LOMOND

Lomond Quarterly Insights

Property wisdom at work

Winter 25/26

brandvaughan

Chase Evans

Charters

D.J.ALEXANDER Sales & Lettings

HARDISTY

John Shepherd

JULIAN WADDEN

Kinleigh Folkard & Hayward

LINLEY & SIMPSON

MichaelJones

miles&barr

PROSPECT.

THORNLEY GROVES

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

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Introduction

Lomond: Calmer waters ahead

An outlook anchored in experience

The turn of the year brought some long-awaited clarity for the residential property sector after an extended period of political uncertainty and legislative change. Throughout 2025, these forces combined to impose strain and hesitation across the market, suppressing decision-making. As we enter 2026, the environment feels materially more settled. While challenges remain, the sector has adjusted to a new equilibrium allowing businesses, clients and customers to take a longer-term view.

The delayed announcement of the Chancellor's Budget, the eventual passing of the Renters' Rights Act and subsequent reductions in the Base Rate brought the market distortions into focus. Taken collectively, these events have drawn a line under a prolonged period of anticipation and speculation. For Lomond and our clients, the emphasis now shifts from what might change to how best to operate and leverage opportunity within the existing framework.

The long view

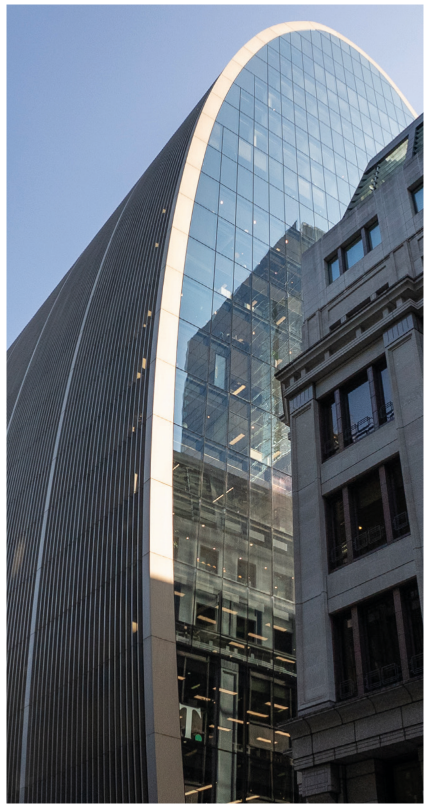
Green shoots, the precursor to market momentum, are appearing at last: inflation continues to ease, interest rates are expected to trend lower through 2026, and affordability, while still stretched, is gradually improving. Confidence, so critical to decision-making, is rebuilding. Residential property remains one of the most sensitive barometers of national sentiment, and it is beginning to reflect a country ready to move forward. Further reductions in the Base Rate, forecast to settle around 3.25–3.5% in 2026, should alleviate borrowing costs. For landlords with leverage, this will support margins. Whilst it may not trigger a surge in Buy-to-Let activity, it should help those refinancing or reviewing portfolios. The market appears to be entering a more measured phase, with stable yields and disciplined growth replacing the peaks of previous cycles. Also encouragingly, the wider UK economy is showing signs of recovery following a brief contraction late last year, and inflation is expected to fall towards 2.5% by year-end. This easing should help moderate operating pressures for businesses and may improve tenant affordability.

Generational shifts in lettings

In lettings, the Renters' Rights Act represents a generational change in the regulatory landscape. While its implementation will be protracted, commencing in May, much of the uncertainty around its passage is behind us. We do not anticipate further transformational legislation of this scale for many years, allowing the sector to move from anticipation to adaptation. Those landlords who are well advised and financially disciplined will be best placed to succeed. Professional management and careful stewardship of portfolios, underpinned by the right advice, will be key differentiators as the market settles into its new rhythm.

Perennial demand

The fundamental supply and demand imbalance in the rental market remains in place. High house prices and moderating wage growth continue to keep first-time buyers renting for longer, sustaining demand. At the same time, housing supply has yet to recover to pre-pandemic levels, reinforcing tight conditions across much of the country. This dynamic plays out unevenly across regions. In London, rental growth is expected to remain relatively flat as affordability ceilings are reached, although popular areas demonstrate resilience. Many regional markets, particularly the North and Midlands, are forecast to outperform the Capital, supported by stronger affordability and persistent undersupply. University cities and towns remain centres of consistent demand, offering opportunity for landlords with diversified portfolios.



"With the market framework now in place, the challenge shifts from anticipation to execution in both lettings and sales."

Lomond in motion

Against this backdrop, Lomond continues to build momentum. Our commitment to attracting and nurturing high-quality talent was once again recognised by the Great Places to Work™ accreditation for the third consecutive year, alongside our team being named HR Team of the Year at the Appreciation Awards. We invested in the infrastructure underpinning our people and performance, including a new group-wide HR and Payroll system designed to enhance colleague experience and support our growth ambitions. Alongside this, we strengthened our central functions, most notably welcoming Neil McGimpsey as Chief Operating Officer, taking the reins from Lucy Jones, to whom Lomond owes sincere thanks for her outstanding contribution.

Our acquisition strategy remains firmly focused on quality. During the final quarter of 2025, we expanded our footprint through carefully selected acquisitions. Littlejohns joined DJ Alexander in Scotland; Right Let Leeds became part of Linley & Simpson; and Prospect established a new hub in Reading. These transactions exemplify our approach: identifying high-calibre businesses in private rented sector hotspots and unlocking their potential through scale, technology and expertise.

Unearthing opportunities

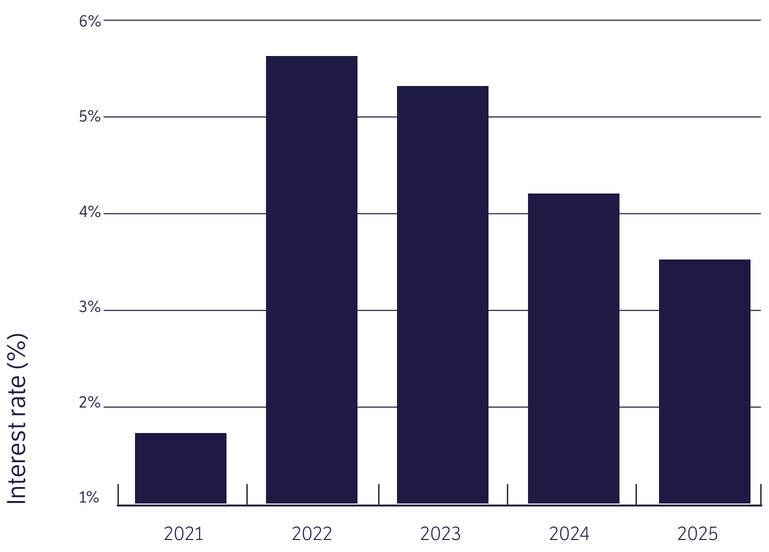
Residential lettings remains a stable, long-term income stream underpinned by enduring structural constraints on supply. While public narratives have sometimes cast the sector unfavourably, it remains a market of genuine opportunity for those who understand its complexities and adapt accordingly. With greater clarity on the economic and regulatory outlook, Lomond is well positioned to continue supporting landlords and tenants alike, and to deliver sustainable growth as the market finds its footing.

