

# Landlord

# Report

## October 2024

# Contents

<b>03</b>	Foreword
<b>04</b>	Executive summary
<b>05</b>	Key findings
<b>06</b>	Impact of the new government
<b>10</b>	Challenges and threats
<b>12</b>	Section 21 evictions
<b>17</b>	New energy efficiency targets
<b>20</b>	Are landlords looking to buy or sell?
<b>22</b>	Rental yields and mortgages
<b>25</b>	Looking ahead
<b>29</b>	About Simply Business



**Bea Montoya**

**Foreword**

Rising costs, ever-changing legislation, and the election of a Labour government have defined 2024 for the nation's landlords. And although inflation has stabilised, many landlords and their tenants have had to adapt to economic instability.

With almost a third of tenants (32 per cent) living in their rented accommodation for more than five years, landlords continue to provide much-needed, long-term housing for almost five million households nationwide.

But with the majority of landlords (69 per cent) saying that constantly changing and confusing legislation is their biggest challenge, it lays out a clear objective for the new government.

Although most landlords welcome increased standards across the market, they need more clarity on regulations so they can prepare accordingly. And this starts with the Renters' Right Bill, which marks the biggest changes to tenancy law in a generation.

Despite an uncertain market, it appears that many landlords are planning to sit tight, with almost two thirds (62 per cent) saying they have no plans to sell a property this year.

Insuring more than 300,000 landlords allows us to gain first-hand insight into the integral role they play in the housing market. But with three quarters (75 per cent) of landlords concerned about the future of the private rental sector, it's more important than ever to understand their challenges and perspective.

**Bea Montoya**

UK Chief Operating Officer at Simply Business

# Executive summary

Landlords are concerned about the impact of the new government and the Renters' Rights Bill, with the uncertainty of ever-changing regulation adding up over the past few years.

Looking ahead, it's increasingly difficult to ignore that landlords' concerns, if unaddressed, could lead to serious issues for tenants and the UK housing market.

An uphill struggle for the government

**71%**

of landlords think the new government will have a negative impact on the overall health of the rental market

A wait-and-see approach

**62%**

of landlords aren't looking to selling in the next 12 months, reinforcing the long-term benefits of letting property



# Key findings

75%

of landlords are concerned about the future of the buy-to-let market

71%

of landlords have never used a Section 21 notice to evict a tenant

41%

of landlords think letting a property is a worthwhile investment

32%

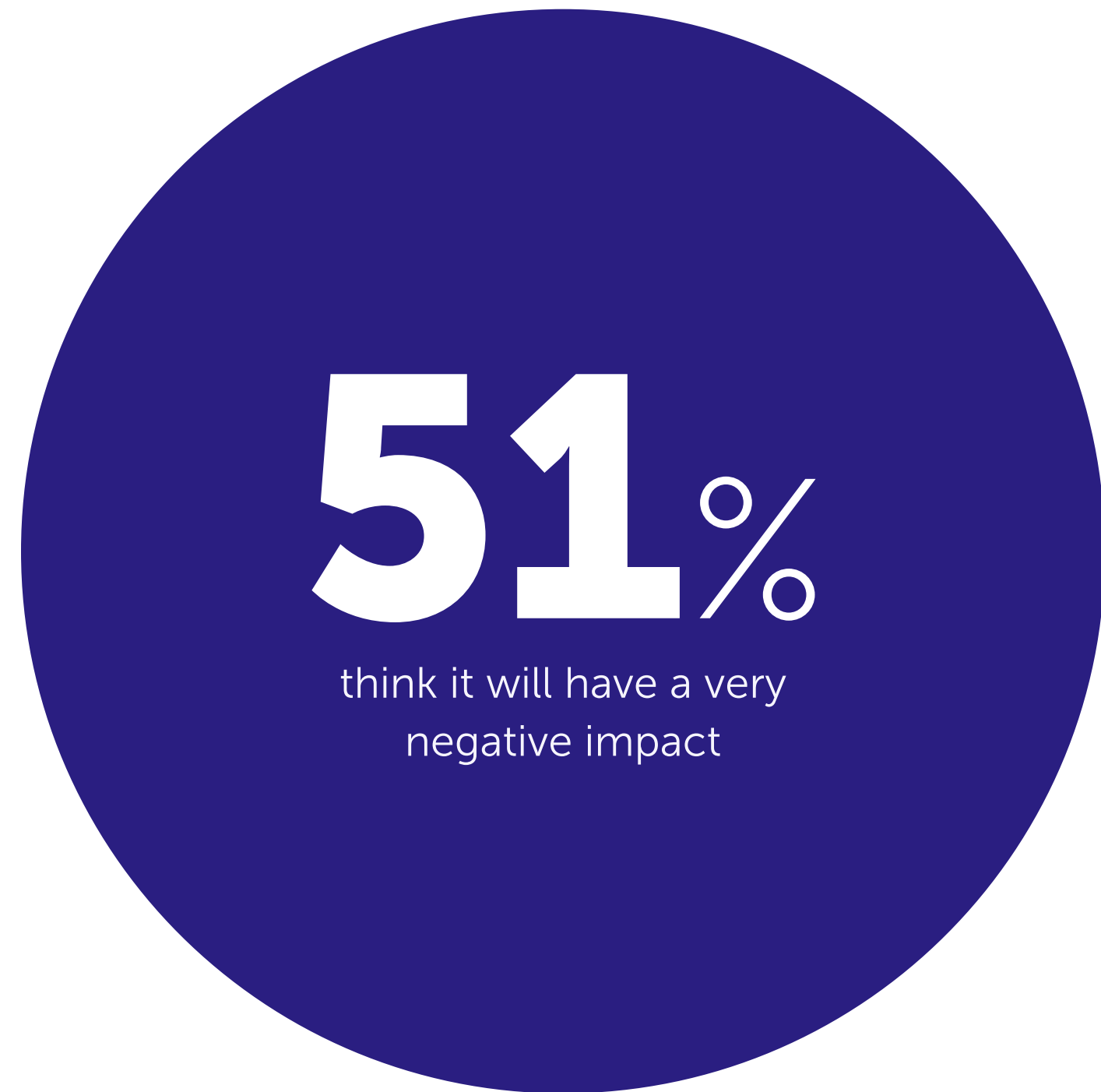
of tenants live in a rental property for more than five years

