



JULY 2025

RESEARCH

# Summer 2025 UK Residential Investor Sentiment Survey

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COMMISSIONED BY THE IPF RESEARCH PROGRAMME

## UK Residential Investor Sentiment Survey

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This research was funded and commissioned through an extension to the IPF Research Programme 2022-2025.

This Programme supports the IPF's wider goals of enhancing the understanding and efficiency of property as an investment. The initiative provides the UK property investment market with the ability to deliver substantial, objective and high-quality analysis on a structured basis. It encourages the whole industry to engage with other financial markets, the wider business community and government on a range of complementary issues.

The Programme is funded by a cross-section of businesses, representing key market participants. The IPF gratefully acknowledges the support of these contributing organisations:



## EXECUTIVE SUMMARY

The fourth Residential Investor Sentiment Survey covers two main segments of the UK residential market, build-to-rent (BtR) multifamily apartment blocks and build-to-rent single family housing. It is based on data received from 24 organisations, whose views were generated between early May and early July.

### Key points

#### Performance Expectations: rental value growth

- For new **BtR multifamily** lettings, there has been a marginal weakening of views compared to the last survey. Only 4% of respondents anticipate rents growth of over 5% in the next 12 months, compared to 16% in the Spring survey, while 52% of contributors expect 3-5% rental growth down from 56%. Nearly 10% of contributors expect rents to stagnate (-1% to 1%); no contributor anticipated this outcome in the last survey. Correspondingly, 35% of respondents expect rental growth of 1-3%, against 28% for the last quarter.
- For rent reviews and lease renewals, 70% of respondents expect rental value growth to be of a similar level to those achieved on new lettings, while 22% predict lower growth.
- At a regional level, there is a dichotomy of views on the London market. Southern is viewed most positively, and this view has strengthened since the previous quarter. Over 80% of contributors anticipate Midlands/Wales rental growth will match the national average, while nearly a third forecast Scotland rental growth to underperform the national average.
- For **BtR single family**, 60% of contributors anticipate rental growth on new lettings of 3-5% over the next year, compared to just over 50% in the previous survey. Approximately a third of respondents foresee growth of 1-3%, in line with the last quarter. The remaining contributors (5%) anticipate rents of over 5%, down from 14% in the previous survey. No contributors foresee falling rents.
- Sixty five per cent of respondents expect rental growth achieved on rent reviews and lease renewals to be similar to that of new lettings, while 20% expect growth to outperform new lettings. In the last quarter, just under half of contributors expected rental growth to be in line, with nearly 30% expecting growth to outperform new lettings.
- Regionally, Southern is again viewed most positively while 28% of contributors anticipate Scotland will underperform the national average, an improvement from 47% last quarter. Opinions on London are divided; 47% anticipate outperformance and 37% forecast underperformance.

#### Performance Expectations: capital value growth

- The survey results reflect a minor weakening in capital value expectations over the next 12 months for **BtR multifamily**, with 30% envisaging 3-5% growth, down from 44% in the previous survey. Correspondingly, close to 40% of respondents anticipate growth of 1-3% compared to 28% last quarter. Just under a fifth of contributors estimate there will be little change in values, while one investor expects a decline by 1-3%. On a positive note, nearly 10% of contributors envisage growth of over 5%, consistent with the last two quarters.
- Similar to views on BtR multifamily rental growth, Southern is viewed most favourable ahead of London. The majority of respondents predict Midlands/Wales and Northern growth to be in line with the national average, while nearly 50% anticipated Scotland to underperform.

- Sentiment towards **BtR single family** capital values mirrors views from the previous survey, with 40% anticipating growth of 3-5% and another 40% envisaging growth of 1-3%. Fifteen per cent of respondents predict rents will be relatively stagnant and no contributor anticipates capital value decline of any great magnitude.
- At a regional level, respondents expect the Southern and London regions outperform the national average by 61% and 44% respectively, while a third of respondents anticipate Scotland will underperform.

