Real Estate:UK

Summer 2026 UK Residential Investor Sentiment

JULY 2026

EXECUTIVE SUMMARY

The 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. Investment intentions towards the affordable housing market are also recorded. The Summer publication is based on data received from 22 organisations, whose views were generated between the end of May and early July.

KEY POINTS

Performance Expectations: rental value growth

- For new **BtR multifamily** lettings, expectations have moderated compared with the previous quarter. Approximately 80% of contributors now anticipate rental growth of 1–3%, up from 60% in the last survey, while the proportion expecting 3–5% growth has fallen sharply from 40% to just 14%. A small minority (5%) forecast broadly flat rental growth of between -1% and 1%, and no respondents expect rental values to decline.
- For rent reviews and lease renewals, sentiment has softened compared with the previous quarter. Just over 60% of respondents expect rental value growth to broadly match that achieved on new lettings, down from 75% previously, while one-third anticipate underperformance. Only 5% expect rent reviews and renewals to outperform new letting growth.
- At a region level, Northern has the most positive outlook for the first time in the survey's history, with 40% of contributors predicting the region to outperform, followed by Southern. London and Scotland are predicted to be the weakest regions in rental value terms.
- For **BtR single family,** expectations have also softened, with respondents increasingly favouring lower, but still positive, rates of rental growth. Almost 70% of contributors anticipate growth of 1–3% on new lettings over the next 12 months, up from 42% in the previous quarter, while the proportion expecting 3–5% growth has fallen from 53% to 26%. The remaining 5% foresee broadly flat rental growth of between –1% and 1%, and no respondents expect rental values to decline substantially.
- The proportion of respondents expecting rental value growth on rent reviews and lease renewals to match that achieved on new lettings has increased slightly to 68%, from 63% in the previous survey. However, expectations of underperformance have risen more markedly, from 5% to 26%, suggesting a somewhat more cautious outlook for lease events relative to new lettings.
- Regionally, Northern is again viewed most favourably, with half of all contributors expecting it to outperform the national average. Expectations for Midlands/Wales and Southern also remain positive, while the outlook for London and Scotland has weakened.

Performance Expectations: capital value growth

- Expectations for **BtR multifamily** capital value growth have weakened significantly over the past year. In the current survey, just 38% of contributors anticipate growth of 1–3%, while no respondents expect capital value growth to exceed 3%, compared with almost 40% forecasting growth above this level in Summer 2025. At the same time, 40% of contributors now expect capital values to decline by more than 1%, including 10% who anticipate declines exceeding 5%. This points to a markedly more cautious outlook for capital performance.

- Most respondents expect broadly similar growth across the country, although there is a marginal preference for the Northern region. Sentiment towards London is notably divided, with 38% of contributors anticipating growth in line with the national average, a further third expecting underperformance and the final 29% forecasting outperformance.

- As with BtR multifamily, expectations for **BtR single family** capital value growth have softened compared with previous surveys. In the current quarter, just 37% of contributors anticipate capital value growth of 1% or more, down from 63% in the previous survey, while 32% expect values to remain broadly stagnant (–1% to 1%). More than 30% of respondents now forecast a decline of at least 1%, and, for the first time, a contributor anticipates capital value falls in excess of 5%.

- At a regional level, 32% of respondents predicts Southern to outperform the national average, while only 5% expects the region to underperform. Growth prospects for Midlands/Wales and Northern are muted while London and Scotland are viewed the least favourably.

Occupancy

- The majority of contributors continue to expect occupancy levels for both existing BtR multifamily and single-family assets to remain broadly unchanged from the previous quarter.

- The most positive outlook is for Southern single family, with close to a fifth of contributors expecting occupancy levels to improve and no respondents expect lower occupancy levels in either the London or Southern markets. However, there are indications of a weaker sentiment in the other regions.

