LOMOND

Lomond Quarterly Insights

Summer 2026

Property wisdom at work

Head Office

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lomond.co.uk

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Introduction

Homing in on Lomond's next chapter

Clarity gives way to action

The first half of 2026 highlighted a characteristic in the property market that could not be confidently asserted at the start of the year: that the residential sector is proving remarkably adept at absorbing change. The uncertainty that dominated much of the previous two years has not disappeared entirely, but it has become far less influential in day-to-day decision-making. Landlords, tenants, buyers and sellers are increasingly operating within the market as it exists today, rather than waiting for the market they hope might arrive tomorrow.

At the beginning of the year, much of the conversation centred on anticipation. The implementation of the Renters' Rights Act, the direction of interest rates, affordability pressures and the wider economic outlook all carried significant weight. Businesses and consumers alike spent much of 2025 responding to uncertainty. Six months on, the tone feels noticeably different. The framework is now largely understood, allowing attention to shift from what might change to how best to operate within the conditions that exist today.

From uncertainty to intent

That shift is evident across both sales and lettings. The most successful outcomes are increasingly being achieved not by those waiting for perfect conditions, but by those making informed decisions with confidence. In lettings, competition for properties remains strong, but tenants are becoming more considered in their decision-making and landlords are placing greater emphasis on long-term portfolio performance than short-term rental growth. In sales, activity is increasingly defined by committed movers rather than speculative demand, creating a market built on realistic expectations and genuine intent.

Many of the more extreme dynamics that characterised recent years are beginning to moderate. The intense urgency seen in the rental sector has eased, while the sharp distortions that periodically influenced sales activity have largely worked their way through the system. This does not mean the market has lost momentum. Rather, activity is becoming healthier, more sustainable and increasingly driven by quality of decision-making rather than the pressure to act quickly.

The broader economic backdrop remains mixed. Inflationary pressures have eased, borrowing conditions are more predictable than they were two years ago and confidence has gradually improved. At the same time, affordability continues to shape behaviour, particularly for first-time buyers and renters, while regional performance remains varied. As has often been the case in property, local markets continue to tell very different stories, creating opportunities for those who understand the drivers behind them rather than relying solely on national headlines.

Encouragingly, this more selective environment is rewarding professionalism. Whether supporting landlords through legislative change, guiding buyers through a more measured sales process or helping investors identify opportunities in regional markets, expertise has become an increasingly valuable differentiator. The ability to interpret change and respond decisively is now as important as the conditions themselves.

"As the market evolves, our focus remains unchanged: investing in our people, strengthening our leadership and helping clients navigate change with confidence."

Building for what comes next

For Lomond, the first half of the year has reinforced the value of scale combined with local expertise. Across our network, we continue to see clients benefit from informed guidance, operational excellence and the ability to navigate changing conditions with confidence. While the market has become more selective, demand for trusted advice has only strengthened.

Our continued investment in people was recognised beyond our organisation and sector during Q2 through Lomond's inclusion in The Sunday Times Best Places to Work 2026 list, and also the achievement of the Great Place To Work® certification in the Development category, reflecting our commitment to career progression, learning and long-term colleague success. These milestones signify a culture built around growth, opportunity and continuous improvement, ensuring our clients continue to benefit from knowledgeable, motivated and highly capable teams across the country.

The period also marked an important chapter in the evolution of our leadership team. We were delighted to welcome Gary Burton as Chief Financial Officer, bringing significant experience and expertise as we continue to scale the business. We also look forward to welcoming Paul Geddes as Chief Executive Officer this autumn, as Lomond enters the next phase of its growth journey. As we prepare for that transition, we would also like to thank Ed Phillips for his leadership, vision and invaluable contribution to Lomond's growth and success over recent years.

The months ahead will undoubtedly bring further change, yet the defining theme of 2026 so far has been resilience. The market has moved beyond adjustment and into execution, and those best placed to succeed are those focused not on uncertainty, but on opportunity.

Lettings

A market opting for quality

Demand evolves, expectations rise

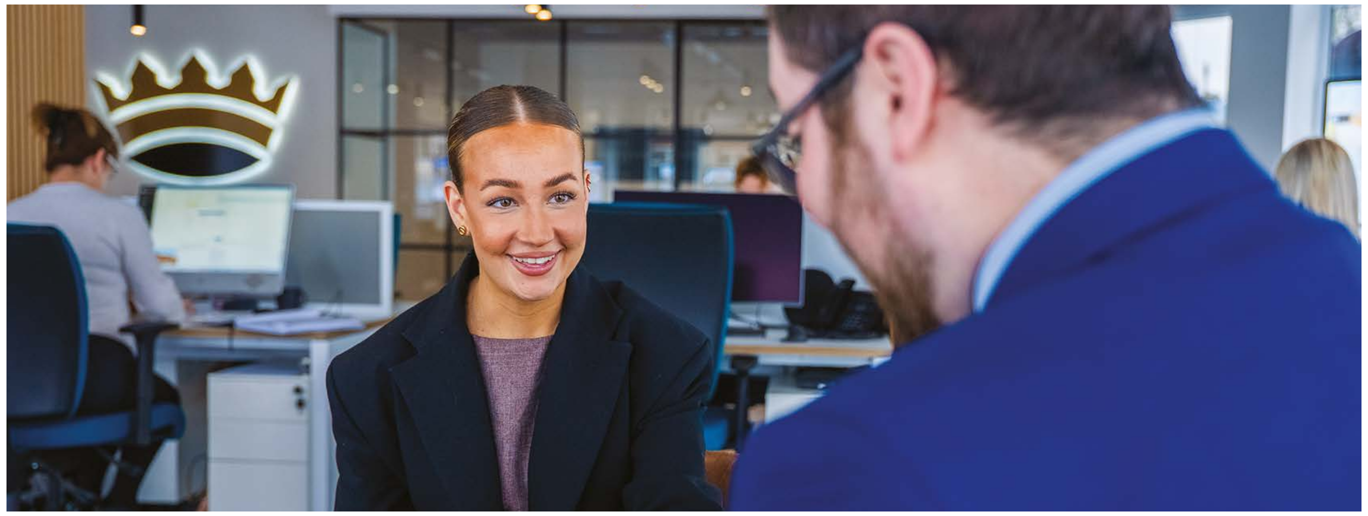
The lettings market showed signs of renewed maturity over the first six months of the year. The intense competition that characterised recent years has given way to a more discerning environment, where tenants are taking longer to make decisions and landlords are increasingly focused on quality, service and long-term performance rather than short-term gains.

