



# Renting Under Pressure

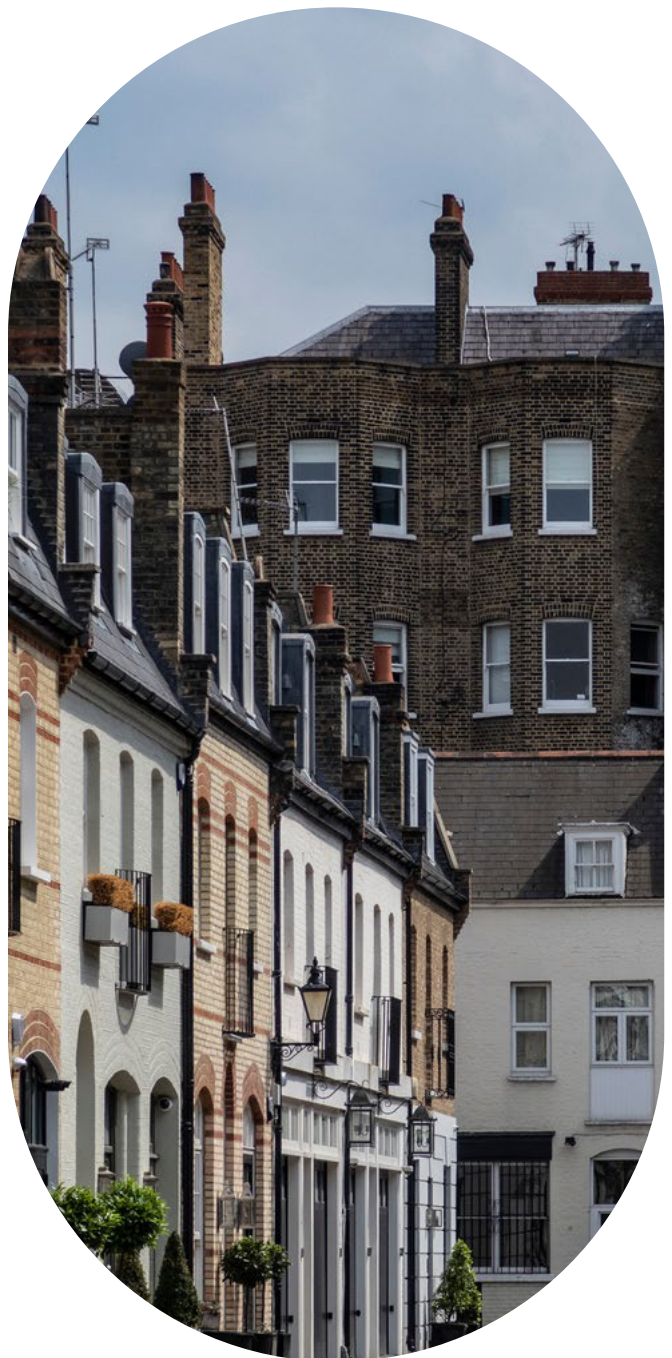
How affordability, regulation and risk are impacting agents, landlords and tenants

# Abstract

**This report is based on insight gathered from private renters and letting agents across the UK, as well as Reposit's proprietary data. The research explores tenant sentiment, affordability pressures and market dynamics shaping behaviour within the lettings sector.**

The experiences of letting agents and their practical understanding of how affordability constraints shape both landlord and tenant decision-making give valuable insights.

The findings reflect both lived tenant experience and frontline agent observations, providing a rounded view of current conditions in the private rented sector.



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# Introduction

**Ben Grech, CEO of Reposit**

**The private rented sector is moving into a new phase. After years of supply shortages, rising rents, and legislative uncertainty, we're starting to see some stabilisation.**

More homes are coming onto the market in some regions, and rental price growth has slowed. There's more clarity around the Renters' Rights Act than 12 months ago, but landlords, agents and tenants are navigating a new regulatory landscape and how the legislation actually works on the ground is their next big question.

This report brings together tenant surveys, partner observations, and our own proprietary data to paint a clear picture of the sector today, and for this, I'd like to extend a huge thank you to the agents who took part in our research. We found a market under pressure, shaped by tenant affordability constraints and landlords becoming increasingly risk-aware, particularly around arrears.

At the same time, agents report growing administrative and compliance demands. We know many are exploring how technology can help them work more efficiently and deliver value to both landlords and tenants.

This report contains insights from our partners as well as specific case studies to deep dive into how agents are adapting to pressures in the market, which we hope you will find useful.





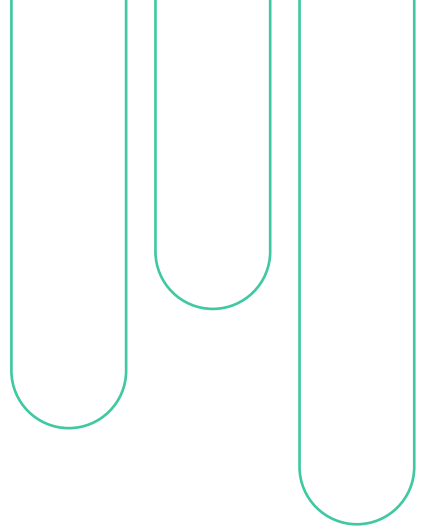
**Ben Grech, CEO of Reposit**

In addition, the ‘unintended consequences’ of the Act have been widely debated. With Section 21 gone, Section 8 will become the main route for possession in cases such as rent arrears but the system hasn’t yet been tested and there are real questions about the capacity of the courts. Many also expect upward pressure on rents and increased legal risk, particularly around discrimination claims. For a deeper legal analysis, Consultant Solicitor Ryan Heaven provides an excellent overview on page 22.

While our hard data reveals the challenges among tenants, landlords and agents, we believe it also highlights the opportunities for those willing to embrace change. Whether it’s offering flexible deposit solutions, educating landlords through the new regulations, or using proptech to streamline operations, the agencies that thrive will be those who combine expertise with innovation. We hope this report gives you practical insight and sparks ideas that help your business thrive in this new environment.



