

LOMOND

Lomond Quarterly Insights

Autumn 2026

Property wisdom at work



Head Office
70 St. Mary Axe, London EC3A 8BE
lomond.co.uk

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Introduction

Built for the long game

New leadership, a shared direction and standards independently recognised

Change has been the only constant in Lomond's last quarter; a powerful new leadership team joined the Group, set against an external backdrop of a sector grappling with legislative, geopolitical and fiscal headwinds. We welcomed three new businesses into the fold, with Ocean joining as our new hub in Bristol, FHP Living entrenching our Nottingham outpost, and City Residential complementing our established Liverpool brand, Homesure. The Autumn Budget introduced further disturbance to a sector already absorbing major reform, with yet more tax hikes for landlords. However, perspective matters, and the fundamentals of property remain sound. The case for expert guidance and a long-term property partner has never been stronger, whether selling, buying or operating a portfolio.

Further professionalisation

As margins narrow and the taxation of property income drifts further from that of general income, the professionalisation of the sector set in motion by the Renters' Rights Act will only intensify. There may be yet more landlords holding property through companies, thereby unaffected by this increase; however every portfolio has its own nuance, and bespoke advice remains the essential ingredient. Close partnership with good agents, alongside sound tax planning from a specialist, is still the most reliable route through this market.

A leadership team built for scale

The quarter saw the Group welcome new key leaders, Steve Maddock and Darrell Evans, as Chief Operating Officer and Chief Commercial Officer, complementing Paul Geddes's executive team. Underpinned by our Chief Revenue Officer structure, value is already being unlocked across the network.

We also convened our first company-wide Town Hall, at which colleagues put their questions directly to the leadership team. It firmly established Lomond's direction towards becoming the UK's leading residential property group, distinguished by the quality of our service and the strength of our brands. We will measure success not by the number of acquisitions or the size of the Group, but by customer outcomes, the calibre of our people and the quality of the place in which they work. Local brands endure, while the Group contributes scale and shared knowledge, with technology absorbing administrative burden so that time can be invested where it matters: in the relationships clients value.



Recognition amongst our peers

Lomond's emphasis on quality was borne out in the Best Estate Agent Guide 2027, an independent assessment of more than 13,080 UK agencies. Lomond won 13 Golds and two Silvers across ten brands, spanning sales and lettings. KFH was named the UK's best large sales agency and Ocean its best medium sales agency. Charters, Cathedral, Julian Wadden, Linley & Simpson and Prospect also took Gold, with Silvers for DJ Alexander and Julian Wadden, and Clyde Property claimed Gold for sales for a fifth consecutive time. Sustaining this standard alongside growth demands real commitment, which is why independently assessed recognition carries such weight. Congratulations to the team behind every winning brand.

Whatever the market brings, our purpose is constant: to give landlords, tenants, buyers and sellers the advice, service and partnership they need to navigate the sector today and in future.

Our ambition is to build the UK's leading network of lettings and estate agencies, and these accolades demonstrate that we are well on our way to that goal.

Lettings

Clarity becomes confidence

From compliance to opportunity

Following the industry's most significant regulatory reforms in a generation, the lettings market is increasingly defined by adaptation rather than anticipation. The uncertainty that surrounded the implementation of the Renters' Rights Act has largely given way to a more practical focus on compliance, operations and long-term performance, as landlords and lettings agents adjust to a new operating environment.

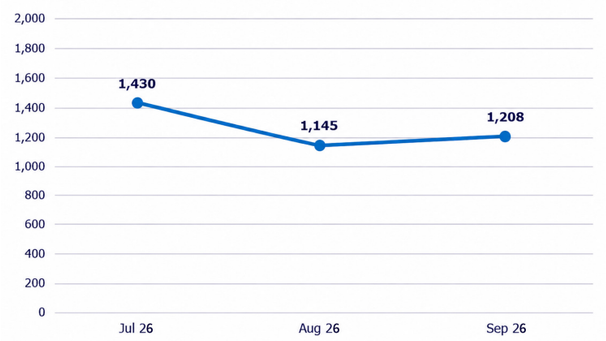
Despite concerns that regulation could dampen investment, the underlying fundamentals of the rental sector remain resilient. Across the Lomond network, the average monthly rent now stands at £1,375 pcm, representing annual growth of 2.2%, while tenant demand continues to outstrip available supply in many parts of the country. At the same time, affordability remains a defining influence on renter behaviour, as rising housing costs continue to outpace income growth in many areas of the market. Activity levels remain robust, although the market is showing signs of becoming more selective. Tenants are taking a more considered approach to securing their next home, placing greater emphasis on location, quality and long-term suitability. Demand also remains broad-based, supported by both domestic renters and a significant international tenant demographic, which now accounts for more than a quarter of tenancies across the markets tracked. For landlords, this reinforces the importance of presentation, service and professional management in securing the right tenant, rather than simply the swiftest.

The regulatory and fiscal landscapes continue to evolve. Alongside the Autumn Budget's unexpected announcement of a 2% increase in tax on property income, taking the total rise in April 2027 to 4%, the Government has confirmed the launch of the Register Your Rental Property database. With a phased regional rollout beginning in December, landlords are entering a period where transparency, compliance and record-keeping will become increasingly important. At the same time, the Government's Your First Home equity-loan scheme may improve access to home ownership for some renters over the longer term, although demand for rented accommodation is expected to remain resilient given continuing affordability pressures and supply constraints.

As the sector enters its next phase, the focus is shifting from understanding change to operating successfully within it. Demand remains resilient, the regulatory framework is becoming embedded and professional operators are well positioned to help landlords navigate an environment that increasingly rewards expertise, compliance and long-term thinking.

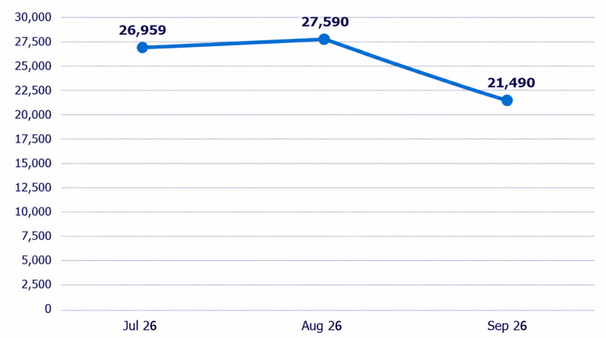


Lettings supply: appraisals



LomondiQ

Lettings demand: viewings



LomondiQ

Market metrics

UK average monthly rent Percentage change YoY	**£1,375** **+2.2% YoY**
UK rental inflation Average let agreed price Q1 YoY	**+2.2%**
Tenant affordability Percentage change YoY	**-32.7%** **-0.7% YoY**

LomondiQ, HomeLet

Performance across our network

Supply
Appraisals
4,035
Q3 2026

Activity
Viewings
76,039
Q3 2026

Market Rate
Average rent PCM
£1,375
Q3 2026

PUM
Properties Under Management
69,000
Q3 2026

LomondiQ, HomeLet

Group wide totals during time period specified.

