The Private Rented Sector Review

Insight and analysis from surveys and market data gathered by The DPS

August 2026

Contents

Introduction

Twice a year, **we survey landlords and tenants** using our service to gather their thoughts and experiences on renting. This feedback provides a temperature check of attitudes towards the rental market, offering unique insights into changes in the Private Rented Sector (PRS) and what matters to tenants and landlords.

Our half-yearly PRS review combines stakeholder opinions and feedback with market statistics and tenancy data, providing a comprehensive overview of the evolving rental market and attitudes towards the PRS, including future trends.

As the largest provider of deposit protection services in England and Wales, The DPS supports landlords and tenants with a simple, easy-to-use service and top-rated customer experience.

The tenancy deposit market

Since the publication of our last report, the PRS has experienced a **momentous change** with the implementation of the Renters' Rights Act.

Our latest tenant and landlord surveys were **taken immediately after the 1 May implementation,** providing a snapshot of the marketplace at the point of transition. The Act introduces limits on the frequency of rent increases and requires landlords to set rents at the local market rate.

Our survey indicates that the **majority of landlords plan to maintain current rent levels over the next six months.** This may suggest they're allowing a period of time to assess how the changes are affecting their local markets before making any decisions on rent increases.

The latest data from the Ministry for Housing, Communities and Local Government (MHCLG) shows the **average deposit value in the PRS rose just £13 between 1 October 2025 and 31 March 2026.**

With deposits capped in line with rental value, this suggests rents were already stabilising ahead of the Renters Rights' Act implementation, perhaps helped by the Bank of England **maintaining its base rate at 3.75% since December 2025.**

Our data does however indicate **a change in the future intentions of landlords,** with the percentage saying they don't plan to increase or decrease their portfolios in the next one to two years falling from 41% to 36% over the last six months.

At the same time, **those intending to sell some or all of their portfolio rose from 53% in October to 56% in May.** As awareness of the Renters' Rights Act and its implications naturally grew ahead of its implementation, some landlords may have considered whether to cash in on their letting portfolios. MHCLG data shows that the six months up to 31 March 2026 had the lowest growth in the number of deposits protected than any other six-month period since reporting began in 2016. Just 5,660 additional deposits were protected, compared to nearly 17,000 in the previous six months, and over 82,000 in the 12 months prior to that. Though some of this decline may reflect fewer landlords taking deposits, **there's a strong implication that more people now see the PRS as a challenging sector to operate in.** It's also possible the rate of growth has been influenced by the end of "fixed-term" tenancies as part of the Renters' Rights Act implementation, **leading to longer lasting tenancies.** However, though the growth in the rental market is small, it is still growth .

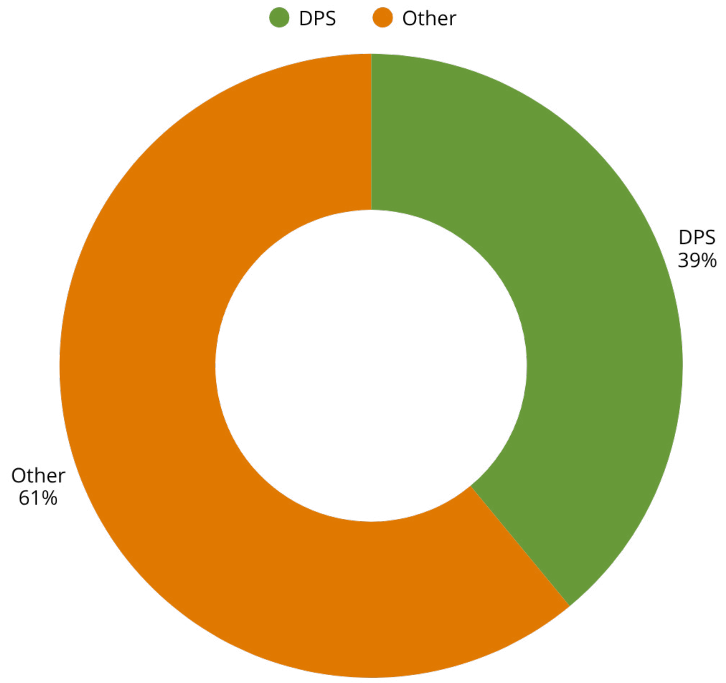
From a tenant perspective, the need or desire to move into a new rental property has fallen even further, from 33% in October to 29% in May 2026, and a full 7% lower than our March 2025 survey. This may well be due to the end of fixed-term tenancies under the Renters' Rights Act.

The percentage of tenants who did move into a new rental property in the past year has remained stable.

- At **16%,** the share of respondents who told us they moved in the last 12 months **remained the same percentage as reported in March 2025.**
- Long term rentals have seen a significant increase over the last year, with the proportion of tenants staying in properties for over five years now at 57%, compared to 50% in October and 47% in March 2025.
- Conversely the number of **one-to-five-year rentals has fallen from 50% to 38%** over the same period. Tenancies under one year remain steady at 3%.

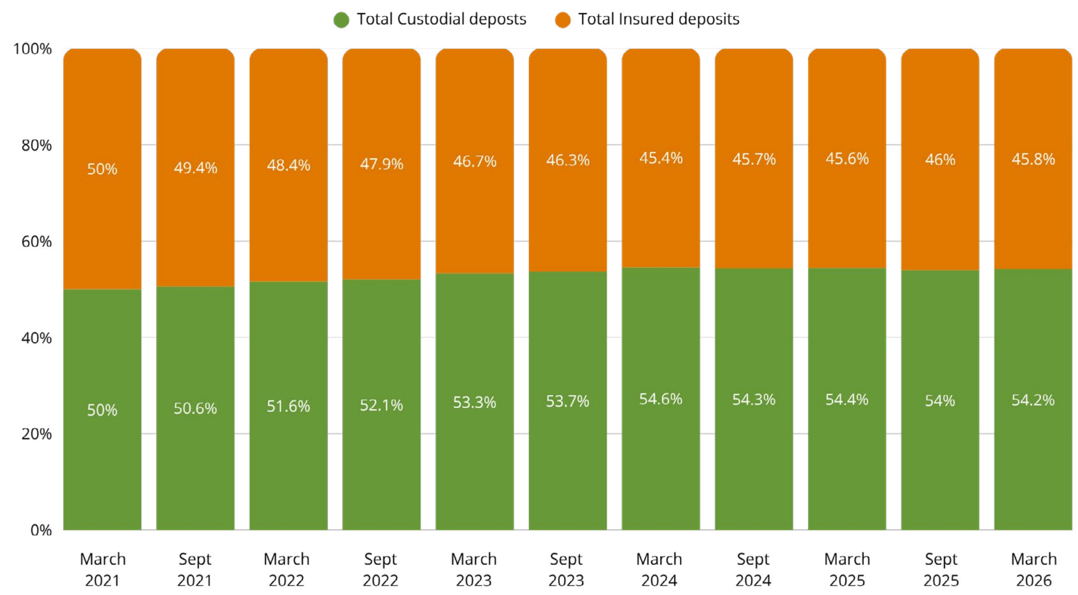
Of course, **we have yet to see the true impact of the Renters' Rights Act** and whether the recent trend towards longer, more stable tenancies will be affected as landlords and tenants adapt to the new regulations.

Market size - July 2026*
Based on 4.73 million deposits



*Source: MHCLG - TDP Six Monthly Report July 2026

Market share -
Custodial vs Insured accounts*

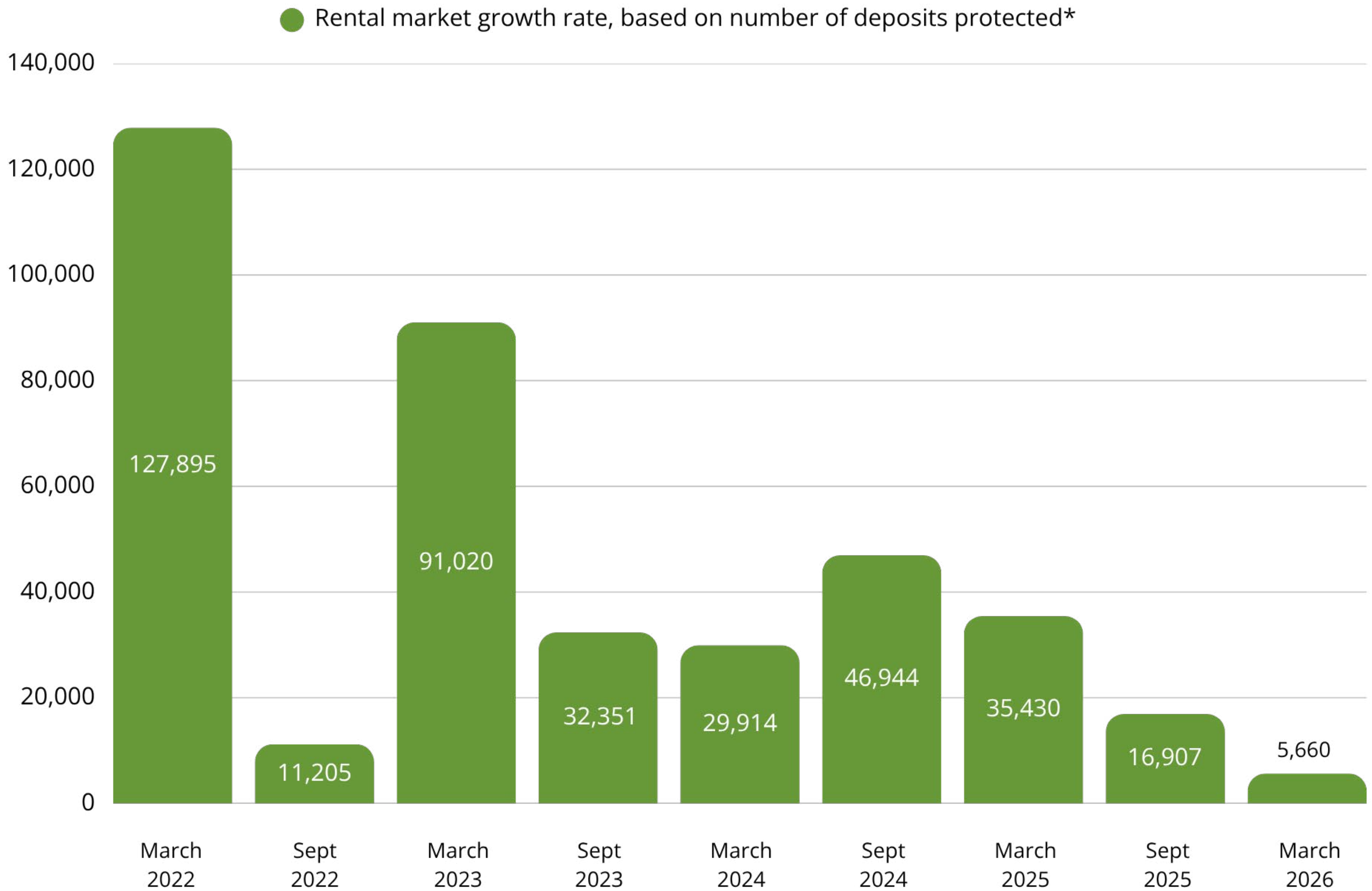


*Source: MHCLG - TDP Six Monthly Report July 2026

With 1.83 million deposits under our care - 39% of the market – we protect more deposits than any other scheme and are the largest deposit protection provider in England and Wales.

The tenancy deposit market remains relatively static in terms of the choice of deposit protection with only a small change of 0.2% between September 2025 and March 2026.

The last six months saw the smallest half-yearly growth in the number of deposits protected since our records began, increasing by just 5,660 tenancies. Combined with the previous six months, the annual number of new tenancies is the lowest year-on-year growth in the last 10 years, and corresponds with our survey findings that tenants are moving less frequently. Whilst this could be related to the Renters' Right Act, it could also represent market maturity and a general slowdown in the use of tenancy deposits.



*Source: MHCLG - TDP Six Monthly Report July 2026

Is the Renters' Rights Act changing the PRS?

1 May 2026 saw the implementation of the Renters' Rights Act. Our survey snapshots the rental market immediately after this momentous event.

At this stage, it's unknown how the market will react to the changes. However, the declining number of tenancies being added to the market suggests many landlords no longer see the PRS as a favourable investment.

- new administrative processes for tenancy agreements and rent reviews
- the updated Section 8 notice
- a tenant's right to request pets and preparing for this change
- new obligations for landlords and letting agents
- the Decent Homes Standard
- Awaab's Law

This is the biggest single piece of legislative change to impact the PRS in many years. How the market now adjusts and reacts to these changes will be keenly watched by all market participants.

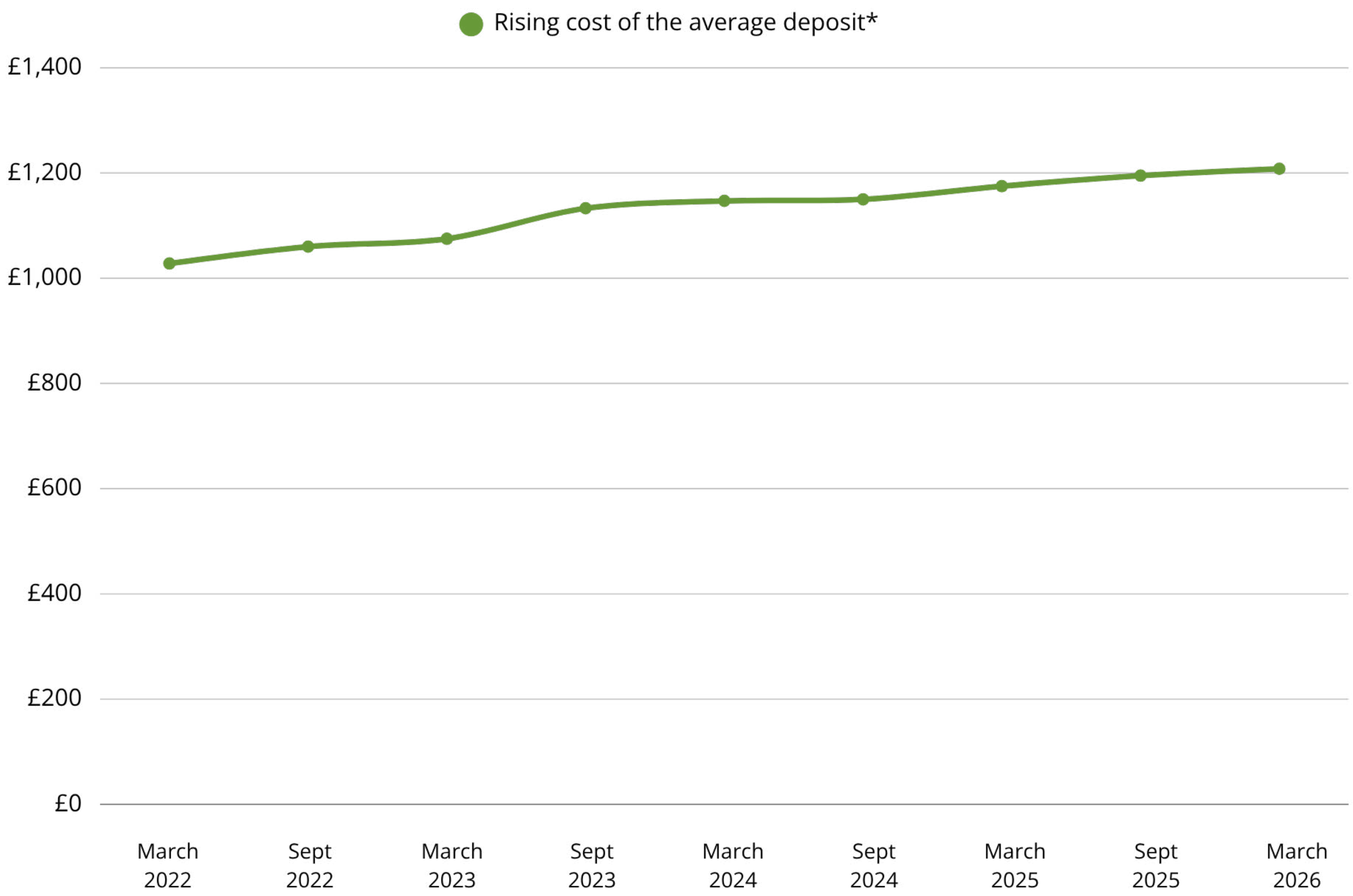
Supporting landlords with the Renters' Rights Act

To help landlords better understand and navigate what the changes mean for them, we recently **partnered with Susie Crolla of The Guild of Letting & Management for a series of webinars** covering different aspects of the Renters' Rights Act. All five recordings are available on demand so landlords can access Susie's expert insights on the new legislation.