Ed Phillips
Group Chief Executive

Lettings

Evolution, clarity and confidence

Buy-to-let Mortgage Interest Rates



Source: UK Finance, Bank of England

A sector redefined by regulation

The UK lettings market enters 2026 with strong underlying resilience and a clearer sense of direction. Structural demand remains firmly in place, shaped by demographic growth, delayed first-time buyer transactions and longstanding supply constraints. Whilst Base Rate reductions are already providing some relief for landlords and their financing, the sector continues to evolve in a way that rewards long-term planning over short-term shifts.

National performance data reinforces this picture. UK-wide tenant demand moderated by 25%, easing back from post-pandemic intensity, while new lettings instructions increased by 2%, a welcome, albeit modest, boost to available stock. Lettings activity edged up 1%, and average rents rose 6%, underlining the ongoing competition for well-managed homes and hinting at the increased confidence that has begun to redefine this market.

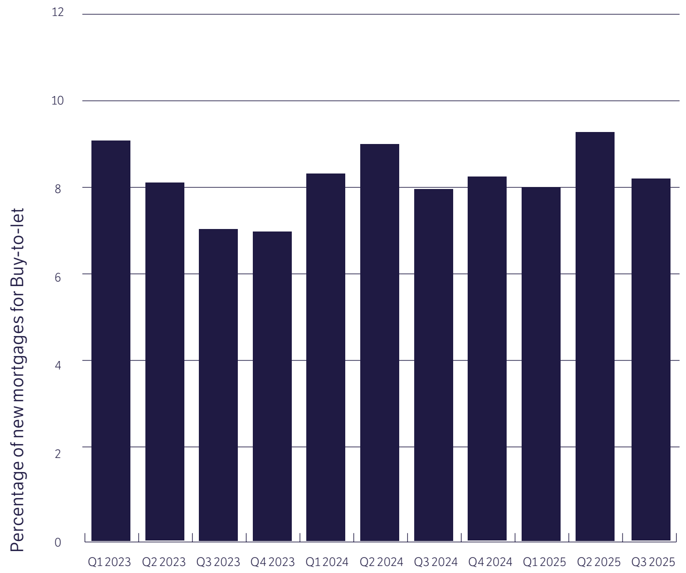
The evolving regulatory environment under the Renters' Rights Act is reshaping the sector in a way that supports higher property standards and greater professionalisation. This transition is directing client preference toward better-equipped operators and compliance-ready firms such as Lomond. Build-to-Rent, institutional and professional landlords continue to expand portfolios, bringing investment, consistency and improved service levels to the market. The sector's long-term strength increasingly rests on quality and transparency underpinned by the sustained demand that characterises the UK landscape.

Residential property does not thrive on speed; it thrives on confidence, and positively, economic conditions are gradually improving, with inflation expected to ease toward 2.5% by late 2026. Stabilising costs will allow landlords to plan capital works and compliance upgrades with greater certainty, and good maintenance practices will be more important than ever come May.

Regionally, investment opportunities remain plentiful. London's rental growth may be more subdued (+2%) due to affordability ceilings, whereas the South Coast, Midlands, Yorkshire, Kent, the North West and Scotland are all positioned to outperform the Capital, if only by small margins. Thanks to these regional cities' status as strong employment centres, properties are boasting attractive yields and enjoying sustained demand from students, young professionals and relocating households alike.

Overall, the lettings market is not only resilient but recalibrating toward a more professional, confidence-driven future: one that rewards quality, consistency and long-term stewardship, informed by the right advice.

Buy-to-let Mortgages



Source: UK Finance

Market Metrics

Average Monthly Rent Ave monthly rent 2024 vs 2025	**£1,602** **+£74**
UK rental inflation 2025 Annual rent inflation 2024 vs 2025	**4.9%** **-0.6%**
Percentage of income spent on rent Affordability change YoY	**32.3%** **-8.7%**

ONS, Homelet, gov.co.uk, Lomond IQ

Performance across our network

Supply
New instructions
21,423
2025

Demand
Tenants
215,363
2025

Activity
Lets agreed
21,581
2025

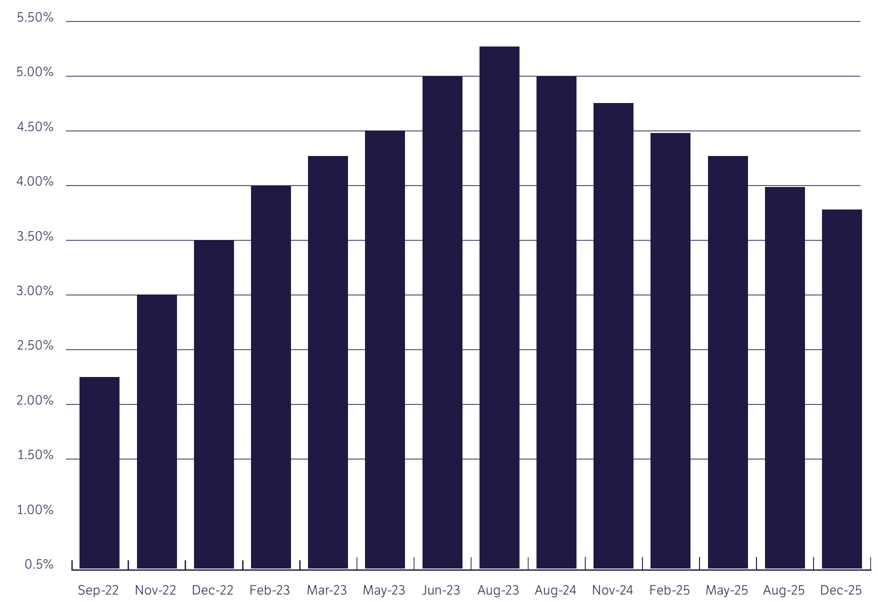
Supply/demand
Tenants per instruction
10
2025

Group wide totals during time period specified, Lomond IQ

Sales

Unlocking market potential

Bank of England Base Rate



Source: Bank of England

Recalibration and a stable outlook

The UK residential sales market enters 2026 with growing stability and a more confident outlook. Expected Base Rate reductions toward 3.25–3.5% are helping to ease mortgage costs after the volatility of recent years, giving buyers and sellers greater clarity and confidence, resulting in an uptick in market activity as the year begins.