Sales

A market priced for reality

Expectations meet affordability

The sales market has been under continued pressure from affordability constraints, higher borrowing costs and subdued consumer confidence in recent months. While activity has sustained, the pace of the market is increasingly dictated by buyer confidence and affordability rather than seller expectations. In this environment, realism has become one of the most important drivers of successful transactions.

The latest market data reflects a decidedly muted backdrop for residential sales. UK transaction volumes in September totalled 97,940, representing a -4% year on year downturn, while annual house price growth sits at 0.9% (UK HPI Aug 2026), bringing the average UK property value to approximately £273,000 (UK HPI Aug 2026). Across the market, seller activity has moderated and agreed sales volumes have softened, reflecting a more cautious environment for both buyers and sellers. While fewer homeowners are choosing to test the market, those who do are generally more motivated to move, creating opportunities for well-positioned buyers to negotiate and transact with greater confidence.

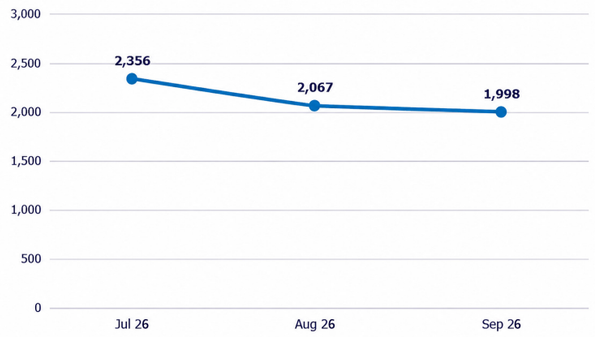
Affordability remains the dominant force shaping behaviour. The Bank of England Base Rate increased to 4.0% in November, while average two-year and five-year fixed mortgage rates stand at 5.97% and 6.00% respectively. Mortgage approvals fell to 53,400 in September, down from 54,800 in August, reflecting their lowest levels since December 2023. While selected sub-5% mortgage deals remain available, buyers continue to face significantly higher borrowing costs than they have become accustomed to in recent years. Those who remain active in the market tend to be well financed, highly informed and prepared to negotiate firmly, making pricing strategy more important than it has been for several years.

The Autumn Budget delivered a significant boost to housing policy through the announcement of £4.7bn for the new Your First Home equity-loan scheme, designed to support first-time buyers into home ownership. However, equally important was what the Budget did not contain; with no further changes to Stamp Duty Land Tax announced, buyers and sellers have greater policy certainty than in recent years, removing the prospect of another tax-driven shift in activity.

The wider economic backdrop remains finely balanced. Inflation has risen to 3.5%, while GDP growth slowed to 0.1% in August. Although unemployment improved, revised OBR forecasts point to slower growth and higher inflation through 2027. Against this backdrop, the balance of negotiating power has shifted in buyers' favour, to a degree not seen for several years. Properties that are priced realistically and presented well continue to attract interest, while sellers seeking to achieve premium pricing face greater scrutiny. As the market moves into 2027, success is likely to depend less on market momentum and more on understanding value, managing expectations and responding decisively to changing conditions.

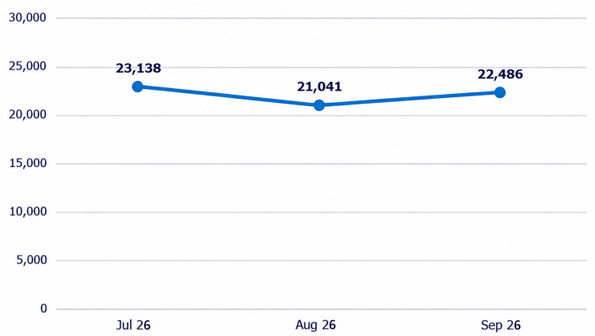


Sales supply: appraisals



LomondiQ

Sales demand: viewings



LomondiQ

Market metrics

Average UK property value Percentage change YoY	**£273,037** **+0.9% YoY**
NHBC new home registrations 2025 Percentage change YoY	**26,231** **-13% YoY**
Bank of England base rate Percentage change YoY	**4%** **No change YoY**
Mortgage approvals Percentage change YoY	**53,443** **-19.4% YoY**

GOV.UK, Bank of England, economyvitals.co.uk

Performance across our network

Supply
New instructions
5,285
Q3 2026

Activity
Viewings
66,665
Q3 2026

Demand
Buyers
29,457
Q3 2026

Performance
Sales agreed
7,820
Q3 2026

LomondiQ
Group wide totals during time period specified.

LIM

Lomond Investment Management (LIM) is a specialist residential operating partner. As capital pours into rented homes, the winners will be the owners whose assets are run best.



LOMOND
INVESTMENT MANAGEMENT

We manage new build, secondary and distressed SFR, BTR, Co-Living and PRS assets. Our focus is on delivering consistent outperformance. Each client works with a dedicated manager who has a team of experts in finance, compliance, resident experience, lettings and more. We prioritise maximising value, de-risking launches and driving long-term growth to protect and enhance your investment.

"Capital is flowing into residential rental. What protects the income is how well the homes are run, and that is exactly what LIM was built to do."



Hannah Farmer
Managing Director

UK BTR INVESTMENT IN Q3

£900m +

YEAR-TO-DATE BTR INVESTMENT VOLUMES

£4bn +



FOCUS AREAS

Key priorities in our new three-year strategy.

1. Purpose-built rental
2. Councils and housing associations
3. Portfolio landlords

MORE THAN A MANAGING AGENT

Capital is in healthy supply in UK residential property. Institutional owners and investors need confidence that their homes will perform once built, bought or let, and LIM exists to provide it. As a residential operating partner, we deliver a fully integrated, data-driven management solution that removes complexity, risk and time burden for owners and investors, providing more than the average managing agent.

A SPECIALIST BUSINESS, NOT A BRANCH SERVICE

LIM runs as a standalone specialist business with central governance, consistent reporting and a dedicated client accounts team, rather than a service that varies from branch to branch. Owners get one operating standard, one point of accountability and one version of the numbers across every asset we manage.

