

LRG

Winter 2025 - 2026

Lettings Report

**The Long View: How Lettings
Are Adapting to Change in 2026**

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Introduction

The lettings market enters 2026 with greater clarity, but not renewed confidence. The introduction of the renters' rights framework, ongoing affordability pressures and the Autumn Budget have combined to shape how landlords and tenants are approaching decisions, influencing behaviour, expectations and risk rather than bringing activity to a halt.

This report examines how well landlords and tenants feel they understand the new rules, how lifestyle and generational shifts are changing demand, what the move to periodic tenancies is delivering in practice, and how Budget measures are affecting confidence, pricing and portfolio decisions. Taken together, the findings show a market that is adapting carefully, with stability and long-term viability taking priority over expansion.

"This report captures a lettings market that is navigating several major changes at once. Landlords are adjusting to new legislation and Budget measures that affect costs and long-term planning, while tenants are rethinking what they need from a home and how long they expect to stay."

Affordability remains the thread running through every section, influencing rents, choice and confidence on both sides. The challenge now is to turn greater clarity into practical outcomes, with agents playing a central role in supporting sustainable tenancies, managing expectations and helping the sector adapt in a balanced and responsible way as we move into 2026."



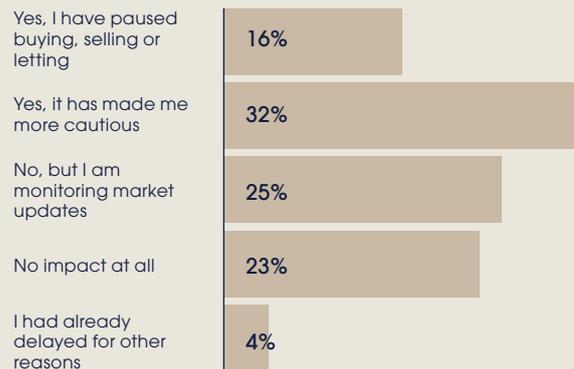
Allison Thompson

National Lettings Managing
Director of LRG

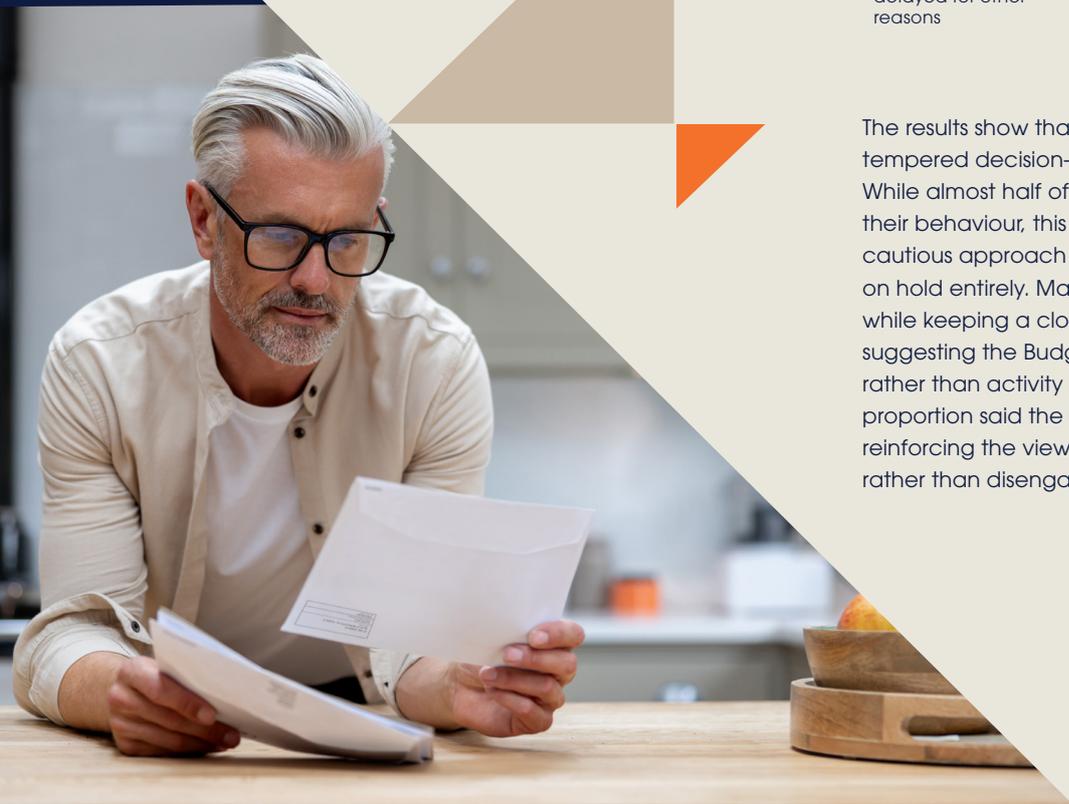
How the Autumn Budget Has Reshaped Lettings Sentiment

The Autumn Budget has brought clarity, but not a sudden shift in confidence. For many in the lettings market, uncertainty has been replaced by realism, with decisions shaped by affordability pressures, tax changes and a cautious outlook for early 2026. Rather than stalling, landlords are reassessing their plans, focusing on stability, viability and longer-term strategy as the market adjusts to a new normal.