Investment

- For **BtR multifamily**, London is expected to attract the strongest investment demand over the next 12 months, with 36% of respondents anticipating an increase in allocations, while further net investment is also expected in the Southern region. By contrast, appetite is more subdued in the Midlands/Wales, Northern region and Scotland, where most contributors expect allocations to remain unchanged and a small degree of disinvestment is anticipated. London and Southern have consistently been cited as the most favoured locations for investment since Spring 2025, while sentiment towards the other regions has been more muted.
- For **BtR single family**, the Southern region continues to attract the strongest investment appetite, with 45% of contributors expecting to increase allocations over the next 12 months and no respondents anticipating disinvestment. Across the other regions, the most common response remains no change in allocations, indicating a preference to maintain existing strategies, with disinvestment restricted to just 5% of respondents for Northern and Scotland only. A notable proportion of respondents do not currently have a mandate to invest in the sector, particularly in London and Scotland.
- Bristol, Cambridge, Outer London and Oxford are the most attractive **BtR multifamily** markets, combining strong active investment interest with very limited avoidance. At the other end of the spectrum, Aberdeen and Belfast remain the least favoured locations by a considerable margin. Compared with the Summer 2025 survey, Birmingham is the largest mover, falling from 2nd to 17th place. By contrast, Edinburgh and Glasgow have strengthened their relative appeal, rising five places each, from 16th to 11th and from 19th to 14th respectively.
- For **BtR single family**, the South East remains the preferred investment destination, followed by the West Midlands, London and South West. Wales and Scotland are viewed least favourably, although many contributors are considering investment opportunities across these regions. Compared with the Summer 2025 survey, London has risen three places in the rankings, while the East of England has fallen three places, relinquishing its previous second position.

Survey contributors: For the third sentiment survey of 2026, 22 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 8 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

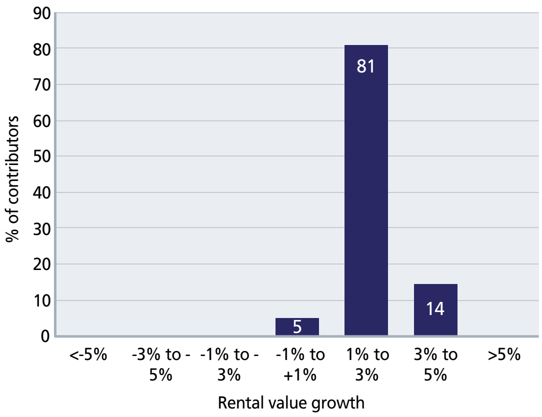
Regional definitions: For simplicity, some results are presented for broad regions.These are defined as follows:

- **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

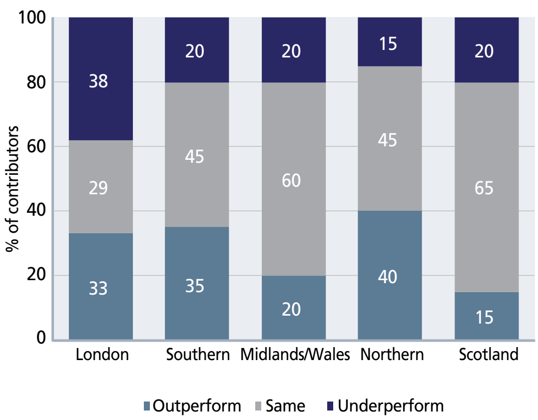
Expected rental growth on new lettings in next 12 months