### Occupancy

- The majority of contributors believe that the current occupancy conditions of both existing BtR multifamily and single family assets will remain similar to those of the last quarter.
- Contributors are most positive about London, Scotland and Southern BtR multifamily markets, with approximately a quarter expecting occupancy levels to improve. Only 10% of contributors expect occupancy levels to rise for Midlands/Wales and Northern and BtR multifamily. Very few contributors predict weakening occupancy conditions.

### Investment

- For Midlands/Wales, Scotland and Northern, the majority of respondents expect their allocation to **BtR multifamily** to remain unchanged over the next 12 months. London and Southern are most likely to receive additional investment. Minor disinvestment is expected in Scotland. A number of contributors do not have a mandate to invest in BtR multifamily, with a quarter unable to invest in Scotland.
- A substantial proportion of contributors do not have a mandate to invest in **BtR single family**, particularly in Scotland. Of those that have the ability to invest, the majority expect their exposure to remain unchanged over next 12 months, with the exception of Southern where over half of contributors expect to augment their exposure and Midlands/Wales where 42% anticipate an increased allocation. Minor disinvestment is expected in Scotland over the coming year.
- The most sought after investment locations for **BtR multifamily** are Bristol, Birmingham and Cambridge, while Aberdeen and Belfast are the least desirable by some margin.
- For **BtR single family** investment, the most popular market is the South East, followed by East of England, South West and West Midlands. Scotland and Wales are the least attractive.

**Survey contributors:** For the fourth sentiment survey, 24 organisations provided their views for some or most of the market indicators covered by this research. Opinions were provided ahead of the survey deadline of 9 July. Named contributors appear on the final page of this report.

**Sector definitions:** The following definitions have been used:

- **BtR multifamily:** a block of apartments purpose built for the rental market
- **BtR single family:** individual houses (detached/semi-detached/terraced) designed for single occupancy, purpose built for the rental market

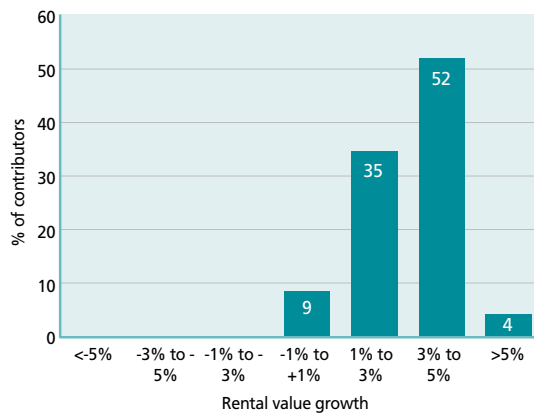
**Regional definitions:** For simplicity, some results are presented for broad regions. These are defined as follows:

- **Southern:** South East, East of England, South West
- **Midlands/Wales:** East Midlands, West Midlands, Wales
- **Northern:** North West, Yorkshire and the Humber, North East

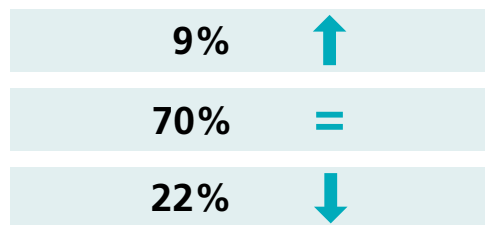
## PERFORMANCE EXPECTATIONS: RENTAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

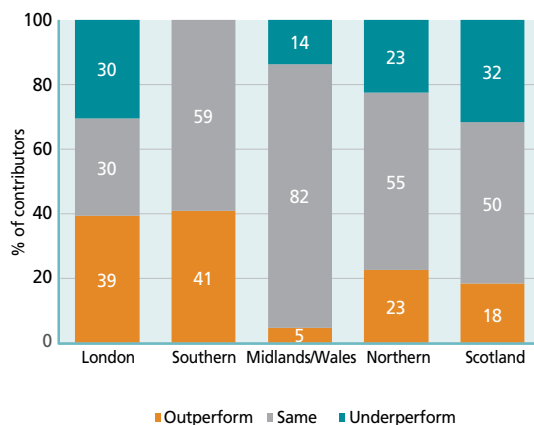
Expected rental growth on new lettings in next 12 months



