Autumn 2025 Lettings Report

Standards, Risk and Readiness

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Contents

4	Introduction
5-7	Decent Homes Standard In Focus
8-9	Managing Risk on Both Sides
10-12	Finding the Right Fit
13-14	Making Tax Digital: Are Landlords Ready?
15	Rental Values
16	Tenant Property Viewings

Introduction

The private rented sector is evolving under the weight of new standards, shifting risks and tighter regulation. Landlords and tenants alike are adapting, but awareness and confidence vary depending on which side of the market you are on. In this edition of the Lettings Report, we surveyed 376 landlords and 441 tenants to explore four critical areas shaping the sector this autumn.

We look at how prepared both groups are for the forthcoming Decent Homes Standard, the risks that worry them most, the criteria that drive choice when letting or renting, and the readiness of landlords for HMRC's Making Tax Digital reforms.The results show both reassurance and challenge. Landlords express confidence that their homes will meet new requirements, yet tenants report a wider mix of issues in practice.

Risk looks very different depending on perspective: landlords worry about arrears and regulation, tenants about stability and affordability. Landlords are becoming more selective, but tenants remain confident in the application process and focused on property condition. And while Making Tax Digital is still poorly understood, most landlords expect to be ready with support from accountants or agents. Together, the findings underline the need for clear standards, balanced regulation and practical support that enables the market to remain stable.

"These findings capture both the progress being made and the challenges still to come. Landlords are confident in the quality of homes they provide, tenants are clear about the standards they want, and both sides recognise the importance of stability. Where gaps remain - whether it is awareness of the Decent Homes Standard, concern about regulation, or readiness for Making Tax Digital, the solution lies in clarity and support. With straightforward rules and realistic timelines, the private rented sector can continue to deliver good homes and long-term confidence for landlords and tenants alike."

Allison Thompson

Allison Thompson
National Lettings Managing Director of LRG

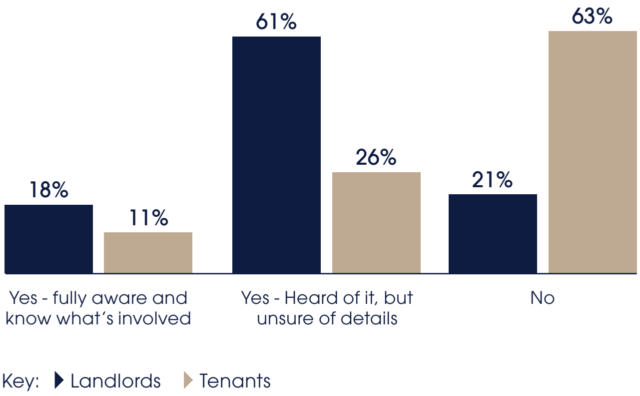
Decent Homes Standard In Focus: Awareness, Readiness, and Reality

Awareness, confidence and what compliance will require

The government's proposed Decent Homes Standard is intended to raise conditions across the private rented sector, setting clear minimums for safety, repair, modern facilities and thermal comfort. Awareness is still low among both landlords and tenants, but confidence in compliance is stronger than knowledge. The challenge lies in bridging that gap, managing costs and agreeing how improvements should be funded.

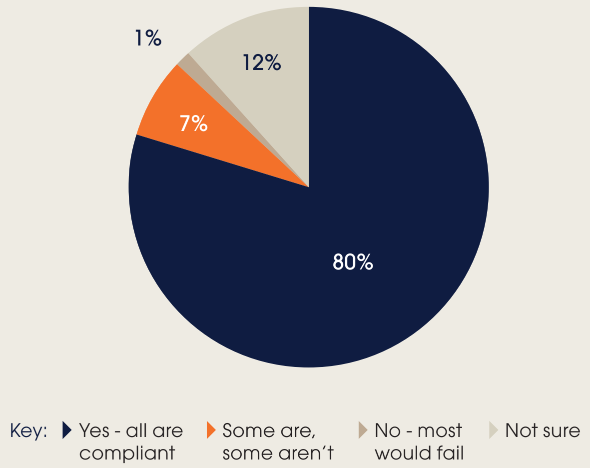
Fewer than one in five landlords and only around one in ten tenants say they understand what the Decent Homes Standard involves. Almost two-thirds of tenants have never heard of it, demonstrating the scale of the awareness gap. This lack of knowledge presents a risk: tenants are unlikely to know what rights they can expect, and landlords may underestimate the preparation required.

Are you aware of the government's proposal to extend the Decent Homes Standard to privately rented homes?

