



LRG

Spring 2026

Lettings Report

A Changing Rental Landscape

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Introduction

The private rental sector is changing fast. New legislation, affordability pressures and shifting tenant expectations are combining to reshape how landlords and tenants make decisions, not just in the short term, but for years to come.

This report draws on responses from 647 landlords and tenants to explore what that change looks like on the ground. We examine how the balance of power in the market is shifting, who is left renting and why, what the rise of the professional landlord really means in practice, and how long-term renting is becoming a permanent reality for a growing number of people.

What emerges is a market adapting under pressure. Supply is tightening, choice is narrowing and the gap between what legislation promises and what tenants experience is widening. For agents, that creates both a responsibility and an opportunity to provide the expertise, clarity and support that landlords and tenants need more than ever.

"This report paints a picture of a market in genuine transition. Landlords are navigating a wave of legislative change that is reshaping how they operate, while tenants are facing a private rental sector where supply is tightening and choice is shrinking. What strikes me most is the gap between intention and reality. Legislation designed to help tenants is, in some cases, making life harder for the very people it was meant to protect."

"Renting for longer is no longer the exception; for many it has quietly become the norm. And yet most tenants haven't chosen it, they've accepted it. That distinction matters, and it should shape how we as agents support both sides of the relationship."

"The opportunity for agents has never been clearer. As landlords lean more heavily on professional expertise and tenants need more guidance than ever, we are uniquely placed to bridge that gap and help the market adapt in a way that works for everyone."



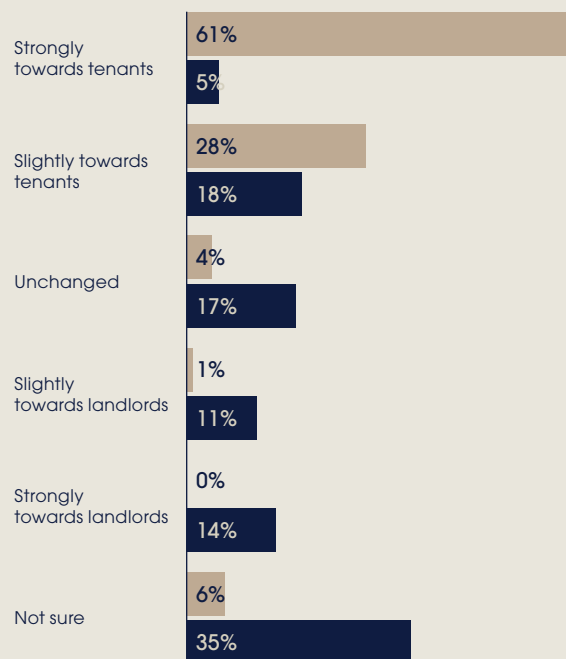
Allison Thompson
Chief Lettings Officer of LRG

A Cooling Market: Opportunity or Anxiety

Supply is falling, choice is shrinking and tenants are feeling it

The rental market is cooling, but not in the way you might expect. Landlords feel the weight of legislation shifting power towards tenants, yet tenants on the ground are still struggling to find homes they can afford. Supply is the missing link, and until it recovers, both sides will continue to feel the pressure.

► Compared to two years ago, do you think the balance of power in the rental market has shifted?



Key: ► Landlords ► Tenants

The data couldn't be clearer: landlords feel the balance of power has moved firmly in favour of tenants, with 89% saying the shift has gone that way. Given the wave of new legislation protecting tenants, that's no surprise. But a quarter of tenants still believe landlords hold the upper hand, a telling sign that reduced supply is making the new rules feel less meaningful on the ground.