Watch the videos

The cost of being a tenant

Though the number of tenancies added to the PRS is low from a deposit value perspective, there's an indication that the **average cost of renting continues to increase.** The average deposit value in the UK now stands at £1,208, up from £1,195 in our last report and £1,175 in March 2025. With the deposit cap tied to rental values, it implies **a monthly average rent of around £966**.



*Source: MHCLG - TDP Six Monthly Report July 2026

The landlord's view

Every six months we survey our landlords with a range of questions about their lettings portfolios and their experience in the market, the challenges they face and their future intentions. In our latest survey, 1,007 landlords responded, sharing their thoughts and opinions.

Property portfolios

These respondents reflect a range of different backgrounds, from those with large portfolios working full time as landlords, to those with a single property that was perhaps never intended to be a rental. Of the 1,007 who replied:

62%

purchased all their properties specifically for use as rentals

16%

of the rental properties are a mixture of the above

13%

rent out their property to be their main address and/or home before moving somewhere else

6%

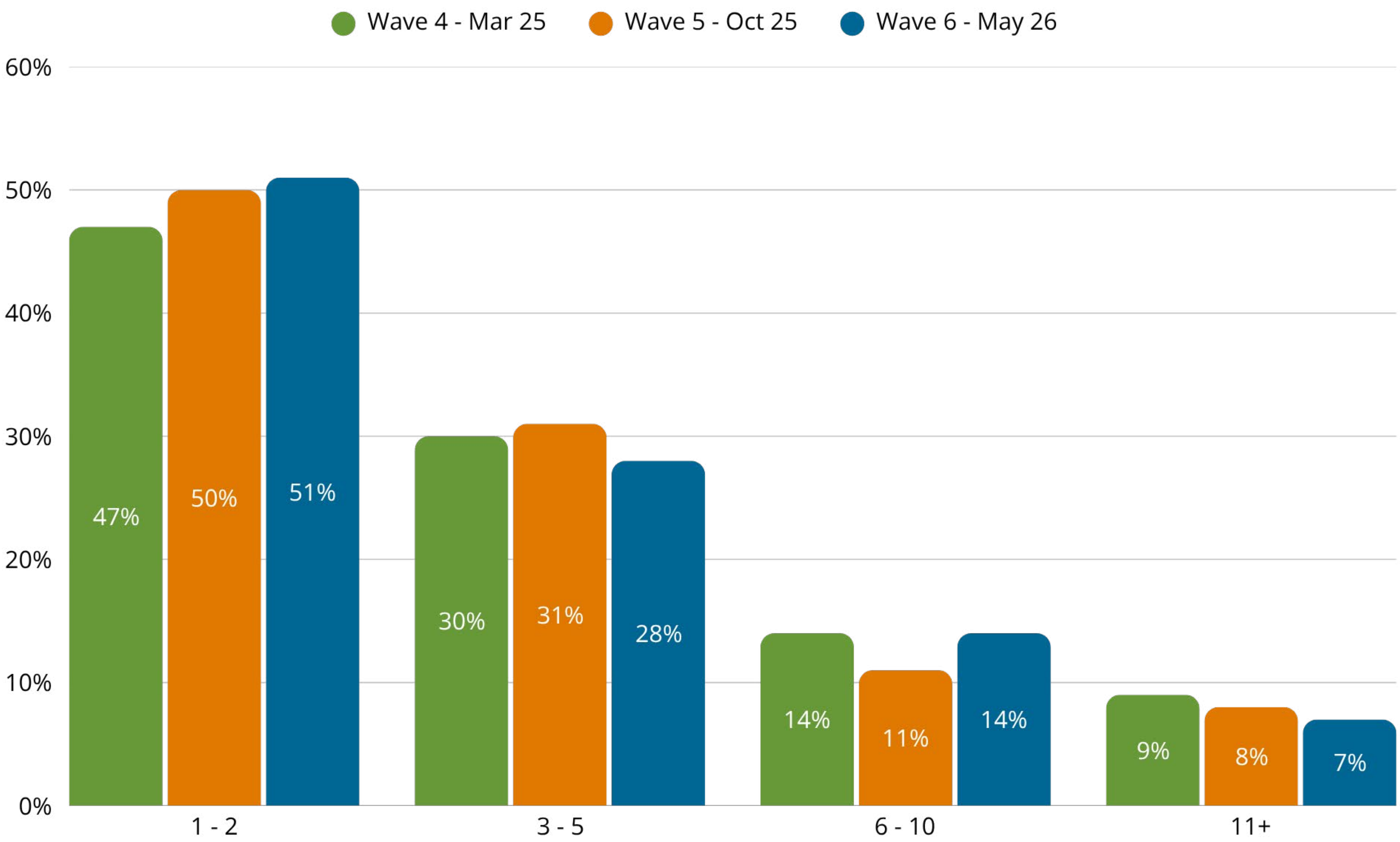
inherited the property/properties they rent out

3%

none of the above

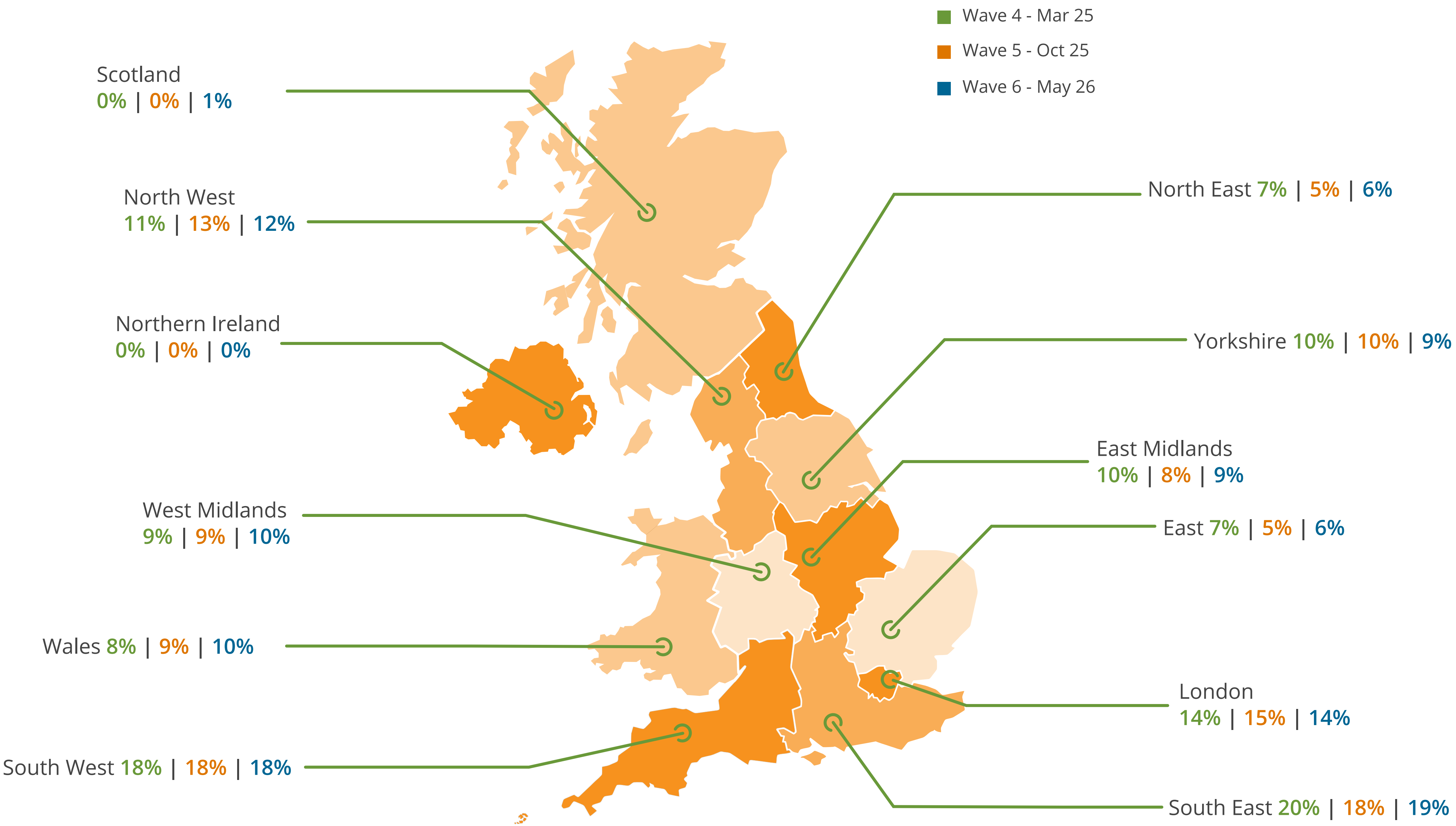
Number of properties landlords own

The following results are based on a series of landlord surveys (waves) The DPS conducted over the past 12 months.



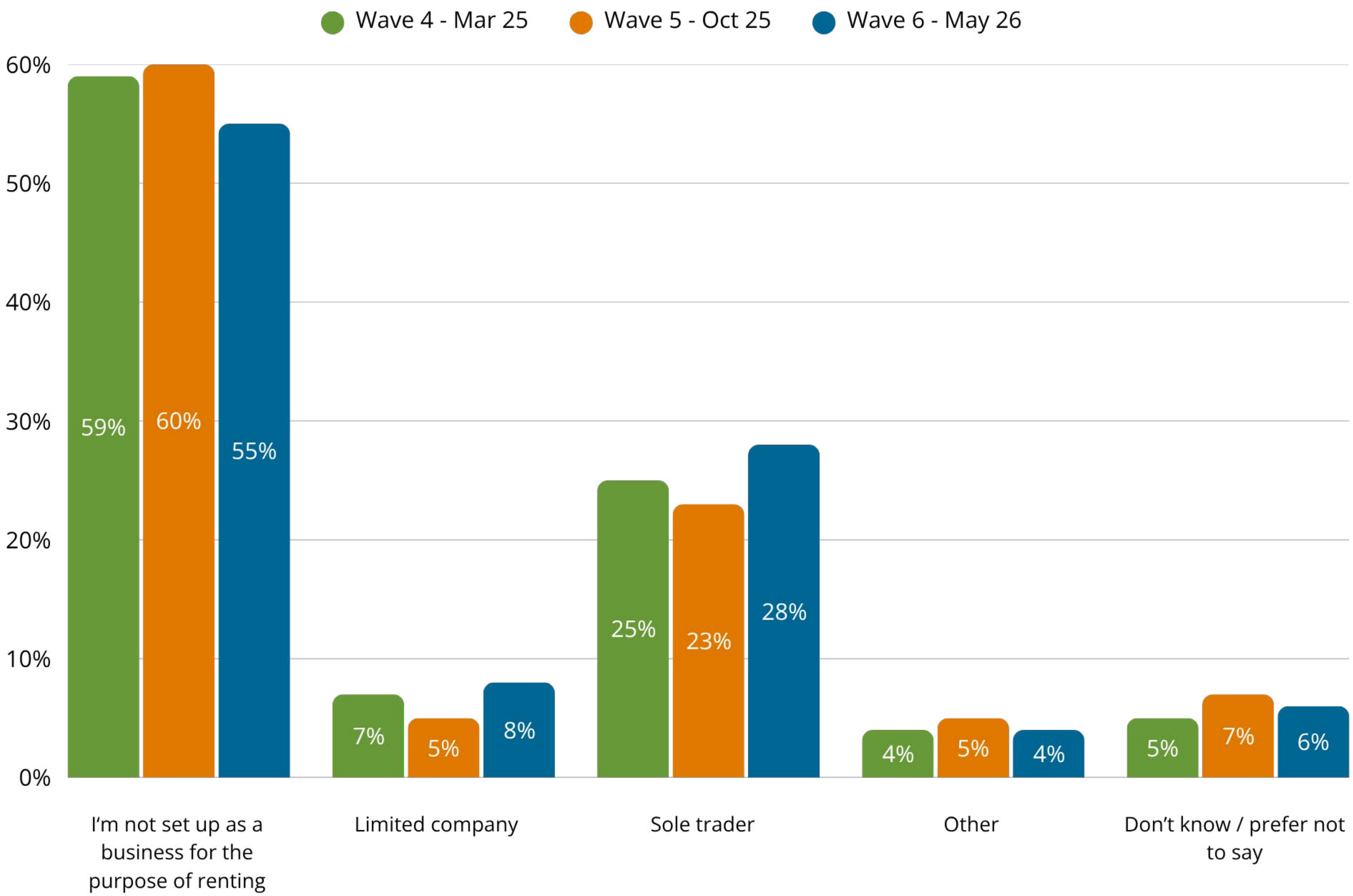
The graph shows the number of properties each landlord owns. In our latest wave, 51% of landlords own one or two properties.

