INTRODUCING

NEXT GEN LANDLORDS

Building a sustainable and representative buy to let sector.
A new perspective from Rely, part of OSB Group.

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WHY NEXT GEN LANDLORDS?

WHY NOW?

Foreword by Jon Hall
Group Chief Commercial Officer, OSB Group

The Private Rented Sector is changing – and changing fast. Those who win will be the landlords on a mission to provide the best service and support for their tenants.

But who will those future landlords be?

With a sector driven and characterised by varying policy changes and opportunities over the last two decades, landlords are set to look very different in the future. As a leading buy to let lender and champion of professional landlords, we set out to understand the shape of what's to come.

In partnership with demographic researcher Trajectory, we've uncovered a fresh new face for landlording going forward. It's fair to say that the sector has reached a pivotal point. And in the decade to come, while the number of landlords is set to remain unchanged, who they are will change dramatically.

We've identified a future sector with more women and more ethnically diverse backgrounds. In short, a group who are more representative of the UK's demographic makeup.

Crucially, what aligns these groups is their enthusiasm for positive impact, their commitment to doing the right thing by tenants, and a drive for professionalism from the get-go.

They signal a future private rented sector filled with pragmatic hope. A sector in service of the millions of people who choose or need to rent rather than buy. And a sector we're delighted to support in its growth, one home at a time.

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"Inheritance will become the primary route into landlording, with many new entrants acquiring property or capital through family transfer."

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EXECUTIVE SUMMARY

The UK private rented sector (PRS) is entering a period of significant demographic transition. While the overall size and importance of the sector is set to remain stable, continuing to house around one in five UK households, the profile, motivations, and behaviours of landlords are set to change markedly over the next decade.

A large cohort of existing landlords – primarily Baby Boomers and Gen X – is expected to exit the market, creating space for a new generation of landlords dominated by Millennials and Gen Z. And while this shift won't significantly alter the average age of landlords or the number of landlords in the market, it'll fundamentally reshape the sector's diversity, values, and approach.

The next generation of landlords will be more gender-balanced, more ethnically diverse, and more representative of the UK population.

They'll also be more purpose-driven; more motivated by delivering positive tenant experiences, contributing to their communities, and operating professionally from the outset alongside achieving financial returns.

In additon, inheritance will become the primary route into landlording, with many new entrants acquiring property or capital through family transfer.

This report identifies several distinct future landlord segments, ranging from established landlords who'll remain in the market, to affluent and socially motivated Millennials, entrepreneurial Gen Z entrants, and a sizable group of potential landlords. These groups differ in wealth, scale, and intent, but collectively signal a future professional, tenant-centric shift.

Overall, the PRS is evolving into a more diverse, professional, and socially conscious sector. This transformation will require adaptation from lenders, policymakers, and industry stakeholders to support new ownership pathways, financial needs, and higher expectations around tenant experience.

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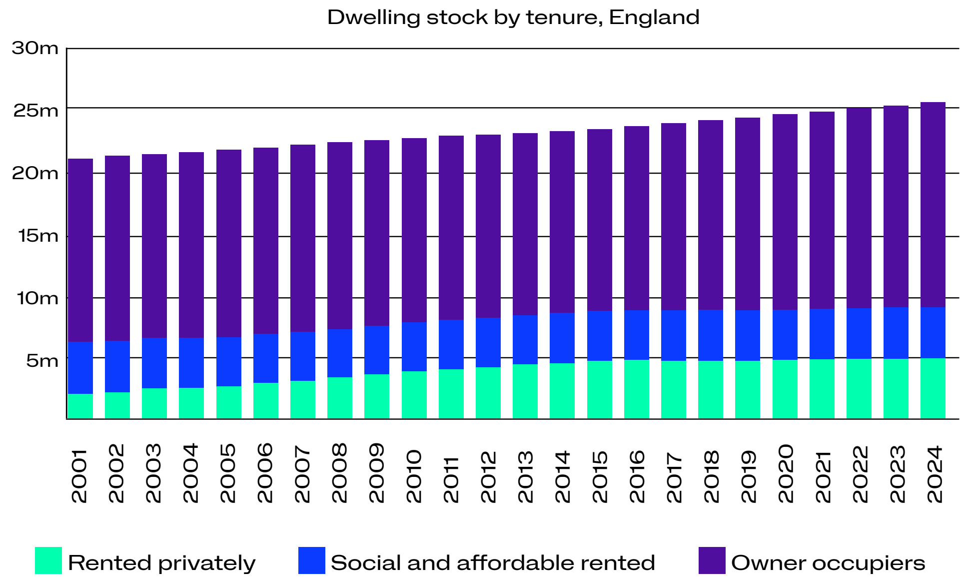
UNDERSTANDING TODAY TO SHAPE TOMORROW

A VITAL SECTOR

The PRS is vital in the provision of housing in the UK, supporting an estimated 4.7m households from 1980–2024. That's one in five (19%) households living in rented accommodation. A further 16% are currently supported through social housing.