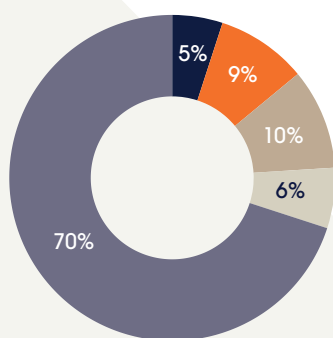


► **If you searched for a rental property in the last two years, how would you describe the level of choice available to you?**

More than I expected	2%
About what I expected	19%
Less than I expected, mostly due to limited availability	22%
Less than I expected, mostly due to affordability	33%
Much less than I expected for both reasons	24%

Tenants are feeling the squeeze when it comes to choice. Over the past two years, availability and affordability have been the two biggest barriers, with just 2% saying they found more options than expected. When supply is tight, even a favourable shift in the legal landscape can't compensate.

► **In the last 12 months, have you stayed in your rental property when you would otherwise have moved?**

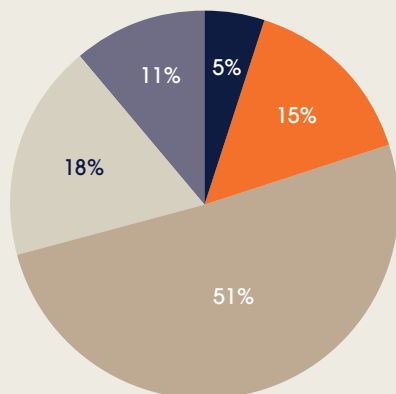


Key:

- No, I did move
- Yes, I wanted to move but chose to stay
- Yes, I wanted to move but couldn't afford to
- Yes, I wanted to move but couldn't find anything suitable
- No, I had no plans to move anyway

A quarter of tenants planned to move in the last 12 months but didn't. Two-thirds of those were held back by availability or cost not by choice. This isn't a stable market; it's a market where people are stuck.

► **Has the number of enquiries you receive for a vacant property changed compared to 12 months ago?**



Here's something unexpected: landlords are reporting a slight fall in enquiries. That might seem to contradict tenants' struggles to find a home, but the likely explanation is the rise of first-time buyers. Fewer people entering the rental market means fewer enquiries but also fewer homes available to rent as landlords sell up.

Key: ► Significantly more ► Slightly more ► About the same ► Slightly fewer ► Significantly fewer



▶ **Were you aware that the Renters' Rights Act will ban advance rent payments of more than one month?**

31%

Yes, fully aware

43%

Aware but unsure of the detail

26%

No, this is new to me

The Renters' Rights Act's restrictions on advance rent payments are one of its most significant and least understood provisions. Fewer than a third of landlords are fully aware of them. And the impact is already being felt: 17% are considering leaving the sector as a result, which will only add to the supply problem. With 42% of landlords now leaning more heavily on their agents to screen tenants, the role of the letting agent has never been more important.

▶ **How is this likely to affect your approach to accepting tenants?**

I'm reconsidering whether to continue letting	17%
I'm significantly more selective than before	15%
I'm slightly more selective	6%
I'm relying more on my agent to screen	42%
No real change – I was already rigorous	14%
I wasn't aware of this until now	6%

▶ **In the last 12 months, have you been approached by, or actively considered letting your property to, the local council or a housing association?**

Currently let to a council or housing association	0.5%
Actively considering it	0.8%
No but would be open to it	26.6%
Been approached but declined	2%
No and wouldn't consider it	70.1%

With supply shrinking, some councils are going direct approaching private landlords to take on their properties. The response has been lukewarm at best: 72% of respondents have declined or wouldn't even consider it. If that attitude holds, councils face a very difficult road ahead in housing those who can't compete in the private market.

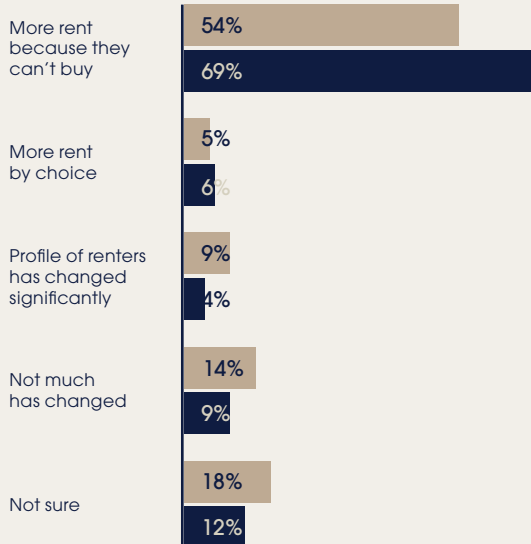


The Shrinking Tenant Pool: Who's Left Renting?