# Key Insights from Tenants



High upfront deposit costs are constraining home moves within the rental market



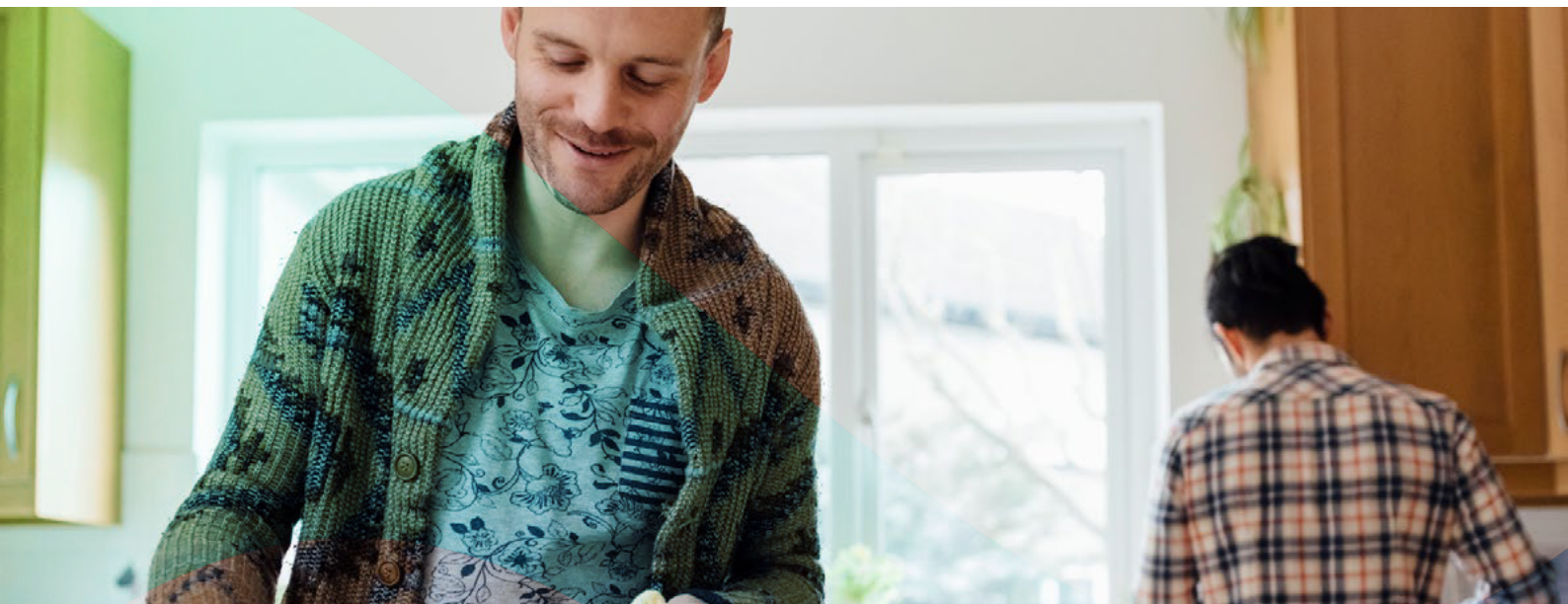
Around half of tenants are spending 40% or more of their take-home pay on rent



Tenant expectations around rental home affordability are becoming more negative



There's a growing acceptance of flexible deposit options among tenants





# Key Insights from Agents



Landlords are showing an increased sensitivity to risk

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The administrative and compliance burdens for agents are rising

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Landlord stock levels are diverging across the UK market

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Main benefits of Reposit for agents are extended landlord cover and reduced administration and compliance

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# Analysis The Lettings Market 2025

The lettings market saw a measurable improvement in supply conditions during 2025, as the number of homes entering the lettings market rose by almost 10% compared with the previous year. This uplift has helped relieve some of the pressure that has characterised the sector in recent years.

Supply of rental stock rose across every region of the UK in 2025, increasing by 9.3% compared with 2024. However, the overall picture remains highly localised, and this increase was not necessarily experienced by each individual letting agent.

**Key indicators:** Supply of new properties to let

**+9%**

New instructions

**+6%**

Let agreed

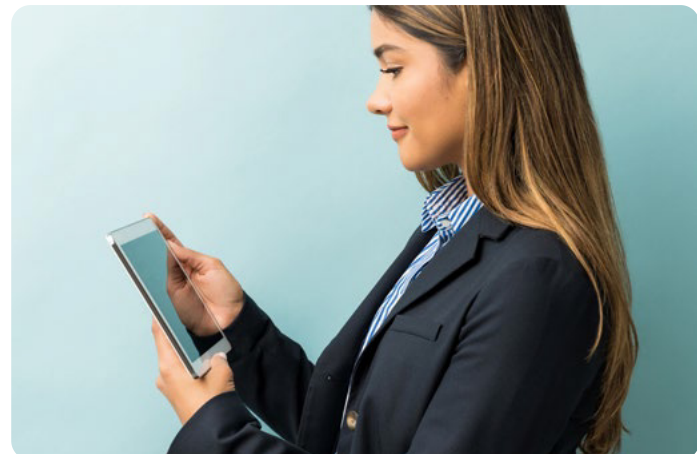
**+4%**

Let

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In terms of lets agreed, Outer London experienced the largest year-on-year increase, rising by 14.1%. Wales also emerged as an increasingly attractive rental location with a 11.8% growth year-on-year.