# The impact of the new government on the rental market

In July 2024, the UK experienced its first change of government in 14 years. As new policies come into effect, landlords are fearful that further regulation will make an already difficult environment more challenging.

Reform to the rental market and confusing legislation has loomed large over the sector long before the election. But the Renters' Rights Bill brings on the biggest changes to private renting in decades and will be a defining moment for the Labour Party's approach to the rental market.

We asked landlords what impact they think the new government will have on the overall health of the rental market:



# Rental reforms back on the agenda

Just two months after being elected, the new government launched the Renters' Rights Bill in September 2024.

Very similar to the previous government's Renters' Reform Bill, the latest set of measures pledges to ban Section 21 evictions and limit rent increases.

"The uncertainty is the worst thing for the market. The government needs to make regulations and taxation clearer and easier to comply with."

**Landlord**  
London



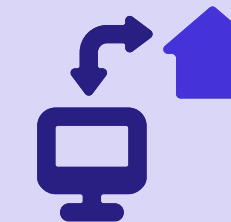
# What can we expect from the Renters' Rights Bill?



A ban on Section 21 evictions without reforming the courts system



The removal of fixed-term assured tenancies, making all tenancies periodic



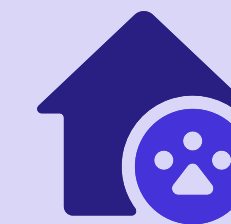
The creation of a Private Rented Sector Database to improve compliance



An extension of the Decent Homes Standard and Awaab's Law to the private rental market



The introduction of a new landlord ombudsman for the private rented sector



Tenants will be given the right to keep a pet in their rental property



An end to blanket bans on letting to tenants with children or those on benefits



A limit on rent increases to once a year in line with market rates



A ban on bidding wars on available rental properties

# Landlords reveal greatest challenges and threats

Despite the long-term benefits of owning a rental property, landlords have had to negotiate a range of challenges in recent years. A combination of rising costs and increased regulation have squeezed profits and made it difficult to plan ahead.

Confusing legislation remains a problem

**69%**

of landlords identified constantly changing and confusing government legislation as a major challenge – up from 66 per cent in 2023

# Top 5 challenges in 2024

- 1 Constantly changing and confusing government legislation
- 2 Rising taxes, such as income tax and corporation tax
- 3 Interest rate rises, leading to higher mortgage repayments
- 4 The reduction of buy-to-let mortgage interest tax relief
- 5 Increasing the energy efficiency of a rental property

## What are the biggest threats to the sector?

Whether it's rising taxes or higher mortgage repayments, landlords have shared what they think are the biggest dangers to the future of rental market.