A changing tenant profile and what it means for landlords and agents

The profile of the average tenant is shifting. As ownership becomes less accessible and legislation makes landlords more selective, the pool of people renting is narrowing, and those left in it are increasingly dependent on a sector that is under growing strain.

Do you think the reasons people rent privately have changed over the last five years?



Key: Landlords Tenants

Both landlords and tenants agree on this one: more people are renting because they simply can't afford to buy. House prices remain stubbornly high relative to wages, and interest rates haven't fallen as fast as many hoped. The proportion renting by choice hasn't shifted meaningfully, which tells us something important in the UK, renting is still largely a financial necessity rather than a preference.





► **If house prices in your area fell significantly tomorrow, would you look to buy, or stay renting?**

15%

I'd look to buy immediately

21%

I'd seriously consider it

21%

I'd probably still rent for now

8%

I'd stay renting, it suits my lifestyle regardless

33%

I can't buy no matter what happens to prices

Ask tenants what they'd do if house prices fell tomorrow, and the answer is revealing. 36% would buy immediately or seriously consider it, while only 8% say they'd stay renting because it suits their lifestyle. A further 33% say they can't buy regardless of what happens to prices - this is a group who are particularly vulnerable if private rental supply continues to contract.

► **Do you think landlords selling up is helping first-time buyers get onto the property ladder in your area?**

Yes, I've seen evidence of this

3%

5%

Possibly

27%

11%

No, prices are still out of reach

40%

49%

No, investors or buyers are snapping those properties up

9%

12%

Not sure

21%

23%

Key: ► Landlords ► Tenants

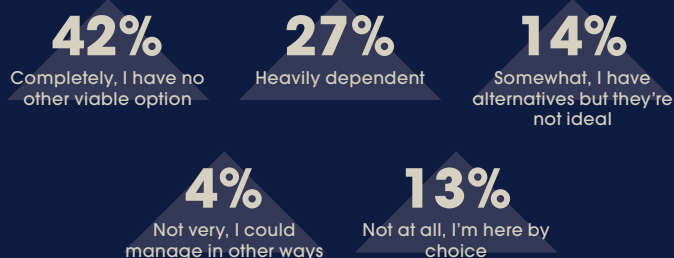
The theory is that landlords selling up creates a pipeline of homes for first-time buyers. The reality is less straightforward. Very few respondents have seen clear evidence of this happening, and nearly half of landlords believe prices in their area are still out of reach, or that investors are snapping up those properties instead.

▶ **If you couldn't pass affordability checks for a private rental, what would you most likely do?**

Tighter legislation including advance rent bans, and stronger eviction protections is pushing landlords to apply stricter affordability criteria. That's creating a real problem for lower-income renters. Of those who couldn't pass affordability checks, 30% would apply to the council for social housing but as we've seen, private landlords are reluctant to let to councils, meaning supply will be extremely limited for this group.

Apply to the council for social housing	30%
I'd find a way to make it work in the private sector	19%
Move in with family or friends	17%
Look for a housing association property	16%
Look for a rent-to-buy or shared ownership scheme	13%
Try to buy, even if the timing isn't right	5%

▶ **How dependent do you feel on the private rental sector right now?**



69% of tenants are heavily or completely dependent on the private rental sector. They have no realistic alternative. If legislation intended to protect tenants inadvertently drives landlords out of the market, those same tenants will have fewer options, not more. With the government slow to build new homes and councils struggling to fill the gap, the outlook for the most dependent renters is concerning.