Source: TwentyEA

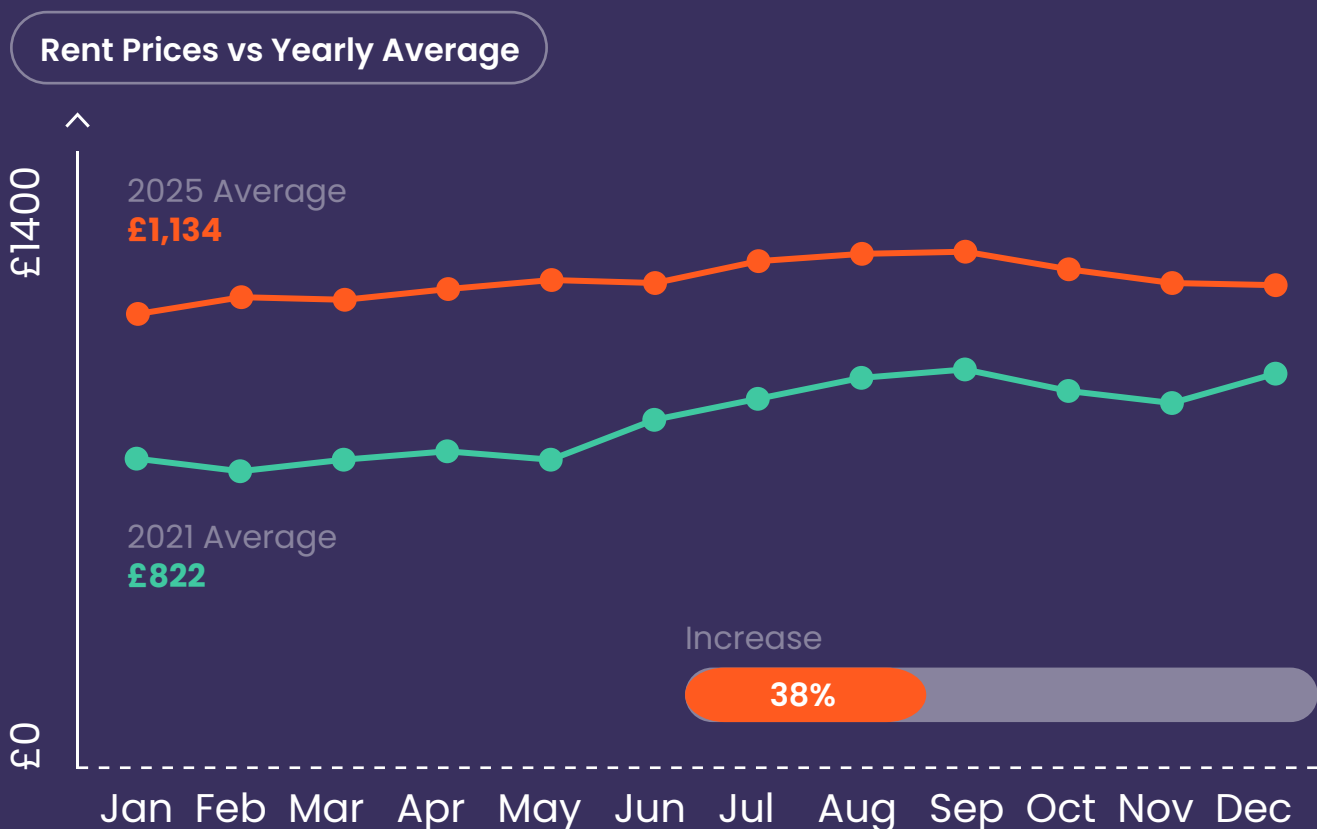


# Analysis The Lettings Market 2025

Reposit's data shows that the average monthly rent at the end of 2025 reached £1,134. Four years earlier, in 2021, it stood at £822, representing an increase of approximately 38% over the period.

The graph below illustrates how rents have risen in just four years. However, this pace of growth has begun to slow. The post-pandemic years of 2022 and 2023 saw a strong rental price growth. In 2022, average rents rose to £991, an increase of 21% from £822 in 2021. Growth continued in 2023, with rents reaching £1,080, up 9% year-on-year, albeit at a slower pace.

More recently, however, rental growth has eased. In 2024, rents increased to £1,118, representing a 3.5% rise on the previous year. Between 2024 and 2025, growth slowed further to 1.4%.



Naturally, cash deposits are in-line with monthly rental values. In 2025 they averaged £1,308 but were £948 just four years prior. This is another factor adding to the affordability pressures on tenants which have risen significantly over recent years.

# Key Findings from Tenants



Tenants are facing sustained affordability pressure as rents consume a growing share of income, and upfront costs restrict mobility. Many struggle to fund deposits while managing existing financial commitments, forcing delays to moving plans and limiting housing choice.

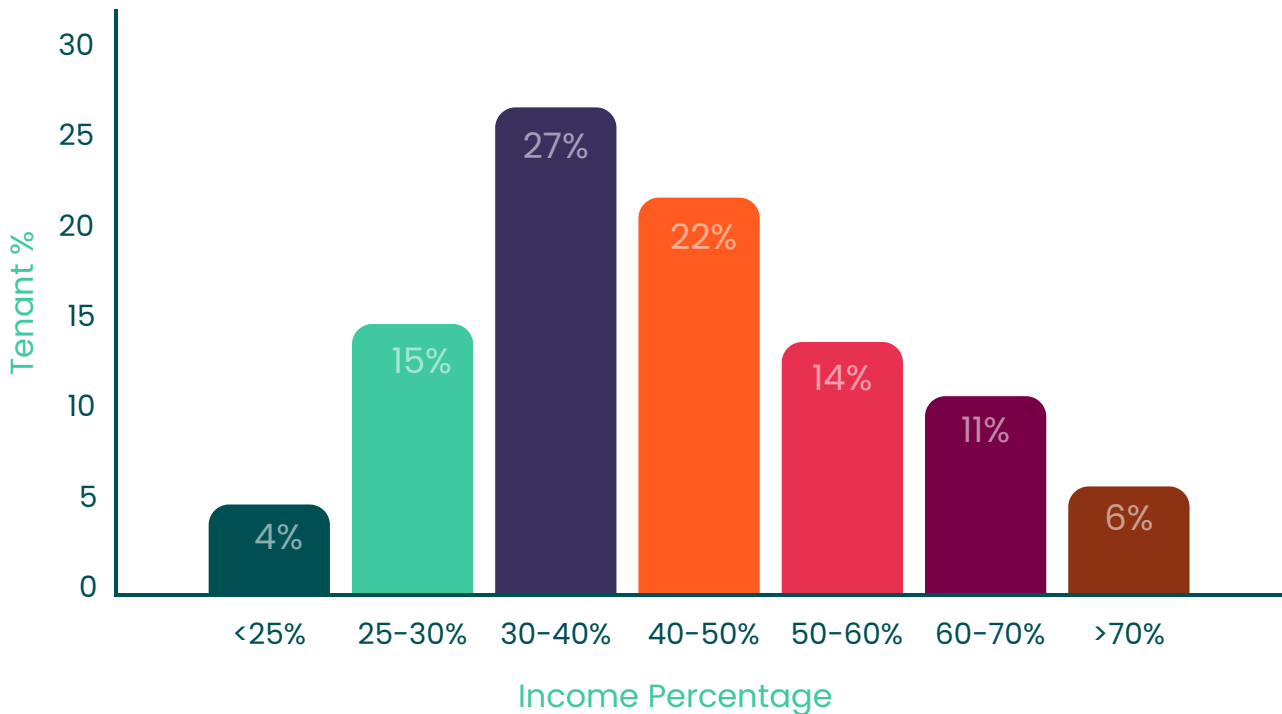
Expectations around rental affordability continue to deteriorate, with a widespread belief that pressures will persist. As financial strain intensifies, tenants are increasingly open to new options that reduce upfront costs and improve flexibility, signalling a shift in attitudes toward how renting is financed and managed.