Rental growth remained healthy but measured throughout Q2. Average monthly rents stood at £1,369 across the UK, with annual rental inflation running at 3.4%, supporting investor returns while helping to avoid the affordability pressures that defined previous cycles. Tenants now spend an average of 32.7% of their income on rent, reinforcing the importance of value, location and quality when securing occupancy.

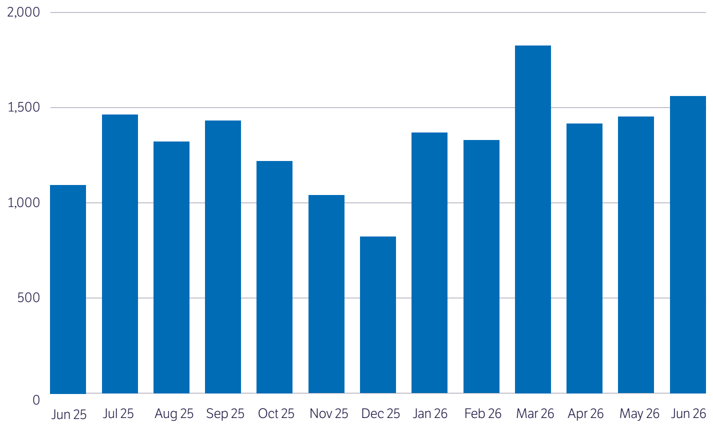
The market also became more deliberate. Average time to let increased to 63 days, up 34% year on year in Q2, reflecting a tenant base taking greater care when selecting a home. Whilst this extended decision-making timeline also points to a healthier market dynamic, further reinforced by the increased professionalisation of the sector brought about by the implementation of the Renters' Rights Act, the first phase of which began in May this year.

For landlords, the underlying fundamentals remain positive. The Lomond managed portfolio grew to 76,000 properties during the quarter, underpinning the importance clients place on expertise and professional partnership in the new landscape, and viewing activity remained robust with close to 69,000 viewings recorded. Demand persists; albeit, becoming more selective, rewarding well-presented properties, realistic pricing and above all proactive management.

As regulation continues to bed in, and periodic tenancies become the norm, the strategic landlord shifts from securing any tenant quickly to securing the right tenant for the long term. In this environment, professional management, upholding the highest property standards and informed decision-making are now the key drivers of sustained investment performance.

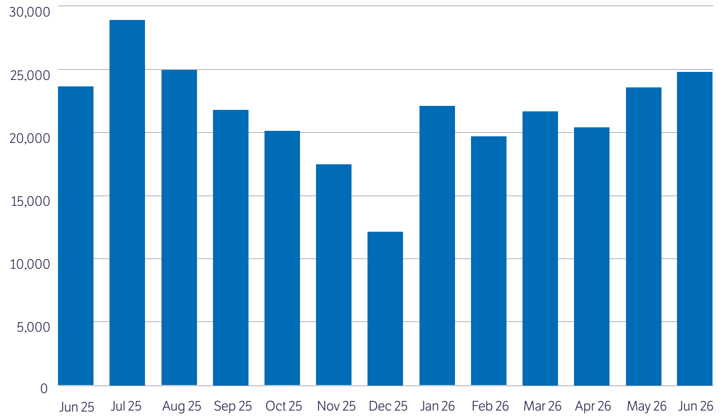


Lettings Supply: Appraisals



LomondiQ

Lettings Demand: Viewings



LomondiQ

Market Metrics

UK average monthly rent Percentage change YoY	**£1,369** **+4.3%**
UK rental inflation Average let agreed price Q1 YoY	**+3.4%**
UK average time to let Percentage change YoY	**63 days** **+34%**
Tenant affordability Percentage of income spent on rent	**32.7%**

LomondiQ, HomeLet

Performance across our network

Supply
Appraisals
4,429
Q2 2026

Activity
Viewings
68,907
Q2 2026

Market Rate
Average Rent
£1,369
Q2 2026

PUM
Properties Under Management
76,000
Q2 2026

LomondiQ, HomeLet

Group wide totals during time period specified.

Sales

Selective buyers, steady market

Intent remains firmly intact

The summer market delivered a more measured pace to residential sales, but not a loss of intent. Buyers remained engaged, sellers continued to transact and activity was increasingly driven by necessity, lifestyle and long-term planning rather than market stimulus or speculation.