► **Without being able to use advance rent under the Renters' Rights Act, how do you think the quality of tenant applications you receive will change?**

18% I expect a lot more higher-risk applications

40% I expect more borderline or higher-risk applications

23% No real change

10% I expect better quality applicants overall

9% I wasn't aware of this change

58% of landlords expect to receive higher-risk applications as a direct result of legislative changes. As screening tools are restricted and landlords tighten affordability criteria in response, the practical effect may be that low-income renters find the market increasingly difficult to access even in areas where properties are technically available.

Renting for Life: The Rise of the Long-Term Tenant

Long-term renting is growing —
and attitudes are shifting with it

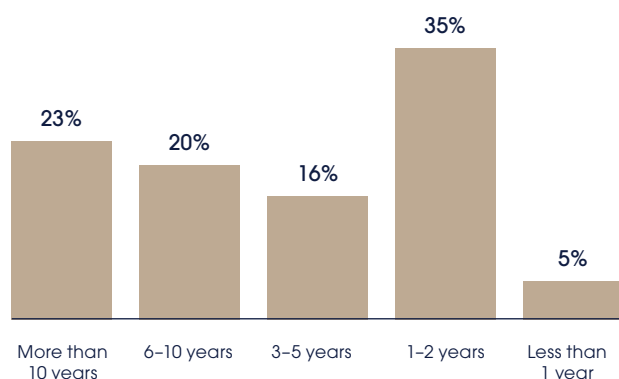
The move towards longer tenancies is often discussed as though it's a future ambition. For a growing number of tenants, it's already the present. Rising house prices and shrinking ownership opportunities mean many people are renting for far longer than they ever planned to, and their feelings about that are more nuanced than a simple acceptance or rejection of renting as a lifestyle.

▶ **When fixed-term tenancies are abolished, do you think you'll be willing to encourage tenants to stay long-term?**



The move from fixed-term to Assured Periodic Tenancies was intended to allow tenants to stay longer. But it won't change much for landlords, the majority were already just as willing to encourage long-term stays before the legislation came in.

▶ **How long have you lived in your current rental property?**



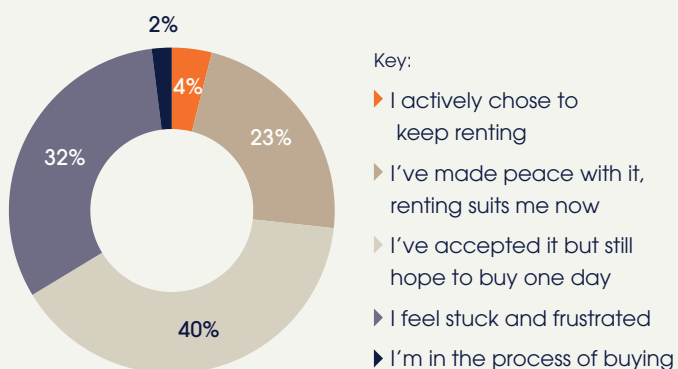
The move to Assured Periodic Tenancies was designed to give tenants more security and the freedom to stay longer. But tenants are already doing it: 59% have been in their current property for three years or more, and nearly a quarter for over a decade. The legislation is catching up with behaviour that's been shifting for years.

▶ **Is renting turning out to be a longer part of your life than you originally expected?**



60% of tenants say they've ended up renting for longer than they've ever planned and rising house prices are the most likely explanation. The rental market is no longer a stepping stone for most people; for many, it has become the destination.

▶ **If you've been renting longer than you planned, how do you feel about that?**



Only 4% say they actively chose to rent long-term. Most have reached a kind of acceptance, 63% say they've made peace with it, even if it isn't their first preference. But a third still feel stuck and frustrated. Acceptance isn't the same as satisfaction.



► **Does your rental home genuinely feel like your own home, or does it always feel temporary?**

51% of tenants say their rental genuinely feels like home. But that figure doesn't rise much with length of stay. Only 59% of those renting for over 10 years feel the same, with 21% still unsettled. Meanwhile, 30% of those in their property less than a year already call it home. Tenure length alone doesn't create belonging.

