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Understanding Landlords

A study of private landlords in the UK using
the Wealth and Assets Survey



THE STRATEGIC
SOCIETY CENTRE
ANALYSIS • EVIDENCE • POLICY

Chris Lord, James Lloyd and Matt Barnes

July 2013

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The data creators, depositors, copyright holders and funders of the WAS bear no responsibility for the analysis or interpretation of the data presented here.

All responsibility for content and errors in this report rest solely with the authors.

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Executive Summary

The last 15 years has seen a revolution in the private rented sector (PRS), with more people renting privately and an increase in the number of private landlords. However, the evidence base on PRS landlords has always been limited in scope and detail.

This report fills that gap with robust evidence on PRS landlords and their tenants from a large-scale nationally representative dataset: the Wealth and Assets Survey 2008-10.

This research study has two central objectives:

1. Present descriptive evidence about the landlord population in the UK, how it has grown, and the key demographic/socio-economic characteristics of landlords;
2. Equip policymakers with a detailed understanding of the capabilities, economic security, financial position and financial planning of landlords, in order to inform policy development;

The main findings of the research are presented below.

The **socio-demographic** breakdown of PRS Landlords suggests they tend to be middle aged (nearly three quarters aged 45-64), married (72%), well educated (two in five have a degree or higher) and disproportionately live in London or the South East (34%).

Most (72%) PRS Landlords have just one **rental property**, although over one in ten (12%) have 3 or more. The majority (80%) have a buy-to-let property, whereas a quarter (24%) has a second home. The average (median) rental income a PRS Landlord receives is £500 per month, although one quarter of PRS Landlords receives rental income of £900 or more per month. Three in five (60%) PRS Landlords receive more from earnings than rental income.

Three quarters (77%) of PRS Landlords are in **employment**, mainly in private sector employment. Among employed PRS landlords, median gross monthly earnings is £2400, and 60% of employed landlords earn £2000 or more per month.

One half of PRS Landlords had saved **money** in the past two years, with one in five saving of £5,000 or more. Half (49%) of PRS landlord's main home is worth £300,000 or more, and half (52%) have a home with four or more bedrooms (owner occupiers only). Over two in five (45%) PRS Landlords have total financial assets worth £30,000 or more, with a quarter (26%) having financial assets worth £70,000 or more. Most PRS Landlords (78%) feel that their income is enough to meet the cost of everyday outgoings.

Three in five (63%) PRS Landlords think that **investing** in property is the safest way to make money and nearly half (49%) think it is the best way to save for retirement. Three in five (62%) PRS Landlords think they could cope for a year or more if their income dropped by a quarter.

Comparing PRS Landlords to their tenants shows that PRS Landlords are older than their Tenants; nearly three quarters (73%) of PRS Landlords are aged 35-64 whereas over half

(55%) of PRS Tenants are aged 16-34. PRS Landlords are also more likely to be married or cohabiting (85% of PRS Landlords compared to 49% of PRS Tenants).

PRS Landlords have, on average, a more advantaged background than PRS Tenants. Two in five (41%) PRS Landlords have a degree or higher compared to a quarter of PRS Tenants (26%). Three quarters (76%) of PRS Landlords lived in owner occupied accommodation as a teenager compared to two thirds (64%) of PRS Tenants.

PRS Landlords are more likely to be working (either employed or self-employed) – 76% of PRS Landlords compared to 65% of PRS Tenants. Employed PRS Landlords are twice as likely to have gross monthly earnings of over £2000 per month (60% of PRS Landlords compared to 30% of PRS Tenants). PRS Landlords are also more likely to save and to save more. PRS Landlords are twice as likely to have made net savings of £5,000 or more in the past 2 years.

PRS Landlords have on average far higher financial assets than PRS Tenants. The median total financial assets of PRS Landlords are £20,500 compared to £398 for PRS Tenants.

1. Introduction

This chapter sets the scene for the research by drawing on published statistics and our own analysis of the British Household Panel Survey to map changes to the private rented sector over the past few decades.¹

The last 15 years has seen a revolution in the private rented sector (PRS). According to government figures, the number of households renting privately increased from around 2 million in 2000 to 3.6 million in 2010/11.

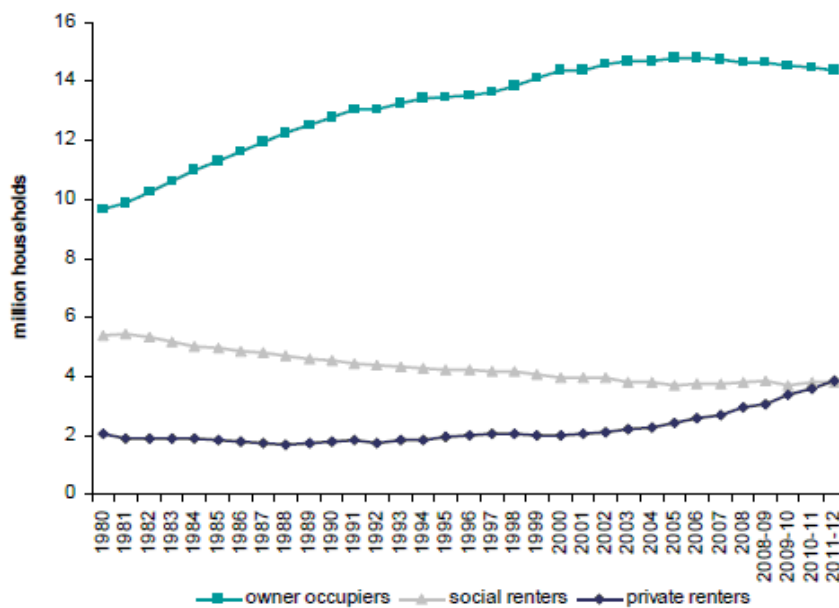


Chart 1.1
Number of households by tenure, 1980-20011-12

Source: DCLG, 2013²

The proportion of people aged 25-34 renting privately increased from 9% in 2002 to 16% in 2008. Among those aged 35-44, the proportion renting private increased from 4% in 1997 to 7% in 2008.

¹ In later chapters we use our own analysis of the Wealth and Assets Survey (WAS) to delve into the circumstances, behaviours and attitudes of private landlords and their tenants in more detail. WAS is described in more detail in chapter 2.

² Department for Communities and Local Government (2013) *English Housing Survey: Headline Report*, London: Department for Communities and Local Government.

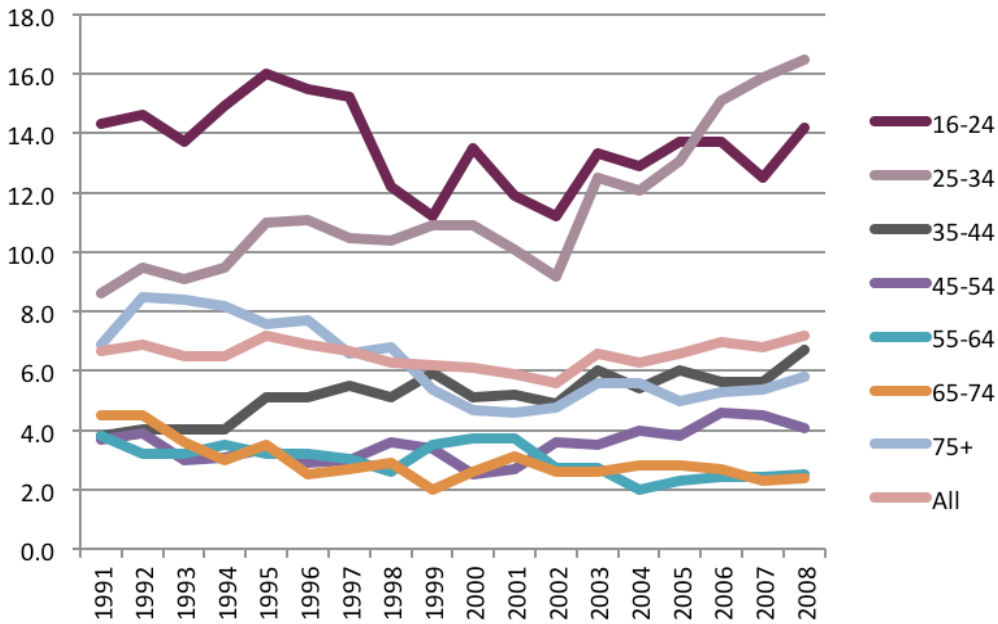


Chart 1.2 PRS tenants as percentage of age group, 1991-2008

Authors own analysis of the British Household Panel Study

In parallel with these changes, there has been a steady increase in the number of private landlords as a proportion of the population.



Chart 1.3 PRS landlords as percentage of 16+ population, 1991-2008

Authors own analysis of the British Household Panel Study

Chart 1.4 shows that there has been a rise in the prevalence of private landlords among the middle-aged. The proportion of 45-54 year olds who are landlords doubled from 1991 to 2008, while it trebled for 35-44 year olds. In contrast, there was no rise in the very low rate of 16-24 year olds who are private landlords.

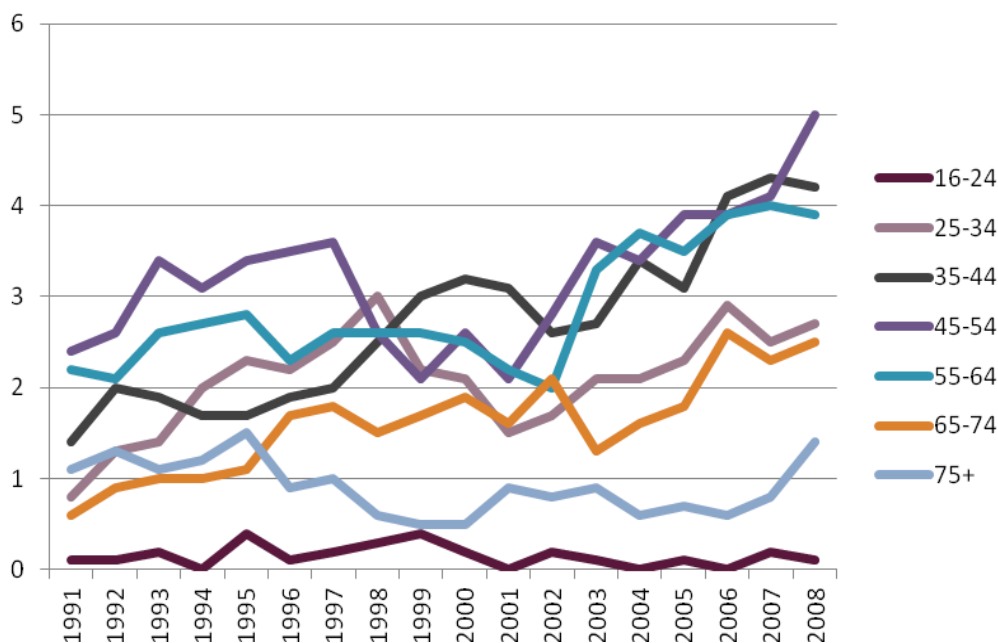


Chart 1.4 PRS landlord as percentage of age group, 1991-2008

Authors own analysis of the British Household Panel Study

Accompanying these trends has been a growth in ‘buy-to-let’ mortgage lending. In 2002, buy-to-let mortgages accounted for 5% of all mortgages, but this had risen to 17% by 2007. Over the same period, mortgage lending for owner-occupation declined from 95% of all mortgages to 83%.³ Private individuals or couples now account for a larger proportion of all landlords than previously: up from 61% in 1993 to 73% in 2006.⁴

1.1 Aims and objectives

The trends described above represent significant social changes. However, the evidence base on PRS landlords is limited, with the only substantial source being the Private Landlord Survey published by the Communities and Local Government (CLG, 2011⁵). This survey only focuses on the basic details of the letting activities of all landlord-types in the PRS, and as such, many essential facts about private landlords are unknown.

This research study has two principal objectives, which are to:

1. Present descriptive evidence about the landlord population in the UK, how it has grown, and the key demographic/socio-economic characteristics of landlords;
2. Equip policymakers with a detailed understanding of the capabilities, economic security, financial position and financial planning of landlords, in order to inform policy development;

In order to meet these objectives, the research covered the following seven themes.

Who landlords are: This theme focuses on exploring the socio-demographics of PRS landlords and understanding their position in society. Areas of interest include information on landlords’:

³ Source: Rugg J and Rhodes D (2008) *The Private Rented Sector*, Table 2.2: UK mortgage advances, 2002-07
⁴ Rugg J & Rhodes D (2008) *The Private Rented Sector*, Table 2.4: Trends in type of private landlord, 1993-2006
⁵ Communities and Local Government (2011) *Private Landlords Survey 2010*, London: CLG

- ▶ Age
- ▶ Ethnicity
- ▶ Gender
- ▶ Marital status
- ▶ Family background

Landlords as landlords: For this theme, information is presented on landlords' rental properties and rental activities. This includes analysis on:

- ▶ Rental income
- ▶ Number of rental properties
- ▶ Value of properties
- ▶ Debt on properties

Landlord employment: The work status of landlords was examined, with analysis of landlords':

- ▶ Employment status
- ▶ Sector of employment
- ▶ Earnings
- ▶ Type of employment contract

Financial profile of landlords: The overall financial position of landlords was examined, with analysis of landlords':

- ▶ Savings
- ▶ Total financial assets
- ▶ Main home
- ▶ Pension provision
- ▶ Debt

Financial behaviour of landlords: Analysis in this theme focuses on the financial capabilities and attitudes of landlords. This includes landlords':

- ▶ Use of credit and debt
- ▶ Financial management
- ▶ Attitudes to saving
- ▶ View on pensions
- ▶ Attitudes to investment

Tenants of private landlords: In order to provide context for the findings on landlords, some of the analysis has been repeated for the tenants of private landlords.

Comparison of landlord and tenant situation: Comparisons are made between the situation of landlords and tenants.

2 Methodology

This chapter describes the datasets and key definitions used in the report.

2.1 Methods

This study comprises secondary analysis of the Wealth and Assets Survey⁶ (WAS), a major household panel study of income and wealth in the UK. The research examines the characteristics of the UK private landlord population in detail. This involves detailed descriptive cross-sectional analysis examining the social, economic, financial and other characteristics of landlords. The analysis uses the second wave of WAS, which collected data during 2008-2010.

In order to provide context to the findings, the analysis includes equivalent results for other homeowners, and the 'general population' comprising adults aged 16 and over. This enables the analysis to compare the characteristics of private landlords with the wider population. The comparison with other homeowners who are not landlords allows private landlords to be assessed in relation to another group who are substantially similar in many characteristics.

All the analysis presented uses weighted data. Significance testing was carried out in order to assess whether the differences between private landlords and the other groups were statistically significant at the 95% level. This involved using regression analyses, taking into account the complex sampling design and weighting procedures used in the survey. All differences are statistically significant unless explicitly stated otherwise.

2.2 Data

WAS collects information about the economic well being of households and individuals in Great Britain. WAS is a longitudinal survey, which commenced with a first wave of interviews carried out over two years from July 2006 to June 2008. The second wave covered July 2008 - June 2010 and the third wave commenced in July 2010 running until June 2012. This study uses Wave 2 of the survey, covering July 2008 - June 2010. It consists of interviews with over 46,000 people in more than 20,000 households.

WAS asks people about their assets and liabilities in order to estimate household and personal wealth. This includes information on: property, financial, physical and private pension wealth; and, savings, debt, borrowing and arrears. The survey also asks people about their attitudes to debt, saving and retirement. A range of demographic data is also available such as sex, age, employment status, socio-economic classification, geography and education.

Funding for WAS came from a consortium of government departments: the Office of National Statistics (ONS); Department for Work and Pensions (DWP); HM Treasury (HMT); HM

⁶ For more information on the Wealth and Assets Survey see <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/wealth-and-assets-survey/index.html>

Revenue & Customs (HMRC); Department for Communities and Local Government (DCLG) and the Cabinet Office.

This study also briefly analysed the British Household Panel Survey (BHPS) to provide some contextual information on trends in PRS Landlords and tenants presented in Chapter 1. The BHPS is a large-scale longitudinal survey of 5,500 households that was carried out annually between 1991-2008.⁷ BHPS was used to report trends as the survey has been asked annually since 1991. WAS was used to delve deeper into the circumstances, behaviour and attitudes of PRS Landlords and tenants because it has a larger sample size and also collects more detailed information on finances, assets and wealth – key issues for this report.

2.3 Definitions

In this study, analysis is presented for five mutually exclusive groups, as well as for all adults aged 16 or over.

Private Rental Sector Landlords – defined as those who are receiving rent from either second homes or buy-to-let properties in the UK (or both). This does not include those who receive rent from lodgers in their own home.

Non-landlord homeowners – those individuals who are head of household⁸ and whose housing tenure is ‘owned outright’ or ‘owned with mortgage’, but are not Private Rental Sector Landlords.

Private Rental Sector Tenants – those who pay rent to a Private Rental Sector Landlord, i.e. they are paying rent to a private individual. Any tenants who are also landlords are not included in this group.

Tenants of non-Private Rental Sector landlords – those renting from someone who is not a private landlord, for example renting from an employer or an organisation.

Social renters – those renting from the council or from a housing association.

⁷ For more information on the BHPS see www.iser.essex.ac.uk/bhps

⁸ This is defined as the person in whose name the accommodation is owned or rented. If this is more than one person then the one with the higher income is chosen. If again this is more than one person then the eldest one is chosen.

3 Who are PRS Landlords?

This section explores the socio-demographic characteristics of landlords in order to understand their position in society.

It examines their characteristics such as age and ethnicity, and also looks at factors related to human and social capital such as level of education, marital status and what their housing tenure had been when growing up. Comparisons are made with non-landlord homeowners, to assess PRS Landlords against other property owners, and with all adults aged 16 or more, to situate PRS Landlords in the population as a whole.

3.1 Age

As shown in Chart 3.1 and Table 3.1 PRS Landlords are generally aged between 35 and 64, with nearly three-quarters (73%) in this age group. A significantly larger group of landlords are in this age range in comparison to both non-landlord homeowners (59%) and of all adults aged 16 or more (50%). The median age of PRS Landlords is 48, which is younger than non-landlord homeowners (53), but older than the average of the adult population, which is 45.

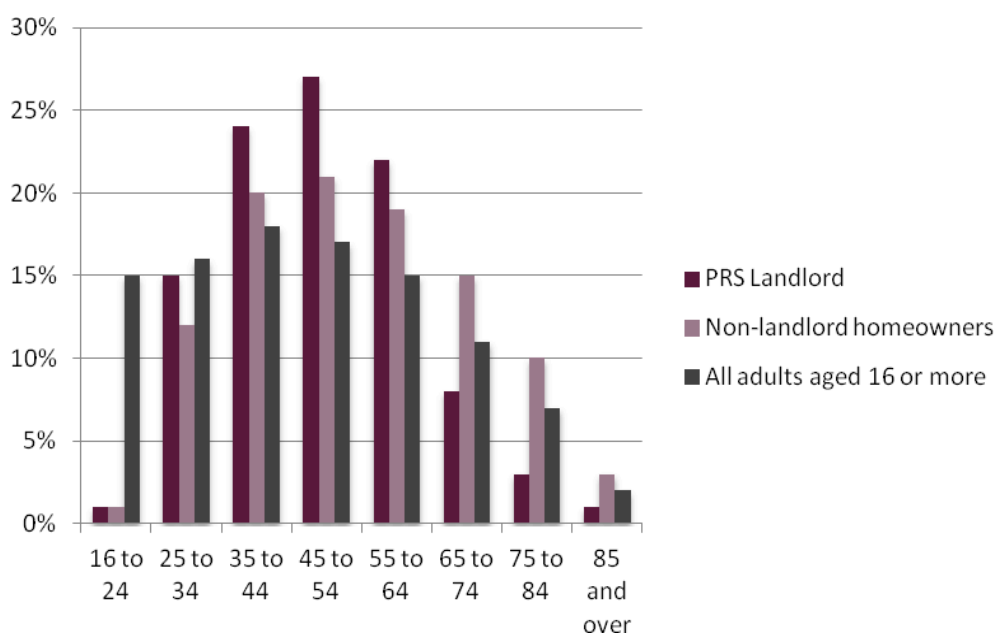


Chart 3.1 PRS landlords by age group

Table 3.1 Average age of landlords

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Average age	Mean	49	54	46
	Median	48	53	45
	Total	1274	14119	37600

3.2 Education

The analysis found that PRS Landlords are better educated than both non-landlord homeowners and the general adult population. Over two in five PRS Landlords have qualifications of degree level or higher (41%), compared to less than a third (29%) of non-landlord homeowners and 22% of all adults aged 16 or more. PRS Landlords are also less likely to have no qualifications, with only 8% reporting this. The figure was over twice as high for both non-landlord homeowners and all adults, with those reporting no qualifications being 8% and 20% respectively (see Chart 3.2).

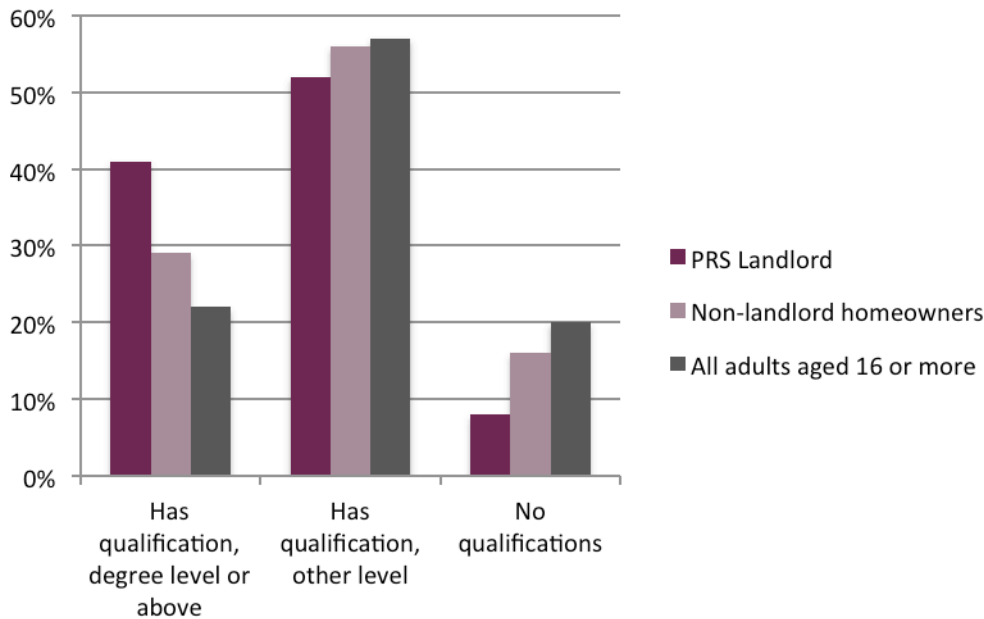


Chart 3.2 PRS landlords by level of education

3.3 Gender and ethnicity

There were a higher proportion of male PRS Landlords than the general adult population. Whereas 54% of PRS Landlords are male, 49% of all adults are. However, the proportion is even higher for non-landlord homeowners, with two-thirds of this group being male.⁹

In terms of ethnicity, all three groups are mainly white. There was no statistically significant difference between the proportion of white PRS Landlords (88%) and white adults aged 16 or more (89%). Non-landlord homeowners however were more likely to be of white ethnicity than these two groups (93%).

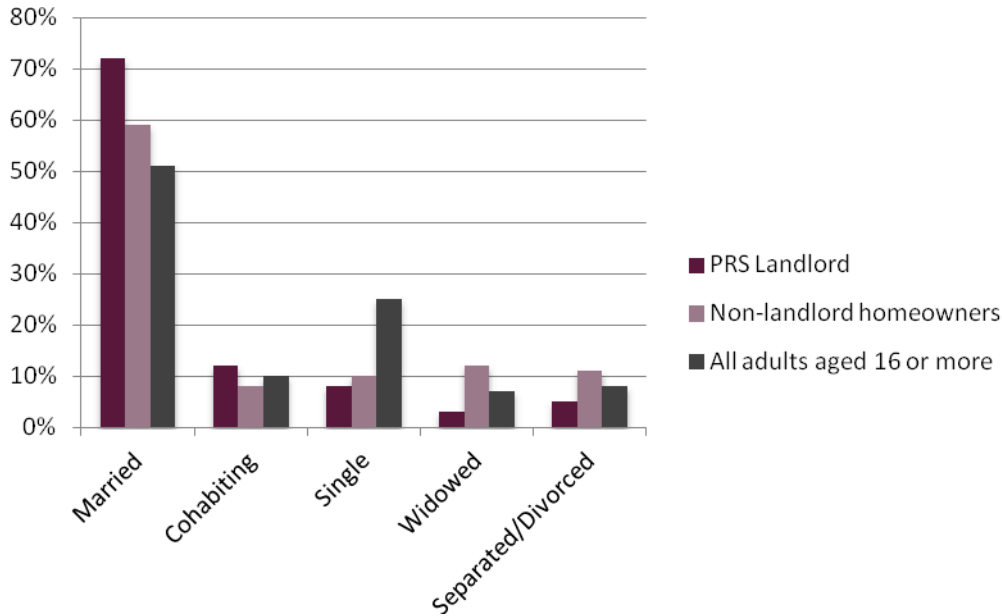
3.4 Marital Status

PRS Landlords are more likely to be married than non-landlord homeowners or the general adult population. As shown in Chart 3.3, 72% of PRS Landlords are married, compared with 59% of non-landlord homeowners and 51% of all adults aged 16 or more. There are fewer PRS Landlords who are divorced, separated or widowed (8%) than among non-landlord

⁹ Note that for non-landlord homeowners it is the head of household who analysis is conducted on. Head of households are disproportionately likely to be male. For more information on this please see definitions in section 2.3.

homeowners (22%), and PRS Landlords are also less likely to be single than the general adult population (8% compared with 25%). This could partly be explained by the fact that PRS Landlords are generally younger than non-landlord homeowners but older than all adults aged 16 or more, as shown in section 3.1.