The result is less for owners to oversee and fewer places for risk to hide.

Who we work for

- Build-to-rent (BTR), single-family housing, private rented sector, student and co-living owners
- Councils and housing associations
- Private landlords with larger portfolios

LATEST DEVELOPMENTS

With a relaunched strategy that focuses on purpose-built rental blocks, councils and housing associations, and portfolio landlords, LIM is on a strong growth trajectory. Talent remains a priority alongside growth, and Sue Winterbourne's appointment as Business Development Director reflects that. Sue will lead new business and partnerships as we pursue this strategy, helping more owners and investors benefit from a specialist operating partner.

Operationally, our systems are set up not only to give clients clearer portfolio insight, but to mobilise new portfolios quickly and report on them consistently. Underpinning it all is compliance: institutional clients benefit from this core, established strength at LIM.

AN OPERATING MODEL FOR THE FUTURE

Capital is flowing

Investor appetite for UK BTR is strong. More than £900m of investment was recorded in Q3, taking year-to-date volumes above £4bn, with 2026 on track to be a record year.

Single-family housing excels

Single-family housing is setting the pace, with development funding now spreading the model across more English regions. New regions bring more sites, more variation and greater reliance on consistent technology and systems.

From how many to how well

The conversation has moved on from how many homes can we build to how well are they run. Capital is available, but returns now depend on operational performance as major players in construction turn to BTR and away from traditional new home sales. Leasing, resident retention, compliance and reporting are what protect income, and they are where an operating partner earns its place.

That is why LIM's operating model plays a direct role in BTR yields and occupancy levels. Central governance keeps standards consistent as portfolios grow. Data and reporting give owners visibility to act early, compliance gives institutional capital the assurance it expects, and a dedicated accounts team keeps the numbers clear. For owners and investors, the question is no longer whether the homes can be delivered; it is whether the income generated is protected, and LIM is equipped to deliver that at scale.

Scotland

DJ Alexander and Clyde together operate the largest lettings agency in Scotland. Our branch network covers all the key and strategic locations in the country.

D.J.ALEXANDER
Sales & Lettings

clyde
PROPERTY

DJ Alexander has been a trusted name in residential sales and lettings across Edinburgh, Glasgow, Dundee, Aberdeen and St. Andrews for almost 45 years. Now in partnership with Clyde Property, the Scottish footprint has expanded, with Clyde overseeing operations in the West while DJ Alexander manages operations across Eastern Scotland.

LETTINGS

Tenants are staying put for longer.

Relets

-20% YoY



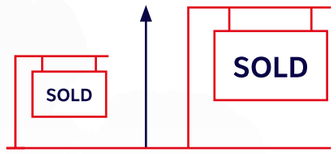
Q3 2026 vs Q3 2025

SALES

Momentum building as deals progress.

Sales agreed

+17% YoY



Q3 2026 vs Q3 2025



"Whether letting or selling, Scotland's market is rewarding those who come prepared. Tenant demand remains strong while supply stays tight, and buyers and sellers are acting with clear purpose as we look ahead to 2027."

Kevin Fraser
Managing Director, DJ Alexander

Strong demand meets limited supply

Supply defines market

Scotland's lettings market remained strong in Q3 and has been less affected by wider economic factors than the sector south of the border. After several years of sharp rent rises, particularly on new lets, rents in Scotland have now levelled off, bringing a welcome period of stability. Well-presented homes priced in line with the market are letting quickly, and demand is well supported in key university towns and cities, where an average of five to ten applicants are putting forward offers on a single property.

Tenants are showing clear signs of valuing the homes they currently let, with the number of properties being relet down 20% compared with the same period last year, reflecting a stable and settled tenant base. Among those who are moving, many are prioritising location over space, choosing a smaller home in a central position or with good transport links. Well-connected areas offering strong commuter routes into the city, and good value, are attracting growing interest, and this is expected to continue.

Landlord decisions

Landlords who have adjusted their portfolios and offloaded a property have typically sold to owner-occupiers, and more specifically first-time buyers, where demand across our sales business is greatest, while investors buying with tenants in situ remain active. Capital Gains Tax plays a significant part in decisions to hold or sell, and the planned UK property income tax increase from April 2027 does not apply in Scotland. Landlords are sensibly awaiting the detail of the Scottish Budget before their next move.

Considered and intentional

The sales market showed signs of positivity, activity and resilience, with the number of sales agreed up 17% compared with Q3 last year. There has been plenty of demand for good properties priced correctly from the outset, as buyers are increasingly well informed and considered. Weighing price, location and condition equally, this more measured pace is a sign of a healthier market. First-time buyers remain active, particularly in Glasgow, while landlords and investors are reviewing whether to hold or reinvest.

Among existing homeowners, many are choosing to stay put or make a sideways move rather than step up the ladder. Those downsizing from larger homes are releasing equity and looking for something smaller that does not compromise on quality. This creates a clear opportunity for properties traditionally seen as first homes, provided they offer a high standard of finish and practical extras such as utility rooms, en suites and off-street parking. Vendors and developers who recognise this demand should be well placed to secure strong interest as confidence continues to rebuild.

Future outlook

We anticipate the usual seasonal rhythm of the lettings market towards the end of 2026, and presenting homes well and pricing correctly will help minimise void periods. Councils are assessing local rents ahead of possible rent control areas, and we expect landlords to bring rents in line with the market in advance.

The UK Budget delivered a relatively stable outlook for the sales market, with no significant changes affecting buyers and sellers. While wider reform to stimulate housing market activity would have been welcome, greater fiscal certainty provides reassurance for those considering their next move. Edinburgh, Glasgow, and Aberdeen remain highly desirable places to live and invest, and providing expert local advice to clients to be able to proceed with confidence in a steady, balanced market is paramount. We expect momentum to build in the new year following the Scottish Budget in December.

Yorkshire

From Harrogate and York to Leeds and Sheffield, our branches span the breadth and depth of Yorkshire.

LINLEY & SIMPSON

HARDISTY

Whether you're a seasoned landlord with an extensive portfolio or a first-time investor, a buyer or a seller, our expertise ensures your property is handled with professionalism and attention to detail.

LETTINGS

Rising tenant registrations reflect market activity.

Average monthly rent

£1,053

£ +5.6% YoY

Q3 2026 vs Q3 2025

Tenants registered

+4% YoY

Q3 2026 vs Q3 2025

SALES

Subdued instructions, sustained demand.