Performance indicators underline this direction. UK-wide buyer demand rose by 8%, reflecting improving sentiment as financial conditions normalise. Although new instructions fell by 4%, this has supported pricing resilience by preventing oversupply. Overall activity increased by 1%, signifying measured but genuine momentum. The -2% readjustment in average prices represents a healthier alignment between buyer expectations and achievable values, helping transactions proceed more smoothly.

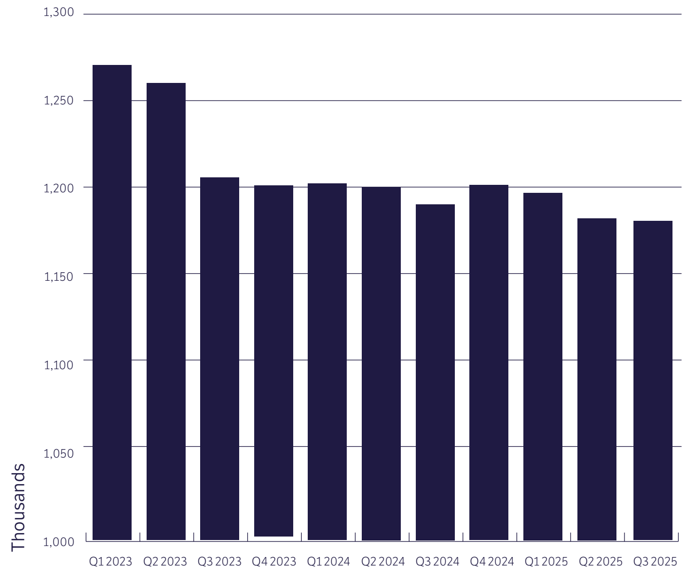
Economic conditions are gradually becoming more supportive of the market. Growth returned in November after a brief dip, and inflation is expected to drift toward 2.5% by late 2026, improving household confidence and easing budgeting pressures. While some ownership-related costs remain elevated, households do have greater predictability in forward planning their moves.

Regionally, investment opportunities are beginning to re-emerge. Prime London continues to attract globally oriented buyers seeking long-term value and security. At the same time, more affordable regions across the Midlands and North West are positioned to outperform others, as easing mortgage rates interact with stronger relative affordability and strong underlying demand.

Regulatory shifts are also influencing supply patterns. Some landlords are considering portfolio adjustments ahead of incoming reforms, and properties are flitting between the sales and lettings markets, helping broaden the choice for buyers. Meanwhile, institutional investors remain active - a sign of confidence in the market's long-term fundamentals.

Overall, 2026 is establishing itself as a year of measured improvement. Demand is strong, mortgage conditions are easing and pricing is stabilising. With recalibration now largely underway, the sales market is moving steadily toward a more sustainable, confidence-driven phase of activity.

Residential Loans to Individuals



Source: FCA

Market Metrics

UK property transaction volume 2025 Percentage change YoY	~1.2m +9.3%
UK economy growth GDP growth change	1.5% +0.4%
Average sale price 2025 Percentage change YoY	£351,074 -2%
NHBC new home registrations 2025 Percentage increase in new build registrations	115,350 +11%
Bank Base Rate Dec 2025 Annual Change	3.75% -1.00%

Source: Bank of England, Landmark, Nationwide, RICS, Gov.uk, Lomond IQ

Performance across our network

Supply
New instructions
22,577
2025

Demand
Buyers
128,319
2025

Activity
Sales agreed
16,041
2025

Supply/demand
Buyers per instruction
5.6
2025

Group wide totals during time period specified, Lomond IQ

Scotland

Operating the largest lettings agency in Scotland, our branch network covers the strategic locations of Edinburgh, Glasgow, St Andrews, Aberdeen and Dundee.

LETTINGS

More lets agreed while supply and demand balanced.

Activity
Lets Agreed
▲27%
2025 vs 2024

Market Share
New Instructions
▲7%
2025 vs 2024

SALES

Typical seasonal shifts were replaced by a steady market throughout.

Demand
Buyers
▲12%
2025 vs 2024

Supply
New Instructions
▲36%
2025 vs 2024

D.J.ALEXANDER
Sales & Lettings

Founded in 1982, DJ Alexander has been a trusted name in residential sales and lettings across Edinburgh, Glasgow, Dundee, Aberdeen and St. Andrews. DJ Alexander has expanded significantly, now managing over 10,000 properties across Scotland, supported by a team of over 300 professionals.

"2025 marked a year of adjustment and unpredictability across lettings and sales; latterly, stability and clarity encouraged landlords and sellers to progress confidently with plans."

Kevin Fraser
Managing Director

Finding clarity in change

A year of adjustment

2025 can best be described as a year of adjustment for the residential lettings market in Scotland. After a prolonged period of uncertainty, falling interest rates and the passing of the Scottish Housing Bill provided greater clarity and allowed the market to settle into a new normal. This shift brought increased stability and enabled landlords and investors to plan with more confidence.

The passing of the Scottish Housing Bill in Q4 enabled landlords to take a more strategic view of their investments. While changes such as rent controls can appear challenging, they also create an opportunity to review rental levels against the wider market and reassess property finances more holistically. This approach supports long-term sustainability, compliance and more resilient portfolios. Although the sector has changed significantly over the past decade due to government policy, regulation and wider economic pressures, property remains a dependable investment. The key difference is the timescale, with returns increasingly realised over the longer term. Investors who adapt to the evolving landscape and plan accordingly remain well-positioned to achieve consistent outcomes.

Aberdeen: an attractive proposition

The yields found in Aberdeen continue to outperform many other Scottish cities. Being among the strongest in the country, recent figures show 10% in AB24, and 8% in both AB11 and AB25. This performance is underpinned by confidence in the local economy. Employment stability, driven by the energy sector, including oil and gas alongside continued investment in renewables, supports a strong tenant base. Job security, competitive salaries and longer employment tenures all contribute to consistent demand. Lower average property prices further enhance Aberdeen's attractiveness, making it suitable for first-time investors as well as experienced landlords seeking diversification and strong returns. This is reflected in our overall activity levels, with tenancies agreed increasing by 27% in 2025 compared to 2024. Despite some landlord caution, tenant demand remains robust.