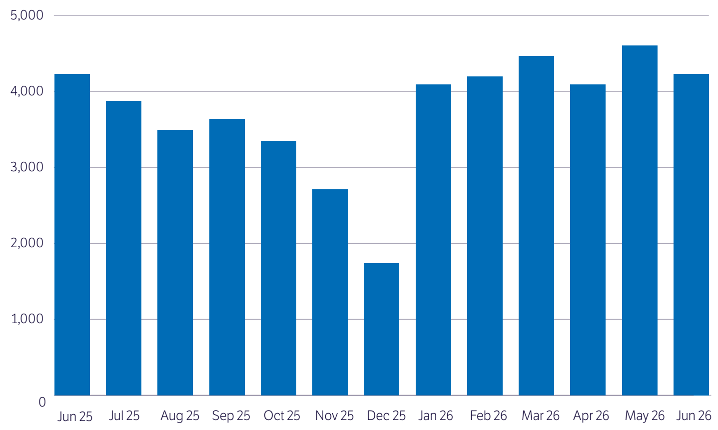
The latest available market indicators point to a more measured sales environment. Whilst the media has widely reported lower transaction numbers year on year, mortgage approval volumes only show a slight moderation of 11% below May 2025 levels, indicating a population with intent to move. Furthermore, home values are holding firm with averages prices up to £293,262 in June 2026 compared with £288,115 in June the previous year in England. In practice, they reflect a market settling after a period of elevated activity driven by changes to the Stamp Duty Land Tax (SDLT) thresholds, as it adjusts to a more normal operating environment.

What became increasingly evident through the first half of the year was the quality of demand. Buyers entering the market were typically well-informed and financially prepared, taking longer to assess opportunities but remaining willing to proceed when value met with expectations. This dynamic encouraged more realistic pricing, created better alignment between buyers and sellers and helped transactions progress more efficiently.

The wider backdrop remained supportive. With the Bank of England Base Rate at 3.75%, borrowing conditions were significantly more predictable than they had been two years earlier, allowing households to plan with greater certainty. At the same time, new-build output remained constrained, with National House Building Council (NHBC) registrations down 6% year on year, moderating the extent to which supply could outpace demand.

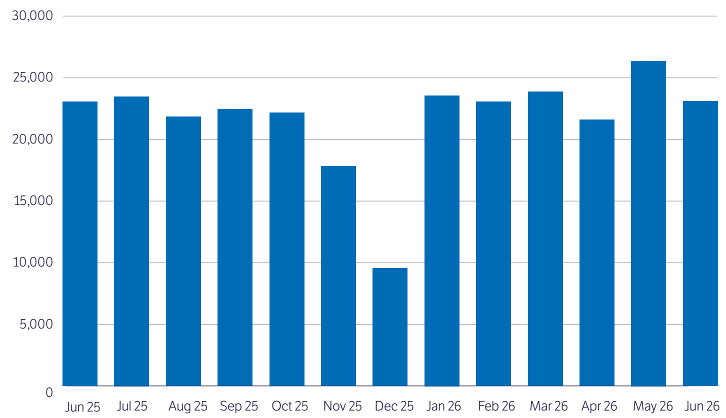
Rather than slowing, the market became more selective. Properties priced correctly and presented well continue to attract interest, while buyers are displaying greater patience and scrutiny. As the second half of the year begins, the market appears less driven by momentum and more by informed decision-making, creating a more sustainable environment for buyers, sellers and investors alike.

Sales Supply: Appraisals



LomondiQ

Sales Demand: Viewings



LomondiQ

Market Metrics

Average UK property value Percentage change YoY	**£293,262** **+1.8%**
NHBC new home registrations 2025 Percentage change YoY	**26,959** **-6%**
Bank of England base rate Percentage change YoY	**3.75%** **-0.25%**
Mortgage approvals Percentage change YoY	**56,000** **-11%**

LomondiQ, NHBC, Bank of England

Performance across our network

Supply
New Instructions
5,988
Q2 2026

Demand
Buyers
31,882
Q2 2026

Performance
Sales Agreed
3,608
Q2 2026

Activity
Viewings
71,040
Q2 2026

Land Registry, LomondiQ, Gov.co.uk

Group wide totals during time period specified.

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

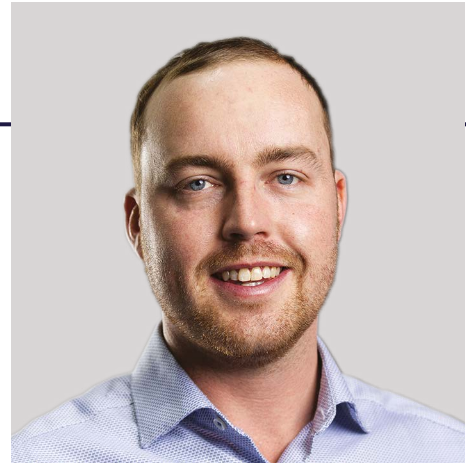
Tenants are moving within the market.

Supply	Demand
Move-ins	Relets
▲13%	▼63%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 2025

SALES

Seller confidence resumes with a surge in the market.

Supply	Demand
Instructions	Applicants
▲618%	▲9%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 2025



"This quarter reminded us that a well-maintained property and an accurately priced one will always perform. Tenant turnover gave landlords a genuine opportunity to reassess their returns, and those who invested in their properties saw it pay off immediately."

Ben Alexander
Director of New Business

Momentum, maintenance and accurate pricing

Turnover creates opportunity

Q2 2026 was busier than expected for lettings, running well ahead of what is normal for the period, with demand holding firm across Edinburgh, Glasgow and the wider Central Belt. This quarter saw 13% more move-ins year on year, and much of this activity was driven by higher than usual tenant turnover. For engaged landlords it represents opportunity: every change of tenancy is a natural point to reassess rent against current market levels and review how the investment is performing, rather than defaulting to renewal on existing terms.

Advice to landlords this quarter remains clear: maintenance matters. A well-maintained, well-presented property attracts a reliable and responsible tenant, one who is more likely to stay longer and pay a fair market rent without prolonged negotiation. Maintenance should not be viewed as simply cosmetic; it is a direct driver of yield, paying off in the short term through stronger rental income and in the long term through capital appreciation.