Chart 3.3 PRS landlords by marital status



3.5 Children

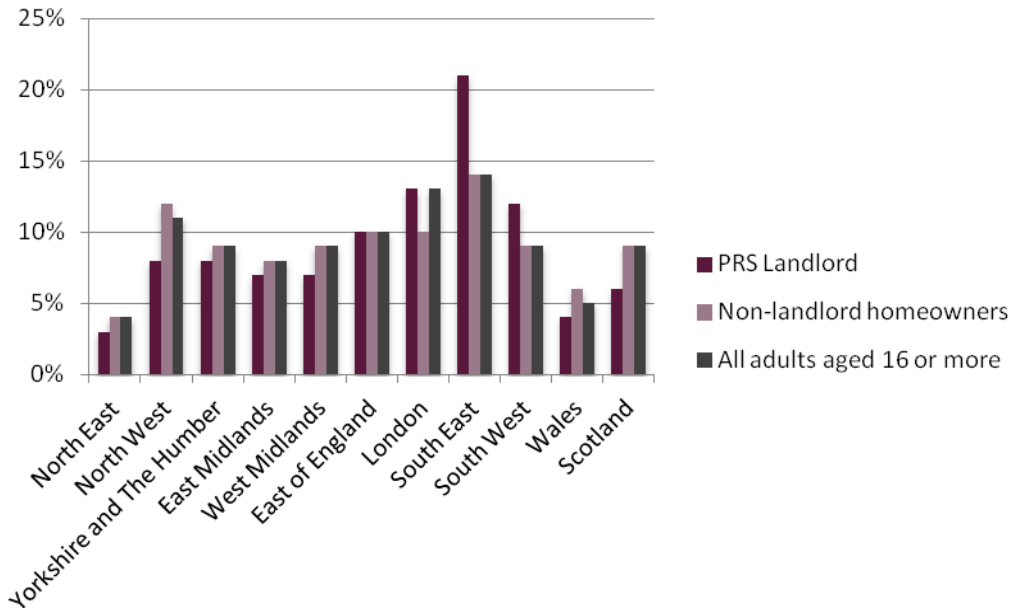
The majority of PRS Landlords do not have children living with them. Only 40% of PRS Landlords reported living with children. These mainly lived with one or two children (32%), though 8% did report living with three or more. These proportions were not statistically significantly different from those reported by the general adult population, though they were from non-landlord homeowners, with less than a third (29%) reporting living with children as many would be young people or pensioners.

3.6 Location

Chart 3.4 shows the distribution of PRS Landlords by region, and how this compares with non-landlord homeowners and the general adult population. There were only two regions where the proportion of PRS Landlords was higher than both the proportion of non-landlord homeowners and the general adult population: South East England and South West England. A third of PRS Landlords live in these two areas (21% in the South East and 12% in the South West) compared with 23% of non-landlord homeowners and 23% of all adults aged 16 or more (14% in the South East and 9% in the South West for both).

This trend towards PRS Landlords living in the south of England was also seen when comparing the proportion of each group in London. For PRS Landlords, 13% reported living in London, more than the proportion of non-landlord homeowners (10%), although 13% of all adults aged 16 or more live in London as well.

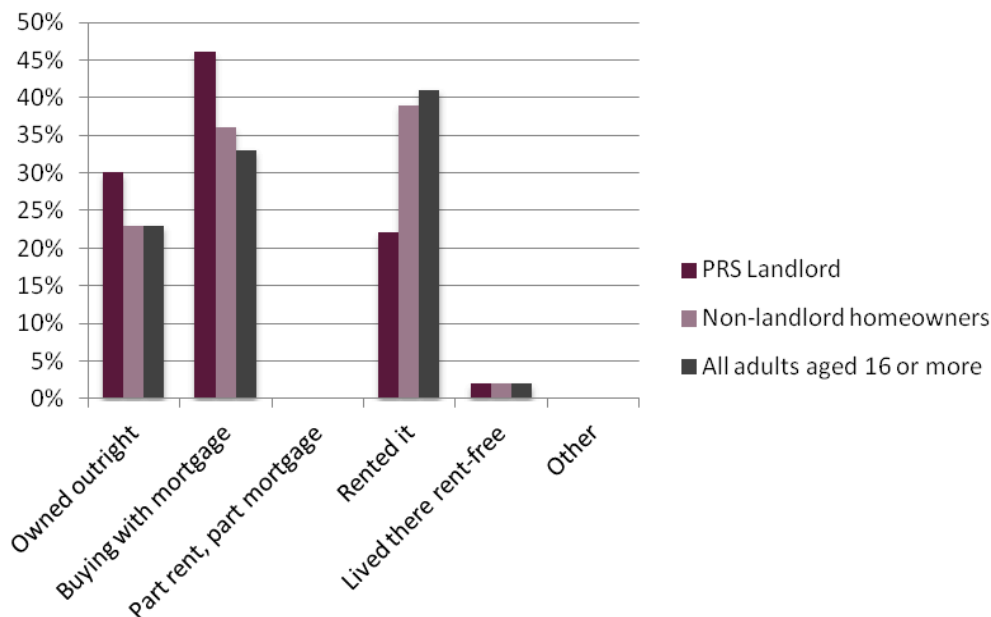
Chart 3.4 PRS landlords by region



3.7 Household tenancy as a teenager

WAS respondents were asked what their household tenure status was when growing up as a young teenager. This enabled analysis of whether PRS Landlords are more likely to have come from property owning families, using their housing tenure as a teenager as a proxy. Over three-quarters of PRS Landlords reported that their household tenancy had been either owned outright (30%) or buying with mortgage (46%). PRS Landlords were more likely to have had either of these tenancies than non-landlord homeowners, for whom 23% had grown up in owned outright homes, and 36% had been in buying with mortgage homes. This was also true when comparing PRS Landlords to the general adult population, for whom 23% had grown up in owned outright homes, and 33% had been in buying with mortgage homes (see Chart 3.5). This indicates that PRS Landlords generally came from ‘better off’ families than both non-landlord homeowners and the general adult population.

Chart 3.5 Household tenancy as a teenager



Who are PRS Landlords? – Summary

	PRS Landlords	Non-landlord homeowners	All adults aged 16 or more
Mean age	49	54	46
Degree level education	41%	29%	22%
Married	72%	59%	51%
Lives in South of England	46%	33%	35%
Grew up in an owned home	76%	58%	55%

Annex - Section 3 tables

Table A3.1 Socio-demographics

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Age	16 to 24	1%	1%	15%
	25 to 34	15%	12%	16%
	35 to 44	24%	20%	18%
	45 to 54	27%	21%	17%
	55 to 64	22%	19%	15%
	65 to 74	8%	15%	11%
	75 to 84	3%	10%	7%
	85 and over	1%	3%	2%
	Mean	49	54	46
	Median	48	53	45
Total	1274	14119	37600	
Sex	Male	54%	66%	49%
	Female	46%	34%	51%
	Total	1274	14119	22207
Ethnicity	White	88%	93%	89%
	BME	12%	7%	11%
	Total	1272	14114	37581
Level of highest educational qualification	Has qualification, degree	41%	29%	22%
	Has qualification, other	52%	56%	57%
	No qualifications	8%	16%	20%
	Total	1274	14092	35555
Marital status	Married	72%	59%	51%
	Cohabiting	12%	8%	10%
	Single	8%	10%	25%
	Widowed	3%	12%	7%
	Separated/Divorced	5%	11%	8%
	Total	1274	14119	37600
Cohabitation status	Single Household	11%	25%	15%
	Married/Cohabiting	33%	32%	27%
	Married/Cohabiting with	45%	33%	40%
	Lone parent with children	3%	6%	10%

	2 or more families/other	7%	4%	8%
	Total	1274	14119	37600
Household tenancy when a teenager and living with parents	Owned outright	30%	23%	23%
	Buying with mortgage	46%	36%	33%
	Part rent, part mortgage	0%	0%	0%
	Rented it	22%	39%	41%
	Lived there rent-free	2%	2%	2%
	Other	0%	0%	0%
	Total	1231	13627	31779
Number of dependent children in household	0	60%	71%	63%
	1	16%	13%	17%
	2	16%	13%	14%
	3 or more	8%	3%	6%
Government Office Region code	North East	3%	4%	4%
	North West	8%	12%	11%
	Yorkshire and The Humber	8%	9%	9%
	East Midlands	7%	8%	8%
	West Midlands	7%	9%	9%
	East of England	10%	10%	10%
	London	13%	10%	13%
	South East	21%	14%	14%
	South West	12%	9%	9%
	Wales	4%	6%	5%
	Scotland	6%	9%	9%
Total	1274	14119	37600	

4 Landlord Properties and Letting

In this chapter, information is presented on the rental properties and rental activities of PRS Landlords.

Analysis is presented on the amount of rental income received by PRS Landlords, and the properties that they rent out.

4.1 Rental income

There was variation in the amount of rental income received by PRS Landlords. Whereas approximately a quarter (24%) received less than £300 per month, the same proportion received £900 or more. The mean amount of rent received per month was £1,493, while the median was £500. This indicates that although approximately half of PRS Landlords receive £500 or less per month, there are landlords who do receive substantially more.

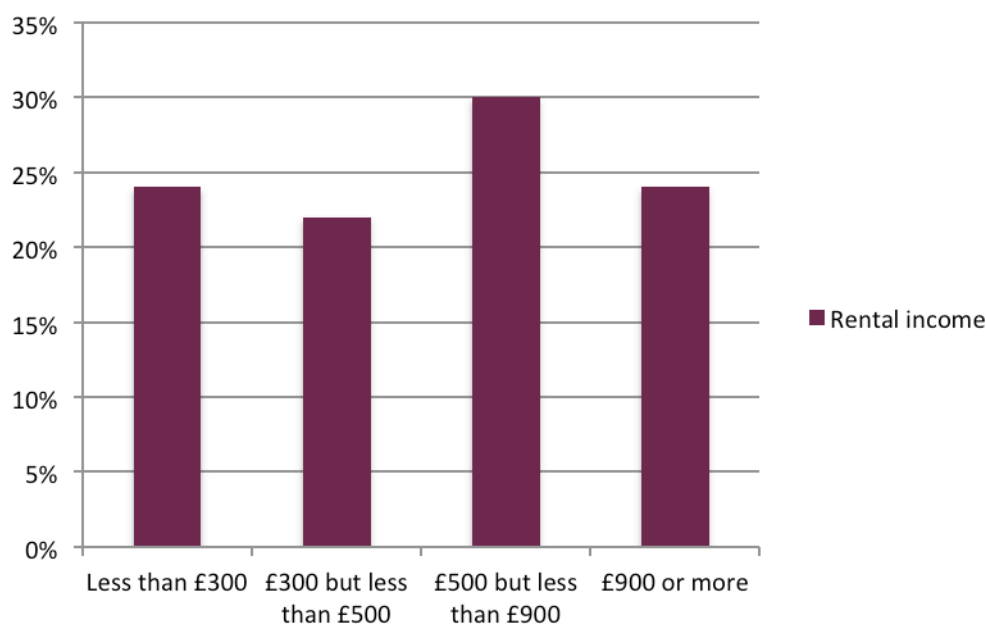


Chart 4.1 Rental income per month

Column percentages		PRS Landlord
Average rent received per month	Mean	£1,493
	Median	£500
	Total	1234

Analysis was also conducted comparing rental income with earnings from work, for PRS Landlords who are in employment.¹⁰ For the majority of PRS Landlords (60%) their earnings are higher than the income they receive from renting out their properties, although there are a significant number of employed PRS Landlords who receive more from rental income than earnings.

¹⁰ Further information on Landlord employment is presented in section 5.

Further analysis explored what proportion of income from rent and earnings came from rent. For a third of PRS Landlords (34%) rental income made up over 80% of employment and rental income. This suggests that for this group income received from being a landlord was important for the household, as it was so large in comparison to income from earnings.

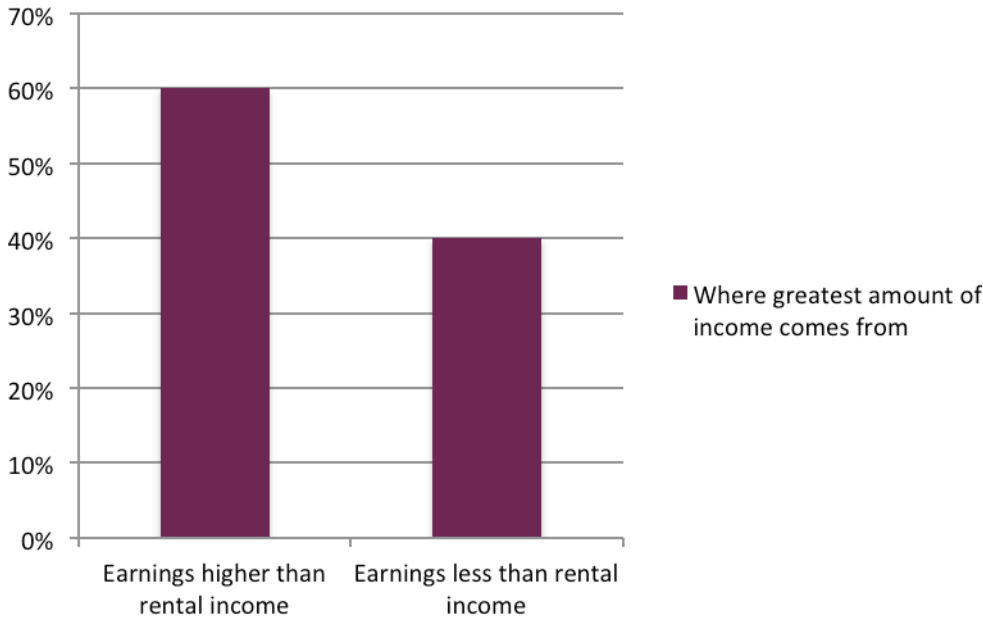


Chart 4.2 Where greatest amount of income comes from

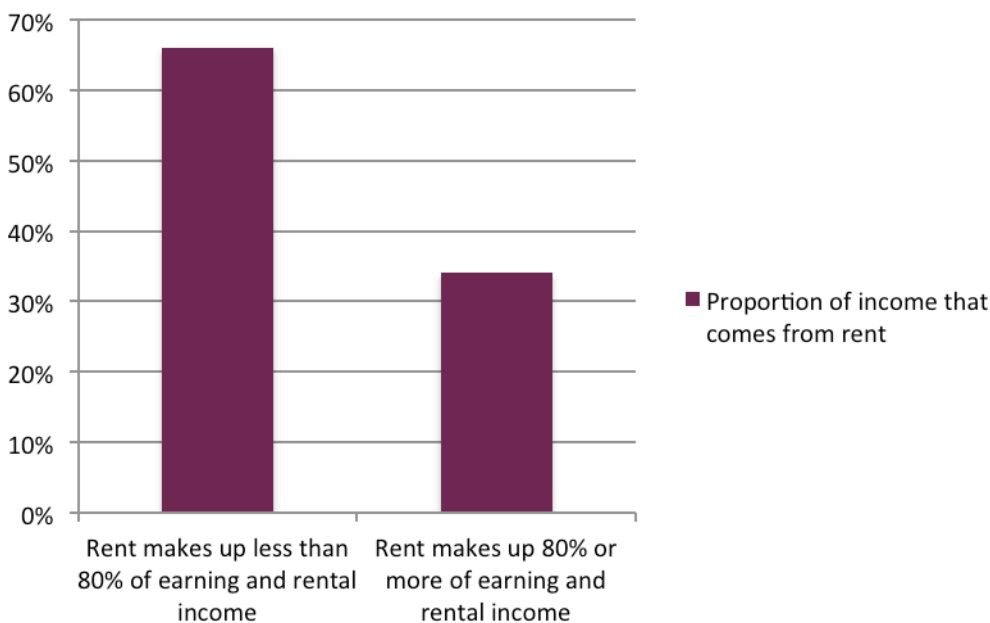


Chart 4.3 Proportion of income that comes from rent

4.2 Rental properties

PRS Landlords rent out properties other than the one that they live in, and the types of property can either be a 'buy-to-let' property or a 'second home'. A buy-to-let property is one that the landlord bought specifically to let, whereas a second home can be one that is either

owned with a non buy-to-let mortgage or owned outright. Therefore, second homes may include inherited houses that have been retained for the purpose of letting.

When second homes and buy-to-let properties are considered together, just less than three quarters (72%) of all PRS Landlords own a single property apart from the home that they live in. Sixteen percent of PRS Landlords own two rental properties, with 6% owning three, and a further 6% own four or more properties. This suggests that the majority of PRS Landlords do not have a large portfolio of houses that they rent out, but instead let a single property. Most PRS Landlords have a buy-to-let property (80%) and a quarter (24%) have a second home.

Column percentages		PRS Landlord
Total number of houses, apart from home lives in (combines second homes and buy-to-let homes from above)	1	72%
	2	16%
	3	6%
	4	3%
	5	1%
	6	1%
	7	0%
	8	0%
	9	0%
	10 or more	0%
	Total	1266
Number of buy-to-let properties	None	20%
	1	56%
	2	14%
	3	5%
	4	3%
	5	1%
	6	1%
	7	0%
	8	0%
	9	-
	10 or more	1%
	Total	1234
Number of other houses (apart from home and buy-to-let properties)	None	76%
	1	22%
	2	1%
	3	0%
	4	0%
	Total	1234

Landlords as Landlords – Summary

- ▶ Most (72%) PRS Landlords have just one rental property, although over one in ten (12%) have 3 or more properties
- ▶ Four out of five (80%) PRS Landlords have a buy-to-let property, whereas a quarter (24%) have a second home
- ▶ The average (median) rental income a PRS Landlord receives is £500 per month
- ▶ One quarter of PRS Landlords receive rental income of £900 or more per month
- ▶ Most (60%) PRS Landlords receive more from earnings than rental income

Annex - Section 4 tables

Table A4.1 Rental properties and rental income

Column percentages		PRS Landlord	
Rent received per month (from all properties)	Less than £300		24%
	£300 but less than £500		22%
	£500 but less than £900		30%
	£900 or more		24%
	Mean		£1,493
	Median		£500
	Total		1234
Number of houses (apart from home and buy-to-let properties)	None		76%
	1		22%
	2		1%
	3		0%
	4		0%
	Total		1234
Number of buy-to-let properties	None		20%
	1		56%
	2		14%
	3		5%
	4		3%
	5		1%
	6		1%
	7		0%
	8		0%
	9		-
	10 or more		1%
Total		1234	
Total number of houses, apart from home lives in (combines second homes and buy-to-let homes from above)	1		72%
	2		16%
	3		6%
	4		3%
	5		1%
	6		1%
	7		0%
	8		0%
	9		0%
	10 or more		0%
	Total		1266
Value of second home	Less than £65,000		20%
	£65,000 but less than £110,000 but less than £175,000 or more		25%
			29%
			25%
	Total		1195
Average value of second home for those with 2 homes	Mean		£131,617
	Median		£110,000
	Total		862
Value of third home	Less than £65,000		28%
	£65,000 but less than £110,000 but less than £175,000 or more		21%
			30%
			21%
	Total		458
Value of fourth home	Less than £65,000		36%
	£65,000 but less than £110,000 but less than £175,000 or more		27%
			21%
			16%
	Total		216

Debt on second home	None	42%
	Less than £30,000	9%
	£30,000 but less than £60,000	17%
	£60,000 but less than £90,000	15%
	£90,000 or more	17%
	Total	1223
Average debt on second home for those with 2 homes	Mean	£42,991
	Median	£25,000
	Total	846
Debt on third home	None	52%
	Less than £30,000	4%
	£30,000 but less than £60,000	22%
	£60,000 but less than £90,000	10%
	£90,000 or more	13%
	Total	458
Debt on fourth home	None	56%
	Less than £30,000	10%
	£30,000 but less than £60,000	15%
	£60,000 but less than £90,000	7%
	£90,000 or more	12%
	Total	229
Where greatest amount of income comes from: Earnings or income from rent	Earning higher than rental	60%
	Earnings = rental income	0%
	Earnings less than rental	40%
	Total	1008
Proportion of income that comes from rent	Rent makes up less than 80%	66%
	Rent makes up 80% or more	34%
	Total	1008

5 Landlord Employment

This chapter explores the employment situation of PRS Landlords.

This includes their work status, sector of employment, and earnings from employment. Comparisons are made with non-landlord homeowners and with all adults aged 16 or more.

5.1 Employment

Chart 5.1 shows the employment status of the three groups, with all most likely to be in employment as employees. Over one in five PRS Landlords are self-employed, significantly more than either non-landlord homeowners (9%) or all adults aged 16 or more (7%). PRS Landlords are also more likely to be in employment of any sort (either as an employee or self-employed) than either of the other groups: 77% of PRS Landlords are in employment compared with 65% of non-landlord homeowners and 59% of the adult population (both of these comparison groups will contain some pensioners). This suggests that the majority of PRS Landlords work as well as renting out properties.

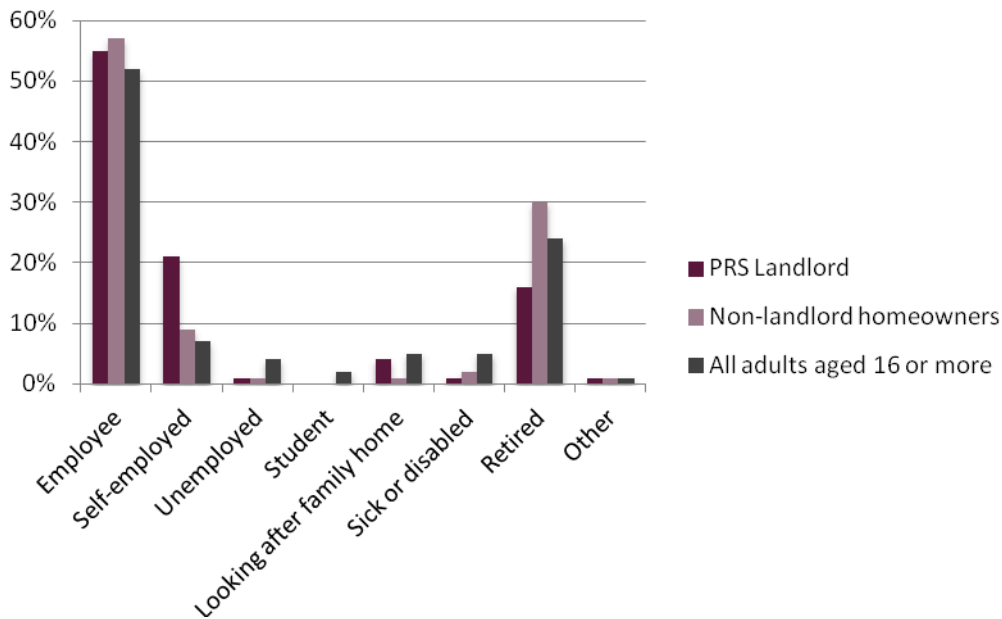
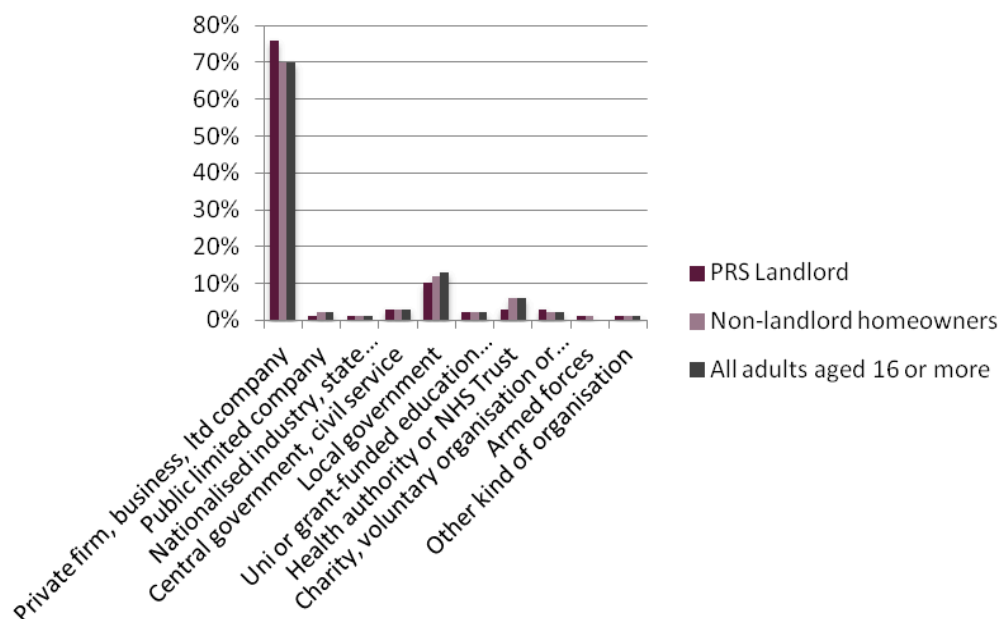


Chart 5.1
Employment
status

For PRS Landlords employed as employees most work in the private sector (76%), a higher proportion than for non-landlord homeowners or all adults aged 16 or more (70% for both). Almost all PRS Landlord employees have permanent contracts (94%), although this is lower than for non-landlord homeowner employees (96%). However, this still indicates that most PRS Landlords are relatively secure in employment.

Chart 5.2 Type of organisation, employed landlords



Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
For those working as employee: whether permanent contract	Permanent	94%	96%	93%
	Temporary	2%	2%	3%
	Fixed term contract	2%	1%	2%
	No employment contract	3%	1%	2%
	Total	620	7016	16434

5.2 Earnings

Chart 5.3 shows the earnings of PRS Landlords. As mentioned above, a higher proportion of PRS Landlords are self-employed, while just over a quarter (27%) report no employment earnings and nearly a third (31%) have earnings of £2,000 a month or more.

For employee PRS Landlords (excluding the self-employed), mean gross monthly earnings was £2,868 and the median was £2,400. These are higher than the earnings reported by both employed non-landlord homeowners (£2,576 and £2,200 respectively) and all adults aged 16 or more (£1,945 and £1,600 respectively). This indicates that not only are PRS Landlords more likely to be employed, but those who are have higher earnings. These higher earnings, as well as the rental income received by PRS Landlords, suggest that their income is substantially higher than non-landlord homeowners and the general adult population.