Glasgow and Edinburgh continue to deliver strong capital growth and rental performance, with Edinburgh's diverse economy and high inbound migration continuing to support pricing and long-term demand.

Positively unpredictable

The residential sales market in 2025 was notably unpredictable. While unpredictability is often viewed negatively, in practice it resulted in a less volatile year. Traditional seasonal peaks and troughs were moderated, resulting in steadier levels of activity across the twelve months rather than sharp surges followed by slowdowns.

Buyer demand increased by 13% year on year, while supply rose by 36% compared to 2024, indicating renewed confidence. After delaying decisions during earlier uncertainty, many buyers and sellers moved forward with planned transactions. For landlords, renewed interest in portfolio purchases of six properties or more, allowing investors to benefit from the exemption of the Additional Dwelling Supplement, reflected confidence in the Scottish property investment landscape.

No more headwinds?

Looking ahead, the outlook is cautiously positive. Further interest rate reductions expected in 2026 should improve mortgage availability and choice, supporting both owner-occupiers and investors. Combined with the absence of planned major government changes, this points to a steadier and more predictable year ahead for the property market.

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

Both demand and supply eased, reflecting a calmer rental market.

Activity
Lets Agreed
▲7%
2025 vs 2024

Market Rent
Average Rental Price
▲1%
2025 vs 2024

SALES

Improving supply and demand contributed to firmer sales activity.

Demand
Buyers
▲3%
2025 vs 2024

Market Value
Average Sale Price
▼2.8%
2025 vs 2024

"There is a real knowledge gap around the Renters' Rights Act, underscoring just how important clear, informed guidance has become in today's increasingly complex market."

David Mear
Managing Director

A balanced market built on insight

Steady renewed momentum

2025 was defined by challenge and shaped by uncertainty around the Renters' Rights Act (RRA) as well as a hesitant sales sentiment leading into the Budget. Despite headlines predicting a landlord exodus, the reality across Yorkshire has been far more stable.

November and December exceeded expectations and fed directly into an energetic start to 2026, with tenant demand and sales agreed high through to January. The year has begun with confidence, and early indicators suggest Q1 will benefit from this momentum.

Lettings market clarity

Demand remained consistently strong throughout Q4 of 2025, with a further surge in enquiries over Christmas. This year's Boxing Day online search activity outperformed 2024's high baseline, pointing to strong tenant motivation. 2025 overall saw nearly a 7% increase year on year in agreed lets and with rents continuing to rise at a steady rate, landlords should enter 2026 feeling confident that tenants are motivated to rent.

A major theme that emerged from landlord events we held in Q4 was the scale of the knowledge gap around the detail within the Renters' Rights Act (RRA). Many landlords confirmed that their understanding of upcoming changes has come almost exclusively through our communication. As the regulatory landscape becomes more complex, informed guidance has never been more valuable.

Landlords are increasingly shifting to full management services as they navigate growing compliance pressures, a trend we expect to see continue. Rent & Legal Protection (RLP) is also seeing rising adoption rates, with a 24% uplift in those opting for the protection policy. This is expected to continue further during early 2026 as May's RRA deadline nears. Those who maintain their property to a high standard throughout a tenancy are safeguarding the value of their investment long-term.

Sales outlook steady

The 2025 Yorkshire sales market saw demand increase and supply drop compared to the previous year, confirming that many sellers stalled their move due to uncertainties in the political and economic landscape. The 2026 market appears set for a return to balance. Anticipated Base Rate reductions and a wider range of mortgage products available should support improved affordability and modest price growth. With more sellers returning after a cautious 2025, time taken to sell is expected to shorten in Q1 2026 due to low initial stock levels and continued strong demand.

Some sellers are reassessing their plans as pricing expectations settle. This has led to a rise in 'accidental' landlords, with homeowners who initially aimed to sell now choosing to let instead. For many, shifting to lettings offers a practical route forward, providing reliable income while they consider their options.

Regional strengths emerging

Ilkley, in particular, is expected to see renewed sales activity at the higher end of the market, following a more subdued 2025. Hull continues to stand out for investors, offering excellent yields of 7-8% and a high volume of opportunities to enter in the market, either for a first-time investor, or those diversifying their portfolio.

The Yorkshire region's clients continue to benefit from the wider Lomond network, with cross region moves, off-market portfolio connections and improved technology including enhancements to our Propertycloud platform. The rebrand of Dale Eddison into Hardisty, coupled with the refreshed branding also strengthened and unified regional brand presence.

With clarity restored and demand holding firm, we begin 2026 from a position of stability, entering a market shaped less by uncertainty and more by informed decisive action.

North West

Covering Manchester, Stockport and Chester, our local experts have an unrivalled depth of knowledge in key cities in this region.

THORNLEY GROVES

JULIAN WADDEN

Managing thousands of properties in the greater Manchester area, 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

The market reacts to the effects of the Renters' Rights Act.

Supply
New Instructions
▲15%
2025 vs 2024

Market Share
New Instructions
▲31%
2025 vs 2024

SALES

Budget uncertainty left the housing market cautious, with equilibrium forecast.

Supply
New Instructions
▼12%
2025 vs 2024

Market Value
Average Sale Price
▲0.4%
2025 vs 2024

"A key benefit of our managed service is access to Rent & Legal Protection (RLP). With legislative changes allowing tenants to challenge rent increases, RLP ensures landlords continue to receive their full rental income while any dispute is reviewed in court."

Matthew Smith
Managing Director

Market strength despite challenges

Informed and compliant landlords

The 2025 Budget had limited impact on landlords. However, other legislative changes, most notably the Renters' Rights Act (RRA), required landlords to review and strengthen their portfolios.

Supply of rental properties was strong in 2025, increasing by 15% compared with 2024. Despite media reports suggesting a widespread landlord exodus, our data indicates that landlords in the North West remain confident in the market, continue to invest and have been rewarded with a 5.7% increase in rents year on year. Tenant sentiment still points toward a preference for furnished homes in or near the city centre, though a recent surge of new-build apartments has expanded supply, lifted specification standards and pushed rental values upward. At points, this volume of stock has outpaced demand, in contrast to family houses in towns and villages, which remain in short supply and are quickly secured by tenants drawn to strong schools, commuter access and suburban living.

