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RESEARCH

# Spring 2025 UK Residential Investor Sentiment Survey

COMMISSIONED BY THE IPF RESEARCH PROGRAMME

## UK Residential Investor Sentiment Survey

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This research was funded and commissioned through 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

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The third 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 26 organisations, whose views were generated between end January and mid-April. This is the first survey to be published to non-contributors while the two previous quarterly surveys were only shared with organisations providing data.

### Key points

#### Performance Expectations: rental value growth

- For new **BtR multifamily** lettings, 56% of contributors expect rental growth of 3-5% in the next 12 months, compared to 75% of contributors in the previous survey. Nearly 30% expect rental growth of 1-3%, against 15% for the last quarter. No contributor anticipates rents to fall.
- For rent reviews and lease renewals, 54% of contributors expect rental value growth to be of a similar level to those achieved on new lettings, while 29% predict lower growth.
- At a regional level, there is a dichotomy of views on the London market. Southern is viewed most positively, although to a lesser extent than the previous two quarters, while Scotland is deemed the weakest region, compared to the national average.
- For **BtR single family**, just over 50% of contributors anticipate rental growth on new lettings of 3-5% over the next year, compared to just over 70% in the previous survey. A third of respondents foresee growth of 1-3%, against just under 20% last quarter. The remaining contributors (14%) anticipate rents of over 5% as no contributor foresees falling rents.
- Just under half of contributors expect rental growth achieved on rent reviews and lease renewals to be similar to that of new lettings, while nearly 30% expect growth to outperform new lettings. This is a similar picture to the last quarter.
- Regionally, Southern is again viewed most positively, while 47% of contributors anticipate Scotland will underperform the national average. Opinions on London are divided.

#### Performance Expectations: capital value growth

- Over the next 12 months, 44% of contributors expect **BtR multifamily** capital values to grow by 3-5% and 28% expect growth of 1-3%, compared to 54% and 15% respectively in the last quarter. A fifth of contributors anticipate there will be little change, while no investor expects values to fall to any great extent.
- Similar to views on BtR multifamily rental growth, the regional results show a more mixed view for London while Scotland is generally anticipated to underperform.
- A little over 40% of respondents anticipate that **BtR single family** will achieve growth of 1-3%, compared to 25% last quarter. In the previous survey, 60% envisage growth of 3-5%, whereas this survey highlights that just 38% concur with this forecast. 14% of respondents believed capital values will be relatively stagnant, similar to the last survey, and no contributor anticipates capital value decline of any great magnitude.
- At a regional level, over half of contributors expect the Southern region to outperform the national average, 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 Southern BtR single family, with a quarter expecting occupancy levels to improve, while only 6% of contributors expect occupancy levels to rise for Northern and Scotland BtR single family. Very few contributors predict weakening occupancy conditions and these views are largely confined to the two Scottish markets and Northern single family.

### Investment

- For Midlands/Wales, Northern and Scotland, 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 nearly half of contributors expect to increase their allocation. Minor disinvestment is expected in Scotland over the coming year.
- The most sought after investment locations for **BtR multifamily** are Birmingham, Bristol, Cambridge, Oxford and London: Outer. Aberdeen and Belfast, along with Glasgow and Edinburgh, are the least desirable.
- For **BtR single family** investment, the most popular markets are the South West and the West Midlands, while Scotland, the North East and Wales are the least attractive.