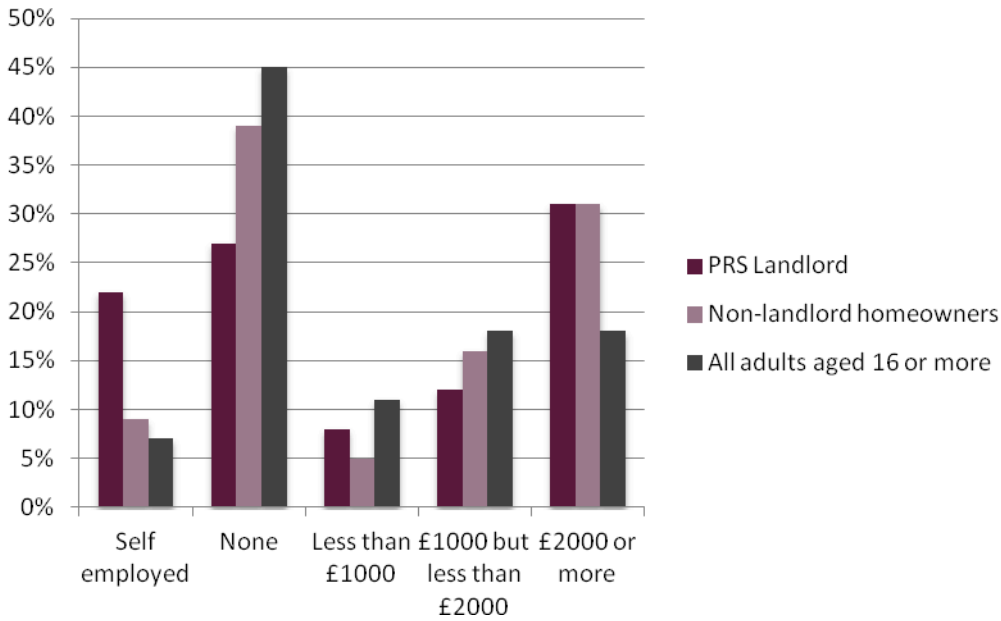


Chart 5.3 Gross monthly earnings

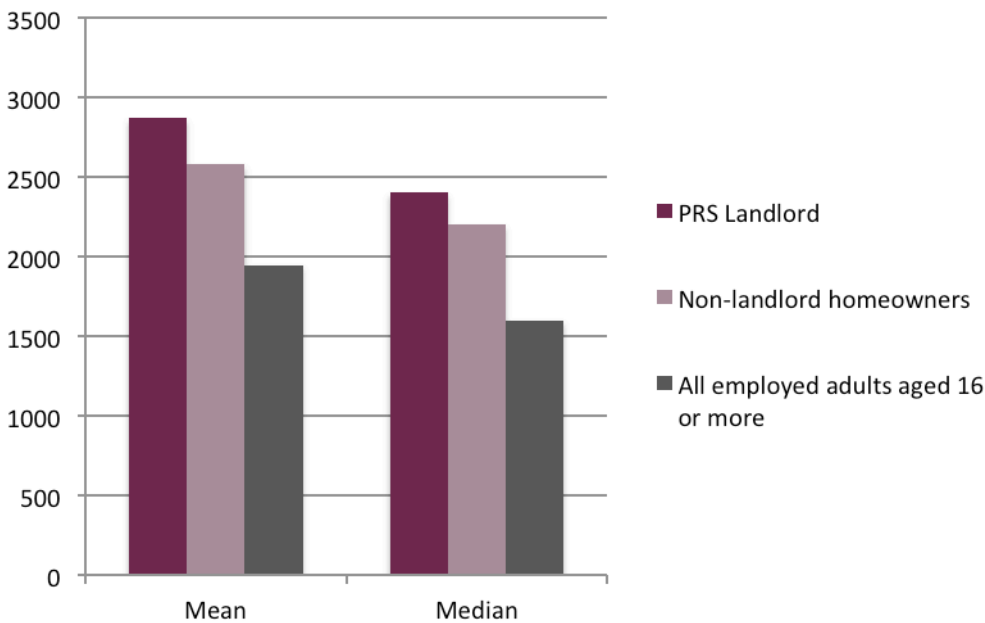


Chart 5.4 Gross monthly average earnings – employees only

Landlords Employment – Summary			
	PRS Landlords	Non-landlord homeowners	All adults aged 16 or more
In employment	77%	65%	59%
Private sector employee (% of employees)	76%	70%	70%
Earnings of £2,000 or more (employees only)	60.4%	59.5%	38.4%

Annex - Section 5 tables

Table A5.1 Employment and Earnings

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Employment Status	Employee	55%	57%	52%
	Self-employed	21%	9%	7%
	Unemployed	1%	1%	4%
	Student	0%	0%	2%
	Looking after family home	4%	1%	5%
	Sick or disabled	1%	2%	5%
	Retired	16%	30%	24%
	Other	1%	1%	1%
	Total	1273	13980	34951
Monthly Gross Earnings	Self employed	22%	9%	7%
	None	27%	39%	45%
	Less than £1000	8%	5%	11%
	£1000 but less than £2000	12%	16%	18%
	£2000 or more	31%	31%	18%
	Total	1271	13951	34890
Monthly Net Earnings	Self employed	22%	9%	7%
	None	26%	37%	43%
	Less than £1000	11%	9%	18%
	£1000 but less than £2000	20%	26%	22%
	£2000 or more	22%	19%	10%
	Total	1271	13930	34837
Average Gross Monthly Earnings	Mean	£1,876	£1,491	£1,003
	Median	£1,375	£1,150	£250
	Total	1012	12692	32216
Average Net Monthly Earnings	Mean	£1,335	£1,101	£759
	Median	£1,100	£999	£391
	Total	1012	12671	32163
Monthly Gross Earnings (employees only)	Less than £1000	16.30%	10.00%	23.60%
	£1000 but less than £2000	23.20%	30.50%	38.00%
	£2000 or more	60.40%	59.50%	38.40%
Average Gross Monthly Earnings (employees)	Mean	£2,869	£2,576	£1,947
	Median	£2,400	£2,200	£1,600
Monthly Net Earnings	Less than £1000	20.80%	16.60%	35.50%
	£1000 but less than £2000	37.60%	47.90%	44.20%
	£2000 or more	41.60%	35.50%	20.30%
Average Net Monthly Earnings (employees)	Mean	£1,994.86	£1,838	£1,421
	Median	£1,738	£1,650	£1,200
For those working: any periods of unemployment or reduced pay in last 2 years	Yes	15%	12%	15%
	No	85%	88%	85%
	Total	722	7290	15203
Number of jobs	0	24%	35%	41%
	1	71%	63%	57%
	2	4%	2%	2%
	3	1%	0%	0%
	Total	1274	13983	34968
Number of jobs (for those of working age only)	0	16%	12%	27%
	1	78%	85%	70%
	2	5%	3%	3%
	3	1%	0%	0%

	Total	1034	9119	25384
Type of organisation (for those working as an employee)	Private firm, business, ltd	76%	70%	70%
	Public limited company	1%	2%	2%
	Nationalised industry, state	1%	1%	1%
	Central government, civil	3%	3%	3%
	Local government	10%	12%	13%
	Uni or grant-funded	2%	2%	2%
	Health authority or NHS	3%	6%	6%
	Charity, voluntary	3%	2%	2%
	Armed forces	1%	1%	0%
	Other kind of organisation	1%	1%	1%
	Total	799	7882	18023
For those working as employee: whether permanent contract	Permanent	94%	96%	93%
	Temporary	2%	2%	3%
	Fixed term contract	2%	1%	2%
	No employment contract	3%	1%	2%
	Total	620	7016	16434

6 The Financial Position of Landlords

This chapter examines the overall financial position of PRS Landlords.

This includes information on their liquid savings and investments; their home, mortgage and property wealth; and their total financial wealth. All of this helps build up a picture of the financial position, financial sustainability and financial resilience of PRS Landlords.

6.1 Liquid Savings and Investments

Chart 6.1 shows the proportion of PRS Landlords who report having each type of liquid saving and investment. Just as with non-landlord homeowners and the general adult population, almost all PRS Landlords report having a current account (99%). The savings and investments types PRS Landlords were more likely to hold than both non-landlord homeowners and all adults aged 16 or more include Savings accounts, Individual Savings Accounts (ISA), Private Shares (not including Employee Shares), and Life Insurance. Interestingly, this indicates that PRS Landlords not only own property from which they earn an income, they are also more likely to have savings and investments from which they are likely to see a return. Whilst nearly every adult holds a current account (97% of all adults aged 16 or more) higher interest savings accounts and shares are less common.

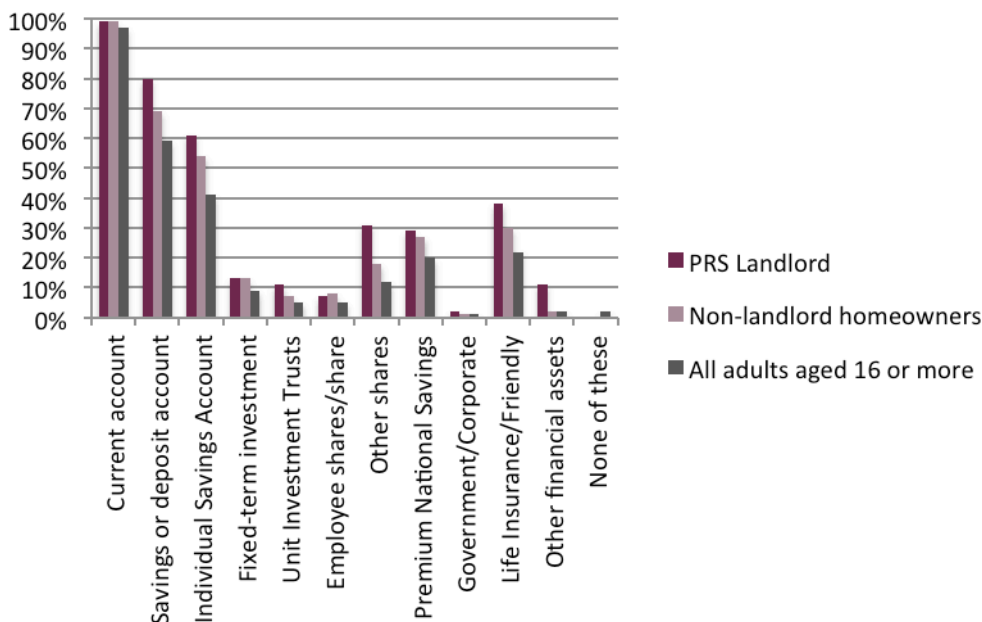


Chart 6.1 Types of liquid saving and investments held, working age only

Chart 6.2 examines the net amount saved and invested over the past two years. Over half of PRS Landlords (52%) have saved or invested over the past two years, a higher proportion than for non-landlord homeowners (44%) or for all adults aged 16 or more (40%). Although there is evidence of some PRS Landlords (8%) taking money out of savings or investments over the past two years, the majority put money in. One in five PRS Landlords (21%) saved or

invested £5,000 or more over this period, significantly more than non-landlord homeowners (11%) and the general adult population (9%).

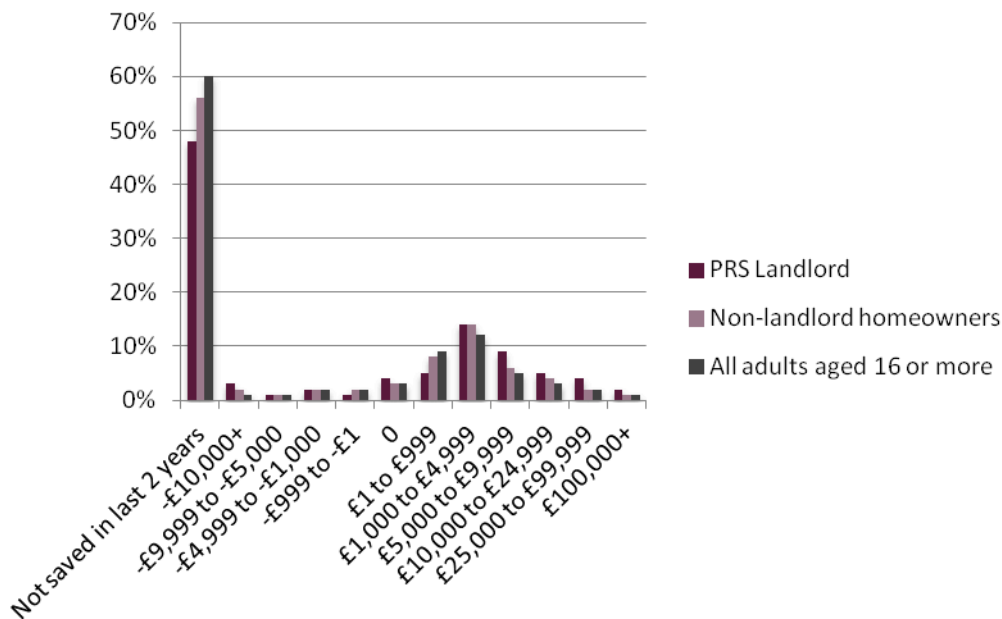


Chart 6.2
Banded amount of money in saved/invested in last 2 years, working age only

6.2 Liquid debt

The majority of PRS Landlords reported not having a loan (86%). Of those who did have a loan this was most commonly just a single loan (12%), with only 2% of PRS Landlords reporting having two or more loans. There were no statistically significant differences between PRS Landlords, non-landlord homeowners and all adults aged 16 or more in terms of number of loans.

Table 6.1 Number of loans

Column Percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Banded number of loans	0	86%	87%	86%
	1	12%	12%	12%
	2	2%	1%	2%
	3 or more	0%	0%	0%
	Total	1274	13983	34973

6.3 Total financial wealth

Chart 6.3 looks at total financial wealth, summing the monetary amounts contained in the savings and investments shown in Chart 6.1. PRS Landlords had greater financial wealth than both non-landlord homeowners and the general adult population, with over a quarter (26%) holding £70,000 or more. This can also be shown by the mean and median value of total financial assets held by PRS Landlords, which was £75,103 and £20,500 respectively, over twice as high as the figures for non-landlord homeowners (£36,934 and £8,105 respectively) and all adults aged 16 or more (£22,981 and £2,300 respectively).

This indicates that PRS Landlords have access to a significant amount of financial wealth in addition to the value of the properties they own. The fact that the amounts are far in excess of the assets held by the general adult population could also mean that they have a greater potential to own further property in the future.

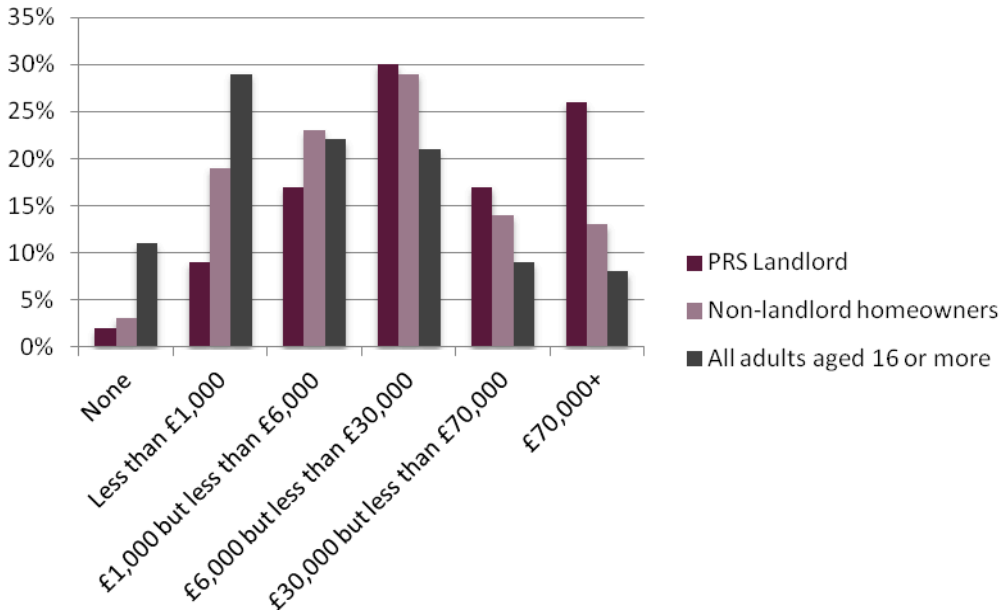


Chart 6.3 Total financial assets

Table 6.2 Total financial assets

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Average Total Financial Assets	Mean	£75,103	£36,934	£22,981
	Median	£20,500	£8,105	£2,300
	Total	1274	14119	37600

6.4 Pension savings

Table 6.3 show the eligibility for and amount saved into pension schemes. There is no difference between PRS Landlords and non-landlord homeowners in terms of eligibility for occupational pension schemes, although a greater proportion of both are eligible in comparison to the general adult population. For those with an occupational pension the majority for each group reported that contributions were taken out of their pay.

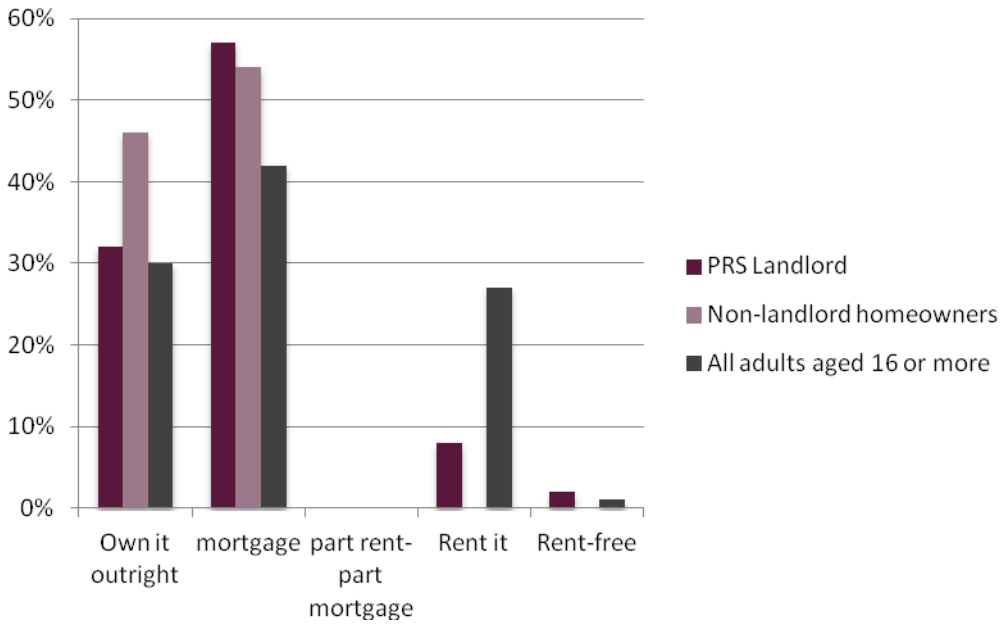
When looking at pension saving as a whole, most people saved less than 5% of their income into a pension scheme. However, a slightly higher proportion of PRS Landlords and non-landlord homeowners save 5% or more of their income into pension schemes when compared with all adults aged 16 or more.

Table 6.3 Pension saving

Column Percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Whether eligible for occupational pension scheme	Yes	39%	41%	29%
	No	61%	59%	71%
	Total	1274	14105	37557
Whether contributes to occupational pension scheme (those eligible)	Contributions are taken out of my pay each week or month	88%	92%	92%
	The scheme is non-contributory	12%	8%	8%
	Total	374	4422	8688
Banded percentage of income saving into a pension	Less than 5%	84%	85%	90%
	5% but less than 10%	14%	13%	9%
	10% but less than 20%	2%	2%	1%
	20% or more	0%	0%	0%
	Total	1274	14115	37596
Banded worth of Defined-Contribution pension (those with occupational pension scheme)	Less than £5,000	20%	22%	29%
	£5,000 but less than £15,000	25%	27%	27%
	£15,000 but less than £50,000	30%	32%	29%
	£50,000 or more	25%	19%	15%
	Total	133	1475	2906

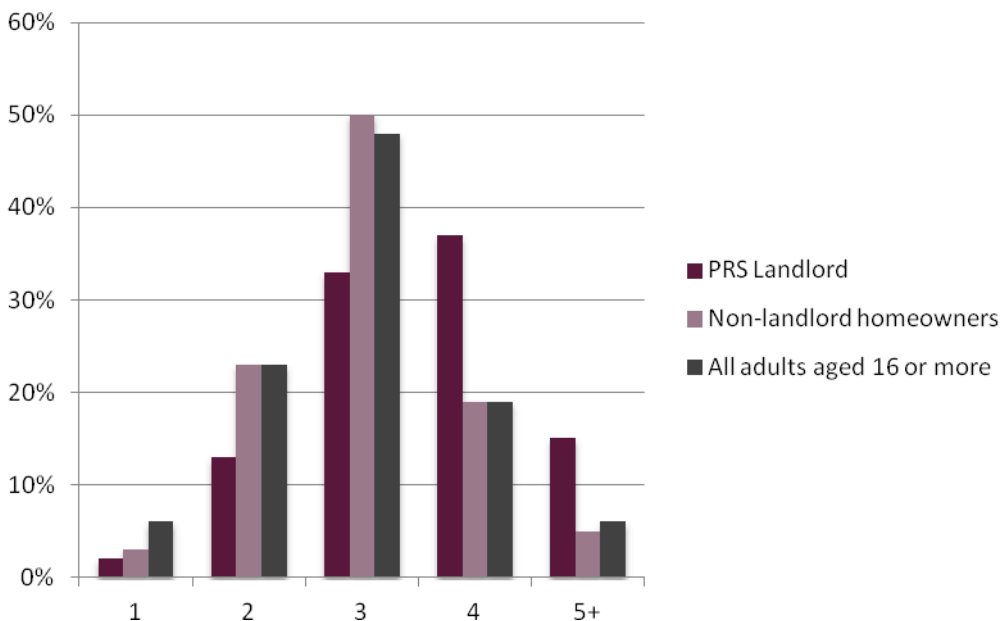
6.5 Homes, Mortgages and Property Wealth

Chart 6.4 shows housing tenure on the home mainly lived in. Interestingly, 8% of PRS Landlords live in a rented home despite the fact that they own and rent out at least one other property themselves. This could be due to the home they rent out not being suitable for themselves, for example, because of its location or number of bedrooms.



**Chart 6.4
Tenure of main home**

When looking at the number of bedrooms, PRS Landlords generally had larger homes, with 52% of landlords having homes with four or more bedrooms compared with 24% of both non-landlord homeowners and all adults aged 16 or more. Chart 6.6 goes on to show the number of 'spare' bedrooms in the household, which is the number of bedrooms minus the number of couples and single people in the household. One in five (20%) PRS Landlords have three or more spare bedrooms, significantly more than for non-landlord homeowners (11%) and for all adults aged 16 or more (8%). This suggests that PRS Landlords have larger homes than other homeowners and the general population, even when number of household members is taken into account.



**Chart 6.5
Number of bedrooms in main home**

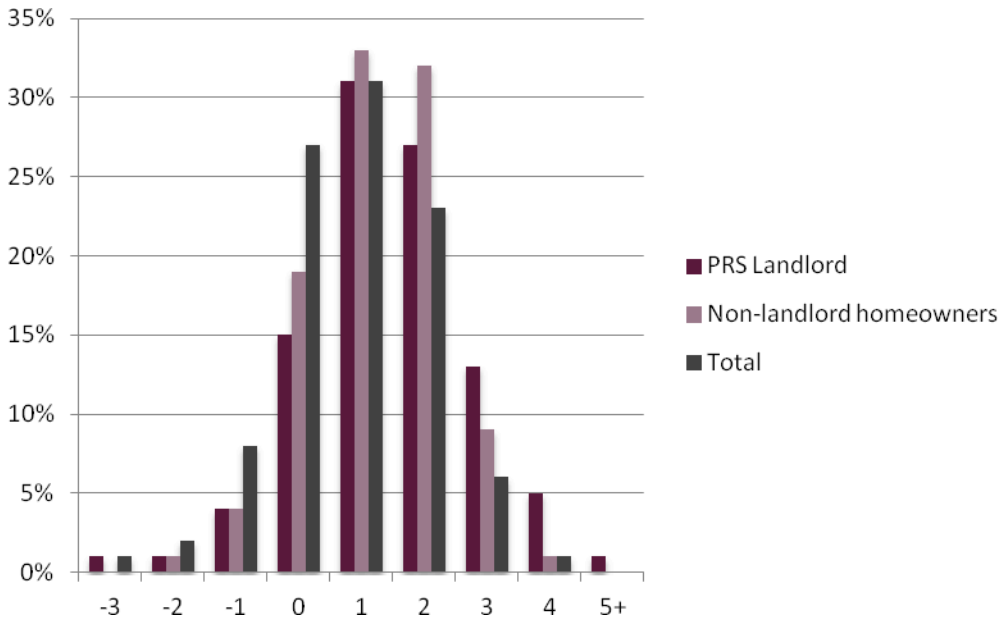


Chart 6.6 Spare bedrooms in main home (no. of bedrooms minus number of people in household)⁵

As well as having homes with a greater number of bedrooms, PRS Landlords also have higher value homes. Nearly half (49%) of PRS Landlords had a home worth £300,000 or more, including over one in five (21%) whose home was worth £500,000 or more (Chart 6.7). This was a much higher proportion than for non-landlord homeowners (20% and 5% respectively) and for all adults aged 16 or more (23% and 6% respectively), despite the fact that the number of children living with landlords is not significantly different from the general population (Table A3.1).

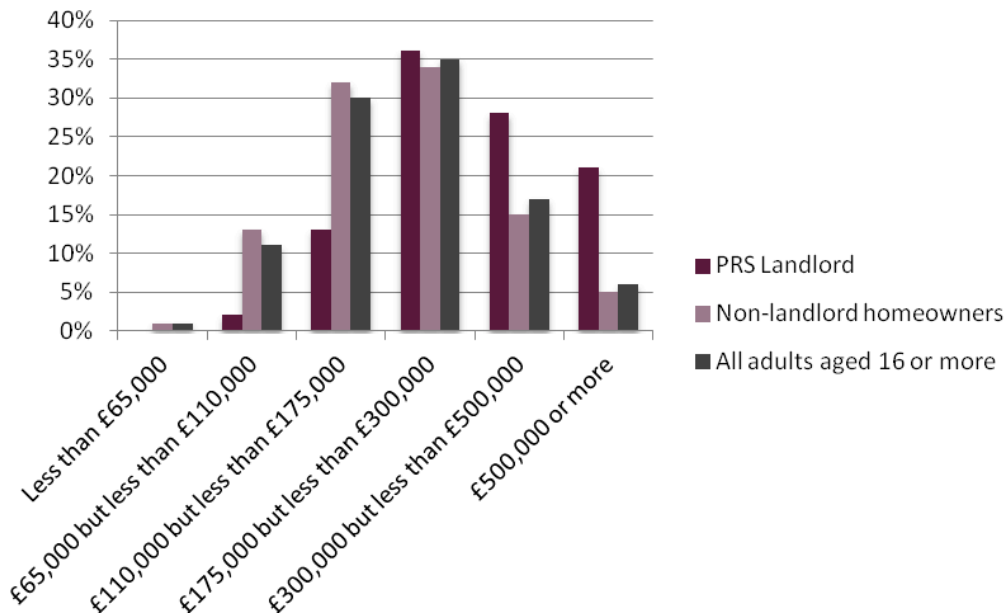


Chart 6.7 Value of main home

¹¹ Couples are counted as one person in this analysis, as they are likely to share a bedroom. Therefore, a household consisting of a couple with two bedrooms would be judged to have one 'spare' bedroom. This calculation is a simplified version of the official 'bedroom standard', which additionally allows younger children to share bedrooms.