Expected rental growth on rent reviews/ lease renewals compared to new lettings

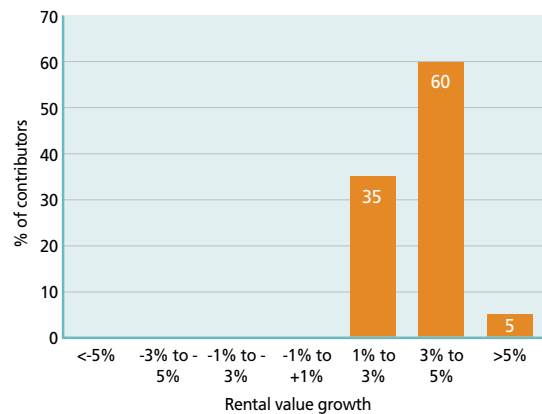


Rental growth expectations compared with national average

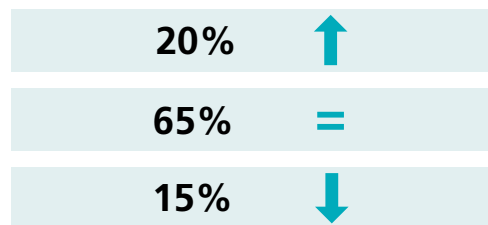


### BUILD-TO-RENT SINGLE FAMILY

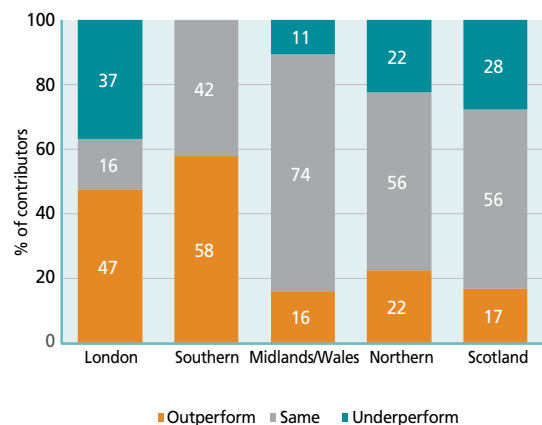
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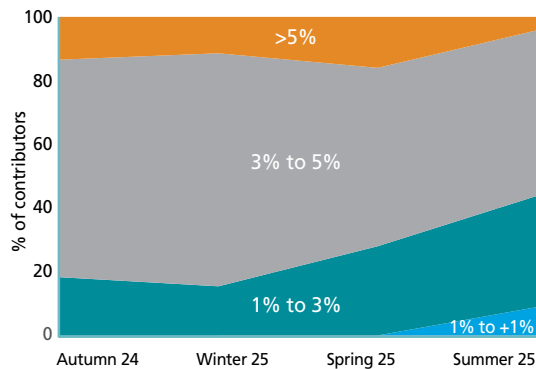
Rental growth expectations compared with national average



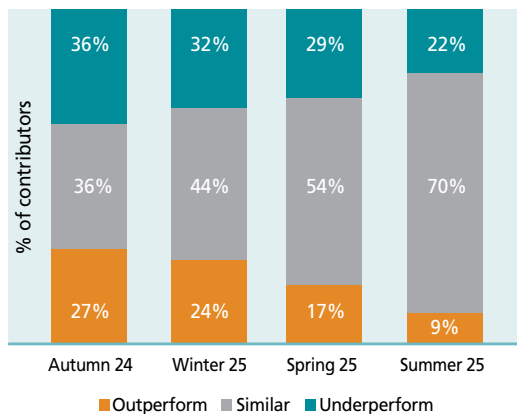
## PERFORMANCE EXPECTATIONS: EVOLUTION OF RENTAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

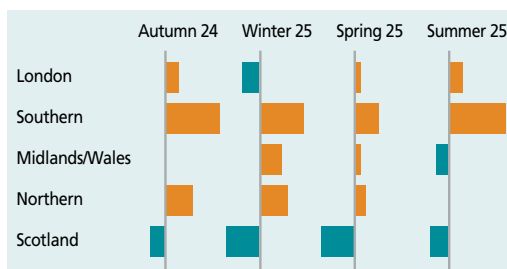
Evolution of expected rental growth on new lettings in next 12 months