**Survey contributors:** For the third sentiment survey, 26 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 16 April. 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

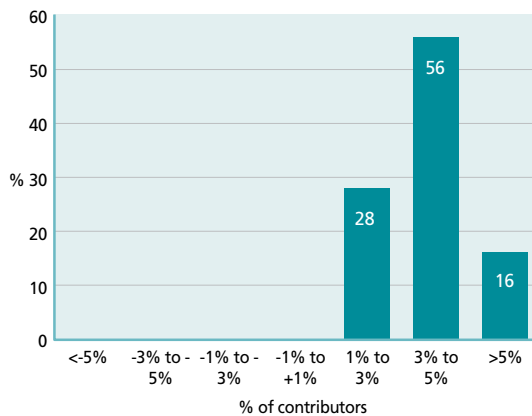
**Regional definitions:** For simplicity, some results are presented for broad regions. These are defined as follows:

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

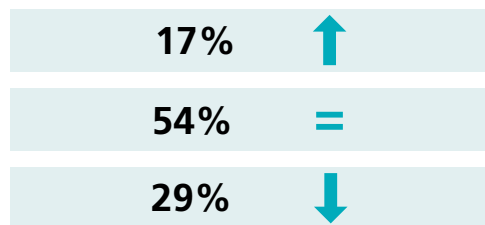
## PERFORMANCE EXPECTATIONS: RENTAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

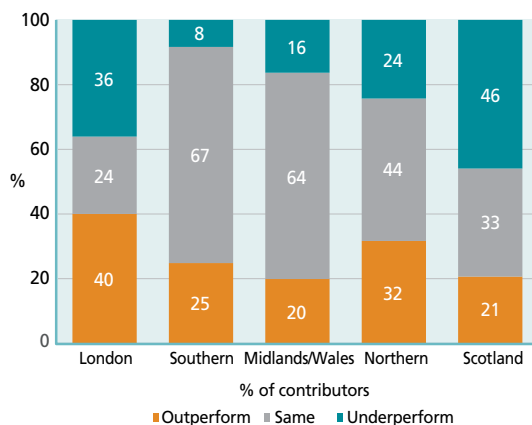
Expected rental growth on new lettings in next 12 months



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

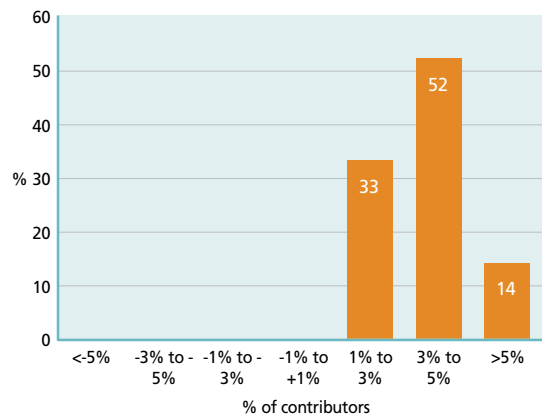


Rental growth expectations compared with national average

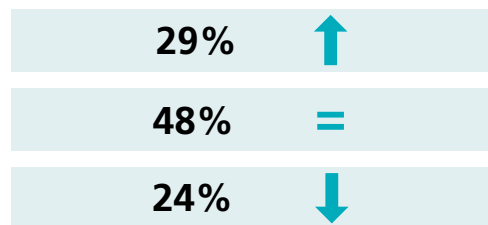


### BUILD-TO-RENT SINGLE FAMILY

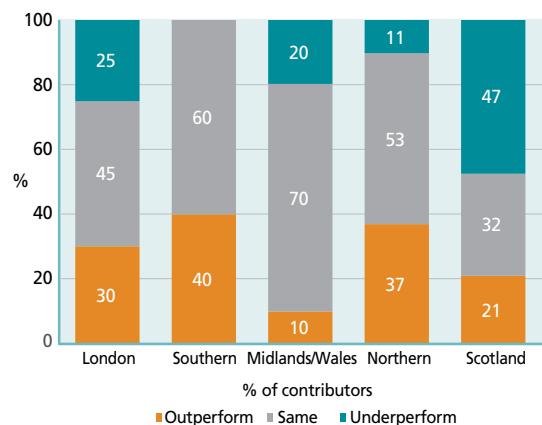
Expected rental growth on new lettings in next 12 months