Our landlord event in Q4 further strengthened this confidence. This was our fourth event to date and the most engaged, as RRA changes approach. The key takeaway was that landlords with fully managed properties felt better prepared for the changes coming into effect in 2026. For the first time, 2025 saw the entire Lomond network hold an event, providing landlords with the opportunity to hear from experts across the key cities in which we operate. Landlords hoping to diversify their portfolios can capitalise on our extensive network across the UK's major private rented sector hotspots.

We anticipate an increase in the uptake of our auxiliary services, such as Rent & Legal Protection (RLP) as the legislation comes into force, enabling landlords to benefit from enhanced protection of their property and income.

Navigating uncertainty

As the Renters' Rights Act passed into law, some landlords considered exiting the market due to concerns regarding its potential impact. The sales and lettings teams worked collaboratively to engage in open and transparent discussions, supporting landlords in exploring their options and making informed decisions rather than acting on impulse.

Changes to the Stamp Duty threshold triggered a surge in activity in Q1 2025 as buyers sought to complete transactions before the deadline. Following this and the delayed Budget announcement, buyers became increasingly selective as the supply and demand balance shifted in their favour. Despite this, average sale prices in the region rose over the course of the year as a whole, when compared with 2024.

Demand has remained strong through 2025 and into 2026, particularly for well-proportioned family homes. With working from home commonplace, buyers are continuing to place greater value on space that accommodates both family life and work. Locations such as Monton remain particularly popular, offering a varied housing stock and benefiting from a peripheral position relative to the city centre. First-time buyers also remain active in the market, supported by lower interest rates and a wider range of mortgage options.

The return to normality

We expect the market to begin rebalancing following the headwinds of 2025. As conditions stabilise, a greater sense of normality should return, allowing buyers and sellers to proceed with their property plans with increased confidence.

Our advice to landlords is to ensure they have a strong managing agent in place to navigate the upcoming government changes later this year. If landlords act responsibly and maintain high standards of tenant care and property management, there should be little cause for concern with the right expertise and guidance.

Midlands

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

LETTINGS

Rising demand contrasted with tightening supply across the sector.

Demand	Market Rent
Tenants	Average Monthly Rent
▲6%	▲5%
2025 vs 2024	2025 vs 2024

SALES

Strong demand persisted, influencing an increase in achieved prices.

Demand	Market Value
Buyers	Average Sale Price
▲18%	▲1%
2025 vs 2024	2025 vs 2024

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.

"With confidence returning and uncertainty subdued at last, movers can act decisively. Further delay is unlikely to provide any meaningful gain."

Richard Crathorne
Managing Director

Resilience in a changing landscape

Stability following a turbulent market

The early months of 2025 were defined by strong momentum as buyers and landlords adjusted to new lending conditions, shifting interest rates and a rising need for clearer, more proactive guidance. As the year progressed, uncertainty around the Renters' Rights Act (RRA), combined with summer seasonality and pre-Budget hesitation, softened activity. Despite the turbulence, the market demonstrated notable resilience and remained more stable than headlines suggested.

By Q4, RRA-related anxiety had settled, and the Budget proved less disruptive than anticipated. A Base Rate reduction shortly afterwards helped restore confidence, positioning the region for an optimistic start to 2026.

Lettings market clarity

In 2025, tenant demand increased by over 6% and supply fell by nearly 10%, driving rents up by 5% and the number of lets agreed up as a consequence. Landlord sentiment has stabilised meaningfully since the uncertainty of mid-2025. With the RRA now better understood, it provides a clearer framework for compliant and proactive management. Birmingham and Nottingham's landlord events achieved their highest turnout on record, underscoring growing demand for expert guidance as compliance standards rise.

The key message for 2026 is straightforward: partner with a strong managing agent, trust their expertise and take their advice. Landlords who resisted rent increases now report weaker net returns, while those who followed recommended reviews remain ahead on yields. With 12-month rent reviews now embedded within legislation, alignment to best practice is essential.

Sales momentum returning

An 18% rise in demand, set against a 14% drop in stock, defined the sales landscape through 2025 when compared to 2024.

Q4 reflected typical year-end depletion, however the Budget's delays meant October resembled December in terms of activity levels. With clarity now restored and early activity already picking up, the region enters 2026 with renewed stability.

The sales market continues to perform well at the first-time buyer and mid-market levels. Downsizers remain constrained by a shortage of high-quality smaller homes, limiting wider chain movement.

The outlook for the next six months is one of normalised seasonality. Further Base Rate reductions are expected and no significant policy disruptions lie ahead beyond the 1st May RRA milestone. For those considering a move, the message is clear: stability and clarity have returned and waiting is unlikely to deliver a meaningful advantage.

Network strengths growing

The Lomond national network continues to be a major differentiator in the Midlands. Cross-regional investor reach, Chase Evans' overseas buyer links, and a growing student market all enhance the region's ability to connect sellers, landlords and investors at scale. Equally, Lomond's RRA insights and guidance packs are helping agents and landlords stay ahead of regulatory change.

As 2026 begins, confidence is building, clarity has returned and movement is picking up. For households and landlords alike, it is a year to act with certainty rather than wait for perfect conditions that are unlikely to materialise.

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 estate agency and property services across London, priding ourselves on providing unrivalled service, communication and results to both national and international clients.

LETTINGS

Increased supply shows quiet confidence in the market.

Supply	Market Rent
New Instructions	Average Rent
▲3%	▲1.5%
2025 vs 2024	2025 vs 2024

SALES

Change in 2025 left the market poised to unlock.

Demand	Supply
Buyers	New Instructions
▼5%	▼9%
2025 vs 2024	2025 vs 2024

"Property remains a strong long-term investment as demand sustains; confident players with a clear investment strategy complemented by the right advice will secure the best outcomes."

John Ennis
Chief Revenue Officer

A clearer picture in the Capital

Educating the sector

The London lettings market proved resilient in 2025. Despite sector challenges and regulatory changes, average rents in the Capital increased modestly, and both the suburban and inner-city markets of London remained stable, demonstrating ongoing confidence from landlords and tenants alike.

While some landlords considered selling in response to new compliance obligations, the current landscape means this is not the most financially prudent choice. Decisions driven solely by concerns over the Renters' Rights Act (RRA) often result in selling at a reduced price or otherwise undermining long-term returns. The most strategic solution is to take advice and enlist the support of a professional managing agent.

A skilled agent can manage day-to-day operations, provide tailored guidance and educate landlords on compliance and strategy, all while maximising returns. Providing this service to landlords saw the supply of property to let increase 3% in 2025 when compared to 2024, contradicting the media noise of landlords exiting the market in their masses.