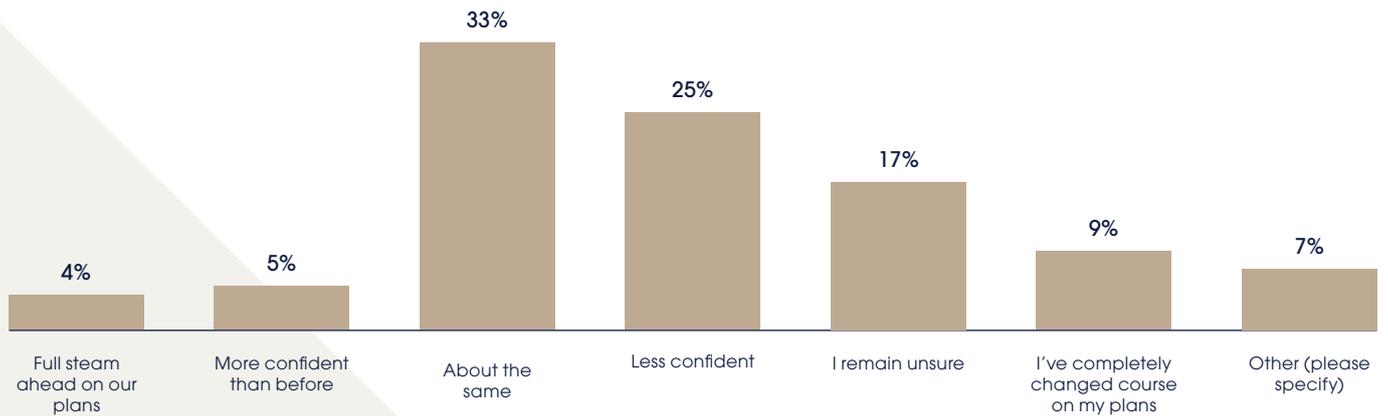
▶ **Up until today, has uncertainty about what the Budget may contain made you more hesitant to make a housing decision this autumn?**



The results show that uncertainty ahead of the Budget tempered decision-making rather than stopping it. While almost half of respondents said it influenced their behaviour, this was largely reflected in a more cautious approach rather than a decision to put plans on hold entirely. Many continued to move forward while keeping a close eye on developments, suggesting the Budget shaped timing and confidence rather than activity itself. At the same time, a notable proportion said the uncertainty had no impact at all, reinforcing the view of a market that adjusted its pace rather than disengaging.



► **Now that the Budget uncertainty has passed, how confident do you feel about making a property decision (buying, selling or letting) in early 2026?**



Clarity following the Budget has not led to a noticeable increase in confidence heading into early 2026. The largest group, 33%, say they feel about the same as before, suggesting the Budget largely confirmed existing expectations. Confidence has edged down rather than up, with 25% saying they feel less confident,

compared with just 9% who feel more confident. A further 17% remain unsure about their next steps. Notably, 9% say they have changed their plans entirely, indicating that for some, the Budget has led to a rethink rather than renewed momentum.



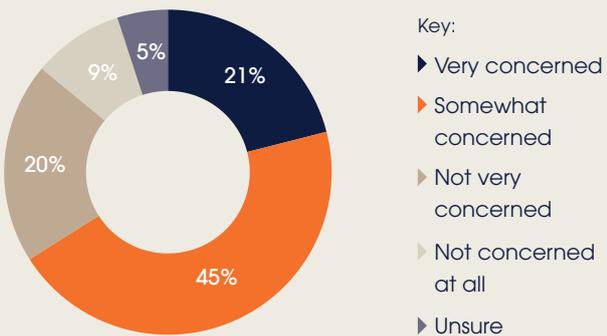


▶ **Following the Budget, how do you feel the property market will perform in the first half of 2026?**



Sentiment on market performance in the first half of 2026 leans cautious rather than optimistic. Only 1% of respondents expect a strong improvement, while 12% anticipate a slight uplift. By contrast, half of respondents expect conditions to weaken, with 31% predicting a slight decline and a further 19% anticipating a more pronounced downturn. Just over a quarter, 27%, expect no major change, suggesting stability rather than growth. A further 10% remain unsure, reinforcing the sense of uncertainty that continues to shape expectations following the Budget.

▶ **Following the Budget, how concerned are you about affordability pressures (such as mortgage costs, rents, or taxation)?**



Affordability remains a big concern, with 66% of respondents saying they are somewhat or very concerned about cost pressures and only 9% saying they are not concerned at all.

▶ **The Budget included new tax measures affecting landlords. How has this influenced your plans for holding, expanding or reducing your portfolio?**

36%

I am likely to sell one or more properties

10%

I will continue but reduce investment

40%

I will maintain my current portfolio

1%

I am considering expanding

13%

I am unsure and still reviewing the changes

The results suggest the Budget's tax measures have reinforced a cautious, consolidating approach among landlords rather than prompting growth. The largest group, 40%, say they plan to maintain their current portfolio, indicating a focus on stability. However, a substantial 36% say they are likely to sell one or more properties, pointing to ongoing pressure on viability for some landlords. A further 10% expect to continue letting but reduce investment, while only 1% are considering expanding their portfolio. Meanwhile, 13% remain unsure and are still reviewing the changes, underlining that the full impact of the Budget on landlord decision-making is still being worked through.





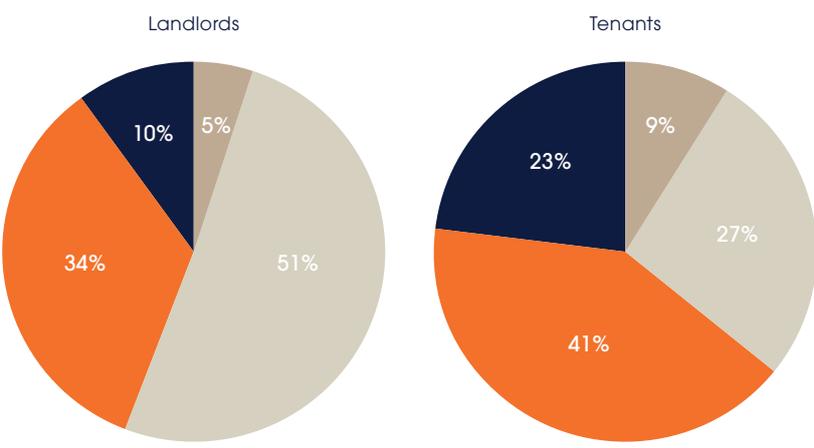
Legislation, Clarity and Confidence

Understanding the impact of the Renters' Rights Act on landlords and tenants

The implementation of the Renters' Rights Act has followed a prolonged period of consultation, revision and public debate. While the legislation is now passed, the data shows that understanding, confidence and

expectations remain uneven across the sector. Both landlords and tenants are adjusting, but uncertainty around process, cost and control continues to influence behaviour.

