



# The Private Rented Sector Review

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

February 2026

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# 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

Our latest data indicates the Private Rented Sector (PRS) has entered a period of relative consistency ahead of the implementation of the Renters' Rights Act that recently received Royal Assent.

The 6 months from March to September 2025 saw the second lowest growth in new tenancies since we started gathering data in 2016. Only the post COVID period of March to September 2022 saw fewer tenancies added to the market. The proportion of tenants moving within the last 12 months has remained steady at 10%, the same level as March 2025 and down 3% compared with the same period last year (October 2024).

Of those tenants who moved:

- › **59% told us they'd paid higher rent** to secure a new property, down 4% since March
- › **27% had to move to a cheaper area**, also down 4%
- › **33% had to downsize**, up 5%
- › **29% had to move further away** from work, up 3%

Of those having to pay higher rent, the proportional increase largely stayed the same. The notable exception came in the lowest range of increase (up 0-10% of previous rent) with 22% reporting a change within this range of increase compared to March 2025, while at the other end of the scale, those reporting the highest range of increase fell from 10% in March to 5%.

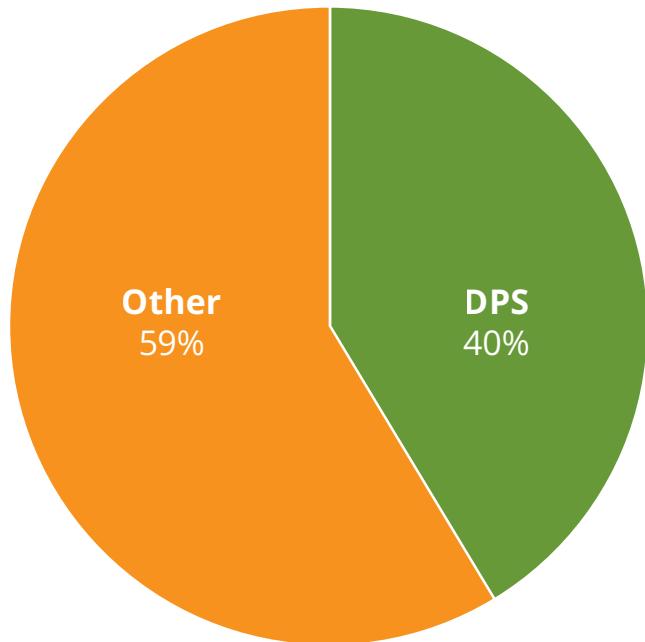
# The tenancy deposit market

This relative market consistency described by tenants over the last two surveys is also reflected in the landlord responses to our surveys.

- › **43% of landlords have increased rent in the past year**, a slight decrease on previous waves
- › **53% of landlords are considering selling** some or all of their properties in the next one to two years, the same as in March 2025
- › **41% don't plan to change their property portfolios** in the next one to two years
- › **3% plan to buy** more properties

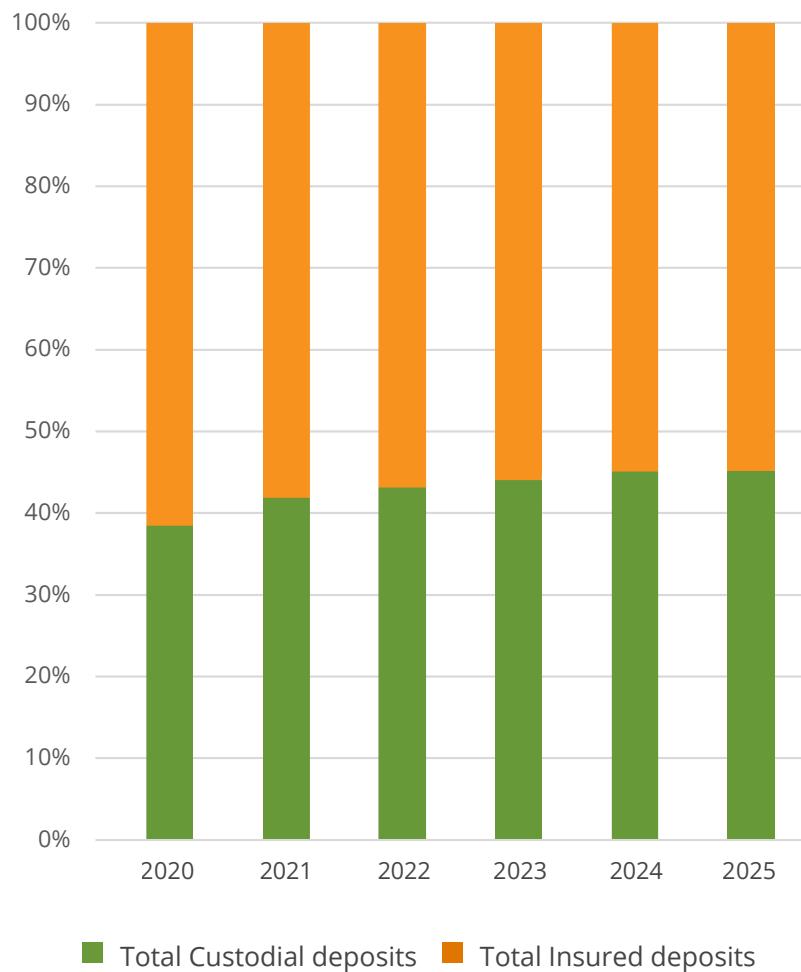
Landlords considering selling cited proposed changes in legislation as the key factor, remaining steady at 89%. Capital Gains Tax changes remain influential for 90% and the Renters' Rights Act a consideration for 89%.

Market size - September 2025\*  
Based on 4.72 million deposits



\*Source: MHCLG - TDP Six Monthly Report December 2025

Market share -  
Custodial vs Insured accounts\*

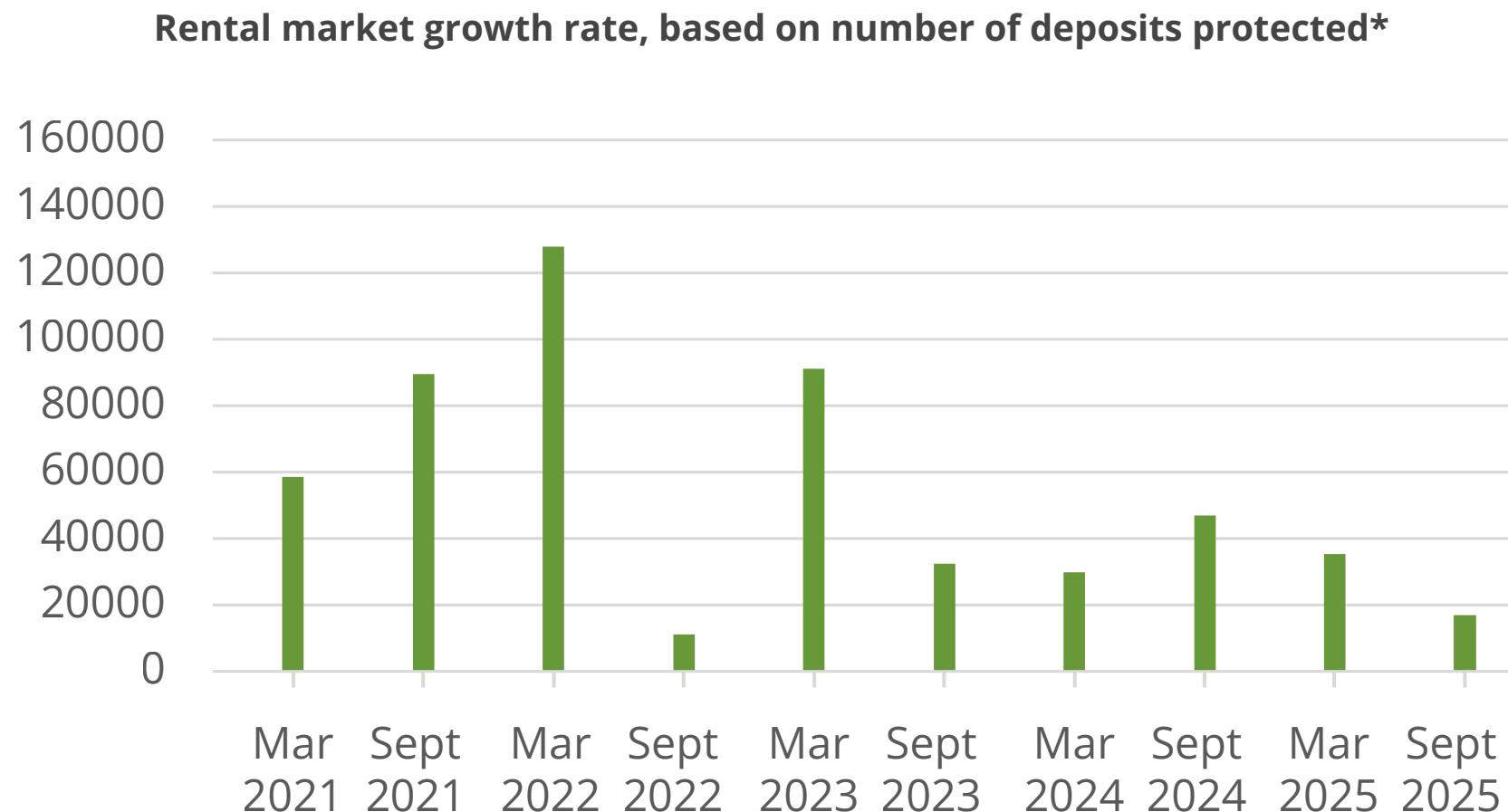


\*Source: MHCLG - TDP Six Monthly Report December 2025

With 1.87 million deposits under our care - 40% of the market - The DPS is the largest deposit protection provider in England and Wales.

The tenancy deposit market has in recent years seen a gradual move towards Custodial deposit protection, but this shift has stalled in the last 24 months with 54.0% held in Custodial schemes compared to 54.6% two years.

**The last 6 months saw the second smallest half-yearly growth in the number of deposits** protected since our records began, increasing by just under 17,000 tenancies. Combined with the previous 6 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.



\*Source: MHCLG - TDP Six Monthly Report December 2025

## What's behind the period of marketplace stability we've seen over the last 12 months?

While the cost of living and associated renting costs remain high in relation to wages overall, The Bank of England base interest rate has decreased by 1.5 percentage points since the start of 2024, to 3.75% as of 18 December 2025. This in turn is driving down the cost of mortgages and the need for landlords to increase rent to cover rising mortgage costs.

**In 2025, we've also seen the progression of the Renter's Right's Bill through parliament.** Uncertainty over how the changes may affect the market has been a common theme among landlord responses and has potentially led to a deep breath while waiting to understand what the regulatory changes will actually entail.

With the **Act having received Royal Assent**, the marketplace moves into a phase of learning about its complexities and the timing of changes it will need to make including:



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

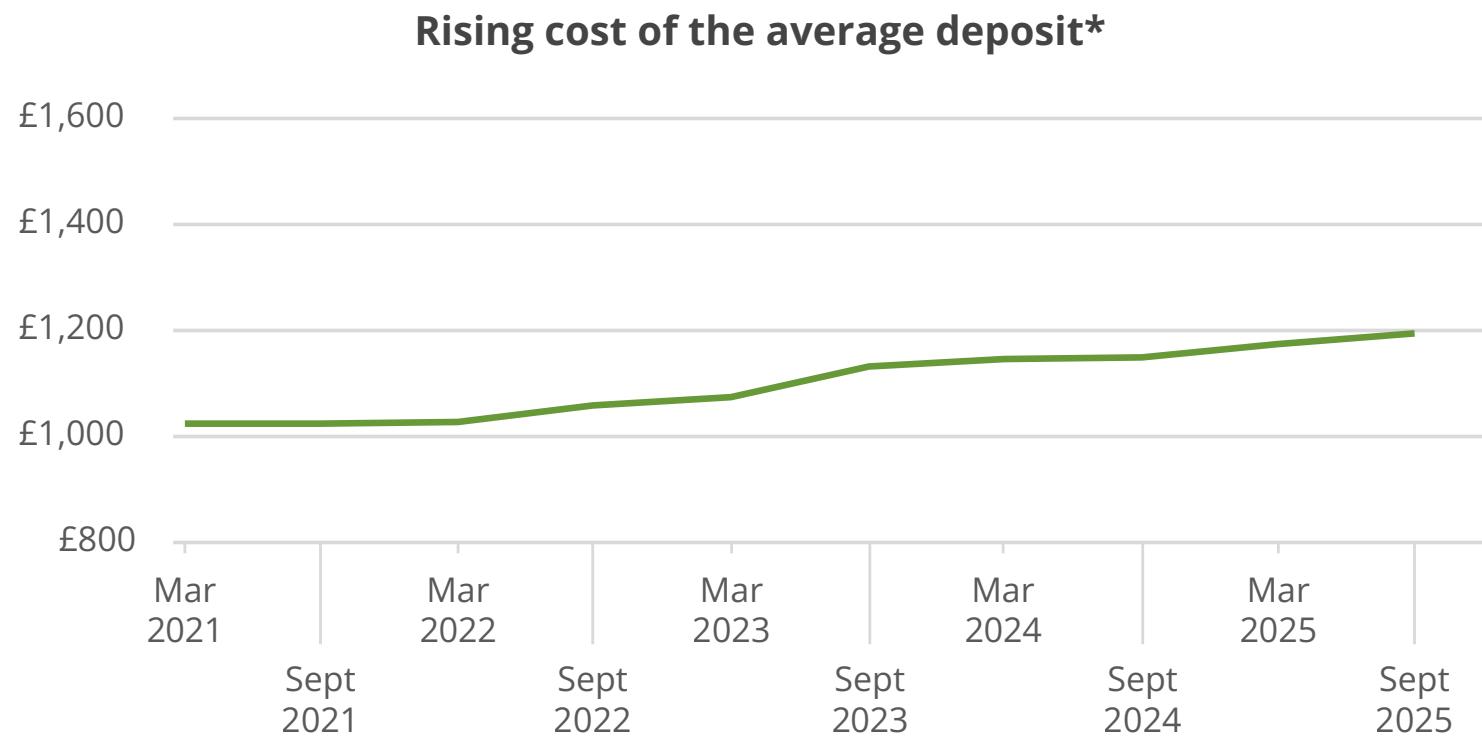


Awaab's Law

While the timing of implementation of some of the elements above varies, the Renters' Rights Act is scheduled for implementation in May 2026. This is the biggest single piece of legislative change to impact the PRS for many years. How the market now adjusts and reacts to these changes will be keenly watched by all market participants. It will need time for the PRS to learn how it will work in practice and we to evolve to accommodate the requirements of the Act. We'll use future editions of this report to keep our stakeholders informed of sentiment.