There is a persistent misconception that landlords treat lettings purely as an income generator, with little regard for tenant welfare. In practice, the opposite tends to be true. As with any well-run business, looking after your customer builds loyalty and tenants who are treated well are far more likely to stay in place. It is stability that drives strong, sustained returns.

Pricing discipline matters just as much as presentation. Even in the highest-demand areas, including Edinburgh, overpriced properties sit on the market for longer, as tenants are increasingly well-informed about what fair value looks like against comparable stock. Strong demand should sharpen pricing accuracy, not replace it.

Investing in Scotland

Investor interest in HMOs is growing, drawn by strong yields and their role in building a diversified portfolio. Despite media headlines, property continues to compare favourably with traditional investment routes such as stocks and shares or pensions. The key driver of long-term return is not timing the market, but time in the market: compounding rewards those who start early, and even a single property acquired sooner can outperform a larger investment made later.

Presentation alongside location

The sales market has shifted noticeably this year, with buyers increasingly seeking move-in-ready homes. With mortgage rates still higher than the historic norm, many are stretching to secure the property itself and have little budget left over for renovation once they complete, making a home that needs work a harder sell regardless of how well it is located.

This has changed the calculation for sellers. Location remains a fundamental driver of value, but presentation now carries equal weight in a buyer's decision-making. A well-presented, updated home can comfortably outperform a dated property in a stronger postcode, simply because it removes friction from the buying decision, and advice to sellers this quarter has consistently been to invest in presentation before going to market.

Against this backdrop, the underlying fundamentals remain encouraging. Valuation numbers are up year on year across our network in Scotland and the number of applicants registering has grown alongside them. Instruction figures have increased 618% compared to this time last year, strong evidence of a market that is genuinely active and moving with pace.

Unlike some other parts of the UK, Scotland's city centre markets remain particularly resilient, with a first-time buyer market that has held up well, particularly for two-bedroom apartments. We expect this segment to remain one of the most active throughout the second half of the year.

Yorkshire

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

"We prepared landlords well ahead of the Renters' Rights Act, and the reality has matched what we expected all along: it represents a change in operational practice, not a change in the fundamentals of a good investment."

David Mear
Managing Director

LETTINGS

Rents continue to rise steadily.

Supply
Move-ins
▲10%
Q2 2026 vs Q2 2025

Market rate
Average rent
▲5%
Q2 2026 vs Q2 2025

SALES

Lower supply improves market conditions for sellers.

Supply
Instructions
▼15%
Q2 2026 vs Q2 2025

Demand
Net sales
▼9%
Q2 2026 vs Q2 2025

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.

New rules, same resilience

Settled landlords

Lettings in Yorkshire remained solid this quarter, with more tenants moving into properties compared with the same period last year. Extensive regional and national preparation ahead of the Renters' Rights Act's implementation meant teams were fully trained well before the changes took effect on 1st May. This groundwork is reflected in a quarter that has played out much as anticipated rather than as some of the more alarmist coverage suggested by the media.

For landlords who manage their properties professionally, maintain them to a high standard, and take a long-term approach to tenancies, the Act is unlikely to change day-to-day operations significantly. Well-maintained properties help keep tenants satisfied, encourage longer tenancies, and reduce tenant turnover. Rents have risen by 5% year on year, reflecting the importance of comparable market evidence rather than an automatic uplift and that measured approach has kept both landlords and tenants comfortable and engaged with the process, supporting the strong move-in activity seen across the region this quarter.

Investment appetite has strengthened in the region. We continue to see a mix of clients growing their portfolios, from professional landlords to newer entrants, including several investors based in the south drawn north by more accessible price points relative to yield. Two- and three-bedroom terraces and semi-detached homes remain the most sought-after property types, with freehold interest continuing to outperform leasehold.

Rise in demand

Sales began Q2 cautiously as broader concerns around rising mortgage rates unsettled buyer confidence and led some sellers to hold back from bringing property to market. As the quarter progressed, competition between mortgage lenders led to lower rates, easing some of that early caution and giving both buyers and sellers more reason to proceed.

For vendors who have been hesitant, the case for coming to market now is a strong one. Supply remains down 15% while demand, including from active investors, has stayed consistent, meaning well-priced homes are finding buyers against less competition.

Suburban demand

Leeds's northern and eastern suburbs, particularly Horsforth, Roundhay and Headingley, have seen increased demand this quarter, continuing to attract everyone from first-time buyers to growing families. Auction activity has also picked up notably, with around 11% of Yorkshire sales completed via auction this quarter compared to the same period last year, suggesting sellers are increasingly viewing auction as a credible, faster route to a sale.

Rising activity

Momentum is expected to build into the second half of the year as mortgage rates ease further and the market absorbs the reality that the Renters' Rights Act has changed working practices without fundamentally reshaping the sector. On the sales side, the higher end of the market is showing signs of renewed activity heading into Q3 and that is anticipated to broaden as confidence continues to settle.

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.

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.

LETTINGS

Tenants choose to stay put as rents continue to climb.

Market rate
Average rent
▲ 5%
Q2 2026 vs Q2 2025

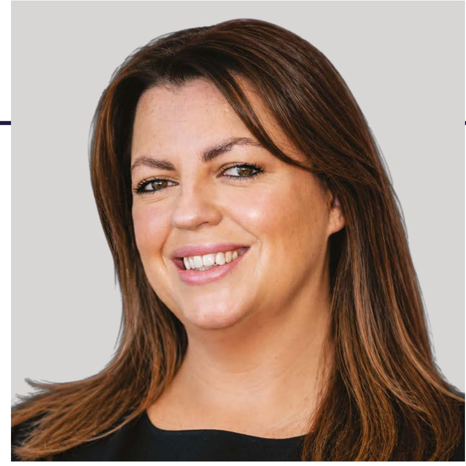
Demand
Relets
▼ 27%
Q2 2026 vs Q2 2025

SALES

Demand holds firm as buyers grow more selective on price.