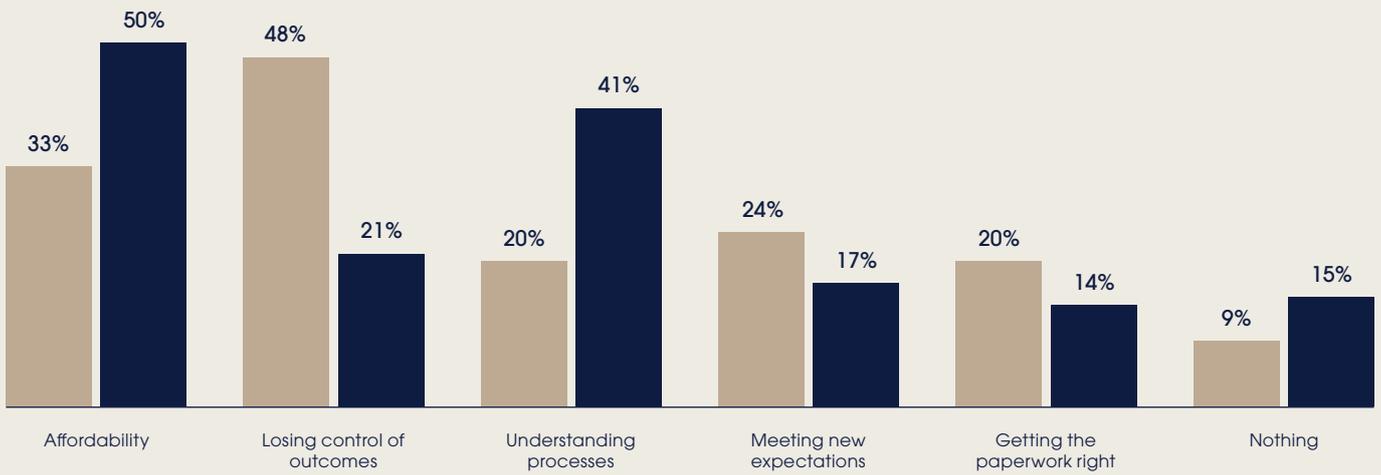
▶ **How confident are you that you know what will actually change when the new renters' rights rules come into force?**



Landlords report higher confidence than tenants, but neither group shows universal certainty. 56% of landlords say they are very or fairly confident, compared with just 36% of tenants. At the other end of the scale, almost two-thirds of tenants, 64%, say they are not so confident or not at all confident, compared with 44% of landlords. This suggests that while awareness of the new rules is growing, understanding of how they will work in practice remains limited, particularly among tenants.

Key: ▶ Very confident ▶ Fairly confident ▶ Not so confident ▶ Not at all confident

▶ **What worries you most about the transition to the new rules?**



Key: ▶ Landlords ▶ Tenants

The results highlight a clear difference in priorities. Tenants are most concerned about affordability, cited by 50%, reflecting fears that implementation costs may translate into higher rents. Landlords also cite affordability, but at a lower 33%, with their primary concern instead being losing control of outcomes at

48%. Tenants are far more likely to worry about understanding processes, at 41%, compared with 20% of landlords, underlining the importance of clarity around how the rules will operate day to day.

▶ **What support would help you most ahead of implementation?**

	Landlords	Tenants
The agent to deal with it	66%	21%
Clarification of processes	31%	45%
Step-by-step guidance	24%	47%
Clear checklists	29%	35%
Someone to explain the rules	21%	40%
Examples of compliant documentation	16%	20%
I do not need support	6%	12%

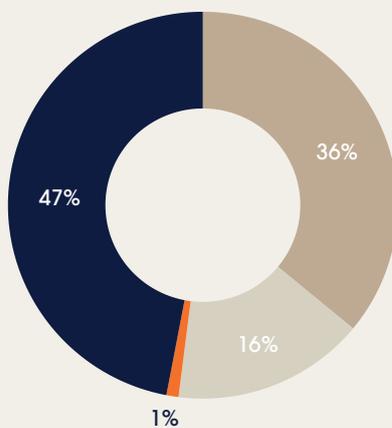
Landlords and tenants are aligned in wanting support, but differ on what form it should take. Two-thirds of landlords, 66%, want agents to deal with the changes on their behalf, pointing to a strong preference for practical delivery and compliance support. Tenants place greater emphasis on explanation and guidance, with 47% wanting step-by-step guidance, 45% wanting clarification of processes and 40% wanting someone to explain the rules. The low proportion saying they do not need support indicates that most expect implementation to require active help rather than passive awareness.



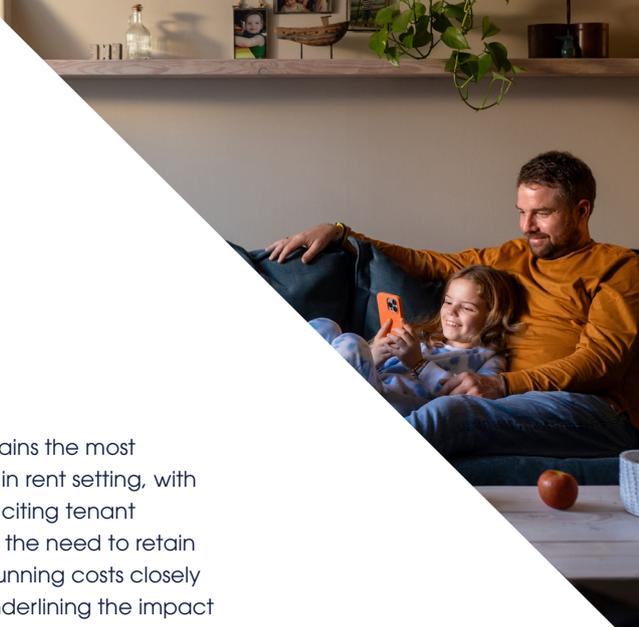


▶ Have you changed how you set your asking rent this year?