## The cost of being a tenant

Though the growth in tenancies added to the PRS is low from a deposit value perspective, a continued rise indicates **the average cost of renting continue to increase**. Average deposit value in the UK now stands at £1,195, up from £1,175 in our last report and £1,150 in September 2024. With the deposit cap tied to rental values, it implies **a monthly average rent of around £1,035** and an annual increase of 3.9% from September 2024 to September 2025.



\*Source: MHCLG - TDP Six Monthly Report December 2025

# The landlord's view

Every six months we survey our landlords with a range of questions about their lettings portfolios and their experience of the market, the challenges they face and their future intentions. In our latest survey, 1,264 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 1,264 who replied:

**65%**

purchased all their properties specifically for use as rentals

**17%**

either inherited their rental property or originally bought their rental as their main home

**50%**

own one or two properties, with another 42% owning between three and ten properties

**56%**

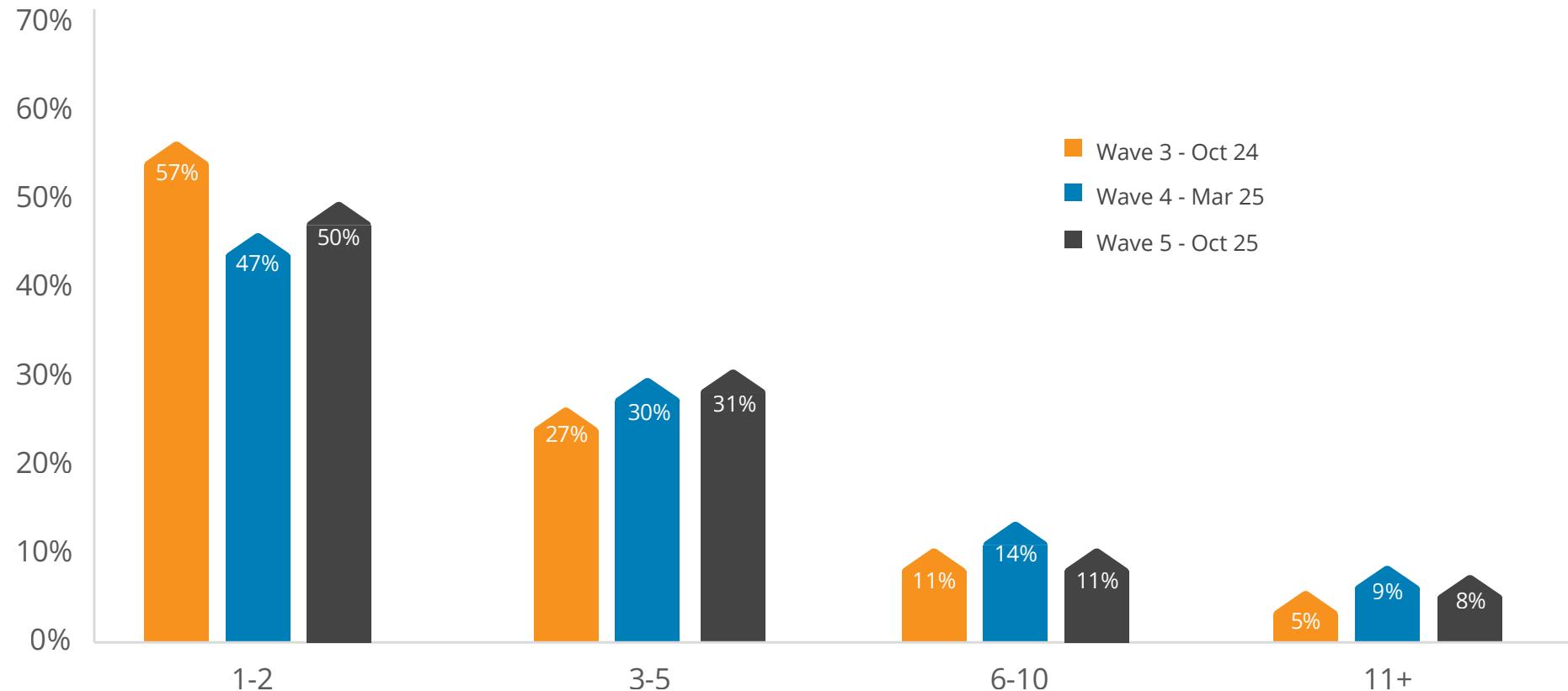
have another primary source of income, with 36% stating rental income is their main source of income

**53%**

are considering selling some or all of their portfolio (no change from March 2025), with 26% of these considering fully exiting the market within two years

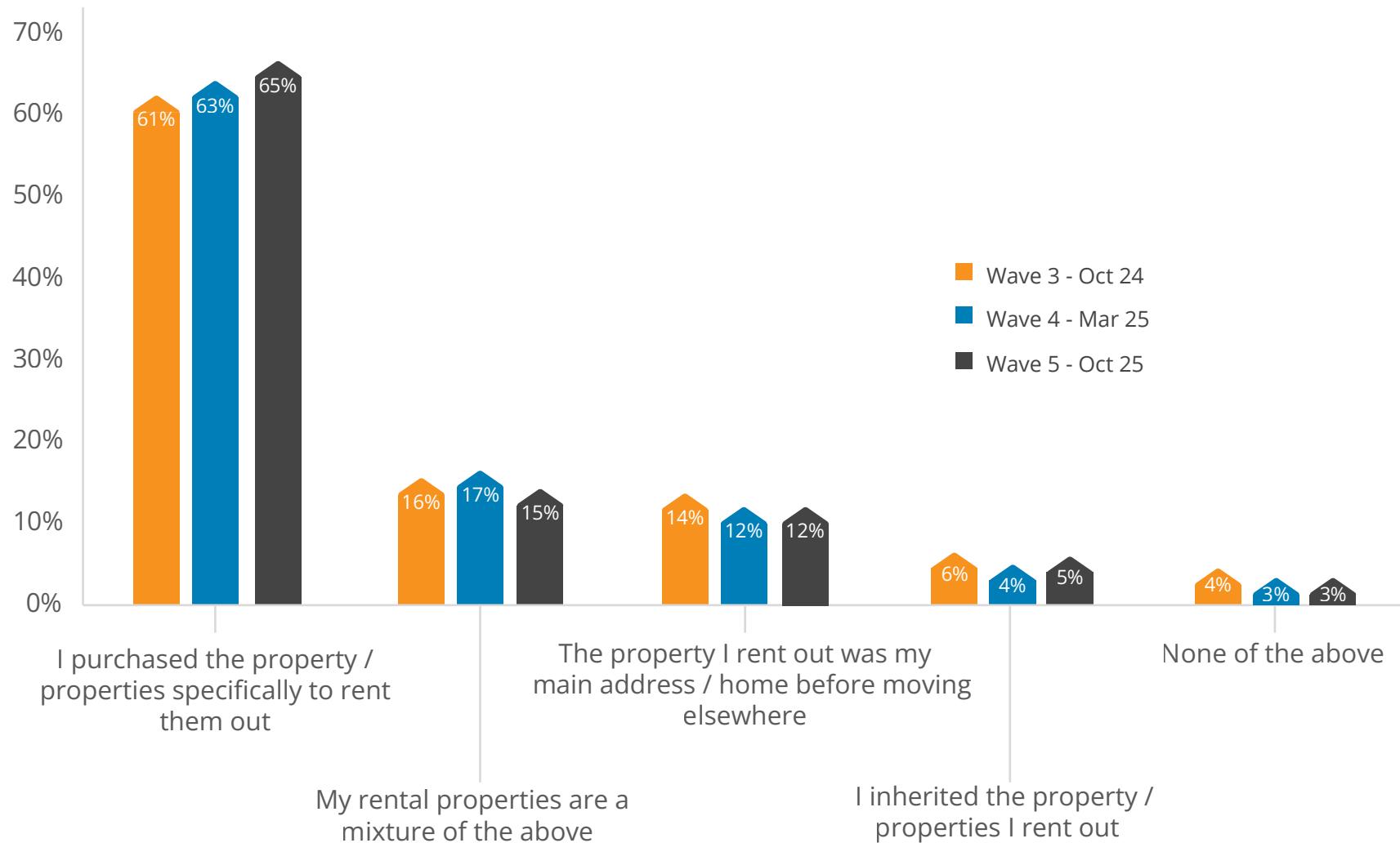
## Number of properties landlords own

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

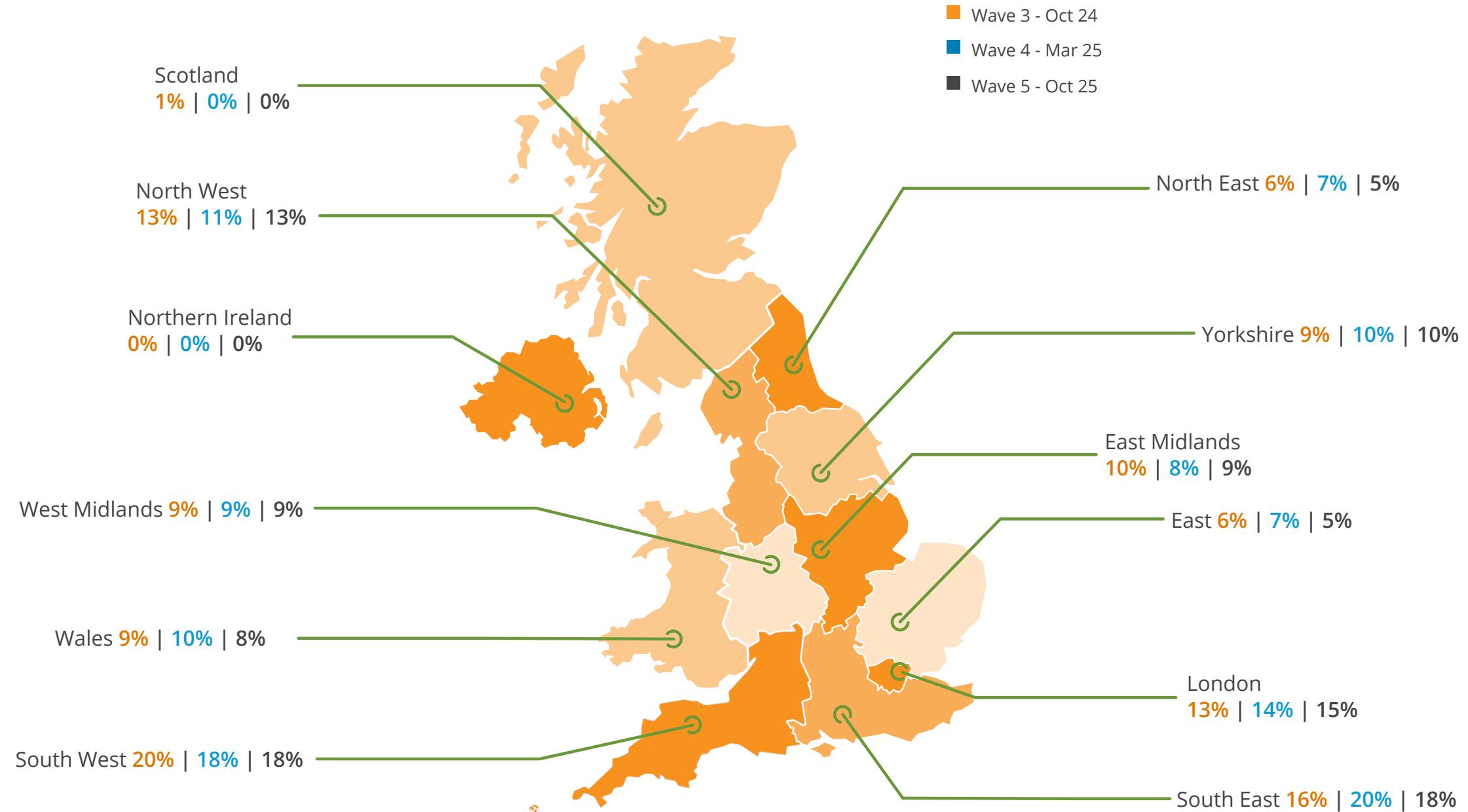


The graph shows the number of properties each landlord owns. In our latest wave, 50% of landlords own one or two properties.

