# Millennials lead a northward shift in the UK buy-to-let market amid regulatory headwinds



Millennials have emerged as a dominant force in the UK buy-to-let market, accounting for a record 50 per cent of new buy-to-let investors in England and Wales this year, according to data from estate agent Hamptons. This marks a significant rise from previous years, with millennials—those born between 1981 and 1996—comprising three-quarters of shareholders in new buy-to-let companies so far in 2025, up from 68 per cent a decade ago. The number of new buy-to-let companies set up by millennials is estimated to be 33,395 this year, representing a 142 per cent increase since 2020. This trend underscores how a generation long considered unable to climb the housing ladder is turning to property investment as an alternative means to build wealth through bricks and mortar.

The rise of younger landlords is notable given the various challenges in the market, including rising taxes and tighter regulations. Aneisha Beveridge, head of research at Hamptons, describes the surge as "striking," highlighting that many millennials, having struggled to buy their own homes, are now leading the buy-to-let charge. Chris Norris, chief policy officer at the National Residential Landlords Association, commented that millennials are often at the peak of their careers and are following the investment patterns of previous generations by building rental portfolios. Some younger landlords may also be "accidental landlords," inheriting properties which they then let out, reflecting diverse motivations within this demographic.

The adoption of limited company structures for owning buy-to-let properties has grown in popularity, partly because it can offer favourable tax arrangements under certain conditions. While Generation X accounts for 33 per cent of new shareholders in buy-to-let limited companies, and Baby Boomers just 7 per cent, millennials now lead this trend. Additionally, Generation Z, born between 1997 and 2012, is beginning to make a presence with 10 per cent of new buy-to-let landlords.

Geographically, investor interest is shifting noticeably away from the traditionally favoured South of England. Hamptons reports that London, the South East, South West, and East of England accounted for only 34 per cent of buy-to-let purchases in the third quarter of 2025, down from 50 per cent in 2016. Within London, buy-to-let buyers snapped up 8 per cent of homes sold, the lowest since 2020. Similarly low market shares were recorded in the South West and East of England, with more than half of estate agents in these regions not selling a single home to a landlord in the quarter.

In contrast, the North East of England remains a hotspot for buy-to-let investors, with landlords accounting for 28.4 per cent of purchases during the same period—more than triple the London average. This northern appeal is driven by lower property prices and higher rental yields, which offer better returns even after factoring in additional costs like stamp duty surcharges. According to Hamptons, the North East has exceeded 20 per cent landlord purchases in nine of the last ten years.

Supporting this trend, reports from Fleet Mortgages and Paragon Bank confirm that rental yields are stronger in northern regions. The average rental yield across England and Wales stood at 7.4 per cent in late 2024, with the North East leading at an impressive 9.3 per cent, followed by Yorkshire and Humberside at 8.6 per cent and the North West at 8.3 per cent. Wales also saw healthy yields around 8.2 to 9 per cent. Recent data indicates rental yields are stable or slightly improving in many parts of the country, underscoring the attractiveness of buy-to-let in these regions despite challenging market conditions.

However, the buy-to-let sector as a whole is facing headwinds. Hamptons data shows that landlords purchased just one in ten homes in the UK during the first half of 2024, the lowest share since at least 2010. This decline is attributed to tax rises, regulatory tightening, and uncertainty around upcoming legislation such as the Renters' Rights Bill set to come into force in early 2026. This bill will introduce stricter controls on evictions and rent increases, prompting some landlords to attempt sales ahead of the changes. Yet, contrary to earlier fears, many landlords are struggling to sell and finding themselves limiting rent rises to retain tenants.

Adding to this, industry reports suggest a significant number of landlords, particularly those with smaller portfolios, are expected to exit the market due to increased costs and regulatory pressures. MoneyWeek estimates that nearly 100,000 landlords could leave the market in 2025 alone, following a sizeable exodus in the previous year. Contributing factors include the phased removal of mortgage interest tax relief, higher stamp duty surcharges, and the prospect of no-fault eviction bans, all of which make buy-to-let investments more challenging.