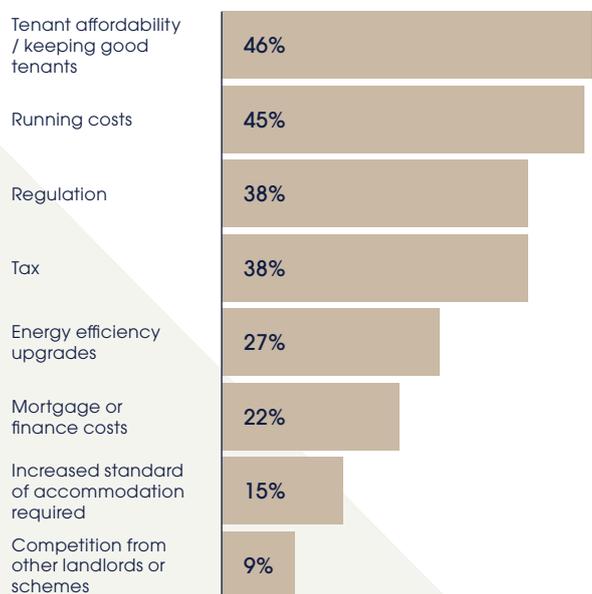
Nearly half of landlords, 47%, say they have not changed how they set their asking rent this year, suggesting a degree of stability in approach despite wider pressures. However, 36% say they are setting rents higher, indicating that cost pressures are feeding through into pricing decisions for a significant proportion. A further 16% say it varies, pointing to more nuanced, property-by-property decision-making rather than blanket increases. Only 1% report setting rents lower.



Key: ▶ Yes, higher ▶ It varies ▶ Yes, lower ▶ No



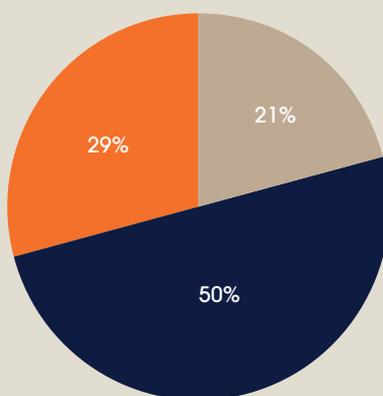
▶ **Apart from supply and demand, which factors are influencing your pricing decisions most at the moment?**



Affordability remains the most influential factor in rent setting, with 46% of landlords citing tenant affordability and the need to retain good tenants. Running costs closely follow at 45%, underlining the impact of rising operational expenses. Regulation and tax are both cited by 38%, reinforcing the role of policy and compliance costs in pricing decisions. Energy efficiency upgrades influence 27%, while mortgage or finance costs affect 22%. Higher accommodation standards and competition from other landlords or schemes play a lesser role, at 15% and 9% respectively.

▶ **Do you think the new rules will change how you choose your next home?**

The majority of tenants expect the new rules to influence their decision-making. Half of respondents, 50%, say the rules will change how they choose their next home a little, while a further 21% say they will change their approach significantly. Only 29% say the new rules will not affect how they choose their next home, indicating that legislative change is already shaping tenant behaviour, even before full implementation.



Key: ▶ Yes, significantly ▶ Yes, a little ▶ No



▶ **Which of the following best describes what you prioritise most now compared with a year ago?**

52%

Long-term suitability

48%

Cost above all else

41%

Location

32%

Better energy performance

28%

More functional space

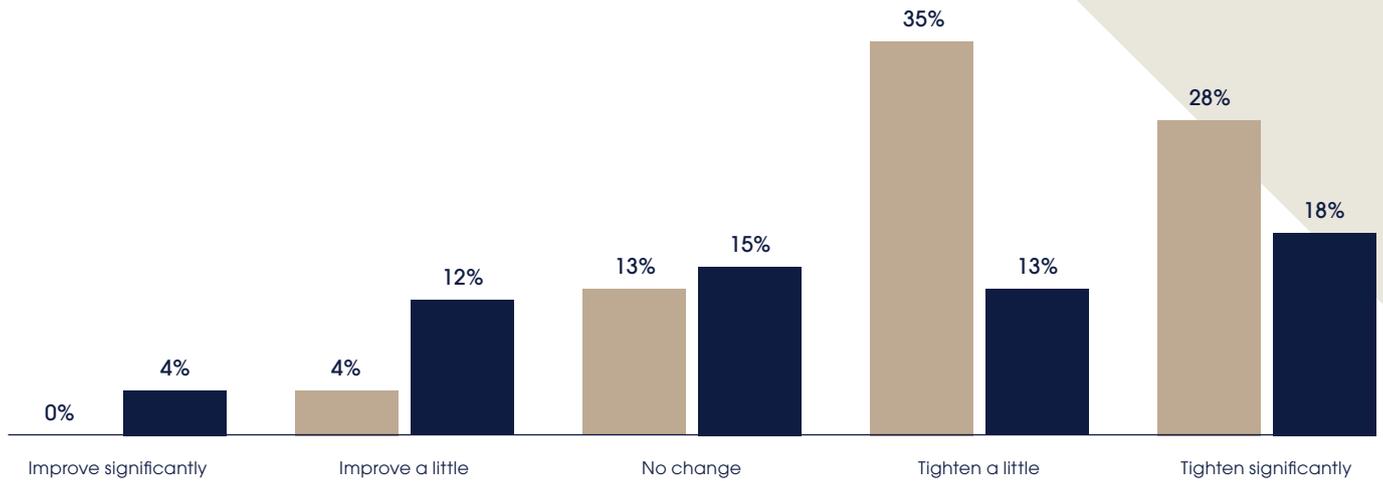
8%

Lifestyle amenities

Tenant priorities are shifting towards stability and affordability. Long-term suitability is now the most cited priority at 52%, followed closely by cost above all else at 48%. Location remains important at 41%, while practical considerations such as better energy performance at 32% and more functional space at 28% also feature strongly. Lifestyle amenities, such as gyms or communal areas, rank far lower at just 8%, suggesting tenants are becoming more focused on fundamentals than optional extras.