**38%**  
named rising costs

**37%**  
said increased regulation of the market, such as the Renters' Rights Bill

**15%**  
said stricter energy efficiency rules for rental properties



# Ban on Section 21

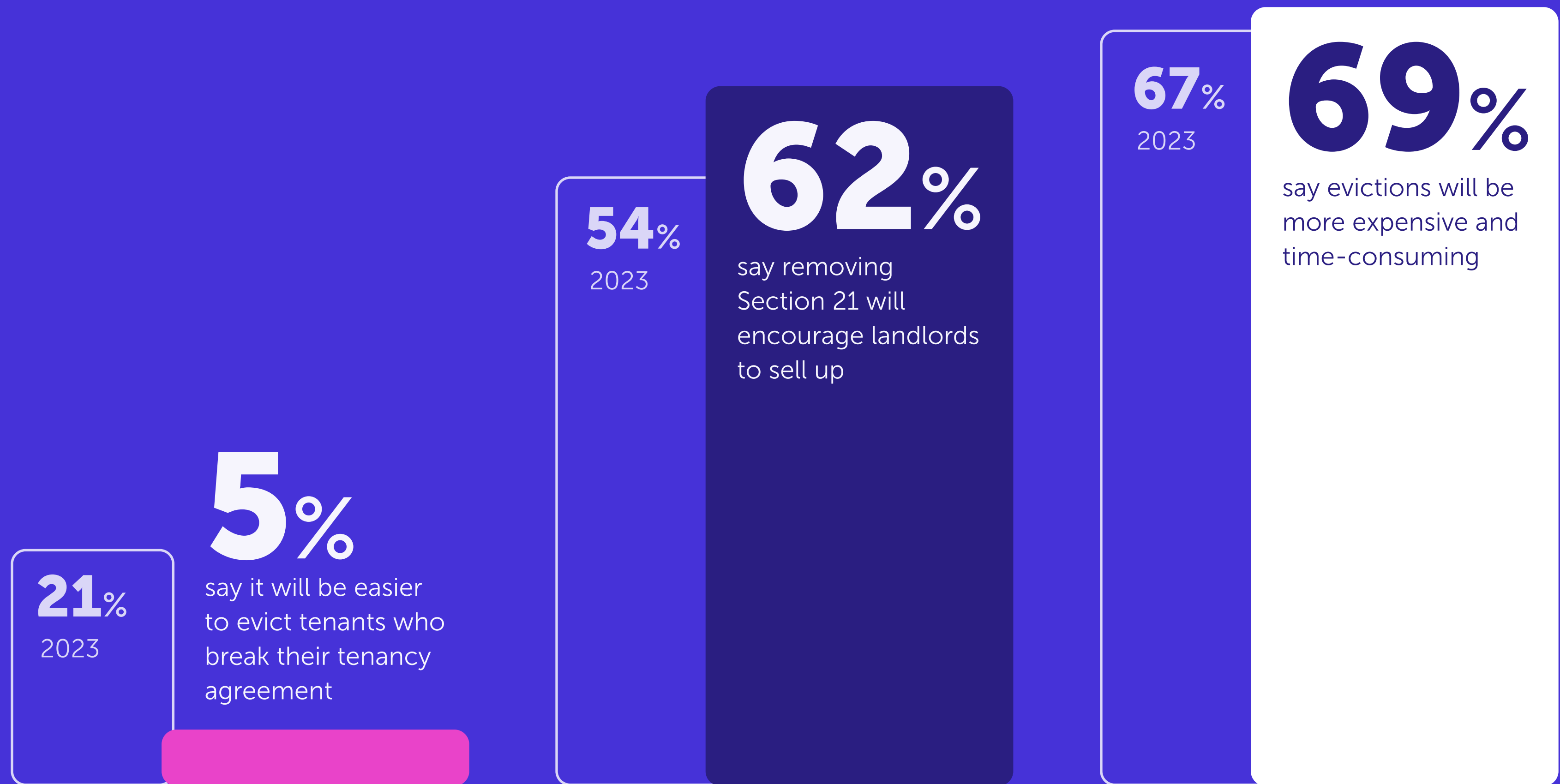
## evictions edges

## closer

First put forward in 2019, a ban on Section 21 evictions finally looks set to take place in 2025 as part of the government's Renters' Rights Bill.

Removing the option of Section 21 evictions means landlords will only be able to end a tenancy early if they provide a valid reason, defined in law.

This has left many landlords feeling concerned about their ability to regain possession of their property.