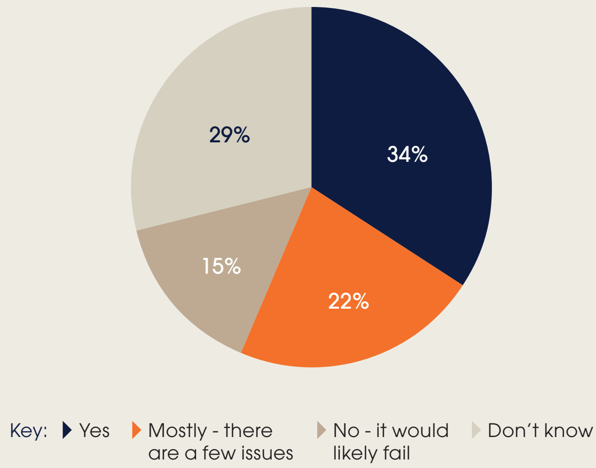


Despite limited knowledge, confidence among landlords is high. Four out of five believe their homes would already meet the new test, while only a third of tenants share that confidence. Just 1% of landlords admit their property might fail, yet 15% of tenants believe their current home would not pass. This disconnect highlights a clear perception gap between landlords' expectations and tenants' lived experiences.

Landlords: Based on your properties, do you believe they meet the proposed standard?



Tenants: Do you believe your current home would meet the standard proposed by the government?



Which of these areas concern you most in terms of future compliance?

45% Energy efficiency and heating

17% Repair obligations

13% Facilities (e.g. kitchens, flooring, layout)

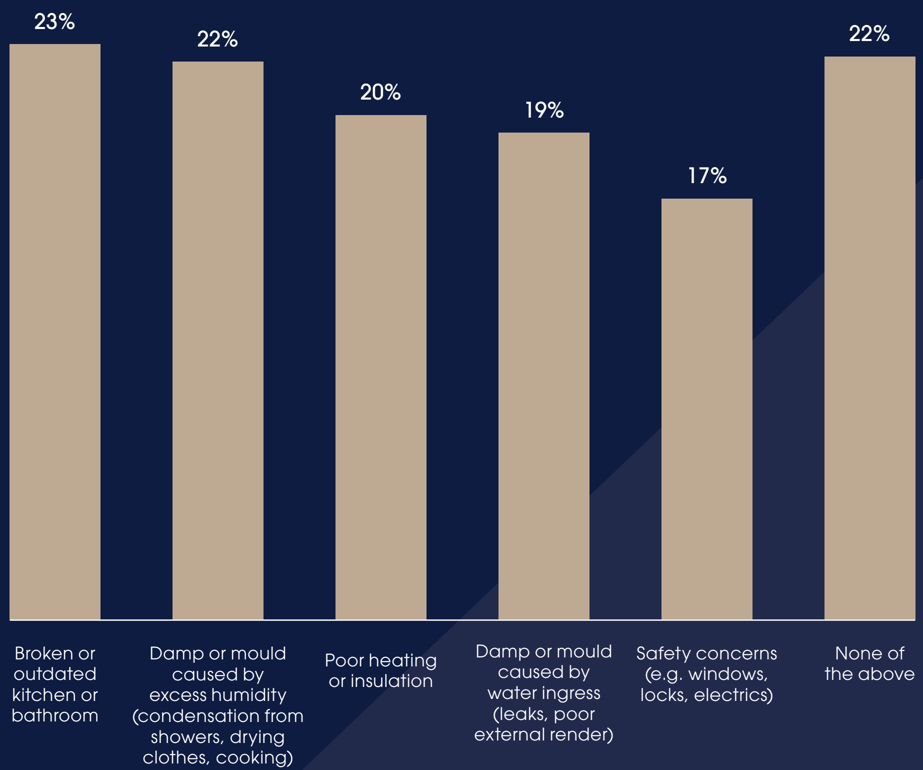
10% Damp and mould (Awaab's Law)

8% Safety features (e.g. locks, windows, fire alarms)

7% Disrepair thresholds

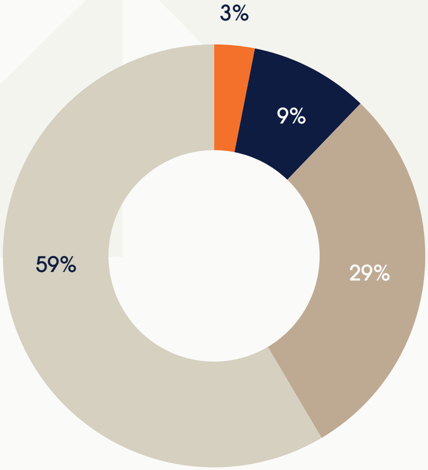
Landlords who see potential risks overwhelmingly cite energy efficiency as the main hurdle. Almost half chose this, far more than issues such as damp or mould. This reflects the cost and complexity of improvements like insulation, glazing or heating upgrades, which often require major investment.

Have you experienced any of the following in your current or previous rental?



Tenants paint a more mixed picture. Less than a quarter report no problems in their property, meaning the majority have experienced at least one issue over the past year. While heating is the most common concern, tenants also highlight repair delays and broader maintenance issue. However, for our report at the end of last year, tenants said that 75% of landlords respond to issues within a week. Inevitably, 91% of tenants told us they support new legal standards for rental properties, with 57% supporting them regardless of cost of enforcement.

Would you be willing to pay more rent if it guaranteed a higher standard of property?