Rental property locations throughout the UK

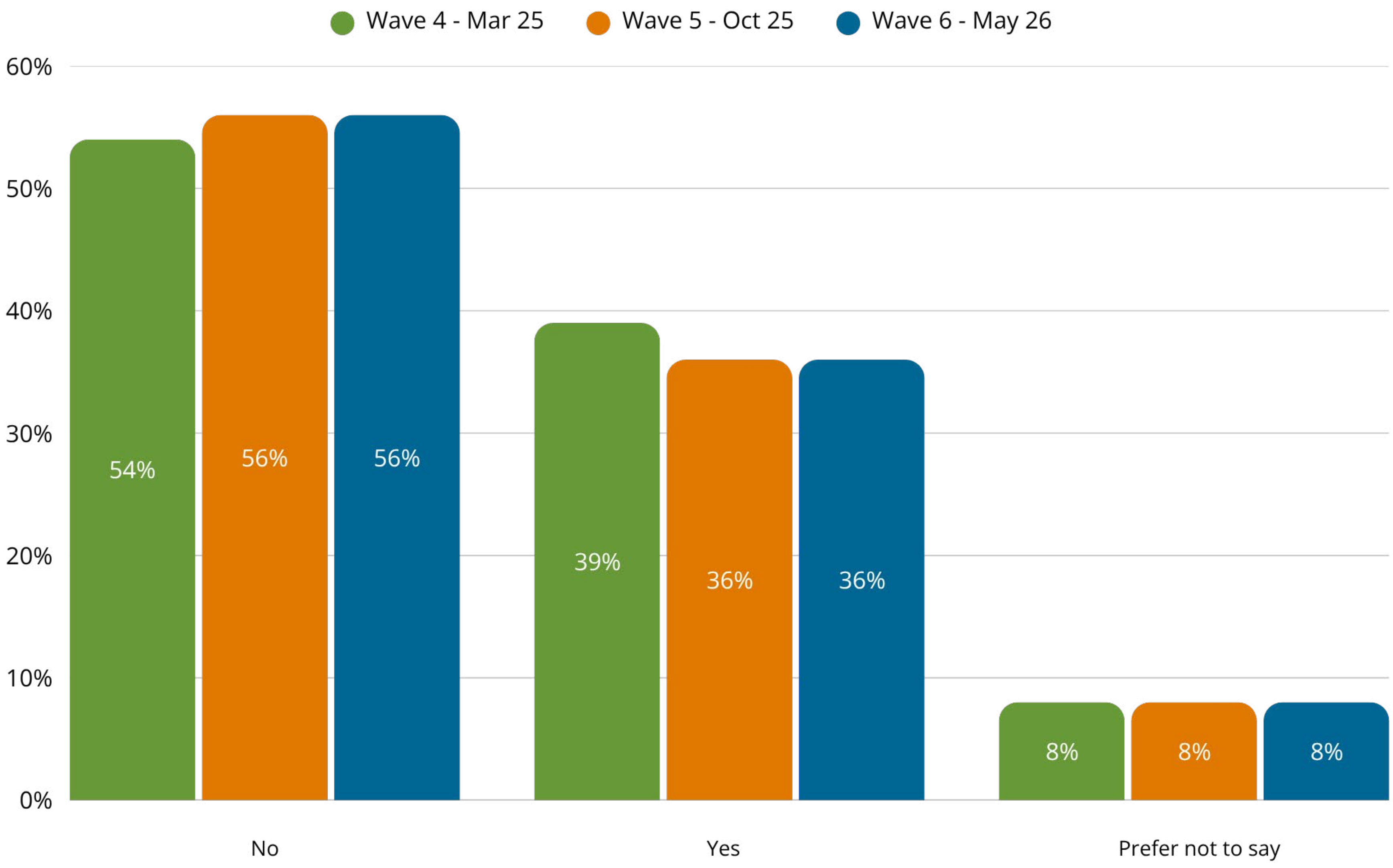


How do landlords structure their business?

While most landlords manage their properties simply as a landlord, a large percentage choose to operate their portfolio as a business, either as a sole trader or a limited company.



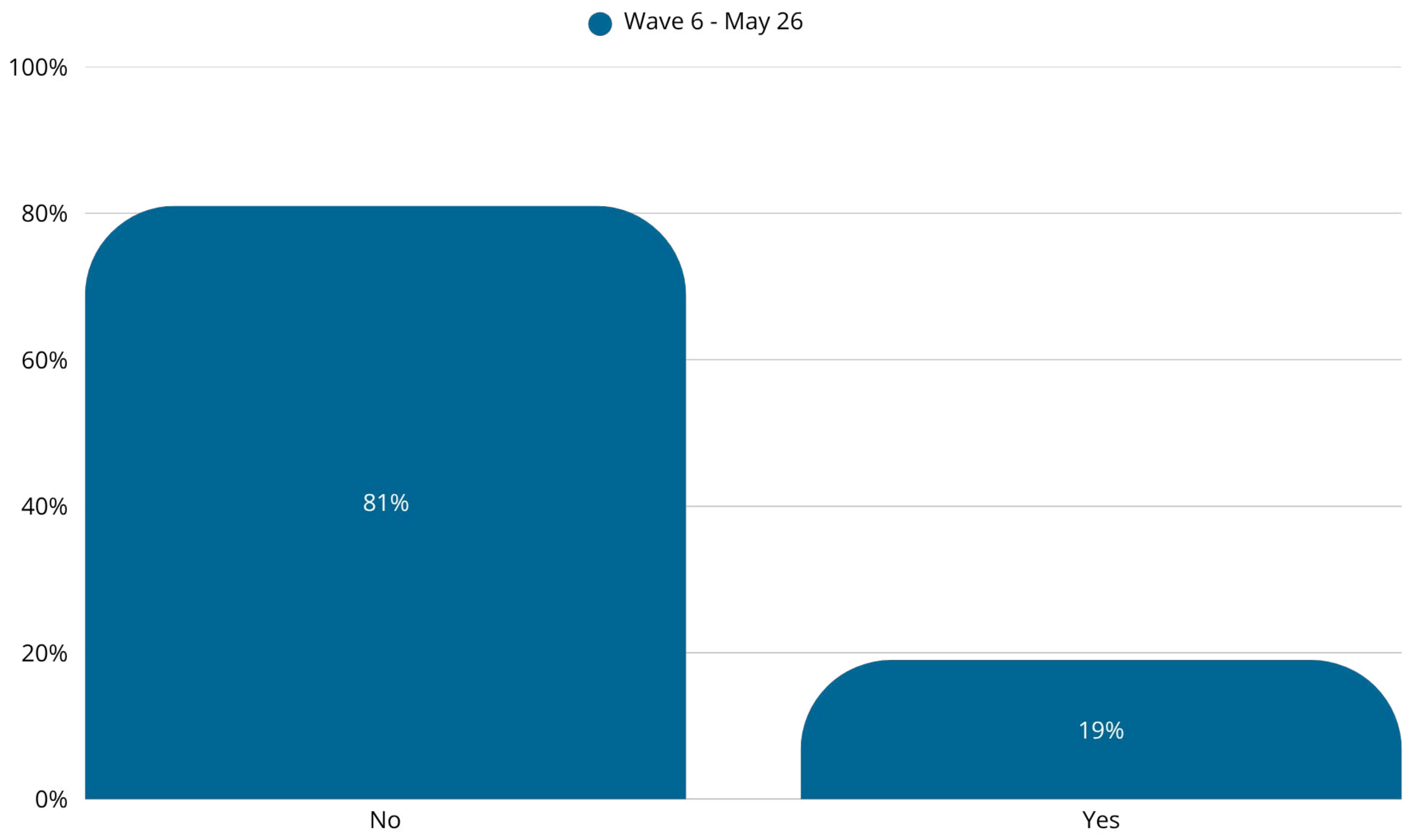
Are rental properties the main source of income for landlords?



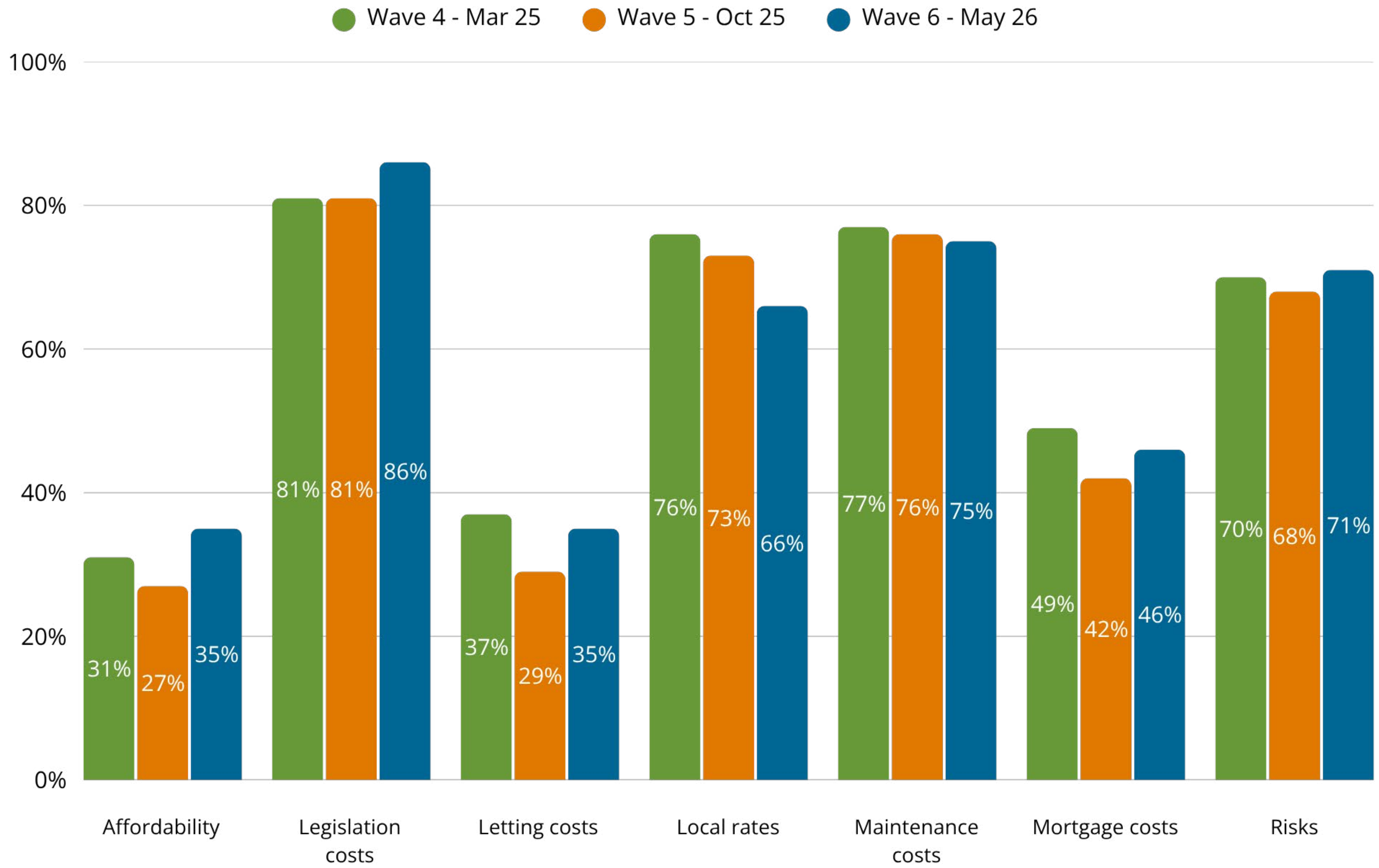
Raising rents and advance payments

In our last report, we noted that landlords appeared to be taking a “wait-and-see” approach to the forthcoming Renters’ Rights Act and how it would impact their lettings. With new rules now limiting the frequency and amount they can raise rents, 68% say they plan to increase rents on some or all of their properties.

Asked if they intend to automatically increase rents annually, only 19% responded that they plan to do this.



Factors driving landlords to increase rents

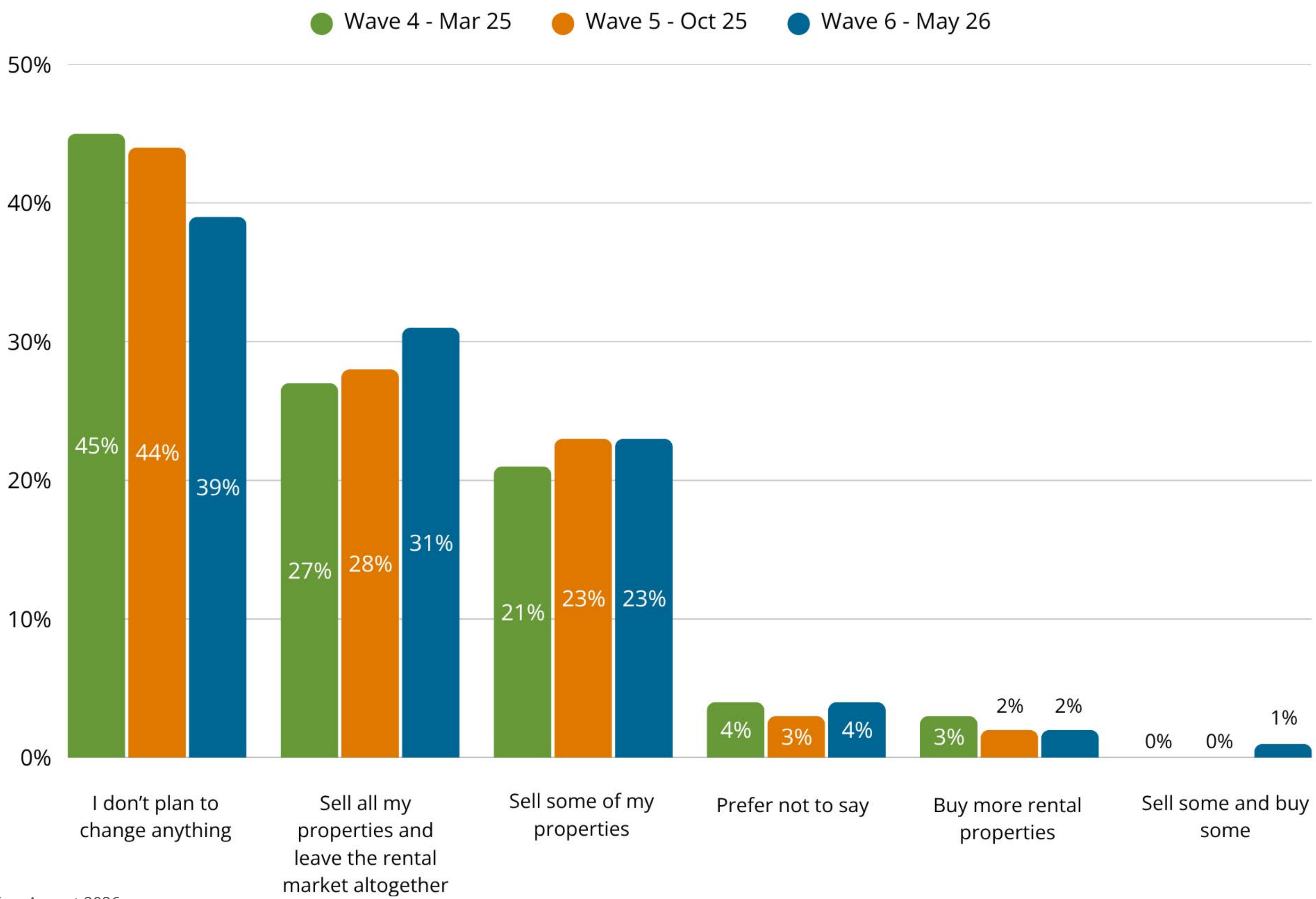


Landlords have also told us the number of tenants putting in offers above the **asking rent stands at 13%, a fall of 3% since our October 2025 survey.** With the Renters' Rights Act implementation, the marketplace is moving into a **transition phase,** learning about its complexities and adapting to the required changes. **How the market now adjusts and reacts to these changes will be keenly watched by all market participants.**

Landlord portfolio objectives

We asked landlords what their plans were for their small property portfolio in the next one to two years.