## How landlords have acquired their rental properties

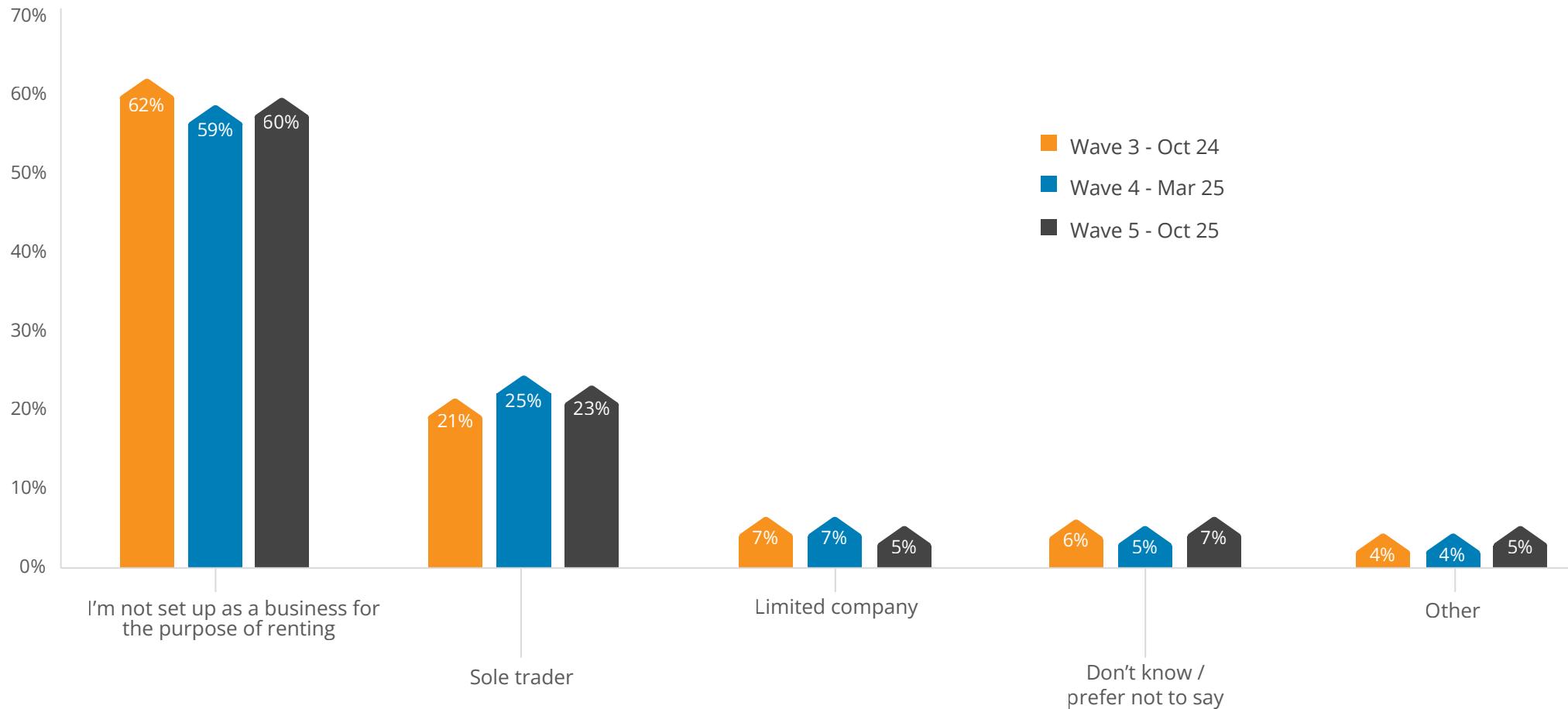


## Respondent locations throughout the UK

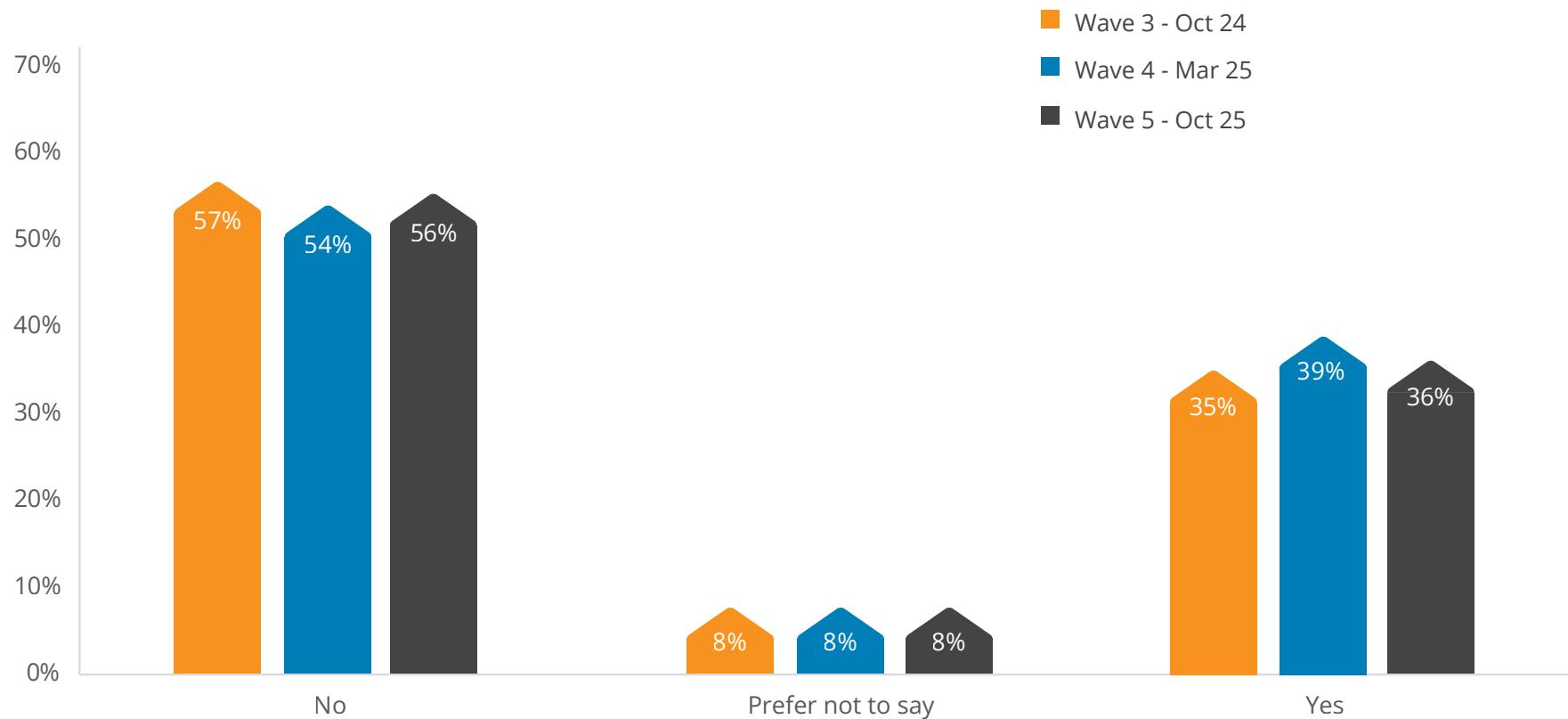


## How landlords structure their rental portfolios

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?

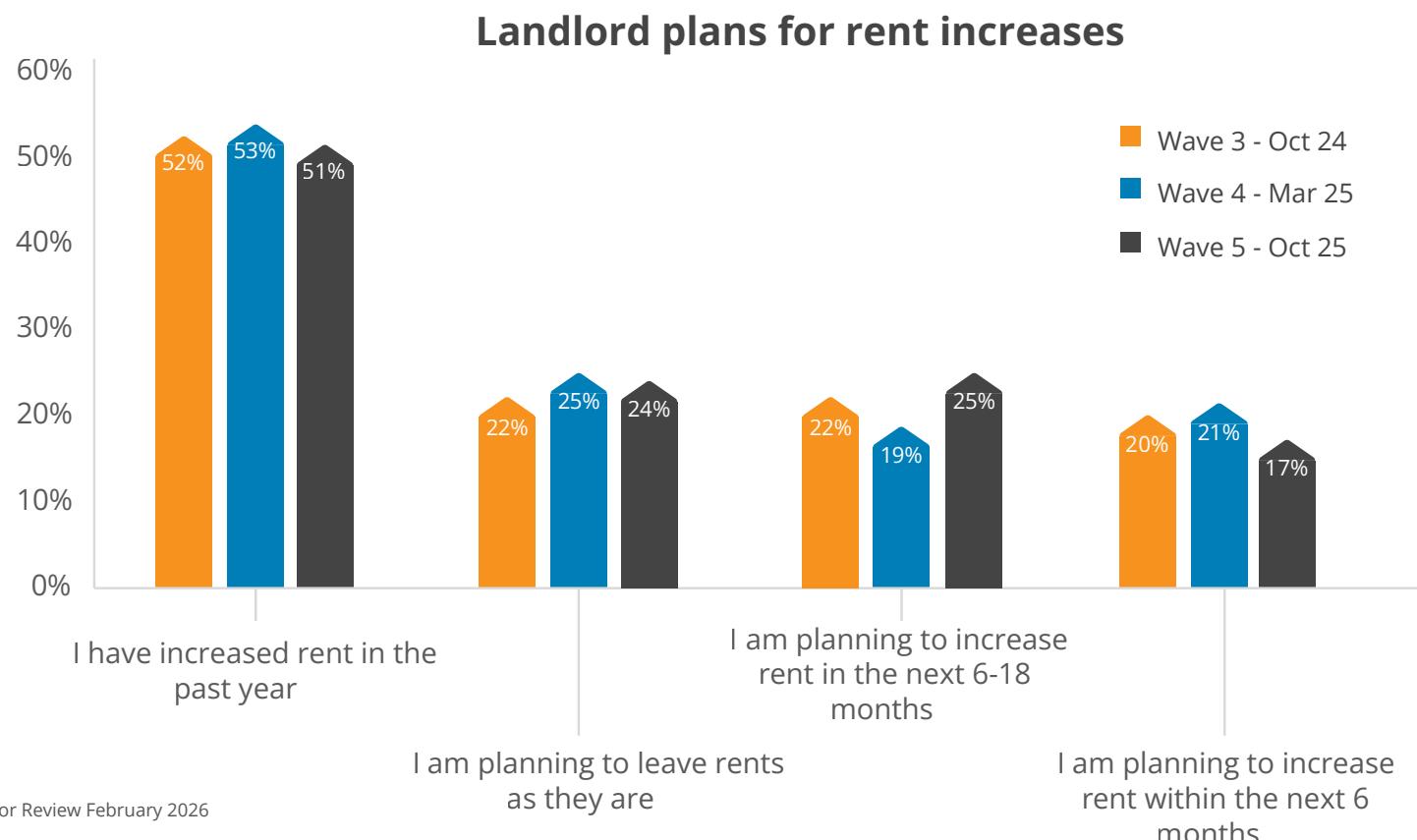


## Raising rents and advance payments

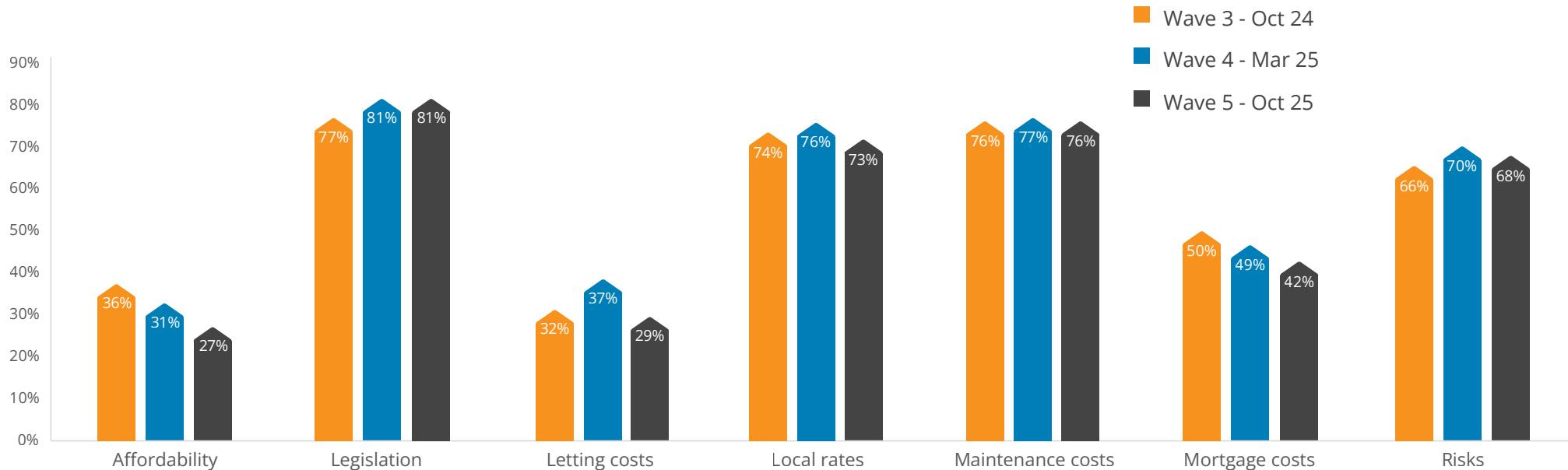
The number of landlords raising rents in the past 12 months has slightly decreased, while those planning to increase rents in the next 6 months has also fallen, potentially a reflection of falling mortgage and operating costs. A rise in landlords expecting to increase rents in the next 6-18 months may reflect a “wait and see” attitude to how the changes required by the Renters’ Rights Act affects their lettings operations.

Since March 2025, 51% of respondents raised rents (down from 53%), 17% plan to increase rents in the next 6 months (down from 21% in March), though 25% plan to raise rents within 6 to 18 months (up from 19%).

24% plan to keep rents unchanged, a 1% fall since March 2025. The top three drivers for rent increases remain legislation, maintenance costs and aligning with local markets.