Supply
Instructions
▼ 15%
Q2 2026 vs Q2 2025

Demand
Viewings
▼ 22%
Q2 2026 vs Q2 2025



“Adaptability was a key factor in Q2's success. With the Renters' Rights Act on the horizon we were prepared for change, enabling us to work under new processes quickly, support our customers with confidence and maintain strong performance throughout the quarter.”

Keeley Child
Director of Property Management

Adapted to change

Agility delivers stability

This quarter marked the implementation of the Renters' Rights Act. While media coverage often portrayed the changes negatively, the transition proved far less disruptive. Through early preparation, comprehensive training and clear communication, both teams and clients were well informed and equipped ahead of the legislative changes, enabling a smooth and successful implementation.

The North West experienced a 27% reduction in tenants vacating properties compared with the same quarter last year. This trend suggests that, despite rents increasing by 5% year on year, many tenants are choosing to remain in their current homes. The data indicates that affordability and stability are encouraging longer tenancies, particularly where landlords continue to maintain properties to a good standard and provide quality housing. This further highlights the value of appointing a managing agent with access to a range of services, such as furnishing solutions, to ensure a property remains well presented and competitive within the market.

Media coverage has led some landlords to believe that regaining possession of their property under the Act will become significantly more difficult and costly. In practice, this is not the case. Rent & Legal Protection provides landlords with comprehensive support throughout the possession process, offering financial cover and expert legal assistance, giving landlords confidence that both their investment and their interests remain well protected.

Local strengths

Demand for properties with outdoor space continues to grow, particularly among tenants seeking a better work-life balance. Two-bedroom apartments located just outside major city centres, with easy access to green spaces and transport links, remain popular. Didsbury continues to see exceptional levels of enquiry, while Monton is emerging as a strong destination for investors. Rural and semi-rural towns situated between Liverpool and Manchester are experiencing increased demand, as tenants look to balance affordability, lifestyle and convenient commuting.

A market recalibrating

Q2 has seen a more balanced sales market compared with the same period last year. Although new instructions are down 15%, this is largely attributable to the surge in activity seen in Q2 of the previous year, when many buyers and sellers accelerated transactions ahead of the Stamp Duty threshold changes. As a result, last year's figures were unusually high, making this year's performance a more accurate reflection of normalising market conditions.

Property supply remains healthy, giving buyers greater choice and making them increasingly selective in their search and which properties they decide to view. This is reflected in a 22% decrease in viewing activity compared with the same period last year. While a property may attract fewer viewings than they have done historically, those who are viewing are serious and committed. As a result, accurate pricing and effective marketing have become more important than ever. Ensuring properties are positioned correctly from the outset remains at the core of our approach, helping clients attract the right buyers and achieve the best possible outcomes.

Long term investments

The North West remains a well-connected and comparatively affordable region; that fundamental strength is expected to continue to support both rental and sales demand through the second half of the year. For landlords considering an exit, the message is a considered one: capital growth in the region has historically rewarded those who stay the course and factors such as capital gains tax are worth weighing up carefully before any decision to sell. Speaking with a specialist before acting on a headline remains the most reliable way to make sure that decision reflects the full picture.

Midlands

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

LETTINGS

Tenants seek stability over flexibility.

Market rate	Demand
Average rent	Checkouts
▼1%	▼14%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 2025

SALES

Serious sellers enter the market.

Supply	Activity
Instructions	Net sales
▼15%	▼9%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 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.

"This quarter has been about proving that professionalism pays off. Teams have adapted to the Renters' Rights Act with confidence rather than concern, and the results, from record net sales months to landlords choosing to reinvest rather than exit, speak for themselves."

Richard Crathorne
CEO

Stability seen across the sector

Agile adjustments made

Q2 was a busy quarter for lettings, defined above all by the implementation of the Renters' Rights Act (RRA). That adjustment has felt confident rather than chaotic, the result of preparation well ahead of the Act's arrival and support from the wider Lomond group. Notably, it has been junior lettings colleagues who have adapted quickest to the new way of working, which is a sign of a team built for change, not just experience. Landlord education remains an ongoing conversation; the Act demands a more professional set-up than ever, and guidance to landlords through the transition rather than simply informing is essential.

One misconception that the data disproves: that removing fixed terms would trigger a wave of tenants on the move. This has not been the case. Checkouts are down 14% this quarter compared with the same period last year, suggesting tenants are choosing stability over flexibility. For landlords, the message is straightforward: take advice on pricing and maintenance and there is little to worry about. Rent & Legal Protection (RLP) adds a further layer of reassurance, and more than half of managed landlords now hold it, a clear sign of where the market sees value.

In addition, landlords testing the sales market are not necessarily exiting the sector. One investor obtained a valuation that fell below expectations and subsequently indicated an intention to reinvest if the opportunity arose. This suggests that investor confidence in the sector remains evident, with market participants continuing to assess opportunities on both the buying and selling sides.

Network strengths

Our new partnership with Hammock will simplify compliance with Making Tax Digital for landlords, demonstrating the broader advantages of being part of a larger group. Increased investment in technology enables us to enhance the landlord experience while maintaining the personalised, local service that clients value, combining the capabilities of a larger organisation with the accessibility and familiarity of an independent high street agent.

Price and presentation

The perception that properties are not selling in 2026 is not reflected in local market activity, where transaction levels continue to demonstrate sustained buyer demand. The past three months have delivered our largest net sales months this year to date, with a growing pipeline behind them. Seasonality is no longer the defining factor; when buyers are ready, they move, and affordability is now shaping a more strategic style of house-buying as interest rates and the cost of living impact decisions.