# Monthly rent is consuming a disproportionate share of income

Rental payments are taking up a large share of tenant income. Over half of tenants (53%) report that rent accounts for 40% or more of their take-home pay, highlighting the scale of affordability pressure faced by renters. Such high rent-to-income ratios leave tenants more exposed to cost increases and reduce their ability to absorb additional expenses.

Reposit's findings, based on a survey of 1,000 tenants, revealed that 14% spend 50-60%, 11% spend 60-70%, and 6% spend more than 70%. The research shows it's still a really tough market for renters. With so many already spending half of their take-home pay on rent, the ability for the market to absorb further rent increases is clearly limited.

Share of tenant take-home income spent on rent



53%

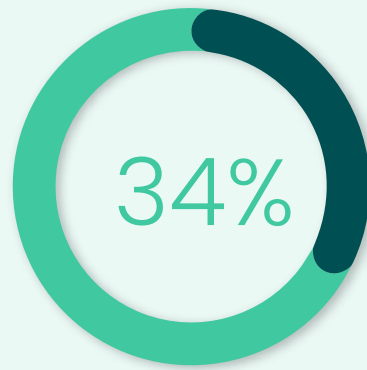
Over half of tenants report that rent accounts for 40% or more of their take-home pay

# Upfront costs are restricting **choice and mobility**

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High upfront rental costs continue to restrict movement in the market, with 34% of tenants delaying a move because they cannot afford a traditional deposit. This is not surprising given Reposit's data shows the average deposit in 2025 was £1,307, meaning tenants moving home often have more than £2,500 tied-up while deposits are transferred between properties.

Raising a second deposit while an existing one is still tied up is a major barrier for renters. Products such as Reposit remove the need to rely on credit cards or loans, instead charging a non-refundable fee equivalent to one week's rent and allowing tenants to keep more of their cash available for moving costs or in savings and investments.



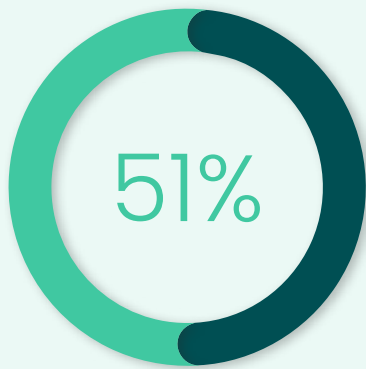
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of tenants delay a move because they can't afford a cash deposit



## Worsening **affordability expectations** among tenants

Tenant expectations around affordability continue to worsen. Half of tenants (51%) now expect renting to become less affordable, signalling a growing acceptance that financial pressure within the rental market is likely to persist rather than ease.



of tenants believe renting will become less affordable in the next 12 months

This sentiment aligns with sustained rental costs and limited opportunities for tenants to reduce their cost of living. Previous Reposit research found one in five renters had borrowed money, which must be repaid, to cover their deposit. Of this group, 6% borrowed £1,500 or more, 18% borrowed £1,000 - £1,500 and 24% borrowed between £500 and £1,000.

### **Ryan Heaven**, Consultant Solicitor at Woodstock Legal Services

Rents are likely to rise as a result of the RRA. Tighter regulation is squeezing smaller landlords out of the market and reducing supply. In the student sector, landlords will price out any void periods, pushing rents higher across the board.

While larger institutional landlords may be able to absorb the regulatory and compliance changes, the overall effect will be fewer properties and higher rents across the PRS. You can find Ryan's full comment on the unintended consequences of the Renters' Rights Act on page 22.

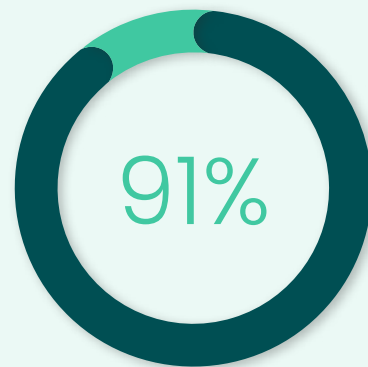


# Innovative products that give tenants more choice and ease affordability pressures will gain further traction

There is strong demand from tenants for flexible deposit solutions amid ongoing affordability pressures. The vast majority (91%) expect products like Reposit to see wider adoption across the rental market.

This consistent and high demand reflects a strong desire for greater flexibility with upfront costs, as traditional deposits continue to hinder mobility. Interestingly, many agent partners report that even tenants who can afford a deposit are choosing alternatives, highlighting a clear shift in tenant expectations.

For tenants opting for traditional deposit schemes, the sums involved are significant. Those moving between properties can have as much as £2,524 tied up while waiting for the return of the deposit from the home they are leaving.