Table 6.4 Number of mortgages

Column percentages		PRS Landlord	Non-landlord homeowners
Number of mortgages on property (those with mortgage on property)	1	92%	93%
	2	6%	6%
	3	2%	1%
	Total ²	573	6435

For those with a mortgage on their property, the vast majority had a single mortgage. When looking at the value remaining of the first mortgage on the property (Chart 6.8), mortgaged PRS Landlords generally had higher value mortgages than non-landlord homeowners and adults aged 16 or more with a mortgage. Mortgaged PRS Landlords were twice as likely to have a remaining mortgage of £125,000 or more (51%) than non-landlord homeowners (23%) and adults with a mortgage (24%). A quarter of PRS Landlords remaining mortgage was for £200,000 or more including nearly one in ten (9%) with a remaining mortgage of £300,000 or more. It is worth noting that, as shown in above and in section 6.3, PRS Landlords do have higher value homes and greater financial wealth, meaning that these larger mortgages are perhaps unsurprising and affordable.

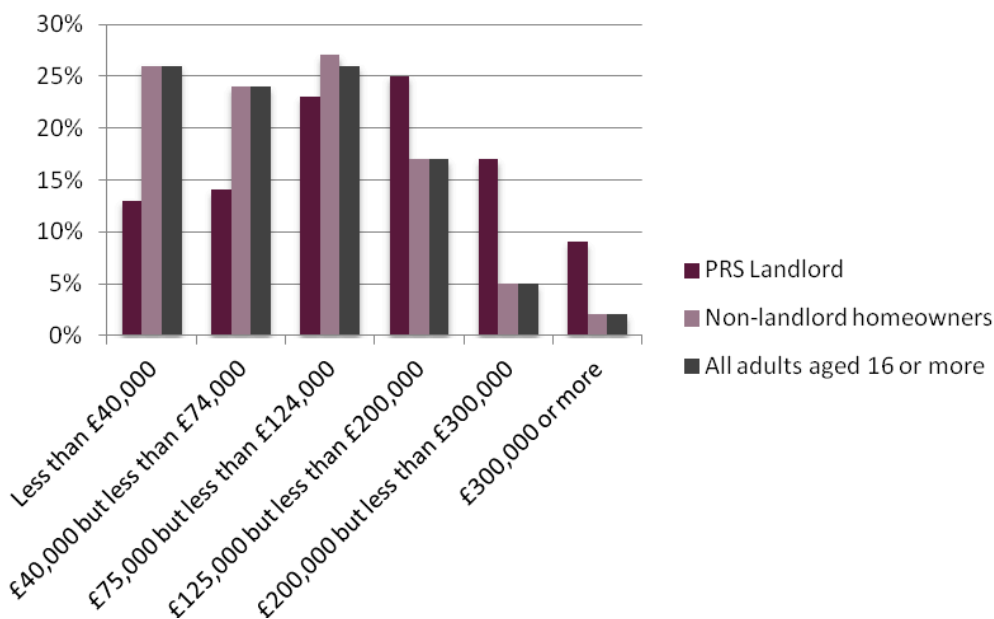


Chart 6.8 Value remaining of first mortgage, those with outstanding mortgage

Chart 6.9 shows the type of mortgage people have for the first mortgage on their own home. Although repayment mortgages are the most common for all three groups, one in five PRS Landlords with a mortgage had an interest-only (not linked) mortgage, compared with only 7% for both non-landlord homeowners and all mortgaged adults aged 16 or more.

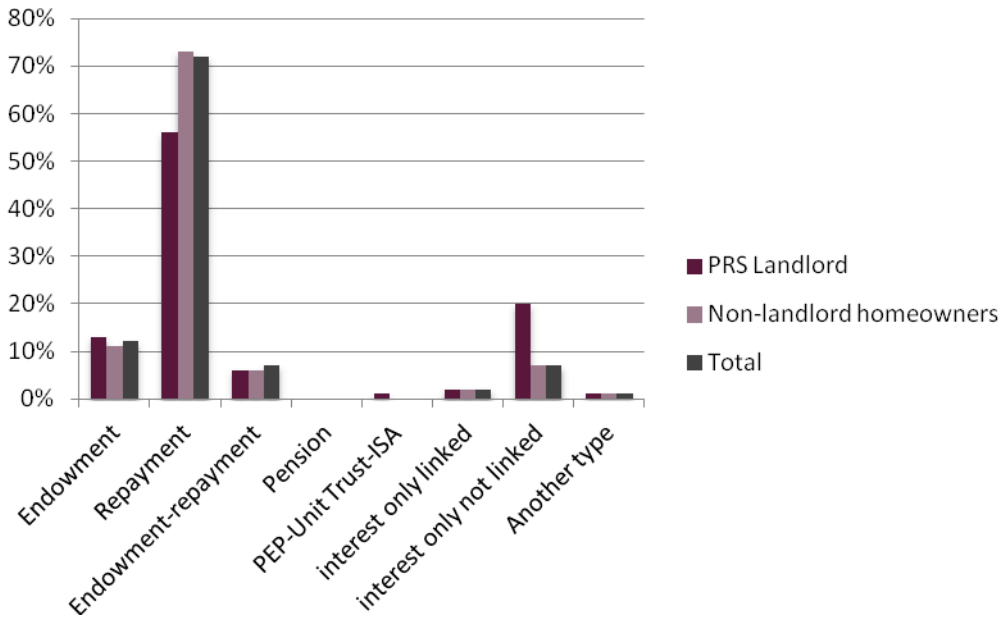


Chart 6.9 Type of mortgage loan - first mortgage, those with outstanding mortgage

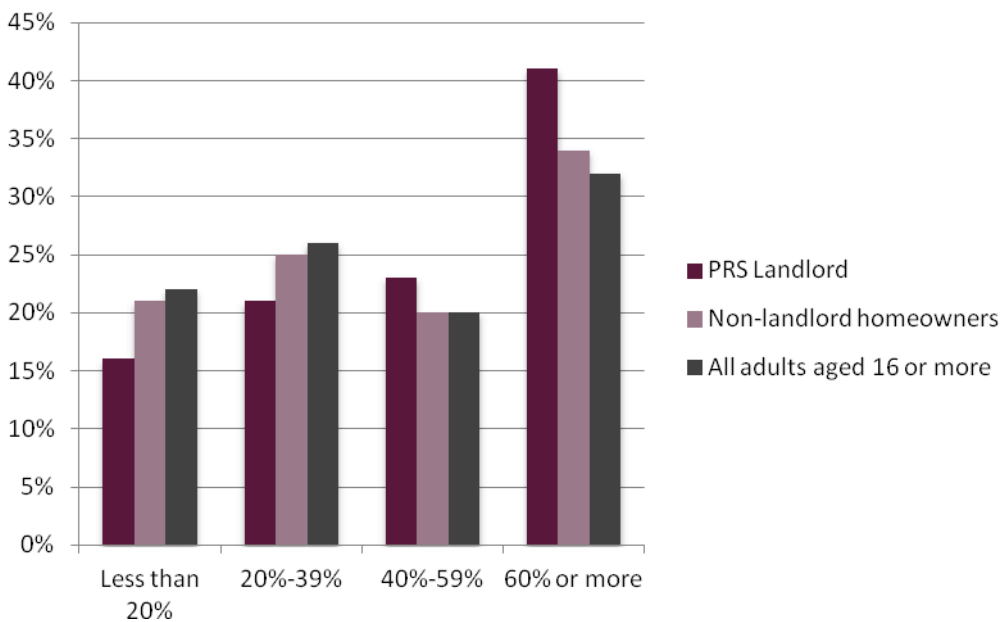


Chart 6.10 Percentage value of outstanding mortgage debt compared to value of home, those with outstanding mortgage

With the analysis presented above showing that PRS Landlords have both higher value homes and larger values remaining on mortgages it is worth considering the debt to value ratio of their homes. The value remaining on mortgages was divided by the value of the home, so that – for example – a remaining mortgage of £200,000 on a home valued at £400,000 would produce a figure of 50%. Two in five (41%) mortgaged PRS Landlords had an outstanding mortgage debt of 60% or more of the value of the property. This was significantly more than for non-landlord homeowners (34%) and all adults aged 16 or more (32%).

Chart 6.11 shows similar analysis, where the remaining mortgage debt is taken away from the value of the home, leaving the value of the home ‘owned’ (or equity of that home). Just less than one in five (39%) mortgaged PRS Landlords had equity of £175,000 or more, greater than the proportion of non-landlord homeowners (21%) or mortgaged adults aged 16 or more

(24%). Both of these analyses indicate that PRS Landlords are taking out larger mortgages than other homeowners, but that the property they are buying is also worth more.

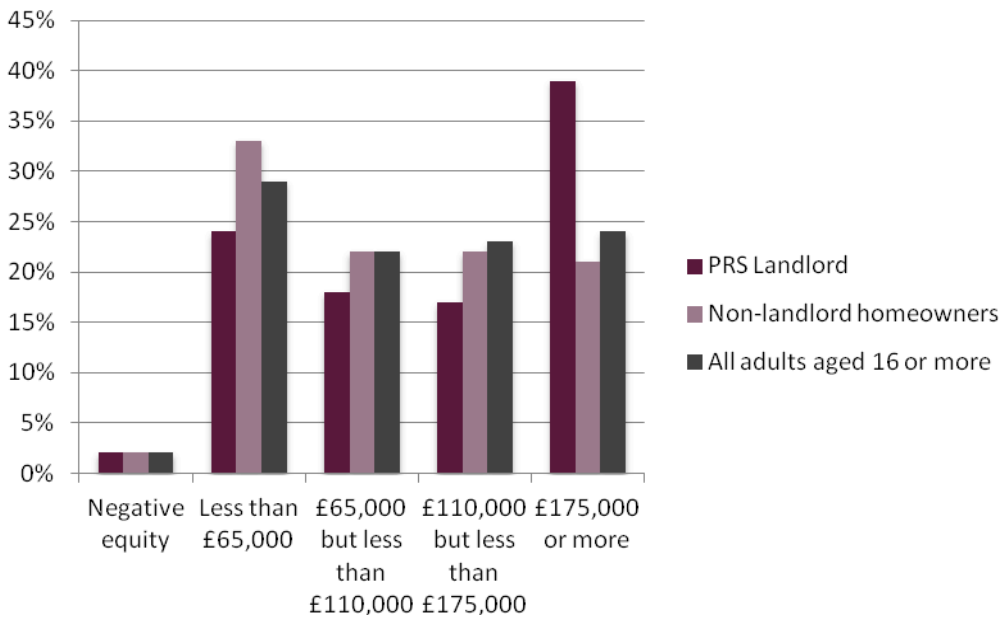


Chart 6.11
Equity of main home (value of home minus mortgage debt), those with outstanding mortgage

Table 6.5 Value of properties

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Average value of home owned (those with outstanding mortgage)	Mean	£188,173	£119,871	£130,356
	Median	£131,000	£94,500	£102,000
	Total	525	5751	12711
Average value of all properties owned (including main home if owns)	Mean	£670,127	-	-
	Median	£510,000	-	-
	Total	1274	-	-
Average equity (value minus debt on property) of all properties owns (including main home if owns)	Mean	£479,598	-	-
	Median	£333,999	-	-
	Total	1274	-	-
Average debt on all properties owns (including main home if owns)	Mean	£190,529	-	-
	Median	£143,160	-	-
	Total	1274	-	-

6.6 Opinion of financial position

Charts 6.12 and 6.13 and Table 6.6 show three opinions on current financial position. Two in five (41%) PRS Landlords strongly agreed that their income was enough to meet the cost of

everyday outgoings, more than for non-landlord homeowners and the general adult population. Only 14% of PRS Landlords disagreed at all that their income was enough to meet cost of everyday outgoings, fewer than for non-landlord homeowners (19%) and all adults aged 16 or more (28%). Similarly, 39% of PRS Landlords agreed that they were better off than a couple of years ago, compared with 34% of non-landlord homeowners and 35% of all adults aged 16 or more. In addition, a third (32%) of PRS Landlords believe that their general financial position is better than it was two years ago, with three-quarters (76%) stating that it is at least no worse (Table 6.6). These are significantly higher proportions than for non-landlord homeowners (25% and 68% respectively) and the general adult population (26% and 69% respectively). PRS Landlords were the only group for which the proportion stating that they are better off was greater than the proportion stating that they are worse off.

Interestingly, as data were collected between 2008 and 2010, the recession in the UK economy may have had an impact for people considering whether they are better off now than they were 'a couple of years ago'. However, PRS Landlords were more likely to feel that their economic position had improved, than both non-landlord homeowners and the general population.

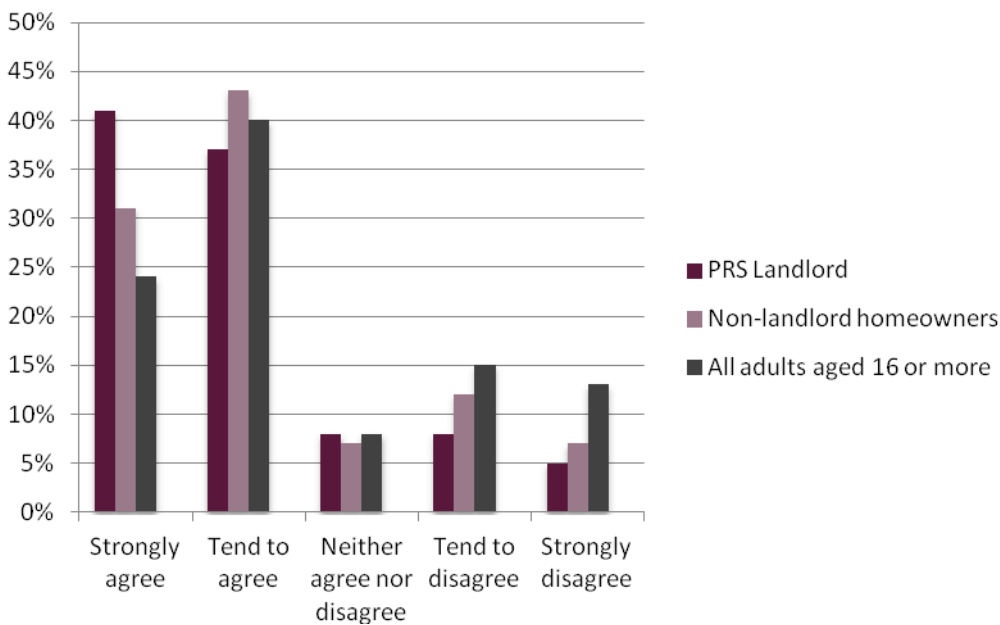


Chart 6.12
Whether
income is
enough to meet
the cost of
everyday
outgoings

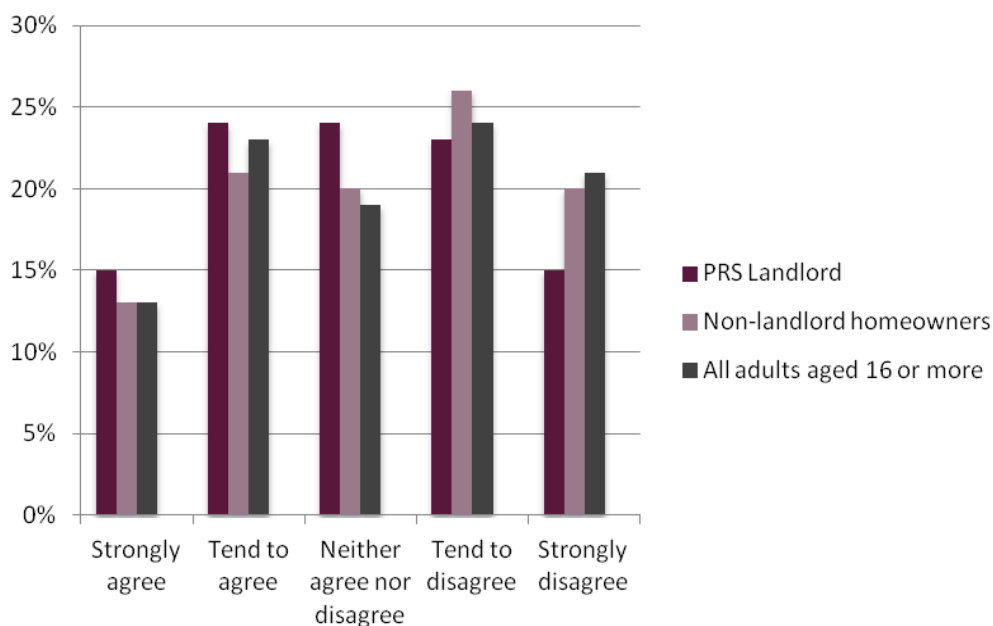


Chart 6.13
Whether better off than a couple of years ago

Table 6.6 show opinions on current financial position

Column percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
General financial position, compared with 2 years ago	Better	32%	25%	26%
	Worse	24%	32%	31%
	About the same	44%	44%	43%
	Total ²	1090	12517	29590

² Only those who were interviewed face-to-face were asked this question

Financial position of Landlords – Summary			
	PRS Landlords	Non-landlord homeowners	All adults aged 16 or more
Saved/invested £5,000 or more	21%	11%	9%
Total financial wealth of £70,000 or more	26%	13%	8%
4 or more bedrooms	52%	24%	24%
Home worth £300,000 or more (% of owner occupiers)	49%	20%	23%
Income enough to meet outgoings	78%	74%	63%

Annex - Section 6 tables

Table A6.1 Financial position

Liquid debt, saving and investments		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Types of liquid saving and investments held	Current account	99%	99%	97%
	Savings or deposit account	80%	69%	59%
	Individual Savings Account	61%	54%	41%
	Fixed-term investment	13%	13%	9%
	Unit Investment Trusts	11%	7%	5%
	Employee shares/share	7%	8%	5%
	Other shares	31%	18%	12%
	Premium National Savings	29%	27%	20%
	Government/Corporate	2%	1%	1%
	Life Insurance/Friendly	38%	30%	22%
	Other financial assets	11%	2%	2%
	None of these	0%	0%	2%
	Total ²	1272	13940	34814
	Types of liquid saving and investments held for those of working age only	Current account	99%	99%
Savings or deposit account		80%	69%	58%
Individual Savings Account		59%	50%	37%
Fixed-term investment		11%	9%	6%
Unit Investment Trusts		10%	6%	4%
Employee shares/share		8%	10%	6%
Other shares		28%	16%	10%
Premium National Savings		27%	23%	17%
Government/Corporate		1%	1%	1%
Life Insurance/Friendly		41%	36%	25%
Other financial assets		11%	2%	2%
None of these		0%	0%	2%
Total ²		1032	9087	25252
Banded amount of money in saved/invested in last 2 years		Not saved in last 2 years	49%	59%
	-£10,000+	3%	2%	1%
	-£9,999 to -£5,000	1%	1%	1%
	-£4,999 to -£1,000	2%	2%	2%
	-£999 to -£1	1%	1%	1%
	0	4%	3%	3%
	£1 to £999	5%	8%	9%
	£1,000 to £4,999	13%	13%	12%
	£5,000 to £9,999	8%	5%	5%
	£10,000 to £24,999	5%	4%	3%
	£25,000 to £99,999	4%	2%	2%
	£100,000+	2%	1%	0%
	Total	1198	12477	27497
	Banded amount of money in saved/invested in last 2 years for those of working age only	Not saved in last 2 years	48%	56%
-£10,000+		3%	2%	1%
-£9,999 to -£5,000		1%	1%	1%
-£4,999 to -£1,000		2%	2%	2%
-£999 to -£1		1%	2%	2%
0		4%	3%	3%
£1 to £999		5%	8%	9%
£1,000 to £4,999		14%	14%	12%
£5,000 to £9,999		9%	6%	5%
£10,000 to £24,999		5%	4%	3%
£25,000 to £99,999		4%	2%	2%
£100,000+		2%	1%	1%
Total		968	8080	19334
Whether any current		Yes	18%	17%

accounts are overdrawn	No	82%	83%	83%
	Total	823	8937	22323
Banded amount current accounts are overdrawn	Less than £150	15%	18%	24%
	£150 but less than £500	15%	26%	27%
	£500 but less than £1,000	17%	21%	20%
	£1,000 or more	53%	35%	29%
	Total	120	1292	3345
Banded number of loans	.00	86%	87%	86%
	1.00	12%	12%	12%
	2.00	2%	1%	2%
	3 or more	0%	0%	0%
	Total	1274	13983	34973
Types of loan	Personal loan, e.g. with	99%	94%	76%
	A cash loan from a	0%	1%	8%
	A loan from a	0%	0%	0%
	A loan from a Credit Union	0%	1%	1%
	A loan from the Social Fund	0%	0%	7%
	A loan from an employer	2%	2%	1%
	A loan from a friend,	6%	4%	6%
	A loan from the Student	2%	8%	14%
	A student loan from a bank	2%	1%	2%
	A loan from a pay day	0%	0%	0%
	An other type of loan	1%	2%	2%
	Total ²	139	1506	4067
Reason for loan	to spend on a particular	58%	67%	61%
	To pay bills	5%	5%	12%
	to re-finance other	13%	12%	12%
	To pay off other debts	11%	22%	27%
	To make ends meet	10%	5%	10%
	to finance a business	6%	3%	3%
	Other	8%	8%	7%
	Total ^{1 2}	94	1212	2932
Banded amount owed on all loans	Less than £1,000	9%	13%	21%
	£1,000 but less than £4,000	29%	26%	26%
	£4,000 but less than £9,000	29%	30%	26%
	£9,000 or more	34%	31%	27%
	Total	141	1511	4086
Banded amount paid each installment, on all loans	Less than £70	10%	9%	24%
	£70 but less than £150	17%	25%	25%
	£150 but less than £250	26%	32%	27%
	£250 or more	47%	33%	25%
	Total	128	1456	3741
Whether is behind with payment on any loan	Yes	0%	2%	5%
	No	100%	98%	95%
	Total	133	1433	3652
How much are the payments of debts a Burden	a heavy burden,	6%	8%	12%
	somewhat of a burden,	16%	20%	23%
	or, not a problem at all?	78%	72%	66%
	Total	953	10019	21733
Do you have an insurance policy that will cover any of the credit commitments	Yes	5%	9%	8%
	No	95%	91%	92%
	Total ¹	1092	10799	24084
How well are you keeping up with bills and credit commitments	Keeping up with all bills and commitments without any	71%	63%	54%
	Keeping up, but it is a	21%	26%	29%
	Keeping up, but it is a	5%	8%	11%
	Falling behind with some	1%	1%	2%

	Having real financial Don't have any bills or Total ¹	0% 1% 1081	1% 1% 12635	1% 3% 29886
Total Financial Assets	None	2%	3%	11%
	Less than £1,000	9%	19%	29%
	£1,000 but less than £6,000 but less than	17%	23%	22%
	£30,000 but less than	30%	29%	21%
	£70,000+	17%	14%	9%
	Total	26% 1274	13% 14119	8% 37600
	Average Total Financial Assets	Mean	£75,103	£36,934
	Median	£20,500	£8,105	£2,300
	Total	1274	14119	37600
PENSION SAVING		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Whether eligible for occupational pension scheme	Yes	39%	41%	29%
	No	61%	59%	71%
	Total	1274	14105	37557
Whether contributes to occupational pension scheme	Contributions are taken out of my pay each week or month	88%	92%	92%
	The scheme is non-contributory	12%	8%	8%
	Total	374	4422	8688
Reason for not saving into an eligible employer pension scheme	Low income/ not working/in education	19%	22%	34%
	Too many other expenses	8%	16%	14%
	Cannot afford to	18%	32%	34%
	Too early to start a pension	3%	2%	5%
	Too late to start a pension	2%	3%	3%
	Don't know enough about pensions	2%	4%	6%
	Not interested	4%	9%	10%
	Prefer alternative forms of saving	43%	13%	8%
	Not eligible/no employer scheme	6%	7%	7%
	Employers scheme not attractive	3%	2%	1%
	Not staying with employer	3%	2%	2%
	Past pension arrangements are adequate	2%	3%	1%
	Don't think I will live that long	1%	1%	1%
	Do not trust pension companies/schemes	26%	12%	8%
	Other	9%	11%	9%
Don't know (Spontaneous only)	1%	2%	2%	
Total ¹	188	1629	5779	
Banded percentage of income saving into a pension	Less than 5%	84%	85%	90%
	5% but less than 10%	14%	13%	9%
	10% but less than 20%	2%	2%	1%
	20% or more	0%	0%	0%

	Total	1274	14115	37596
Banded worth of Defined- Contribution pension	Less than £5,000	20%	22%	29%
	£5,000 but less than £15,000	25%	27%	27%
	£15,000 but less than £50,000	30%	32%	29%
	£50,000 or more	25%	19%	15%
	Total	133	1475	2906
Expected method to fund retirement	State retirement pension, including State Second Pension (SE	81%	84%	80%
	Occupational or personal pension (including one from scheme	68%	77%	61%
	Savings or investments	60%	48%	41%
	Downsizing moving to a less expensive home	31%	32%	23%
	Borrowing against the value of your home	1%	3%	2%
	Renting out rooms in your home	3%	2%	2%
	Selling or renting out another property (other than your main home)	70%	9%	9%
	Income from your own partner's business sale of business	15%	6%	5%
	Sale of valuables (including art, jewellery, antiques, etc)	2%	1%	2%
	Inheritance in the future	25%	22%	20%
	Pension or financial support from family current partner	14%	6%	8%
	Pension or financial support from former partner or someone	1%	1%	1%
	Earnings from work (including part-time freelance)	25%	18%	16%
	State benefits tax credits (including Pension Credit)	4%	6%	8%
	Other	2%	1%	1%
	Don't know no opinion	1%	0%	2%
Total ^{1 2}	804	7658	19912	
Opinion on will make up the largest part of income during retirement	State retirement pension	7%	16%	21%
	Occupational or personal pension	30%	53%	42%
	Savings or investments	11%	7%	9%
	moving to a less expensive home	5%	8%	7%
	Borrowing against the value of home	0%	1%	0%
	Renting out rooms in your home	0%	0%	0%
	Selling/renting another property	36%	3%	5%