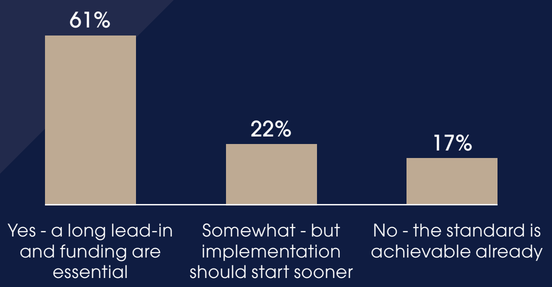


Key:

- Yes - more than £50 per month
- Yes - up to £50 per month
- Possibly - depends on other costs
- No - affordability is already stretched

Here the gap between landlord and tenant expectations is clearest. Nearly 60% of tenants say they would not accept any rent rise to cover improvements. Meanwhile, nine in ten landlords say they may increase rents, and almost half believe they are likely to do so. This misalignment risks creating tension once the standard is introduced.

Do you support phased rollout of the standard (e.g. from 2035) and financial support for landlords?



Asked about timing, 61% of landlords say a long lead-in period and government support are essential to make the standard workable. Almost, one in five landlords would welcome quicker implementation, and 17% believe they already comply. This shows there is no single view among landlords, though financial support emerges as the unifying need.

Managing Risk on Both Sides

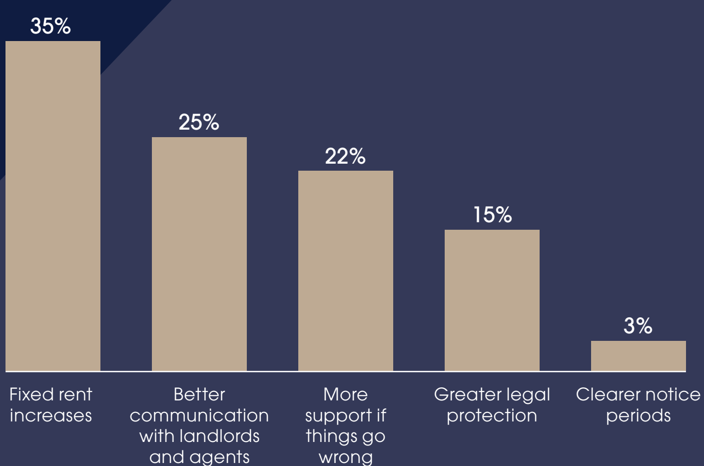
How landlords and tenants view stability and security

Risk is understood very differently depending on whether you own or rent a property. For landlords, financial risk dominates, from rent arrears to property damage. For tenants, the priority is security of tenure and protection from sudden rent increases. Together, the findings highlight the areas where balance is needed to create a stable rental relationship.

What landlords see as the biggest risks when letting a property

Rent arrears are landlords' biggest worry with 32% of them citing it as their biggest concern. This reflects the direct impact on cash flow and the difficulty of recovering unpaid rent. Property damage follows at 29%, particularly given capped deposits that may not cover the full cost of repairs. Some landlords also highlight the challenge of slow legal processes when disputes arise.

What would make renting feel safer or more stable for tenants



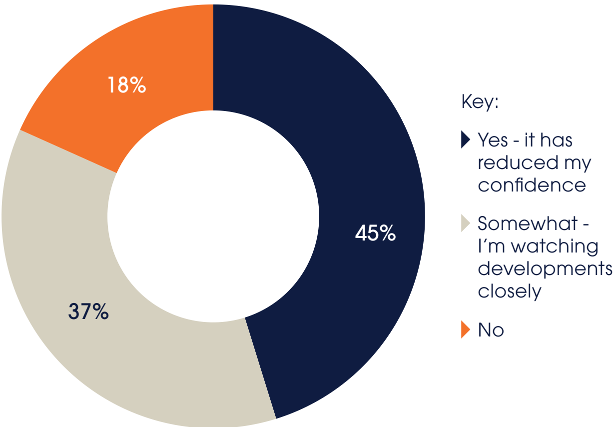
What tenants worry about when renting

Being asked to leave	33%
Sudden rent increases	33%
Disrepair or slow maintenance	17%
Lack of legal protection	10%
Losing my deposit	7%

33% of tenants are most concerned about being asked to leave, either through eviction or a landlord selling the property. Unexpected rent rises also weigh heavily at 33%. Repairs and maintenance delays are another source of anxiety at 17%, while the risk of losing a deposit has become less of a concern thanks to improved protections.

More than a third of tenants want fixed rent increases set out from the start, so they know what to expect and can plan ahead. Clearer, more regular communication from landlords or agents also features strongly. These are simple adjustments that do not rely on new regulation and can improve the experience immediately.

Has the changing legal and regulatory landscape affected your confidence as a landlord?



Landlords were asked how the growing wave of legislation and tax changes has affected their confidence. More than four in five say they now feel less secure, citing the pace of reform and the administrative burden it creates. This erosion of confidence puts the supply and availability of rental properties at risk.