The £800,000 to £1,000,000 price band has been a standout performer this quarter. At one particular property, 14 viewings led to a sale within a single day, achieving £50,000 over the asking price, evidencing that well-priced, well-presented homes still attract strong competition.

Beyond the headline figures, on-the-ground intelligence is proving just as telling. Sellers who proactively highlight energy efficiency and community amenities are securing deals faster than those relying on competitive pricing alone, which is a sign that buyers are evaluating both long-term value and upfront cost.

Looking ahead to year-end, the more significant shift may come from first-time buyers. While conventional sentiment points to a levelled close to the year, we expect renewed urgency from this group as they look to lock in deals ahead of broader macroeconomic shifts. Should buyer hesitation ease faster than anticipated, it could drive a stronger-than-expected surge in sales agreed through the winter months.

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

More stock comes to market as viewing activity settles into a steadier pace.

Supply
New instructions
▲4%
Q2 2026 vs Q1 2026

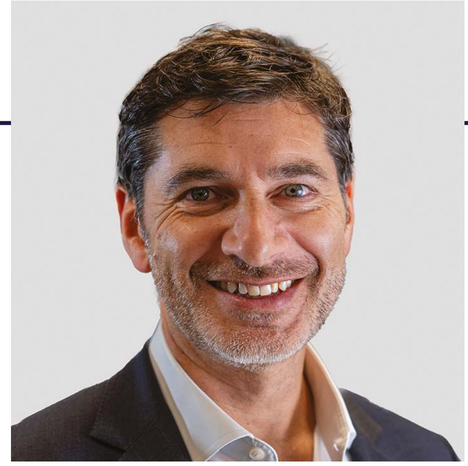
Demand
Viewings
▼3%
Q2 2026 vs Q1 2026

SALES

Fewer buyers in the market, but those who remain are serious.

Supply
Sales instructions
▼7%
Q2 2026 vs Q1 2026

Mortgage rate
3.5%



"The run-up to the Act made for a genuinely challenging quarter, but there's been real relief since the first of May. We're seeing confidence build as landlords and tenants adjust to this new way of working."

John Ennis
Chief Revenue Officer

Confidence returns to the Capital

Adjusting to a new normal

The lead-up to the implementation of the Renters' Rights Act (RRA) created some uncertainty across the lettings market in Q2. However, since the legislation came into effect, confidence has begun to return. With agents no longer able to accept offers above the advertised rent, properties are increasingly being priced more ambitiously from the outset. In areas where supply remains constrained, this is translating into stronger achieved rents.

Lettings instructions increased by 4% this quarter compared to Q1 of 2026, providing a modest but welcome boost to available stock, while viewing levels eased by 3%. Together, these trends suggest a market settling into a more balanced rhythm, with tenants benefiting from slightly greater choice and serious applicants making quicker decisions once they identify the right property.

A common misconception is that the Act prevents landlords from regaining possession of their property. While the legislation changes the process, landlords retain routes to recover possession where legitimate grounds apply. The demand for greater clarity is also evident in changing management preferences.

Demand fuels growth

Elephant & Castle remains one of London's strongest-performing lettings markets, with new-build developments achieving record rents amid sustained demand from overseas renters, students and young professionals. Meanwhile, continued supply constraints in Clapham and Balham are driving exceptional rental growth for one-bedroom garden flats, where competition for the limited stock remains particularly strong.

A tale of two markets

Geopolitical uncertainty has prompted some vendors to adopt a more cautious approach, however sales instructions have only declined by 7% quarter on quarter, suggesting that market uncertainty has had little impact on vendors with true intent to sell. For vendors, tighter supply means less competition and a stronger negotiating position, while serious buyers benefit from a more focused market and clearer opportunities to act.

The sales market continues to exhibit a clear two-speed dynamic. Family homes in sought-after school catchments, including Wandsworth and Putney, are selling quickly, often shortly after being launched to the market. In contrast, flatted developments require more considered pricing to generate buyer interest. Despite lower overall demand, committed buyers remain active, with well-priced properties in desirable locations continuing to transact successfully.

First-time buyer activity has strengthened in more affordable markets such as Canada Water and Streatham, supported by the availability of low-deposit mortgage products. There are also early indications of investor demand returning, as interest-only mortgage rates move closer to 3.5%.

A positive outlook

With fewer casual buyers in the market, those who need to move are finding more room to act and doing so with confidence. Lettings are expected to stay busy into Q3, easing with the usual seasonal dip in Q4, while sales are likely to remain measured until the Autumn Budget brings greater clarity.

Kent

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

LETTINGS

Increasing supply to meet demand.

Supply
Instructions
▲65%
Q2 2026 vs Q2 2025

Market rate
Average rent
▲5%
Q2 2026 vs Q2 2025

SALES

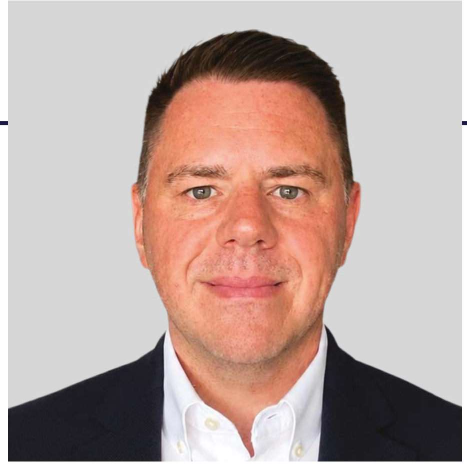
Activity holds steady.

Supply
Appraisals
▲0%
Q2 2026 vs Q2 2025

Demand
Buyers
▼3%
Q2 2026 vs Q2 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.



"The Renters' Rights Act is the biggest shift in legislation we've seen since the Housing Act itself. The job now is less about managing tenancies and more about helping landlords see the full picture, because once they do, most decide there's still a strong case for staying in."

