

Beyond Buy-to-Let: What's Next for the UK Private Rented Sector

July 1, 2025

— Categories: Real Estate

London, July 1, 2025 The UK's private rented sector (PRS) is changing. Once dominated by individual landlords using the buy-to-let model, the market is now facing major shifts due to rising costs, new rules, and changing tenant expectations.

For many years, buy-to-let was a popular choice for investors. But in 2025, things will become more difficult. Higher interest rates, stricter lending conditions, and more government regulations including the upcoming Renters Reform Bill are making it harder for landlords to make a profit.

“Buy-to-let is no longer as easy or rewarding as it used to be,” says Lisa Morrow, a housing expert at Urban Futures. “Landlords need to be more professional and better prepared to meet new standards.”

In response, some landlords are leaving the market, while others are finding new ways to adapt such as improving energy efficiency, using property management technology, or converting properties into short-term lets.

At the same time, a new trend is growing quickly: Build-to-Rent (BTR). These are modern, professionally managed rental buildings developed by large companies, often with added features like gyms, co-working areas, and on-site support. Over 90,000 BTR homes have already been built across the UK, especially in cities like London, Manchester, and Birmingham.

“Tenants today want more than just a place to live,” says James Patel, director of a London-based BTR company. “They want comfort, service, and flexibility and BTR delivers that.”

The Renters Reform Bill, expected to become law later this year, will bring big changes. It includes plans to ban “no-fault” evictions (Section 21), set up a national landlord register, and improve tenant rights. These changes aim to make renting fairer and more secure.

Experts believe that the future of the PRS will be more professional, tech-friendly, and tenant-focused. Digital platforms are helping landlords manage properties more efficiently, and new rental models such as rent-to-own and co-living are also becoming more popular.

“We’re moving into a new phase of renting in the UK,” says Morrow. “One that focuses on quality, stability, and better experiences for both landlords and tenants.”