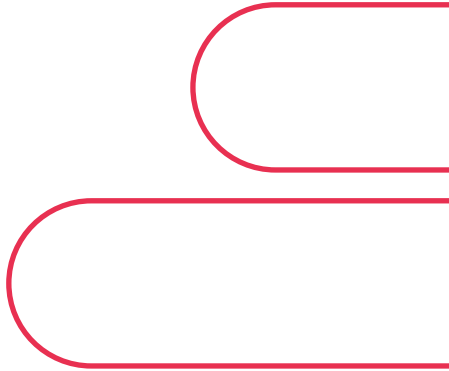
91% of tenants expect products like Reposit to be more common in the rental market

**Sam Fitz-Hugh, Co-Founder of Settio Property Experience**

We continue to see a rise in Reposit uptake at Settio, while many demographics engage to save costs on their home move, an increasing number are not restricted by cash flow to 'afford' traditional deposits but are prioritising convenience and flexibility with their money. Some higher value renters with long-term tenancy plans have also been seen to prioritise investment of their cash, expecting to make returns beyond the cost of a Reposit.



# Key Findings from Agents

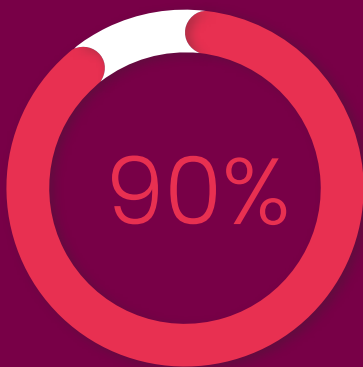


Agents describe a market defined by risk, regulation and uneven supply. Landlords are becoming more cautious in tenant selection, while compliance demands and administrative workloads continue to rise.

Portfolio trends vary across regions, forcing agencies to balance operational efficiency with stronger risk management as they support landlords through a more complex lettings environment.

## Landlords are becoming **more risk-averse** in tenant selection

An overwhelming majority of landlords are now increasingly cautious in tenant selection, driven by concerns around rent arrears, pets, and the complexity of repossession.



of landlords are increasingly cautious about tenant selection

Concerns about rent arrears are the primary driver, cited by 60% of agents, and Reposit's latest data shows these concerns are well-founded. The average arrears in 2025 stood at £1,980, lower than in 2024 but still 54% higher than in 2021, when average arrears were £1,283.

With a typical cash deposit of £1,307, many landlords remain exposed, as traditional deposits are still insufficient to cover average arrears.



**Eloise Wallace**, Lettings Administrator & Referencing Team Leader, at Pattinson in the North East

The main concern I hear from landlords is about losing flexibility if a tenancy goes wrong, the idea of having to rely on Section 8 and face a potentially lengthy legal process worries them most.

That's really where the nervousness sits. That said, many have moved from resistance to adaptation. This time last year everyone was questioning how the legislation would play out but now it's more about getting on with it and making it work.

See Eloise's full take on page 20.

## Compliance pressures **are rising** for agents

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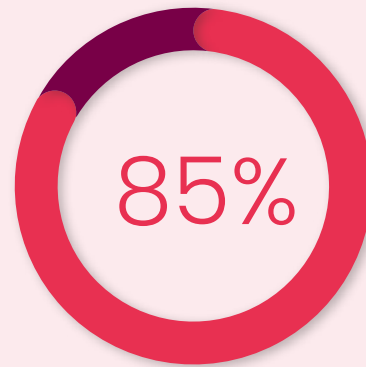


Following the introduction of the Renters' Rights Act, letting agents are navigating expanding compliance requirements.



**Ben Grech**, CEO of Reposit

With the RRA enacted, the consequences of errors involving deposits have increased. Previously, failures such as not protecting a deposit within 30 days in an authorised scheme could invalidate a Section 21 notice. Now this could impact all repossession proceedings under Section 8 therefore increasing the importance of correct deposit handling.



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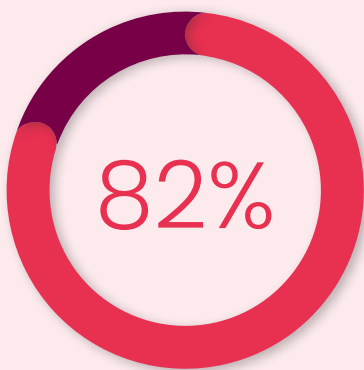
of agents feel compliance pressures increasing

If a deposit has not been properly protected, landlords may face significant delays and disruption to possession proceedings, except where claims rely on specific grounds such as anti-social or criminal behaviour.

Whilst certain serious grounds may proceed notwithstanding deposit issues, the risk of financial penalties remains. Reposit provides an alternative structure where tenants pay a non-refundable fee equivalent to one week's rent, while landlords receive up to eight weeks' cover, without the agent or landlord holding a tenant's funds as a deposit.

## Agents are feeling the **admin squeeze**

Administrative demands are increasing, compelling agents to refine processes to uphold service and regulatory standards. At the same time, a rise in claims and arrears cases is adding further strain to operational capacity.



of agents feel admin pressures increasing

In 2025, the frequency of end of tenancy charges increased by 4%, and there was a 2% rise in arrears cases compared to 2024. As a result of the new regulatory landscape, 85% of agents felt their compliance burden was rising and 82% said their admin was increasing.

**Paul Buck**, Director of Sales & Lettings,  
Boydens Estate Agency based in North Essex & South Suffolk

According to Chat GPT there are between 200 and 500 proptech firms targeting UK estate agencies. Even at the lower end, that represents a substantial pool of potential suppliers for agencies to assess and weigh up whether a product will genuinely deliver a strong return on investment or simply add complexity.

At Boydens, our digital transformation began with a clear question: *what do we want technology to achieve?* The priority was to remove as much administrative burden as possible, enabling our team to focus on generating instructions and strengthening client relationships.

Discover the core solutions that have proved genuinely transformative in driving efficiency, improving service delivery and increasing new business wins for Boydens on page 24.