Sales instructions

-1.9% YoY

Q3 2026 vs Q3 2025



"Demand has remained consistent across the market and landlords who understand the changes brought about by the Renters' Rights Act have adapted accordingly. The market continues to reward those who take a realistic and proactive approach, while remaining open to all available routes to a successful sale, including auction."

David Mear
Managing Director

Holding ground in Yorkshire

Landlords adapt

Demonstrating continued resilience, the Yorkshire lettings market recorded average monthly rents of £1,053 in Q3, representing annual growth of 5.6%. Tenant registrations also increased by 4% over the same period, reflecting sustained demand across the region. Available stock levels remained consistent, with key Yorkshire towns showing no signs of reaching an affordability ceiling, highlighting that tenants are happy to pay a higher price for the right property.

Despite initial concerns surrounding the introduction of the Renters' Rights Act (RRA), the market has remained relatively stable six months on, with little evidence of the widespread landlord sell-off that had been anticipated. Landlords have adapted to the regulatory changes and are refining their strategies, accordingly, adjusting rents to align with market rates, and looking for new investment opportunities. Those committed to long-term property ownership are confident in both the underlying fundamentals of the lettings market and their ability to navigate the changes.

Tax changes shape decisions

Following the Budget announcements, landlords have greater clarity on the evolving tax landscape, prompting portfolio reviews and consideration of their longer-term investment strategies. While changes to taxation may influence individual investment decisions, they also present an opportunity for landlords to reassess their strategies, identify potential efficiencies and ensure their portfolios remain well positioned for the future.

Market resilience

August provided a boost to the Q3 sales market, with a notable uplift in both new instructions and sales agreed. September saw a more moderate level of activity, with the market settling following August's stronger performance. Sales instructions remain 1.9% lower year on year, while sustained buyer demand has contributed to an improved completion rate compared with 2025. This suggests that, despite more subdued levels of new supply, activity among committed buyers and sellers remains encouraging.

Market activity is increasingly being driven by motivated vendors, with speculative sellers becoming less prevalent. Vendors entering the market are increasingly likely to have a clear motivation to move, creating a more considered and realistic sales environment.

A proactive approach

As the market moves into Q4 and the new year, the focus will be on maintaining a proactive approach to sales, supporting vendors in achieving successful transactions and maximising opportunities across the market. Communicating the continued strength of the auction sector to prospective sellers will remain a key priority, reinforcing its position as an effective alternative route to sale.

The lettings market is expected to remain robust through the remainder of the year, supported by consistent stock levels, strong tenant demand and continued rental growth. The Budget announcements have provided greater clarity around the evolving tax landscape, with some landlords likely to review their portfolios and reassess their longer-term investment strategies. However, those with a long-term commitment to the sector are expected to remain active. Furthermore, with many properties being purchased by private buyers rather than other landlords, any significant shift in the supply of rental homes is considered unlikely.

North West

Now covering Liverpool and its surrounds, as well as Manchester, Stockport and Chester, our local experts have an unrivalled depth of knowledge in key cities in this region.



"Across the North West, activity remains strong, with buyers, sellers, landlords and tenants making considered decisions. Regional affordability, rental demand and diverse local economies continue to create opportunities, supported by our teams' expert local knowledge and market insight."

Samantha Smith MARLA
Lettings Director

LETTINGS

Average rent continues to increase year on year.

Average monthly rent

£1,134

+5.1% YoY

Q3 2026 vs Q3 2025

Relets

-10.9% YoY

Q3 2026 vs Q3 2025

SALES

Property prices on the up.

Average property price

£342,000

+6.9% YoY

Q3 2026 vs Q3 2025

THORNLEY GROVES

JULIAN WADDEN

HOMESURE

Managing thousands of properties in the North West, providing expert services in property sales, lettings and management. Using advanced technology, our teams deliver seamless and flexible service to landlords and homeowners across the region.

Resilient demand, selective decisions

Demand holding firm

The North West entered Q3 with cautious optimism, maintaining activity despite ongoing economic pressures and evolving consumer behaviour. Underlying demand remained resilient across both sales and lettings, although buyers and tenants continue to adopt a more considered approach to their property decisions.

Affordability remains a key driver of the region's appeal, attracting first-time buyers, home movers, investors and tenants seeking value, connectivity and long-term growth potential. Conditions are increasingly indicating a more balanced market, in which realistic pricing, property quality and alignment with current market expectations are proving critical to achieving successful outcomes.

Tenants staying put

Average monthly rents continued to climb in Q3 2026, reaching £1,134 and marking annual growth of 5.1%. Although rental values continue to rise, the pace of growth has moderated compared with previous years, suggesting a gradual shift towards more sustainable market conditions. A key trend identified over the course of Q3 has been a reduction in tenant mobility. Relet volumes are currently 10.9% lower year on year, suggesting that more tenants are opting to renew their existing tenancies rather than incur the costs and uncertainty associated with relocating.

The lettings sector continues to navigate the changes brought about by the Renters' Rights Act (RRA), with landlords and agents adapting to the evolving regulatory landscape. Professional guidance, proactive property management and robust tenant referencing are playing an increasingly important role, while landlords remain focused on long-term investment performance amid changing market conditions.

Affordability pressures are becoming more pronounced in Manchester City Centre and some of South Manchester's most sought-after suburbs. Tenants are increasingly weighing location, property size and specification against budget, creating greater demand for well-connected neighbouring areas that offer a more competitive balance between cost and convenience.

A selective market

As the market moved into autumn, sales activity began to show signs of renewed momentum following a more subdued summer. Across Greater Manchester and Cheshire, sales agreed increased by 12.9% in September compared with July and August, while new instructions rose by 21.3%, providing a positive finish to the quarter.

Market activity continues to vary across local areas, highlighting the importance of detailed local market knowledge. Within our network, Monton, Stockport, Didsbury and Heaton Moor are currently among the most popular locations across their respective patch. Local demand, property availability and buyer preferences continue to shape activity at an area level, underlining the importance of accurate pricing strategies.

Investor activity remains, although purchasing decisions have become more considered. Our landlord buyer profile places emphasis on rental yields, income potential and long-term capital appreciation before committing to new acquisitions.

Confident outlook

Market conditions are expected to become more subdued towards the end of the year, as activity typically moderates ahead of the Christmas period. Nevertheless, underlying market conditions remain supportive, with continued rental growth, increased demand and relative affordability helping to sustain the region's appeal to buyers, tenants and investors.

As the market looks ahead to 2027, the North West continues to demonstrate why it remains one of the UK's most attractive regions for both property investment and homeownership.

