

From The Sunday Times

June 15, 2008

It's a good time to be a buy-to-let landlord

It's not all doom and gloom, despite what some papers say

Rosie Millard



At the risk of stating the obvious, we media folk always want to be right. It is simply part of our nature, and - I am sure - intensely annoying for the rest of you. Indeed, judging by the passion, in The Sunday Times mail bag, of people who are, er, moved to write by this column, it would appear to be most trying.

I am not, however, the worst offender. Every day, press pundits, columnists, radio hosts, television sofa queens and anyone else with an opinion and a microphone can be heard going on about how the house-price collapse (which they cleverly forecast three years ago) happened and how buy-to-let (which they always sniffed at) is a rightful casualty. All landlords will be doomed to go the way of BCCI, only without all the cocaine.

Can I just pour cold water on all of this bubbling schadenfreude? Of course this is not a good time to sell a house. As a result, a lot of people are not doing so. They are staying put and hoping the downturn will blow over (which, in due course, it will). So, because nobody is selling much, there is a growing volume of people who want to buy, but can't. In the meantime, because they need to live somewhere, they are renting. They didn't want to, but they are. There's a second group - whom I rather disparagingly described as vultures in my column last week, further filling my postbag - beady-eyed purchasers who hope to get a bargain if they hang around for long enough. These people are also renting. Then there are those who are in the rental market, because renting suits them or because they can't afford to buy. Yet. Meaning what, dear reader?

Meaning that, far from being an era of death and disaster, it's quite a jolly time to be a landlord. Yes, being one of that group the papers are busy writing off as dead ducks. Oh, I do so hate to irritate people over their marmalade, but I must tell you that, at the moment, there is quite a lot of smug satisfaction in the rental business: not among the Johnny-come-latelies who bought at the peak of the market last summer, but on the part of the hardy old-timers who started building portfolios several years ago.

They are now sitting quietly, watching long queues of putative tenants form outside their metaphorical (or indeed actual) front doors. And, naturally, because they are businessmen and women, not helpers in an Oxfam shop, they are putting up the rent. Because, when sales are down, rents go up.

Case study No 1: my friend Jody, who has just rented a small flat in Clerkenwell, EC1. She slapped down a deposit and signed up for a six-month lease. Three days later, the rental agent called her: "Sorry, love. The landlord's had four higher offers for the flat. The price has gone up." Reluctantly, she was forced to return to the contract stage and outbid them.

Case study No 2: Mr Millard, who has been dealing with a change in tenant in part of our vast property empire (two flats, if you don't mind). He has had 15 calls, mostly from agents desperate for decent rental stock. He has also put up the price - marginally, and not, I hasten to add, by allowing the poor tenants to be gazumped.

So although this will annoy several publications out there, I have to state that things are quite bright on the landlording front. Moderate to fair, I'd put it, becoming good in places. Even though one would expect most people to be thinking about booking their holidays at the moment, not looking around small (ish) flats in central London.

That's another point. Your investment must be somewhere central, with its own public transport system

and its own postcode, and must be somewhere people want to live. It's hopeless if your flat is in an unfinished resort in central Montenegro. By the same token, the presence of empty, illuminated new-build blocks in some northern cities has made gloomy and doomy forecasters on the papers wet their knickers (metaphorically).

Come on, though - those blocks were never going to excite tenants. They're nowhere near the actual city centre, they're nowhere near transport and they face too much similar competition. Well, there's always a losing element in every craze, is there not?

Amid the stalemate, some landlords are getting out their wallets and buying bargains. Most of them, however, are getting on with running their long-term investments, keeping their tenants happy, ensuring the rents are coming in and paying off their mortgages. Doing what they intended to do all along, in other words. This is not a great bad-news story, but it is, at least, an honest account of what's happening. I'm sorry if this missive from the front annoys some readers out there. It's actually the pessimistic property anoraks in the press that I'm hoping to rile.

[Contact our advertising team](#) for advertising and sponsorship in Times Online, The Times and The Sunday Times. Search [globrix.com](#) to buy or rent UK property.

© Copyright 2008 Times Newspapers Ltd.

This service is provided on Times Newspapers' [standard Terms and Conditions](#). Please read our [Privacy Policy](#). To inquire about a licence to reproduce material from Times Online, The Times or The Sunday Times, click [here](#). This website is published by a member of the News International Group. News International Limited, 1 Virginia St, London E98 1XY, is the holding company for the News International group and is registered in England No 81701. VAT number GB 243 8054 69.