Rob Sabin
Managing Director

Confidence is key

Reframing the Renters' Rights Act

Q2 was demanding, but the quarter closed in a strong position. The Renters' Rights Act (RRA) dominated conversations with landlords, though rarely in the way headlines suggested. Most landlords weighing up their options are doing so on age or lifestyle grounds rather than any wish to evict tenants, and many can achieve the outcome they want by selling in due course rather than acting now. The team's advice is practical: remortgaging to reinvest in the property can lift both its value and its appeal to tenants, often changing the calculation entirely. For new landlords, financing remains a bigger hurdle than regulation and the Act itself should not be the deciding factor. Encouragingly, most landlords are still achieving strong returns relative to other investment options with the average rent up 5% year on year, a point the team makes consistently when advising against a hasty exit.

Family housing continues to lead demand, with two- and three-bedroom properties holding steady appeal and no meaningful shift in the types of property tenants are chasing. Miles & Barr's acquisition of Regal's lettings portfolio has introduced a growing student rental segment to the local market, creating an additional source of demand and further diversifying the composition of the lettings sector. High-speed rail links continue to draw a smaller but persistent flow of commuters relocating for easier access to London, alongside steady interest in new-build stock.

Normality in sales

The sales market should not be defined as 'tough' despite the headlines, it has simply returned to something more normal after the post-pandemic boom conditioned buyers and sellers to expect rapid sales and heavy viewing volumes as the baseline. Accurate pricing and clear expectation-setting with vendors remain the priority. First-time buyers still face a stretched path to entry, though new-build incentives are opening up genuine opportunities, particularly in lower price points. Investors are looking to Dover, Margate and Ramsgate, where £250,000 can still represent strong value and yields.

Prices and interest rates have held stable throughout the quarter, and mortgage rates are easing, though investor activity has cooled. East Kent recorded a 3% increase in sales agreed from Q1 to Q2 2026, a clear signal that demand has held and grown through the year so far. Adverse survey findings remained the most common reason for sales falling through, accounting for approximately 25% of failed transactions in Q2, compared with 21% in Q1. However, clients continue to benefit from the expertise of the Sales Progression team, whose focus on communication, relationship management and chain coordination helps to navigate challenges and support successful completions.

Looking forwards

The remainder of the year looks set to bring a seasonal lull through July and August before activity picks up again in September. Increased activity is expected into year-end, with much depending on the Bank of England base rate holding steady in the coming months. For lettings, the next six months will be a genuine test of how landlords respond to the Act in practice, while on the sales side, well-priced, well-presented homes are expected to keep attracting strong competition.

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.

LETTINGS

Instructions eased while viewing activity held its ground.

Supply
Instructions
▼11%
Q2 2026 vs Q2 2025

Demand
Viewings
▲0%
Q2 2026 vs Q2 2025

SALES

Fewer appraisals and registered buyers, but stronger commitment to proceed.

Supply
Appraisals
▼16%
Q2 2026 vs Q2 2025

Demand
Buyers
▼15%
Q2 2026 vs Q2 2025

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.

"Look past the headlines and focus on the fundamentals. The best-performing landlords and sellers aren't chasing every market story, they're tracking property performance, tenant demand and correct pricing for long-term returns."

Elliott Trodd
Managing Director

Grounded in the fundamentals

Steady beneath the surface

Q2 was defined less by dramatic shifts in the numbers and more by a steadying of confidence beneath them. New lettings instructions were down 11% year on year, while viewing activity held level, a signal that the market has settled into a more measured rhythm rather than continuing to contract. This is largely down to tenants staying put for longer, tightening supply. In practice, that reflects greater demand: with fewer properties reaching the market, competition for those that do has only intensified.

On the sales side, appraisals fell 16% and buyer registrations 15% compared with 2025, yet conversion from viewing to offer improved, pointing to a smaller but more committed pool of buyers rather than a retreat from the market altogether. Geopolitical uncertainty has encouraged a degree of caution across the market, but that's left more room for serious movers to act. With less competition from casual buyers, those who genuinely need to move are finding a strong range of options and continuing to transact with confidence.

Clarity for landlords

Landlord sentiment through the quarter was shaped heavily by the Renters' Rights Act (RRA), with many approaching the Act less as a risk and more with an attitude of preparation. Reviewing occupancy, rental growth, void periods and tenant demand consistently gave landlords the clarity they needed to stay invested rather than exit. Tenant demand itself remained resilient, particularly for well-presented homes correctly priced, reinforcing that the supply and demand imbalance underpinning the rental market has not eased despite the wider regulatory conversation.

Two- to three-bedroom properties with outdoor space are attracting strong interest across the board, from families to first-time renters. New-builds are also proving increasingly popular among tenants, valued for their fresh, modern feel and strong energy efficiency. Advice to any landlord looking to maintain a successful investment is simple: keep the property well maintained, since presentation remains key to attracting the widest possible range of tenants.

Pricing with purpose

Pricing discipline mattered more than ever this quarter. Homes launched at an ambitious price consistently took longer to sell than those priced correctly from day one, while survey findings and extended transaction timescales remained the most common causes of a sale falling through. The more affordable end of the market, freehold and first-time buyer homes, outperformed, proving less exposed to wider economic uncertainty. One Winchester sale captured the spirit of the quarter well: when an original buyer withdrew for personal reasons, the local team generated five fresh viewings within 48 hours and secured a replacement buyer at a higher price than the one originally agreed. A reminder to sellers that if a sale falls through, all is not lost, an expert team will be able to rectify a situation and potentially even improve the outcome.