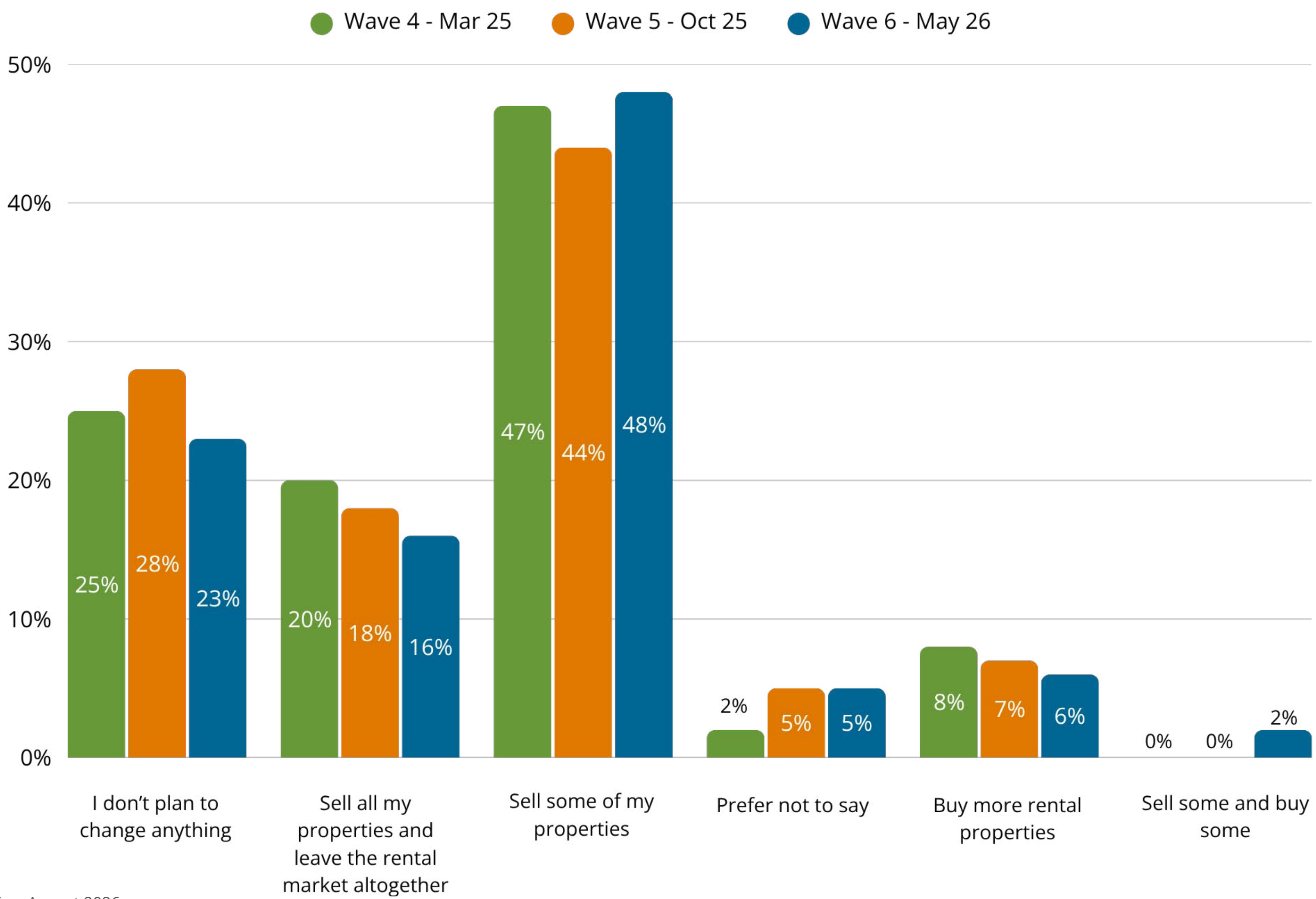
Small portfolio (1 - 2 properties)



Landlord portfolio objectives

We asked landlords what their plans were for their large property portfolio in the next one to two years.

Large portfolio (3 or more)



Factors driving landlords to sell their properties

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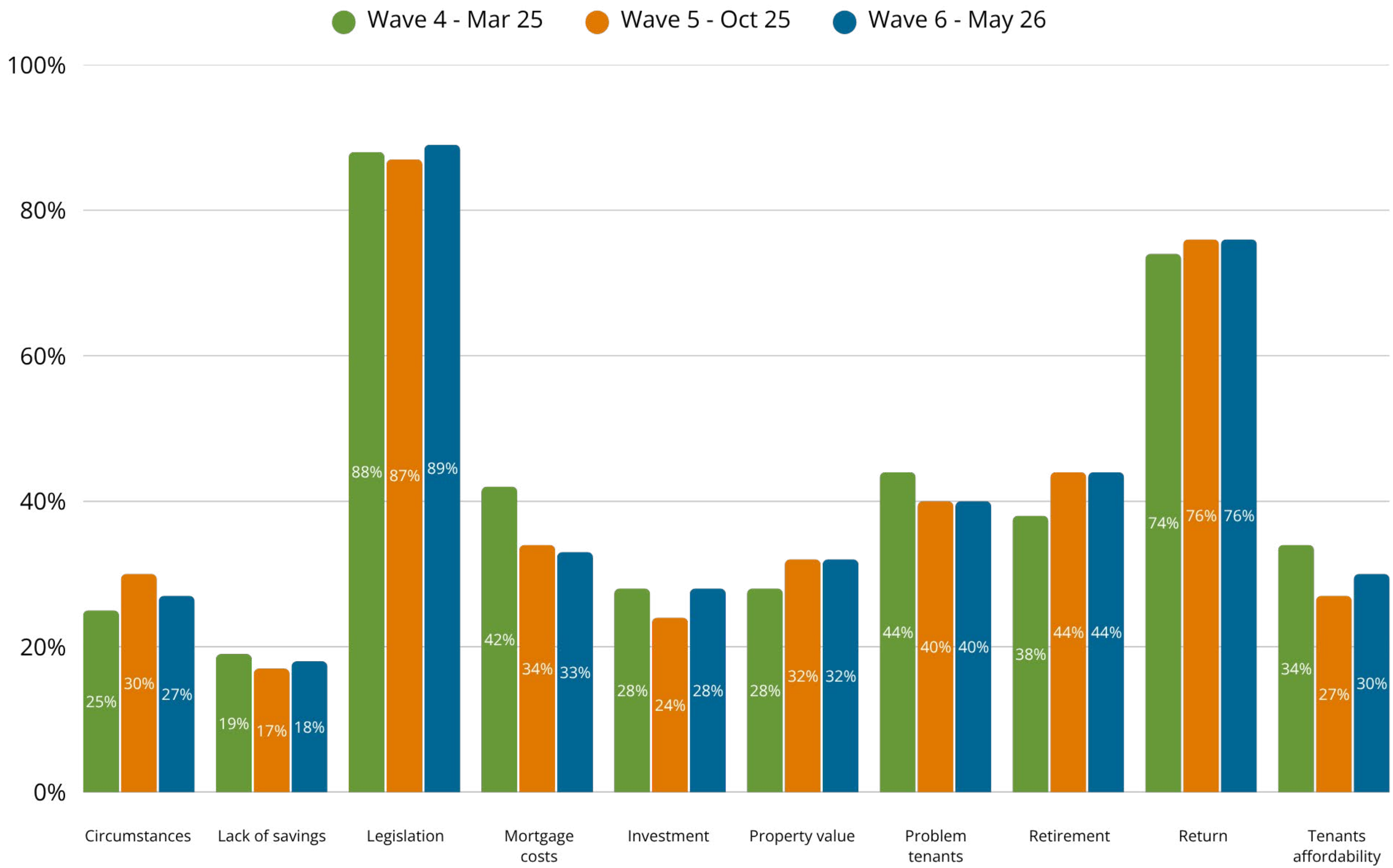

Factors driving landlords to sell their properties

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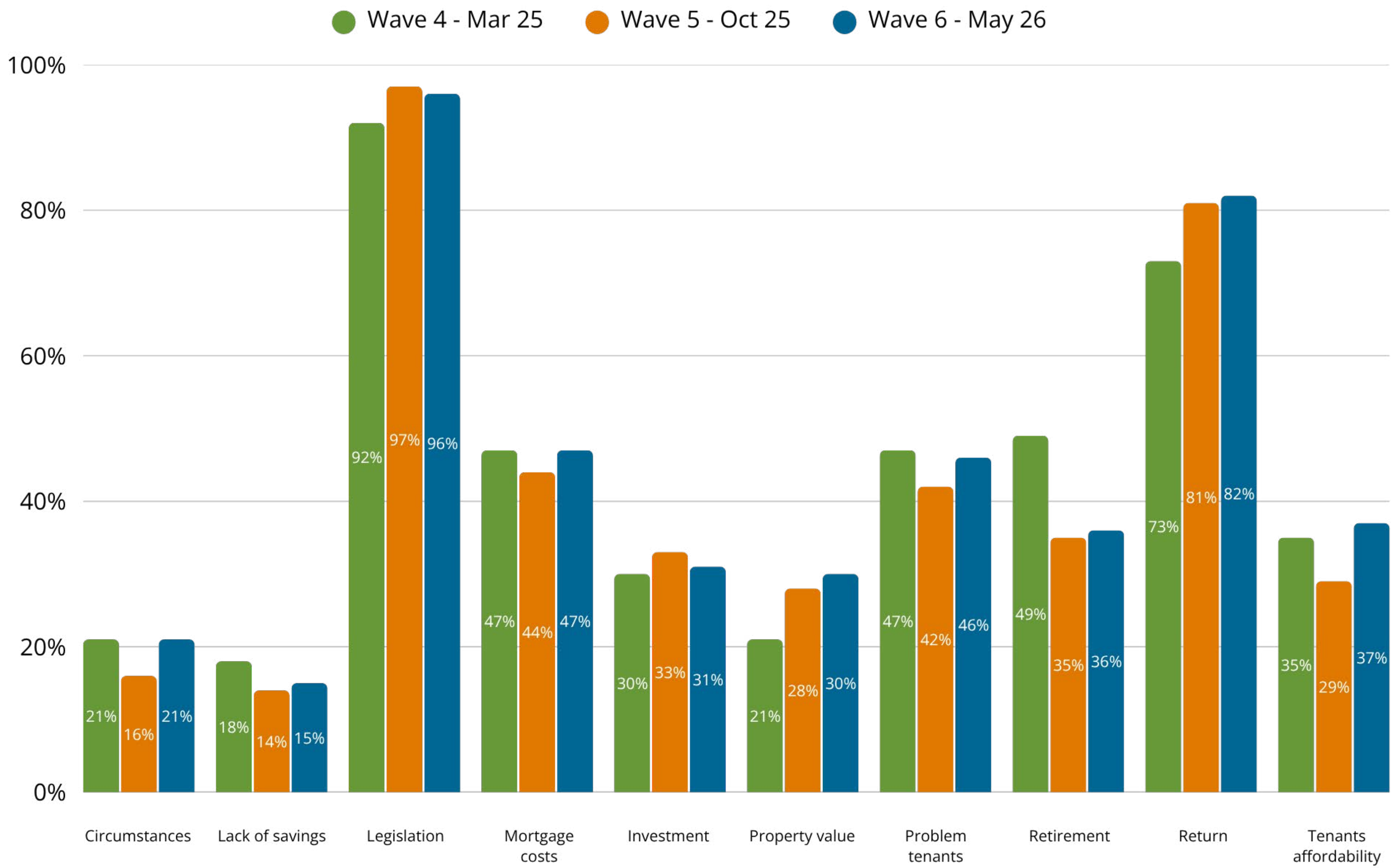


Is demand for rental properties changing?

Of the landlords responding to our survey who offered at least one property for rent:

22%

said there was no change in the number of people applying to rent their property, an increase of 1% since October 2025

15%

said the number of people applying to rent their property has increased but hasn't doubled, down 1%

5%

said the number of people applying to rent their property has roughly doubled

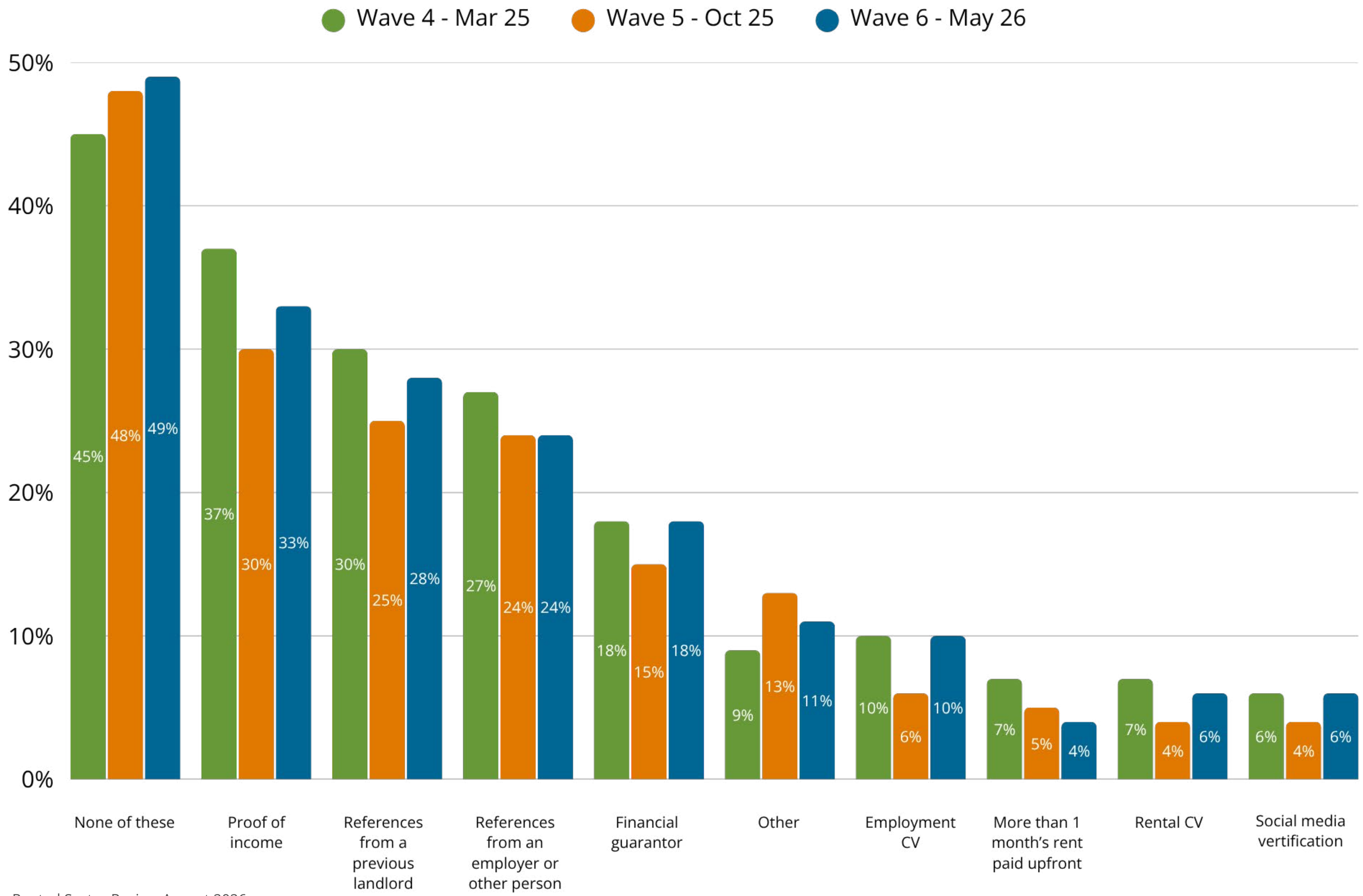
7%

said the number of people applying to rent their property has more than doubled

Different qualifiers landlords use to approve tenants

We asked landlords what non-standard checks or requirements they requested from prospective tenants in the last year.