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

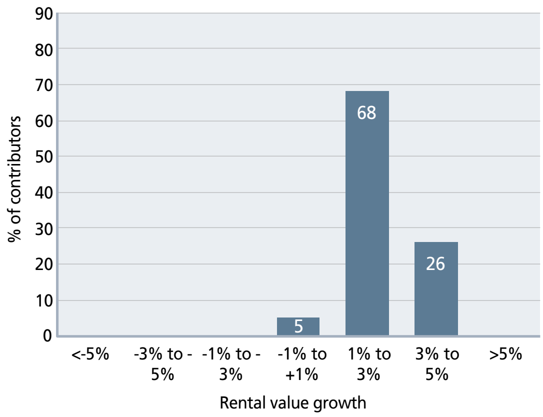
5%	↑
62%	=
33%	↓

Rental growth expectations compared with national average



BUILD-TO-RENT SINGLE FAMILY

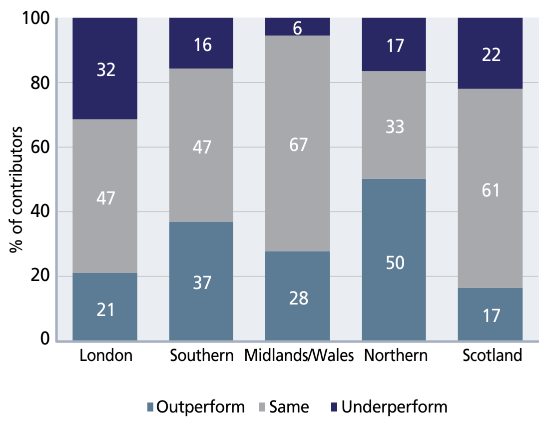
Expected rental growth on new lettings in next 12 months



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

5%	↑
68%	=
26%	↓

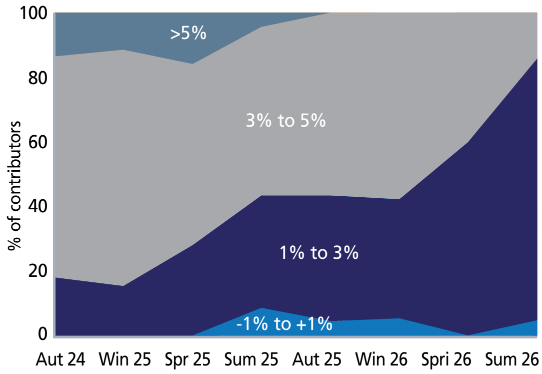
Rental growth expectations compared with national average



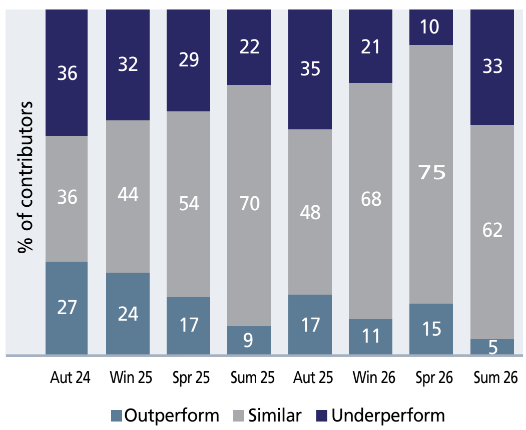
PERFORMANCE EXPECTATIONS:
EVOLUTION OF RENTAL VALUE GROWTH

BUILD-TO-RENT MULTIFAMILY

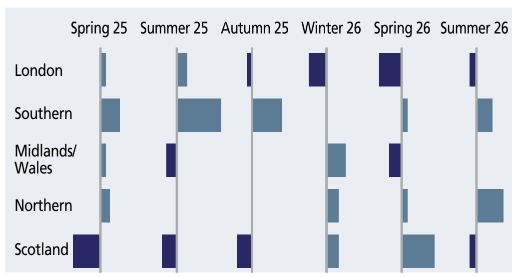
Evolution of expected rental growth on new lettings in next 12 months