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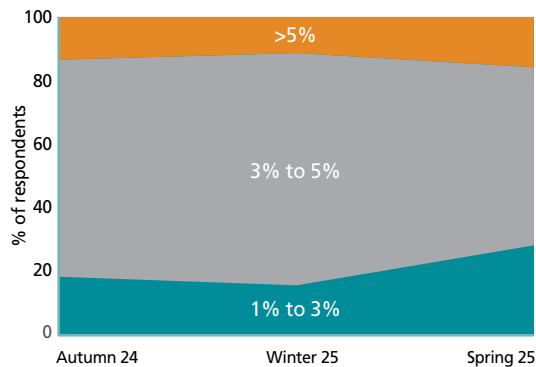
Rental growth expectations compared with national average



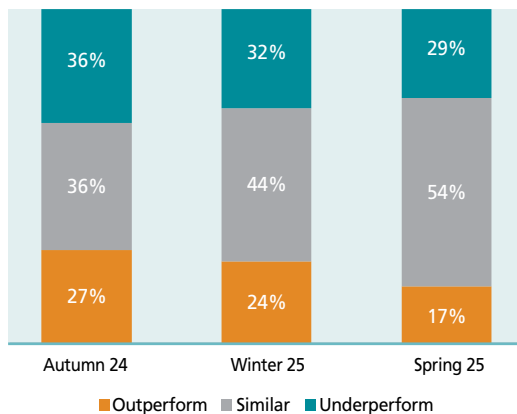
## PERFORMANCE EXPECTATIONS: EVOLUTION OF RENTAL VALUE GROWTH

### 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

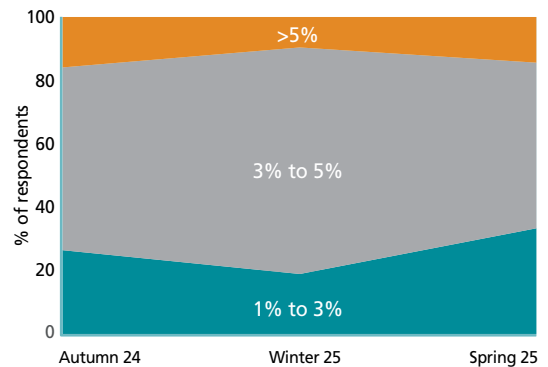


Composite rental growth outperformance/underperformance of regions compared with national average<sup>1</sup>

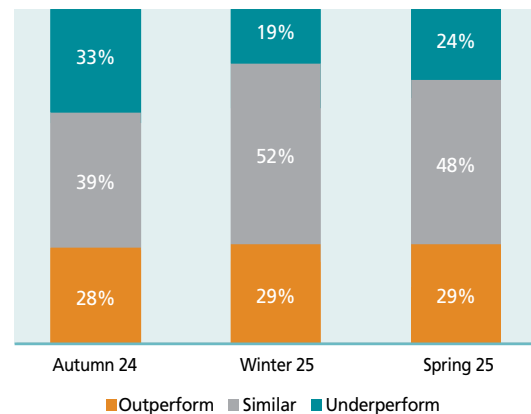


### BUILD-TO-RENT SINGLE FAMILY

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>



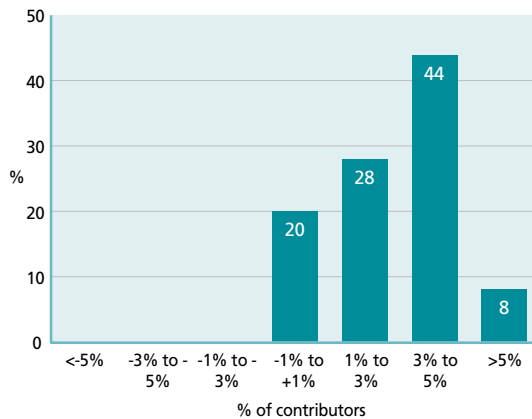
<sup>1</sup> Orange denotes outperformance; teal denotes underperformance