Midlands

Our Midlands region extends our reach from Birmingham to Nottingham and Derby.



"This quarter has shown that professionalism pays off. Landlords and tenants have settled into the new legislative framework with confidence and the combination of strong yields and sustained competition for homes keeps the Midlands one of the most compelling markets in the country."

David Alexander
CRO

LETTINGS

Rental values continued to rise.

Average monthly rent

£1,266

+8% YoY

Q3 2026 vs Q3 2025

Applicants per property

+3% YoY

Q3 2026 vs Q3 2025

SALES

Lower supply creates more demand.

Applicants per property

+5% YoY

Q3 2026 vs Q3 2025

John Shepherd

With over 8,000 properties under our care across the Midlands, we're trusted by landlords to deliver the best service possible. Whether you are a professional landlord or are thinking about renting out your own home, our expert team are here to help.

Strong yields, fierce competition

Yield-led resilience

Steady conditions characterised the Midlands lettings market in Q3, with rental yields continuing to shape activity. Data shows average buy-to-let gross yields are now standing at 7.22%, their highest levels since 2011*, with the East Midlands exceeding this at 8.10%, creating one of the strongest investment cases in the country. Locally, average rents reached £1,266 per calendar month in Q3, representing an 8% increase year on year. City-centre locations such as Birmingham and Nottingham experienced a particularly busy summer, with students and young professionals driving demand.

Improved tenant retention

Rather than triggering widespread disruption, the Renters' Rights Act (RRA) appears to be ushering in a period of greater stability across the lettings market. Contrary to predictions of a significant landlord exodus, there is little evidence of widespread withdrawal from the sector. Instead, the more notable shift has been in tenant behaviour and market dynamics. Tenant move-outs were 14% lower year on year, reducing the number of properties returning to the rental market. Meanwhile, applicant numbers per property increased by 3% year on year to almost 33, significantly exceeding the national average of approximately 10 enquiries per property, as reported by Rightmove. This points to sustained tenant demand, coupled with reduced rental stock availability, making for a competitive and highly active market.

The distinction between vacant and tenanted properties when selling continues to influence buyer demand, with first-time buyers typically favouring vacant homes and investors showing greater interest in properties with tenants in situ. However, delays in securing vacant possession are contributing to a growing trend towards selling tenanted properties, thus favouring sales to investors. Strategies are also evolving in response to regional market conditions. In the East Midlands, demand is particularly focused on higher-yielding assets, including HMOs and student accommodation. In comparison, the West Midlands finds investors placing greater emphasis on potential rental growth. There is an increasing preference for purchasing through limited companies and acquiring professionally managed, compliant properties, reflecting continued confidence in the rental market.

Strong demand

Buyer appetite continues to underpin the sales market, despite a more limited choice of properties coming to market. Applicants per property increased by 5% year on year, indicating that buyers are engaging closely with the homes coming to market.

Valuation activity softened year on year, potentially reflecting greater caution among prospective sellers amid ongoing economic and political uncertainty. However, periods of reduced valuation activity can often precede a recovery as uncertainty begins to ease and homeowners regain confidence in their moving plans. With the Autumn Budget behind us, there is potential for pent-up demand to translate into a busier start to 2027, supported by the market's typical seasonal uplift in activity.

Momentum into Q4

With greater clarity around the fiscal changes due to take effect in April 2027, landlords are beginning to review their ownership structures and consider what adjustments may be needed to their portfolios.

With tenant retention remaining high and applicant numbers continuing to grow, rental supply is likely to remain constrained throughout the winter months, but in turn supporting rental values.

**Source: Paragon Bank 2026*

London

Expanding our foothold in the Capital, with our flagship brands affording access to global as well as local investors.



Chase Evans

Adam Holden
Managing Director



draker. | KFH

Duncan Blakelock
Managing Director - Lettings



Kinleigh Folkard & Hayward

Esmee Jones
Managing Director - Lettings



Kinleigh Folkard & Hayward

Lisa Mackenzie
Managing Director - Sales

We deliver a comprehensive range of lettings, estate agency and property services across London, priding ourselves on providing unrivalled service, communication and results to both national and international clients.

LETTINGS

Landlords show confidence in the market.

Valuations

+9% YoY



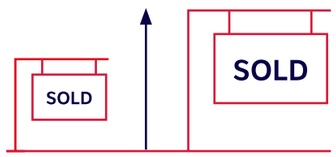
Q3 2026 vs Q3 2025

SALES

Sold more properties than any other agent.

Properties listed as 'sold' compared to the next agent in our patch

+141%



Q3 2026



"Landlords have met the Renters' Rights Act with confidence, and tenant demand has remained strong throughout. With the Budget now behind us, we expect buyers and sellers to approach the coming months with greater confidence and purpose."

Esmee Jones
Managing Director

Confidence in lettings, clarity in sales

Market movement

The past quarter brought significant change to day-to-day lettings activity with the Renters' Rights Act (RRA), and the London lettings market has responded confidently. Landlords have adapted well; activity remains strong and demand continues to outpace supply, with some areas of the Capital achieving record rents. That confidence is reflected in yields being at their highest in a decade* and in lettings valuations up 9% compared with the equivalent period last year.

The Act has also reshaped the rhythm of the market. With the option of serving notice at any time during a tenancy, relets follow less of a calendar cycle and arise more sporadically, levelling out the traditional peaks and troughs. Properties returning to the market are unlocking additional supply, providing a welcome boost to a market that remains undersupplied.

Some landlords who chose to offload property within their portfolios have found the sales market to present its own challenges, and a growing number are returning to let. Landlords considering reducing their portfolio size should weigh the benefit of ongoing monthly returns against the timing of any capital gain, seeking independent tax advice before acting. In most cases, a London property will attract far more demand from tenants than from buyers.

Yielding opportunities

In popular parts of London, rents show no sign of reaching a ceiling. Tenants are prepared to pay a premium for good quality, well-located homes, supported by a 4% increase in average rents compared with the same period last year. With yields at a decade high and increasingly favourable purchase prices available, there are attractive opportunities for landlords to expand their portfolios. Our sales teams have already seen investors return for this reason, and those who act now should be well placed to maximise the value of their investment.

Selling success

A seasonal 'cool' period, typically seen in the sales market over summer, saw many buyers and sellers choose to wait for the outcome of the Budget before making decisions. Despite this, KFH sold more properties than any other London agent throughout the period**, and our teams continue to guide sellers on presentation, pricing and timing to help them achieve their desired outcome.