Evolution of expected rental growth on rent reviews/lease renewals compared to new lettings

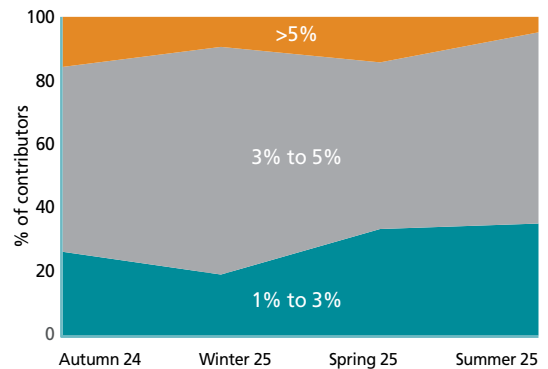


Composite rental growth outperformance/underperformance of regions compared with national average<sup>1</sup>

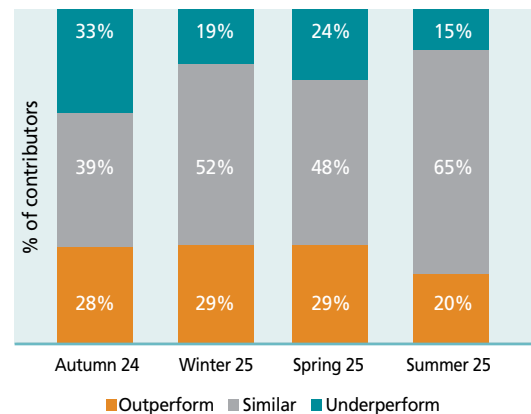


### BUILD-TO-RENT SINGLE FAMILY

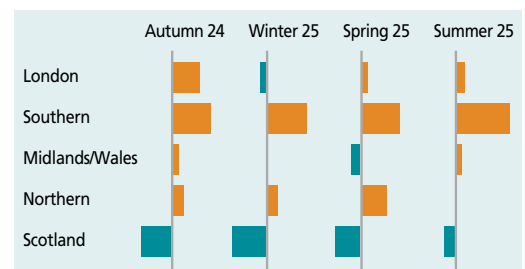
Evolution of expected rental growth on new lettings in next 12 months



Evolution of expected rental growth on rent reviews/lease renewals compared to new lettings



Composite rental growth outperformance/underperformance of regions compared with national average<sup>1</sup>



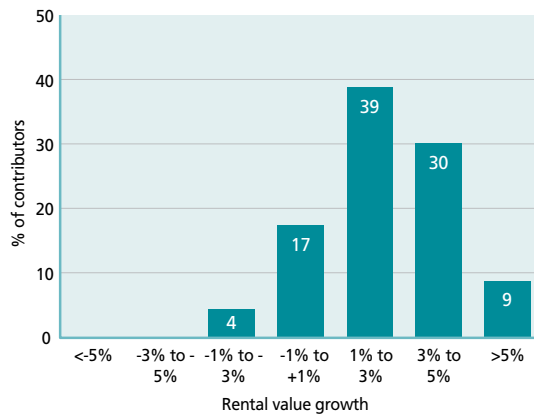
<sup>1</sup> Orange denotes outperformance; teal denotes underperformance



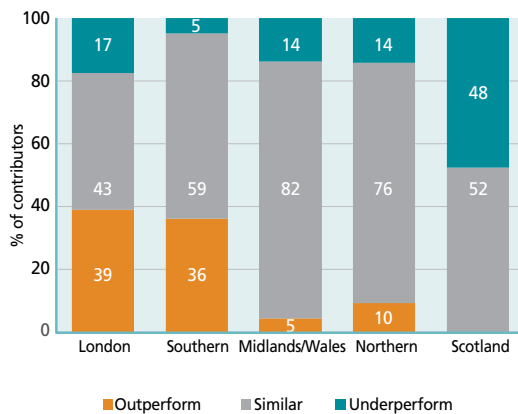
## PERFORMANCE EXPECTATIONS: CAPITAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