Tenants experiencing anything in the last 12 months that made their tenancy feel insecure

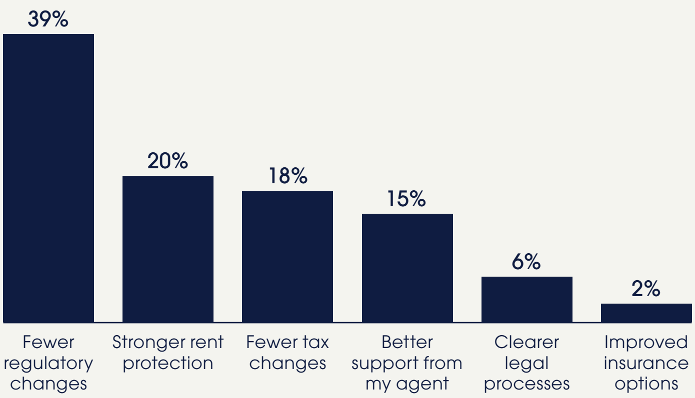
12%
Yes - significant issues

17%
Yes - minor issues

71%
No - it's been stable

Most tenants, 71%, say their tenancy has felt stable over the past 12 months. 17% reported minor issues that made them feel less secure, while 12% said they had faced significant issues. These results suggest that while insecurity is a concern in principle, the majority of renters have not experienced it directly in the past year. This contrast between tenant experience and landlord caution shows why confidence looks so different on each side of the relationship.

What would make you feel more secure as a landlord?



The results show a strong call for fewer regulatory changes, chosen by 39% of landlords. This outweighs all other options and highlights how the pace of reform itself is undermining confidence. Around one in five landlords would like stronger rent protection to guarantee income, while a similar proportion want fewer tax changes. Others point to better support from agents (15%) or clearer legal processes (6%), though these rank lower. Improved insurance options are seen as least important. Taken together, the results show that landlords value stability and consistency above all else, with predictable rules giving them the confidence to plan for the future.

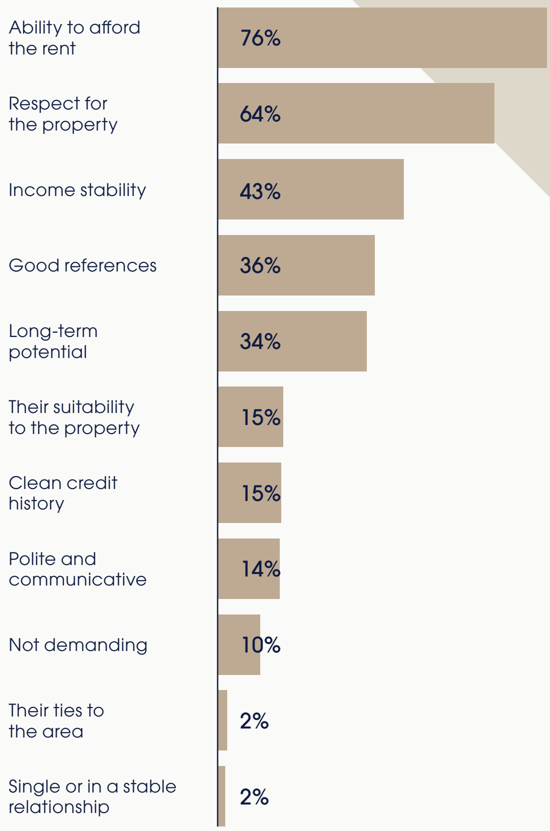
Finding the Right Fit

How landlords select tenants and how tenants choose properties

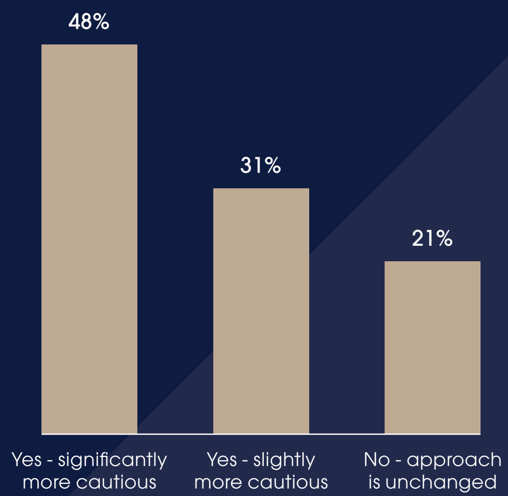
The rental market is more selective on both sides. Landlords are applying stricter criteria to safeguard income and property condition, while tenants are prioritising the quality and stability of homes they choose. The data reveals where expectations align, where they differ, and how the process can work more smoothly for both.

Affordability is by far the most important factor, with 76% of landlords prioritising a tenant's ability to pay the rent. Respect for the property follows at 64%, while 43% highlight income stability as key. Good references (36%) and the potential to stay long term (34%) also feature strongly. Fewer landlords cite softer qualities such as being polite and communicative (14%) or not being demanding (10%). Only very small numbers consider ties to the local area or relationship status relevant. Overall, the results show landlords are highly focused on financial security and reliability, with lifestyle factors carrying little influence.