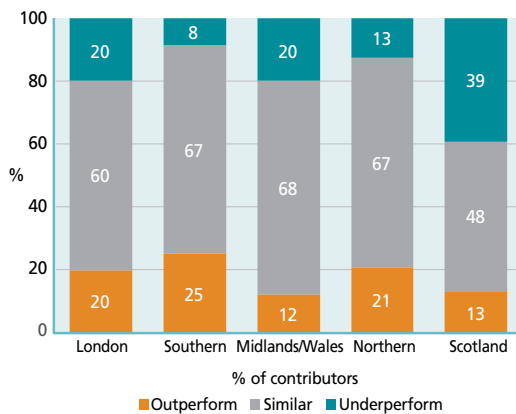
## PERFORMANCE EXPECTATIONS: CAPITAL VALUE GROWTH

### BUILD-TO-RENT MULTIFAMILY

Expected capital growth in next 12 months

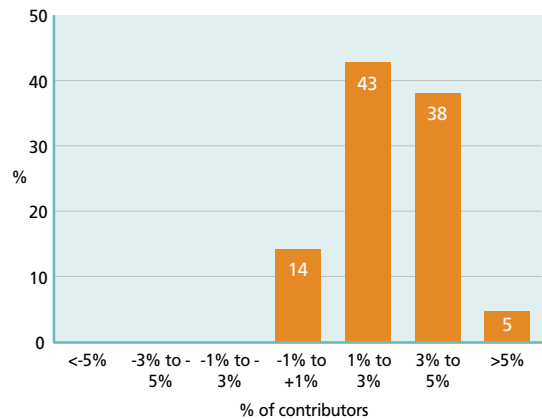


Capital growth expectations compared with national average

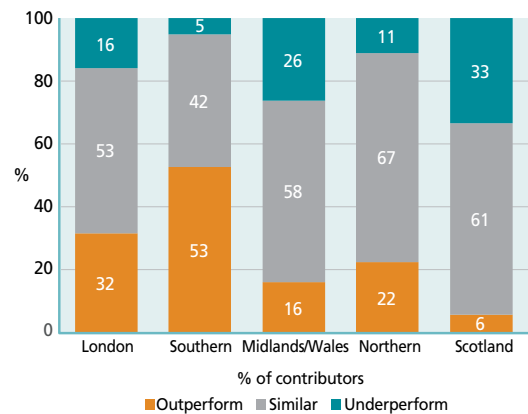


### BUILD-TO-RENT SINGLE FAMILY

Expected capital growth in next 12 months



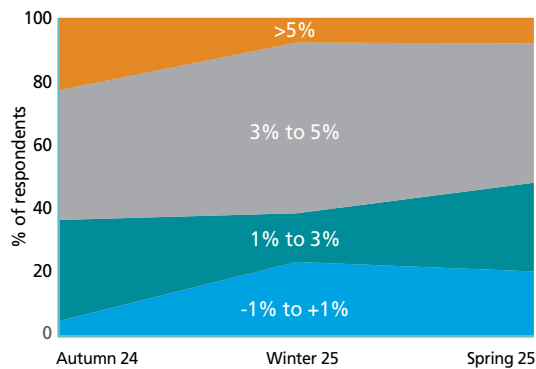
Capital growth expectations compared with national average



## 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

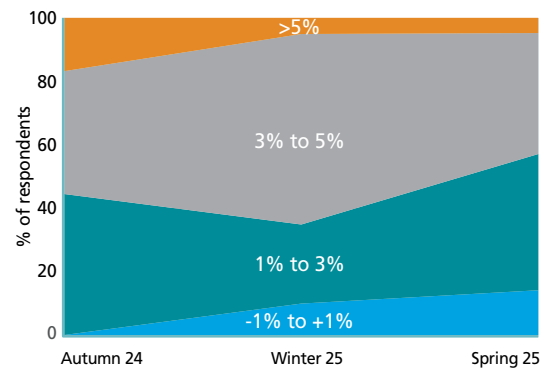


Composite capital growth outperformance/underperformance of regions compared with national average<sup>2</sup>