Expected capital growth in next 12 months

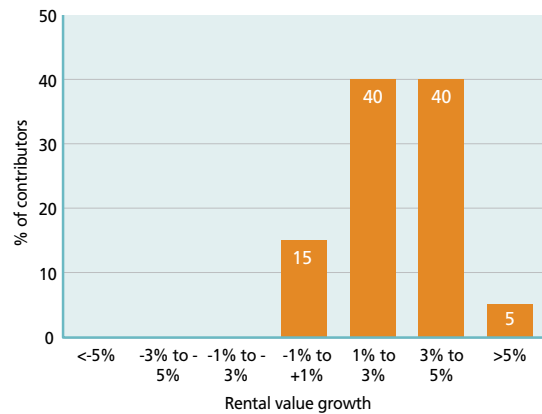


Capital growth expectations compared with national average

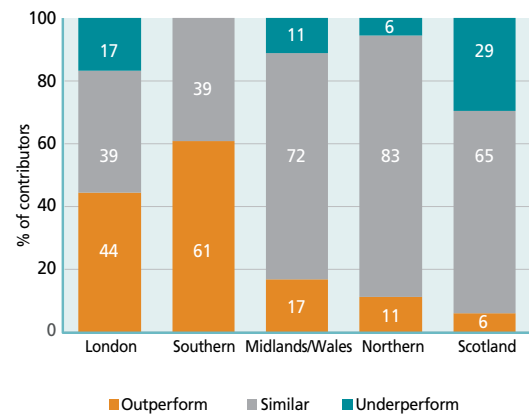


### BUILD-TO-RENT SINGLE FAMILY

Expected capital growth in next 12 months



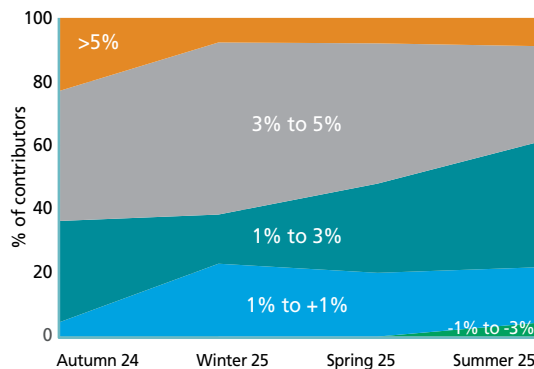
Capital growth expectations compared with national average



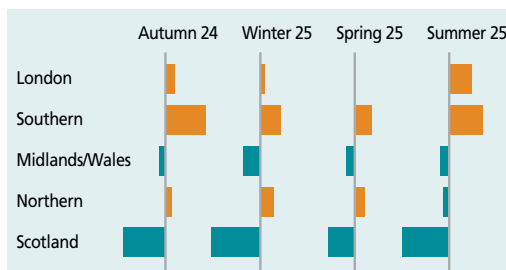
## PERFORMANCE EXPECTATIONS: EVOLUTION OF CAPITAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

Evolution of expected capital growth on new lettings in next 12 months by quarter

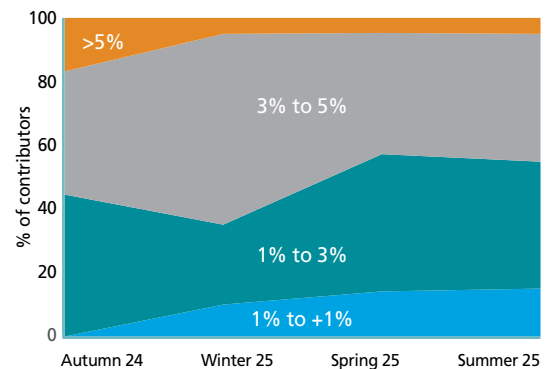


Composite capital growth outperformance/underperformance of regions compared with national average<sup>2</sup>

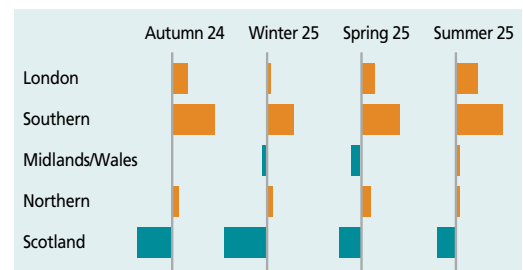


### BUILD-TO-RENT SINGLE FAMILY

Evolution of expected capital growth on new lettings in next 12 months by quarter