## Factors driving landlords to increase rents



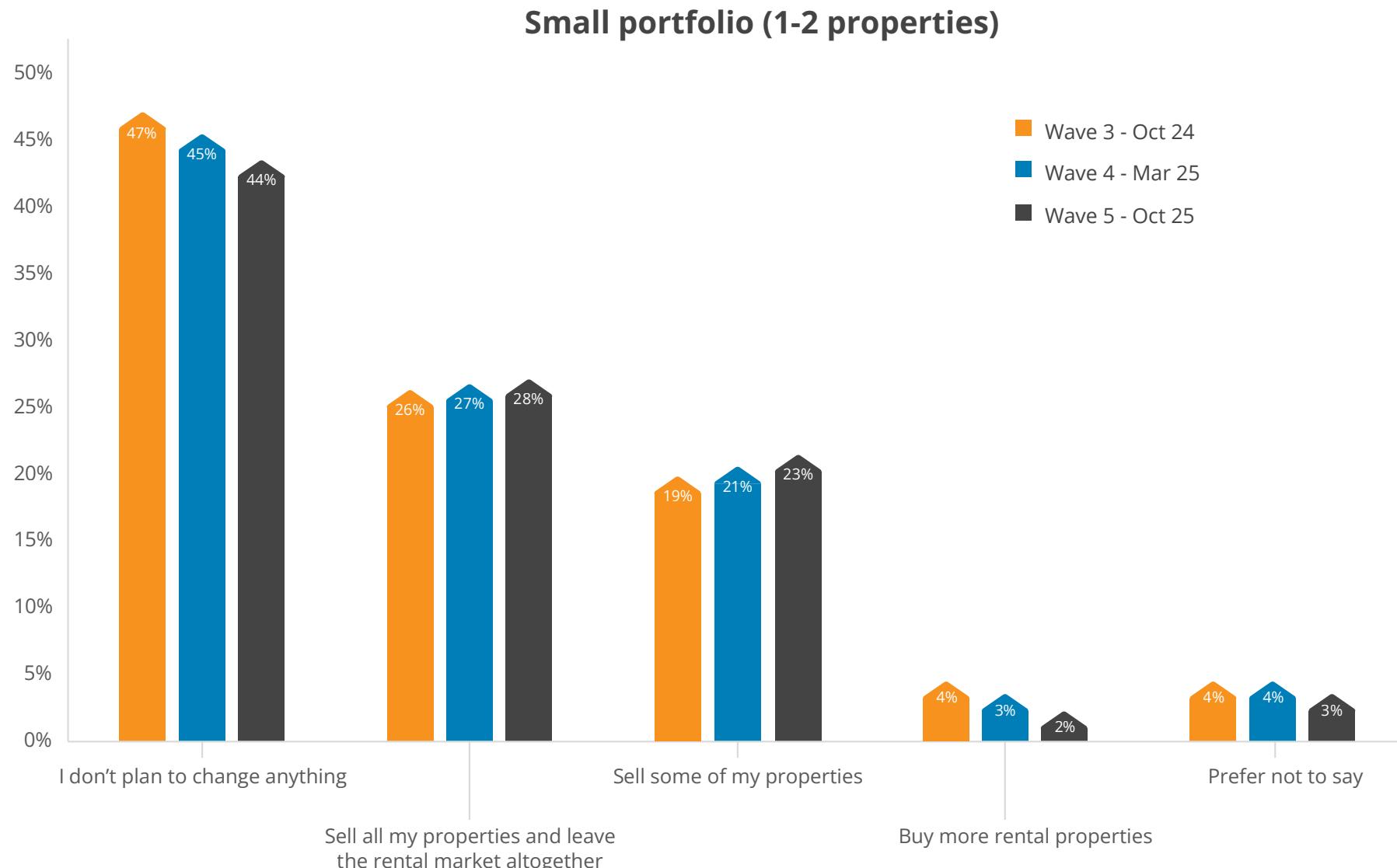
Landlords have also told us the number of tenants putting in offers above the **asking rent stands at 16%, up by 2% since our October 2024 survey.**

As affordability has improved and letting costs and mortgage costs have fallen, **the market appears to have entered a period of stability.**

With the Renters Rights Act having received Royal Assent, the marketplace is moving into a phase of learning about its complexities and readying for changes needed. **How the market now adjusts and reacts to these changes will be keenly watched by all market participants.**

## Landlord portfolio objectives

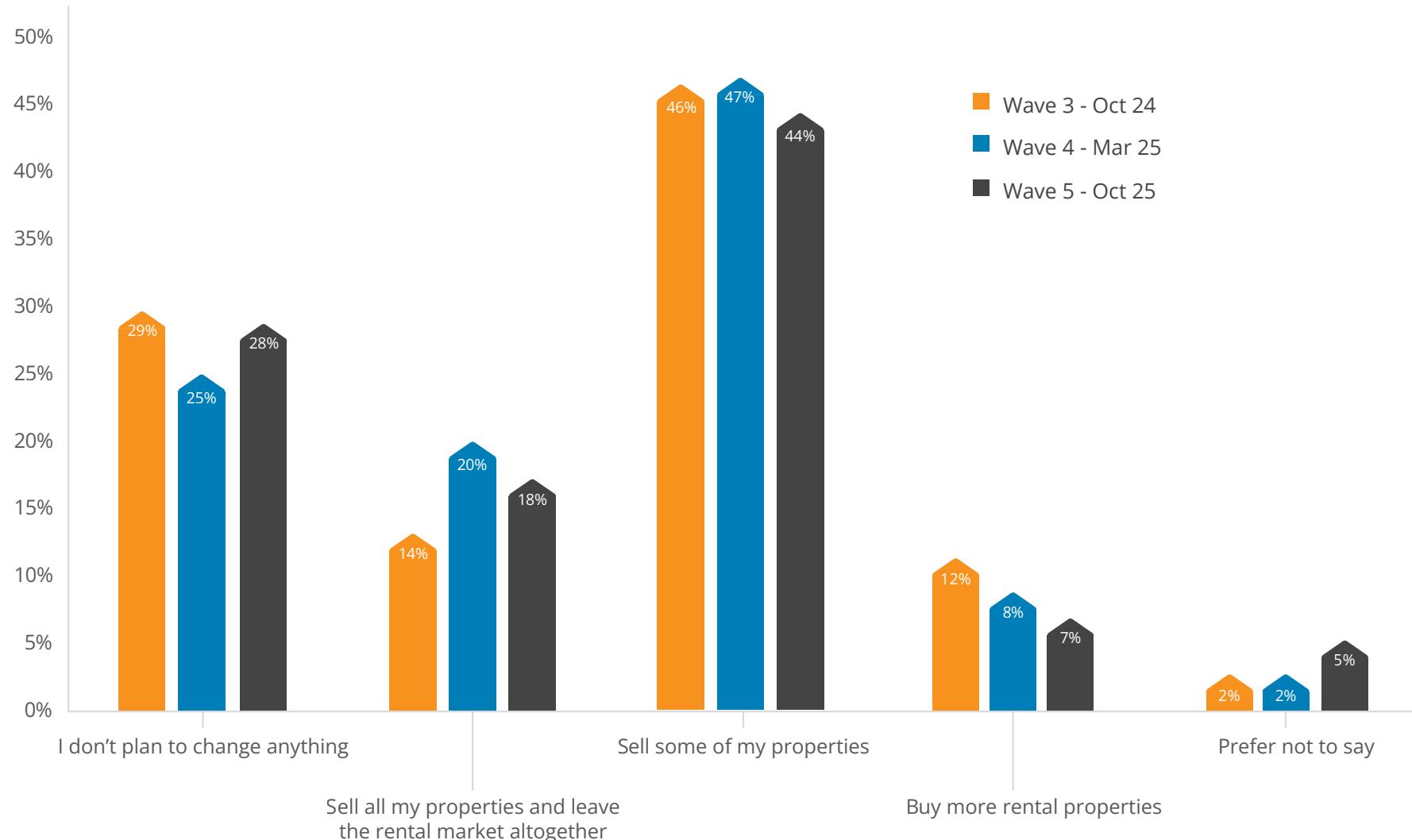
We asked landlords what their plans were for their small property portfolio in the next one to two years.



## Landlord portfolio objectives

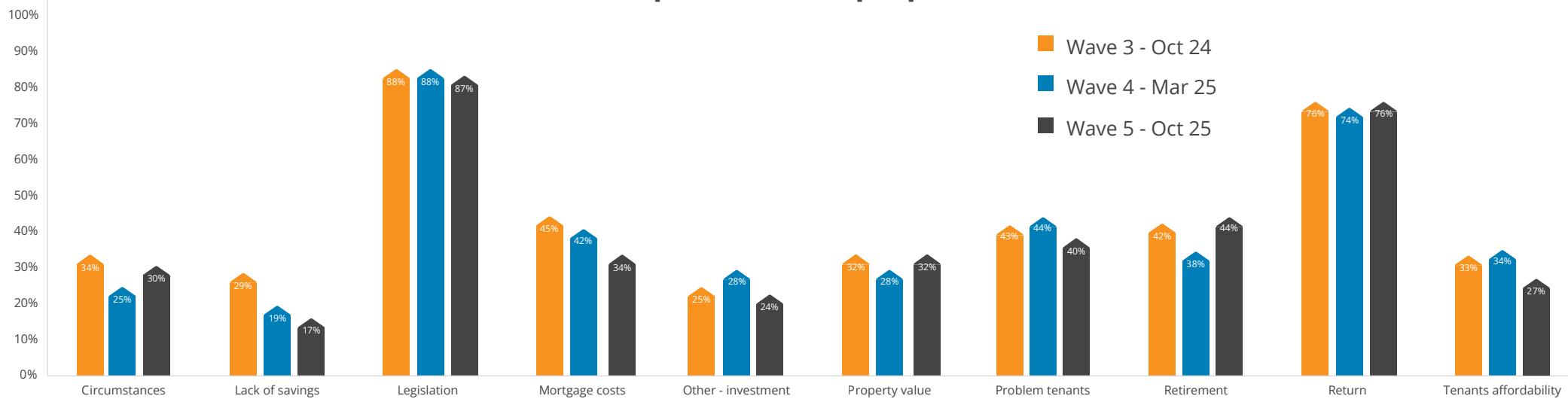
We asked landlords what their plans were for their large property portfolio in the next one to two years.

### Large portfolio (3 or more properties)

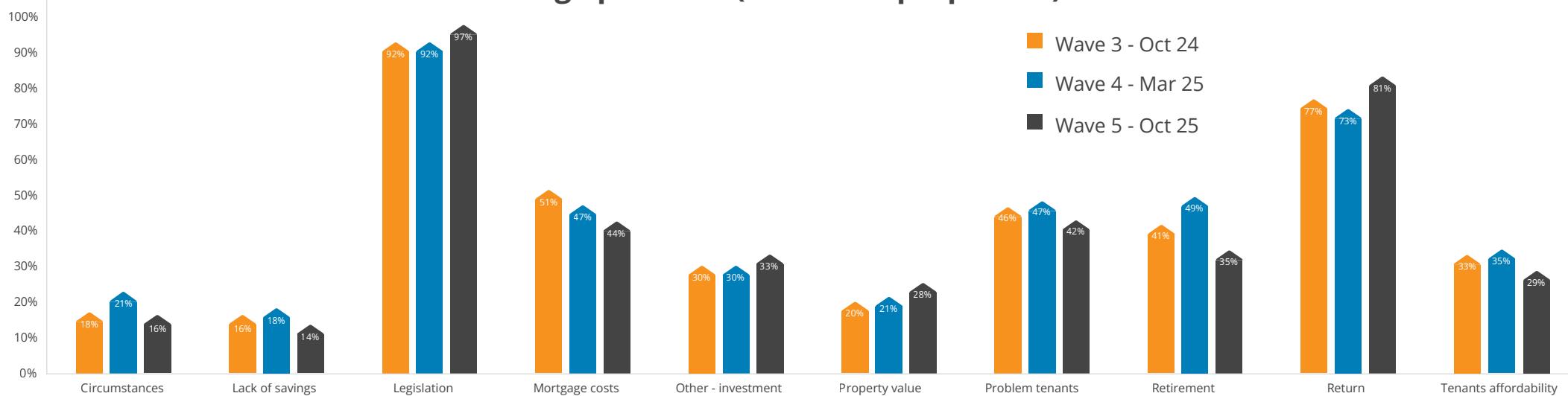


# Factors driving landlords to sell their properties

## Small portfolio (1-2 properties)



## Large portfolio (3 or more properties)



# Is demand for rental properties changing?

49% of landlords responding to our survey said they offered at least one property for rent. Of these:

**21%**

said there was no change in the number of people applying to rent their property, an increase of 2% since March 2025

**16%**

said the number of people applying to rent their property has increased but hasn't doubled, down 4%

**5%**

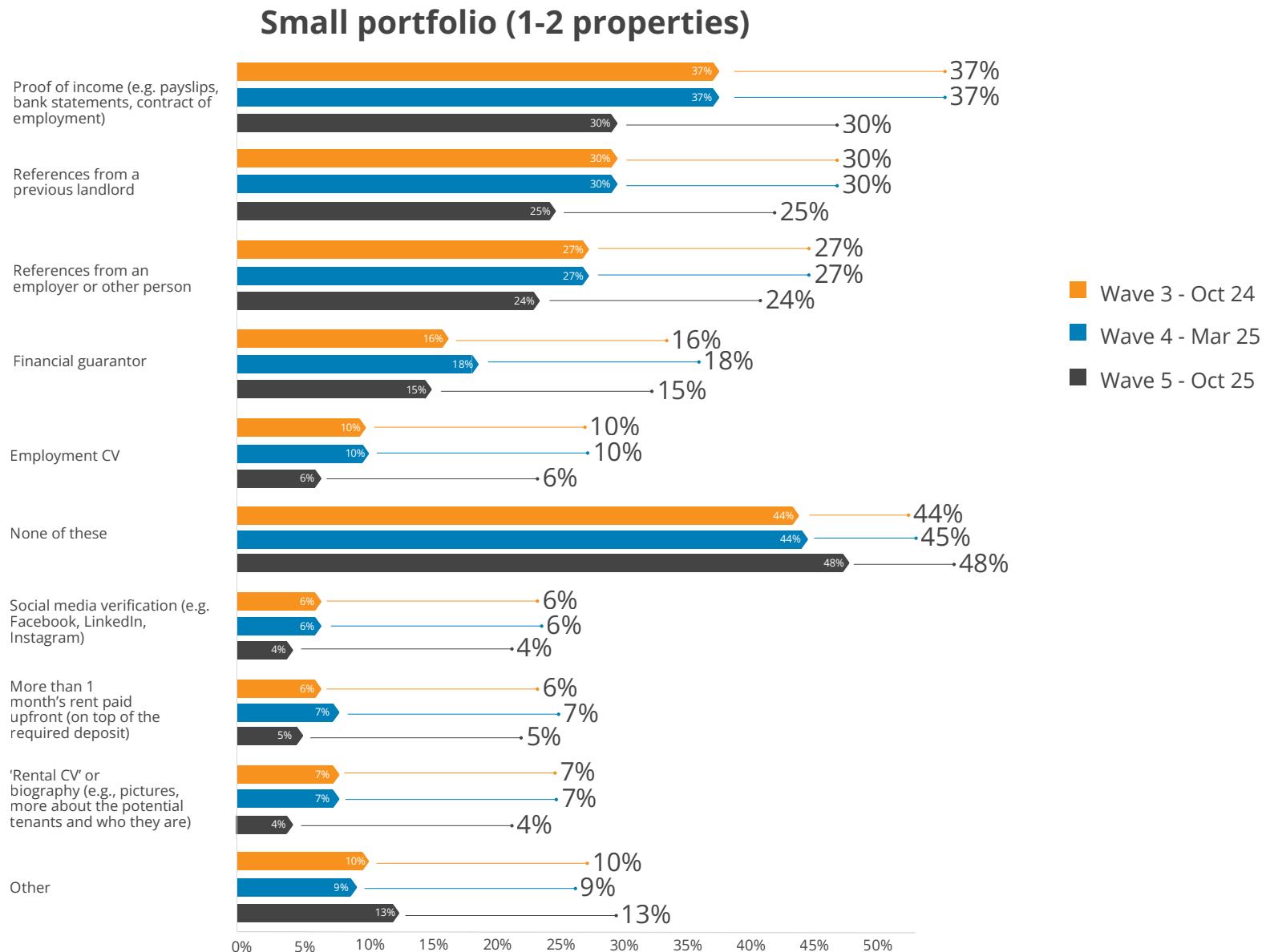
said the number of people applying to rent their property has roughly doubled, down 2%