# Majority haven't used Section 21

This suggests that while used sparingly, Section 21 evictions are seen as a vital safety net for many property owners.

"The biggest challenge is the eviction process. Years of waiting for the courts and bailiffs to do something. Hopefully the new government will invest in a better justice system."

**Landlord**  
London

**71%**

have never used a Section 21 eviction

**23%**

have used a Section 21 notice to evict a tenant

**6%**

have done so on more than one occasion

# Third of tenancies last longer than five years

Plans to outlaw Section 21 evictions are designed to give tenants greater security of tenure and lead to longer tenancies.

However, landlords told us that the majority of their tenancies already last for a significant period.

Average tenancy > 5 years

32%

Average tenancy > 12 months

66%

Average tenancy < 6 months

< 1%



"I understand the need for regulations to protect tenants against unscrupulous landlords who are only concerned with profit, but I worry that the same regulations are impacting those of us who are desperately trying to provide good homes for nice people."

**Landlord**  
East Midlands



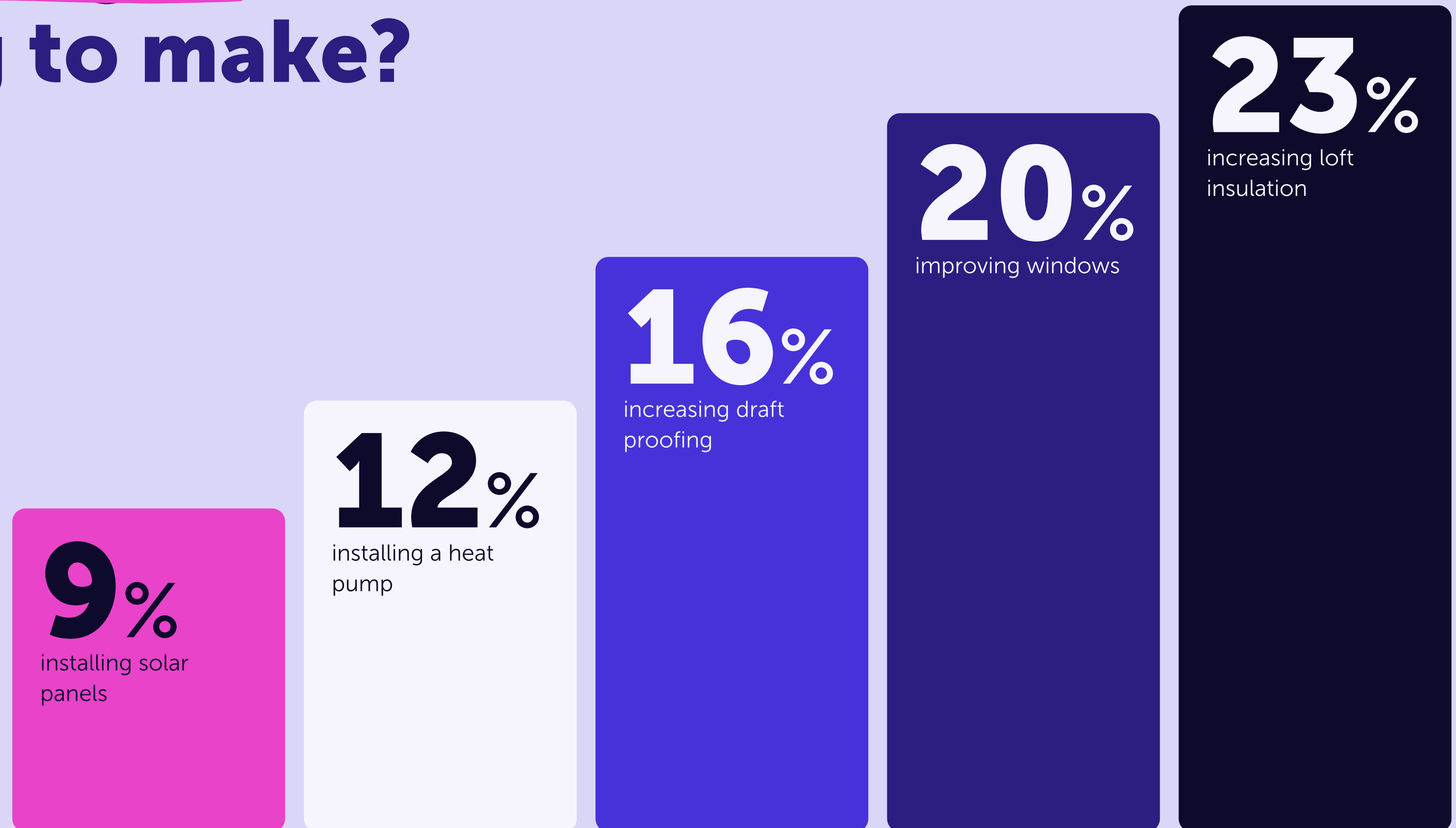
# The struggle to meet new energy efficiency standards