Composite capital growth outperformance/underperformance of regions compared with national average<sup>2</sup>



## OCCUPANCY

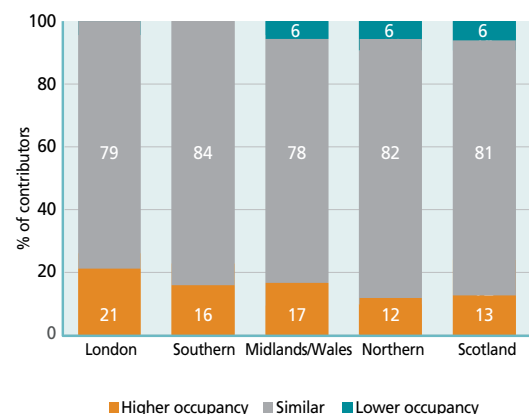
### BUILD-TO-RENT MULTIFAMILY

Current occupancy conditions of existing operational assets compared to previous quarter



### BUILD-TO-RENT SINGLE FAMILY

Current occupancy conditions of existing operational assets compared to previous quarter



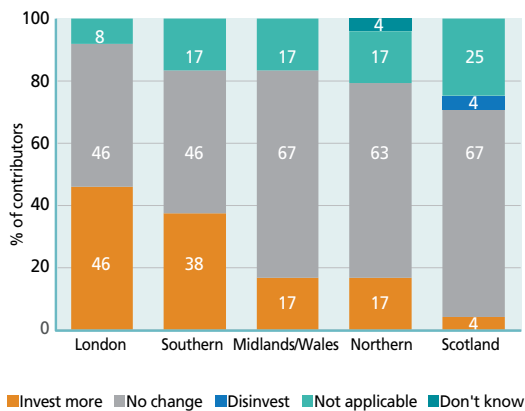
<sup>2</sup> Orange denotes outperformance; teal denotes underperformance