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

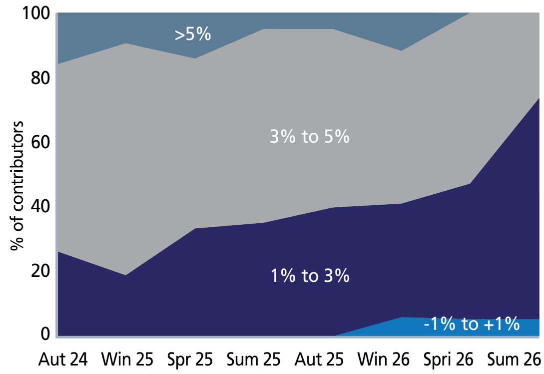


Composite rental growth outperformance/ underperformance of regions compared with national average[1]

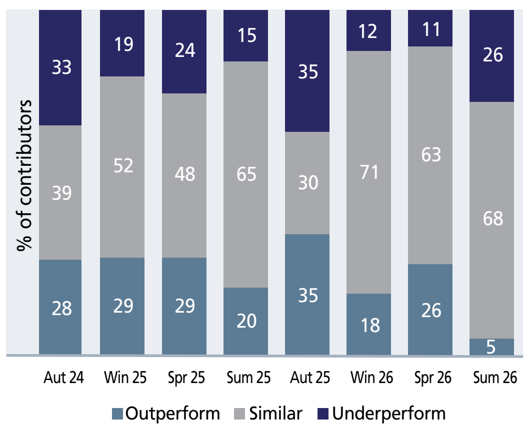


BUILD-TO-RENT SINGLE FAMILY

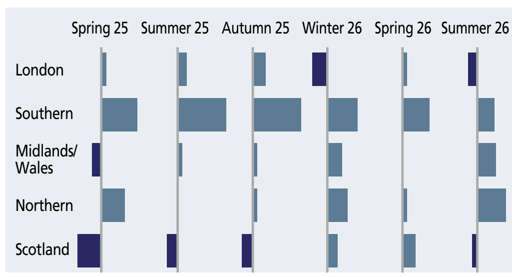
Evolution of expected rental growth on new lettings in next 12 months



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[1]

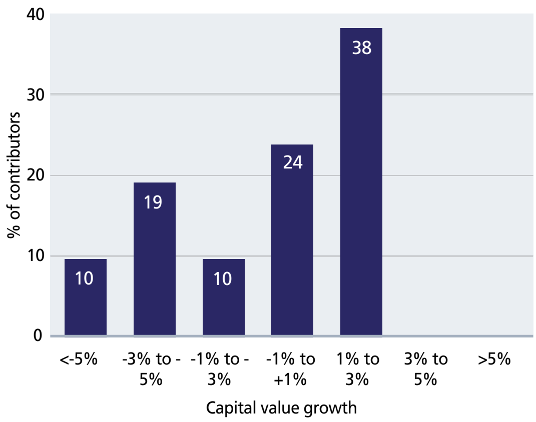


[1] denotes outperformance; denotes underperformance

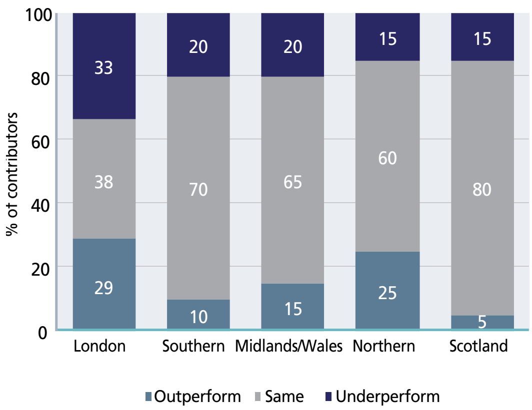
PERFORMANCE EXPECTATIONS: CAPITAL VALUE GROWTH