The Labour government has reintroduced plans to increase the energy efficiency of rental properties as part of their Warm Homes Plan. Now, all rental properties will be required to have a minimum Energy Performance Certificate (EPC) rating of C by 2030.

**50%**

of landlords will need to make improvements to their property to meet the new EPC standards

# What changes are landlords planning to make?



How much will these improvements cost?

**11%**

will need to spend over **£10,000**

**34%**

will need to spend between **£1,000 - £10,000**

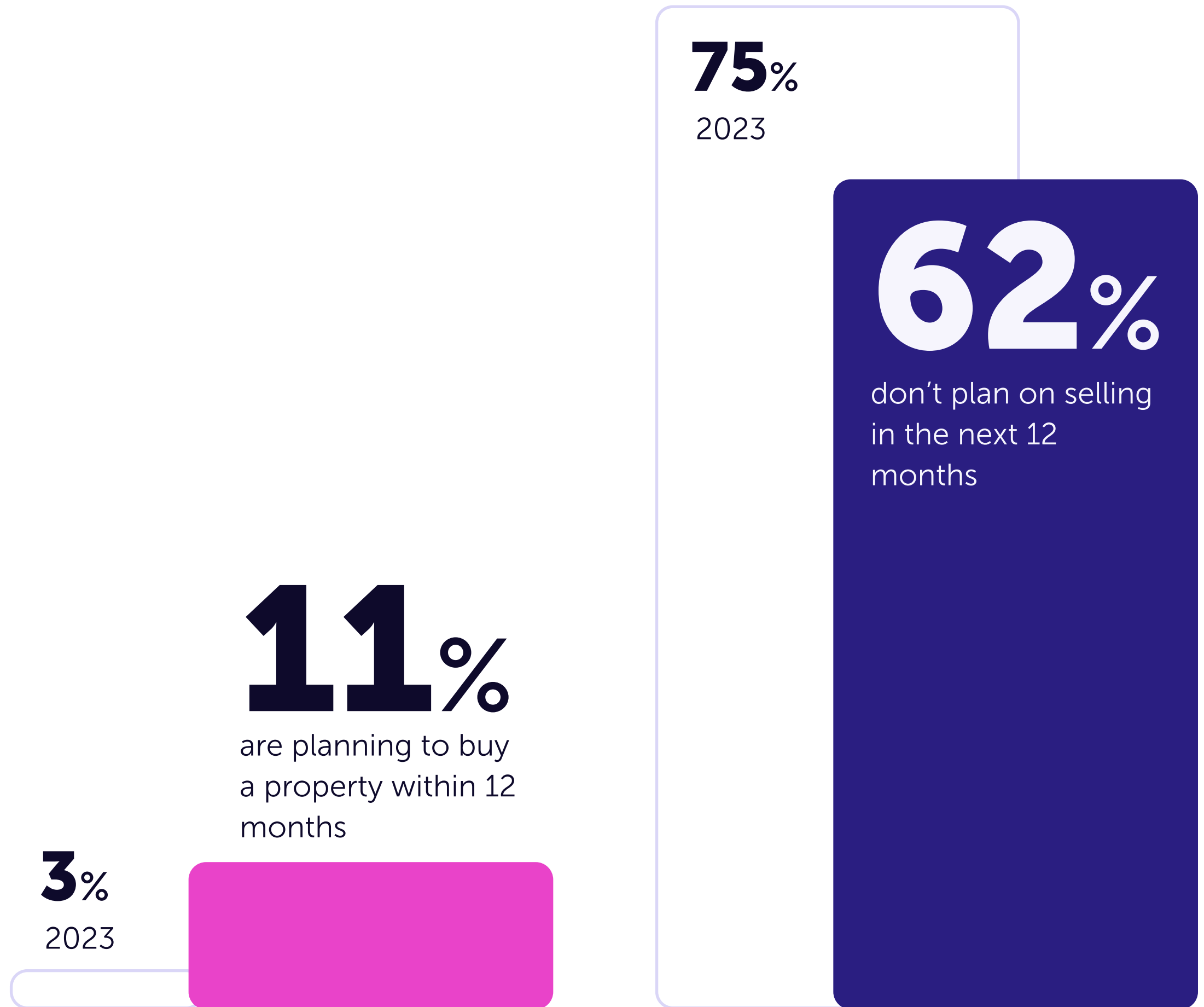


“One problem with the energy efficiency regime is that the surveyors are wholly inconsistent and generally provide a poor quality service. I have adjacent identical properties where one is rated D and the other is rated C.”