Top things landlords look for in a tenant



Are landlords more cautious now than in previous years when selecting tenants

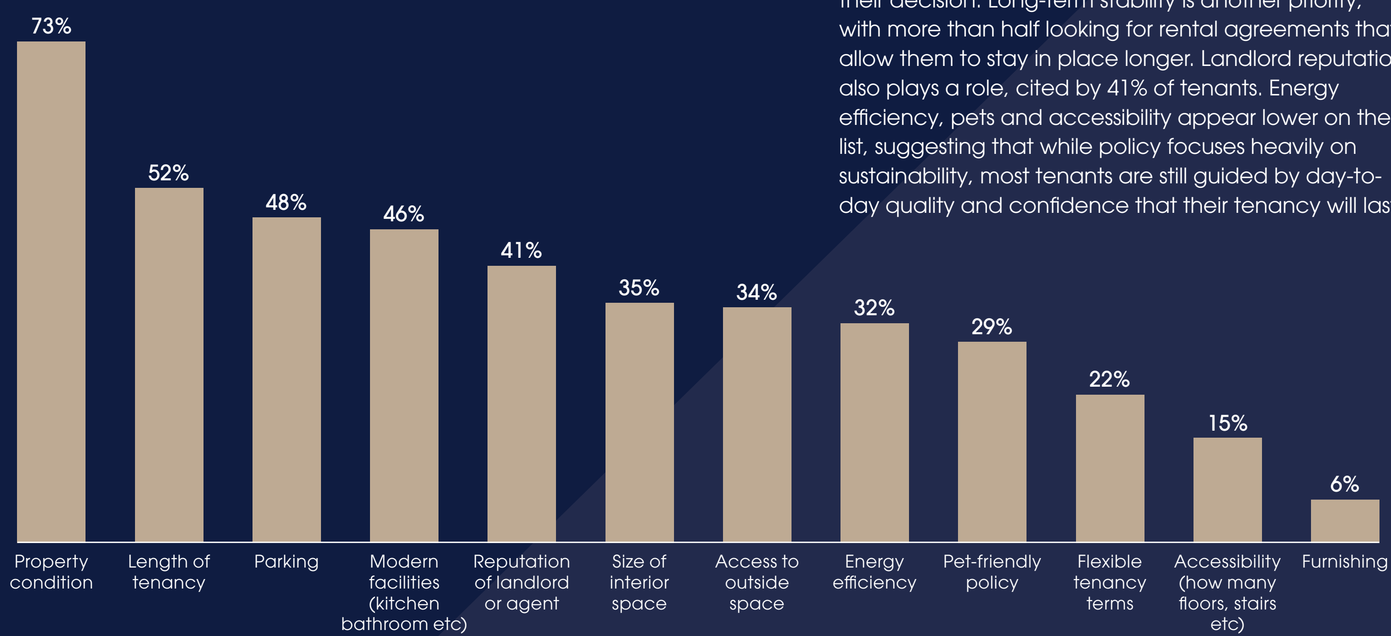


Over two thirds of landlords say they are more cautious now when choosing tenants, with almost half describing themselves as significantly more selective. This reflects the weight of recent regulation and the increased financial pressures in the sector. Only a small minority (21%) say their approach has not changed, showing how far the balance of risk has shifted.

What elements of a tenant's application do you look for to make sure your main priorities are met when letting?

When asked what they review in a tenant's application, landlords again prioritise financial checks. Income tops the list at 82%, with references (63%) and credit history (52%) following closely. Beyond finances, long-term stability (43%) and behaviour (39%) also carry weight. Communication is noted by one in five, while location of a tenant's current home or job is relevant to just 13%. Social media profiles are rarely considered, at just 2%. These findings confirm that landlords are focused on measurable, verifiable factors when making letting decisions.

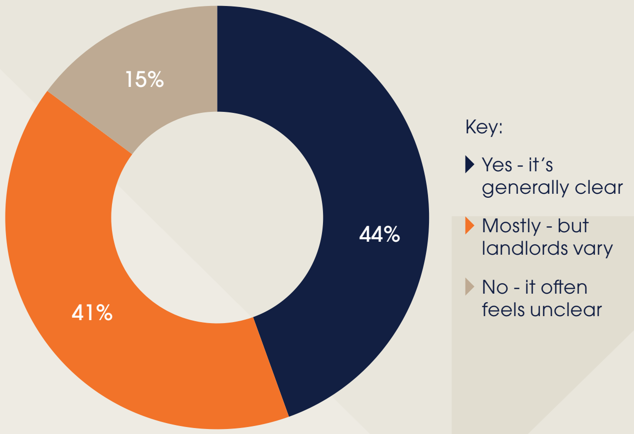
After affordability and location, what matters most when choosing a rental property?



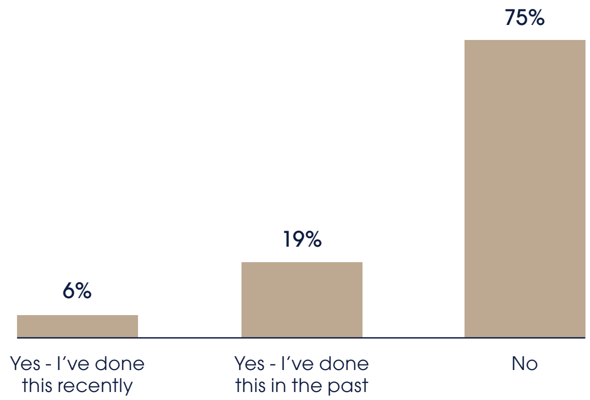
Tenants place the highest importance on property condition, with three-quarters saying it is a decisive factor after affordability and location. Modern features also matter: 46% say kitchens and bathrooms influence their decision. Long-term stability is another priority, with more than half looking for rental agreements that allow them to stay in place longer. Landlord reputation also plays a role, cited by 41% of tenants. Energy efficiency, pets and accessibility appear lower on the list, suggesting that while policy focuses heavily on sustainability, most tenants are still guided by day-to-day quality and confidence that their tenancy will last.