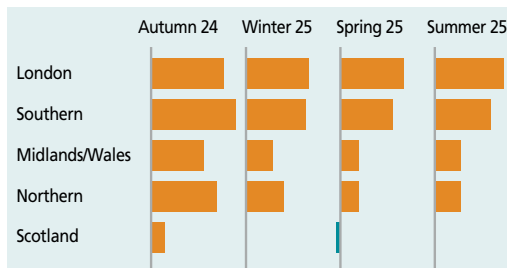
## INVESTMENT INTENTIONS

### BUILD-TO-RENT MULTIFAMILY

Investment intentions over the next 12 months

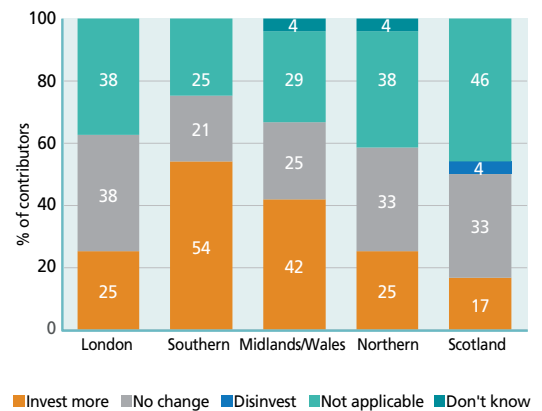


Evolution of investment intentions over next 12 months by region<sup>3</sup>

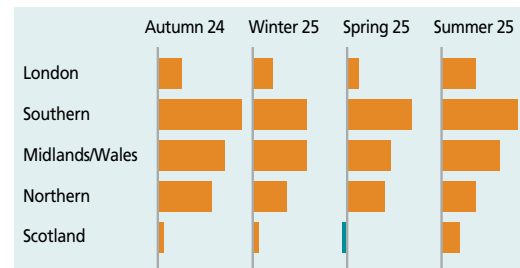


### BUILD-TO-RENT SINGLE FAMILY

Investment intentions over the next 12 months



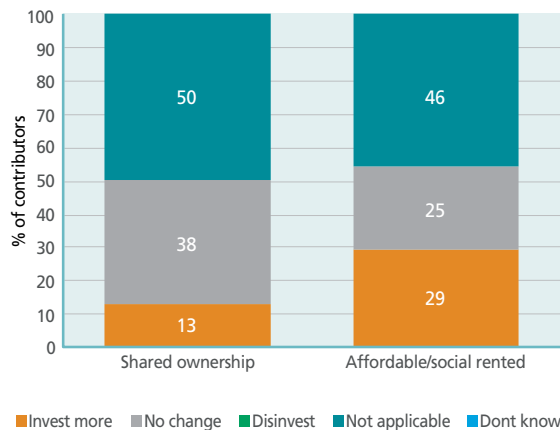
Evolution of investment intentions over next 12 months by region<sup>3</sup>



<sup>3</sup> Orange denotes outperformance; teal denotes underperformance

## INVESTMENT: AFFORDABLE HOUSING SUBMARKETS

Investment intentions for affordable housing submarkets over the next 12 months (if funding available)



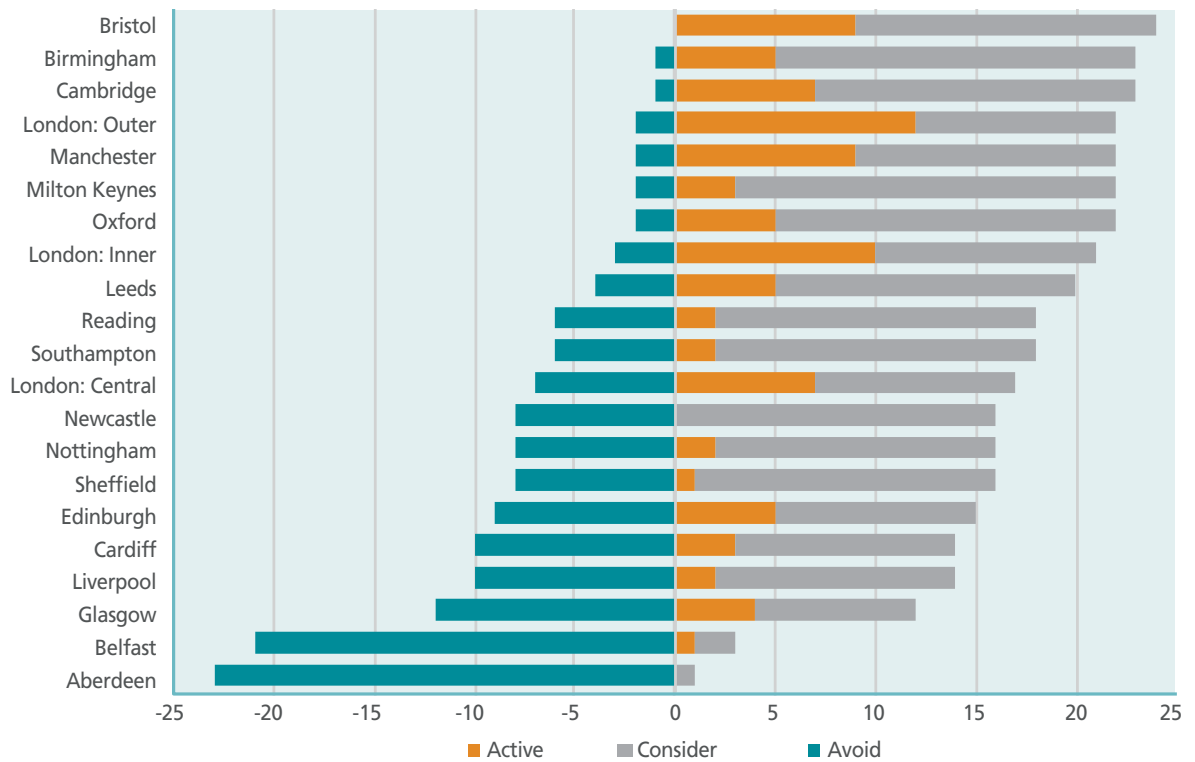
In terms of **Shared Ownership**, half of the contributors do not have a mandate to invest. Of the remaining contributors, only 13% expect to increase their investment, compared to nearly 30% in the previous quarter.