Following the Budget, we expect the market to continue to settle. Buyers and sellers use Christmas as a natural target date to exchange or complete, in turn helping to build activity through the final months of the year. More favourable pricing has drawn first-time buyers into the market, helping other buyers move up the ladder or make lateral moves, and the introduction of new Government-backed incentives in the Your First Home scheme should support this movement further.

Looking ahead

London enters 2027 from a position of stability and growing confidence. Lettings demand remains firm, yields are attractive and returning supply is easing pressure in a market that remains undersupplied. In sales, a settled post-Budget market, improved affordability and growing first-time buyer activity should build momentum into the new year. For landlords, buyers and sellers alike, it is a market that rewards informed, decisive action.

**Source: Paragon Bank 2026 Buy-to-let yields hit 15 year high*

***Source: ZooplaPro Q3 2026*

Kent

The ever popular ‘Garden of England’, Kent is a property hotspot serviced by our team at Miles & Barr.



"Amidst ongoing market uncertainty, the quality and consistency of our advice remain a constant. By providing clients with clear, considered guidance and a realistic view on market conditions, we continue to help them make informed decisions and navigate opportunities with confidence."

Rob Sabin
Managing Director

LETTINGS

Rents remain stable.

Average monthly rent

£1,152



Q3 2026 vs Q3 2025

Valuations

+4% YoY



Q3 2026 vs Q3 2025

SALES

Healthy buyer appetite.

Applicants per property

4 **Same as last year**



Q3 2026 vs Q3 2025

miles&barr

With over 25 years’ experience helping people in Kent sell and let properties, our aim is to support clients in achieving their property goals with service and expertise that exceed expectations.

Realism reaps rewards

Tenants take their time

Six months into the Renters’ Rights Act (RRA), the lettings market is adapting to the new regulatory landscape. Rents remain broadly stable, increasing by 0.5% year on year, and competition among tenants remains strong. The restriction on rental bidding above the advertised price has reinforced the importance of setting the right rental price from the outset. Properties priced in line with current market expectations are better positioned to attract interest and secure tenants quickly, while those launched at more ambitious levels have increasingly needed price adjustments. This has been particularly evident among one- and two-bedroom apartments and properties marketed at £2,000 per month or above.

The introduction of a two-month notice period has also reduced the urgency traditionally associated with the lettings process. Tenants are taking a more considered approach to their property search, with greater flexibility to arrange viewings and compare multiple options before making a final decision. While this can extend the decision-making process, it gives prospective tenants more opportunity to assess their choices carefully, potentially resulting in better-informed decisions and a stronger commitment to the property they ultimately choose.

While tenants continue to adjust to the new notice arrangements, some have used periodic tenancies to facilitate a quicker departure. Nevertheless, the prevailing trend is towards greater stability, with most tenants choosing to remain in their current homes unless a specific reason prompts them to move.

Landlords settle

Landlord sentiment has stabilised, with notices served remaining significantly below pre-RRA levels. A 4% increase in lettings valuation enquiries suggests growing landlord confidence, with more property owners showing an appetite to bring properties to the rental market and capitalise on opportunities within the sector. Some landlords are exploring alternative exit strategies, including offering tenants the opportunity to purchase the property or selling with the tenant in situ. Investor demand is showing signs of recovery, with individuals looking to re-enter the market.

Selective, not subdued

The sales market showed signs of opportunity in Q3, although successful transactions increasingly hinged on realistic pricing and aligned expectations between buyers and sellers. Applicant numbers remained stable at approximately four per property, indicating sustained buyer activity, albeit with a more considered approach, comparing a wider range of properties and placing greater emphasis on value for money.

First-time buyer activity strengthened from mid to late Q3, with a rush to secure mortgage arrangements ahead of potential rate increases. Investor interest also showed early signs of positivity, with more realistic pricing improving the viability of buy-to-let opportunities in Dover, Ramsgate, Margate and Folkestone.

New year, new opportunities

As the market moves through Q4 and into 2027, buyer sentiment is expected to remain cautious, with mortgage affordability and the Autumn Budget shaping activity. Some deferred demand may return in the new year, although RICS forecasts suggest a period of broadly stable pricing rather than a significant market correction.

In the lettings market, continued under supply of available properties could place upward pressure on rents. Against this backdrop, accurate pricing, proactive client management and consistent conversion of available opportunities will be key to maintaining performance across both sales and lettings.

The South

Reaching from Portsmouth to Brighton and along the M3 corridor to Winchester and Farnham, our South region is the market leader for sales and lettings.



"Political and fiscal uncertainty will always create hesitation in our sector, but a proactive approach, consistent communication and quality advice continue to deliver results for our clients."

Neil McGimpsey
Chief Revenue Officer



Kevin Ashley
Sales Managing Director



Dan Frogley
Lettings Managing Director

Charters

From our Hampshire roots, Charters has grown into the South's leading estate agency, providing award-winning services from Surrey to the South Coast. Our local teams combine personal service with exceptional market knowledge to deliver tailored support at every stage of the property journey.

LETTINGS

Relets fell as more tenants choose to stay put.

Average monthly rent

£1,928



Q3 2026 vs Q3 2025

Relets

-55% YoY



Q3 2026 vs Q3 2025

SALES

Buyer demand increased.

Applicants per property

+6% YoY



Q3 2026 vs Q3 2025

Motivated movers shape the market

Adapting to the Act

Across the South, the lettings market remained robust in Q3, although limited supply and affordability continue to shape conditions. Competition has moderated from the post-pandemic peaks and with average rents at £1,928 per calendar month, affordability is playing a greater role in tenant behaviour.

The introduction of the Renters' Rights Act (RRA) has marked a shift in the lettings landscape, with the market moving beyond a state of concern and towards adjustment. Periodic tenancies and the removal of Section 21 notices have changed how landlords view risk, but most professional landlords have adapted rather than exited. The reforms have increased the importance of tenant selection, proactive management and long-term planning. The fiscal changes announced in the Budget are likely to influence how landlords structure and manage their portfolios, rather than prompting a wholesale exit from the market. Overall, confidence in the long-term strength of the rental sector remains firm.

Tenants remain

Relet volumes fell by 55% year on year in Q3, suggesting a significant shift towards greater tenant retention, with more tenants choosing to remain in their existing homes for longer rather than move elsewhere.

In city-centre markets such as Southampton and Brighton, tenants are adopting a more considered approach to choosing housing, placing greater emphasis on value, connectivity and the quality of accommodation. Many are also broadening their searches to include neighbouring areas, where affordability and access to key amenities remain attractive. Demand continues to be particularly resilient in well-connected locations surrounding both cities, with well-presented properties achieving strong levels of interest and letting efficiently.