Yes, it genuinely feels like my home

24%

Mostly, with the occasional reminder that I don't own it

27%

Somewhat, but it's not the same as owning

20%

No, I find it hard to feel settled wherever I rent

5%

No, it always feels temporary

24%



The Professional Landlord Revolution

How landlords are adapting their approach in a changing market

Much has been made of the rise of the professional landlord, but the data suggests the reality is far more complex. The majority of landlords remain small, often accidental operators, and new legislation is doing little to change that picture.

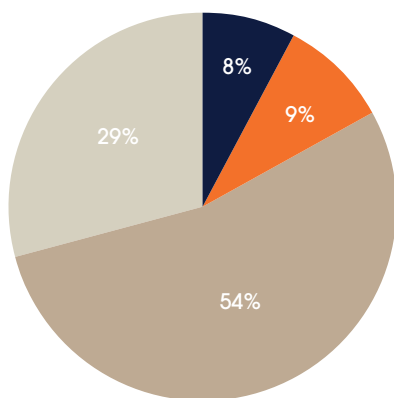
► **Now the Renters' Rights Act is law, do you feel more or less like a business owner running a professional operation?**



Despite expectations, the Renters' Rights Act hasn't driven a wave of professionalisation. Only 13% say the legislation makes letting feel more like running a business. Nearly a quarter feel the loss of control has actually made them feel less professional, and 8% say the business case has effectively been destroyed.



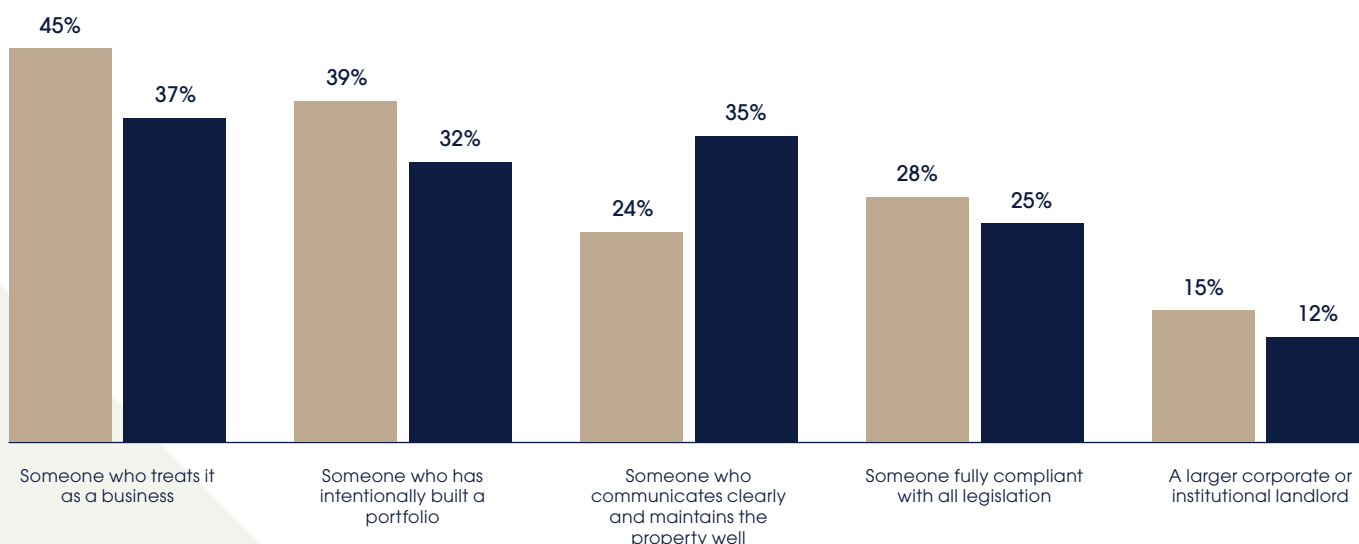
► Would you describe yourself as a professional landlord?



83% of landlords don't consider themselves professional. While they may look after the tenant and property and comply with all legislation, 51% only own one or two properties as a long-term investment, and 29% didn't intend to be a landlord at all.