Small portfolio (1 - 2 properties)



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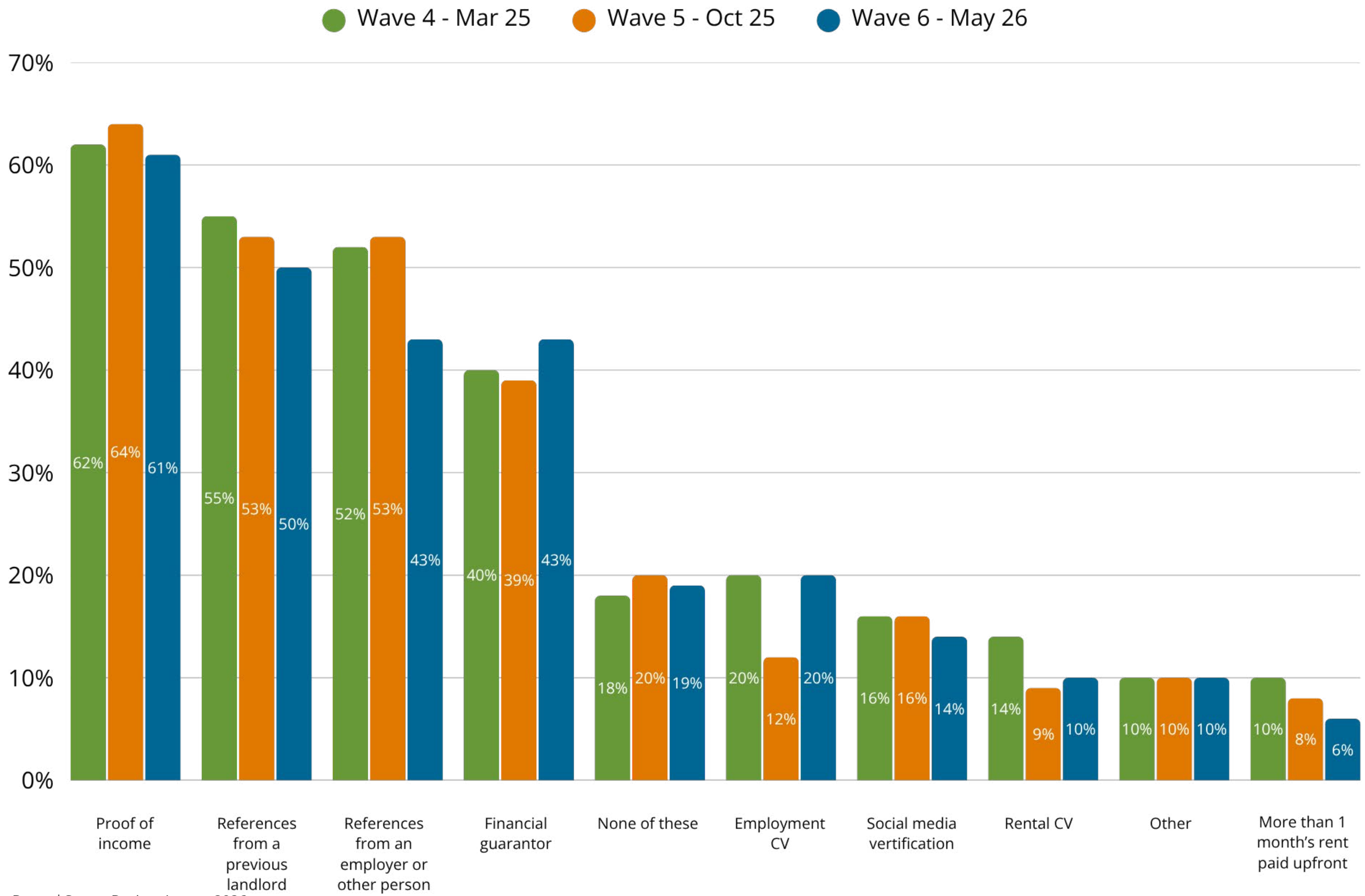

Upfront rent tenants have offered to secure a property

Where landlords told us they received offers of upfront rent to secure a property, we asked them how much was offered.

Under the Renters' Rights Act, from 1 May 2026 landlords can request no more than one months rent upfront.

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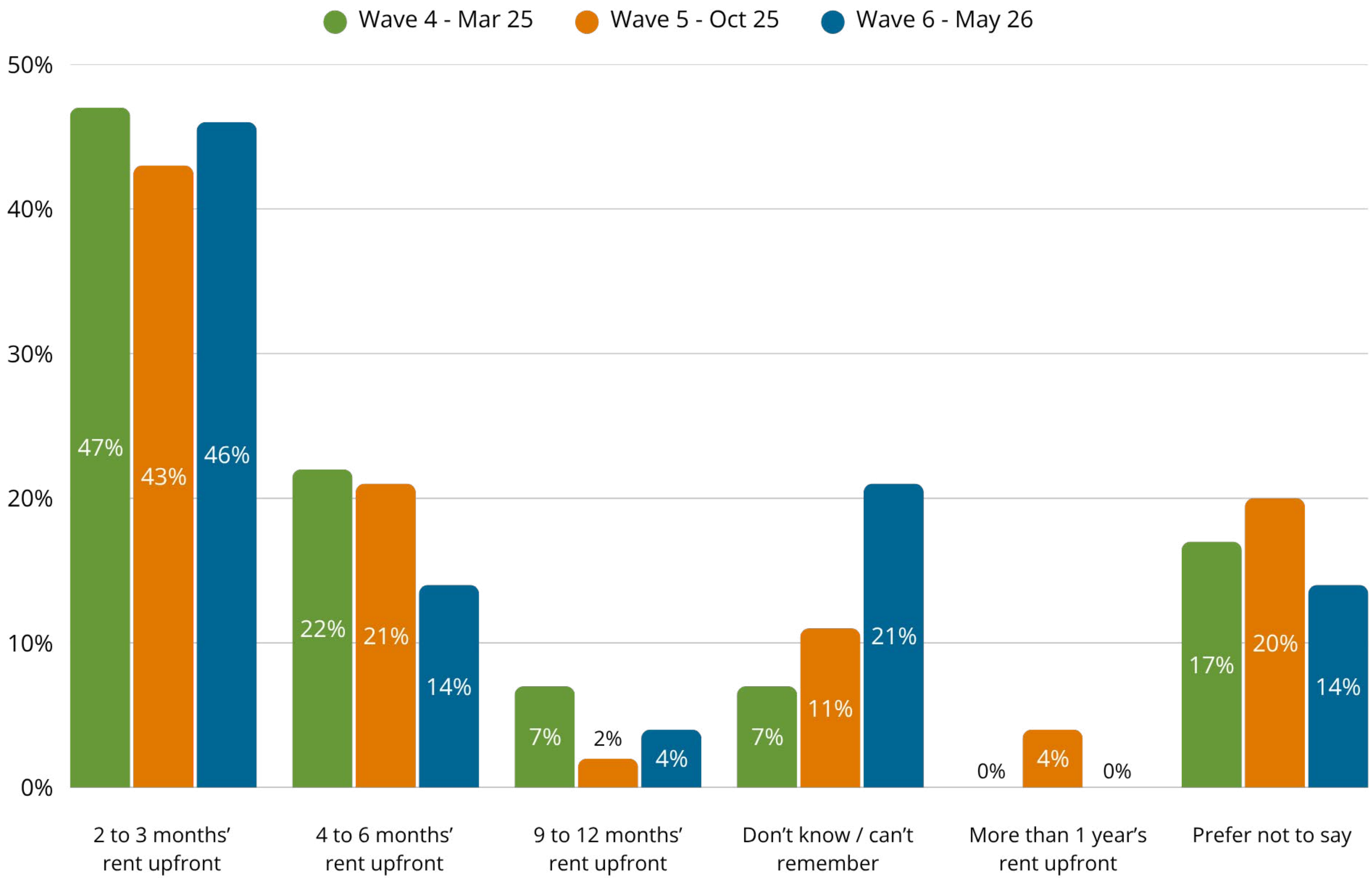

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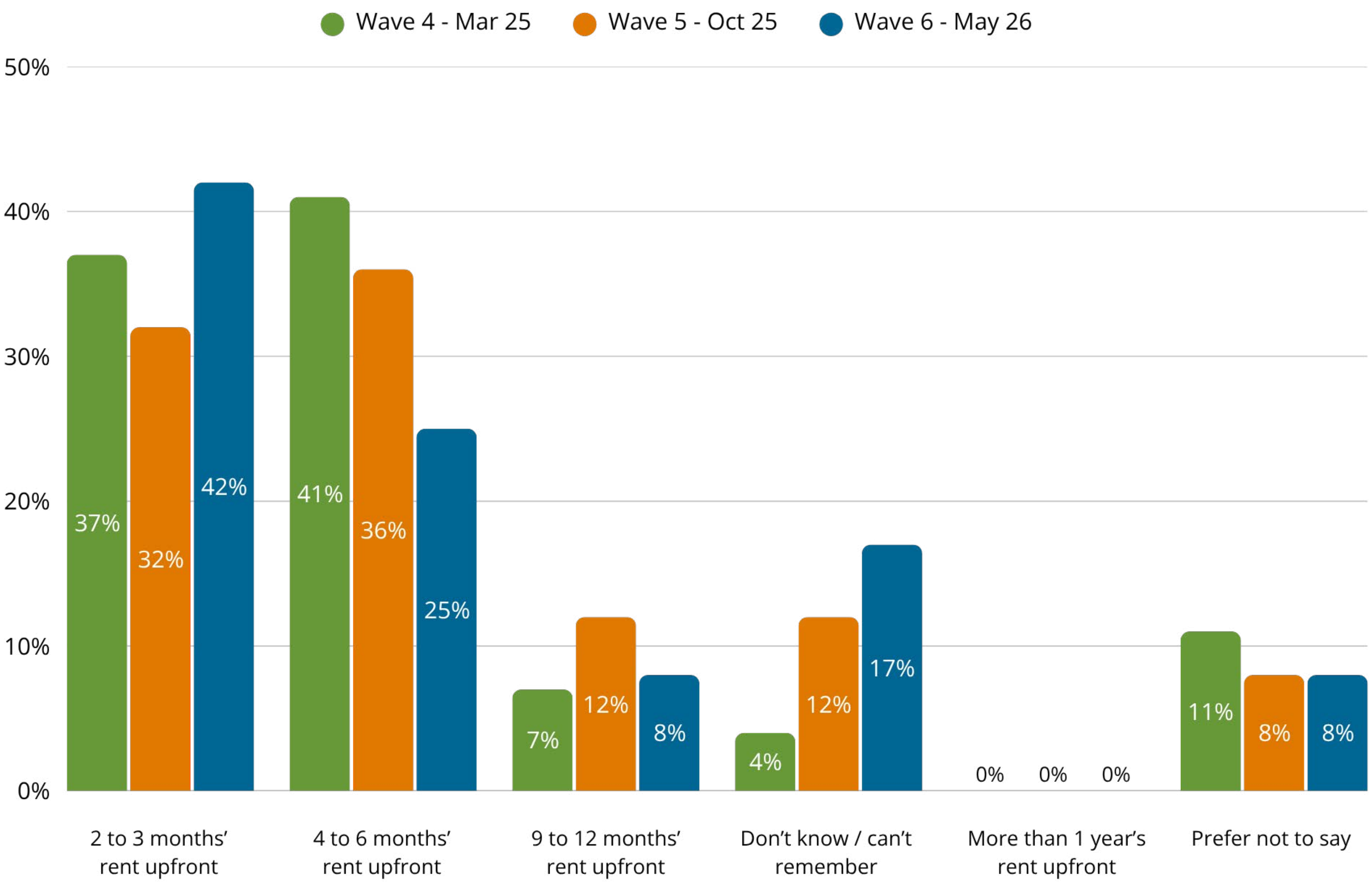


The tenant's view

Our survey of tenants provides them with the opportunity to share their **rental experiences** and give their view of the market – from how they've sourced their current tenancies, to the ease of moving to a new property.

The **1,271 tenants** that responded to our latest survey were drawn from a range of demographic backgrounds.

The number of tenants moving into new rentals fell slightly since October 2025, with 84% of tenants not moving in the past year, compared to 82% in our last survey. **Only 9% of respondents stated they moved in the last 6 to 12 months,** 1% lower than October 2025.

Since our last survey, the percentage of tenants who told us they would have liked to move **decreased from 33% to 29%,** reflective of the more stable market conditions.

40%

said they were forced to stay living in a property with issues such as dampness or damage

26%

said they were paying more than they could afford in their current home

24%

said they would like to move, as their current property is too small

Affordability has improved for many tenants who moved, with fewer having to pay more than their previous tenancy.

Of those having to pay higher rent, **increases below 20% grew from 49% in October to 58% in May.** Rent increases of over 50% rose 1% in the same wave. Of those who moved:

53% are paying a higher rent than their previous property, 6% lower than October 2025

45% had to pay more than a month's rent upfront to secure their new property, a fall of 1% since October

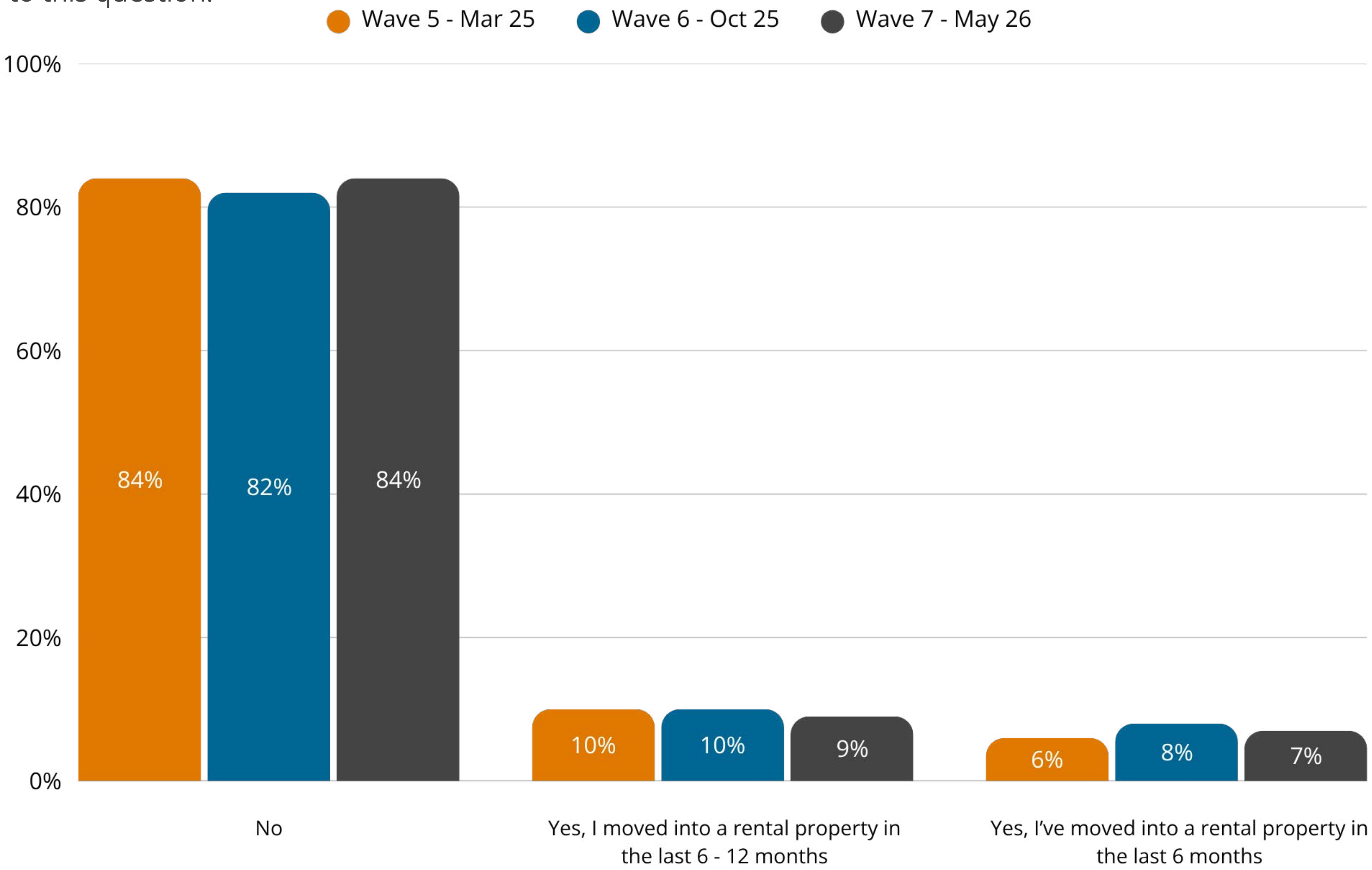
8% had to put in an offer over the listed price

23% saw the time it takes for them to commute to work increase

Under the Renters' Rights Act, from 1 May 2026 landlords can request no more than one months rent upfront. They must also must state a single, precise rent amount for a defined period (weekly or monthly). "Offers over," or "price on application" are no longer permitted. We expect these figures will reflect the change in the rules in our next report.