Fewer sellers, committed buyers

A proactive approach proved increasingly important to sales performance in Q3. A notable trend was a reduction in seller activity, with fewer market appraisals translating into a more limited supply of properties available for sale. Fewer listings mean less competition for those who do launch their properties to market and with the number of applicants per property increasing by 6% year on year, sellers can benefit from sustained demand from committed buyers competing for a smaller pool of available homes.

The market is becoming increasingly driven by those with a clear and immediate need to move, whether prompted by changing family circumstances, employment opportunities, relationship changes or a decision to downsize. In contrast, discretionary movers are taking a more cautious approach, carefully weighing up the timing and financial implications of a move, although this consideration is yet to translate into any meaningful increase in market activity.

A seasonal shift ahead

Lettings activity is expected to evolve more gradually over the remainder of the year. With periodic tenancies now the norm, fewer fixed-term expiries are prompting tenants to move, therefore voluntary tenant movement may moderate further towards the end of the year. Longer tenancies and reduced turnover is anticipated, as tenants prioritise affordability, stability and certainty.

With greater clarity around housing policy, we anticipate a gradual uplift in sales market activity over the coming months, as previously delayed moving plans begin to progress, and underlying demand continues to translate into transactions. While buyers are taking longer to make decisions, demand has not disappeared and sellers would be advised to act accordingly.

Thames Valley

Covering the breadth of Berkshire, Surrey and Hampshire, Prospect is the trusted local expert in the area.

LETTINGS

Rents on the upward trajectory.

Average monthly rent

£1,532

£ +4% YoY

Q3 2026 vs Q3 2025

SALES

Buyers awaited further clarity.

Buyer registrations

-5.8% YoY

Q3 2026 vs Q3 2025

PROSPECT.

For over 35 years, we've helped people in the Home Counties of Berkshire, Surrey and Hampshire buy, sell, let and rent. For us, it's never just property. It's homes, investments and futures. We treat every property and every property journey as if it's our own, putting in the hardest work with uncompromising standards. Knowing the difference we make to our clients' lives is what makes us proud to deliver property, properly.



"Demand remains strong, but affordability is now shaping the pace of rental growth in parts of the Valley. In sales, buyer decision-making has slowed, meaning clear advice and accurate pricing have never mattered more."

Mark Towell
Managing Director

Rental resilience and realistic pricing shape the Thames Valley market.

Strong demand, steady progress

Strong demand has continued across the Thames Valley lettings market, with a healthy number of applicants per property and the average rent reaching £1,532 PCM in Q3 2026, up 4.2% from £1,470 in Q3 2025. Six months on from the Renters' Rights Act (RRA) passing into law, it is clear that well-prepared landlords are adjusting well, underpinned by confident agent support with compliance and strategic portfolio advice.

Rental affordability, rather than tenant demand, is beginning to shape the pace of growth in parts of the region. The clearest evidence of this is in Reading and Wokingham, where growth has slowed considerably, suggesting tenants have lower capacity to absorb further increases. In Reading, the average monthly rent is £1,582, up 1.3% year on year, while Wokingham, at £1,469, has remained broadly stable. Bracknell Forest, at £1,481, is up 2.4%, compared with an overall 3.5% growth across the South East (average £1,438 PCM).

The long view

With rental income tax increases confirmed for April 2027, landlords are looking more closely at long-term returns with respect to both capital growth and rental values. Some may review how they own and manage their properties, while others may consider offloading units within their portfolios to release equity. National research suggests first-time buyers are purchasing more than a third of the homes sold by landlords*, and in some cases tenants are showing interest in buying their landlord's property directly. Landlords are encouraged to consider their individual circumstances and make informed decisions, rather than react in the wake of the Budget.

Clear opportunities

Sales activity has remained steady but is increasingly sensitive to price and mortgage rates. Buyers still want to move, but they are taking more time over their decisions, which makes setting the right asking price from the outset more important than ever. Sellers remain engaged, with new instructions only 2% lower than the same period last year. Applicant registrations were down 5.8% and sales agreed down 7.7%, reflecting a quarter in which many buyers and sellers held back ahead of the Autumn Budget.

Within this picture, there are clear opportunities. Those looking to move up the ladder can benefit from competitively priced larger homes, and some buyers may consider tracker mortgages in anticipation of future rate cuts. The new Your First Home scheme, confirmed in the Autumn Budget, could make a significant difference for first-time buyers facing challenges regarding a deposit. Stamp duty has been left unchanged, thus for most buyers across the Thames Valley, mortgage affordability and the cost of moving are likely to remain the biggest influences.

Great expectations

We expect activity to remain steady as the winter months progress, with demand for well-presented, competitively priced rental homes remaining strong. In sales, buyers are likely to stay fairly cautious towards the end of the year, though we are hopeful that improving mortgage affordability will help build confidence through early 2027. Our teams will continue to focus on clear advice, strong marketing and accurate pricing, leaving sellers and landlords to make confident decisions and achieve their desired outcomes.

**Source: Pegasus Insight, "Rental homes recycled or removed? What landlord sales really mean"*

Bristol

The South West region is the latest addition to the Group, covering Bristol and its surrounding neighbourhoods through leading agencies, Ocean and The Letting Game.



“Whether letting or selling, launching at the right price from the outset has proved critical this quarter in Bristol. Confidence is building in both sales and lettings, and there’s a sense of renewed optimism in the market.”

Neil McGimpsey
Chief Revenue Officer

LETTINGS

Rents increasing steadily.

Average monthly rent

£1,615 £ +2% YoY

Q3 2026 vs Q3 2025

SALES

Valuation levels remain unchanged.

Valuations

+0% YoY
Same as last year

Q3 2026 vs Q3 2025

ocean

The Letting Game

Bringing local expertise to buying, selling, letting and renting, with clear advice and people-first service for homeowners, landlords and tenants across Bristol.

Rewarding the right price

Pricing with purpose

Bristol’s lettings market has shown real resilience in the third quarter of 2026, with landlords and tenants settling confidently into a post-Renters’ Rights Act (RRA) landscape. Landlords have not been deterred from either remaining within or newly entering the market, as an 8% increase in lettings instructions compared with the same period last year indicates.

Pricing is the central theme and properties must be launched at the right price from the outset to achieve a successful let. Bidding wars have never been a preferred approach, and pricing correctly benefits all involved. Landlords can be assured that rents are in line with the market rate, and tenants are considered on the wider suitability as an applicant, not on affordability checks alone. The result is longer tenancies in which all parties are satisfied with arrangements, underpinned by strong professional relationships.