### BUILD-TO-RENT SINGLE FAMILY

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



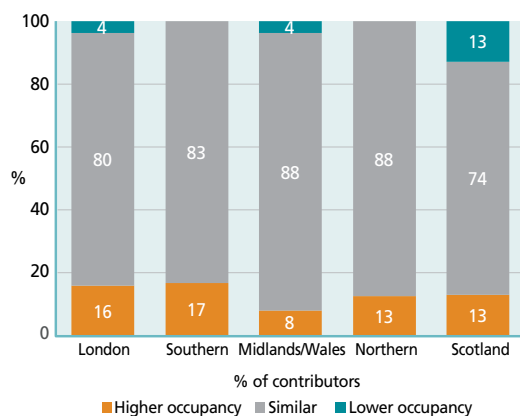
Composite capital growth outperformance/underperformance of regions compared with national average<sup>2</sup>



## OCCUPANCY

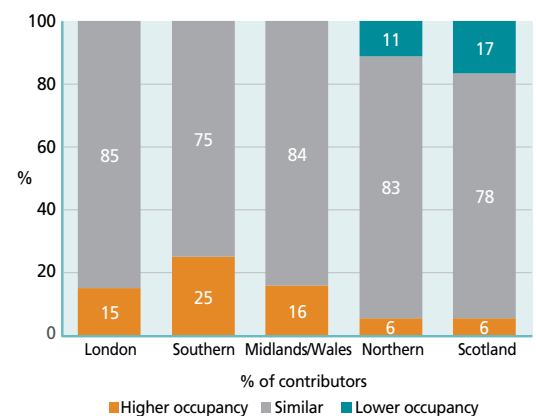
### BUILD-TO-RENT MULTIFAMILY

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



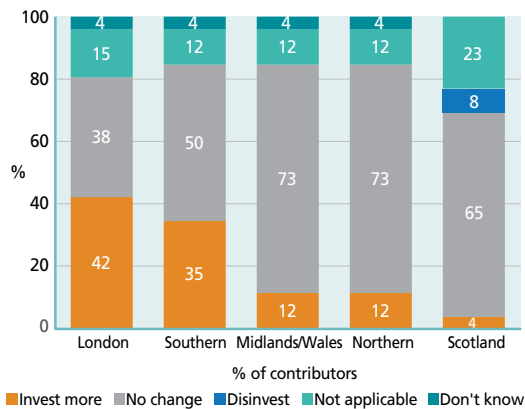
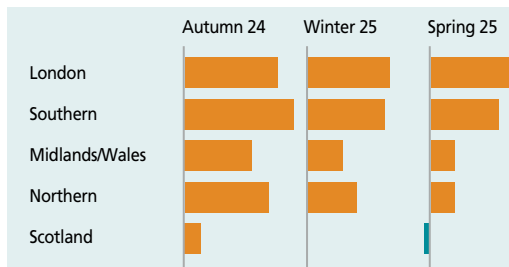
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## INVESTMENT INTENTIONS

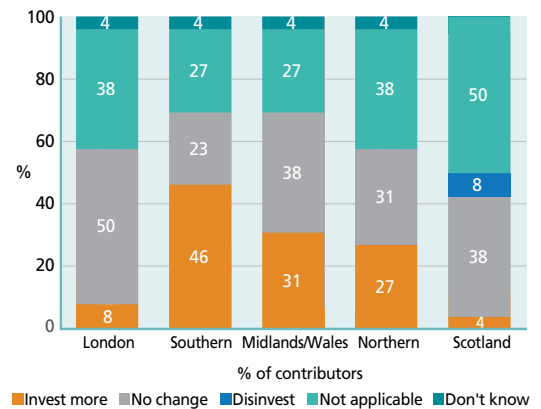
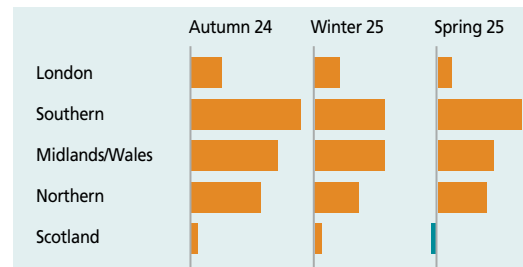
## BUILD-TO-RENT MULTIFAMILY