	Income from business	3%	2%	2%
	Sale of valuables	0%	0%	0%
	Inheritance in the future	3%	5%	6%
	Financial support from family	2%	1%	2%
	Financial support from former partner	0%	0%	0%
	Earnings from work	1%	2%	3%
	State benefits	0%	0%	1%
	Other	0%	0%	0%
	Don't know/no opinion	1%	1%	1%
	Total ²	747	6782	15672
MAIN HOME				
		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Tenure on main home	Own it outright	32%	46%	30%
	mortgage	57%	54%	42%
	part rent-part mortgage	0%	0%	0%
	Rent it	8%	0%	27%
	Rent-free	2%	0%	1%
	Total	1274	14119	37600
For those who own outright, how became owner	cash,	24%	31%	28%
	mortgage now paid off	66%	63%	67%
	inherited-given	8%	4%	4%
	some other way	2%	1%	1%
	Total	500	6916	12704
Type of home	a house or bungalow	91%	91%	86%
	a flat or maisonette	9%	8%	13%
	a room-rooms	0%	0%	0%
	other	0%	0%	0%
	Total	1274	14118	37597
Number of bedrooms	1	2%	3%	6%
	2	13%	23%	23%
	3	33%	50%	48%
	4	37%	19%	19%
	5	11%	4%	5%
	6	2%	1%	1%
	7	1%	0%	0%
	8	0%	0%	0%
	9	1%	0%	0%
	10	0%	0%	0%
	Total	1270	14016	37285
Value of main home (for those whose tenure is owned outright or mortgage)	Less than £65,000	0%	1%	1%
	£65,000 but less than £110,000	2%	13%	11%
	£110,000 but less than £175,000	13%	32%	30%
	£175,000 but less than £300,000	36%	34%	35%
	£300,000 but less than £500,000	28%	15%	17%
	£500,000 or more	21%	5%	6%
	Total	1096	13166	27059
Number of mortgages on property	1	92%	93%	92%
	2	6%	6%	6%
	3	2%	1%	1%
	Total ²	573	6435	13997
Reason for second mortgage	purchase this property	34%	42%	43%
	improvements or re-finance-consolidate	26%	38%	36%
	other cheaper interest rate	7%	15%	14%
	purchase a second home-	3%	2%	2%
	To help a family member	3%	3%	3%
		29%	2%	5%

	To help a family member	6%	1%	1%
	In connection with- to help	0%	1%	1%
	To help purchase a major	2%	2%	2%
	Other	3%	4%	3%
	Total ¹	64	444	1090
Value remaining of first mortgage	Less than £40,000	13%	26%	26%
	£40,000 but less than £75,000	14%	24%	24%
	£75,000 but less than £125,000	23%	27%	26%
	£125,000 but less than £200,000	25%	17%	17%
	£200,000 but less than £300,000	17%	5%	5%
	£300,000 or more	9%	2%	2%
	Total ²	538	5992	13228
Value remaining of second mortgage	Less than £40,000	38%	75%	73%
	£40,000 but less than £75,000	18%	16%	15%
	£75,000 but less than £125,000	15%	5%	5%
	£125,000 but less than £200,000	15%	3%	5%
	£200,000 but less than £300,000	12%	1%	1%
	£300,000 or more	1%	0%	0%
	Total	48	359	875
Value remaining of third mortgage	Less than £40,000	Sample size too small to show results	85%	85%
	£40,000 but less than £75,000		14%	13%
	£75,000 but less than £125,000		2%	1%
	£125,000 but less than £200,000		0%	0%
	£200,000 but less than £300,000		0%	0%
	£300,000 or more		0%	0%
	Total	6	56	134
Value remaining of all mortgages	Less than £40,000	11%	26%	25%
	£40,000 but less than £75,000	14%	24%	23%
	£75,000 but less than £125,000	23%	27%	26%
	£125,000 but less than £200,000	25%	17%	17%
	£200,000 but less than £300,000	17%	5%	5%
	£300,000 or more	11%	2%	2%
	Total ²	538	5994	13233
Monthly repayments on first mortgage	Less than £300	19%	24%	24%
	£300 but less than £500	17%	25%	24%
	£500 but less than £800	22%	29%	29%
	£800 or more	42%	22%	24%
	Total ²	544	6071	13431
Monthly repayments on second mortgage	Less than £100	5%	21%	18%
	£100 but less than £200	23%	21%	21%
	£200 but less than £300	25%	21%	23%
	£300 or more	47%	36%	38%
	Total	51	347	100%
Percentage value of outstanding mortgage debt compared to value of home	Less than 20%	16%	21%	22%
	20%-39%	21%	25%	26%
	40%-59%	23%	20%	20%
	60% or more	41%	34%	32%
	Total ²	525	5751	12711
Value of home owned (value of home minus mortgage debt)	Negative equity	2%	2%	2%
	Less than £65,000	24%	33%	29%
	£65,000 but less than £110,000	18%	22%	22%
	£110,000 but less than £175,000	17%	22%	23%
	£175,000 or more	39%	21%	24%
	Total ²	525	5751	12711
Average value of home owned	Mean	£188,173	£119,871	£130,356
	Median	£131,000	£94,500	£102,000
	Total ²	525	5751	12711
Whether up to date with first mortgage	up to date	99%	98%	98%
	one month behind,	0%	1%	1%
	2 to 6 months behind,	0%	1%	1%
	over 6 months behind with	0%	0%	0%

	Total ²	586	6368	14129
Whether up to date with second mortgage	up to date	100%	98%	98%
	one month behind,	0%	0%	0%
	2 to 6 months behind,	0%	2%	2%
	over 6 months behind with	0%	0%	0%
	Total	53	396	971
Whether up to date with third mortgage	up to date	Sample size too small to show	97%	96%
	one month behind,		0%	0%
	2 to 6 months behind,		3%	4%
	over 6 months behind with		0%	0%
	Total	9	67	166
Whether mortgage payments are a heavy burden	a heavy burden,	7%	14%	14%
	somewhat of a burden,	35%	37%	37%
	not a problem at all	58%	49%	49%
	Total ²	570	6163	13657

PRS Landlords in focus		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Total number of 'second homes'	0	76%	-	-
	1	22%	-	-
	2	1%	-	-
	3	0%	-	-
	4	0%	-	-
	Total	1270	-	-
Average number of properties (apart from main home)	Mean	2	-	-
	Median	1	-	-
	Total	1266	-	-
Average value of all properties owns (including main home if owns)	Mean	£670,127	-	-
	Median	£510,000	-	-
	Total	1274	-	-
Average value of owned (value minus debt on property) of all properties owns (including main home if owns)	Mean	£479,598	-	-
	Median	£333,999	-	-
	Total	1274	-	-
Average debt on all properties owns (including main home if owns)	Mean	£190,529	-	-
	Median	£143,160	-	-
	Total	1274	-	-
Spare bedrooms (no. of bedrooms minus number of people in household) [For couples one is added to number of bedrooms as couples are likely to share]	-7	-	-	0%
	-6	1%	0%	0%
	-5	-	0%	0%
	-4	0%	0%	0%
	-3	0%	0%	1%
	-2	1%	1%	2%
	-1	4%	4%	8%
	0	15%	19%	27%
	1	31%	33%	31%
	2	27%	32%	23%
	3	13%	9%	6%
4	5%	1%	1%	

	5	1%	0%	0%
	6	0%	0%	0%
	7	0%	0%	0%
	8	0%	0%	0%
	9	0%	0%	0%
	Total	1270	14016	37285
Type of mortgage loan - first mortgage	Endowment	13%	11%	12%
	Repayment	56%	73%	72%
	Endowment-repayment	6%	6%	7%
	Pension	0%	0%	0%
	PEP-Unit Trust-ISA	1%	0%	0%
	interest only linked	2%	2%	2%
	interest only not linked	20%	7%	7%
	Another type	1%	1%	1%
	An unsecured loan	-	-	-
	Total	585	6404	14203
Type of mortgage loan - second mortgage	Endowment	17%	9%	11%
	Repayment	57%	80%	80%
	Endowment-repayment	1%	1%	1%
	Pension	-	0%	0%
	PEP-Unit Trust-ISA	2%	0%	0%
	interest only linked	8%	1%	1%
	interest only not linked	16%	5%	5%
	Another type	-	2%	2%
	An unsecured loan	-	0%	0%
	Total	56	400	985
Type of mortgage loan - third mortgage	Endowment	23%	17%	20%
	Repayment	51%	75%	73%
	Endowment-repayment	0%	2%	2%
	Pension	13%	-	1%
	PEP-Unit Trust-ISA	-	-	-
	interest only linked	-	-	-
	interest only not linked	13%	5%	3%
	Another type	-	2%	1%
	An unsecured loan	-	-	-
	Total	11	66	164
Average value of home owned (working age)	Mean	£182,786	£118,220	£134,509
	Median	£130,000	£92,000	£108,000
	Total	506	5498	12208
Average value of home owned (pension age)	Mean	£387,562	£167,286	£171,934
	Median	£350,000	£140,000	£150,000
	Total	19	253	503
FINANCIAL POSITION				
		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Whether income is enough to meet the cost of everyday outgoings	Strongly agree	41%	31%	24%
	Tend to agree	37%	43%	40%
	Neither agree nor disagree	8%	7%	8%
	Tend to disagree	8%	12%	15%
	Strongly disagree	5%	7%	13%
	Total ²	1067	12599	29680
Whether does not earn enough to save	Strongly agree	12%	19%	23%
	Tend to agree	19%	23%	24%
	Neither agree nor disagree	13%	10%	10%
	Tend to disagree	30%	29%	27%
	Strongly disagree	27%	18%	16%
	Total ²	661	6696	14315
Whether better off than a couple of years ago	Strongly agree	15%	13%	13%
	Tend to agree	24%	21%	23%

	Neither agree nor disagree	24%	20%	19%
	Tend to disagree	23%	26%	24%
	Strongly disagree	15%	20%	21%
	Total ²	1069	12610	29735
General financial position, compared with 2 years ago	Better	32%	25%	26%
	Worse	24%	32%	31%
	About the same	44%	44%	43%
	Total ²	1090	12517	29590

7 The Financial Behaviour and Attitudes of PRS Landlords

This section explores the financial behaviour and attitudes of PRS Landlords.

It includes analysis of their financial management, attitudes towards saving, and opinion of whether they regularly have money left over at the end of the month, or run out of money. This can help indicate how financially resilient PRS Landlords are, whether they ever struggle financially, their capability to cope with income shocks and unexpected events, and the financial mindset of PRS Landlords. Comparisons are made with non-landlord homeowners and all adults aged 16 or more.

7.1 Bills

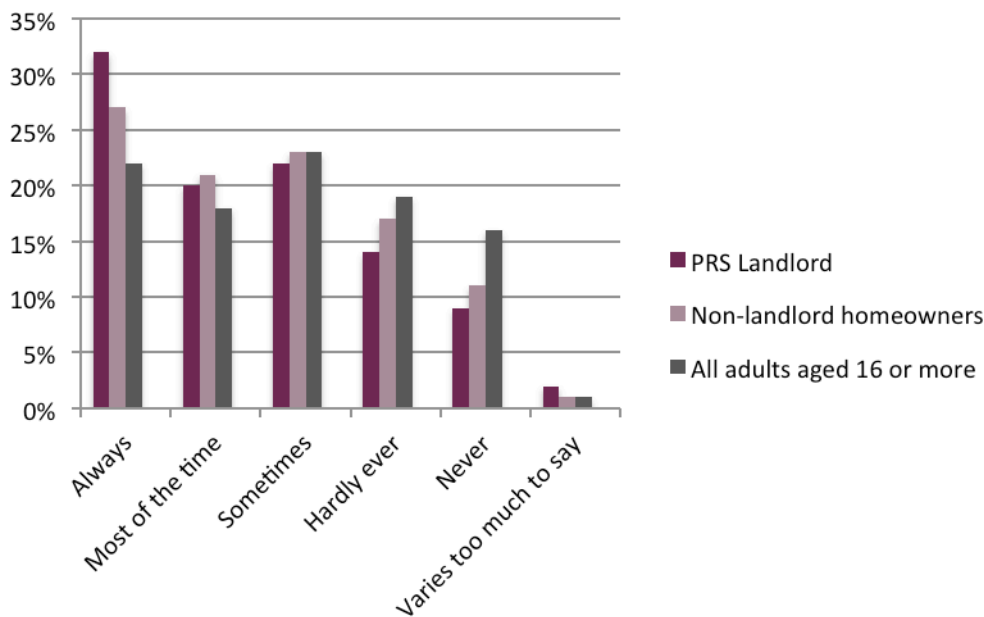


Chart 7.1 How often has had money left over at the end of the week, over past year

Chart 7.1 shows how often money is left over at the end of the week or month. Nearly a third (32%) of PRS Landlords always had money left over, while over half (52%) had money left over at least most of the time. This was a significantly higher proportion than for non-landlord homeowners (27% and 48% respectively) and for all adults aged 16 or more (22% and 40% respectively).

Those who do not have money left over are asked how often they actually run out of money at the end of the week or month (Chart 7.2). For these PRS Landlords, 30% never ran out of money, significantly more than for the general adult population (23%). In fact, only 45% of these PRS Landlords ran out of money even sometimes, less than for these adults aged 16 or more (55%). As less than half of PRS Landlords are even asked this question this indicates that they are generally doing very well financially, and most have money that they can set aside.

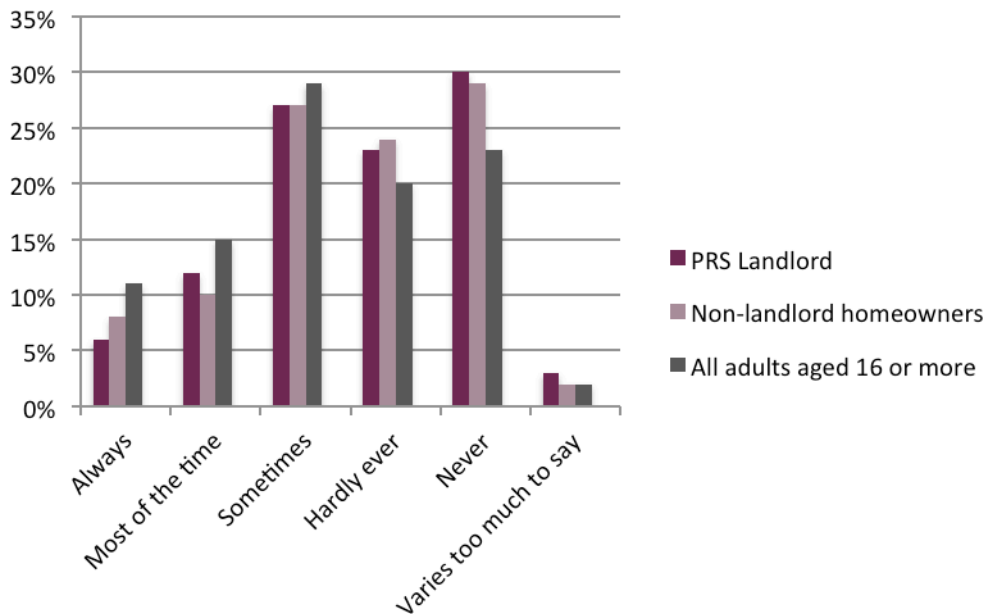


Chart 7.2 How often has run out of money at the end of the week, over past year, those who ‘sometimes’, ‘hardly ever’ or ‘never’ have money left over at end of week

7.2 Saving behaviour

PRS Landlords were more likely to have saved some of their income over the past two years, with over two thirds (68%) reporting that they had done, compared with 57% of non-landlord homeowners and just less than half (48%) of all adults aged 16 or more (Chart 7.3).

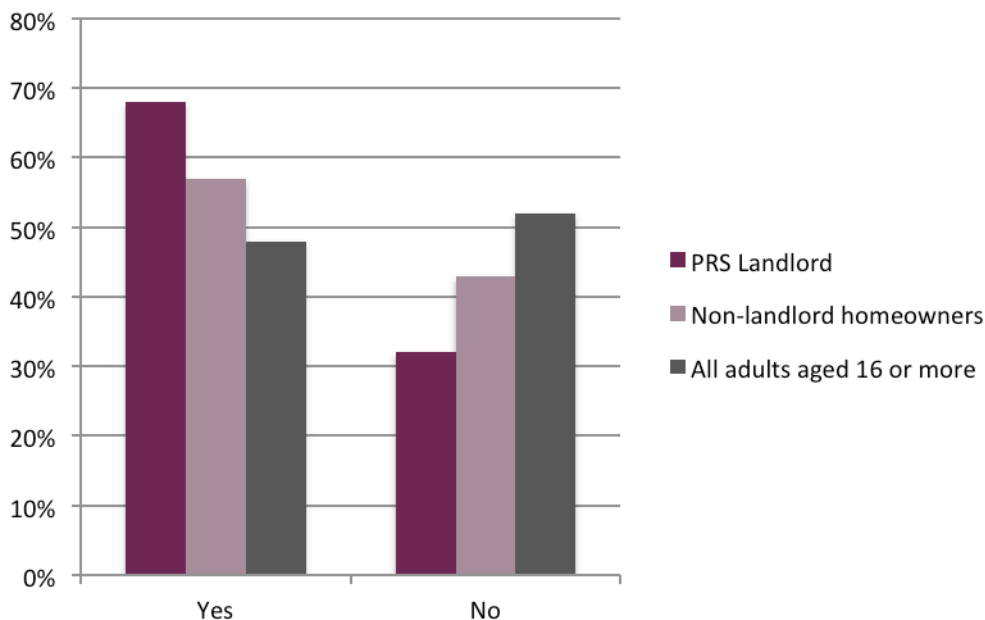
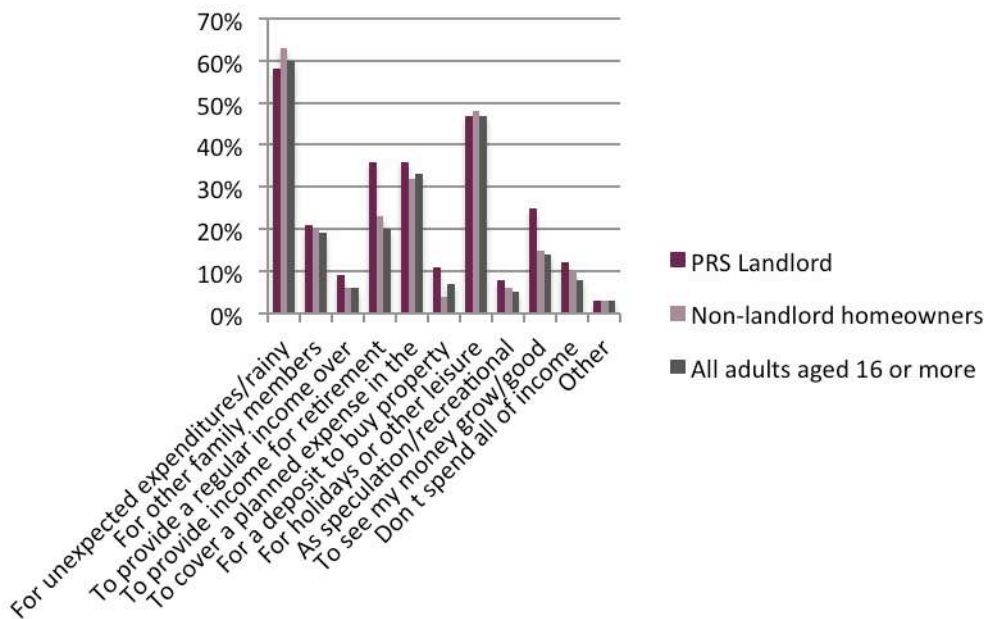


Chart 7.3 Whether saved any of income in the last 2 years

Those who had saved were asked for the reason that they had done so (Chart 7.4). The most common reason across all three groups was for an unexpected expenditure. The reasons for saving that were more common among PRS Landlords than the other two groups included saving for retirement (36%), and to see the money grow (25%). Over one in ten (11%) PRS Landlords who had saved had done so for a deposit to buy a property, a higher proportion

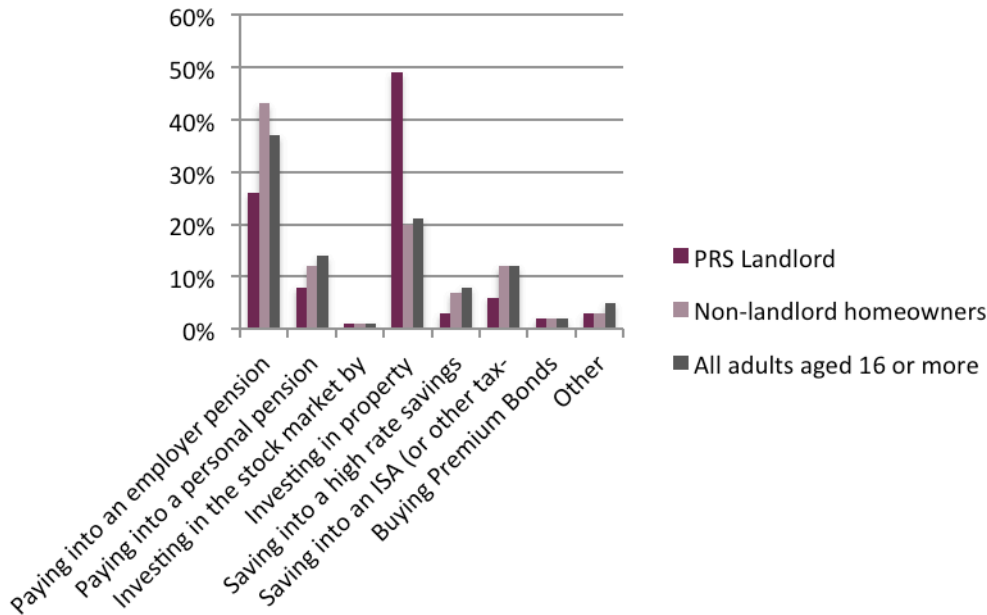
than the 4% of non-landlord homeowners (though not statistically significantly more than the 7% of adults aged 16 or more who had saved in past two years). However the survey did not ask whether this was for a rental property.



**Chart 7.4
Reason for saving, those who saved in last 2 years**

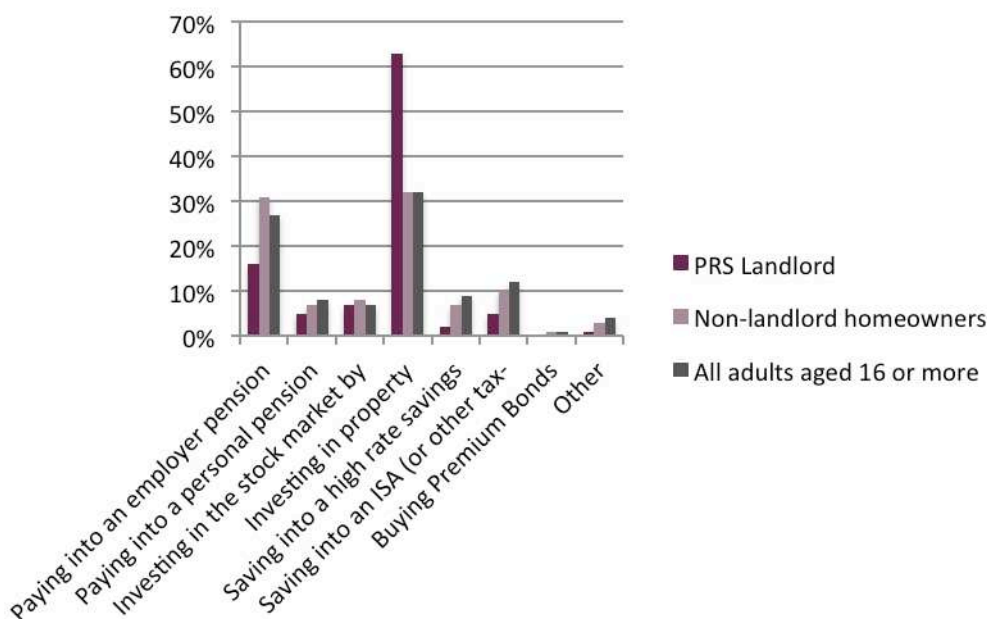
Those of working age were asked for their opinion of the safest way to save for retirement (Chart 7.5). The most common response for non-landlord homeowners and all working-age adults was paying into an employer pension scheme (43% and 37% respectively); however the proportion of PRS Landlords stating this was significantly lower at 26%. For PRS Landlords, the most common opinion of the safest way to save for retirement was investing in property, with nearly half (49%) stating this, over twice as high as for non-landlord homeowners (20%) and for all working-age adults (21%).

**Chart 7.5
Opinion of the
safest way to
save for
retirement,
those not
retired**



Similar analysis was conducted showing opinion of which method of saving would make the most money (Chart 7.6). Investing in property was the most common response for all three groups, although again PRS Landlords were twice as likely to give this reason. Nearly two thirds (63%) of working age PRS Landlords stated that investing in property would make the most money, compared with a third of working age non-landlord homeowners and working age adults (32% for each). This is perhaps unsurprising given that PRS Landlords all own and rent out at least one property. However, it is interesting that they are twice as likely to believe that investing in property is the safest method of saving for retirement, and are relatively less confident about pension schemes and other saving and investment types.

**Chart 7.6
Opinion of
which would
make most
money,
those not
retired**



¹² Those of retirement age not asked this question.

7.3 Financial management

Financial management, resilience, and the ability to cope with income shocks and unexpected expenses are potentially important issues, not only for the PRS Landlords themselves but also for their tenants. Having a financially secure landlord can mean tenants have less chance of losing their home as a result of their landlord’s property being repossessed.

Chart 7.7 shows the length of time for which PRS Landlords estimate they could make ends meet in the event of their household income dropping by a quarter. Nearly two thirds (62%) of PRS Landlords believed that they could last for a year or more in the event of income dropping by a quarter, significantly more than non-landlord homeowners (48%), and all adults aged 16 or more (38%). In addition, only one in twenty (5%) PRS Landlords could make ends meet for less than a month and 16% for less than three months, were their household income to drop by a quarter. This indicates that the majority of PRS Landlords are indeed financially resilient and suggests that they manage their finances sufficiently to cope with substantial income shocks.

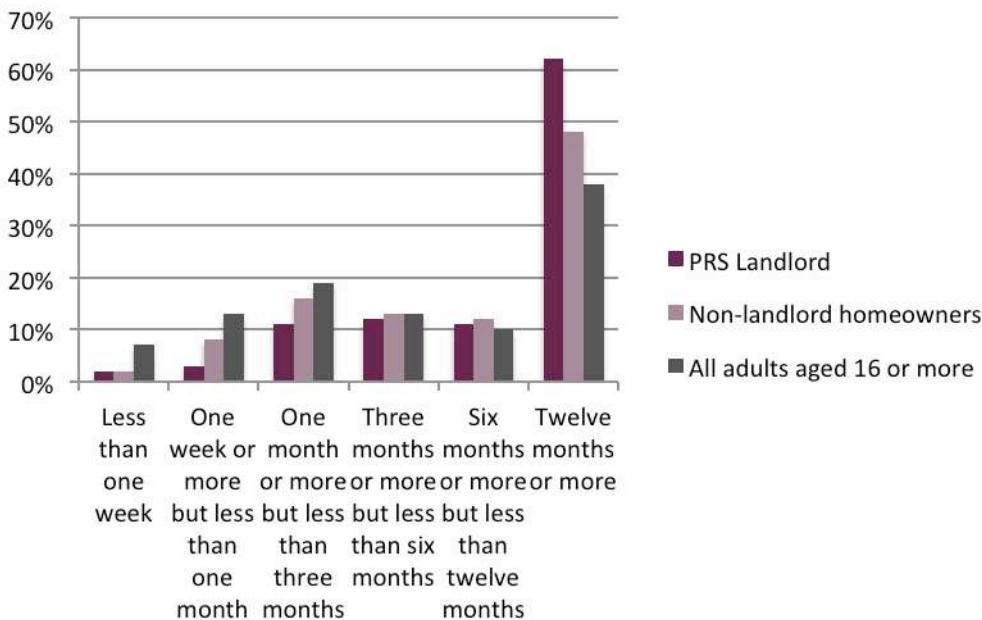


Chart 7.7 If household income dropped by a quarter, for how long would be able to make ends meet

PRS Landlords were also asked specifically about their financial capability and management ability (Table 7.1). Just less than half (44%) of PRS Landlords strongly agreed that they were very organised at managing money, while 87% agreed in general (‘agree strongly’ or ‘tend to agree’). There were no statistically significant differences compared with non-landlord homeowners, although both figures were slightly higher than for the general adult population (41% and 83% respectively). This suggests that the vast majority of PRS Landlords are financially capable and have confidence in managing their money.