Most tenants feel confident that they know what landlords are looking for when they apply. 44% say it is generally clear, and a further 41% feel they mostly understand, though they note that expectations vary from landlord to landlord. Only 15% say the process feels unclear. These results suggest that, while some inconsistency remains, most tenants believe the application process is straightforward. For landlords, this level of awareness reduces friction and supports quicker decision-making when selecting a tenant.

Do you feel you understand what landlords are looking for in a tenant?



Have you ever offered more rent, upfront payment, or other extras to secure a property?

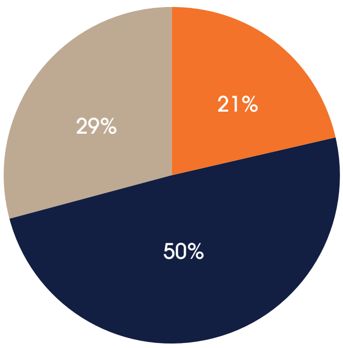


While competition for rental properties can be intense, most tenants have not offered more rent or upfront payments to secure a home three-quarters say they have never done so, while 19% say they have at some point in the past. Only 6% have done so recently. This suggests that while such practices exist, they are far from the norm. With upcoming reforms set to prohibit bidding wars and advance payments beyond one month, the market will see even less of this behaviour in future, making the application process more transparent and consistent.

Making Tax Digital: Are Landlords Ready?

From April 2026, landlords with income above £50,000 will be required to submit digital tax records through HMRC's Making Tax Digital system. By April 2027, the threshold will drop to £30,000, bringing many more landlords into scope. Awareness of the rules is still limited, and while some landlords are preparing, many remain unclear about what the changes involve or how they will manage them. The findings highlight how prepared landlords are today, the challenges they expect to face, and the support they are most likely to rely on.

Based on your current gross rental income, do you think MTD will apply to you from April 2026 or 2027?



Key:

- Yes - I expect to be affected
- No - my rental income is below £30,000
- I'm not sure

Awareness remains uneven. Almost a third of landlords say they don't know if MTD will affect them, while less than a quarter know what action is required. Some assume they will fall below the income threshold, but may underestimate the scope of the rules. What's clear is that we need clearer guidance.

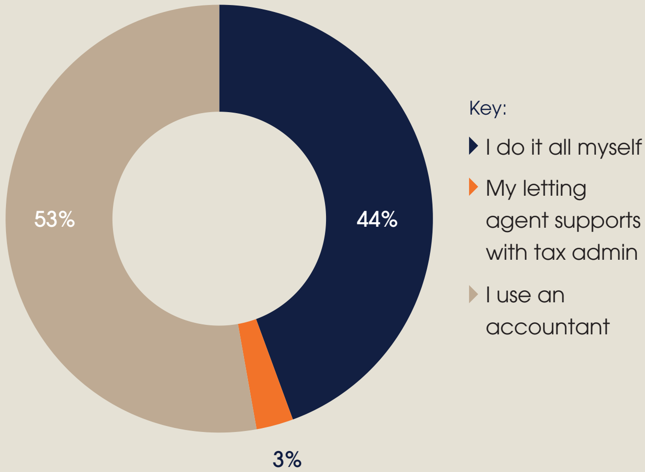
Preparation varies widely. Just under one in five landlords (18%) who believe MTD will apply to them already use accounting software that meets MTD requirements. A similar proportion (18%) admit they have not taken any action yet. A smaller group, 13%, plan to start using software before the deadline. By far the largest share, 51%, say they will rely on their accountant to manage compliance for them. These results show that while confidence is not universal, most landlords expect to be ready by leaning on professional support rather than handling the transition alone.

Have you taken any steps to prepare for MTD? (expect to be affected)

I already use accounting software that meets MTD requirements	18%
I plan to start using software before the deadline	13%
I'm relying on my accountant to handle it	51%
I haven't taken any action yet	18%