With the RRA taking effect in May, we've supported landlords through updates and in-person events attended by landlords and other London agents seeking guidance from our experts.

Demand for Rent & Legal Protection (RLP) is expected to grow further from May onwards, following a 55% increase in uptake in 2025, particularly as tenants gain the ability to challenge rent increases. RLP policies will ensure landlords are paid the increased rent during the period before decisions are issued by the First-tier Tribunal, which is coverage that many standard insurance policies do not offer.

A summer for students

The summer of 2025 was quieter for lets in the city and Purpose-Built Student Accommodation (PBSA), largely due to fewer international students arriving. Universities increased pass requirements for English language courses, which prevented enrolments; however, looking ahead to summer 2026, we expect demand to rise as students are now aware of the requirements and can ensure these are met.

Overseas investors continue to purchase property for their children attending British schools, removing their need to rent throughout their education, and these purchase decisions are typically driven by personal factors such as proximity to friends or work and study, rather than yield or legislative factors, though they are sound investments in the long term.

Improved conditions

The London sales market remained cautious throughout 2025, particularly post the stamp duty threshold change, with activity tempered by uncertainty surrounding the Budget. However, as clarity returned and interest rates began to fall, momentum strengthened. At the start of 2026, the market has picked up noticeably, with demand now outpacing supply in many areas. Buyers are having to act decisively to secure high-quality properties in prime locations.

London continues to offer a stable and resilient environment for capital investment. Demand is underpinned by the city's diverse labour market and a steady influx of graduates and professionals seeking accommodation to rent or buy, often supported by the bank of Mum and Dad.

While property remains a compelling long-term investment, the timeline for returns may be longer than in previous cycles. In this evolving regulatory landscape, investors benefit significantly from the support of an experienced managing agent, particularly as increasingly stringent legislation leaves little margin for error.

Kent

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

LETTINGS

Increased supply supported a moderate rise in lets agreed.

Activity	Market Share
Lets Agreed	New Instructions
▲4.7%	▲29%
2025 vs 2024	2025 vs 2024

SALES

Sales activity strengthened despite marginal softening in demand.

Demand	Activity
Buyers	Sales Agreed
▼1.5%	▲6%
2025 vs 2024	2025 vs 2024

miles&barr

With over 25 years' experience in helping people in Kent sell and let properties, our aim is help clients achieve their property goals with service and expertise that exceeds expectations.

"The Renters' Rights Act should not be cause for concern. Informed landlords with a proactive managing agent are well positioned to succeed in the market, now and from May."

Mark Brooks
Managing Director

Stability with growing momentum

Renewed confidence emerging

2025 was a strong and steady year. Lettings remained resilient, with consistently high tenant demand and a slight rise in properties on the market. Sales outperformed expectations, finishing around 20% above target in value terms, and sales agreed rose 6% year on year across East Kent. Despite headlines, local conditions remained far more positive than reported.

Lettings demand sustained

Lettings remained robust throughout 2025. Tenant applicant numbers stayed high, and professional landlords continued to view East Kent as a reliable, attractive marketplace. Supply increased by 21% compared with 2024, contributing to more lets agreed across the region.

More landlords are exploring the option of selling than in previous years, though this is driven less by the Renters' Rights Act (RRA) and more by older landlords looking to retire or acting ahead of anticipated capital gains changes. Awareness of the RRA remains a challenge across the market, but clients of ours can have confidence in being fully informed. The message is clear: with strong management and compliance support, the Act should not be a cause for concern.

Rents are stable and demand for two to three bedroom houses remain exceptionally strong. New build flats also feature prominently in the rental landscape, particularly in Whitstable, Cliftonville and Ramsgate, where developers, originally looking to secure sales, have decided to focus on longer term rental income as opposed to an immediate sales return.

The demographic of landlords is gradually shifting toward younger investors, although fewer new landlords are entering the market than 18–24 months ago. This is creating space for well-capitalised landlords to grow.

Sales confidence returning

We enter 2026 with a stable and balanced sales market. House prices remained broadly level across 2025, with early signs of renewed strength at the top end. The reduction in the Base Rate and the removal of Budget uncertainty have improved sentiment, supported by the passing of the RRA which removes a layer of ambiguity.

With more certainty, hesitant movers are now re-entering the market. Waiting for further rate reductions is unlikely to create real savings, as modest price increases may offset any benefit. For those needing or wanting to move, conditions are favourable.

Average national sale-to-completion time remains around 20 weeks, but with Mover Essentials, Kent clients typically benefit from significantly faster timelines – closer to 13 weeks – when both parties use the service. Our Mover Essentials service facilitates buyers and sellers becoming legally prepared upfront, reducing delays and helping transactions move more efficiently.

Demand remains high for two to three bedroom houses across East Kent, while premium new build apartments continue to attract London movers, particularly in coastal areas which still have easy access to the Capital.

Regional strengths emerging

Kent continues to benefit from the Lomond national network. Strong connections with London brands Kinleigh Folkard & Hayward and Chase Evans build immediate trust with relocating buyers, while the network supports landlords and investors moving between regions. Enhanced compliance guidance and faster transaction pathways remain clear advantages as 2026 begins.

South Coast

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

Charters

MichaelJones

brandvaughan

Our respective brands have called Hampshire and Sussex home for decades. Built on strong local roots, our teams offer honest advice and real support to help you find the right property or make the best decision for your future. We're not just about transaction volumes, we're connected to the people and places we know and we genuinely care about the communities we serve.

LETTINGS

Strong tenant activity alongside a rise in available rental homes.

Market Rent
Average Rental Price
▲10%
2025 vs 2024

Supply
New Instructions
▲14%
2025 vs 2024

SALES

Buyer interest surges creating strong opportunities for sellers.

Demand
Buyers
▲69%
2025 vs 2024

Supply
New Instructions
▲4%
2025 vs 2024

"With the right managing agent, landlords can feel confident and informed about upcoming legislative changes. There is no need to react to short-term fluctuations when expert support is available to guide decision-making."

Elliott Trodd
Managing Director

A year of two halves

Strong activity, measured approach

Activity across the south coast sales and lettings markets remained strong throughout 2025 and outperformed 2024. However, a measured and steady approach was evident across all sectors of the market.

A growing portfolio

Throughout 2025, landlords became increasingly aware of forthcoming legislative changes brought about by the passing of the Renters' Rights Act (RRA) and recognised the value of working with experienced professionals who can provide guidance through the full process. Undeterred by the upcoming changes, clients continued to let properties and reinvest; the number of properties available to let increased and the managed portfolio grew by 8%.