Demand with discernment

Demand in Bristol remains resilient, making the city an appetising proposition for landlord investment. With two large universities and key industry employers, the median age of people in Bristol is 33.6, constituting one of the youngest cities in England and Wales, according to the ONS. Competition for homes remains healthy, but tenants are discerning, with a clear sense of value for money. Properties that are well presented and priced in line with the market are the ones that attract the strongest interest.

Fishponds, Stoke Gifford, and Easton are seeing particularly high tenant demand, driven largely by value. These areas on the outskirts of Bristol offer tenants more space for their money while keeping the city-centre within easy reach. As demand continues, landlords with well-presented homes in these locations are well placed to attract quality tenants and minimise void periods.

Steady foundations

Seller activity has been sustained across Bristol, with many homeowners seeking to understand their options and the value of their property, with valuation levels remaining in line with the same period last year. Following the usual summer slowdown, many buyers and sellers this year also waited for the outcome of the Autumn Budget before committing, preferring to act with greater certainty. Higher mortgage rates have dampened activity, with sales instructions down 6% and applicant registrations down 8%. However, the Budget’s Your First Home scheme, together with no change to Stamp Duty Land Tax, is a sign of confidence that should help unlock activity from the first rung on the ladder upwards.

A growing number of new build homes are launching to the sales market in Bristol, where supply has traditionally been concentrated in the build-to-rent sector. This is a welcome widening of choice for buyers; this part of the market will be one to monitor. First-time buyers remain active across the city, with clear budgets and defined priorities. Moves are made decisively when the right property in the right location comes to market, and as confidence builds, well-priced, well-presented homes should attract strong interest.



John Ennis, Chief Revenue Officer and Graeme Wadhams, Director of Marketing with Chemmy Alcott at 2026 EA Masters Awards Ceremony.

Our WISE values in practice

"We are immensely proud that Lomond has won 13 Golds, two Silvers and two national titles across ten of our brands in the Best Estate Agent Guide 2027. Run in association with the Property Academy, the Guide independently ranks more than 13,080 agencies on sales and lettings performance and customer feedback, each benchmarked against its local market.

Our wins span from Scotland to the South, with Ocean and KFH named the UK's best medium and large sales agencies. Built on the wisdom, integrity and commitment of our teams, this success fuels our ambition to keep evolving in 2027 and beyond."



Clare Wakeford
Chief People Officer

BEST ESTATE AGENT GUIDE LETTINGS 2027

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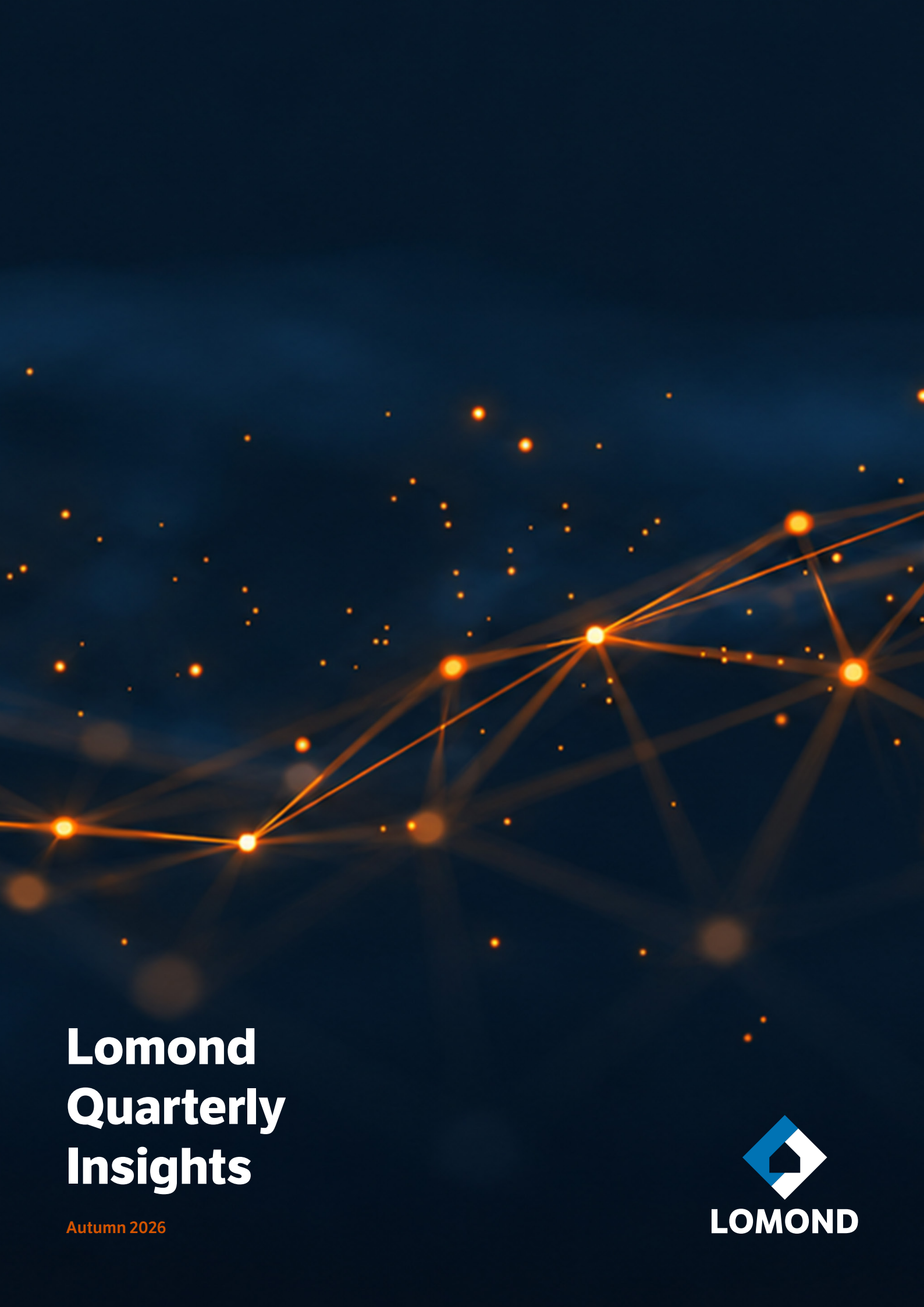
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JULIAN WADDEN

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Lomond Quarterly Insights

Autumn 2026

LOMOND