Strength through support

Looking to the second half of the year, transaction volumes are expected to strengthen as mortgage rates stabilise and pent-up demand from delayed movers returns to the market, even if house prices themselves remain broadly steady. For landlords, professional management is anticipated to matter more, not less, as the sector continues to professionalise. Those with the right support in place remain well positioned, regardless of portfolio size.

Thames Valley

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

"The Renters' Rights Act is the biggest change the sector has seen in years, but for landlords who already follow the rules, little effect will be felt. The team went into it ready, and that preparation is exactly why business has carried on as usual."

Mark Towell
Managing Director

LETTINGS

A healthy Thames Valley lettings market.

Supply	Demand
Lets agreed	Tenant registrations
▲3%	▲8.5%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 2025

SALES

A rise in exchanges, showcasing committed transactions.

Supply	Demand
Exchanges	Applicants
▲21%	▼5%
Q2 2026 vs Q2 2025	Q2 2026 vs Q2 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.

Preparation done properly

Settled regulation, balanced market

After several years of exceptional demand, record rental growth and limited housing supply, the market in Q2 has continued the shift towards a more balanced and stable Thames Valley lettings market. The implementation of the Renters' Rights Act (RRA) proved far less disruptive than widely anticipated. Preparation ahead of the changes allowed landlords to be guided confidently through the transition, with each new situation encountered adding to the depth of experience and knowledge available to support them. Landlords operating in line with regulatory requirements saw limited practical impact. For tenants, the reforms have contributed to a more balanced lettings process, with successful applications increasingly determined by the strength of the applicant rather than competing rental offers.

It is worth remembering that the RRA is not the first time the industry has faced a change in regulation. The introduction of the tenancy deposit scheme felt like a huge shift at the time and is now simply part of doing business. In time, the Act is likely to be viewed the same way. A shift that, for many, has already become the norm.

Market specifics

During Q2 the number of rental properties on the market remained steady compared to last year. An 8.5% increase in tenant demand helped deliver a 3% increase in lets agreed and an improved instruction-to-let conversion rate from 95% to 100%. Delivering on the fundamentals, well-priced and well-presented properties, ensures we continue to attract quality applicants and landlords continue to achieve strong results.

For landlords considering whether to retain or sell an investment property, the decision should come down to the individual and their property rather than the direction of the wider market alone. Rental income, financing and maintenance costs, tax position, potential capital growth and alternative investment opportunities all play a part. With the potential for both ongoing rental income and longer-term capital appreciation, retaining property remains an attractive option for many landlords.

Confidence returning, pricing critical

The second quarter presented a nuanced picture for sales. While applicants registered fell 5% year on year, exchanges rose 21% over the same period, a clear sign that today's buyers are more committed and further along in their journey to completion.

Pricing discipline has become more important than it was 12 months ago. With buyers having more choice, sellers need to enter the market at the right price from day one. Overpricing can lead to longer periods on the market or subsequent reductions, both of which can give buyers greater room to negotiate.

Interest rates and mortgage rates are on an encouraging downward path, as lenders compete to attract buyers. If that momentum holds - alongside stable inflation and improving affordability - buyer confidence should keep building, setting up a strong second half of the year.

LOMOND
INVESTMENT MANAGEMENT

"As the living sectors continue to mature, operational excellence is becoming just as important as asset quality. The combination of experienced people, meaningful data and exceptional resident service remains fundamental to delivering sustainable long-term performance for our clients."

Hannah Farmer
Managing Director

Driving value through performance

Build-to-Rent (BTR) remains an attractive asset class, supported by strong rental demand and long-term structural housing needs. However, the market is evolving. Investors are placing greater emphasis on operational performance rather than development volume alone, with stabilised assets, resilient income streams and long-term performance becoming increasingly important.

Despite wider economic uncertainty, institutional appetite for the sector remains strong. At the same time, tighter margins are driving a sharper focus on operational efficiency, resident retention and value creation. As the sector matures, success is increasingly defined by the ability to deliver sustainable performance throughout the asset lifecycle.

Smarter asset intelligence

At LIM, we are preparing to launch our enhanced asset reporting platform, representing an important step in our strategy. The focus is not simply on providing more data, but on delivering clearer, more meaningful insights that enable faster and better-informed decisions.

Enhanced client reporting, improved asset performance dashboards and the greater use of live operational data will give clients a deeper understanding of portfolio performance and help identify opportunities to optimise asset value. As portfolios become larger and more complex, timely and transparent reporting is becoming increasingly important in supporting long-term investment outcomes.

Investing in people

As LIM continues to grow, investing in experienced people remains fundamental to scaling the business while maintaining consistency, quality and operational excellence. We are therefore pleased to welcome Matt Turner as Director of Operations in Q3.

Matt brings extensive experience across data analysis, client reporting, asset management and the use of technology to improve operational performance and asset stabilisation. His expertise in operations, process optimisation and contractor management will further strengthen our operational capability and support continuous improvement across the business.

At the same time, renter expectations continue to rise. Hospitality-led service is no longer viewed as a differentiator, but a baseline expectation. Residents increasingly compare their rental experience with the service they receive from leading consumer brands, placing greater value on personalisation, responsiveness and consistently high-quality customer experiences.

For operators, exceptional service is becoming an increasingly important driver of resident satisfaction, retention and long-term asset performance. Ultimately, while technology and data provide valuable insight, it is people and operational excellence that define the resident experience and deliver stronger outcomes for clients.

Lomond DNA

Wisdom Investing in highly motivated individuals, eager to develop the skills and knowledge that give us the edge.

Integrity Encouraging honest and transparent interactions at every stage and with everyone.

Success Proud to achieve great results and excellent customer feedback, enabling us to flourish and grow.

Evolution We're a business constantly innovating, improving and evolving into the best that we can be.

Lomond Quarterly Insights

Summer 2026

LOMOND