Despite these pressures, the current attractiveness of rental yields and opportunities in northern regions are sustaining investor activity, particularly among younger landlords who appear to be reshaping the profile and geography of the UK rental market. This evolving landscape reflects broader economic and generational shifts, with millennials leveraging different strategies to establish financial security through property ownership amid complex market dynamics.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-stable-across-england-and-wales/541479)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 4 – [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/buy-to-let-investments-move-north-as-landlords-seek-better-yields/535285)
* Paragraph 5 – [[3]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-rise-across-england-and-wales/519671), [[4]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-stable-across-england-and-wales/541479), [[6]](https://blog.magnateassets.com/uk-buy-to-let-yields-14-year-high)
* Paragraph 6 – [[5]](https://wales.landlordsguild.com/article/buy-to-let-purchases-hit-record-low-in-2024/), [[7]](https://moneyweek.com/investments/property/landlords-forecast-to-exit-buy-to-let-market)
* Paragraph 7 – [[7]](https://moneyweek.com/investments/property/landlords-forecast-to-exit-buy-to-let-market), [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 8 – [[1]](https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/buy-to-let-investments-move-north-as-landlords-seek-better-yields/535285), [[3]](https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-rise-across-england-and-wales/519671), [[5]](https://wales.landlordsguild.com/article/buy-to-let-purchases-hit-record-low-in-2024/), [[6]](https://blog.magnateassets.com/uk-buy-to-let-yields-14-year-high), [[7]](https://moneyweek.com/investments/property/landlords-forecast-to-exit-buy-to-let-market)

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## Bibliography

1. <https://www.dailymail.co.uk/money/buytolet/article-15180473/Record-number-millennials-landlords-despite-struggling-housing-ladder-themselves.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.mpamag.com/uk/mortgage-types/buy-to-let/buy-to-let-investments-move-north-as-landlords-seek-better-yields/535285> - A report from Mortgage Introducer highlights a significant shift in the UK buy-to-let market, with investors increasingly focusing on the North and Midlands. Between January and April 2025, 39% of buy-to-let transactions occurred in these regions, up from 34% in 2022 and 24% in 2007. This trend is driven by lower property prices and higher rental yields compared to the South. For instance, investors in the North and Midlands spent an average of £150,480 on properties, nearly half the £292,240 average in the South. The report also notes that nine of the top ten local authorities for buy-to-let activity since the stamp duty surcharge increase are located in the North or Midlands, with Redcar and Cleveland leading at 50% landlord purchases.
3. <https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-rise-across-england-and-wales/519671> - According to data from Fleet Mortgages, the average rental yield across England and Wales reached 7.4% in the fourth quarter of 2024, marking a 0.6% annual increase and a 0.2% rise from the previous quarter. The North East led with the highest average rental yield at 9.3%, followed by Yorkshire and Humberside at 8.6%, and the North West at 8.3%. Wales also saw an improvement, posting an 8.2% yield after a 0.5% annual increase. The report indicates that rental yields remain predominantly positive, with the West Midlands being the only region to experience a year-on-year decline.
4. <https://www.mpamag.com/uk/mortgage-types/buy-to-let/rental-yields-stable-across-england-and-wales/541479> - Fleet Mortgages' Q2 2025 Buy-to-Let Rental Barometer reveals that rental yields across England and Wales have remained stable, with a slight increase from 7.4% in Q1 2025 to 7.5% in Q2. On an annual basis, yields dipped marginally by 0.1%. Wales recorded the highest average yield at 9%, up from 8.3% a year earlier. The North West followed at 8.8%, with the North East close behind at 8.7%. Despite some regions experiencing annual declines in yields, the overall market shows resilience, with the North East continuing to lead with the highest average rental yield.
5. <https://wales.landlordsguild.com/article/buy-to-let-purchases-hit-record-low-in-2024/> - Research by property firm Hamptons indicates that buy-to-let purchases in the UK have declined to a record low, with landlords buying one in ten homes in the first half of 2024—the lowest share since records began in 2010. This decline is attributed to tax and regulatory changes that have made buy-to-let investments less attractive. The report also notes that the market is not experiencing a landlord exodus; rather, fewer new investors are entering, leading to a reduction in the supply of rental homes and pushing up rents as tenant demand increases.
6. <https://blog.magnateassets.com/uk-buy-to-let-yields-14-year-high> - Data from Paragon Bank reveals that UK property investors are experiencing the strongest average rental yields in over 14 years, with yields reaching 7.11% as of April 2025. This marks the highest point since February 2011. The surge in rental yields is driven by sustained tenant demand and a limited supply of rental properties, against a backdrop of stabilising property prices. The report highlights a consistent upward trend from the market low of 4.91% in May 2017, indicating a robust buy-to-let market.
7. <https://moneyweek.com/investments/property/landlords-forecast-to-exit-buy-to-let-market> - An article from MoneyWeek discusses the growing number of UK landlords exiting the buy-to-let market, driven by rising costs, tighter regulations, and tax changes. Nearly 100,000 buy-to-let landlords are expected to leave the market in 2025 alone, following a drop of 65,000 the prior year. The exodus primarily involves landlords with smaller property portfolios, who are finding the market increasingly challenging. Key reasons include the phased removal of mortgage interest tax relief, increased stamp duty surcharges, and the looming impact of the Renters Reform Bill, which includes ending no-fault evictions.