Investment intentions over the next 12 months

Evolution of investment intentions outperformance/ underperformance over next 12 months by region compared with national average<sup>3</sup>

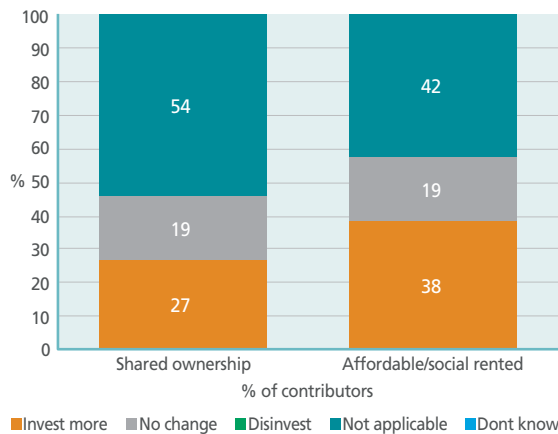
## BUILD-TO-RENT SINGLE FAMILY

Investment intentions over the next 12 months

Evolution of investment intentions outperformance/ underperformance over next 12 months by region compared with national average<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)

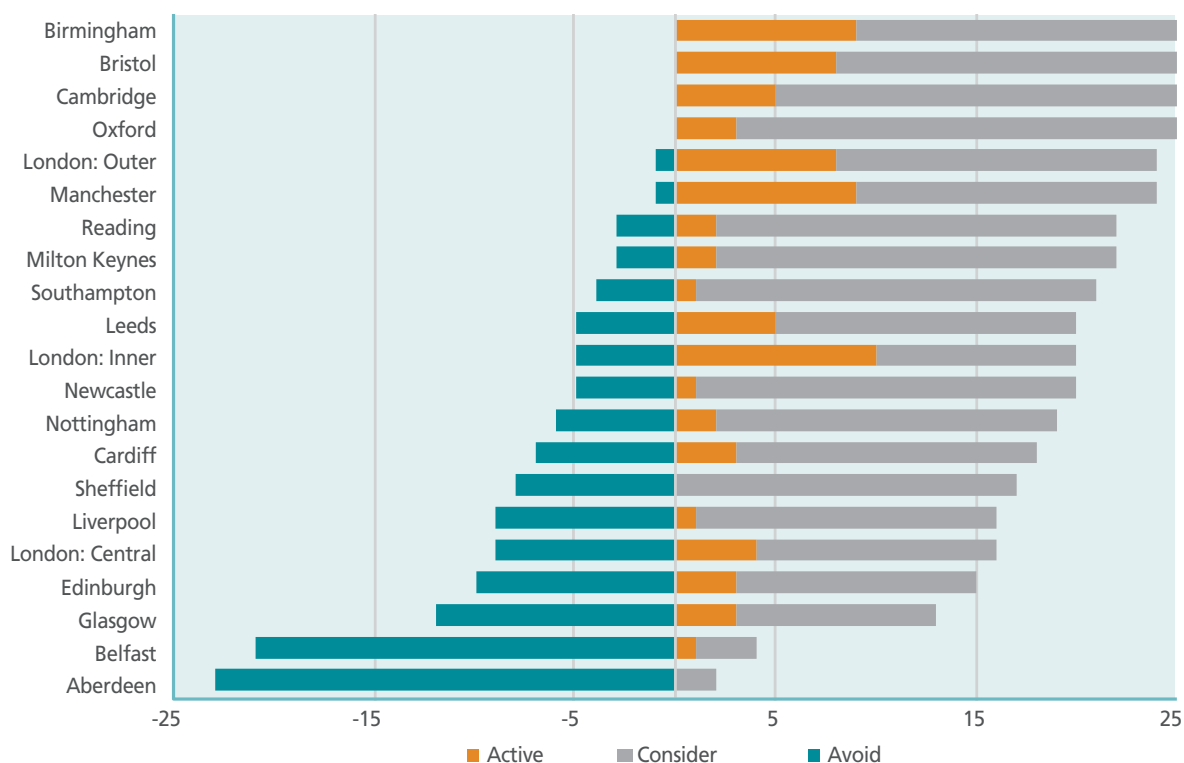


In terms of **Shared Ownership**, the majority of contributors do not have a mandate to invest. Of the remaining contributors, the majority expect to increase their investment and none expect to disinvest.

For **Affordable/social rented**, just over 40% of contributors do not have a mandate to invest, while just under 40% are planning to increase their exposure. No contributor expects to disinvest.

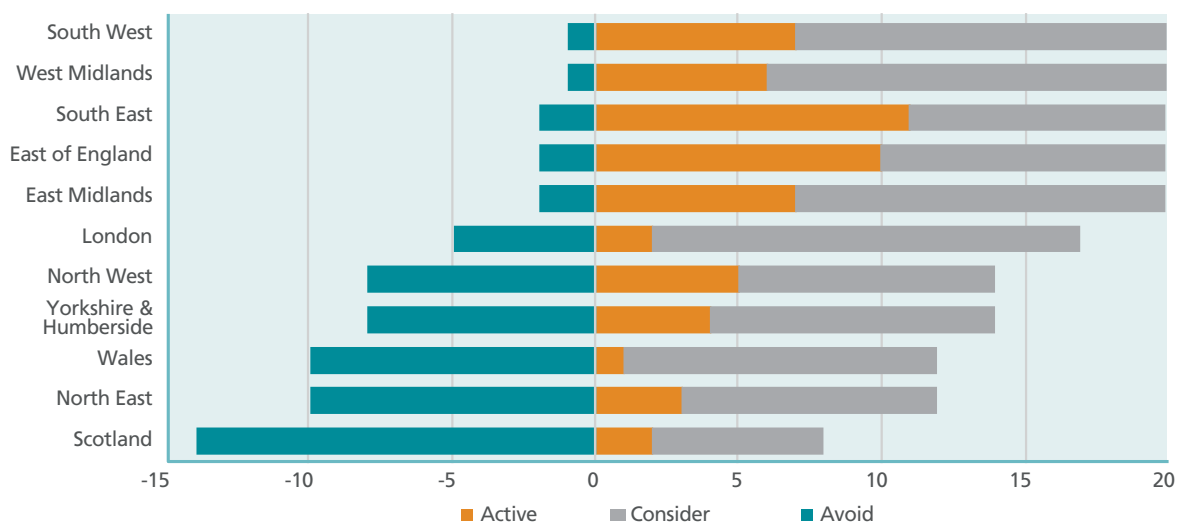
## INVESTMENT INTENTIONS

### 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 Spring 2025 Residential Investor Sentiment Survey** including:

Aberdeen, Apache Capital, Aviva Investors, CBRE Investment Management, DTZ Investors, DWS, Edmond de Rothschild, Federated Hermes, Grainger plc, Hearthstone Investments, Invesco Real Estate, LGIM Private Markets, Long Harbour, M&G Real Estate, PLATFORM\_, Quintain, Residential PLC, Savills Investment Management, Sigma Capital Group, Thriving Investments and UBS Asset Management.

The organisations contributing to the survey are investing in either multifamily, single family or both. Some contributors do not have a mandate to invest currently in every market but still have a view on the future outlook, particularly where they are a large organisation and have significant research capacity.

### 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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