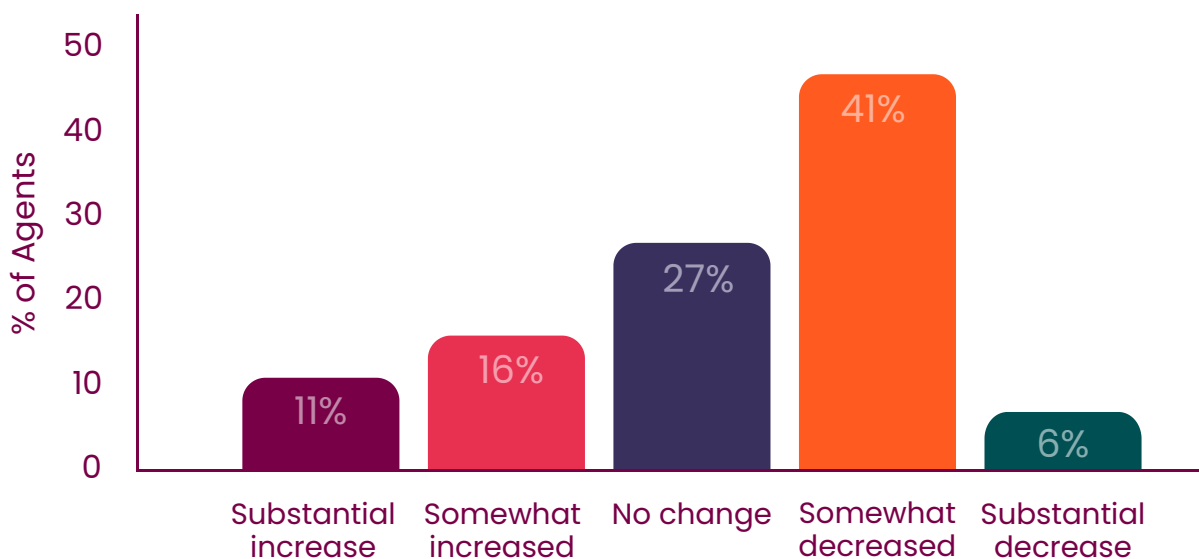


## Landlord stock levels are becoming more polarised

The lettings market is showing a diverging trend in landlord stock. While 47% of agents reported declining portfolios, others saw stock remain stable or increase, reflecting differences in investment confidence and market activity across geographic regions.

27% of agents felt there had been no change, whereas 11% felt landlord stock had substantially increased and 16% said it had somewhat increased.

### Reported changes in landlord portfolios



**Greg Tsuman**, Managing Director, Lettings at Martyn Gerrard based in North London



From what I'm seeing on the ground, it's still all about a lack of supply. Landlords are continuing to exit and there's very little new rental stock coming through, with some of their properties being sold to first-time buyers. Tenant demand hasn't really eased, so competition is still strong at around 20 applicants per property. That's nowhere near the levels we saw back in 2021 of 45 to one, but it does mean it's still very much a landlord's market.

You can find Greg's full comments on page 19.



# Key benefits of offering

## Reposit

Agents reported multiple advantages to providing flexible deposit options. 43% said the biggest benefit was the extension of landlord cover to eight weeks instead of the usual five, while 14% highlighted a reduction in admin, demonstrating both risk mitigation and operational efficiency.

83%

of agents reported spending less than an hour per tenancy managing a Reposit.

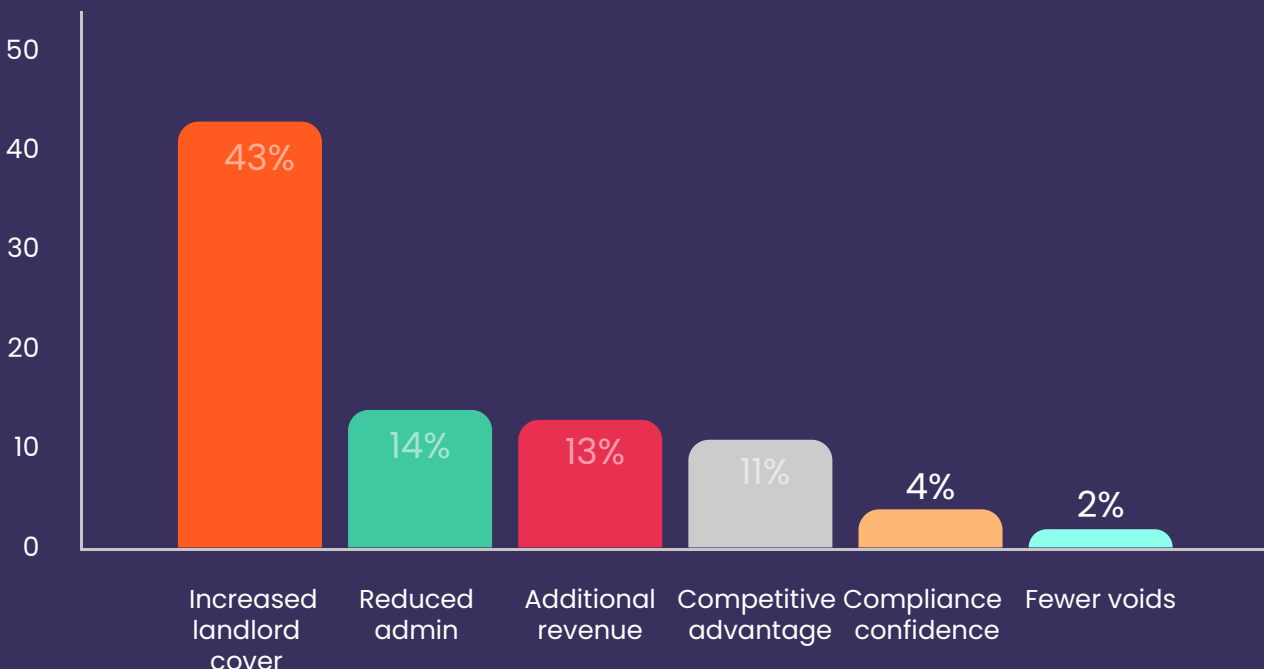
79%

of agents said the percentage of tenants choosing Reposit had increased in the last year.