Key: ► Yes, it's my main source of income ► Yes, I manage multiple properties alongside other work ► No, I have one or two properties as a long-term investment ► No, I'm an accidental landlord

► What does the term 'professional landlord' mean to you?



We hear a lot about the rise of the 'professional landlord', but the definition matters. For 45% of landlords, it simply means someone who treats letting as a business not necessarily a corporation. And by that measure, 83% of landlords still don't

consider themselves professional. Over half own just one or two properties as an investment, and 29% never intended to be a landlord at all. The accidental landlord remains very much part of the story.

► **Do you own your rental properties in a limited company?**

Yes, all of my properties are in a limited company	2%
Yes, some are, some aren't	3%
I'm considering moving to a limited company	4%
No, all in my personal name	91%

Despite the well-documented tax advantages of owning rental properties through a limited company, 95% of landlords don't do it and only 2% have all their properties held in a company structure. The reality is that many landlords are accidental or inherited their properties, making a transfer into a company structure prohibitively expensive due to capital gains tax. Even among the 17% who consider themselves professional landlords, only 21% have moved any properties into a limited company.

► **Do you think landlords becoming more professional is a good or bad thing for tenants?**

Tenants broadly welcome the shift towards a more professional approach. 34% say higher standards and better maintenance make it a good thing, although a notable 13% feel the relationship with their landlord becomes more impersonal and inflexible as a result.

18%

Very good, it means higher standards and better maintenance

16%

Mostly good

53%

Neutral, depends on the landlord

4%

Mostly bad, it feels more impersonal and rules-based

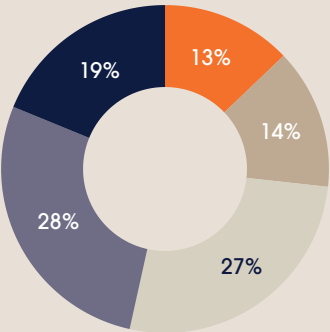
9%

Very bad, it removes the empathy and flexibility from the relationship



Support for professionalism doesn't extend to corporate landlords. 47% of tenants see larger, corporate landlords as worse or much worse than private individuals. Only 27% say they prefer them. Tenants want landlords who treat letting as a business not landlords who feel like a business.

Do you feel that larger, more corporate landlords offer a better or worse experience than individual private landlords?



- Key:
- ▶ Much better, more reliable and professional
 - ▶ Slightly better
 - ▶ No difference
 - ▶ Slightly worse, less flexible and more impersonal
 - ▶ Much worse, feels faceless and inflexible



Rental Values

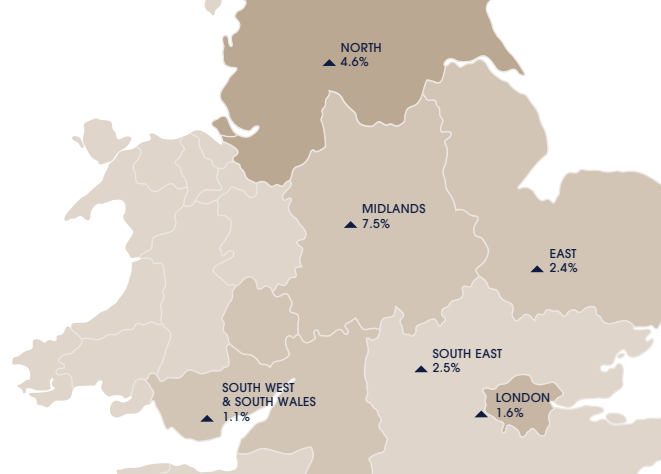
Q1 2026*

Region	Mar 26	Feb 26	Month Change	Mar 25	Year Change
South East	1,252	1,257	-0.4%	1,222	2.5%
South West & Wales	1,080	1,095	-1.4%	1,068	1.1%
London	1,788	1,789	-0.1%	1,760	1.6%
Midlands	863	871	-0.9%	803	7.5%
East	963	967	-0.5%	941	2.4%
North	918	918	0.0%	878	4.6%
Total	1,196	1,202	-0.5%	1,171	2.1%