► **Do you expect the supply of available rental homes in your area to improve or tighten over the next 12 months?**



Key: ► Landlords ► Tenants

Expectations point towards tightening supply. Among landlords, 63% expect supply to tighten, with 28% expecting it to tighten significantly. Only 4% expect any improvement. Similarly, 31% of tenants expect supply to tighten and just 16%

expect improvement. This reinforces concerns around availability and competition in the rental market. Despite this, we have seen buy-to-let mortgages increase over the past year, suggesting landlords might be more resilient than that.



► **Do you feel you have more choice, the same choice, or less choice of accommodation than a year ago?**

Reduced supply and rising demand are already being felt by renters, shaping both expectations and decision-making.

14%

Feel they have more choice

37%

Feel they have about the same choice

49%

Feel they have less choice



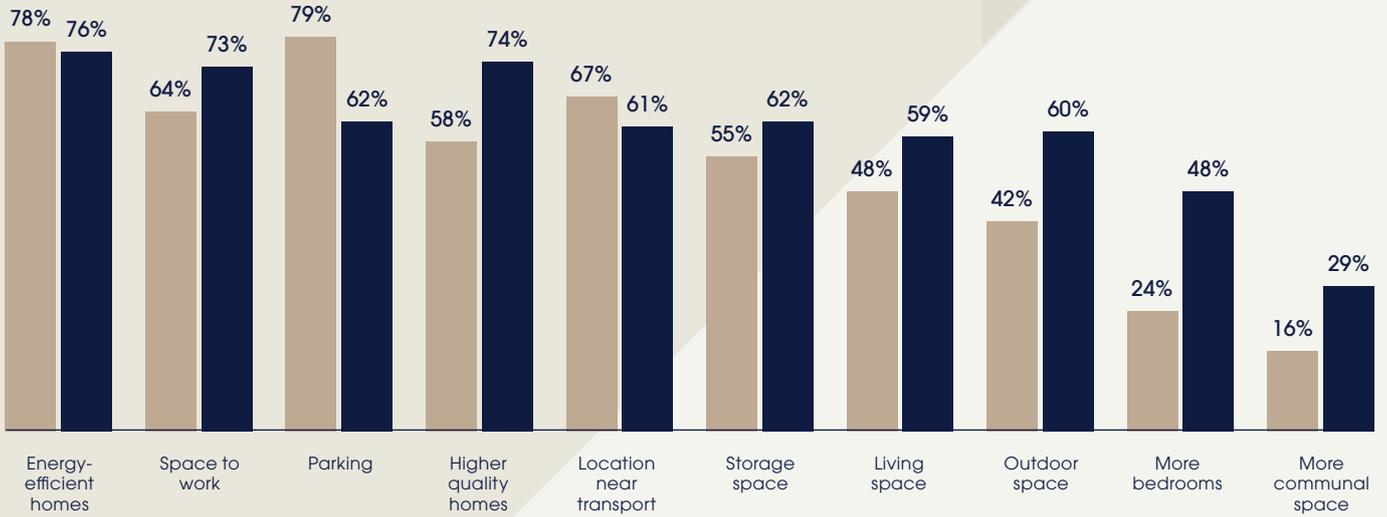
Generational Shifts are Accelerating Changes

How lifestyle priorities are reshaping demand in the rental market

Lifestyle changes and shifting generational expectations are increasingly influencing what tenants look for in a rental home. While affordability remains a constraint, the

results show clear patterns in the types of homes and features expected to be in higher demand, with notable differences between age groups that landlords and agents will need to consider.

► **Expectation of an increase in demand for different types of rental homes due to lifestyle and generational shifts**

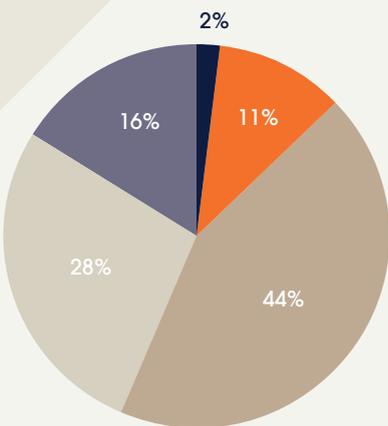


Key: ► Tenants over 55 ► Tenants under 35

Perhaps expressing their own needs, 79% of tenants over 55 are expecting parking to be in high demand compared to just 62% of those under 35. Younger tenants expect higher

demand for quality homes (74%), outdoor space (60%) and bedrooms (48%) than older generations.

► **Compared to the last time you looked, how easy or difficult has it been to find a rental home that met your budget?**



Affordability pressures are clearly being felt by tenants. While 44% say it has been neither easier nor more difficult to find a home within budget, a combined 44% say it has become more difficult, made up of 28% who say it is more difficult and 16% who say it is much more difficult. By contrast, only 13% say it has become easier, with just 2% finding it much easier. This highlights the growing challenge of securing a home that meets budget expectations.

Key: ► Much easier ► Easier ► Neither easier nor more difficult ► More difficult ► Much more difficult

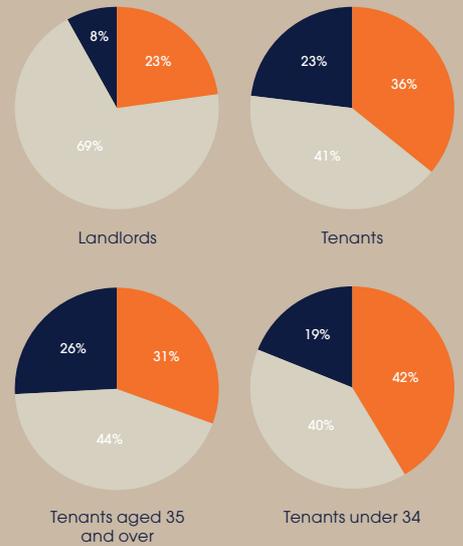


There is a clear difference between landlords and tenants on what a rental home should offer. Among landlords, 69% say their expectations have not changed, 23% say they have increased and 8% say they have decreased. Tenants show a more mixed picture, with 36% saying their expectations have increased, 41% saying they have not changed and 23% saying they have decreased, indicating a greater degree of reassessment among renters.