BUILD-TO-RENT MULTIFAMILY

Expected capital growth in next 12 months

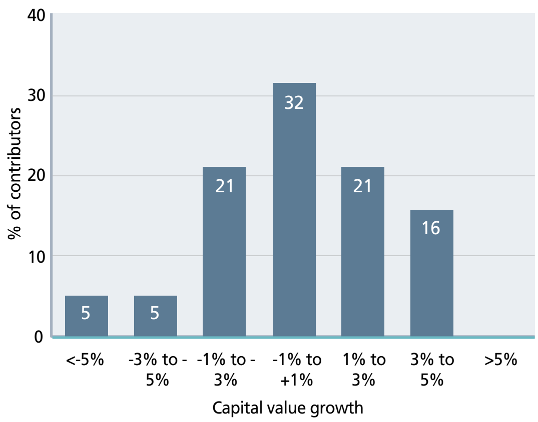


Capital growth expectations compared with national average

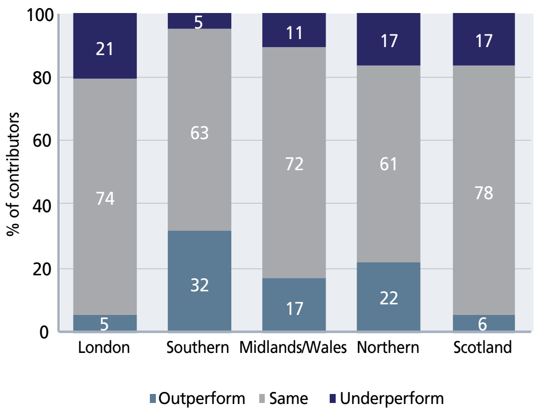


BUILD-TO-RENT SINGLE FAMILY

Expected capital growth in next 12 months



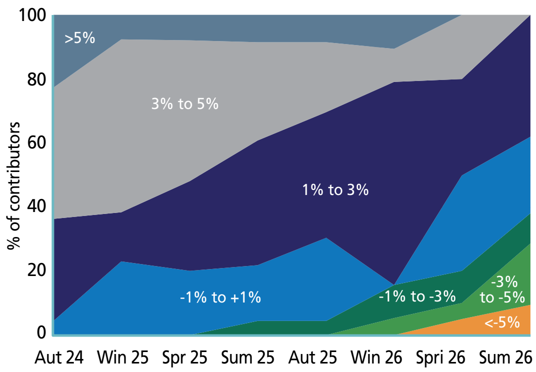
Capital growth expectations compared with national average



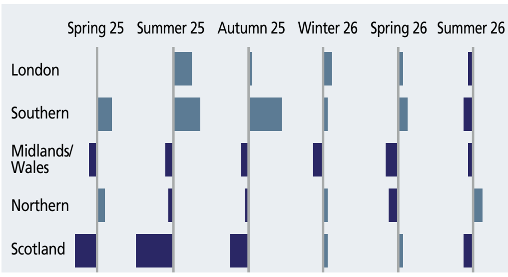
PERFORMANCE EXPECTATIONS:
EVOLUTION OF CAPITAL VALUE GROWTH

BUILD-TO-RENT MULTIFAMILY

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

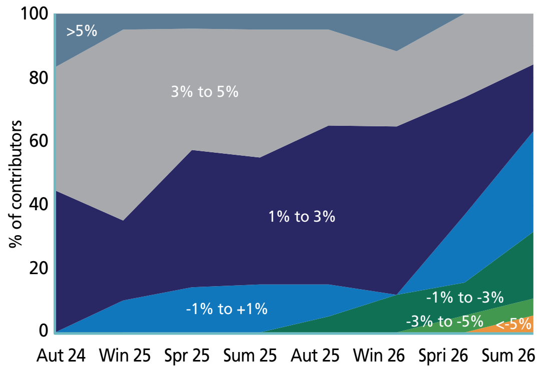


Composite capital growth outperformance/ underperformance of regions compared with national average[2]