Tenants that moved in the last year vs those that didn't

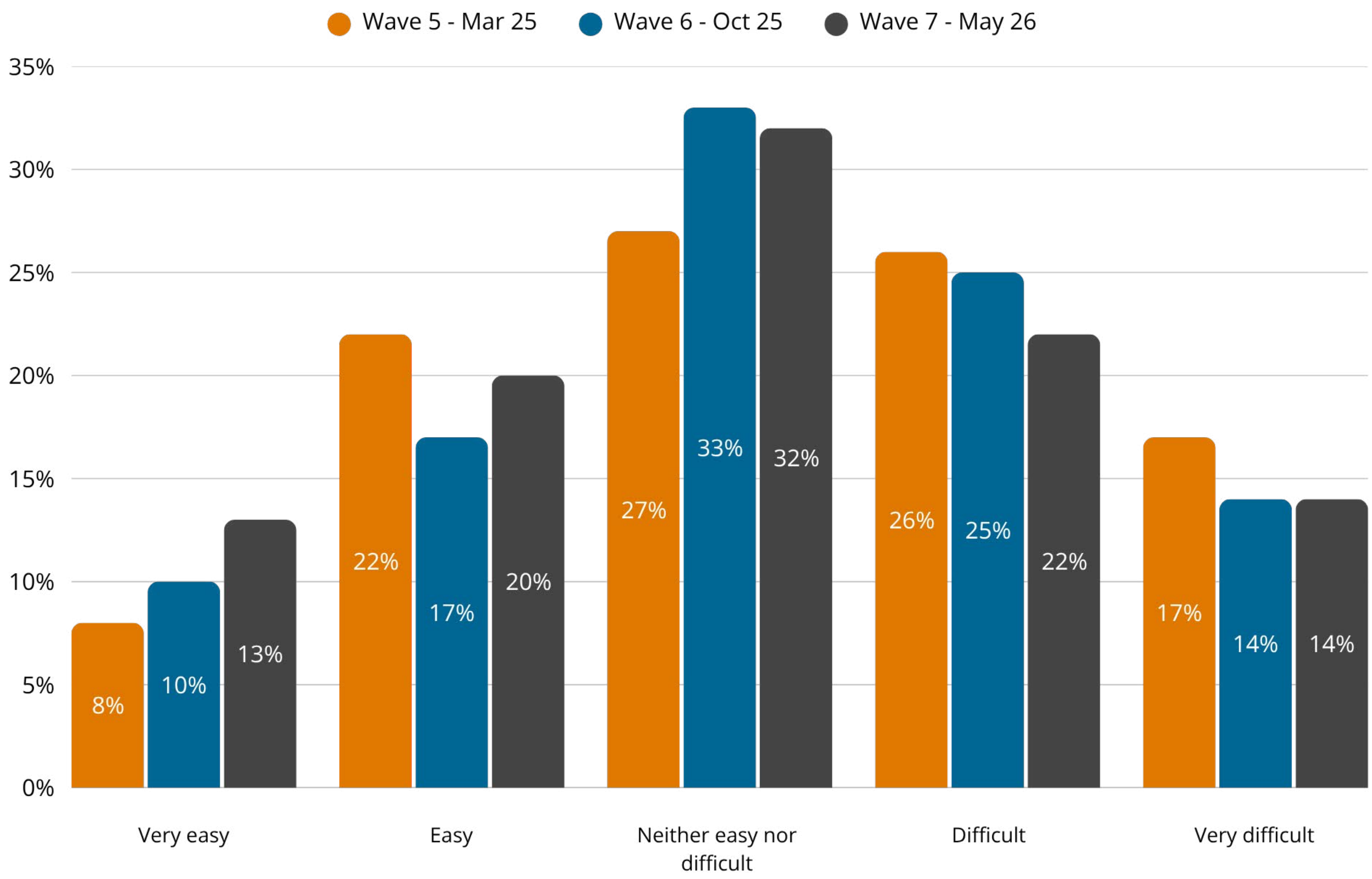
We asked tenants if they'd moved in the last 12 months. Many of the subsequent questions we asked were dependent on their response to this question.



Movers

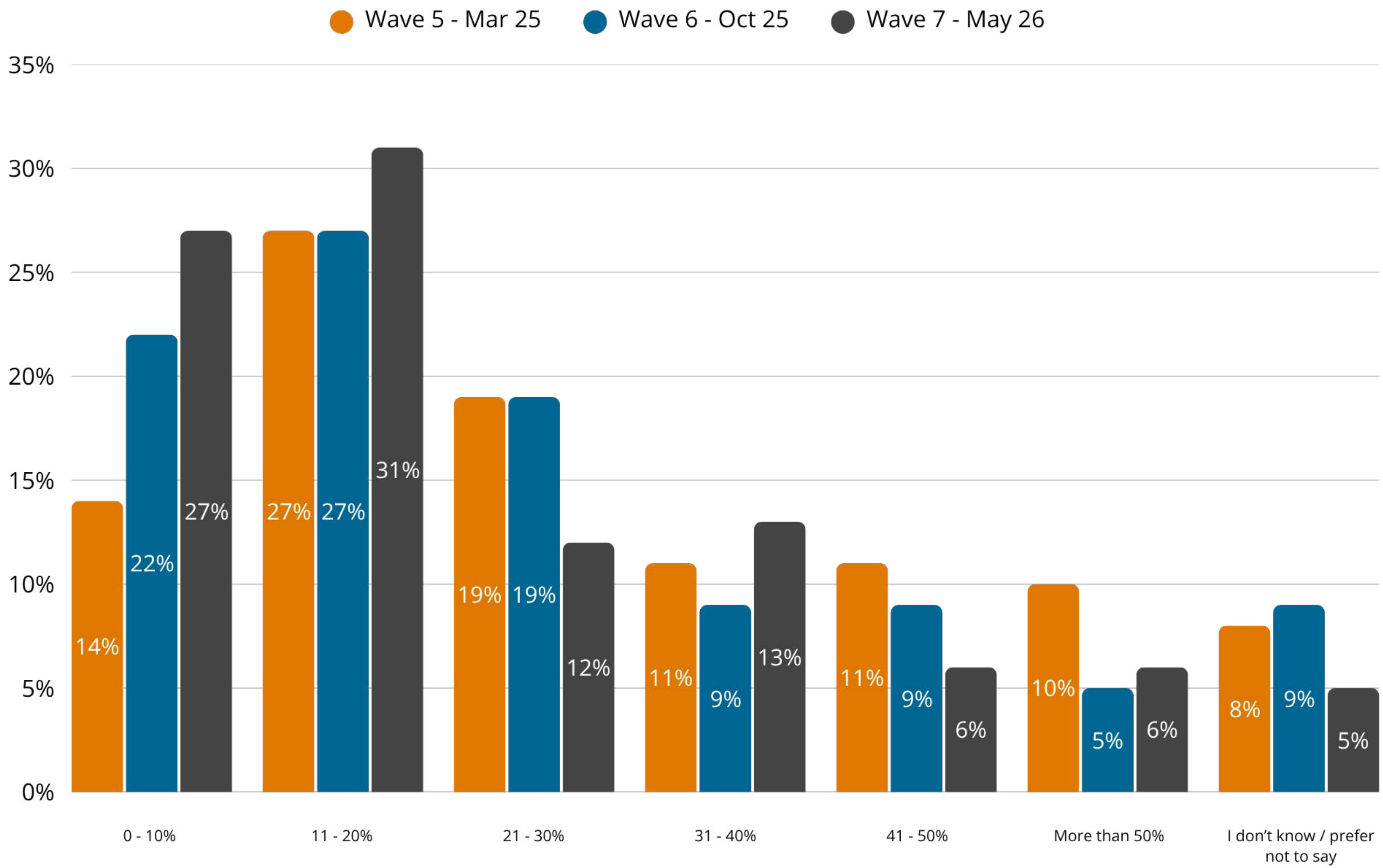
Where tenants told us they'd moved in the last six months we asked:

How easy or difficult was it to secure your present rental property?
This graph shows tenant experiences of securing the property. In our latest wave, 32% found it neither easy nor difficult to secure their property, although 36% of tenants found it difficult or very difficult.



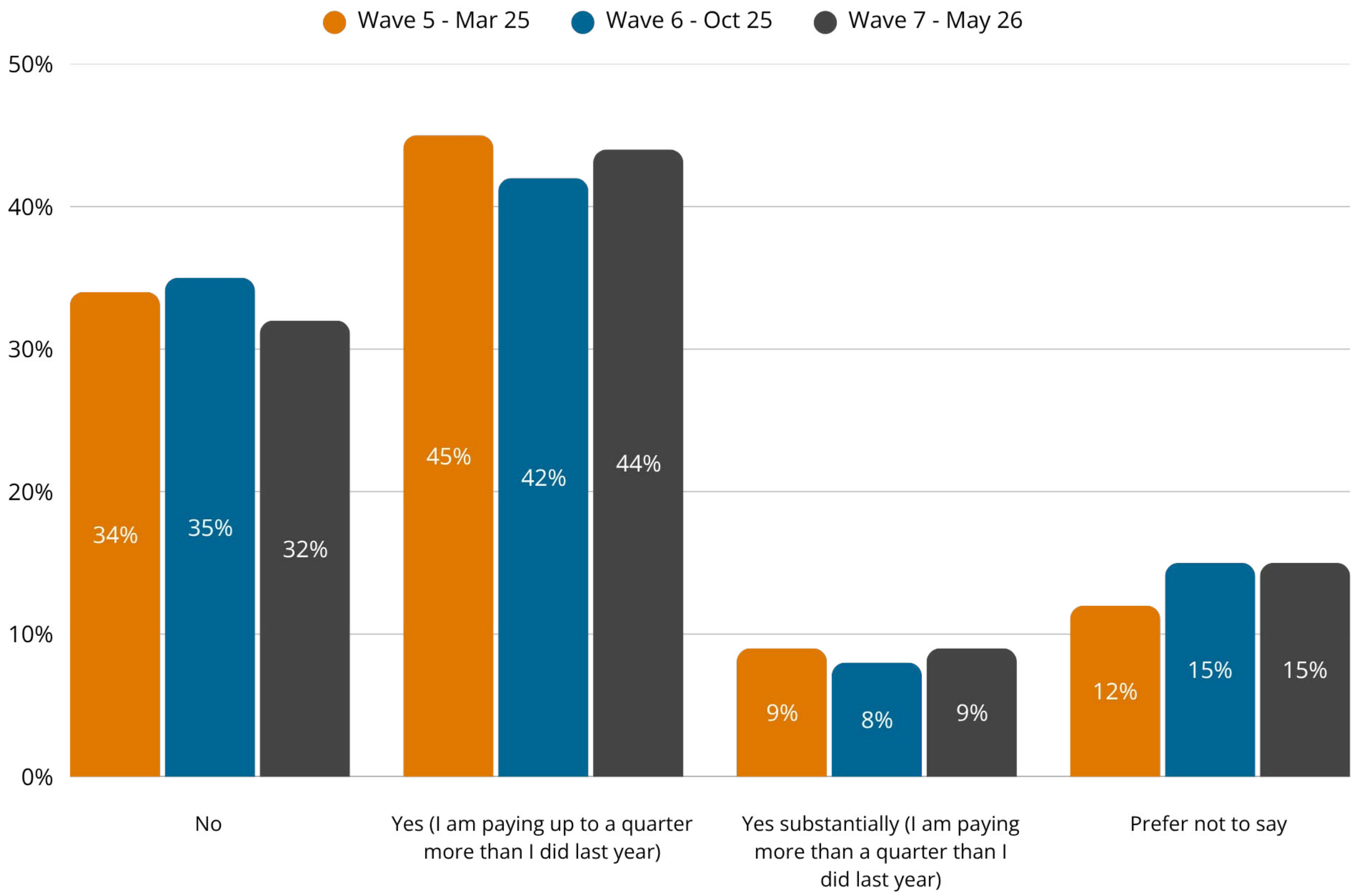
Percentage of tenants experiencing rent increases

We asked all tenants who moved how much their rent increased in the new property.



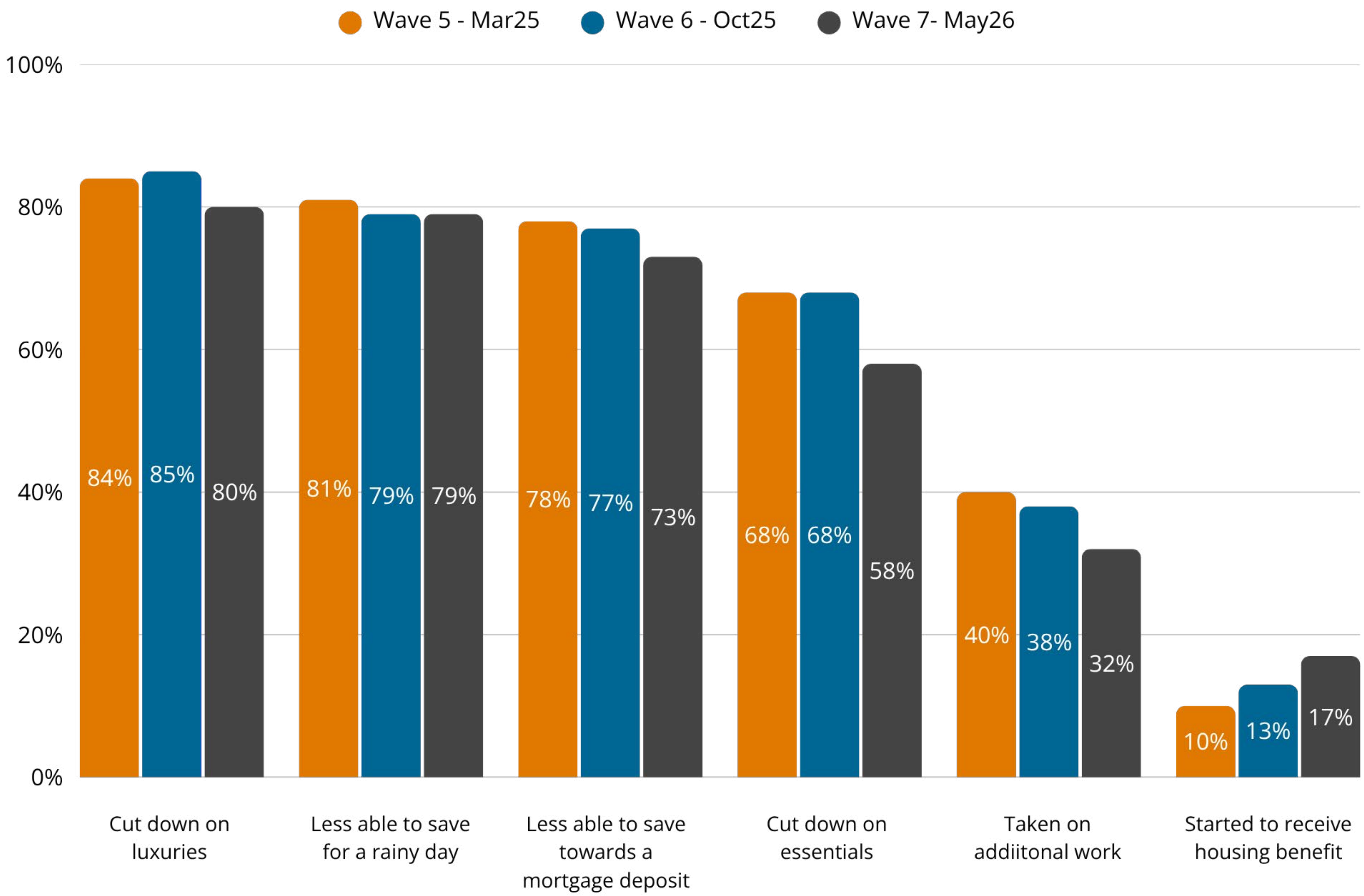
Tenant experiences with rent increases

We asked all tenants if they experienced rent increases and if so, how much more they were now paying.