*All Tenancies

Regional View Highest increases by region

Region	Dec 25	Nov 25	Month Change	Dec 24	Year Change
East					
Spalding	876	878	-0.2%	797	9.9%
Lincoln	791	785	0.8%	725	9.1%
Lowestoft	770	769	0.2%	724	6.4%
Woodbridge	926	980	-5.5%	931	-0.5%
London					
Surbiton	1,496	1,517	-1.4%	1,427	4.8%
Woodford	1,766	1,768	-0.1%	1,678	5.3%
Dulwich	1,933	1,991	-2.9%	1,889	2.3%
Lewisham	1,425	1,416	0.6%	1,364	4.5%
Midlands					
Leamington Spa	1,163	1,167	-0.3%	999	16.4%
Kings Norton	851	896	-5.0%	799	6.5%
Northampton	991	985	0.6%	896	10.6%
Kenilworth	1,012	1,012	0.0%	967	4.6%
North					
Liverpool	871	877	-0.7%	757	14.9%
Warrington	828	832	-0.5%	780	6.2%
St Helens	739	739	0.0%	680	8.7%
Manchester	1,145	1,142	0.2%	1,082	5.8%
South East					
Rustington	1,036	1,166	-11.2%	981	5.7%
East Grinstead	1,380	1,374	0.5%	1,251	10.3%
Shanklin	867	886	-2.2%	914	-5.1%
Buckingham	1,198	1,245	-3.7%	1,156	3.6%
South West & South Wales					
Christchurch	841	1,118	-24.8%	867	-3.0%
Cheltenham	1,043	1,041	0.2%	937	11.3%
Stroud	907	914	-0.8%	898	1.0%
Roath	1,066	1,066	-0.1%	1,016	4.8%



What our Regional Directors say

"Demand from tenants is down, so that naturally means fewer viewings and lower rents."

John Williams, Regional Lettings Director, Portico, London

"The markets are stale at the moment so not much is affecting the outcomes, but I am sure it will change over the coming months."

Shaun Barnett, Regional Lettings Director, South East

"Christchurch is seeing a downturn in rents. This is happening region wide as there is more supply now to meet demand, causing a drop in rents and landlords having to price more competitively. However, in Bournemouth we are already seeing that viewings and lets are up."

Chris Myers, Regional Lettings Director, South West

Tenant Property Viewings Q1 2026

Region	Annual Year-on-Year Change (Q1 2025 to Q1 2026)	12 Month Change (Apr 24-Mar 25 to Apr 25-Mar 26)
North	-27%	-5%
East	-24%	-14%
South West & Wales	-21%	-17%
London	-25%	-20%
South East	-21%	-16%
Midlands	-29%	-19%
Total	-23%	-16%

Regional View Highest increases by region

Region	Quarter Year-on-Year (Q1 2025 to Q1 2026)	12 Month Change (Apr 24-Mar 25 to Apr 25-Mar 26)
East		
Norwich	4.3%	-1.6%
Cambridge	0.8%	-5.3%
Lowestoft	-45%	-23.5%
Bourne	-23.9%	-24.9%
London		
Brentford	9.3%	14.6%
Harrow	37.3%	2.3%
Docklands	-25.7%	1.7%
Ruislip	0.9%	-4.6%
Midlands		
Bromsgrove	-10.8%	17.6%
Leamington Spa	-16.7%	4.3%
Worcester	-8.6%	1.5%
Wolverhampton	-30.2%	-3.9%
North		
Chester	-16.7%	46.1%
Sheffield	-20.7%	7.9%
Liverpool	-8.5%	-6.6%
Manchester	-49.5%	-22.2%
South East		
Milton Keynes	-0.7%	25.3%
Gerrards Cross	-25.7%	9.0%
Guildford	-8.4%	7.7%
Sutton	-9.1%	4.9%
South West & South Wales		
Bournemouth	-20%	6.9%
Cardiff	-9.4%	-14.7%
Cheltenham	-39%	-16.9%
Bristol	-19.2%	-22.1%



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