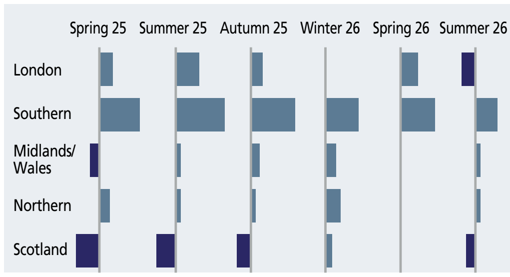


BUILD-TO-RENT SINGLE FAMILY

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



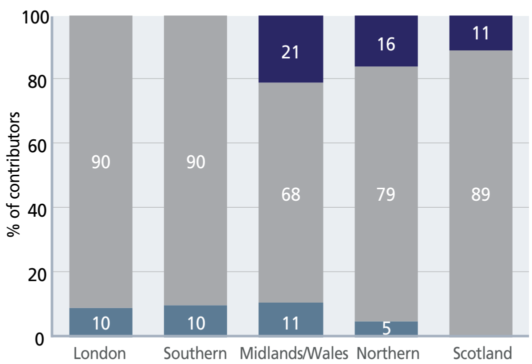
Composite capital growth outperformance/ underperformance of regions compared with national average[2]



OCCUPANCY

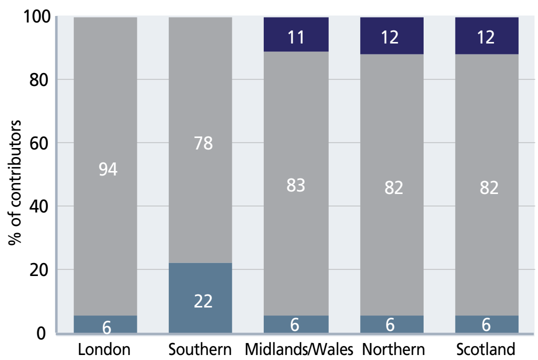
BUILD-TO-RENT MULTIFAMILY

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

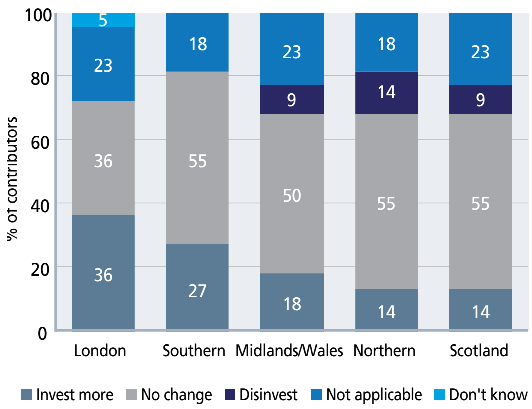


[2] denotes outperformance; denotes underperformance

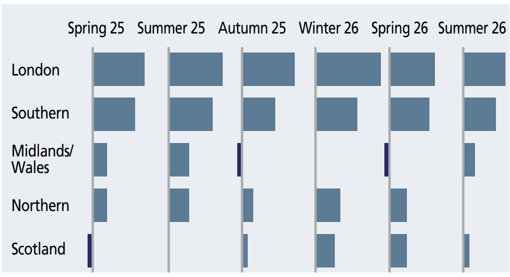
INVESTMENT INTENTIONS

BUILD-TO-RENT MULTIFAMILY

Investment intentions over the next 12 months by region

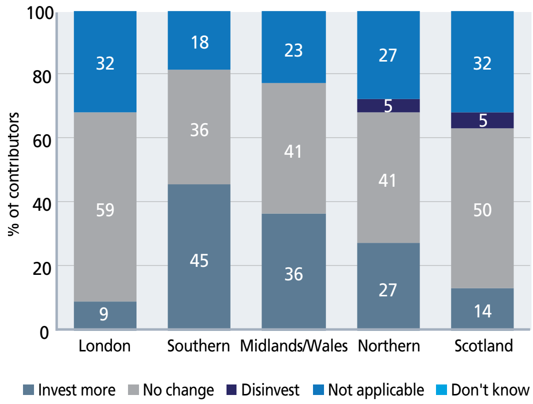


Evolution of investment intentions over next 12 months by region[3]