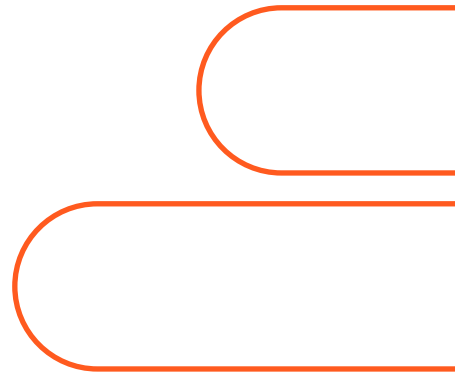
Paul Buck from multi-branch agency Boydens, reveals his ways to win with proptech in a lettings agency space on page 24 and explains how Reposit has proved transformatory in driving efficiency.

### Key benefits for agents in offering Reposit



# Agent

## Insights



Contributions from Greg Tsuman of Martyn Gerrard and Eloise Wallace of Pattinson highlight a competitive market where demand remains strong and landlords are increasingly cautious.

Both point to legislative change as a driver of uncertainty, alongside growing reliance on professional management and flexible solutions as agents adapt to evolving expectations from landlords and tenants alike.

Agent Insights

## Greg Tsuman, Managing Director for Lettings at Martyn Gerrard, a 14 branch agency in North London reveals what's happening across his patch



From what I'm seeing on the ground, it's still all about a lack of supply. Landlords are continuing to exit and there's very little new rental stock coming through, with some of their properties being sold to first-time buyers.

Tenant demand hasn't really eased, so competition is still strong at around 20 applicants per property. That's nowhere near the levels we saw back in 2021 of 45 to one, but it does mean it's still very much a landlord's market.

Rents dipped slightly towards the end of last year, but that's already turned around and they've now stabilised and started creeping up again, which I expect will continue while supply and demand stay out of balance. In London especially, buy-to-let remains hard to justify because of pricing and the stamp duty surcharge, although there's starting to be more confidence around capital growth

again, particularly for flats. Landlords are definitely more cautious now around tenants and arrears so we're seeing a clear split between those with strong references and stable incomes and those viewed as higher risk. The Government has positioned Section 8 as the route for dealing with problematic tenants, but it's still largely untested and there's a lot of concern about how the courts will cope once cases start coming through in volume.

From our side, we've been preparing for the legislative changes for a long time, so our admin workload hasn't increased significantly thanks to the

systems and automation we already have in place. Products like Reposit are also becoming far more accepted, as both landlords and tenants can see the value, particularly in a higher interest rate environment where traditional deposits don't offer much return.

Looking ahead, I expect it to remain a landlord's market, with rents continuing to rise steadily, more landlords moving towards fully managed agency services, and greater confidence now that there's more clarity around what's coming legislatively.



Agent Insights

## Eloise Wallace from Pattinson, 30+ branch agency based across the North East



In my patch, the lettings market is still really buoyant, demand is incredible. We've probably got about 10 tenants for every property and most homes are let agreed within two or three weeks. The applicants usually want to move straight away.

A lot of them are in rented accommodation already and their landlord has decided to exit the market, so they don't really have a choice but to find somewhere new. Others are thinking, they want to move to somewhere bigger while prices are still reasonable. Stock levels are slightly down, but nothing dramatic, it just feels steady and very competitive.

With the Renters' Rights Act, landlords are definitely more cautious about their tenants because they're much more aware of the risks.

The main concern I hear is about losing flexibility if a tenancy goes wrong, the idea of having to rely on Section 8 and face a

potentially lengthy legal process worries them most.

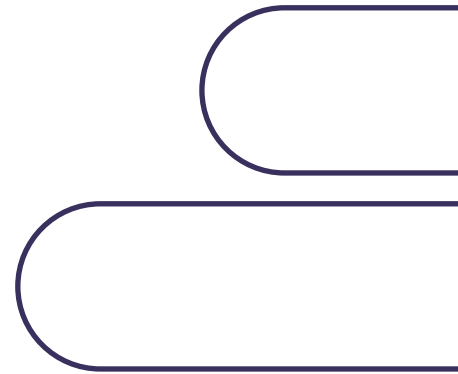
That's really where the nervousness sits. That said, many have moved from resistance to adaptation. This time last year everyone was questioning how the legislation would play out but now it's more about getting on with it and making it work. Reposit has grown massively for us over the past year. We did branch visits and training, which gave the team confidence to have open conversations with both landlords and tenants.

Landlords used to be wary, but with everything else changing, many are now saying, "Let's just go for it."

There's also a misconception that it's only for tenants who can't afford a deposit but that's not what we're seeing at all. Plenty of tenants who could pay a traditional deposit are choosing Reposit because it gives them more flexibility and helps with upfront costs, and they understand they're still responsible for any damages at the end.

Looking ahead to 2026, I think the market will stay strong. I expected more landlords to leave the space but actually fewer are joining. We find accidental landlords are understandably cautious about the changes, so we spend a lot of time reassuring them.

# Navigating Market Complexity



Analysis from Ryan Heaven and Paul Buck highlights a sector navigating growing regulatory complexity, shifting landlord dynamics and rising operational demands.

Their perspectives point to the unintended consequences of reform, including increased legal risk, upward pressure on rents and a changing landlord landscape, alongside a clear shift towards consolidation and higher expectations of agents. At the same time, they underline the growing importance of proptech and innovation in helping agencies improve efficiency, maintain compliance and deliver stronger outcomes in an increasingly complex rental market.

# The unintended consequences of the Renters' Rights Act



**The Renters' Rights Act aims to protect tenants, but could also trigger rising rents, legal risks, and fewer landlords in the market.**

Agents and landlords face a new, more complex landscape they must navigate carefully.

**Ryan Heaven, Consultant Solicitor at Woodstock Legal Services, analyses what the Act means for landlords, tenants, and letting agents alike.**

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Plenty has been talked about why the Renters' Rights Act was introduced. The intentions of improving security, fairness, and access for tenants across the private rented sector (PRS) have all been laid bare.