Impact of higher rents on tenants

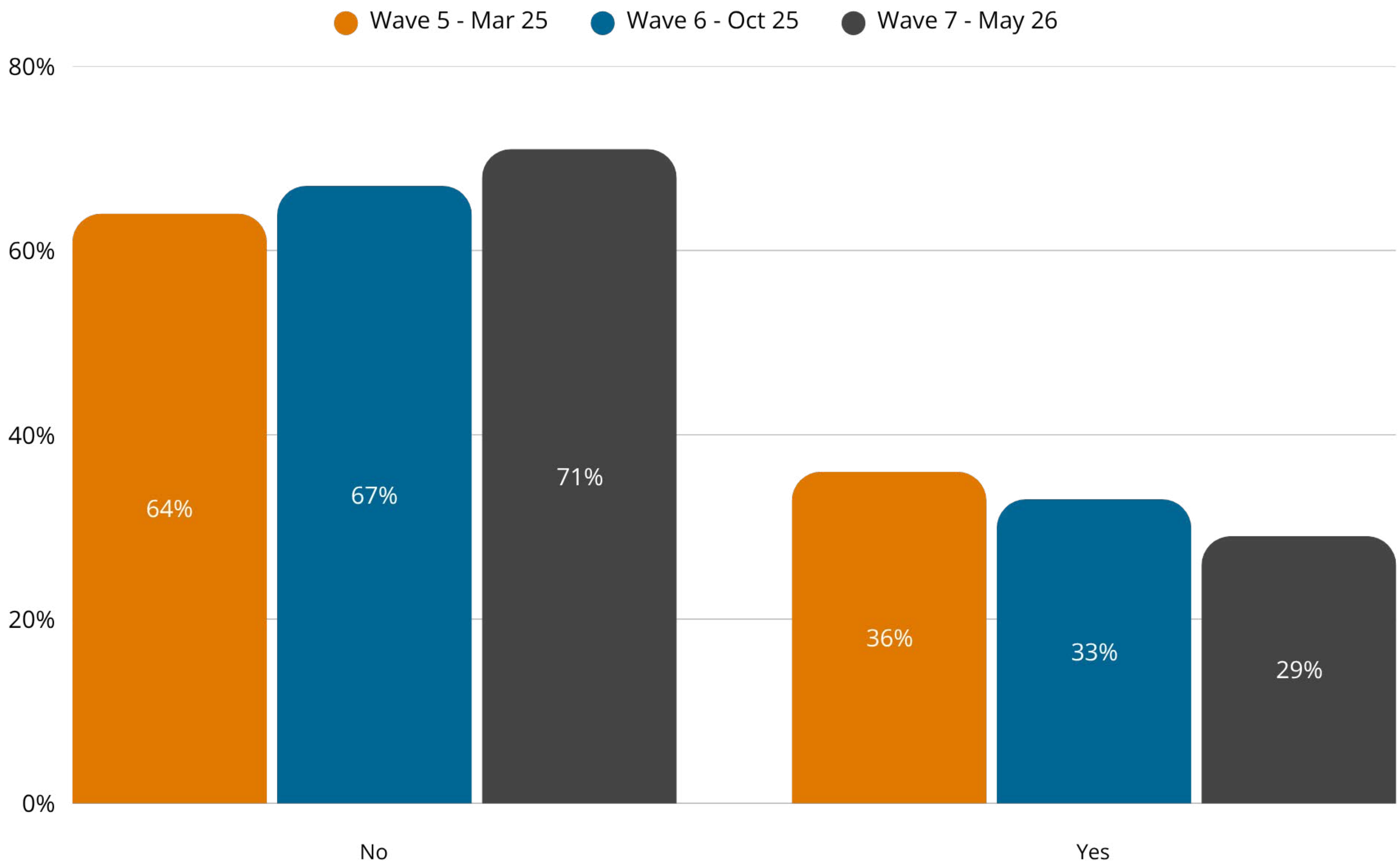
We asked tenants experiencing higher rents how this had affected them.



Non-movers

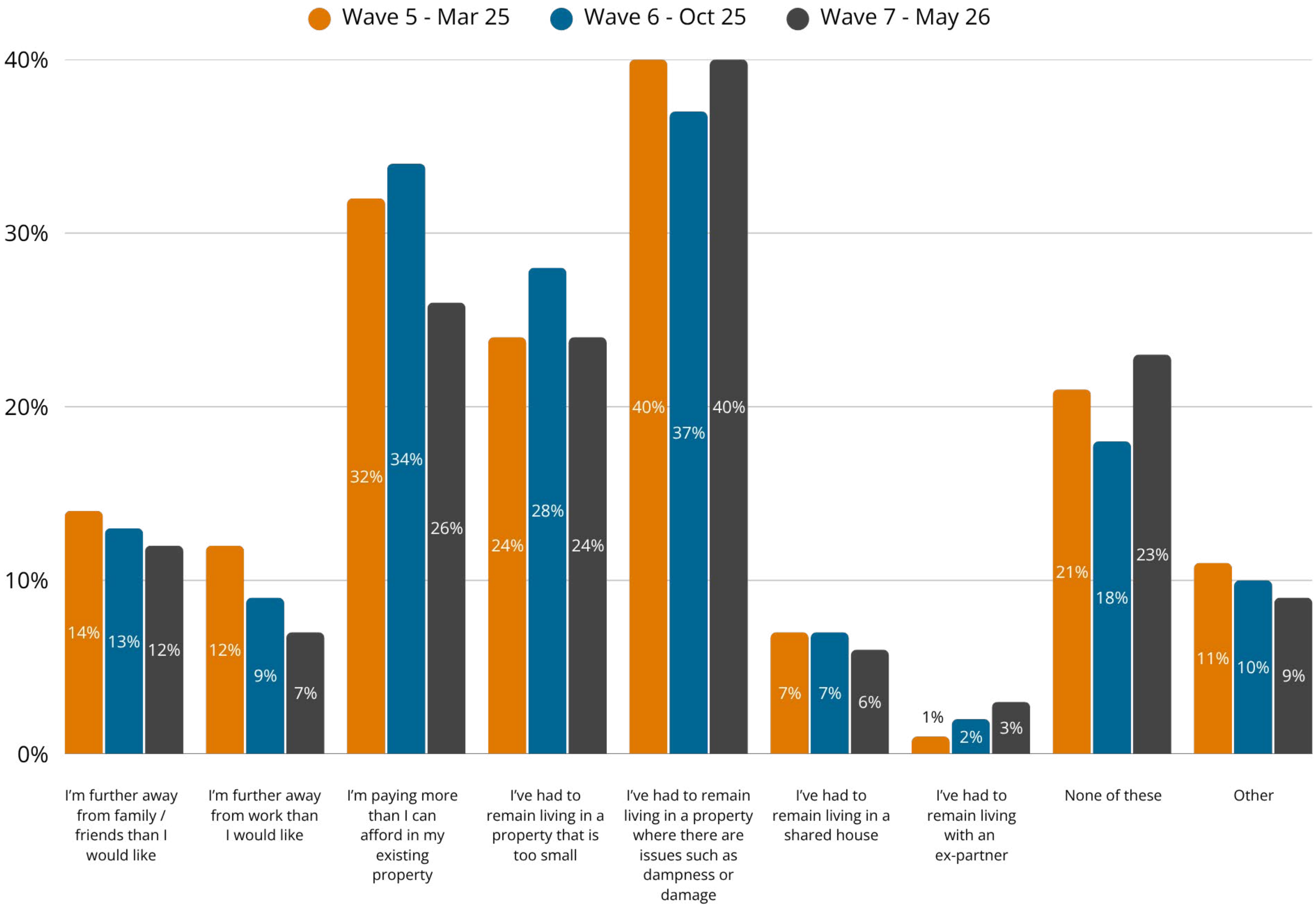
Tenants content to stay in current property vs those that wanted to move

If tenants told us they hadn't moved in the last six months, we asked them if they would have liked to.



Reasons tenants wanted to move

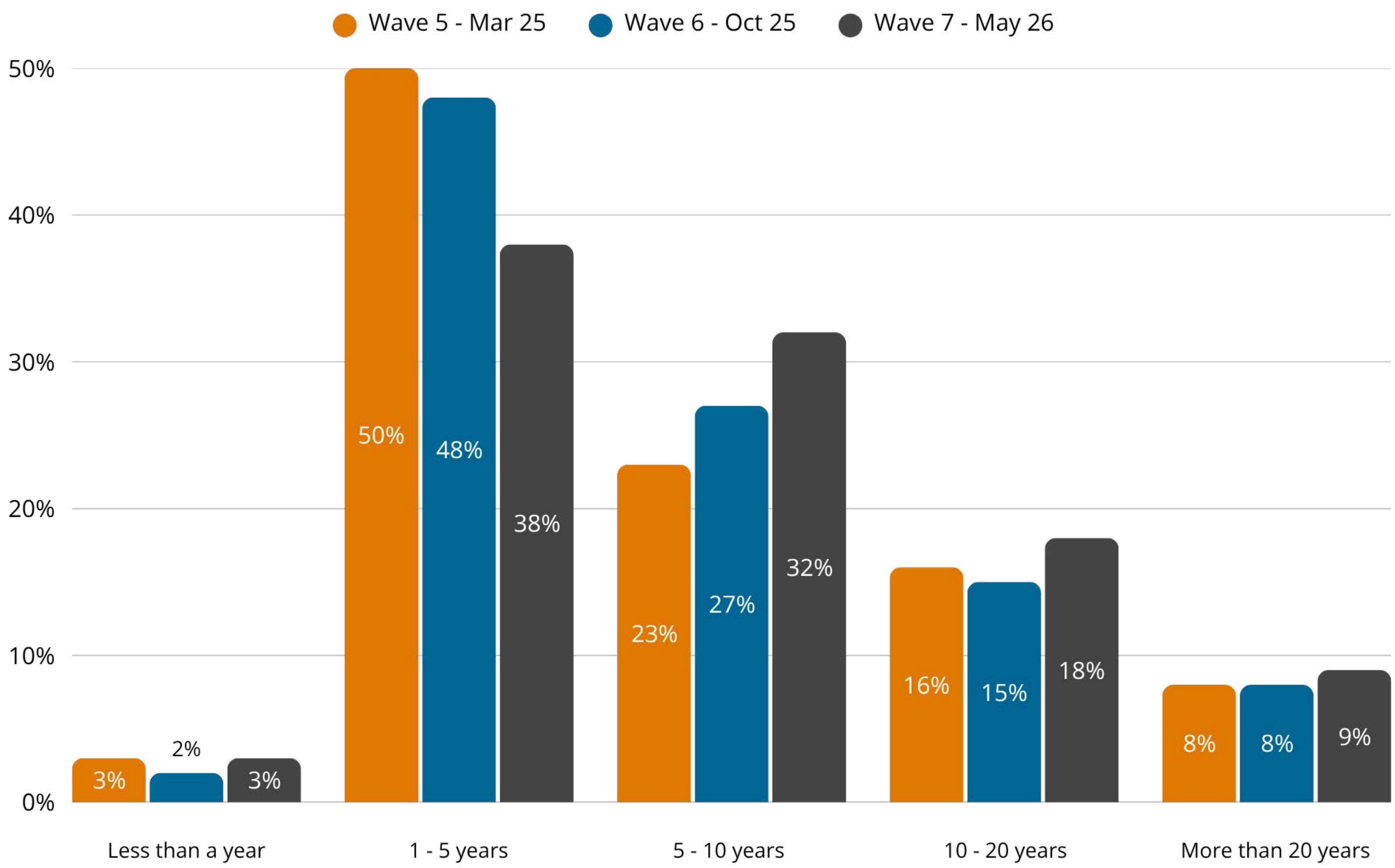
Where tenants told us they would have liked to move, we asked them why.



Demographics

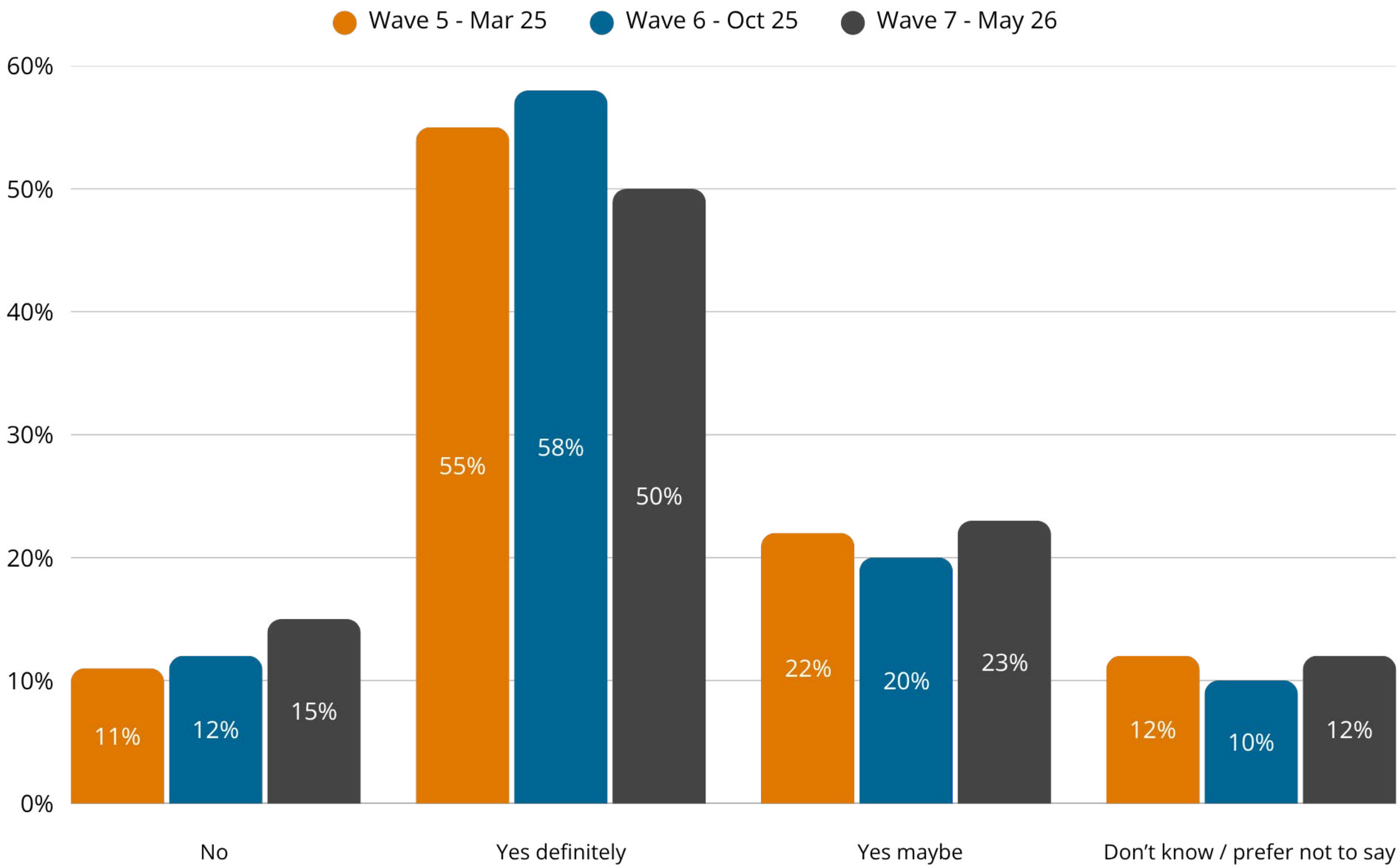
We asked tenants several demographic questions to understand more about the respondents and potentially identify any trends within groups.