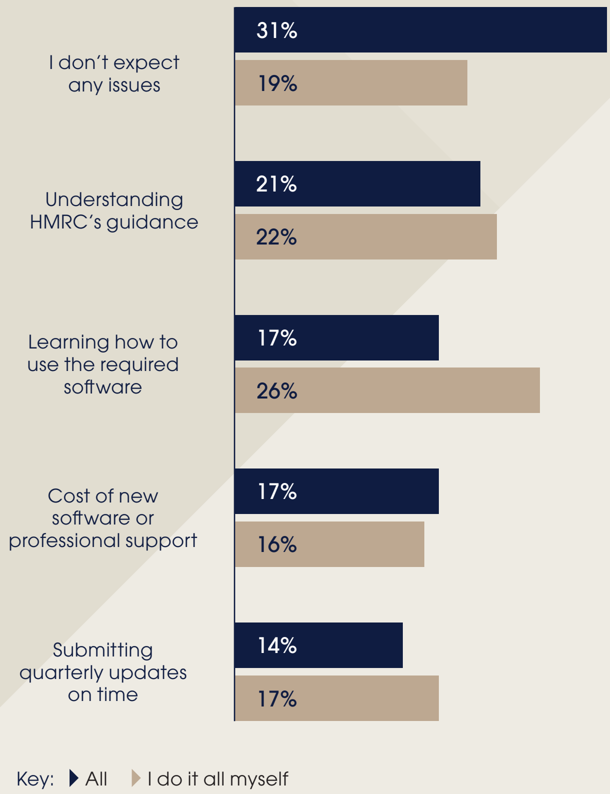
Landlords will be required to keep digital financial records and submit these to the HMRC each month. Those earning £50,000 a year will need to do so by April 2026, and those earning £30,000 or more have until April 2027. We wanted to know if landlords are ready.

How do you currently complete your tax returns for rental income?



Most landlords already rely on professional support. Just over half (53%) say they use an accountant to complete their tax returns, while 44% manage the process themselves. Only a very small proportion, 3%, say their letting agent is involved in supporting them with tax administration. These results underline why many landlords expect to lean on accountants when Making Tax Digital becomes mandatory.

What do you expect to be the biggest challenge with Making Tax Digital?

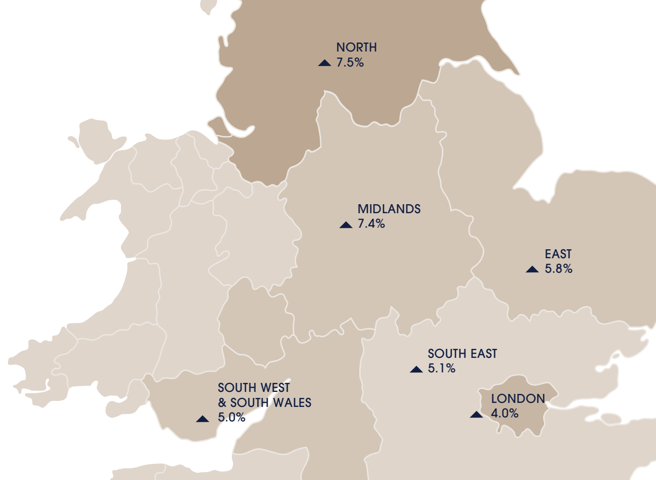


Almost 70% of landlords expect to face at least one issue when adapting to Making Tax Digital. The most common concern is understanding HMRC's guidance, highlighted by 21% of respondents. Among landlords who manage their own tax returns, 26% say learning to use the required software will be their biggest challenge. Around 17% worry about the cost of new software or professional support, and a further 14% are concerned about keeping up with quarterly submissions. Only 31% of landlords overall and 20% of those who file their own returns believe they will encounter no difficulties. The results suggest that while some landlords feel prepared, most see practical hurdles ahead that will require clear guidance and accessible support.

Rental Values Q3 2025*

Region	Oct 25	Sep 25	Month Change	Oct 24	Year Change
South East	1,255	1,258	-0.2%	1,194	5.1%
South West & Wales	1,102	1,103	0.0%	1,050	5.0%
London	1,785	1,789	-0.2%	1,716	4.0%
Midlands	842	841	0.2%	784	7.4%
East	975	979	-0.4%	921	5.8%
North	910	914	-0.4%	847	7.5%
Total	**1,203**	**1,207**	**-0.3%**	**1,145**	**5.1%**

*All Tenancies



Regional View Highest increases by region

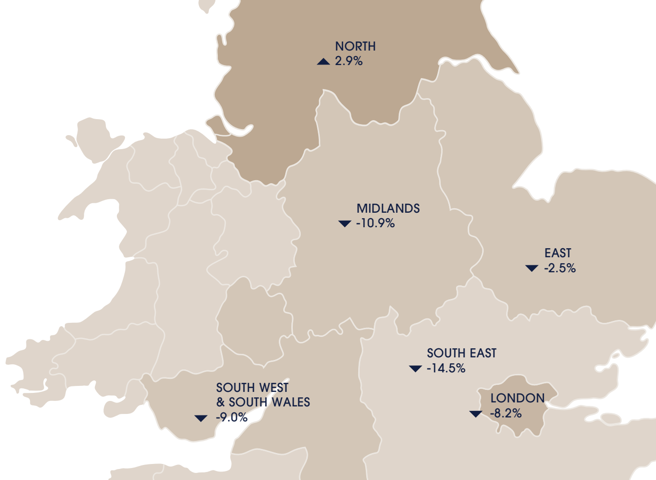
Region	Oct 25	Sep 25	Month Change	Oct 24	Year Change
East					
Spalding	871	879	-0.9%	760	14.5%
Woodbridge	1,005	995	1.1%	913	10.1%
Lowestoft	752	751	0.1%	699	7.6%
St Ives	1,098	1,081	1.6%	1,026	7.0%
London					
Surbiton	1,540	1,485	3.7%	1,400	10.0%
Fulham	2,192	2,163	1.3%	2,017	8.7%
Woodford	1,769	1,780	-0.7%	1,634	8.2%
Stratford	1,762	1,766	-0.2%	1,653	6.6%
Midlands					
Leamington Spa	1,184	1,114	6.3%	1,009	17.4%
Kings Norton	886	881	0.6%	780	13.6%
Northampton	979	972	0.7%	882	10.9%
Bromsgrove	928	938	-1.0%	837	10.8%
North					
Liverpool	844	848	-0.5%	693	21.9%
Warrington	820	826	-0.7%	723	13.5%
St Helens	723	713	1.4%	656	10.1%
Crewe	816	823	-0.9%	746	9.4%
South East					
Rustington	1,165	1,149	1.4%	947	23.0%
Summertown and North Oxford	1,888	1,872	0.9%	1,694	11.5%
New Milton	1,278	1,258	1.6%	1,157	10.4%
Waterlooville	1,129	1,131	-0.2%	1,025	10.1%
South West & South Wales					
Cheltenham	1,043	983	6.1%	875	19.1%
Cirencester	1,216	1,211	0.4%	1,109	9.6%
Bournemouth	1,071	1,072	-0.1%	1,007	6.4%
Swindon	994	988	0.6%	959	3.6%

