

# Market Insights

As the New Year approaches, now's an opportune time to reflect on the past 12 months and consider what lies ahead in 2025.

It's been a significant year for the property market, particularly the buy-to-let (BTL) sector, with evolving regulations and economic conditions presenting unique challenges.

## SHIFTING INTEREST RATES

The Bank of England's two rate cuts have helped the market stabilise in recent months, but the elevated cost of borrowing has continued to impact on property investors.

## TAX AND REGULATION

From the Renters' (Reform) Bill and the abolishment of Section 21 to the return of higher Energy Performance Certificate (EPC) standards and a new stamp duty surcharge on second homes, the BTL market has experienced significant change this year.

## MARKET RESILIENCE

Despite these challenges, the UK property market has shown significant resilience. Average prices recently hit new highs, while rental growth has remained robust at 3.9% (Source: Zoopla December 2024).



## How are these trends impacting BTL investors and their plans for 2025?

To find out more, Butterfield Mortgages Limited commissioned a survey of 501 private landlords in the UK, offering insight into their state of mind, the impact of new policies, and their outlook for the year ahead.

### These are the key findings:

- 60% of landlords are optimistic about the future performance of their property investments.
- 56% think that suggestions of an exodus of landlords from the BTL market are greatly exaggerated.
- Looking ahead, 38% plan to increase the size of their portfolios, compared to just 10% who plan to shrink their portfolios.
- 78% of landlords are satisfied with their latest experience of working with a mortgage lender.
- Yet 71% feel lenders should take a more tailored approach to assessing mortgage applications.
- When asked what they value most about lenders and brokers, in both cases the most common answer was 'expertise around tax and regulation'.



Alpa Bhakta  
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"At Butterfield Mortgages Limited, we are committed to delivering the very best services to our clients.

Not only do we combine flexible mortgage products with a bespoke approach to evaluating every application, but we also go the extra mile by sharing our expertise and insight to help brokers navigate the evolving BTL market with confidence.

We hope you find the report valuable, and we look forward to working with you in 2025."

We invite you to download your complimentary copy of our report. It's packed with data and expert analysis to guide you and your clients through what remains an evolving market:

### Examining landlord sentiment towards the buy-to-let market: Report

In addition, you can read about our research in [FT Advisor](#), [The Intermediary](#), and [Landlord Today](#).