**7%**

said the number of people applying to rent their property has more than doubled, down 2%

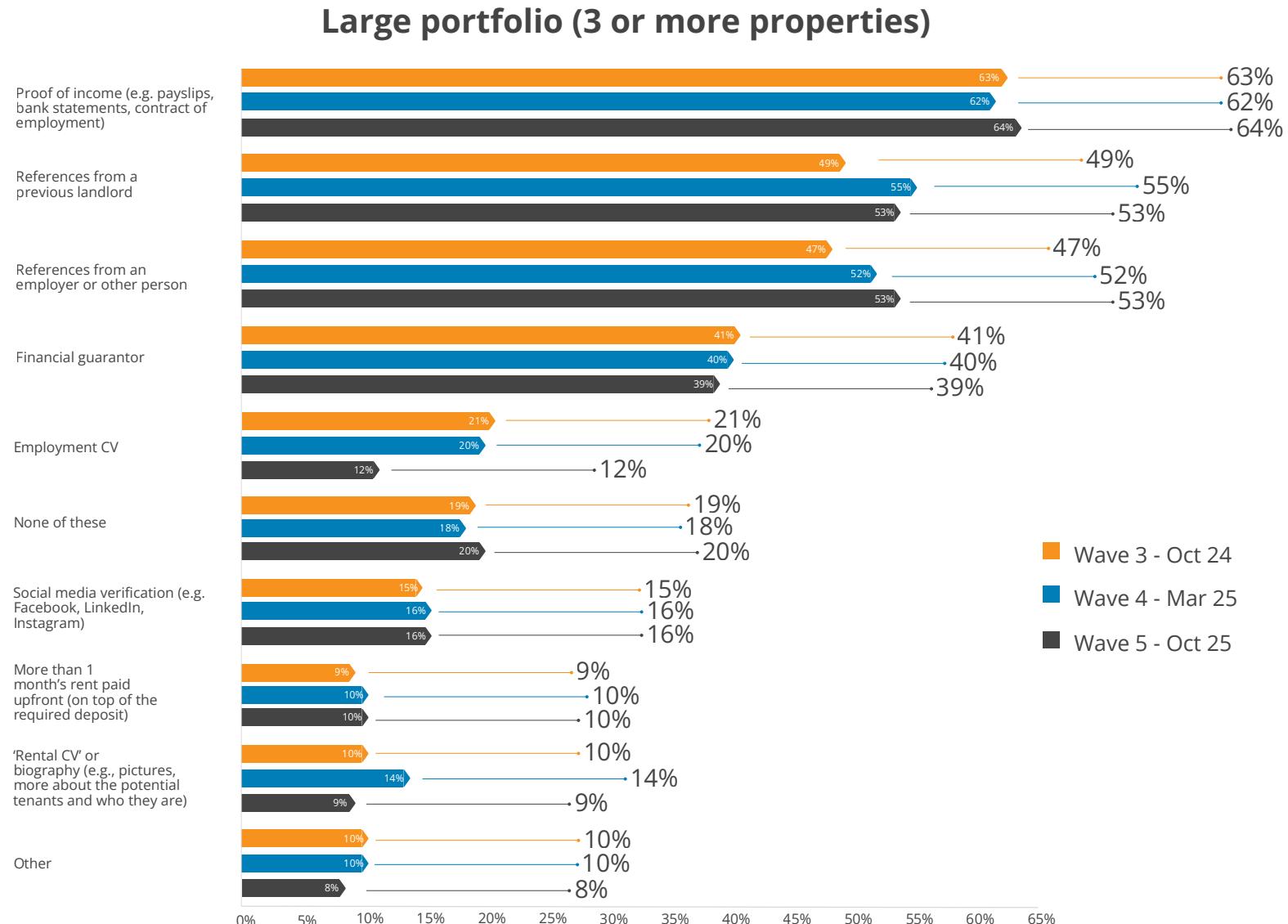
## Different qualifiers landlords use to approve tenants

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



## Different qualifiers landlords use to approve tenants

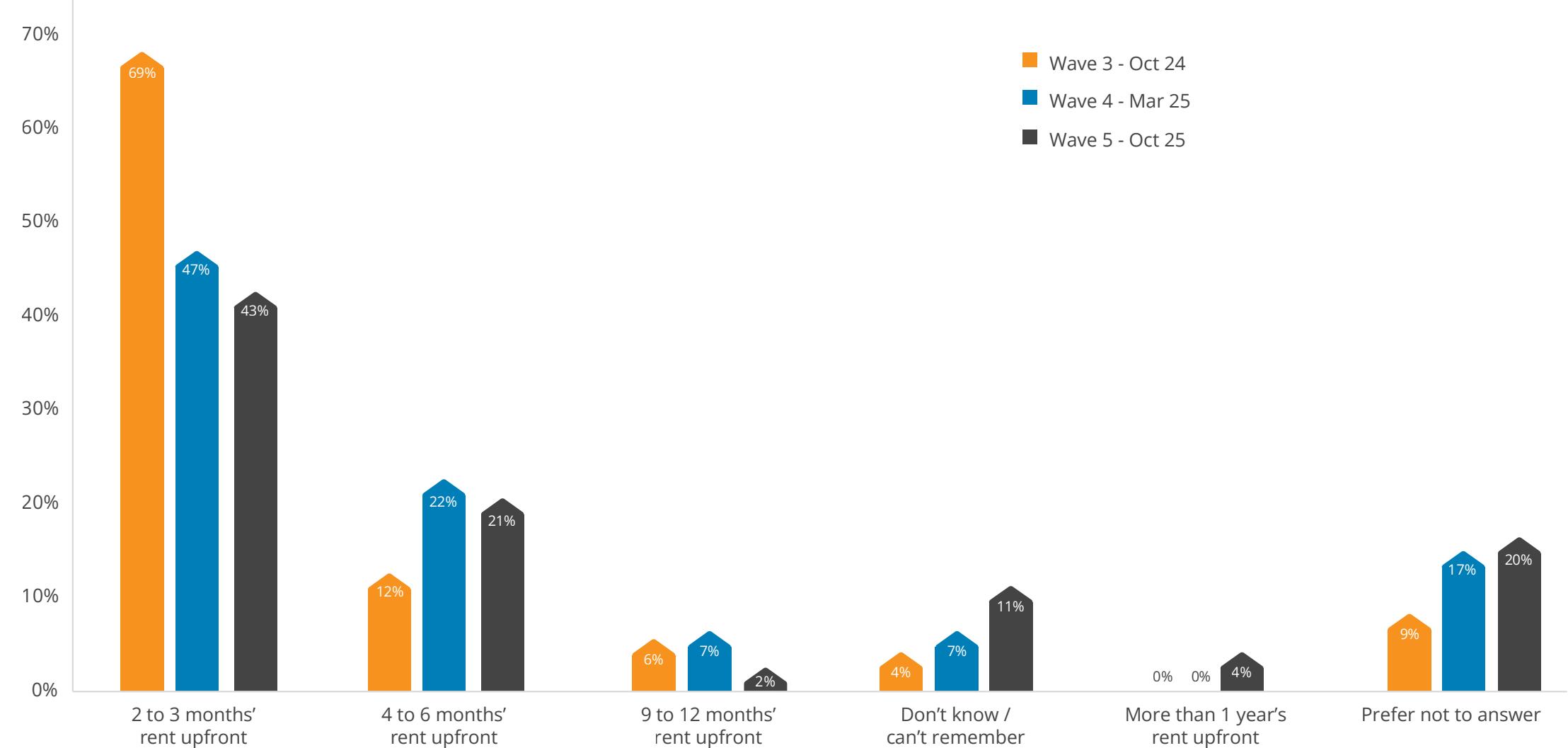
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## Upfront rent tenants have offered to secure a property

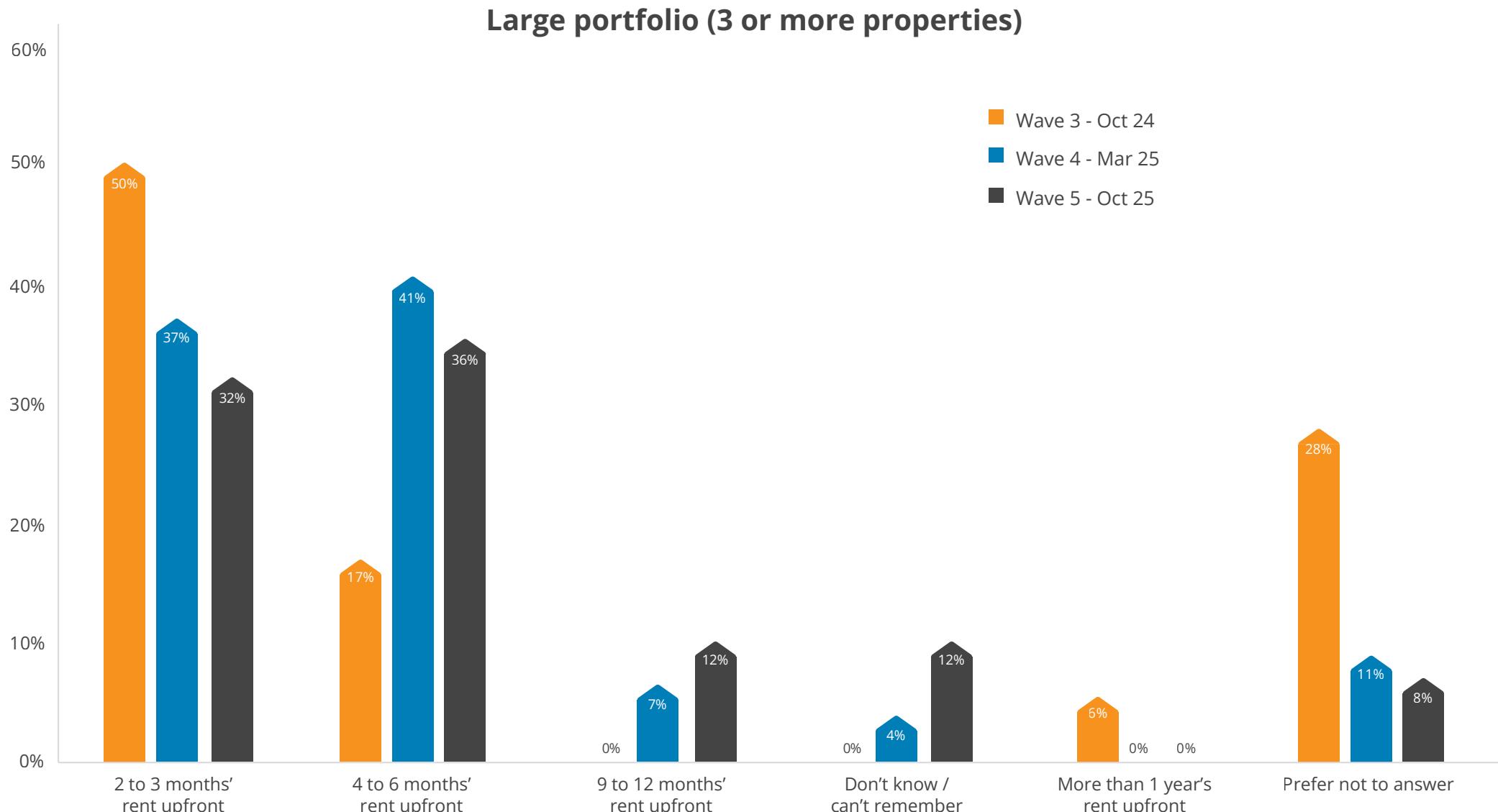
Where landlords told us they received offers of upfront rent to secure a property, we asked them how much.

### Small portfolio (1-2 properties)



## Upfront rent tenants have offered to secure a property

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# The tenant's view

**The number of tenants moving remains steady as the market stabilises ahead of the Renters' Right Act.**

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 **1,311 tenants** that responded to our latest survey were drawn from a range of demographic backgrounds.

The number of tenants moving into new rentals has stayed the same for a second wave. **Only 18% of respondents stated they moved in the last 12 months**, 2% higher than March 2025.



**33% told us they would have liked to move**, a 3% decrease from our last survey, reflective of the more stable market conditions.

**25%**

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

**22%**

are paying more than they can afford in their current home

**19%**

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

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

Of those having to pay higher rent, the **rate of increase largely stayed the same**, with the only increase being in the 0-10% of previous rent, up 8% to 22% compared to March. **Rent increases of over 50% fell 5%** in the same wave.