Length of time tenant has spent as a renter

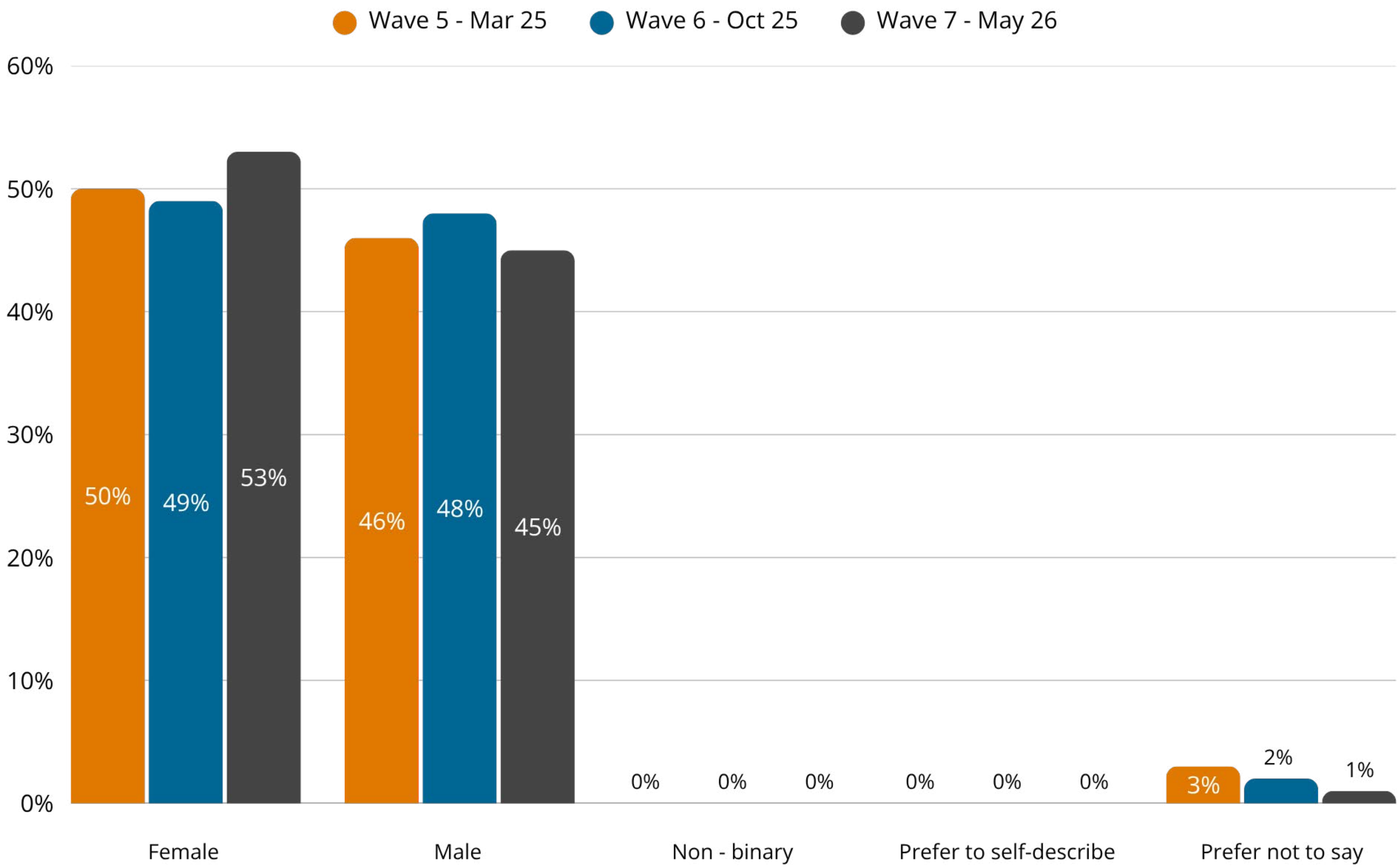


Tenant attitudes towards owning a home

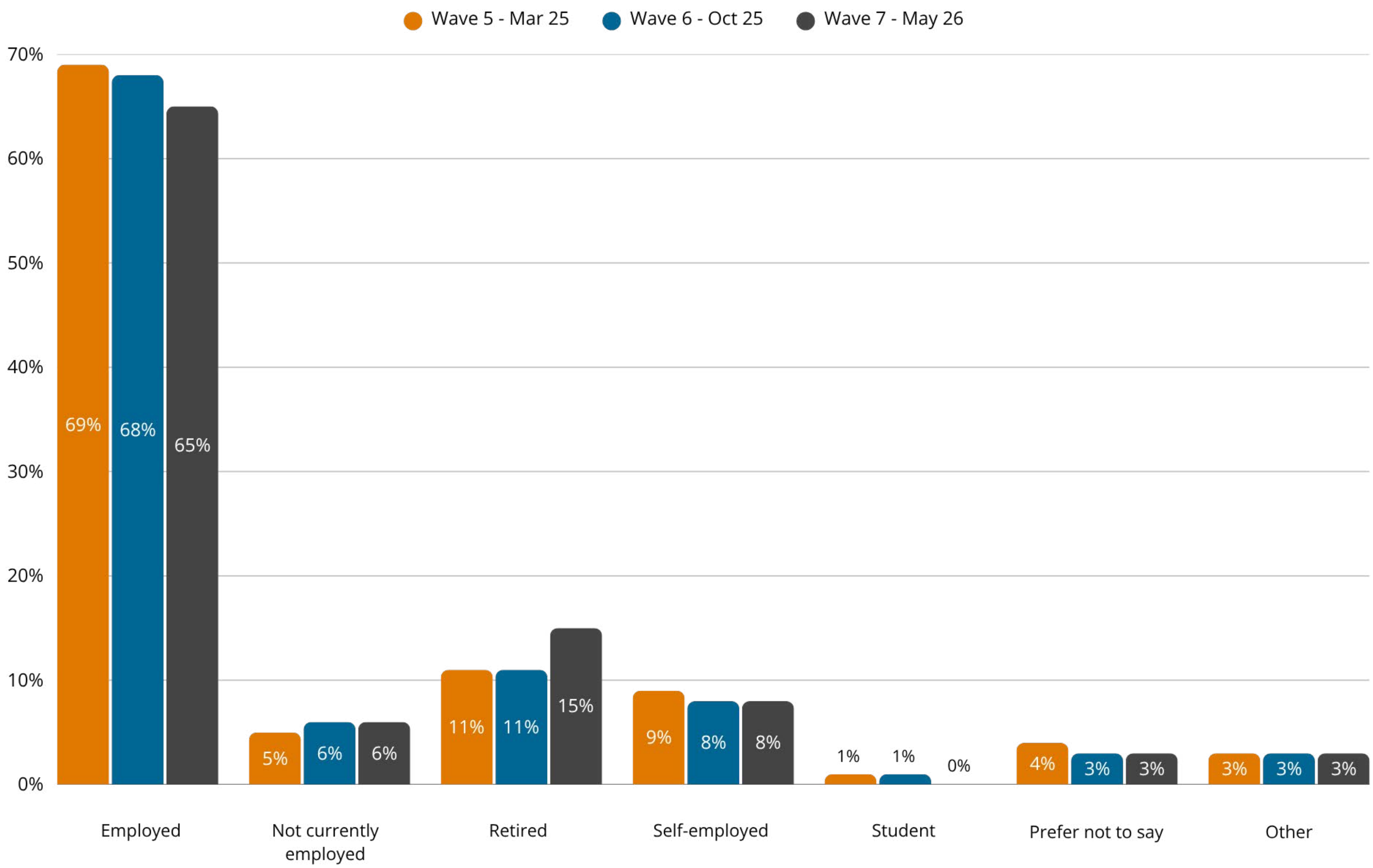
We asked all tenants if they were interested in owning their own home in the future.



Tenant gender

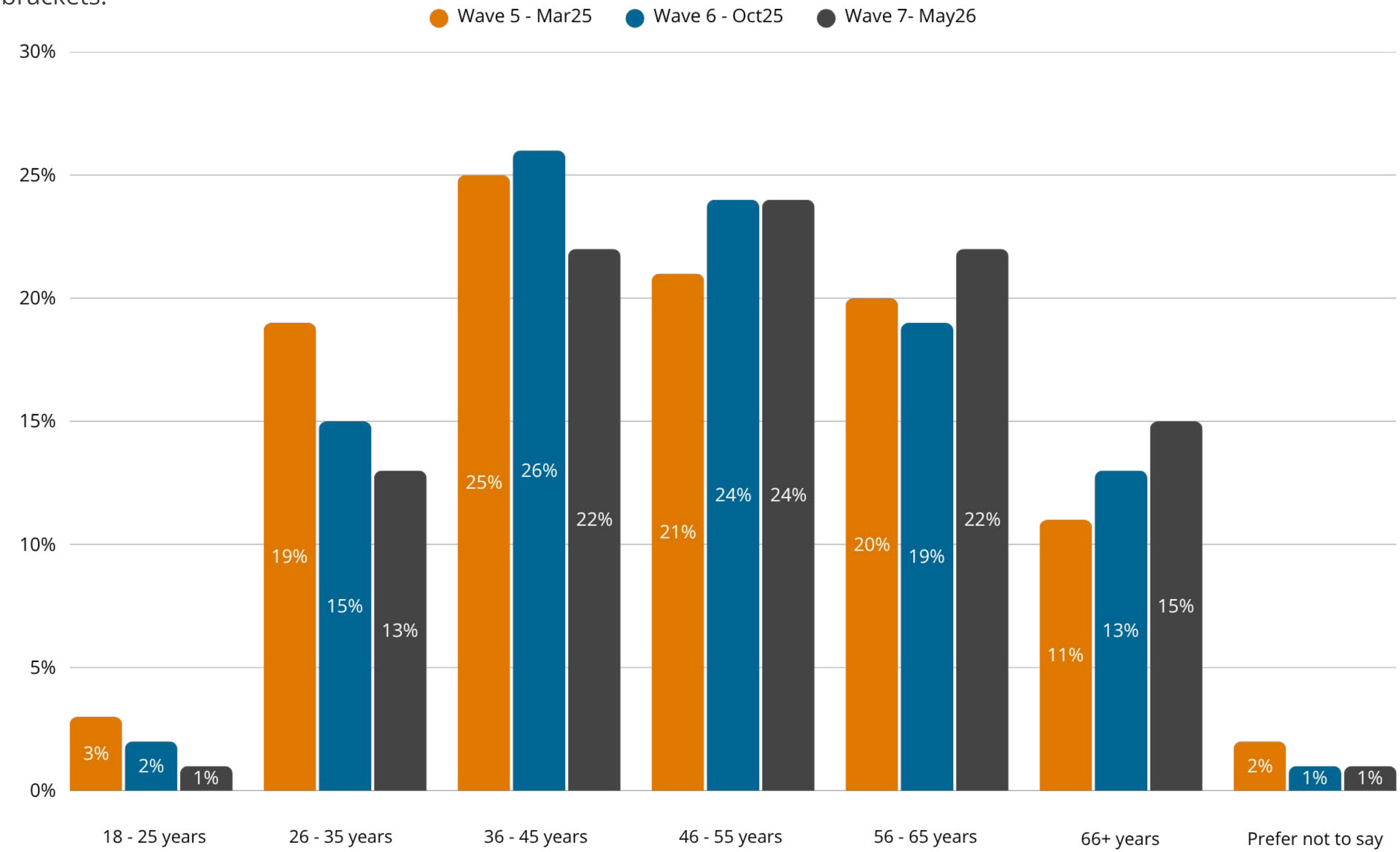


Tenant employment status



Tenant age range

This shows the percentage of renters in different age ranges. Consistently we see the highest percentages in the 36-45 and 46-55 brackets.



Tenant generosity tops £1.75 million

Throughout the duration of the tenancy, we **provide interest on the Custodial deposits in our protection and pay it to tenants when they move out.** Since the introduction of interest payments on Custodial deposits, we've offered tenants the option to donate the interest earned on their deposit at the end of their tenancy.

We're pleased to share that since Q1 2024, The DPS has helped facilitate a **total of £1.75 million in donations** to St. Mungo's, a leading homelessness charity in the UK.

> We are incredibly grateful to The DPS for the donations they have facilitated during the first year of our partnership and to all the tenants who have so generously chosen to donate the interest from their safeguarded deposits to St Mungo's.
>
> "With record numbers of people now facing or at risk of homelessness, our work has never been more urgent.
>
> "The DPS' fantastic £1.75 million fundraising milestone and continued support will make a real and lasting difference, helping people to recover from homelessness and rebuild their lives.
>
> **– Michael Reynolds, Director of Fundraising and Communications at St Mungo's**

Among its many efforts, St. Mungo's **provides safe, warm, emergency accommodation and helps people experiencing homelessness to rebuild their lives.** Every year they support over 26,000 people who are homeless or at risk of homelessness, during a time when increasing numbers are facing the reality of losing their homes.

We are delighted to reach the £1.75 million donation mark since embarking on this partnership.

“St Mungo’s delivers vital support to people facing some of the toughest circumstances across London and the South of England.

“Many of our employees are also supporting the charity directly, donating time and energy to a number of local St Mungo’s initiatives.”

– Matt Trevett, Managing Director at The DPS

We’re proud to partner with St. Mungo’s, glad to help support this important effort and thankful to all who’ve contributed.

Our partnership with St. Mungo’s is also **aimed to support meaningful change in local communities across the country, particularly in Bristol,** where The DPS is headquartered.

We look forward to continued progress and sharing our next donation update.

In **2007,** we launched The Deposit Protection Service (The DPS), the first Custodial Tenancy Deposit Protection Scheme. We've been **an integral part of the Private Rented Sector (PRS)** ever since.

The DPS supports **the needs of hundreds of thousands of landlords and millions of tenants,** providing a simple, easy-to-use service and a top-rated customer experience.

With **over 1.83m deposits under our protection,** we're the **largest provider of deposit protection services in England and Wales.** We're also the **top rated deposit protection scheme** for customer service on **Trustpilot*.**

*as of August 2026

DPS

Deposit Protection Service