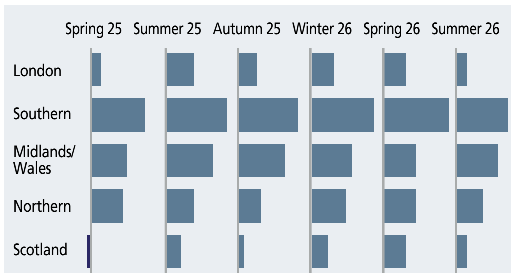


BUILD-TO-RENT SINGLE FAMILY

Investment intentions over the next 12 months by region



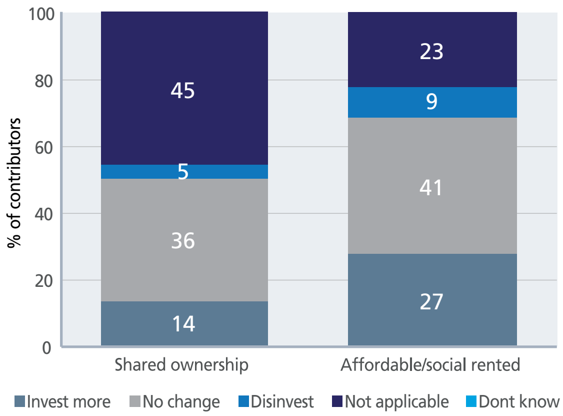
Evolution of investment intentions over next 12 months by region[3]