**59%**

are paying a higher rent than their previous property, 4% lower than March 2025

**46%**

had to pay more than a month's rent upfront to secure their new property, a fall of 4% since March

**14%**

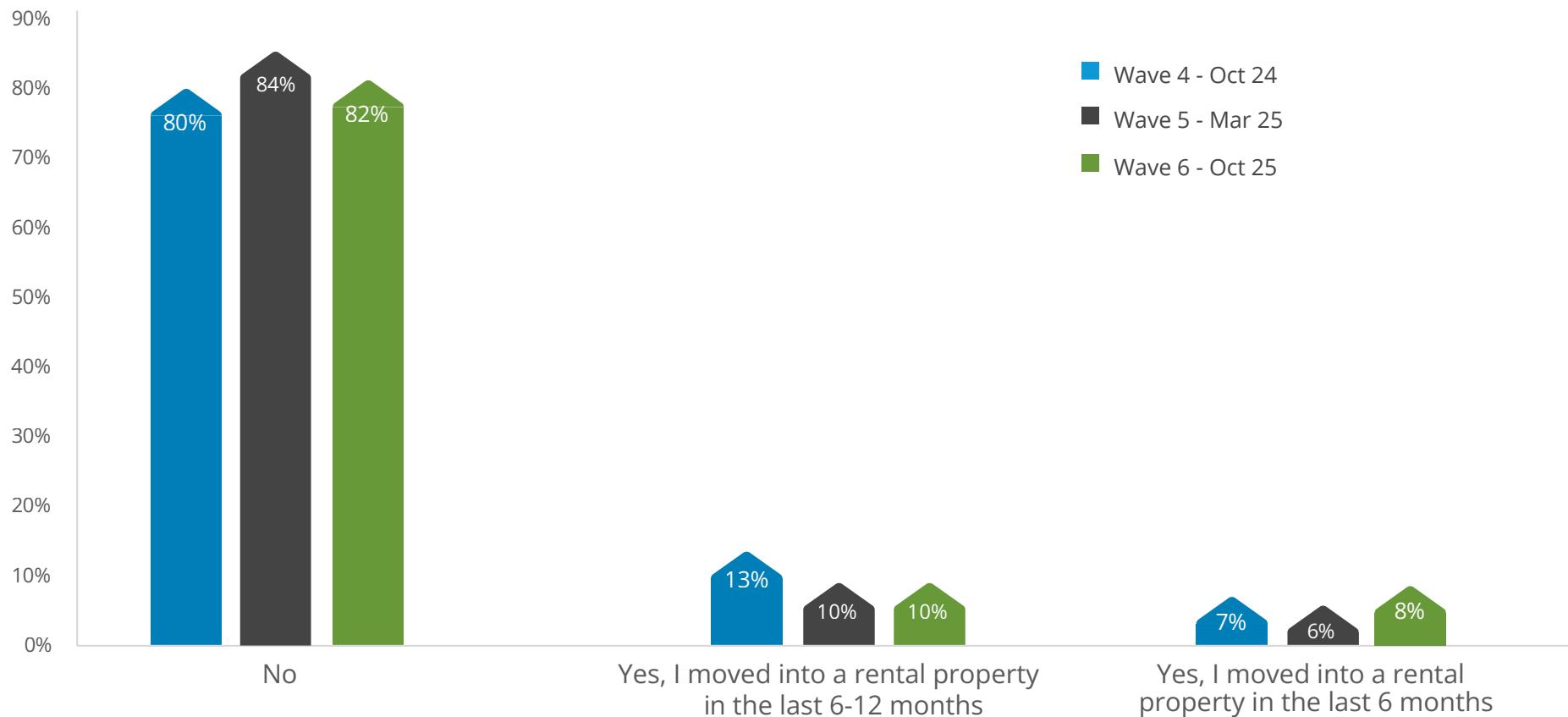
had to put in an offer over the listed price

**89%**

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

## 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.

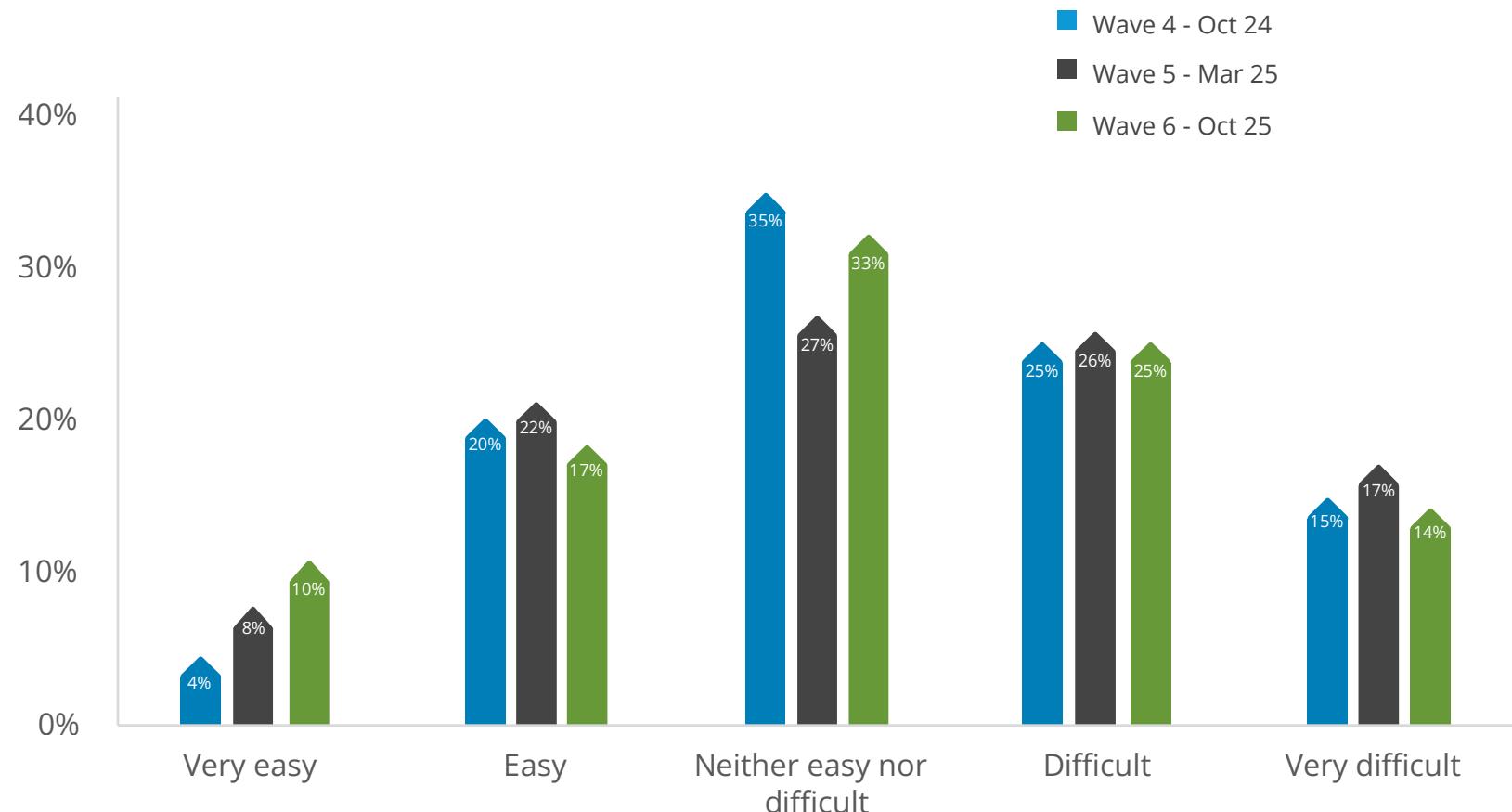


## Movers

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

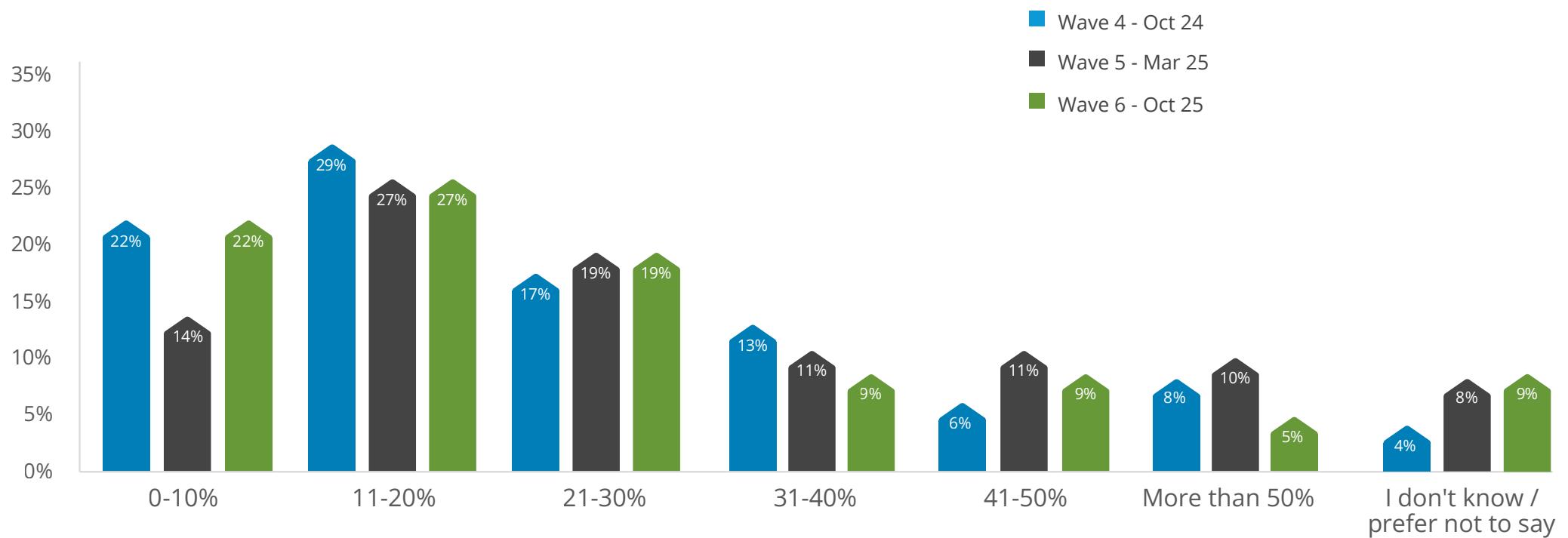
### How easy or difficult was it to secure your present rental property?

This graph shows tenant experiences of securing the property. In our latest wave, 27% found it neither easy nor difficult to secure their property, although 43% of tenants found it difficult or very difficult.



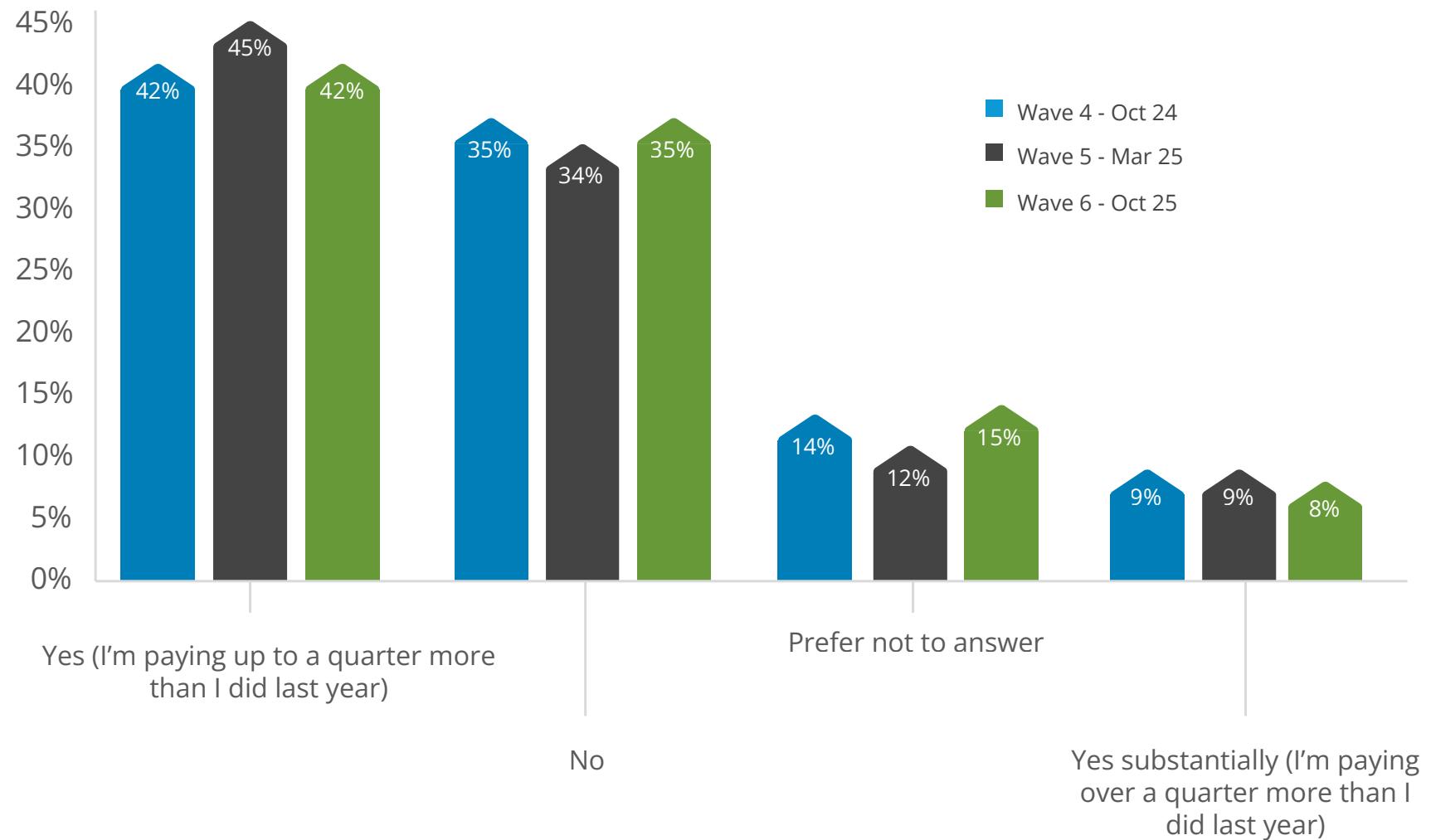
## Percentage of tenants experiencing rent increases