What our Regional Directors say

"Brighton and Worthing rents increased enormously during and after COVID, while Rustington has a mature tenant population where long term tenancies are the norm. Rent increases have therefore been delayed until a natural break at relet. There's also been a lot of investment in new build developments and it is one of the few towns on the south coast with a well-performing high street with almost no vacant commercial units and plenty of booming, quality businesses. It has minimal residential parking restrictions and is a draw to many households with multiple cars but is also near a mainline station at Angmering is a main line station.

Waterlooville is a respite from nearby Portsmouth, one of the most densely populated cities in the country. As Portsmouth is an island and cannot expand, Waterlooville is taking the growth. It is located on both the A3 and the A27, putting it an hour from London, Brighton and Southampton. It offers suburb living with space for off-road parking and gardens - commodities that are almost non-existent in Portsmouth. We have seen an influx of city workers move to Waterlooville following the work from home trend as the area offers more houses with space for an office room."
Josh Turner, Regional Lettings Director, Leaders, South East

"Over the past year we saw a large but expected increase in average rents, mainly driven by supply and demand. Over the past month we have seen a slight shift in prices as the market finds its level. Correct pricing is key and reviewing rents after the initial marketing period gives the landlord a better chance of securing a tenant quickly. Going into the final quarter of this year, it will be critical to get prices right to shorten any void periods as we move closer to the Christmas period. The letting market is still very strong and we expect this to continue into 2026."
Graham Mitchell, Regional Lettings Director, Leaders, East England



Tenant Property Viewings Q3 2025

Region	Month Change (Aug-Sep 25)	Year Change (Sep-24-Sep 25)
South East	-16.2%	-14.5%
South West & Wales	3.1%	-9.0%
London	2.9%	-8.2%
Midlands	-1.7%	-10.9%
East	-3.5%	-2.5%
North	-2.6%	2.9%
Total	**-3.1%**	**-10.7%**

Regional View Highest increases by region

Region	Month Change (Aug-Sep 25)	Year Change (Sep-24-Sep 25)
East		
Woodbridge	32.2%	234.2%
Lincoln	-11.5%	41.7%
Boston	22.8%	11.4%
Ipswich	14.8%	7.3%
London		
Lewisham	-15.4%	147.6%
Fulham	4.3%	41.9%
Walthamstow	-12.8%	28.3%
Camden	-29.1%	26.6%
Midlands		
Bromsgrove	29.5%	126.8%
Stamford	9.8%	42.1%
Worcester	-7.6%	34.7%
Mansfield	-35.6%	24.7%
North		
Crewe	1.7%	115.9%
Sheffield	29.1%	64.3%
Chester	-21.7%	41.7%
Liverpool	-13.7%	15.5%
South East		
Cowes	18.5%	106.6%
Sevenoaks	-11.2%	86.1%
Bognor Regis	165.9%	72.6%
Rickmansworth	0.6%	71.4%
South West & South Wales		
Bournemouth	26.8%	28.0%
Cheltenham	22.3%	-7.2%
Cardiff	-1.3%	-13.1%
Bristol	-30.0%	-14.9%

What our Regional Directors say

"Surbiton and Lewisham's numbers are driven by demand - there isn't enough stock and both are great for commuters. Lewisham is going through major regeneration. It has the DLR fast into Canary Wharf and Greenwich on your doorstep. It makes a great location and is considerably cheaper. The same goes for Surbiton, which is a peaceful commuter town with lovely riverside walks. It's cheaper than its big brother Kingston but has great links into the city."
David Montero, Regional Lettings Director, Leaders, London.

"Bognor is seeing more viewings because there is more choice for tenants than there was 12 months ago. This may slow average rent growth in the coming 12 months if supply and demand continues to shift to the tenant's favour."
Josh Turner, Regional Lettings Director, Leaders, South East

LRG