[3] denotes outperformance; denotes underperformance

INVESTMENT INTENTIONS:
AFFORDABLE HOUSING SUBMARKETS

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

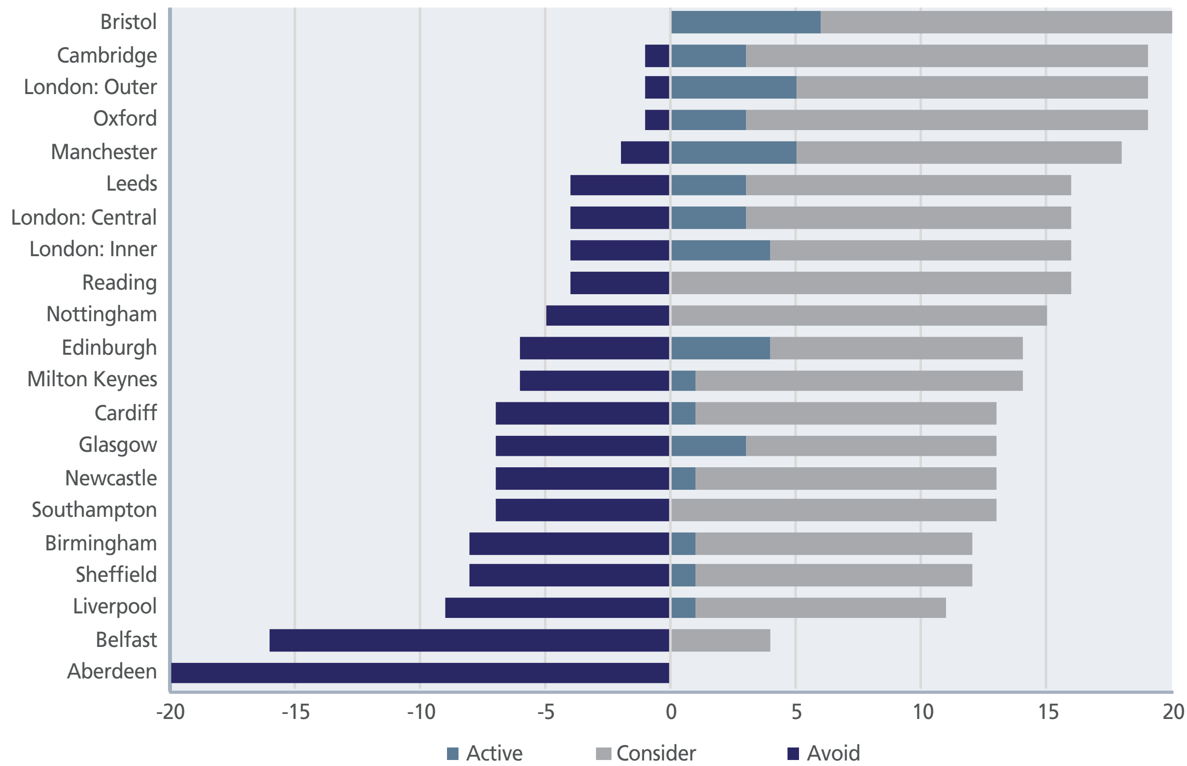


For **Shared Ownership,** almost half of contributors (45%) do not currently have a mandate to invest in the sector. Among those with the ability to invest, sentiment remains broadly stable, with 36% expecting to maintain current allocations and 14% planning to increase exposure over the next 12 months. Only one contributor anticipates disinvestment.

Just under one-quarter of contributors do not have a mandate to invest in **Affordable/social rented housing,** while 27% expect to increase their allocations over the coming year compared with 9% anticipating a reduction. The largest share of respondents (41%) expect no change in exposure, suggesting that investment appetite remains positive but measured.

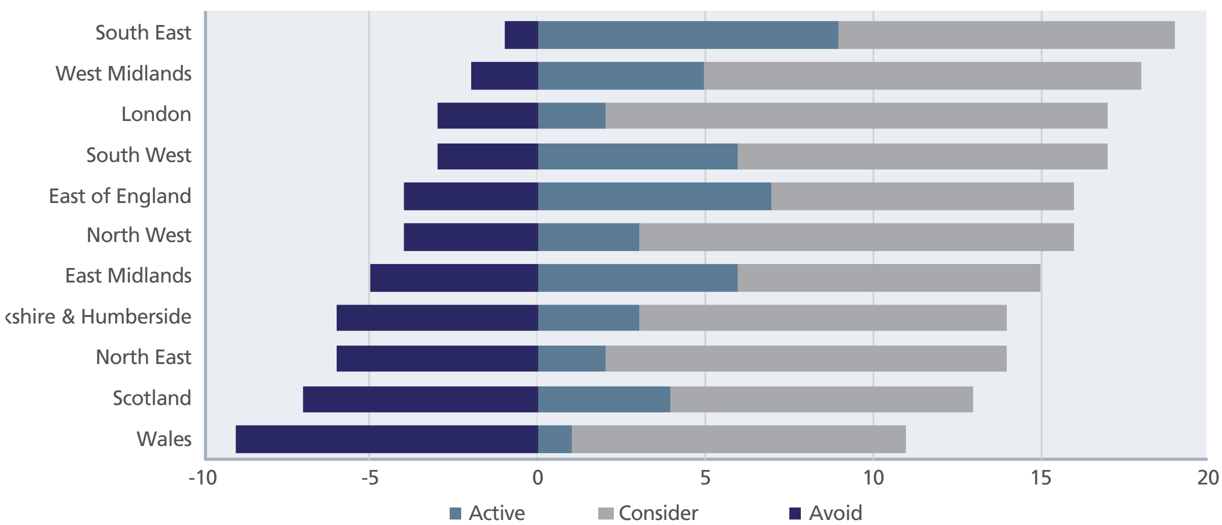
INVESTMENT INTENTIONS

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

Real Estate:UK (RE:UK) thanks all those organisations that contributed to the **RE:UK Summer 2026 Residential Investor Sentiment Survey** including:

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Note

This sentiment survey furthers the objective of RE:UK to enhance the efficiency of the real estate investment market by encouraging transparency. RE:UK 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 Rachel Portlock at rportlock@realestateuk.org.

Disclaimer

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