Table 7.1 PRS Landlords money management

Column Percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Whether is very organised when it comes to managing money	Agree strongly	44%	46%	41%
	Tend to agree	43%	40%	42%
	Tend to disagree	9%	10%	12%
	Disagree strongly	3%	4%	5%
	Total ²	1076	12534	29540

Financial behaviour/attitudes of Landlords – Summary			
	PRS Landlords	Non-landlord homeowners	All adults aged 16 or more
Has money left over	52%	48%	40%
Property best way to make money	63%	32%	32%
Save to see money grow	25%	15%	14%
Could cope for year or more with income drop of quarter	62%	48%	38%

Annex - Section 7 tables

Table A7.1 Financial behaviour and attitudes

Column Percentages		PRS Landlord	Non-landlord homeowners	All adults aged 16 or more
Whether prefers to buy things on credit rather than save and wait	Strongly agree	3%	2%	3%
	Tend to agree	9%	9%	9%
	Neither agree nor disagree	8%	8%	8%
	Tend to disagree	28%	24%	24%
	Strongly disagree	53%	57%	56%
	Total ²	1068	12591	29684
How often has had money left over at the end of the week, over past year	Always	32%	27%	22%
	Most of the time	20%	21%	18%
	Sometimes	22%	23%	23%
	Hardly ever	14%	17%	19%
	Never	9%	11%	16%
	Varies too much to say	2%	1%	1%
Total ²	1071	12646	29896	
What usually does with left-over money (Those who 'Always', 'Most of the time' or 'Sometimes' have money left over)	Put it into leave it in current account	36%	47%	46%
	Spend it	10%	8%	11%
	Put it into leave it in savings account investments	32%	25%	24%
	Leave it in current account and then put it into savings/investment	15%	12%	10%
	Keep it in purse/wallet for the next week/month	1%	2%	3%
	Save it in cash at home	1%	1%	2%
	Give it to someone else to save for me	0%	0%	0%
	Give it away	0%	0%	0%
	Depends on amount left over/varies too much to say	3%	3%	3%
	Something else	2%	1%	1%
	Total ²	822	9250	19764
How often has run out of money at the end of the week/month, over past year	Always	6%	8%	11%
	Most of the time	12%	10%	15%
	Sometimes	27%	27%	29%
	Hardly ever	23%	24%	20%
	Never	30%	29%	23%
	Varies too much to say	3%	2%	2%
Total ^{2,3}	473	6165	16915	
What usually does when runs out of money (Those who 'Always', 'Most of the time' or 'Sometimes' run out of money)	Borrow from family/friends	18%	20%	37%
	Cut back spending/do without	34%	43%	46%
	Use authorized/arranged overdraft	44%	35%	24%
	Use unauthorised overdraft	4%	4%	3%
	Use credit or store card(s)	22%	16%	11%
	Take out commercial loan	0%	1%	1%
	Use a pawn brokers or cash converters	0%	1%	1%
	Draw money out of savings	23%	24%	16%

	or transfer savings which had not			
	Do overtime/earn extra money	11%	5%	5%
	Depends on amount needed/varies too much to say	3%	2%	2%
	Something else	2%	2%	3%
	Total ^{1 2}	186	2637	8718
Whether behind with any bills	Behind with payments of at least one bill category	1%	1%	3%
	Not behind with any payments	99%	99%	97%
	Total	1274	14119	37600
Amount behind with bill payments	Less than £100	Sample size too small to show results	14%	23%
	£100 but less than £300		23%	25%
	£300 but less than £700		36%	25%
	£700 or more		27%	28%
	Total	7	163	1026
Whether saved any of income in the last 2 years	Yes			
	No	68%	57%	48%
	Total ¹	32%	43%	52%
		1068	12646	29880
Reason for saving	For unexpected	58%	63%	60%
	For other family members	21%	20%	19%
	To provide a regular	9%	6%	6%
	To provide income for	36%	23%	20%
	To cover a planned	36%	32%	33%
	For a deposit to buy	11%	4%	7%
	For holidays or other leisure	47%	48%	47%
	As speculation/recreational	8%	6%	5%
	To see my money	25%	15%	14%
	Don't spend all of income	12%	10%	8%
	Other	3%	3%	3%
Total ²	739	7456	15318	
Reason for not saving	Want to pay off debts first	23%	16%	16%
	Haven't thought about it	10%	8%	7%
	Don't need to save	11%	9%	7%
	Too late to start saving	1%	3%	2%
	Would lose out on benefits	0%	0%	1%
	Have an offset mortgage	3%	1%	0%
	Can't afford to	54%	66%	72%
	Income too intended to, but debts too	5%	5%	6%
	Other	12%	8%	6%
	Total ²	329	5133	14404
Opinion of the safest way to save for retirement	Paying into an employer pension scheme	26%	43%	37%
	Paying into a personal pension scheme	8%	12%	14%
	Investing in the stock market by buying stocks or shares	1%	1%	1%
	Investing in property	49%	20%	21%
	Saving into a high rate savings account	3%	7%	8%

	Saving into an ISA (or other tax-free savings account)	6%	12%	12%
	Buying Premium Bonds	2%	2%	2%
	Other	3%	3%	5%
	Total ²	1023	10373	25378
Opinion of which would make most money	Paying into an employer pension scheme	16%	31%	27%
	Paying into a personal pension scheme	5%	7%	8%
	Investing in the stock market by buying stocks or shares	7%	8%	7%
	Investing in property	63%	32%	32%
	Saving into a high rate savings account	2%	7%	9%
	Saving into an ISA (or other tax-free savings account)	5%	10%	12%
	Buying Premium Bonds	0%	1%	1%
	Other	1%	3%	4%
	Total ²	1012	10227	24959
General financial position, compared with 2 years ago	Better	32%	25%	26%
	Worse	24%	32%	31%
	About the same	44%	44%	43%
	Total ²	1090	12517	29590
Reason for general financial position getting better	Increase in household income	56%	69%	70%
	Receipt of lump sum payment	10%	9%	6%
	Borrowed more money to make ends meet	0%	0%	0%
	Reduction in debt payments (inc. paid off debt)	23%	15%	14%
	Children no longer dependent (inc. left home)	5%	4%	3%
	General reduction in spending	8%	10%	9%
	Change in household circumstances	7%	3%	4%
	Reduction in caring responsibilities	2%	0%	0%
	Other reasons	24%	12%	12%
	Total ^{1 2}	308	2852	7012
Reason for general financial position getting worse	Reduction in household income	53%	46%	48%
	Retired	6%	6%	5%
	Increased debt repayments	9%	8%	11%
	Increased spending on children in household	14%	11%	13%
	Unexpected or high bills	29%	34%	32%
	General increase in spending	27%	35%	35%
	Change in household circumstances	4%	6%	5%
	Increased caring responsibilities	4%	3%	3%
	Losses from gambling or	2%	2%	1%

	other speculation			
	Other	31%	14%	0%
	Total ^{1 2}	298	4153	9597
Whether would rather cut back than put everyday spending on a credit card	Agree strongly	73%	73%	69%
	Tend to agree	20%	18%	21%
	Tend to disagree	3%	5%	5%
	Disagree strongly	3%	4%	5%
	Total ²	1073	12497	29372
Whether is very organised when it comes to managing money	Agree strongly	44%	46%	41%
	Tend to agree	43%	40%	42%
	Tend to disagree	9%	10%	12%
	Disagree strongly	3%	4%	5%
	Total ²	1076	12534	29540
How would fund an unexpected major expense	Draw money from current account (excluding an overdraft)	26%	27%	23%
	Draw money from savings account	60%	56%	46%
	Sell investments	9%	5%	3%
	Claim on insurance policy	2%	3%	2%
	Cut back on spending	16%	13%	15%
	Use a credit card or overdraft facility	17%	15%	13%
	Take out loan (including Social Fund loan)	4%	6%	6%
	Borrow money from family/friends	11%	13%	18%
	Ask family/friends to give money to help out	5%	5%	8%
	Get a job/get a second job/work additional hours in existing job	5%	4%	5%
	Arrange to pay by instalments	8%	7%	8%
	Sell possessions	4%	2%	2%
	Borrow against home/remortgage/increase mortgage on home	3%	3%	2%
	Delay payment	4%	2%	3%
	Would not be able to find money	0%	1%	3%
	Something else	2%	1%	2%
	Total ^{1 2}	1078	12604	29754
	If household income dropped by a quarter, for how long would be able to make ends meet	Less than one week	2%	2%
One week or more but less than one month		3%	8%	13%
One month or more but less than three months		11%	16%	19%
Three months or more but less than six months		12%	13%	13%
Six months or more but less than twelve months		11%	12%	10%
Twelve months or more		62%	48%	38%
Total ²		1071	12430	29329

1. Note that % do not sum to 100 due to respondents being able to choose more than one option

Table A7.2 Financially insecure PRS Landlords

Further analysis is presented of PRS Landlords who said if household income were to drop by a quarter they could make ends meet for 3 months or less.

Column percentages		PRS Landlords, ends meet for 3 months or less	All PRS Landlords
Age	16 to 24	4	1
	25 to 34	24	15
	35 to 44	24	24
	45 to 54	30	27
	55 to 64	10	22
	65 to 74	3	8
	75 to 84	4	3
	85 and over	-	1
	Total	131	1274
Sex	Male	49	54
	Female	51	46
	Total	131	1274
Employment Status	Employee	56	55
	Self-employed	25	21
	Unemployed	3	1
	Student	-	0
	Looking after family home	4	4
	Sick or disabled	1	1
	Retired	10	16
	Other	1	1
	Total	131	1273
Monthly Gross Earnings	Self employed	25	22
	None	19	27
	Less than £1000	9	8
	£1000 but less than £2000	25	12
	£2000 or more	21	31
	Total	130	1271
Total number of houses owns (apart from home lives in).	1	74	72
	2	15	16
	3	8	6
	4	2	3
	5	-	1
	6	0	1
	7	0	0
	8	-	0
	9	-	0
	10 or more	0	0
	Total	131	1266

8 PRS Tenants

This chapter presents analysis of tenants of PRS Landlords.

This helps provide context to the above sections on PRS Landlords, and also provides important information on the situation of their tenants. Comparisons are made with Social renters, renters of non-PRS Landlords, and all adults aged 16 or more:

- ▶ **Tenants of Private Rental Sector Landlords (PRS Tenants)** – those who pay rent to a Private Rental Sector Landlord, i.e. they are paying rent to a private individual (9% of the population). Any tenants who are also landlords are not included in this group.
- ▶ **Tenants of non-Private Rental Sector landlords** – those renting from someone who is not a private landlord, for example renting from an employer or an organisation (1%).
- ▶ **Social renters** – those renting from the council or from a housing association (17%).

8.1 Socio-demographics

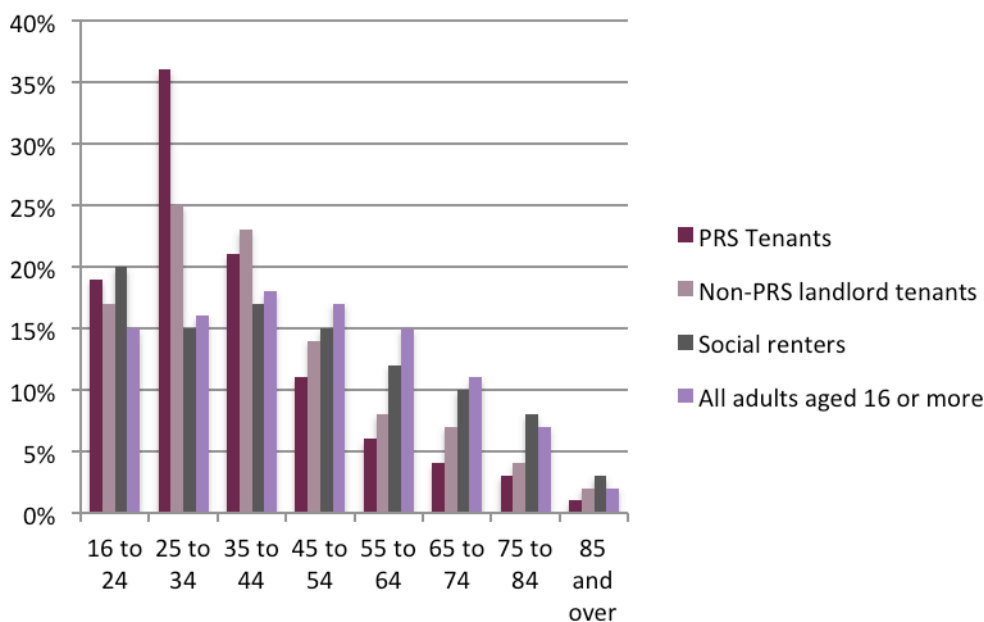


Chart 8.1 Age of PRS Tenants

Three quarters (76%) of PRS Tenants are aged 16-44 (with an average age of 37), which is significantly more than for the other three groups (see Chart 8.1 and Table 8.1). PRS Tenants have the lowest mean and median age, suggesting that they are, on average, younger than other types of renter. However, they are no more or less likely to live with children than the other groups, with the majority not reporting living with children (59% see Chart 8.2).

Table 8.1 Average age of tenants

	PRS Tenants	Non-PRS landlord tenants	Social renters	Total
Mean	37	41	46	46
Median	32	37	44	45

**Chart 8.2
Number of dependent children in household**

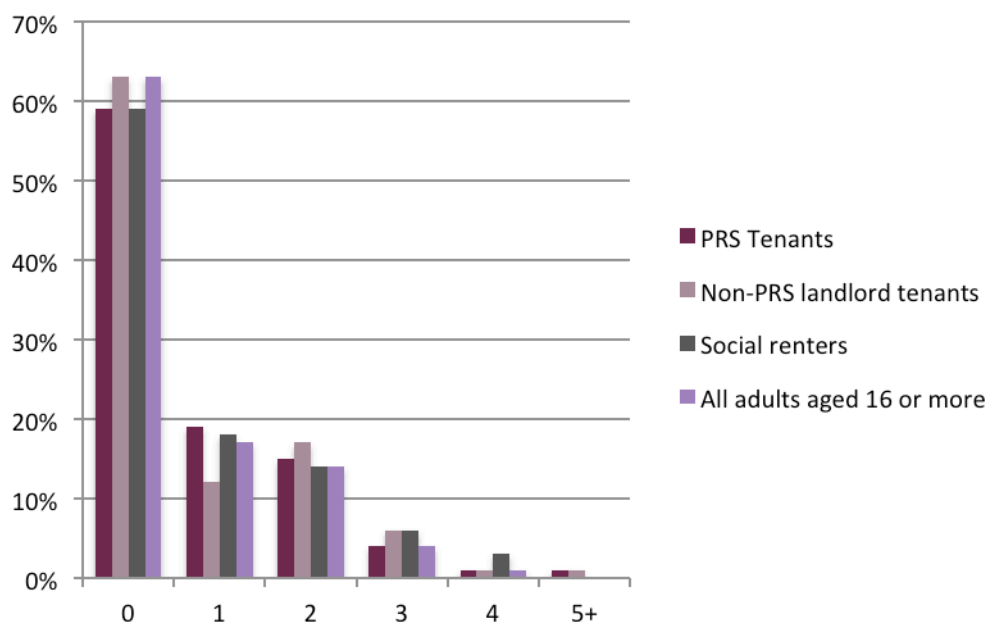
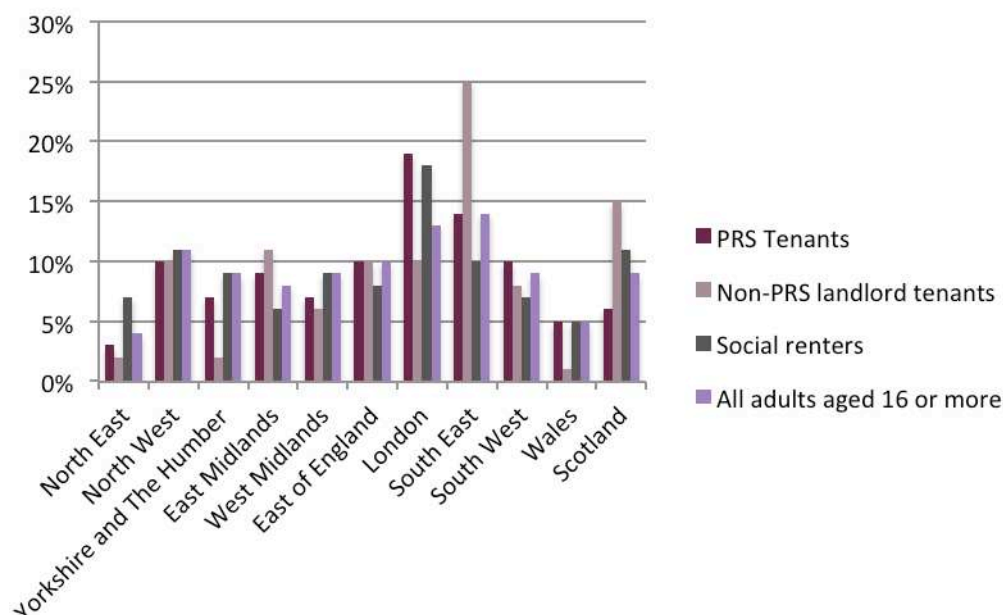


Chart 8.3 shows the geographical location of PRS Tenants and the other three groups. PRS Tenants were particularly likely to live in London (19%), and were more likely to do so than both non-PRS landlord tenants and all adults aged 16 or more.

Chart 8.3 Region lived



The education attainment of each of the groups is shown in Chart 8.4. Approximately a quarter of PRS Tenants (26%) had qualifications at degree level or higher, which is more than for Social renters, though not statistically significantly different from the other two groups.

Chart 8.5 shows household tenancy when growing up as a teenager. Nearly two thirds (64%) of PRS Tenants grew up in an owned home (either outright or with a mortgage), significantly more than Social renters (30%), and the general adult population (55%). The same was true when just looking at those who grew up in owned outright homes, which was true of 32% of PRS Tenants, 17% of Social renters and 23% of all adults aged 16 or more.

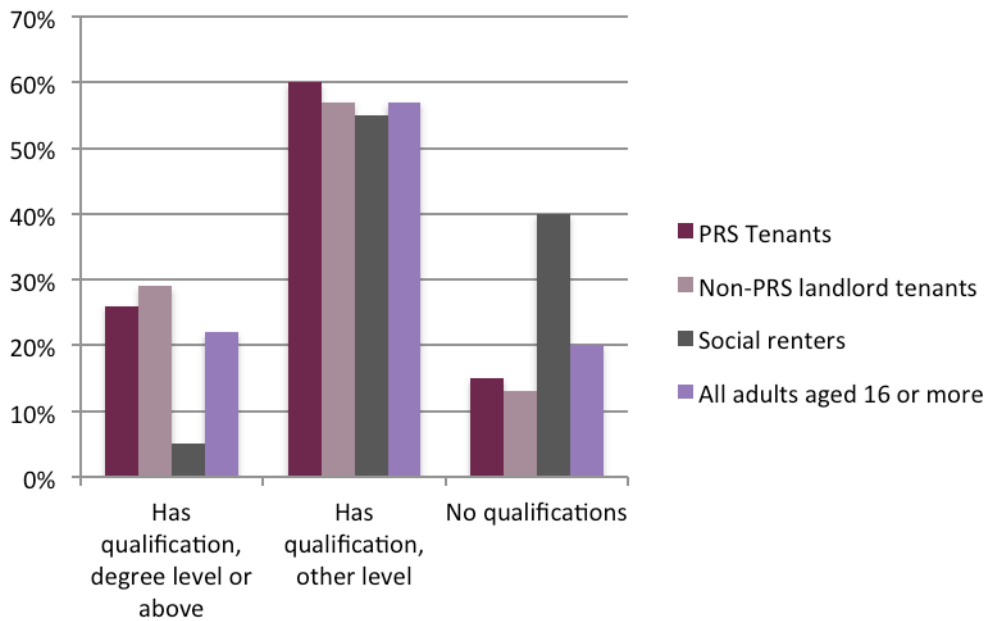


Chart 8.4 Level of highest educational qualification

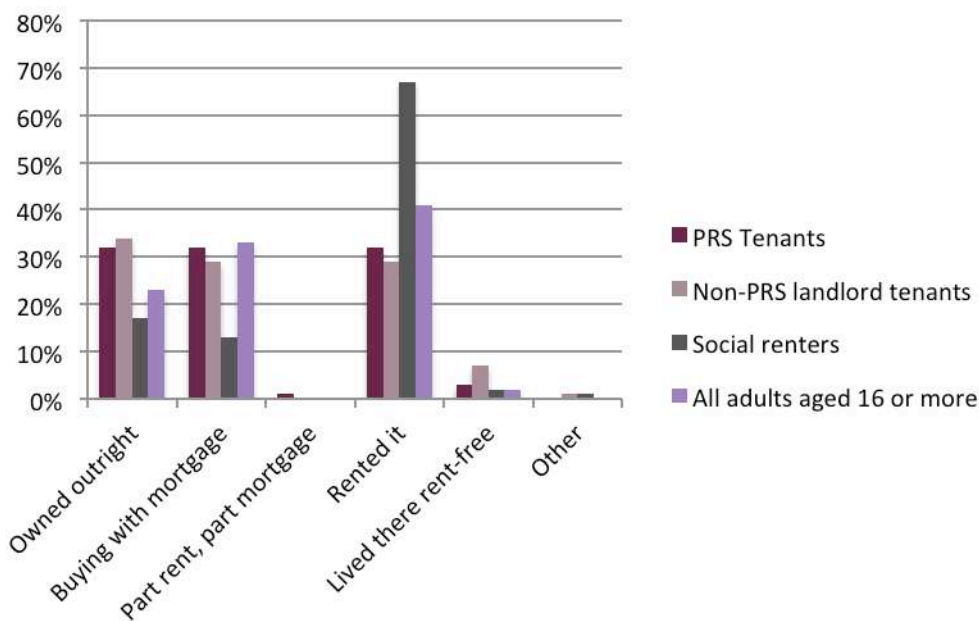
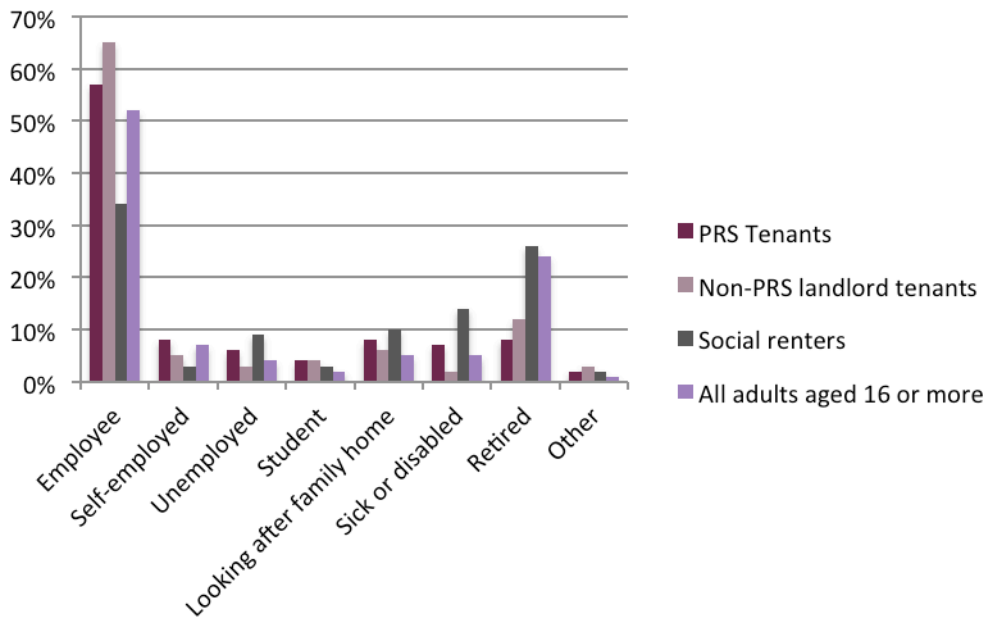
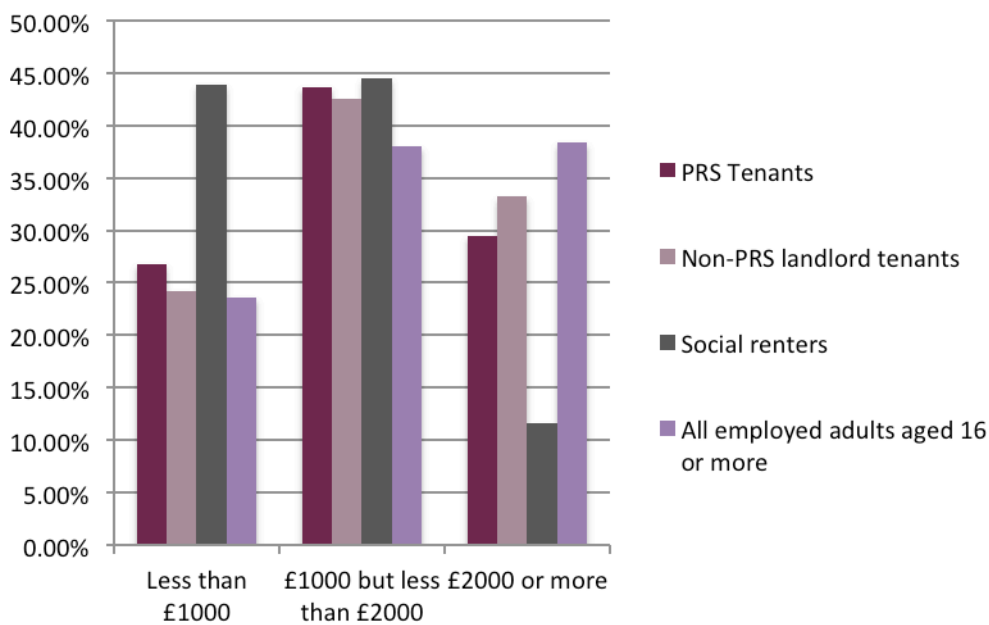


Chart 8.5 Household tenancy when a teenager and living with parents

Employment status and employment earnings are shown in Charts 8.6 and 8.7. Approximately, two thirds (65%) of PRS Tenants were employed, made up of employees (57%) and the self-employed (8%). This was more than for Social renters (36%, 34% and 3% respectively) though not any of the other groups. When looking at employment earnings, employee PRS Tenants (excluding the self-employed) had average (mean) gross monthly earnings of £1,676, which was more than Social renter employees (£1,148).