**Landlord**  
South East

# Are landlords looking to buy or sell property?

Government reforms and rising costs are tempting some landlords to sell, while strong rental demand suggests property remains a worthwhile investment. Landlords are split on what to do next – stick with their rental property, buy more, or sell up and leave the market.



## Selling trends

**13%**

have sold a property in the last 12 months

**29%**

plan to sell a property in the next 12 months

**8%**

plan to sell two or three properties within the next 12 months

# Why are landlords selling up?

New legislation such as the Renters' Rights Bill

**60%**

Tax increases

**43%**

Rising interest rates and mortgage costs

**33%**

Stricter energy efficiency rules

**24%**

Want to raise cash

**20%**

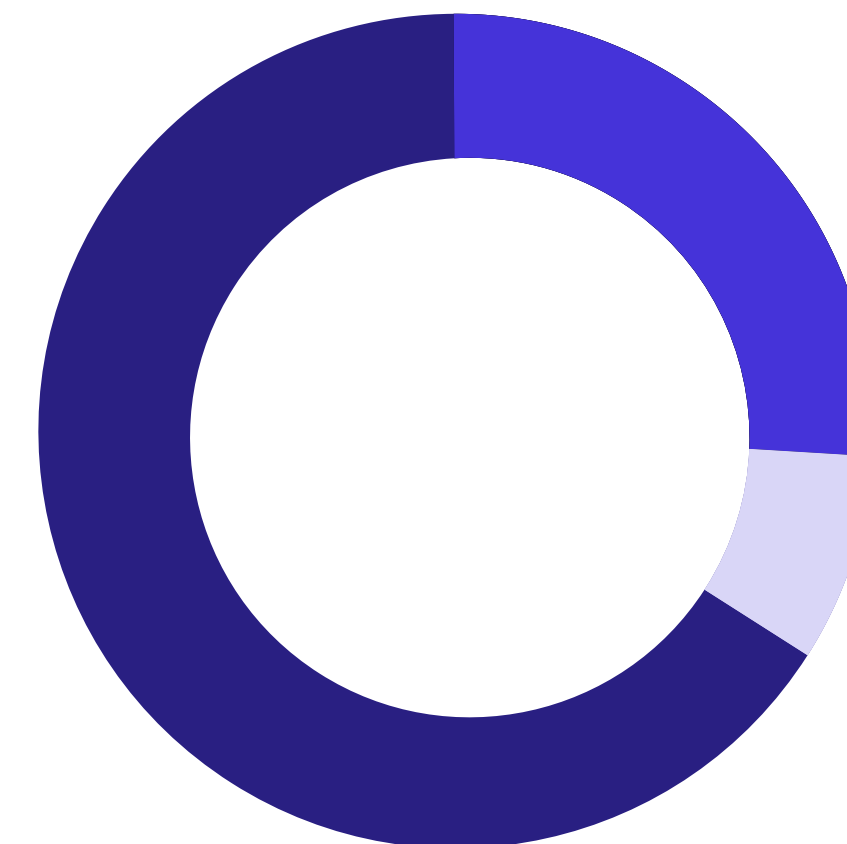
# Do high yields make rentals worthwhile?

Although higher running costs are at the forefront of landlords' minds, many are expecting their return on investment to increase this year.

**38%**  
expect their rental yields to increase in 2024

Of those:

**66%**  
expect yields to increase by **up to 5%**



**10%** expect yields to increase by **between 6% and 11%**

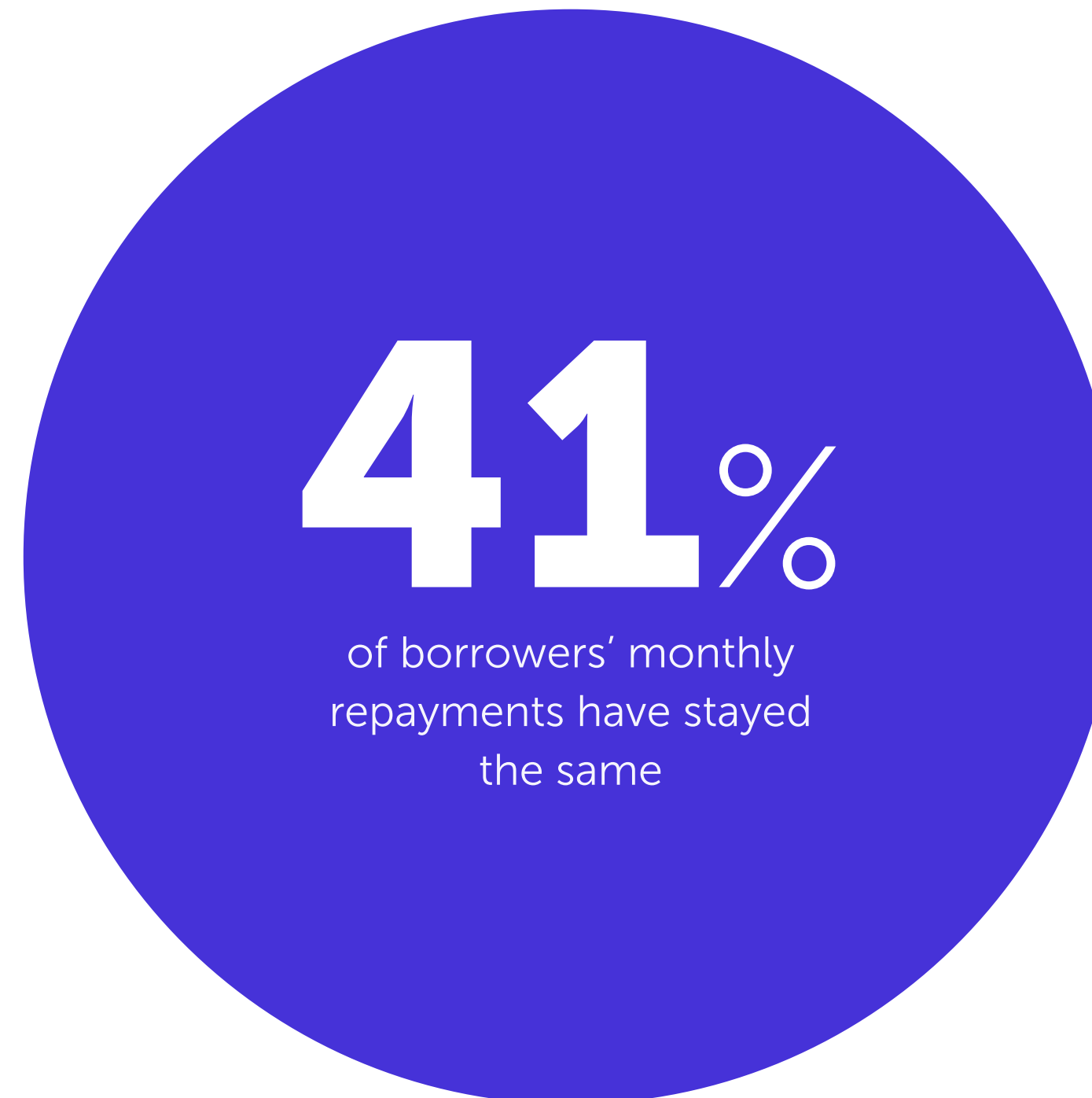
**3%** expect yields to increase by **more than 11%**

# Are buy-to-let mortgage costs still rising?

Over a fifth (21 per cent) of landlords told us they don't have a mortgage.

For those that do, buy-to-let mortgage rates have gradually softened following a period of record-high inflation. However, many lenders' rates are still well above five per cent.

In the last 12 months:





“Mortgage increases have hit me the hardest. I try not to pass all these costs on to my tenants and take a massive financial hit. I’m sure other landlords just pass the costs on, making rental properties so expensive.”

