

## Investors Switch to Tangible, Low Risk Assets

*The latest Young Index survey of residential investment sentiment shows that over the past 12 months, investors with residential property holdings have switched the spread of additional asset classes that they hold.*

**July 16, 2010** - [PRLog](#) -- Over the past year, there has been a marked shift in the mix of additional asset classes that residential property investors hold (see figure 1). The number of investors holding tangible alternative investments and low risk investments such as cash and premium bonds has increased. Fewer investors now hold off-shore investments or stocks & shares.

The asset class ‘top movers and shakers’ of the past 12 months is most easily demonstrated in figure 1, with tangible and low risk assets leading the charge.

Buy-to-let investors have not disposed of residential property assets in significant numbers, nor do they expect to do so within the next 12 months. Rather, they have shifted the allocation of additional assets that they hold. 95% of investors have no intention of disposing of their buy-to-let property assets within the next 12 months. In fact, on average, investors now expect to hold their buy-to-let properties for the next 13.6 years, up from the 12 years reported in Q1 2010.

Neil Young, CEO of property portfolio managers Young Group, comments: “The latest Young Index figures show that not only are landlords aiming to hold residential property assets for longer than ever, 47% are keen to grow their portfolios by adding additional London properties. The switch in investors’ asset mix over the past 12 months suggests that investors are actively preparing to make purchases.”

Figure 1

Asset Class	Popularity
Alternative Investments	+ 145%
Premium Bonds	+ 46%
Cash	+ 11%
Commercial Property	- non mover
Stocks & Shares	- 6%
Off-Shore	- 57%

### Young Index: Headline Results for Q2 2010

- 95% of buy-to-let investors intend to hold their residential property investments for the next 12 months.
- 55% intend to hold their assets for at least 10 years.
- 38% of landlords intend to retain their property investments for the next 20 years or more.
- The average period that residential property investors expect to hold their property investment assets is now 13.6 years.
- 47% of investors are considering purchasing additional residential property assets within London over the next 12 months.
- 16% of investors are looking at opportunities in the UK outside of the capital.
- 87% of respondents believe that London prices will be at current levels or higher by this time next year.
- For UK property outside of the capital, 47% expect prices to be at current levels or higher by this time next year.
- Landlords expect to see an average price increase of 2.5% by this time next year, up from the 1.48%

predicted last quarter.

- The predicted 12 month outlook for UK property prices outside the capital turns from a fall to an increase for the first time since the credit crunch, at 0.2%. This compares to a drop of 1.0% predicted last quarter.
- The average base rate expectation for Q2 2011 stands at 1.14%, down from the 1.25% predicted in last quarter's Index.
- The majority of investors (55%) are holding property to finance their retirement.
- 52% of respondents believe capital growth to be more important than rental income or total annual returns.
- On average, landlords review their mortgage product every 12 months, less frequently than the 10 months reported last quarter.

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#### About Young Index

Young Index is a quarterly gauge of market sentiment within the private rented sector, polling Young Group's client base of around 500 active investors/landlords who hold UK residential investment property.

#### About Young Group ([www.younggroup.co.uk](http://www.younggroup.co.uk))

Young Group specialises in delivering Property Portfolio Management services to private and institutional investors. The Group's activity spans the entire investment cycle from identifying opportunities and financing their acquisition, through to managing the asset (tenanting through our Sunday Times' award-winning agency, Young London; furnishing through Young Furnishing; financing/refinancing through Young Finance), regularly reviewing the performance of the property holdings and advising on strategic direction, through to realising returns in the most tax efficient manner.

Young Group supports NORWOOD and CHILDREN with LEUKAEMIA, two charities doing valuable work that is particularly close to our hearts.

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