Yet, as with any major legislative reform, the reality is more complex with a series of likely unintended consequences that could reshape the rental landscape. From new avenues for discrimination claims, to rising rents, slower possession proceedings, and the further exodus of smaller landlords from the market, both landlords and letting agents need to understand what the legislation may bring in its wake.

## **Discrimination claims**

One of the government's stated aims for the Act is to reduce discrimination and make it easier for certain groups, such as families with children or those in receipt of benefits, to access the PRS.

The rationale is clear, if people can move from social housing or temporary accommodation into the PRS, this frees up valuable public housing stock for others in greater need.

However, the unintended consequence may be the creation of new avenues for discrimination. Under the new regime, landlords who reject tenants who can meet affordability criteria could face legal claims, financial penalties, and reputational damage, which would be particularly difficult for letting agents who rely heavily on reputation.

As landlords can no longer select tenants based on who offers to pay higher rent, relying on subjective impressions or 'vibe tests', e.g. choosing Tenant A over Tenant B because they give 'good vibes', seems very risky.

I believe this approach could lead to discrimination claims because tenants may argue they were unfairly passed over due to personal biases rather than objective criteria.

## Rising rents

Rents are likely to rise as a result of the RRA. In the student sector, only larger HMOs signed up to a code will be exempt from the new tenancy rules, leaving smaller providers exposed to greater risk if students leave their properties early.

It's likely many student landlords will simply price in any void periods, pushing rents higher across the board. At the same time across the wider PRS, tighter regulation is squeezing smaller landlords out of the market and reducing supply.

While larger institutional landlords may be able to absorb the regulatory and compliance changes, the overall effect will be fewer properties and higher rents across the PRS.

## Raising the bar for letting agents

We're going to see consolidation among landlords because of the regulatory burden. Those remaining are likely to be larger portfolio landlords, working with agents who are more knowledgeable in their grasp of the Act. This raises the bar for agents and underscores the importance of understanding the market thoroughly while demonstrating real expertise to clients.

## Bottlenecks for possession claims

With the abolition of Section 21, possession claims are expected to become slower and more complex. Without the accelerated route, landlords will need full hearings, requiring court time and judges, which risks creating new bottlenecks especially in areas like London where delays are frequent.

Longer notice periods and congested court processes mean tenants, including those in serious rent arrears, could remain in properties for significantly longer simply because the Court route takes longer.

While the government does not intend to keep non-paying tenants in place for longer, this is likely to be the result. Consequently, Landlords face greater stress, higher costs, and prolonged uncertainty.

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**Ryan Heaven, Consultant Solicitor at Woodstock Legal Services**



# How Boydens Drives Efficiency Through Proptech



Paul Buck of multi-branch agency Boydens outlines how selecting the right proptech, from deposit products to CRM platforms, can sharpen efficiency, enhance the customer journey and ultimately help agencies secure more business.

## Deposit products: Reposit

We initially approached this cautiously, given the lingering perception that tenants who opted for them might struggle financially. Some landlords shared similar concerns. In practice, however, we have not experienced rent arrears issues linked to tenants choosing this route, and attitudes have changed. Offering choice is now the norm, and failing to provide this risks losing instructions.

Across our portfolio, approximately 30% of tenancies now use Reposit, generating a compliant additional income stream. We chose Reposit because it aligned with our objectives of saving time and widening tenant choice.

We estimate it saves around three hours per tenancy. Tenants pay a lower upfront amount, freeing up cash for other uses, while landlords benefit from up to eight weeks' protection compared with the standard five-week cash deposit.

## CRM Consolidation

Another major step in our digital journey was consolidating multiple disconnected platforms into a single CRM. Bringing sales, lettings, property management and accounts onto one system has significantly reduced reliance on manual files. We have operated as a paperless firm since 2018.

Centralisation saves valuable hours and eliminates the frustration of searching across separate systems. Property records, client databases and transaction histories are stored in one place, reducing duplication and the risk of error.

While a high-quality CRM requires investment, our team has embraced it fully and the operational benefits justify the cost. Staff morale has improved as administrative pressures have eased, and a modern, streamlined system also strengthens our presentation when meeting prospective landlords.

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**The lettings sector has traditionally been cautious about change which can mean some agencies risk being left behind. Introducing proptech does not mean losing personal service; rather, it releases time to focus on higher-value client interaction. The right technologies can save substantial administrative hours, strengthen compliance in a shifting regulatory landscape and position an agency for longterm success.**

# Final Thoughts For Agents

The findings highlight a market shaped by affordability pressures, rising regulation and shifting landlord behaviour.

For letting agents, success will depend on how well they respond to these forces by removing barriers for tenants, managing risk for landlords, and using market insight to drive growth.

The following three takeaways outline where agents can focus to win more business and future-proof their operations.

## 01

### Use market insight to strategically grow landlord portfolios

Landlord stock levels are diverging across regions, and many smaller landlords are scaling back. Agents who understand local market dynamics, identify growth opportunities, and advise landlords on pricing, tenant selection, and portfolio management can secure more business and strengthen long-term client relationships.

## 02

### Better protect landlords in the face of challenging repossession processes and stretched tenant affordability

As tenant affordability continues to stretch, and there being no expected improvement in the short to medium term, agents need to ensure their landlords have enhanced protection. This is particularly relevant considering the removal of Section 21 and the expected court backlog that may come with Section 8.

## 03

### Act as a compliance and risk expert for landlords post-Renters' Right Act

The Renters' Rights Act has increased legal and compliance risks, from slower possession processes to mishandling deposits. Agents who proactively guide landlords through these changes, implement robust referencing, and ensure compliance will build trust and mitigate financial and reputational risks.

## 04

### Embrace technology & innovative products to reduce admin and unlock growth

Agents who take a deliberate approach to proptech and innovative products can significantly reduce administrative workload, improve service delivery and free up time to focus on winning new instructions. As shown by Boydens, the right tools not only drive efficiency but also enhance the customer experience and create a clear competitive advantage in an increasingly demanding market.