For **Affordable/social rented**, just under 50% of contributors do not have a mandate to invest, while 30% are planning to increase their exposure (compared to 38% in the last survey).

No contributor expects to disinvest from either submarket.

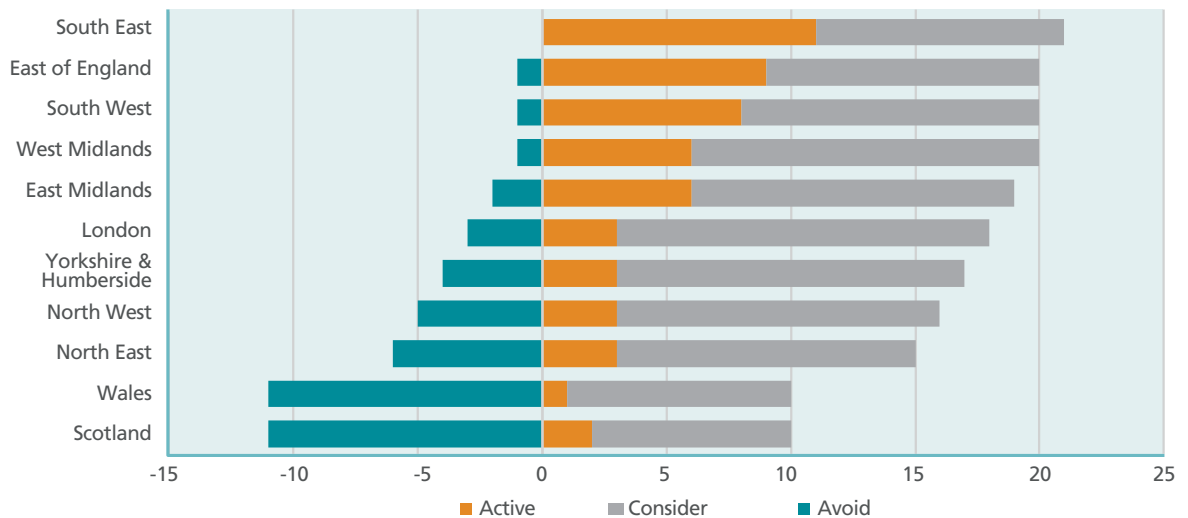
## INVESTMENT INTENTIONS

### BtR multifamily: Investment intentions in next 12 months (if funding available)



Note: Scale denotes number of contributors. 'Active' and 'Consider' responses are shown as positive numbers. 'Avoid' responses are counted as negative numbers.

### BTR single family: Investment intentions in next 12 months (if funding available)



Note: Scale denotes number of contributors. 'Active' and 'Consider' responses are shown as positive numbers. 'Avoid' responses are counted as negative numbers.

## ACKNOWLEDGEMENTS

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The Investment Property Forum (IPF) thanks all those organisations that contributed to the **IPF Summer 2025 Residential Investor Sentiment Survey** including:

Aberdeen, Apache Capital, Aviva Investors, Columbia Threadneedle Investments, DTZ Investors, DWS, Edmond de Rothschild, Federated Hermes, Grainger plc, Hearthstone Investments, LaSalle Investment Management, Legal & General Private Markets, Long Harbour, M&G Real Estate, Mitheridge Capital Management, Montagu Evans, Nuveen Real Estate, PLATFORM\_, Quintain, Sigma Capital Group, Thriving Investments and UBS Asset Management.

### Note

This sentiment survey furthers the objective of the IPF to enhance the efficiency of the real estate investment market by encouraging transparency. The IPF is extremely grateful for the support of contributors, some of whom are noted above. This publication is only possible thanks to the provision of these individual views.

If your organisation wishes to contribute to future surveys, please contact IPF CEO, Sue Forster at [sforster@ipf.org.uk](mailto:sforster@ipf.org.uk).

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