largely due to uncertain market conditions, government reforms and tax increases, meaning over half a million homes could be put up for sale
- 82% of landlords are not planning on buying properties in 2020
- A third (35%) also reported a decrease in their rental yield in 2019 and over a quarter (26%) expect to see a further decrease in 2020

A quarter (26%) of landlords plan to cash in on at least one property this year, potentially putting over half a million homes up for sale, according to new research by landlord insurance provider Simply Business.

The survey of 800 landlords revealed that with uncertain market conditions, four fifths (82%) of landlords are not planning on buying any more properties in 2020. Just one-tenth (13%) said they would buy another property this year, while a third (35%) also reported a decrease in their rental yield in 2019.

The top reasons landlords gave for wanting to sell are tax increases and government reform, such as shifting House in Multiple Occupation (HMO) licensing, which added new stipulations on the minimum size of rooms, as well as banning of admin fees. Well over a tenth cited these as their reasons.

Other reasons that landlords gave for planning to sell include rising rental costs (10%), cashing in on their investment (9%), economic instability (5%) and slowing house price growth (4%). This comes after a third (35%) also reported a decrease in their rental yield in 2019, which adds to the desire to sell.

A fifth (20%) reported a decrease of 0-5%, just under one in 10 (9%) reported a decrease of 5-10% and 3% of landlords reported a decrease of 10-15%.

Looking ahead to this year, over a quarter (27%) of landlords expect to see a further decrease in their rental yield in 2020. One in five (18%) expect to see a decrease of 0-5%, and a further 6% of landlords expect to see a decrease of 5-10%. Only 2% of landlords expect to see a decrease of 10-15%. However, half (52%) are still optimistic and expect their rental yield to increase in 2020.

Bea Montoya, Chief Operating Officer at Simply Business commented: “Landlords around the country are telling us that government reforms, tax increases, and rising rental

costs are forcing them to put their investments up for sale. The tax increases imposed by the government are proving counter-productive for landlords, while ongoing political and economic uncertainty hasn't been providing landlords with the confidence they need to stay in the market. But selling a buy-to-let is a big decision, especially if you're selling more than one.

“Any landlord looking to sell up should make sure they understand the complexities surrounding buy-to-let sales, particularly if the property is occupied. Any tenants should be made aware of plans to sell as early as possible, and given reassurance their tenancy still stands. When it comes to selling, landlords need to understand any tax implications involved, such as capital gains tax. If the property is sold for more than it was paid for, there will be a capital gains tax liability.”

-ENDS-

The number of landlords in the UK totals 2,594,720 - 26% of this is 674,627, meaning at least 674,627 properties could be put up for sale. (Source: [UK Treasury](#))

Enquiries:

For any enquiries please contact simplybusiness@welcometofrank.com.

Notes to editors:

Data: survey of 799 landlords across the UK, conducted November 2019

Simply Business insurers over half a million SMEs up and down the country

About Simply Business:

Simply Business is one of the UK's biggest business and landlord insurance providers, insuring over 500,000 small businesses and landlords across Britain.

Launched in 2005, Simply Business provides an online brokerage service, delivering policies tailored to individual business requirements. Using the power of tech and data to create the best possible customer experiences, Simply Business employs over 600 people across offices in London, Northampton, and Boston in the US.

Owing to its internal underwriting capability, Simply Business can cover over 1,000 trade types – ranging from plumbers to accountants to dog walkers. An accredited B Corp for their

positive social impact, Simply Business has also been voted the Sunday Times Best Company To Work For twice in a row.