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



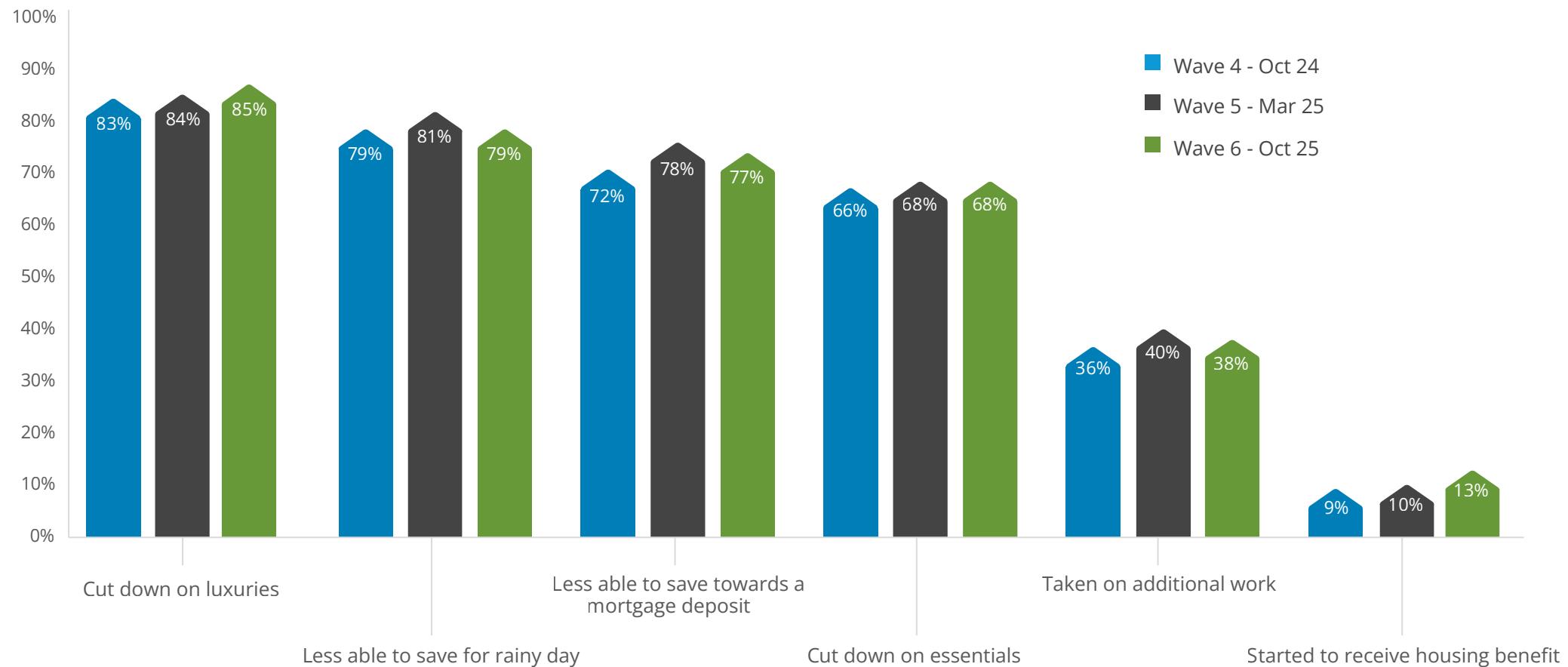
## Tenant experiences with rent increases

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

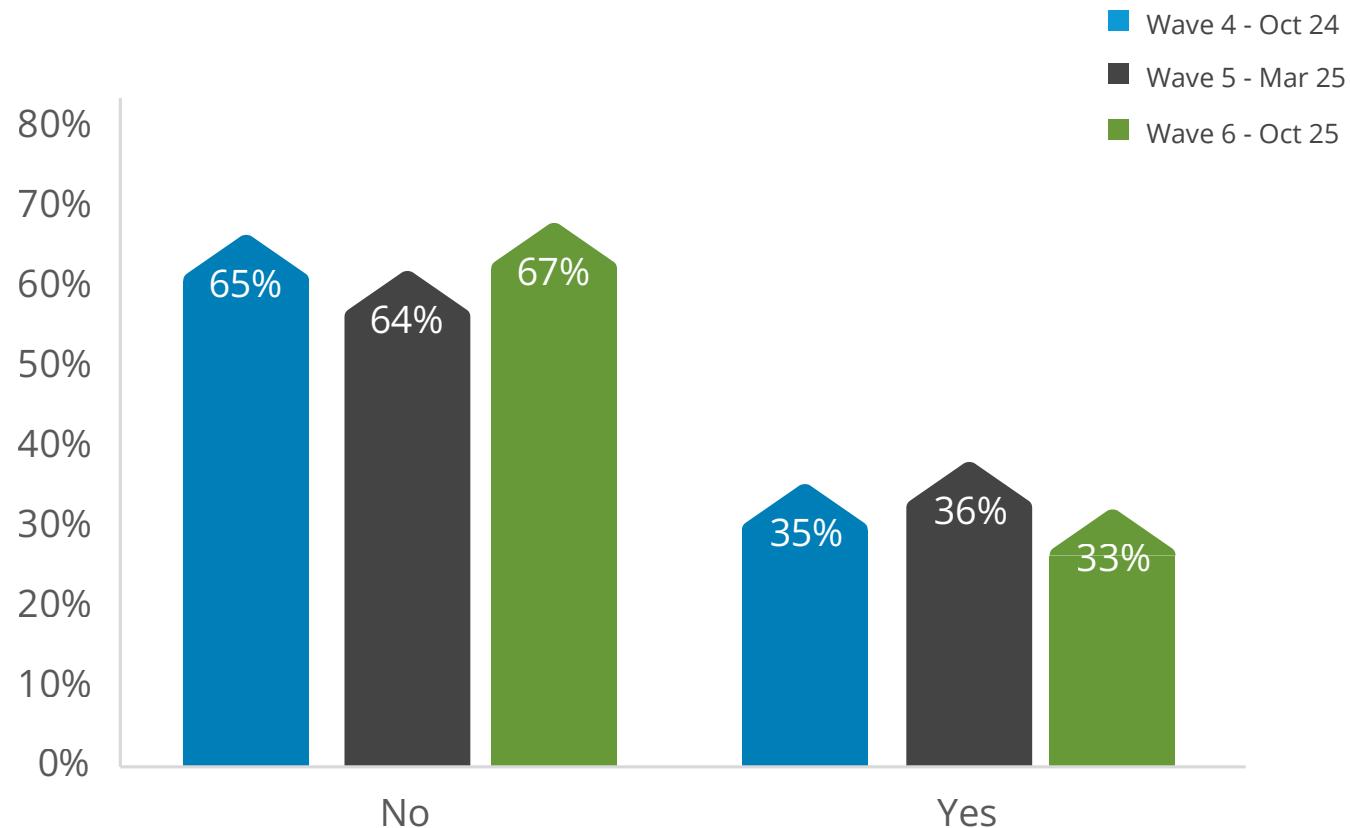
We asked tenants experiencing higher rents how this had affected them.



## Non-movers

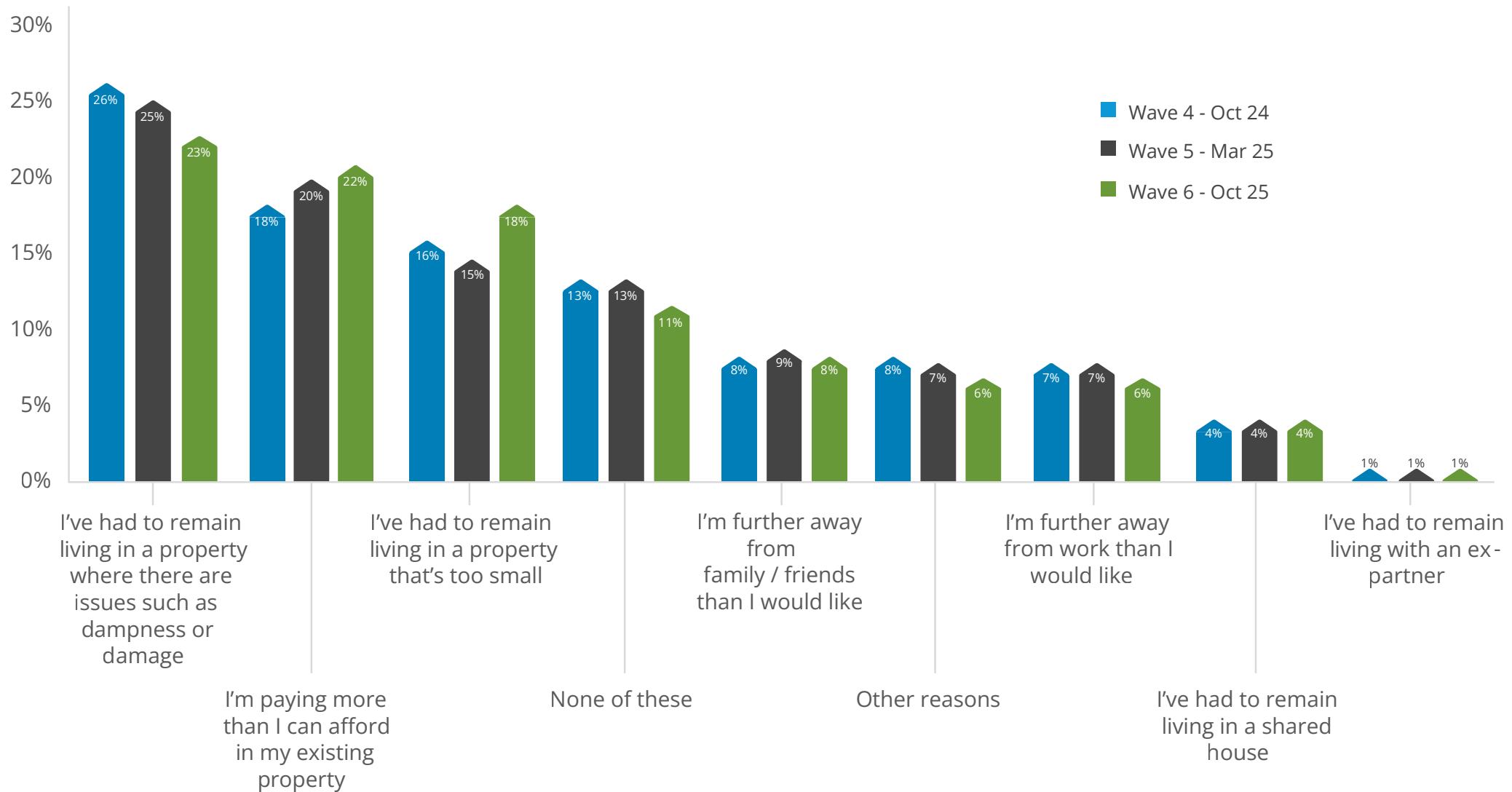
### Tenants content to stay in current property vs those that wanted to move

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

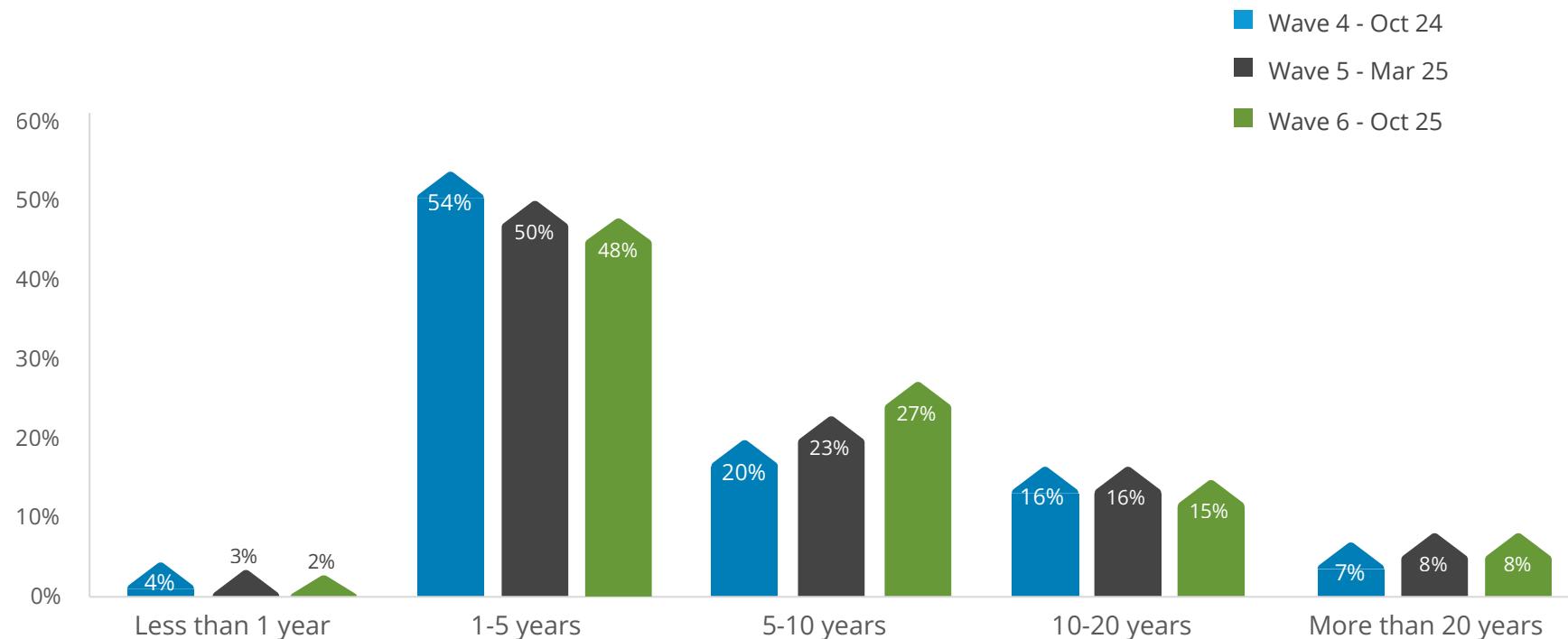
Where tenants told us they would have liked to move, we asked them why.



