

Fleet
Mortgages

Rental Barometer

Q4 2025

INTERMEDIARY USE ONLY



The Buy-to-Let Mortgage Market

Buy-to-Let enters 2026 on stronger footing

This latest iteration of Fleet's Rental Barometer kicks off 2026 after a year of steady change and progress throughout 2025. Despite a number of challenges – regulatory, political, and economic – landlord borrowers have started to feel the benefits of a lower rate environment and a greater ability to meet affordability hurdles, which prior to this, have been high.

Both IMLA and UK Finance suggest gross mortgage lending for buy-to-let hit approximately £39-£40bn in 2025, up by £5/6bn on 2024. IMLA is forecasting that buy-to-let purchase lending will grow from £11bn in 2025, to £12bn in 2026 and on to £14bn next year. UK Finance are more conservative, expecting this year's new buy-to-let purchase lending to hit the same as 2025, £11bn.

There are clearly positives for advisers and their landlord clients to grasp this year, even with the changes that will be brought about from May with the introduction of the Renters' Rights Act.

That will require some change but with landlord borrower demand remaining strong, fuelled by good tenant demand, rental yield and rising rents, advisers should be able to support these clients with more competitively-priced mortgage products and more flexible criteria across multiple different property sets.



Q4 2025 Rental Yields

Rental yields edging upwards

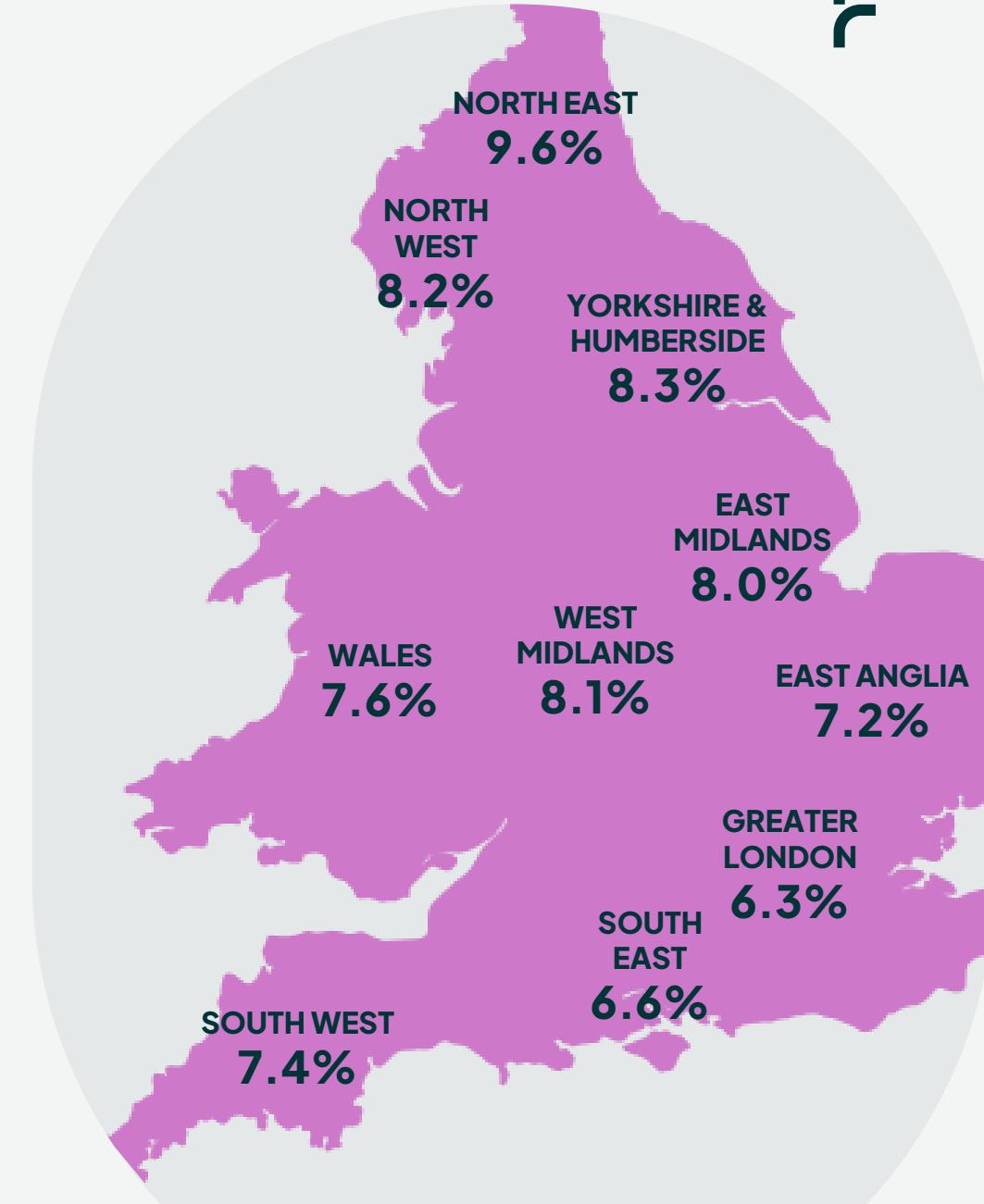
Fleet's data for Q4 2025 shows average rental yields across England and Wales continuing to edge upwards, with growth of 0.2% observed during the quarter, up from 7.5% to 7.7%.

On an annual basis, England and Wales yields rose by 0.3%, from 7.4% to 7.7%, a more modest uplift compared to earlier years, but nonetheless a sign of continued resilience given the economic and regulatory headwinds faced by landlords.