Both the supply of rental properties and the demand for them increased, by 14% and 8% respectively in 2025, compared to the previous year, resulting in a 7% increase in the number of lets agreed year on year. These factors contributed to a 10% increase in the average rental price, reflecting the continued favourable market conditions, despite the media narratives.

During the latter part of the year, landlords demonstrated increased confidence and a stronger understanding of the changes ahead, particularly those who attended our landlord event in Q3 2025. Key concerns focused on risk around rent arrears and anti-social behaviour. However, landlords were reassured by the expertise and support available, with many choosing to transfer the management of their properties to us. Property management by professional agents will become an essential component to successfully navigating the 2026 lettings landscape.

Looking ahead, landlords are advised to remain steady and avoid reacting to short-term market movements. Selecting the right agent and maintaining a balanced portfolio across property types and locations will be crucial. Strong financial planning, regular property health checks and compliance reviews will help safeguard investments and support stable returns.

Buyer demand surges

Changes to the Stamp Duty Land Tax threshold prompted an early surge in activity as buyers sought to complete transactions before April 2025. This shifted demand earlier in the year rather than increasing overall activity. Combined with Budget speculation later in the summer, this resulted in a noticeable slowdown during Q4, giving the year the appearance of two distinct halves despite strong overall performance.

Buyer demand remained robust, with enquiries increasing by 69% compared to 2024. Supply increased by only 4%, creating a clear imbalance between buyers and available properties, and presenting strong opportunities for sellers.

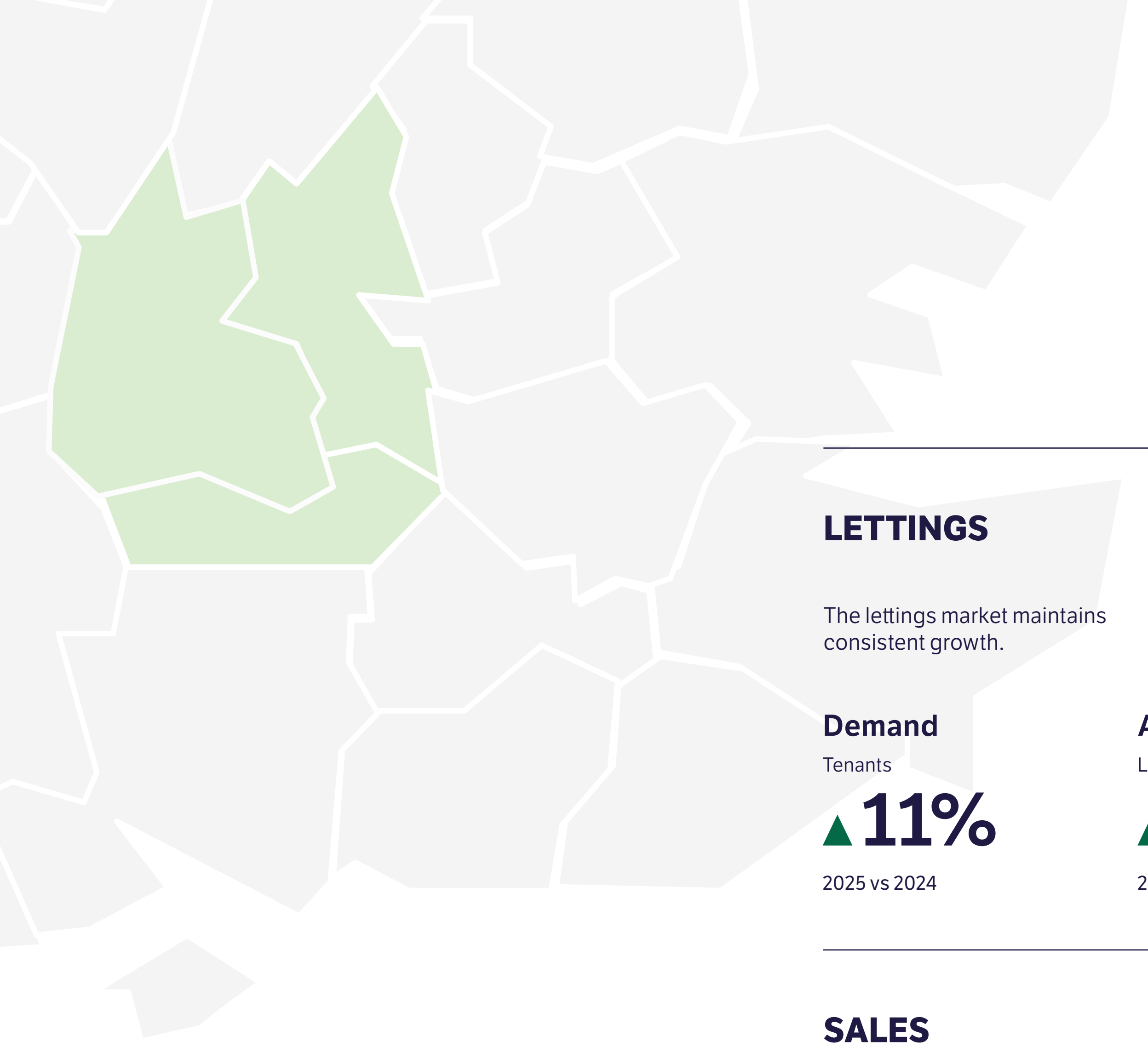
Confidence entering the current year remains high, supported by a strong start and increased optimism driven by lower interest rates. This has been particularly evident among first-time buyers and the lower end of the market. Early effects of the proposed Mansion Tax have also emerged. Although not due to be implemented until 2028, some homeowners in affected properties are downsizing into the £1 to £1.5 million range. Further developments in this area will be monitored throughout the year.

Protecting investments

In preparation for legislative changes, demand for auxiliary services across the Lomond network, including Rent & Legal Protection (RLP), is expected to increase. Since 2024, approximately 50% of landlords have adopted RLP to protect their investments. This figure is forecast to rise to 80% as the RRA is implemented and awareness of the benefits continues to grow.

Thames Valley

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



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 and uncompromising standards. Knowing the difference we make to our clients' lives is what makes us proud to deliver property, properly.

LETTINGS

The lettings market maintains consistent growth.

Demand
Tenants
▲**11%**
2025 vs 2024

Activity
Lets Agreed
▲**10%**
2025 vs 2024

SALES

Steady momentum continues in the sales market.