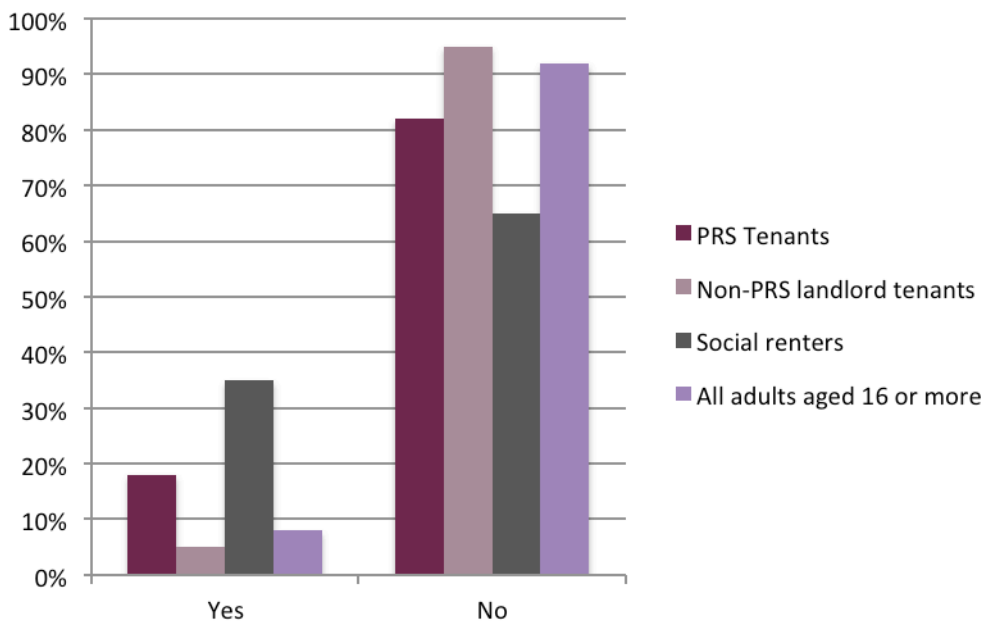
**Chart 8.6
Employment
status**



**Chart 8.7
Monthly gross
earnings
(employees
only)**

PRS Tenants receiving Housing Benefit would in effect pass this on to their landlords when paying the rent. Just less than one in five (18%) of PRS Tenants reported receiving Housing Benefit, significantly more than non-PRS tenants (5%) and the general adult population (8%), but a lower proportion than the 35% of Social renters who receive it (Chart 8.8).

**Chart 8.8
Whether
receives
Housing Benefit**



Charts 8.9 and 8.10 explore how overdrawn the current accounts of PRS Tenants are, and how well they feel they keep up with bills. Just less than a quarter (23%) of PRS Tenants have an overdrawn current account, and for those who do 28% are overdrawn by £1,000 or more. Most PRS Tenants are keeping up with bills and credit commitments, although for 24% it is a struggle or they do fall behind.

**Chart 8.9
Banded amount
current
accounts are
overdrawn,
people with
bank account**

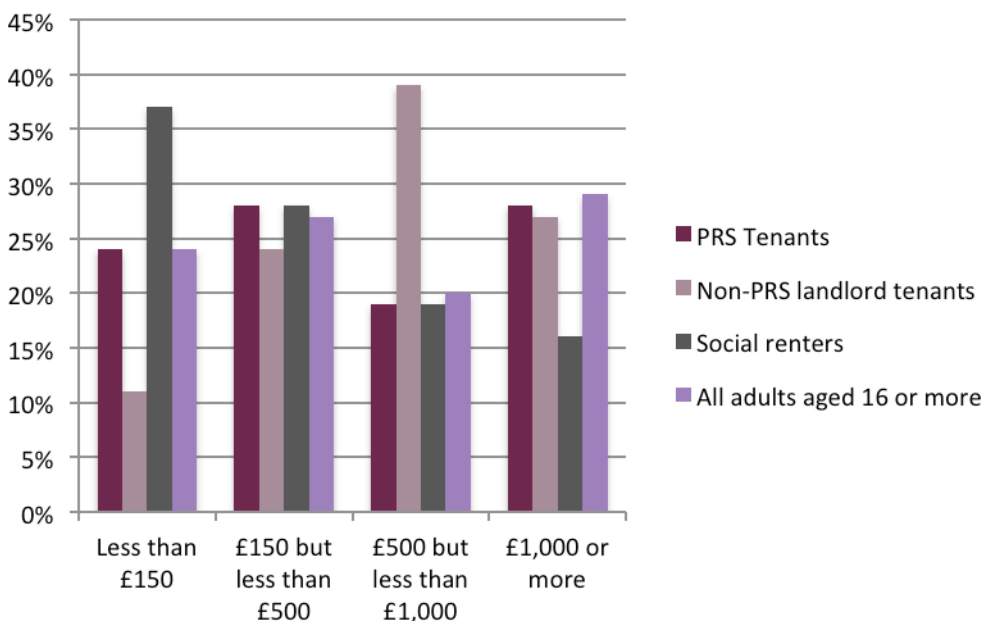
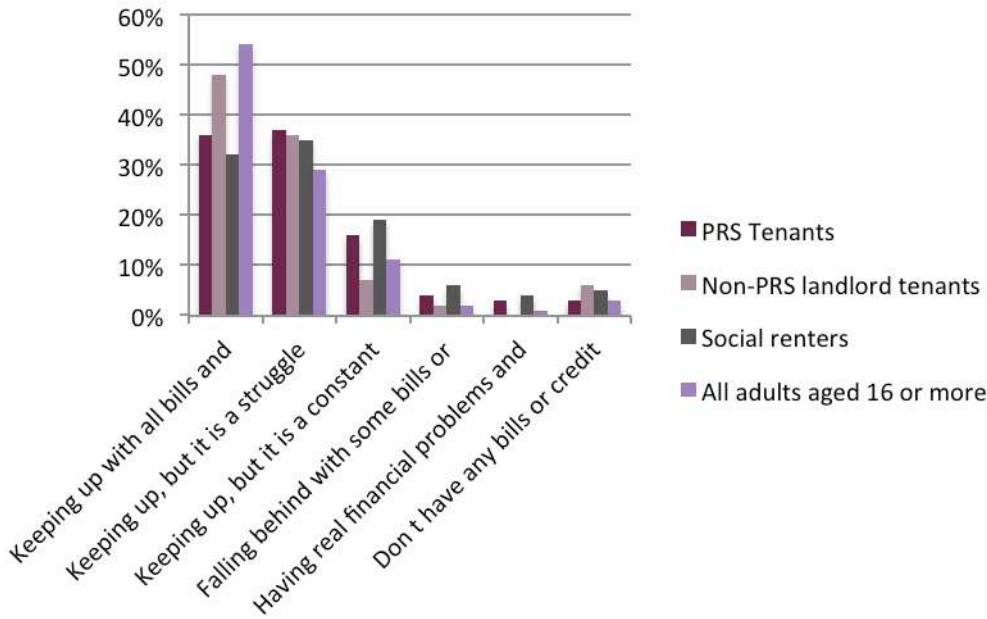


Chart 8.10 How well are you keeping up with bills and credit commitments



When examining the total financial assets of PRS Tenants (Chart 8.11 and Table 8.2) the values were relatively low. The majority (61%) of PRS Tenants had total financial assets of less than £1,000, more than any of the other groups apart from Social renters. In relation to average amount of financial assets, the mean for PRS Tenants is £9,506 and the median is £398.

Chart 8.11 Total Financial Assets

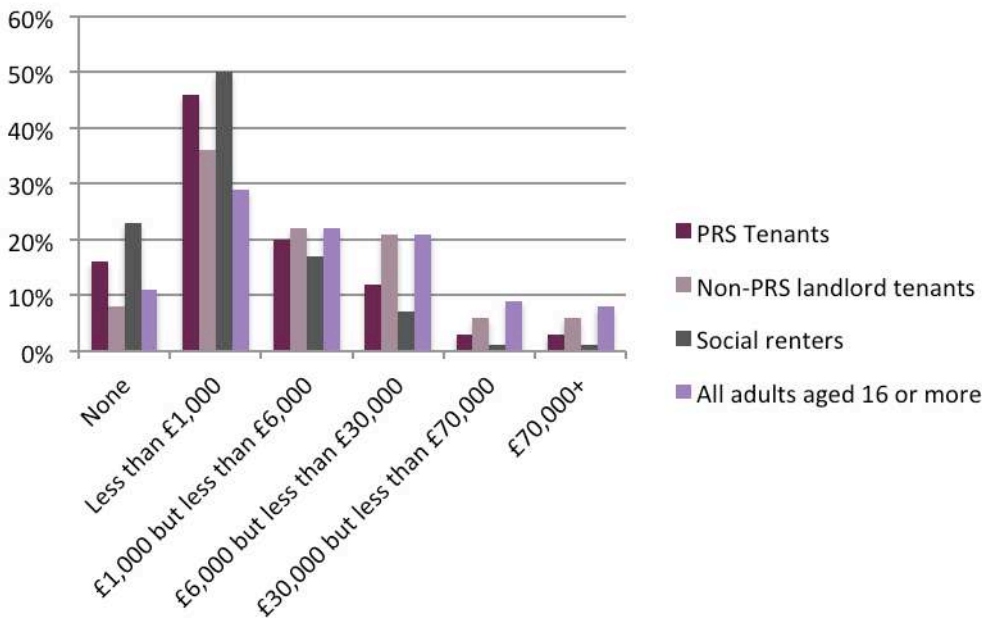


Table 8.2 Total financial assets of tenants

	PRS Tenants	Non-PRS landlord tenants	Social renters	Total
Mean	£9,506	£15,849	£2,962	£22,981
Median	£398	£1,630	£100	£2,300

PRS Tenants – Summary

- ▶ PRS Tenants tend to be younger on average, with over half (55%) aged between 16 and 34 years
- ▶ Over one third (35%) of PRS Tenants are single
- ▶ A quarter (26%) have a degree level qualification or higher
- ▶ Nearly two-thirds (64%) lived in owner occupied accommodation as a teenager
- ▶ Nearly two-thirds are in employment, either as employees (57%) or self-employed (8%)
- ▶ For those working as employees, around 44% earn £1000-1999 per month
- ▶ One in ten (9%) have made net savings of £5,000 or more in the past 2 years
- ▶ Their average (median) total financial assets is £398

Annex - Section 8 tables

Table A8.1 Prevalence of different types of tenant

	Percent	Sample size
PRS Tenants	9	2312
Tenants of non-PRS landlords	1	319
Social renters	17	5752
Everyone else	73	29217
All adults aged 16+	100	37600

Table A8.2 Comparing characteristics of tenants

Column percentages		PRS Tenants	Non-PRS landlord tenants	Social renters	All adults aged 16 or more
Age	16 to 24	19%	17%	20%	15%
	25 to 34	36%	25%	15%	16%
	35 to 44	21%	23%	17%	18%
	45 to 54	11%	14%	15%	17%
	55 to 64	6%	8%	12%	15%
	65 to 74	4%	7%	10%	11%
	75 to 84	3%	4%	8%	7%
	85 and over	1%	2%	3%	2%
	Mean	37	41	46	46
Median	32	37	44	45	
Total	2312	319	5752	37600	
Sex	Male	52%	52%	45%	49%
	Female	48%	48%	55%	51%
	Total	100%	100%	100%	100%
Number of dependent children in household	0	59%	63%	59%	63%
	1	19%	12%	18%	17%
	2	15%	17%	14%	14%
	3	4%	6%	6%	4%
	4 or more	3%	2%	3%	2%
	Total	2312	319	5752	37600
Ethnicity	White	84%	83%	86%	89%
	BME	16%	17%	14%	11%
	Total	2311	319	5748	37581
Level of highest educational qualification	Has qualification, degree level or above	26%	29%	5%	22%
	Has qualification, other level	60%	57%	55%	57%
	No qualifications	15%	13%	40%	20%
	Total	2149	303	5370	35555
Marital status	Married	29%	55%	29%	51%
	Cohabiting	20%	12%	10%	10%
	Single	35%	24%	36%	25%
	Widowed	3%	2%	10%	7%
	Separated/Divorced	12%	7%	15%	8%
	Total	2312	319	5752	37600
Cohabitation status	Single Household	19%	16%	23%	15%
	Married/Cohabiting	19%	26%	14%	27%

	Married/Cohabiting with children	29%	44%	30%	40%
	Lone parent with children	15%	5%	24%	10%
	2 or more families/other household type	18%	9%	9%	8%
	Total	2312	319	5752	37600
Government Office Region code	North East	3%	2%	7%	4%
	North West	10%	10%	11%	11%
	Yorkshire and The Humber	7%	2%	9%	9%
	East Midlands	9%	11%	6%	8%
	West Midlands	7%	6%	9%	9%
	East of England	10%	10%	8%	10%
	London	19%	10%	18%	13%
	South East	14%	25%	10%	14%
	South West	10%	8%	7%	9%
	Wales	5%	1%	5%	5%
	Scotland	6%	15%	11%	9%
	Total	2312	319	5752	37600
Household tenancy when a teenager and living with parents	Owned outright	32%	34%	17%	23%
	Buying with mortgage	32%	29%	13%	33%
	Part rent, part mortgage	1%	0%	0%	0%
	Rented it	32%	29%	67%	41%
	Lived there rent-free	3%	7%	2%	2%
	Other	0%	1%	1%	0%
	Total	1754	260	4531	31779
Monthly Gross Earnings	Self employed	7%	6%	2%	7%
	None	40%	32%	67%	41%
	Less than £1000	14%	15%	13%	11%
	£1000 but less than £2000	23%	27%	14%	19%
	£2000 or more	16%	21%	4%	23%
	Total	2107	297	5297	27181
Monthly Net Earnings	Self employed	7%	5%	2%	7%
	None	38%	31%	66%	39%
	Less than £1000	22%	26%	20%	17%
	£1000 but less than £2000	27%	26%	11%	24%
	£2000 or more	6%	12%	1%	13%
	Total	2097	295	5291	27134
Monthly Gross Earnings (employees only)	Less than £1000	27%	24%	44%	24%
	£1000 but less than £2000	44%	43. %	45%	38.00%
	£2000 or more	30%	33%	12%	38%
Monthly Net Earnings (employees only)	Less than £1000	40%	41.30%	63%	36%
	£1000 but less than £2000	49%	40%	34%	44%
	£2000 or more	11%	18%	3%	20%
Average Gross Earnings (employees only)	Mean	£1,676	£1,882	£1,148	£1,946
	Median	£1,434	£1,5201	£1,086	£1,600
Average Net Earnings (employees only)	Mean	£1,247	£1,370	£904	£1,421
	Median	£1,100	£1,160	£869	£1,200
Whether receives Housing Benefit	Yes	18%	5%	35%	8%
	No	82%	95%	65%	92%
	Total	2311	319	5750	37596

Employment Status	Employee	57%	65%	34%	52%
	Self-employed	8%	5%	3%	7%
	Unemployed	6%	3%	9%	4%
	Student	4%	4%	3%	2%
	Looking after family home	8%	6%	10%	5%
	Sick or disabled	7%	2%	14%	5%
	Retired	8%	12%	26%	24%
	Other	2%	3%	2%	1%
	Total	2112	297	5305	34951
For those working: any periods of unemployment or reduced pay in last 2 years	Yes	20%	8%	16%	15%
	No	80%	92%	84%	85%
	Total	825	150	1161	15203
Number of jobs	0	36%	29%	64%	41%
	1	61%	68%	35%	57%
	2	3%	3%	1%	2%
	3	0%	0%	0%	0%
	Total	2113	297	5309	34968
Number of jobs (for those of working age only)	0	31%	22%	54%	27%
	1	66%	75%	45%	70%
	2	3%	3%	2%	3%
	3	0%	0%	0%	0%
	Total	1897	250	3832	25384
Type of organisation	Private firm, business, ltd company	76%	57%	75%	70%
	Public limited company	3%	0%	2%	2%
	Nationalised industry, state corporation	0%	1%	0%	1%
	Central government, civil service	2%	0%	2%	3%
	Local government	7%	13%	11%	13%
	Uni or grant-funded ed establishment	2%	5%	1%	2%
	Health authority or NHS Trust	5%	3%	4%	6%
	Charity, voluntary organisation or trust	3%	7%	3%	2%
	Armed forces	0%	7%	0%	0%
	Other kind of organisation	1%	6%	1%	1%
	Total	1236	200	1651	18023
	Permanent	88%	92%	91%	93%
	Temporary	6%	1%	5%	3%
	For those working as employee: whether permanent contract	Fixed term contract	3%	4%	2%
No employment contract		4%	3%	3%	2%
Total		1144	188	1607	16434
Banded amount current accounts are overdrawn	Less than £150	24%	11%	37%	24%
	£150 but less than £500	28%	24%	28%	27%
	£500 but less than £1,000	19%	39%	19%	20%
	£1,000 or more	28%	27%	16%	29%
	Total	378	35	536	3345
Banded number of loans	0	76%	84%	84%	86%
	1	20%	13%	13%	12%
	2	4%	3%	3%	2%
	3 or more	1%	0%	1%	0%
	Total	2113	297	5310	34973
Types of loan	Personal loan, e.g. with	64%	86%	50%	76%

	bank, building society,...				
	A cash loan from a company that comes to your home ...	11%	4%	31%	8%
	A loan from a pawnbroker/cash converter	0%	0%	1%	0%
	A loan from a Credit Union	1%	0%	3%	1%
	A loan from the Social Fund	10%	0%	26%	7%
	A loan from an employer	1%	0%	0%	1%
	A loan from a friend, relative, or other private individual	9%	9%	5%	6%
	A loan from the Student Loan Company	20%	12%	5%	14%
	A student loan from a bank or building society	3%	3%	1%	2%
	A loan from a pay day lender	1%	0%	1%	0%
	An other type of loan	3%	3%	4%	2%
	Total ²	474	41	853	4067
Reason for loan	to spend on a particular item	46%	56%	57%	61%
	To pay bills	24%	11%	22%	12%
	to re-finance other borrowing	14%	17%	10%	12%
	To pay off other debts	32%	39%	29%	27%
	To make ends meet	15%	22%	19%	10%
	to finance a business	4%	0%	1%	3%
	Other	9%	7%	7%	7%
	Total ²	290	33	653	2932
Banded amount owed on all loans	Less than £1,000	25%	19%	43%	21%
	£1,000 but less than £4,000	23%	16%	27%	26%
	£4,000 but less than £9,000	24%	32%	16%	26%
	£9,000 or more	28%	32%	14%	27%
	Total	478	41	858	4086
Banded amount paid each instalment, on all loans	Less than £70	34%	21%	56%	24%
	£70 but less than £150	21%	31%	21%	25%
	£150 but less than £250	26%	15%	14%	27%
	£250 or more	19%	33%	10%	25%
	Total	431	39	807	3741
Whether is behind with payment on any loan	Yes	9%	1%	12%	5%
	No	91%	99%	88%	95%
	Total	391	38	822	3652
How much are the payments of debts a Burden	a heavy burden,	21%	9%	28%	12%
	somewhat of a burden,	31%	26%	30%	23%
	or, not a problem at all?	48%	64%	41%	66%
	Total	1253	169	2344	21733
Do you have an insurance policy that will cover any of the credit commitments	yes	12%	20%	9%	8%
	no	88%	80%	91%	92%
	Total ¹	1294	181	2463	24084

How well are you keeping up with bills and credit commitments	Keeping up with all bills and commitments without any difficulty	36%	48%	32%	54%
	Keeping up, but it is a struggle from time to time	37%	36%	35%	29%
	Keeping up, but it is a constant struggle	16%	7%	19%	11%
	Falling behind with some bills or credit commitments	4%	2%	6%	2%
	Having real financial problems and have fallen behind with m	3%	0%	4%	1%
	Don t have any bills or credit commitments	3%	6%	5%	3%
	Total ¹	1835	249	4697	29886
Total Financial Assets	None	16%	8%	23%	11%
	Less than £1,000	46%	36%	50%	29%
	£1,000 but less than £6,000	20%	22%	17%	22%
	£6,000 but less than £30,000	12%	21%	7%	21%
	£30,000 but less than £70,000+	3%	6%	1%	9%
	Mean	£9,506	£15,849	£2,962	£22,981
	Median	£398	£1,630	£100	£2,300
Total	2312	319	5752	37600	

9 Comparing PRS Landlords and PRS Tenants

This section compares PRS Landlords and PRS Tenants on key characteristics including socio-demographics, employment and earnings, and savings and investments.

9.1 Demographic characteristics

PRS Tenants are younger than PRS Landlords with over half (55%) aged 16-34 compared to 16% of PRS Landlords. Nearly three quarters (73%) of PRS Landlords are aged 35-64 compared to 38% of PRS Tenants (Chart 9.1). There is little difference in the sex and ethnicity of PRS Landlords and PRS Tenants (Table A9.1).

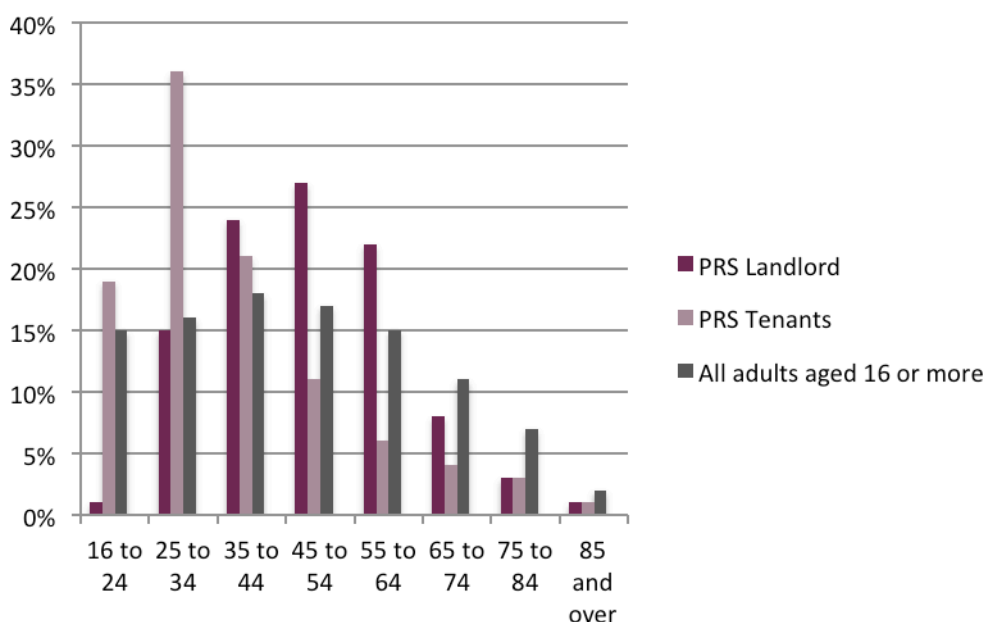
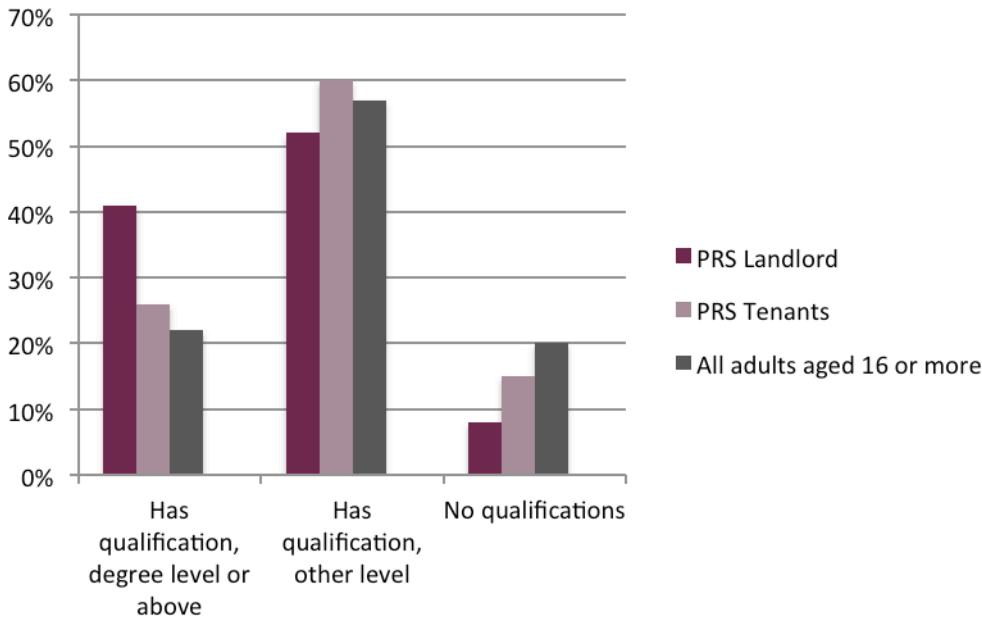


Chart 9.1 Age, PRS landlords and PRS tenants

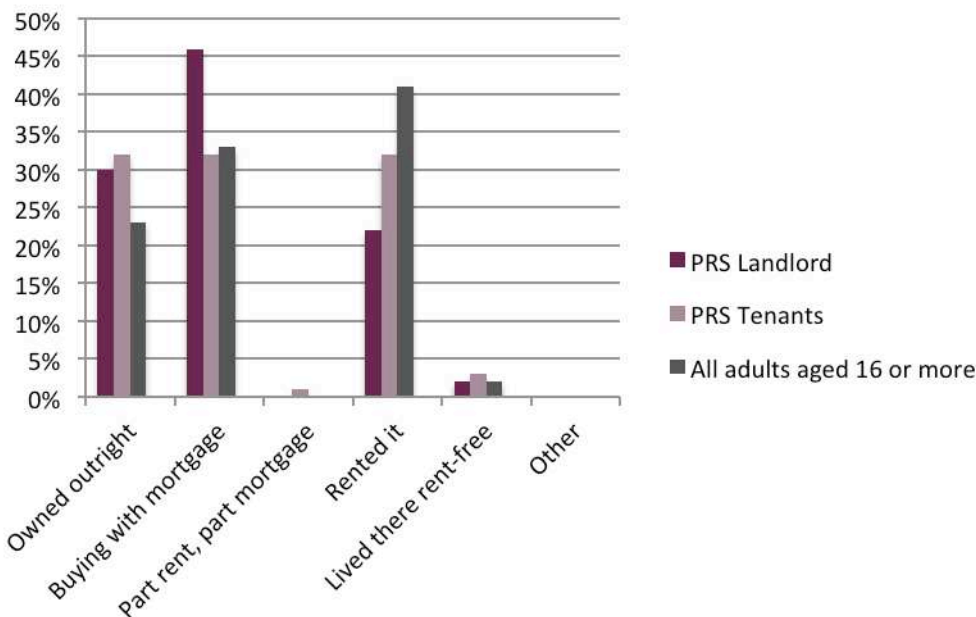
PRS Landlords tend to hold higher educational qualifications than PRS Tenants. Two in five (41%) PRS Tenants have a degree level qualification or higher compared to 26% of PRS Tenants. Likewise only 8% of PRS Landlords have no qualifications, compared to 15% of PRS Tenants (Chart 9.2).