## Demographics

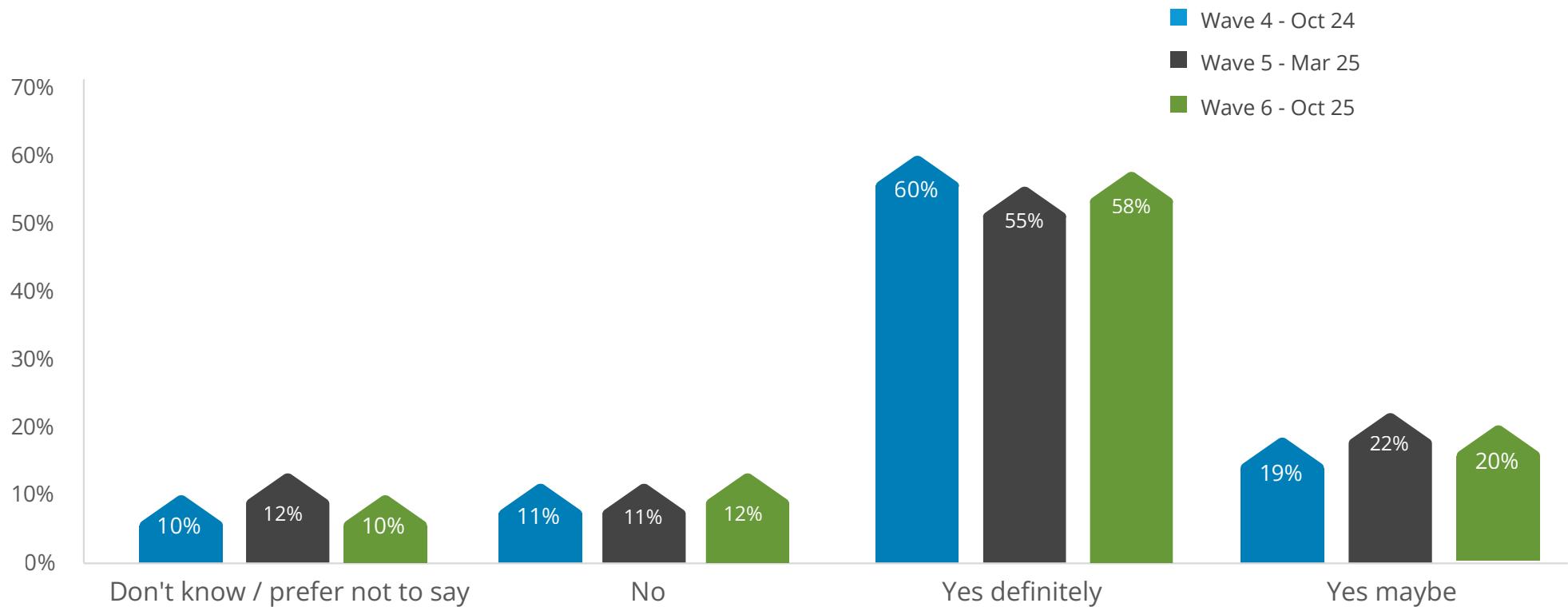
We asked tenants several demographic questions to understand more about the respondents and potentially identify any trends within groups.

### Length of time tenant has spent as a renter

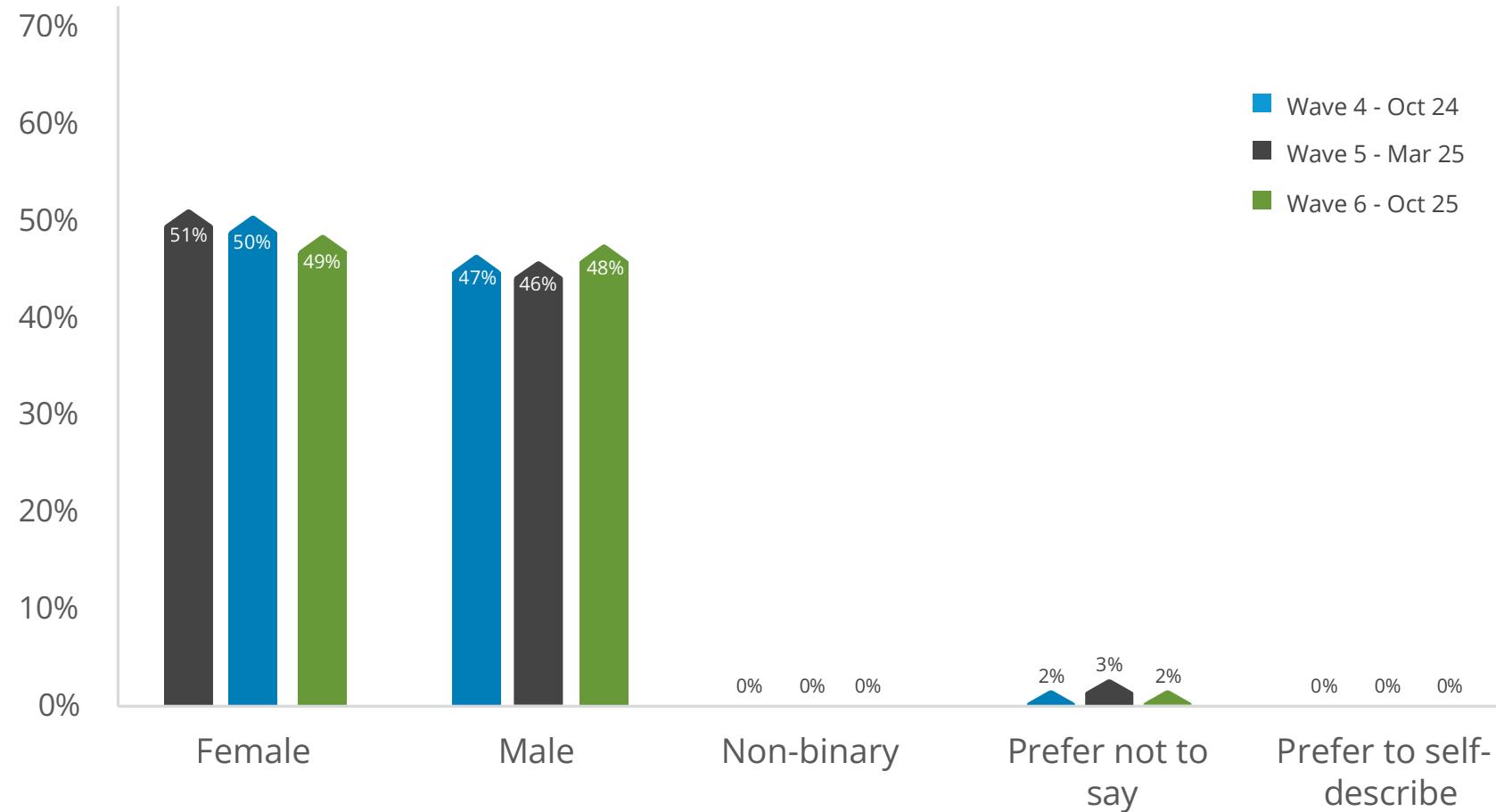


## Tenant attitudes towards owning a home

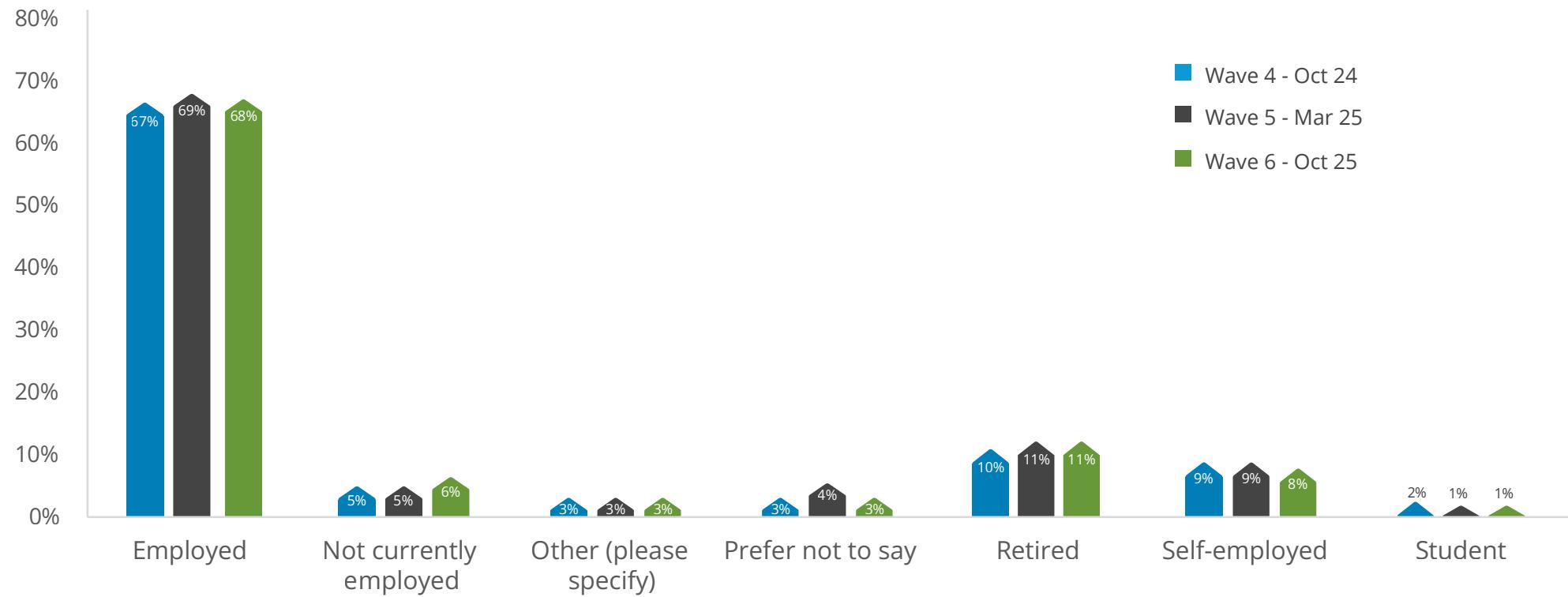
We asked all tenants if they were interested in owning their own home in the future.



## Tenant gender

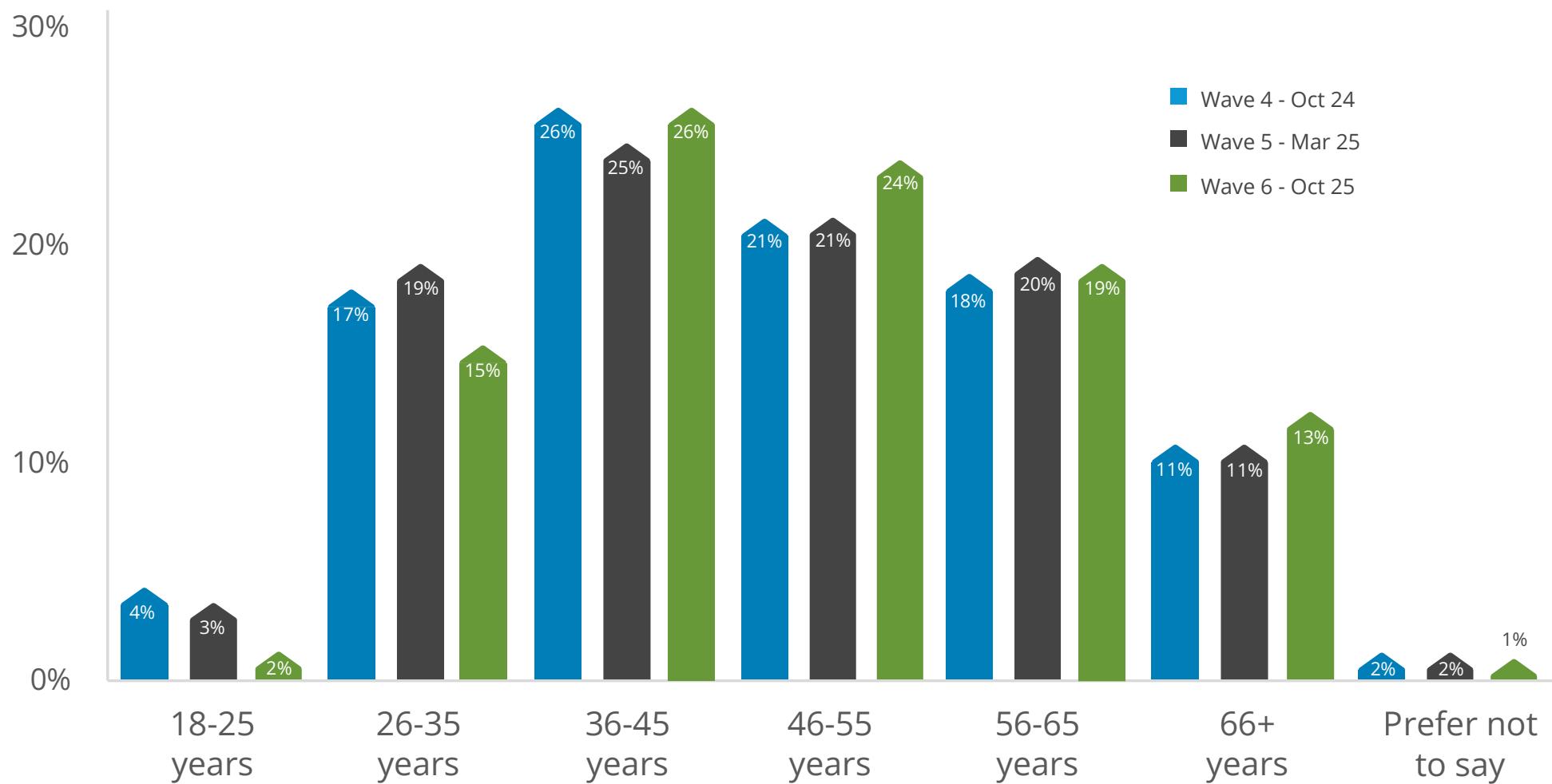


## Tenant employment status



## 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.



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 1.87m 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 January 2026