Supply
New Instructions
▲**1%**
2025 vs 2024

Activity
Sales Agreed
▲**8%**
2025 vs 2024

"We are delighted to be joining the Lomond network and believe it will have a real impact on our growth. It is refreshing to be part of a group that is focused on outcome driven brands, whilst being supported by industry leading property professionals."

Mark Towell
Managing Director

Growth meets opportunity

Expanding Lomond's reach

At the end of 2025, Lomond expanded into the Thames Valley, marking a significant milestone as we entered a new region. Welcoming Prospect into the Group reinforces the power of the Lomond network and creates a strong platform for continued growth. Joining Lomond means greater reach across the UK and access to deeper expertise.

The Thames Valley market performed more positively than many had anticipated. Widespread media coverage created expectations of a much tougher year, yet market conditions proved more resilient. Client sentiment showed a clear preference for established locations with strong transport links to London. Areas offering an easy commute remained particularly popular. The Elizabeth Line has further strengthened demand in locations such as Reading and Middlesex, which remain highly desirable for city workers looking to buy or rent, providing them with accessibility without compromising on location.

Building strong foundations

Demand in the lettings market remained strong, with lets agreed up by 10% in 2025 and tenant registrations increasing by over 11% compared with 2024. Despite current market conditions, landlord confidence remained resilient. Prospect understands that successful lettings are built on strong landlord and tenant relationships, clear communication and landlords working with a trusted agent to deliver long-term stability.

Towns such as Bracknell remain popular with investors, offering good value properties and attractive rental yields. Demand remains particularly high for two to three-bedroom freehold homes, as they continue to deliver long-term capital growth.

Downsizers look to new builds

Stamp Duty threshold changes sparked a surge in market activity from Q1 2025, as buyers and sellers looked to complete transactions before the deadline. Downsizers were particularly well placed to take advantage of the increased demand. In the second half of the year, following the Mansion Tax announcement in the Budget, downsizers again became more active, with many choosing new build homes.

Overall, this activity is reflected in an 8% increase in sales agreed in 2025 compared with the previous year. Despite the delayed Budget and wider uncertainty, buyers and sellers continued to progress with their property plans.

Reading's rising appeal

The rental market in Reading continues to offer strong long-term opportunities, supported by steady demand and high-quality tenants. By maintaining excellent property standards and tenant relationships, landlords can maximise stability and retention in 2026. Growth in the Build-to-Rent sector is also anticipated, due to Reading's strong connections to London.

Looking ahead to 2026, lower interest rates and more attractive mortgage options are encouraging consumers to borrow. This combination is likely to support housing market activity across buyers, sellers and investors.

LOMOND
Investment Management

"2026 is about aligning opportunity with long-term stewardship. Tenants are seeking quality, stability and professionalism, while investors are looking for resilience and income visibility. At LIM, we are equipped to deliver both."

Hannah Farmer
Managing Director

A year of grounded optimism

Renter confidence meets institutional capital

As the UK residential investment market enters 2026, the momentum established throughout 2025 is evolving into a more grounded, demand-led outlook. Institutional-grade investors and funds continued to demonstrate confidence and appetite to deploy capital during 2025, supported by improving pricing clarity and a renewed focus on income resilience. That confidence has carried into early 2026, setting the tone for disciplined growth across the living sectors.

Tenant behaviour is increasingly reinforcing these investment trends. Renters are showing a clear preference for new-build, institutionally managed homes, drawn by the security, quality and longevity offered by professionally operated assets. Early indicators in 2026 point to an uplift in both applications and move-ins, reflecting the seasonal appetite to move as well as growing tenant confidence. The reassurance of a long-term, institutional landlord is becoming an important factor in rental decision-making, particularly as households plan further ahead and prioritise stability.

Single Family Housing (SFH) is emerging as a defining feature of this next phase. For many renters, SFH represents the natural progression from more transient Build-to-Rent (BTR) accommodation, offering greater space and privacy, yet with strong connections to established urban areas. Suburbia beckons as households seek access to amenities, transport links and neighbourhoods designed for longer-term living. Professionally managed SFH, in particular, is benefiting from this shift, as residents value not only the homes themselves but also the credibility and permanence of institutional ownership.

Transience to long-term stewardship

From an investment perspective, SFH continues to demonstrate resilience and operational robustness. While BTR remains an important component of institutional residential strategies, the sector continues to face challenges around development and completion timelines. In contrast, SFH benefits from phased delivery, faster deployment and earlier income generation, attributes that are increasingly valued as markets normalise. These dynamics are expected to support sustained capital allocation into SFH throughout 2026, particularly among investors seeking growth and predictable income.

Lomond Investment Management (LIM) enters 2026 with a clear focus on organic growth, building on the foundations it has established and continuing its upward trajectory. This focus is underpinned by a national operating platform and our deep local market expertise. Operating as part of Lomond, which manages more than 80,000 rental homes across the UK, LIM combines institutional rigour with operational precision and local responsiveness. Centralised asset management, consistent reporting and long-term stewardship remain central to the platform's proposition as portfolios scale.

Looking ahead, 2026 is shaping up to be a year defined by alignment: between renter aspirations and investor objectives, between quality housing and professional management, and between growth and discipline. With suburban SFH, institutional ownership and tenant confidence increasingly moving in step, LIM is well positioned to continue delivering sustainable value across the UK residential sector.

Contact: lim@lomond.co.uk

Lomond DNA

Our ethos of excellence in property services

Lomond is an established network of high quality regional sales and lettings agents spanning the length and breadth of the UK.

At the core of our success is our commitment to **wisdom**, investing in talented professionals whose expertise and ambition enable our clients to make smarter property decisions. We uphold the highest standards of **integrity**, fostering transparency and trust in every interaction. Our brands consistently achieve **success**, delivering exceptional results and industry-leading customer satisfaction. Through continuous **evolution**, we embrace innovation and strategic growth, ensuring we remain at the forefront of the property sector. These form our **WISE** values, something everyone at Lomond strives to uphold.

With a proven track record of acquiring and transforming independent agencies, we provide the resources, technology and operational expertise to enhance performance and accelerate growth. Our ambition is to expand our footprint in PRS hotspots across the UK, strengthening existing markets and unlocking new opportunities.

THE SUNDAY TIMES Best Places to Work 2025 BIG ORGANISATION

Great Place To Work. Certified

Best Workplaces in Construction, Engineering & Property Great Place To Work. UK 2025

Lomond Quarterly Insights

Property wisdom at work

LOMOND