**Chart 9.2
Education, PRS
landlords and
PRS tenants**



PRS Landlords were more likely than PRS Tenants to have lived in owner occupied accommodation as a teenager (76% compared to 64%). PRS Landlords were particularly likely to live in accommodation being bought with a mortgage (46% compared to 32%) (Chart 9.3).

**Chart 9.3
Household
tenancy when a
teenager and
living with
parents, PRS
landlords and
PRS tenants**



9.2 Employment and earnings

Comparing the employment status of PRS Landlords and PRS Tenants shows that there was little difference in the percentage who were in employment, although PRS Landlords were more likely to be self-employed (21% compared to 8%). Some PRS Landlords are likely to consider themselves as self-employed as a result of renting out property. PRS Landlords are also more likely to be retired (16% compared to 8%), mainly as a result of being older (Chart 9.4).

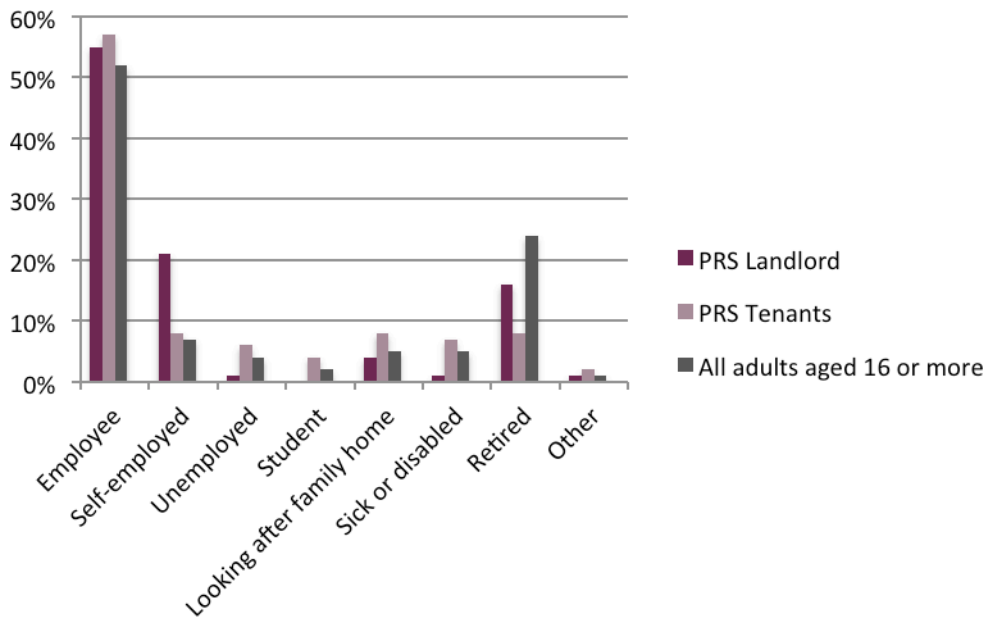


Chart 9.4
Employment
status, PRS
landlords and
PRS tenants

PRS Landlords are more likely to be working and to receive higher levels of earnings than PRS Tenants. Sixty per cent of employee PRS Landlords had monthly gross earnings of £2000 or higher compared to 29% of employed PRS Tenants. Consequently employee PRS Tenants are more likely to receive lower levels of earnings with 70% receiving less than £2000 per month compared to 40% of PRS Landlords (Chart 9.5).

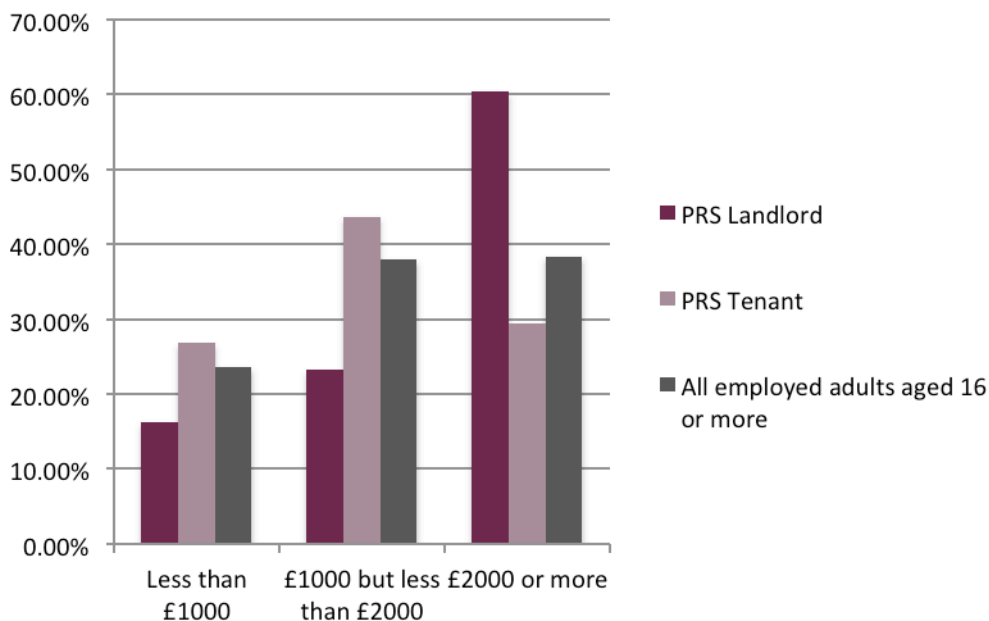


Chart 9.5
Monthly gross
earnings, PRS
landlords and
PRS tenants
(employees
only)

People in work were asked whether they have had any periods of unemployment or low pay in the past two years. PRS Tenants were slightly more likely than PRS Landlords to have had a period of unemployment or low pay (20% compared to 15%) (Chart 9.6).

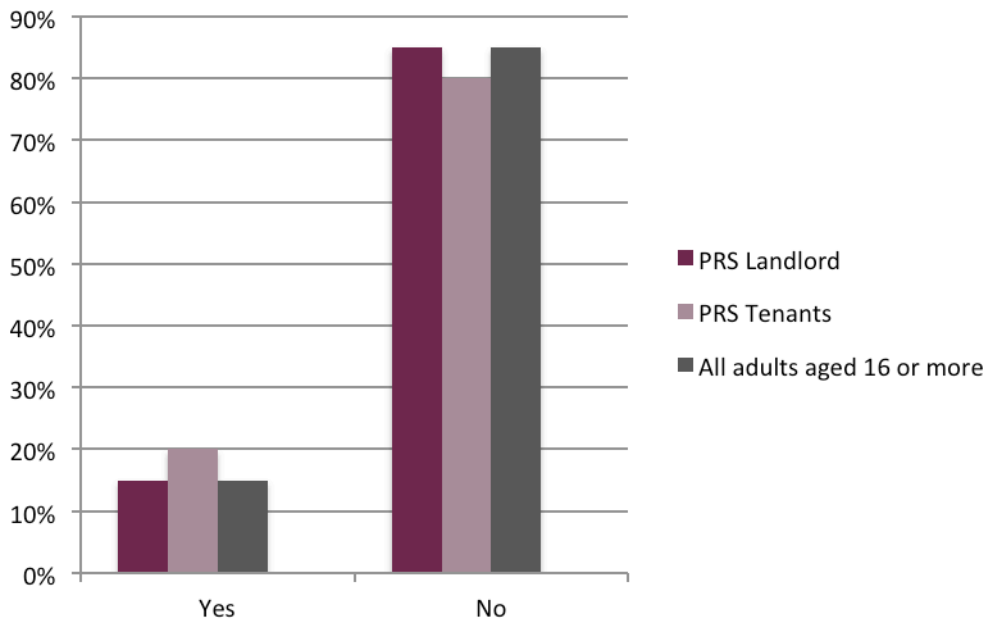


Chart 9.6 For those working: any periods of unemployment or low pay in the past two years, PRS landlords and PRS tenants

PRS Landlords were more likely than PRS Tenants to have saved or invested money in the last two years and to have saved or invested more. Half (51%) of PRS Landlords had saved or invested compared to 38 per cent of PRS Tenants. A third (32%) of PRS Landlords saved £1,000 or more compared to 18% of PRS Tenants (Chart 9.7).

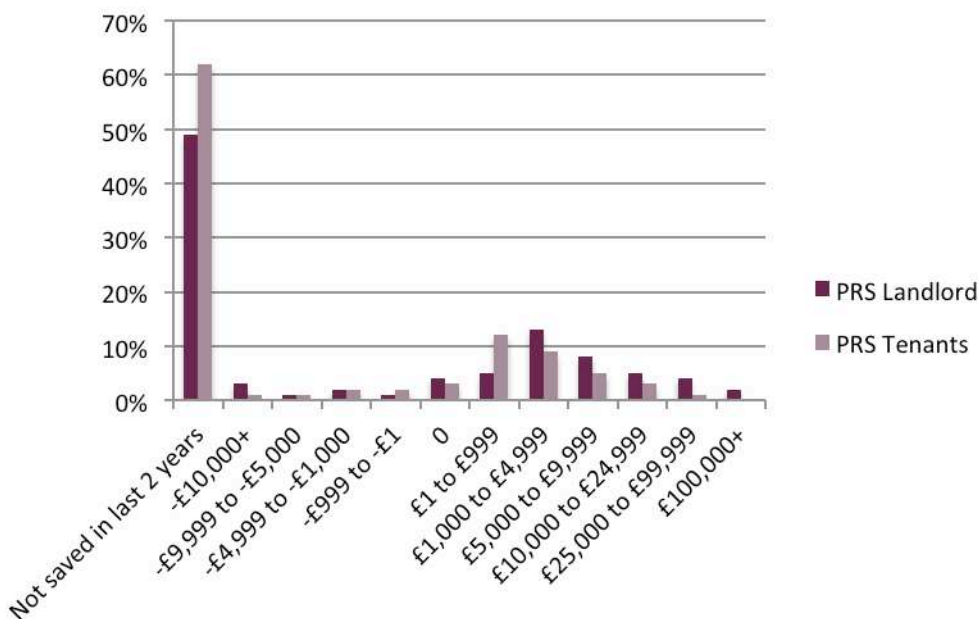


Chart 9.7 Banded amount of money in saved/invested in last 2 years, PRS landlords and PRS tenants

There are large differences in the total amount of financial assets that PRS Landlords and PRS Tenants have. PRS Landlords are more likely than PRS Tenants to have any financial assets (98% compared to 84%). Two in five (43%) PRS Landlords have financial assets of £30,000 or more compared to 6% of PRS Tenants (Chart 9.8). The median amount of financial assets of PRS Landlords is £20,500 compared to just £398 for PRS Tenants (Table 9.1).

Chart 9.8 Total Financial Assets, PRS landlords and PRS tenants

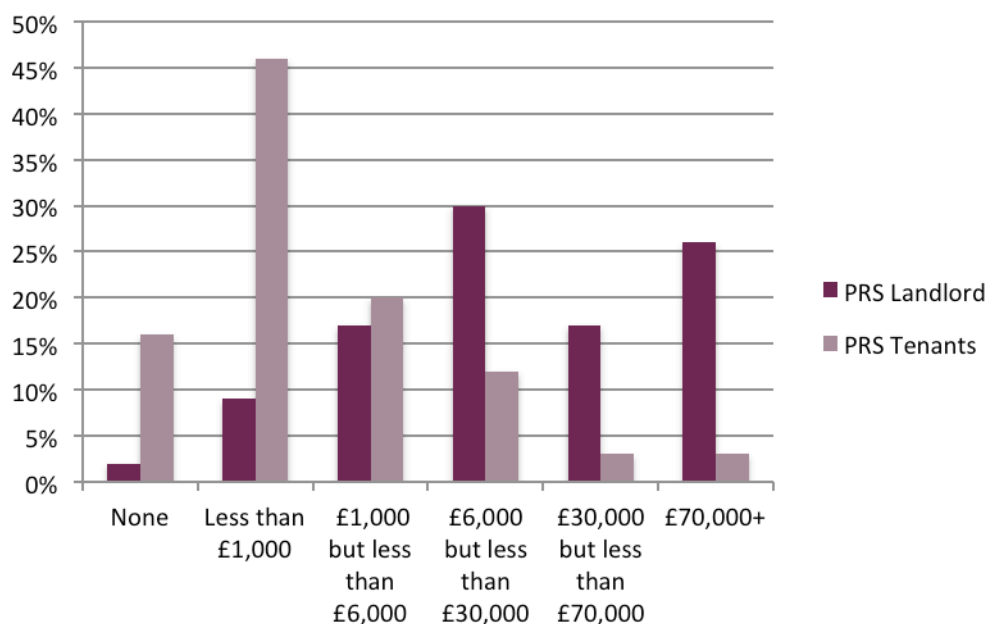


Table 9.1 Average total financial assets

		PRS Landlord	PRS Tenants	All adults aged 16 or more
Average Total Financial Assets	Mean	£75,103	£9,506	£22,981
	Median	£20,500	£398	£2,300
	Total	1274	2312	37600

Comparing PRS Landlords and their tenants – Summary

	PRS Tenants	PRS Landlords
Age 16-34	55%	16%
Age 35-64	38%	73%
Married/cohabiting	49%	84%
Degree level qualification or higher	26%	41%
Lived in owner occupied accommodation as teenager	64%	76%
Employed/self-employed	65%	76%
Monthly gross earnings of £2000 or more (employees only)	30%	60%
Net savings of £5,000 or more in past 2 years	9%	19%
Average (median) total financial assets	£398	£20,500

Annex - Section 9 tables

Table A9.1 Comparing characteristics of PRS Landlords and their tenants.

Column percentages		PRS Tenants	PRS Landlord	All adults aged 16 or more
Age	16 to 24	19%	1%	15%
	25 to 34	36%	15%	16%
	35 to 44	21%	24%	18%
	45 to 54	11%	27%	17%
	55 to 64	6%	22%	15%
	65 to 74	4%	8%	11%
	75 to 84	3%	3%	7%
	85 and over	1%	1%	2%
	Total	2312	1274	37600
Sex	Male	52%	54%	49%
	Female	48%	46%	51%
	Total	100%	1274	100%
Ethnicity	White	84%	88%	89%
	BME	16%	12%	11%
	Total	2311	1272	37581
Level of highest educational qualification	Has qualification, degree level or above	26%	41%	22%
	Has qualification, other level	60%	52%	57%
	No qualifications	15%	8%	20%
	Total	2149	1274	35555
Marital status	Married	29%	72%	51%
	Cohabiting	20%	12%	10%
	Single	35%	8%	25%
	Widowed	3%	3%	7%
	Separated/Divorced	12%	5%	8%
	Total	2312	1274	37600
Cohabitation status	Single Household	19%	11%	15%
	Married/Cohabiting	19%	33%	27%
	Married/Cohabiting with children	29%	45%	40%
	Lone parent with children	15%	3%	10%
	2 or more families/other hhold type	18%	7%	8%
	Total	2312	1274	37600
Household tenancy when a teenager and living with parents	Owned outright	32%	30%	23%
	Buying with mortgage	32%	46%	33%
	Part rent, part mortgage	1%	0%	0%
	Rented it	32%	22%	41%
	Lived there rent-free	3%	2%	2%
	Other	0%	0%	0%
	Total	1754	1231	31779
Monthly Gross Earnings	Self employed	7%	22%	7%
	None	40%	27%	41%
	Less than £1000	14%	8%	11%
	£1000 but less than £2000	23%	12%	19%
	£2000 or more	16%	31%	23%
	Total	2107	1271	27181
Monthly Net Earnings	Self employed	7%	22%	7%
	None	38%	26%	39%

	Less than £1000	22%	11%	17%
	£1000 but less than £2000	27%	20%	24%
	£2000 or more	6%	22%	13%
	Total	2097	1271	27134
Average Gross Earnings (employees only)	Mean	£1,676	£2,868	£1,947
	Median	£1,434	£2,400	£1,600
Whether receives Housing Benefit	Yes	18%	0%	8%
	No	82%	100%	92%
	Total	2311	1274	37596
Employment Status	Employee	57%	55%	52%
	Self-employed	8%	21%	7%
	Unemployed	6%	1%	4%
	Student	4%	0%	2%
	Looking after family home	8%	4%	5%
	Sick or disabled	7%	1%	5%
	Retired	8%	16%	24%
	Other	2%	1%	1%
	Total	2112	1273	34951
For those working: any periods of unemployment or low pay in the past 2 years	Yes	20%	15%	15%
	No	80%	85%	85%
	Total	825	722	15203
Number of jobs	0	36%	24%	41%
	1	61%	71%	57%
	2	3%	4%	2%
	3	0%	1%	0%
	Total	2113	1274	34968
Number of jobs (for those of working age only)	0	31%	16%	27%
	1	66%	78%	70%
	2	3%	5%	3%
	3	0%	1%	0%
	Total	1897	1034	25384
Type of organisation	Private firm, business, ltd company	76%	76%	70%
	Public limited company	3%	1%	2%
	Nationalised industry, state corporation	0%	1%	1%
	Central government, civil service	2%	3%	3%
	Local government	7%	10%	13%
	Uni or grant-funded edu establishment	2%	2%	2%
	Health authority or NHS Trust	5%	3%	6%
	Charity, voluntary organisation or trust	3%	3%	2%
	Armed forces	0%	1%	0%
	Other kind of organisation	1%	1%	1%
	Total	1236	799	18023
	Permanent	88%	94%	93%
	Temporary	6%	2%	3%
For those working as employee: whether permanent contract	Fixed term contract	3%	2%	2%
	No employment contract	4%	3%	2%
	Total	1144	620	16434
Types of liquid saving and	Current account	95%	99%	97%

investments held	Savings or deposit account	47%	80%	59%
	Individual Savings Account (ISA)	24%	61%	41%
	Fixed-term investment bonds	3%	13%	9%
	Unit Investment Trusts	1%	11%	5%
	Employee shares/share options	4%	7%	5%
	Other shares	3%	31%	12%
	Premium National Savings Bonds Certificates	10%	29%	20%
	Government/Corporate bonds and gilts	0%	2%	1%
	Life Insurance/Friendly Society/Endowment policies	11%	38%	22%
	Other financial assets	1%	11%	2%
	None of these	3%	0%	2%
	Total ²	2108	1272	34814
Banded amount of money in saved/invested in last 2 years	Not saved in last 2 years	62%	49%	62%
	-£10,000+	1%	3%	1%
	-£9,999 to -£5,000	1%	1%	1%
	-£4,999 to -£1,000	2%	2%	2%
	-£999 to -£1	2%	1%	1%
	0	3%	4%	3%
	£1 to £999	12%	5%	9%
	£1,000 to £4,999	9%	13%	12%
	£5,000 to £9,999	5%	8%	5%
	£10,000 to £24,999	3%	5%	3%
	£25,000 to £99,999	1%	4%	2%
	£100,000+	0%	2%	0%
Total	1302	1198	27497	
Whether any current accounts are overdrawn	Yes	23%	18%	17%
	No	77%	82%	83%
	Total	1716	823	22323
Banded amount current accounts are overdrawn	Less than £150	24%	15%	24%
	£150 but less than £500	28%	15%	27%
	£500 but less than £1,000	19%	17%	20%
	£1,000 or more	28%	53%	29%
	Total	378	120	3345
Banded number of loans	0	76%	86%	86%
	1	20%	12%	12%
	2	4%	2%	2%
	3 or more	1%	0%	0%
	Total	2113	1274	34973
Types of loan	Personal loan, e.g. with bank, building society,...	64%	99%	76%
	A cash loan from a company that comes to your home	11%	0%	8%
	A loan from a pawnbroker/cash converter	0%	0%	0%
	A loan from a Credit Union	1%	0%	1%
	A loan from the Social Fund	10%	0%	7%
	A loan from an employer	1%	2%	1%

	A loan from a friend, relative, or other private individual	9%	6%	6%
	A loan from the Student Loan Company	20%	2%	14%
	A student loan from a bank or building society	3%	2%	2%
	A loan from a pay day lender	1%	0%	0%
	An other type of loan	3%	1%	2%
	Total ²	474	139	4067
Reason for loan	to spend on a particular item	46%	58%	61%
	To pay bills	24%	5%	12%
	to re-finance other borrowing	14%	13%	12%
	To pay off other debts	32%	11%	27%
	To make ends meet	15%	10%	10%
	to finance a business	4%	6%	3%
	Other	9%	8%	7%
	Total ²	290	94	2932
Banded amount owed on all loans	Less than £1,000	25%	9%	21%
	£1,000 but less than £4,000	23%	29%	26%
	£4,000 but less than £9,000	24%	29%	26%
	£9,000 or more	28%	34%	27%
	Total	478	141	4086
Banded amount paid each instalment, on all loans	Less than £70	34%	10%	24%
	£70 but less than £150	21%	17%	25%
	£150 but less than £250	26%	26%	27%
	£250 or more	19%	47%	25%
	Total	431	128	3741
Whether is behind with payment on any loan	Yes	9%	0%	5%
	No	91%	100%	95%
	Total	391	133	3652
How much are the payments of debts a Burden	a heavy burden,	21%	6%	12%
	somewhat of a burden,	31%	16%	23%
	or, not a problem at all?	48%	78%	66%
	Total	1253	953	21733
Do you have an insurance policy that will cover any of the credit commitments	yes	12%	5%	8%
	no	88%	95%	92%
	Total ¹	1294	1092	24084
How well are you keeping up with bills and credit commitments	Keeping up with all bills and commitments without any difficulty	36%	71%	54%
	Keeping up, but it is a struggle from time to time	37%	21%	29%
	Keeping up, but it is a constant struggle	16%	5%	11%
	Falling behind with some bills or credit commitments	4%	1%	2%
	Having real financial problems and have fallen behind with m	3%	0%	1%
	Don t have any bills or credit commitments	3%	1%	3%
	Total ¹	1835	1081	29886

Total Financial Assets	None	16%	2%	11%
	Less than £1,000	46%	9%	29%
	£1,000 but less than £6,000	20%	17%	22%
	£6,000 but less than £30,000	12%	30%	21%
	£30,000 but less than £70,000	3%	17%	9%
	£70,000+	3%	26%	8%
	Mean	£9,506	£75,103	£22,981
	Median	£398	£20,500	£2,300
	Total	2312	1274	37600

10 Conclusion

This research study has used data from the Wealth and Assets Survey 2008-10 to understand the circumstances of Private Rented Sector Landlords – and to compare them with their tenants.

The rise in the number of PRS Landlords over the last decade means that a study of this significant social trend is overdue.

The aims of the research were to provide descriptive evidence about the PRS Landlord population in the UK and to equip policymakers with a detailed understanding of PRS Landlords' capabilities, economic security, financial position and financial planning.

The main findings of the research are presented below.

Socio-demographics

PRS Landlords tend to be middle aged (nearly three quarters aged 45-64), married (72%), well educated (two in five have a degree or higher) and disproportionately live in London or the South East (34%).

Rental activity

Most (72%) PRS Landlords have just one rental property, although over one in ten (12%) have 3 or more. The majority (80%) have a buy-to-let property, whereas a quarter (24%) has a second home. The average (median) rental income a PRS Landlord receives is £500 per month, although one quarter of PRS Landlords receives rental income of £900 or more per month. Three in five (60%) PRS Landlords receive more from earnings than rental income.

Employment and earnings

Three quarters (77%) of PRS Landlords are in employment, mainly in private sector employment. The average (median) gross monthly earnings of employed PRS Landlords are £2,300, and 6 in 10 earn £2000 or more per month.

Financial profile

One half of PRS Landlords had saved money in the past two years, with one in five (21%) making net savings of £5,000 or more. Half (49%) of PRS landlord's main home is worth £300,000 or more, and half (52%) have a home with four or more bedrooms. Over two in five (45%) PRS Landlords have total financial assets worth £30,000 or more, with a quarter (26%) having financial assets worth £70,000 or more. Most PRS Landlords (78%) feel that their income is enough to meet the cost of everyday outgoings.

Financial behaviour of landlords

Three in five (63%) PRS Landlords think that investing in property is the safest way to make money and nearly half (49%) think it is the best way to save for retirement. Three in five (62%) PRS Landlords think they could cope for a year or more if their income dropped by a quarter.

Comparing PRS Landlords to their tenants

PRS Landlords are older than PRS Tenants; nearly three quarters (73%) of PRS Landlords are aged 35-64 whereas over half (55%) of PRS Tenants are aged 16-34. PRS Landlords are also more likely to be married or cohabiting (85% of PRS Landlords compared to 49% of PRS Tenants).

PRS Landlords have, on average, a more advantaged background than PRS Tenants. Two in five (41%) PRS Landlords have a degree or higher compared to a quarter of PRS Tenants (26%). Three quarters (76%) of PRS Landlords lived in owner occupied accommodation as a teenager compared to two thirds (64%) of PRS Tenants.

PRS Landlords are more likely to be working (either employed or self-employed) – 76% of PRS Landlords compared to 65% of PRS Tenants. And hence PRS Landlords are twice as likely to have gross earnings of over £2000 per month (31% of PRS Landlords compared to 16% of PRS Tenants). PRS Landlords are also more likely to save and to save more. PRS Landlords are twice as likely to have made net savings of £5,000 or more in the past 2 years.

Hence PRS Landlords, on average, have far higher financial assets than PRS Tenants. The median total financial assets of PRS Landlords are £20,500 compared to £398 for PRS Tenants.

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