Age also influences how tenant expectations have changed. Among tenants under 34, 42% say their expectations have increased, 40% say they have not changed and 19% say they have decreased. Among tenants aged 35 and over, 31% say their expectations have increased, 44% say they have not changed and 26% say they have decreased.

Taken together, the results show higher expectations are more prevalent among younger tenants, while older tenants report a greater tendency to lower expectations.

▶ **Have your expectations of what a rental home should offer changed?**



Key: ▶ Yes, expectations have increased ▶ No
 ▶ Yes, expectations have decreased



Which life stage factors have influenced your current renting decision?

Relocating (e.g. for job or family)	40%
Moving in with partner / Splitting up with partner	23%
Change in affordability (mortgage, job)	18%
More space for children or lifestyle	11%
Downsizing	7%
Caring for a family member	3%

Life stage factors are a major driver of rental decisions. Taken together, 63% of tenants say their choice of home has been influenced by job or family requirements or by changes in relationships, combining relocation for work or family at 40% and moving in with or separating from a partner at 23%. A further 18% cite changes in affordability. Practical needs also play a role, with 11% moving for more space and 7% downsizing. The results reflect clear life stage patterns, with younger tenants more likely to move for relationship or space reasons, and older tenants more likely to relocate to be closer to family or for caring responsibilities.

Have you noticed differences in how tenants of different ages communicate, manage issues, or meet their responsibilities?



Key: ▶ Under 35 ▶ 35-54 ▶ 55+

Landlords report clear differences by age group. Tenants under 35 are most associated with preferring digital communication at 24%, reporting more issues at 15%, and having higher expectations of maintenance timeframes at 16% and property condition and quality at 14%. Tenants aged 35 to 54 show a more balanced profile across communication methods and expectations. Tenants aged 55 and over are most associated with preferring phone calls or in-person meetings at 19% and looking after

some maintenance themselves at 11%. They are also least associated with reporting issues or holding higher expectations around maintenance timescales and condition. Views on tenancy length also differ, with under-35s more strongly linked to wanting shorter tenancies, while older tenants are more evenly split between longer and shorter stays. Overall, the results show that expectations, communication styles and approaches to responsibility vary clearly by age.



Changing Length of Tenancies

Stability, flexibility and expectations under the new rules

The move towards periodic tenancies has prompted renewed discussion about stability in the private rented sector. The results show broad alignment between

landlords and tenants on the value of longer-term arrangements, but also highlight ongoing tensions between flexibility, affordability and future plans.

► Is your preference for good tenants who:

72%

Stay indefinitely

28%

Stay a specific period of time

Most landlords favour stability. 72% say their preference is for good tenants who stay indefinitely, compared with 28% who prefer tenants to stay for a specific period of time. This suggests that, despite concerns around legislative change, the majority of landlords value long-term tenancies and continuity rather than frequent turnover.



► Why landlords want a fixed term



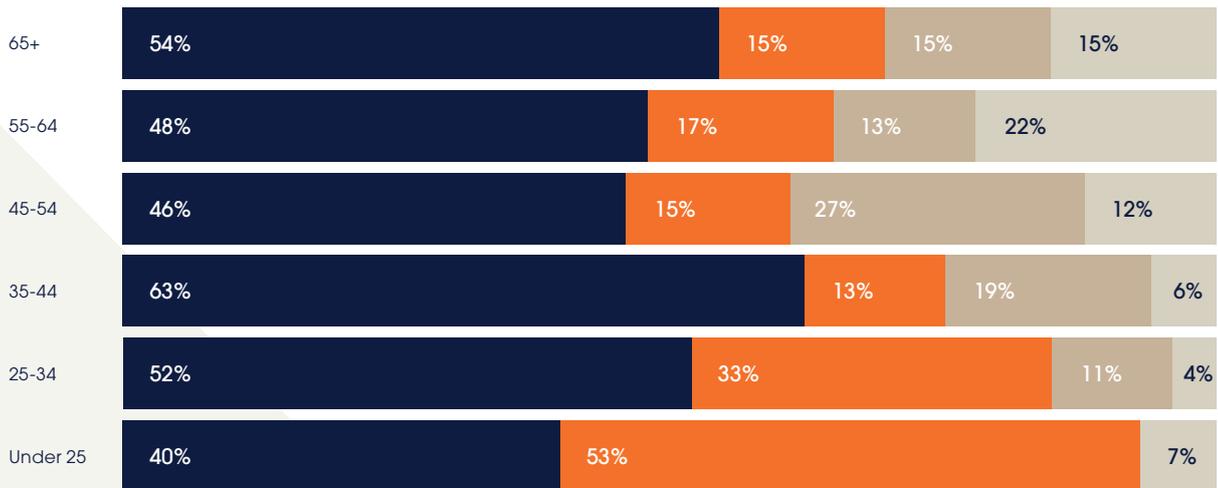
Among landlords who prefer fixed terms, the most common reason relates to property and rent management rather than tenant behaviour. 65% say they want tenants to change every so often to allow rent increases, renewals or redecoration. A further 52% say they want to sell the property, while 13% want to refurbish and 10% want to move back into the home. These results indicate that fixed terms are largely driven by planned property decisions rather than a desire for routine possession.

► How long are you anticipating staying in your current home?