On a regional basis, as with earlier quarters, the North of the country outperformed the South, with performance strongest in the North East (9.6%), followed by Yorkshire & Humberside (8.3%) and the North West (8.2%), where yields comfortably outpaced those in the South.

At the other end of the scale, yields in Greater London (6.3%), the South East (6.6%), and East Anglia (7.2%) were the lowest. These regional contrasts continue to shape investment decisions, with many professional landlords targeting higher-yielding areas for portfolio expansion.

**Average rental yield
by region Q4 2025**



Q4 2025 Rental Yields

Geographic Region List	Average Rental Yield by Region					Quarter on Quarter change
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	
North East	9.3%	9.2%	8.7%	9.0%	9.6%	+0.6%
Yorkshire and Humberside	8.6%	8.1%	7.9%	8.2%	8.3%	+0.1%
North West	8.3%	8.4%	8.8%	8.5%	8.2%	-0.3%
West Midlands	6.6%	7.7%	7.2%	7.5%	8.1%	+0.6%
East Midlands	7.7%	7.1%	7.5%	7.5%	8.0%	+0.5%
Wales	8.2%	7.7%	9.0%	8.2%	7.6%	-0.6%
South West	6.9%	6.7%	7.1%	7.0%	7.4%	+0.4%
East Anglia	6.3%	6.7%	6.2%	6.6%	7.2%	+0.6%
South East	6.4%	6.5%	6.5%	6.5%	6.6%	+0.1%
Greater London	5.8%	6.0%	6.0%	5.9%	6.3%	+0.4%

Q4 2025 Rents by Region

Geographic Region List	Average Rent by Region					Quarter on Quarter change	Yearly change
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025		
Greater London	£2,056	£2,185	£2,328	£2,165	£2,388	10.3%	16.1%
East Anglia	£1,409	£1,570	£1,640	£1,501	£1,796	19.7%	27.5%
South East	£1,693	£1,575	£1,520	£1,662	£1,765	6.2%	4.3%
South West	£1,734	£1,385	£1,363	£1,512	£1,552	2.6%	-10.5%
East Midlands	£1,298	£1,113	£1,173	£1,125	£1,473	30.9%	13.5%
West Midlands	£1,462	£1,217	£1,146	£1,563	£1,399	-10.5%	-4.3%
Yorkshire & Humberside	£966	£869	£861	£1,079	£1,394	29.2%	44.3%
North West	£1,042	£1,156	£1,167	£1,157	£1,112	-3.9%	6.7%
Wales	£1,080	£984	£1,061	£980	£958	-2.2%	-11.3%
North East	£706	£739	£900	£848	£834	-1.7%	18.1%

Market Indicators

Bank Base Rate reduced by a further 0.25% in December 2025 which is expected to result in further enhancements to affordability as mortgage pricing tracks lower. Peer market averages declined by around 10bps on two-year fixes and 15bps on five-year fixes, with Fleet's own five-year products reducing by an average 7bps to 4.97%.

Average rent cover ratios at application increased to 183% following a slight dip last quarter. Average loan sizes increased by over £10k to £206k with Fleet continuing to observe strong demand (37%) from landlords looking to add properties to their rental portfolios.

Indicator	Application data by application date				
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Bank Base Rate	4.75%	4.50%	4.25%	4.00%	3.75%
Average 2-Year Fixed Rate (Market)	4.82%	5.16%	4.93%	4.43%	4.34%
Average 5-Year Fixed Rate (Market)	5.68%	5.48%	5.27%	4.98%	4.84%
Average Fleet 2-Year Fixed Rate	4.71%	4.63%	4.35%	4.35%	4.27%
Average Fleet 5-Year Fixed Rate	5.11%	5.15%	5.13%	5.04%	4.97%
Average Rent Cover at Origination	182%	190%	187%	171%	183%
Average Loan Size	£201k	£207k	£198k	£194k	£206k
Percentage Purchase Business	44%	39%	39%	38%	37%
Average number of Investment Properties	12	9	10	12	14

Borrowing Entity

Limited company borrowing continues to dominate the specialist buy-to-let market, accounting for 76% of all applications received in Q4. This trend highlights how landlords are increasingly professionalising their operations in order to benefit from tax efficiencies.

Borrower Type	Q4 2025
Private Investor	24%
Limited Company	76%

Landlord Portfolios

In Q4, 61% of applications were from portfolio landlords holding four or more properties. Notably, the share of applications from landlords with 15+ properties grew to 25%, up from 16% in Q2. At the same time, first-time landlord applications represented 11% of the total, showing that new entrants remain active despite affordability and regulatory challenges.

Number of Investment Properties	Q3 2025	Q4 2025
1-3 BTL properties	27%	28%
4-5 BTL properties	7%	6%
6-14 BTL properties	31%	30%
15+ BTL properties	23%	25%
First-time Landlord	12%	11%

Everything starts with a good conversation. Get in touch with the team today



Chris Barwick

Senior BDM: North East

07464 544 446

Chris.barwick@fleetmortgages.co.uk



Dave Horsman

Key Account Manager: Central & South London

07377 246 387

Dave.horsman@fleetmortgages.co.uk



Giovanna Streatfield

Senior BDM: South

07981 802 332

Giovanna.streatfield@fleetmortgages.co.uk



Katy Williams

Senior BDM: Midlands

07464 927 175

Katy.williams@fleetmortgages.co.uk



Stella Brookman

Senior BDM: South East

07977 439 721

Stella.brookman@fleetmortgages.co.uk



David Lockwood

BDM: North London

07929 264 379

David.lockwood@fleetmortgages.co.uk



Donna Spence

Senior BDM: North West

07464 544 443

Donna.spence@fleetmortgages.co.uk