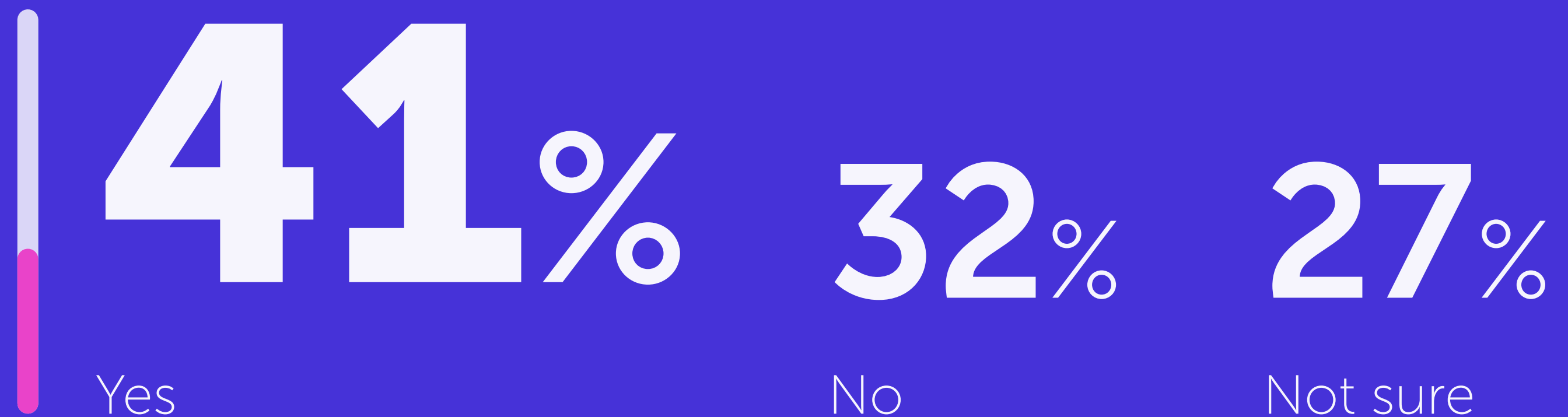
**Landlord**  
South East



# Looking ahead

The future of the rental market is complicated and there's no simple solution to many of the issues facing landlords. But it's clear that buy-to-let will be shaped by the impact of the incoming regulations and how landlords and tenants respond to them.

We asked landlords if they think letting a property is still a worthwhile investment:



# How are landlords feeling about the future of the private rental market?



**5%**

are optimistic  
(slightly or very)

**15%**

are neither concerned  
nor optimistic

**5%**

are unsure

“There’s not enough support from the government for landlords who seem to be constantly considered a problem, but actually we support a healthy rental market for those who can’t or don’t want to purchase.”

**Landlord**  
South East

“Changes to government legislation usually result in additional costs for landlords which in turn are passed on to tenants. Making it more difficult for landlords only reduces the amount of properties available, thus fueling further rent inflation. The government needs to think more about the knock-on effects for all landlords when they’re legislating to overcome the problems caused by the bad ones.”

**Landlord**  
East Midlands



“The government needs to realise that many landlords are good landlords and need support to stay in the market. We don’t need more costly controls levelled at the minority who are bad and don’t care about tenants.”

**Landlord**  
South West

# About

## Simply Business

Simply Business insures more than 300,000 landlords, from accidental landlords all the way up to professionals with larger portfolios. When it comes to protecting rental properties, we're proud to offer simplicity, choice, and value to landlords across the UK.

At Simply Business, we're serious about putting our customers at the very heart of all we do – whether that's our digital experiences or our advertising. As part of this it's vital to understand what it's like to be a landlord in 2024, from major challenges and threats to future plans and reasons for optimism.

Our in-depth survey gave landlords the opportunity to share their experiences of letting properties, allowing us to gain a unique insight into the current buy-to-let landscape.

We know it's been a tough few years for landlords and with significant changes on the horizon, our annual Landlord Report provides an in-depth analysis of the UK rental market.

## Methodology

We surveyed 1,936 residential landlords based in the UK during August 2024. The dataset includes landlords with one property, all the way up to those with more than 10. The data can be used as an indicator of the current state of the UK's buy-to-let market.

Get the latest news and guides for small businesses and landlords on our Knowledge centre.

[simplybusiness.co.uk/knowledge](https://simplybusiness.co.uk/knowledge)

For press enquiries, contact [press@simplybusiness.co.uk](mailto:press@simplybusiness.co.uk)



## Image credits

**Front cover:** simona – stock.adobe.com

**Page 5:** Drazen – stock.adobe.com

**Page 8:** DimaBerlin – stock.adobe.com

**Page 12:** jelena – stock.adobe.com

**Page 14:** insta\_photos – stock.adobe.com

**Page 16:** fazon – stock.adobe.com

**Page 19:** artursfoto – stock.adobe.com

**Page 24:** mavoimages – stock.adobe.com

**Page 26:** Tetiana – stock.adobe.com

**Page 27:** John Wildgoose/KOTO – stock.adobe.com