Despite growing discussion around longer-term renting, expectations of length of stay remain relatively short for many tenants. The largest group, 36%, expect to stay for one to two years, while 14% anticipate staying less than a year. A quarter expect to remain for three to four years, and a combined 26% expect to stay for five years or more, including 15% anticipating a stay of five to nine years and 11% expecting to stay for ten years or longer. This suggests that while longer tenancies are becoming more common, shorter-term expectations still dominate.

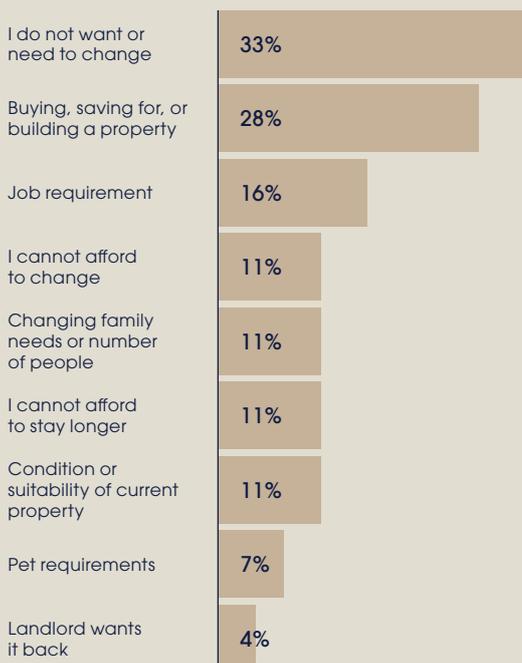
► How long are you anticipating staying in your current home? (by age group)



Key: ► 2 years and under ► 3-4 years ► 5-9 years ► 10+ years

Despite expressing a desire to stay in their homes longer and feeling they can put down roots, half of tenants do not even expect to be in their home for 2 years. This is true of all age groups with only the under 25s expecting to stay a little longer – 53% anticipate a stay of 3 or 4 years, although even then 40% expect a shorter stay. The 55 to 64 age group has the most wanting to stay 10 years or more (22%), dropping to just 4% of 25 to 34-year-olds.

► Reason for length of stay



Decisions around length of stay are driven primarily by personal and financial circumstances rather than preference alone. The most common reason cited is not wanting or needing to change, selected by 33%, followed by buying, saving for or building a property at 28%. Job requirements account for 16% of responses.

Affordability constraints are also evident. 11% say they cannot afford to change, while a further 11% say they cannot afford to stay longer. Changing family needs, property condition or suitability each account for 11%, reinforcing the role of life stage and property quality.

Smaller proportions cite pet requirements at 7% or the landlord wanting the property back at 4%. Overall, the results show that length of stay is shaped by a combination of stability, affordability and external pressures, rather than a single factor.

▶ **Has your anticipated length of stay changed now all tenancies are periodic?**

For most tenants, the shift to periodic tenancies has not changed expectations around length of stay. By contrast, 12% say they expect to stay for less time, suggesting the impact of periodic tenancies is uneven and shaped by individual circumstances rather than universal behaviour change.



Wider cost pressures are a dominant factor in housing decisions. A combined 71% say costs influence where they choose to live either a great deal at 33% or quite a lot at 38%. A further 21% say costs influence their choices a little, leaving just 8% who say cost pressures are not influencing their decisions at all. This highlights affordability as a central constraint on tenant choice, even where longer-term stability may be desirable.

▶ **How much are wider cost pressures influencing where you choose to live?**



Rental Values

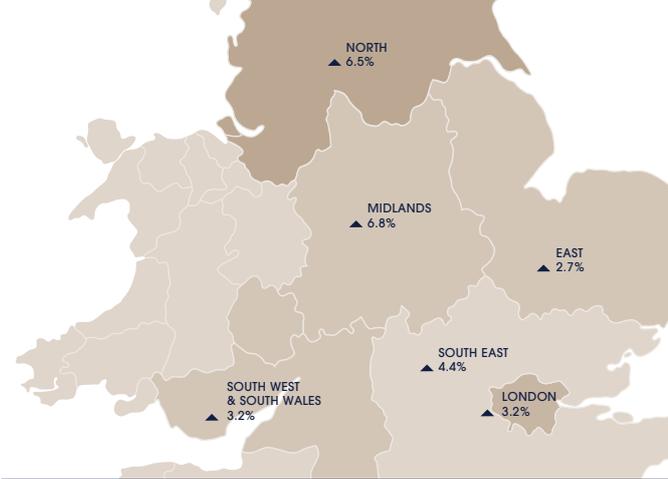
Q4 2025*

Region	Dec 25	Nov 25	Month Change	Dec 24	Year Change
South East	1,257	1,255	0.1%	1,204	4.4%
South West & Wales	1,098	1,098	0.0%	1,065	3.2%
London	1,789	1,788	0.1%	1,733	3.2%
Midlands	846	845	0.1%	792	6.8%
East	967	966	0.2%	942	2.7%
North	915	915	0.0%	859	6.5%
Total	1,203	1,202	0.1%	1,157	4.0%

*All Tenancies

Regional View Highest increases by region

Region	Dec 25	Nov 25	Month Change	Dec 24	Year Change
East					
Spalding	870	870	0.0%	766	13.6%
Lowestoft	767	759	1.1%	707	8.6%
Woodbridge	996	991	0.5%	922	8.0%
Ipswich	902	901	0.1%	854	5.6%
London					
Surbiton	1,535	1,535	0.0%	1,418	8.3%
Woodford	1,755	1,752	0.2%	1,649	6.5%
Dulwich	1,998	1,992	0.3%	1,880	6.3%
Lewisham	1,428	1,423	0.4%	1,346	6.1%
Midlands					
Leamington Spa	1,171	1,170	0.0%	997	17.4%
Kings Norton	889	889	0.0%	791	12.5%
Northampton	982	980	0.2%	889	10.5%
Kenilworth	1,017	1,017	0.1%	930	9.4%
North					
Liverpool	869	870	-0.1%	727	19.4%
Warrington	832	833	-0.1%	741	12.3%
St Helens	733	727	0.8%	666	10.0%
Manchester	1,138	1,140	-0.2%	1,060	7.3%
South East					
Rustington	1,163	1,162	0.1%	965	20.6%
East Grinstead	1,363	1,356	0.5%	1,221	11.6%
Shanklin	892	889	0.4%	815	9.5%
Buckingham	1,256	1,253	0.2%	1,152	9.1%
South West & South Wales					
Christchurch	1,104	1,109	-0.4%	873	26.4%
Cheltenham	1,042	1,044	-0.2%	925	12.6%
Stroud	928	925	0.4%	878	5.8%
Roath	1,056	1,054	0.2%	1,003	5.3%



What our Regional Directors say

"Surbiton continues to attract steady tenant demand, particularly from professionals and families drawn to its strong transport links and lifestyle offering. Well-priced, good-quality homes are letting reliably, although tenants are increasingly value-driven and expect properties to be presented to a high standard.

"Dulwich remains a desirable and resilient rental market underpinned by its village feel, green spaces and school catchments. Demand is consistent, but pricing accuracy is key, with tenants taking more time to make decisions and favouring properties that offer clear long-term value.

"Lewisham continues to benefit from its relative affordability and improving connectivity, which is sustaining healthy levels of tenant interest. Activity remains strong, particularly for well-located flats, although landlords are needing to be more responsive and realistic to secure timely lets."

David Montero, Regional Lettings Director, London

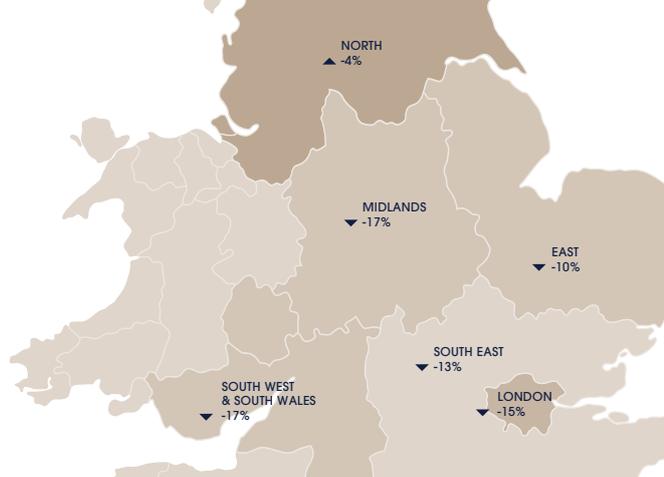
"Rents in East Grinstead are increasing due to supply and demand. There were a few periods last year when there were hardly any rental properties online, so we were able to command higher rents. We were also increasing a lot of relet properties that were way below market value when they came up for re-advertising."

Kathy Taylor, Regional Lettings Director, South East

"In Buckingham, the value of average rents has been increasing consistently. There has been a lot less stock in the area in general. Demand has increased in Milton Keynes but supply is still fairly strong. There is a lot of the same type of property so each applicant will view 10-15 different properties before making a decision."

Shaun Barnett, Regional Lettings Director, South East

Tenant Property Viewings Q4 2025



Region	Annual Change (Q4 2024 to Q4 2025)	12 Month Change (Jan 24-Dec 24 to Jan 25-Dec 25)
North	-10%	-4%
East	-30%	-10%
South West & Wales	-18%	-17%
London	-27%	-15%
South East	-18%	-13%
Midlands	-25%	-17%
Total	-20%	-13%

Regional View Highest increases by region

Region	Quarter Year-on-Year Change (Q4 2024 to Q4 2025)	12 Month Change (Jan 24-Dec 24 to Jan 25-Dec 25)
East		
Woodbridge	10.5%	113.9%
Norwich	20.6%	-4.8%
Lowestoft	-34.5%	-5.1%
Ipswich	-61.3%	-10.0%
London		
Lewisham	-26.9%	24.6%
Brentford	16.6%	23.3%
Docklands	2.4%	17.7%
Walthamstow	-30.5%	10.1%
Midlands		
Worcester	-6.3%	27.8%
Bromsgrove	2.2%	8.8%
Leamington Spa	-2.1%	3.6%
Kenilworth	-12.9%	1.1%
North		
Chester	66.3%	54.5%
Sheffield	-7.7%	22.7%
Northwich	32.2%	17.9%
Liverpool	-21.9%	15.8%
South East		
Sevenoaks	0.0%	29.8%
Witham	-47.5%	28.7%
Milton Keynes	71.0%	27.8%
Gerrards Cross	34.6%	18.3%
South West & South Wales		
Bournemouth	-12.2%	3.4%
Cheltenham	-16.7%	-10.7%
Bath	-0.7%	-15.1%
Poole	-48.8%	-23.9%

What our Regional Directors say

"2025 saw some landlords exit the market, driven mainly by a good sales market and the uncertainty surrounding the Renters' Rights Bill. We therefore saw a slight drop in stock which in turn increased the average rent across the region. Demand is still extremely strong, and we expect this to strengthen more in 2026, which again will positively affect average rents. Although in some cases average viewings are slightly lower than in 2024, demand is still high and properties are having tenancies secured quickly, keeping voids to a minimum. It is essential that asking prices are accurate as we have seen some competitors overpricing just to gain the instruction only to have the property sit on the market longer until it's reduced."

Graham Mitchell, Regional Lettings Director, East of England

"Stock levels were lower in the last quarter of 2025 than in the same period of the previous year, which had an impact on the volume of viewings. However, lower supply meant rent levels rose slightly."

John Williams, Regional Lettings Director, London

"Christchurch has seen continued rent growth as it's a small market town close to the beach with strong links to the main town centre - there's very little inventory, which keeps prices high. Viewing numbers are down in Bournemouth, which is caused by falling net migration into the town alongside other social factors like the Council's lack of funding on regeneration, which has reduced its desirability as a place to reside currently."

Chris Myers, Regional Lettings Director, South East

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