When it comes to tenants, their experiences are largely positive (81%). However, this figure has declined since the turn of the decade and is lower for those living in social housing (75%) – something policymakers are particularly focused on improving.

Source: English Housing Survey.

81%
of tenants say their experiences are largely positive

75%
of social housing tenants say their experiences are largely positive

4.9M
OR
19%
of all properties are rented privately in England

78%
of tenants say they 'feel at home'

75%
of private renters move within the PRS

54%
say they live in the area they want

Key housing option

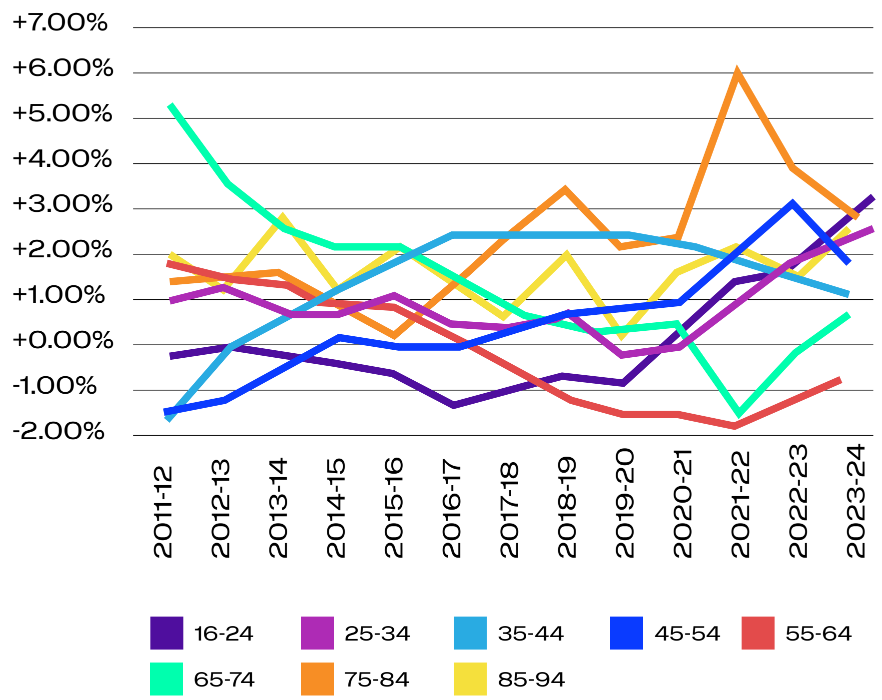
The PRS is a key housing option for a growing segment of the UK population who are delaying home ownership. Nearly two-thirds of all private renters are under the age of 45, with the age of first-time buyers increasing.

Source: English Housing Survey

Fastest growing demographic

Those aged 16-24 and 25-34 formed the two fastest-growing PRS demographics in 2024. And it's no wonder, with the PRS offering flexibility of location and employment mobility.

Annual population change by age group



> 61% of recent buyers say that property ownership is less flexible than renting and limits their preferred residential areas."

UNDERSTANDING TODAY TO SHAPE TOMORROW

PERFECTLY PLACED PROFESSIONALS

In recent years, a distinction has been drawn between professional landlords (typically characterised as those for whom being a landlord is their main income source), and part-time landlords (sometimes referred to as 'amateur', 'accidental' or 'dinner party' landlords, who rent out fewer than four properties in addition to their main job).

While many smaller landlords have challenged the term 'amateur', saying it derides a role they take seriously, the reality is that professionalism is increasingly required regardless of portfolio size. Those deemed professional because they're set up as limited companies, with support and infrastructure, are those that are better placed to thrive in the future.

The buy to let market is consolidating toward professional landlords with complex financing needs

Legal structure as a limited company

c.75%

of buy to let purchases were made through a limited company in 2025, up from c.50% in 2021. A more flexible and efficient structure to hold properties.

Higher average portfolio size

c.55%

of buy to let properties in the UK are in portfolios of greater than 4 properties. Average size of a limited company portfolio is 12.8 properties.

Diversification of property types

21%

of landlords hold at least one House in Multiple Occupation (HMO), increasing to 35% for those with portfolios of 4 or more properties.

Professional landlord confidence is high, post recent developments, having adapted to the evolving market

Taxation Changes (Budget 2025)

- Incorporated landlords remain subject to corporation tax
- Not impacted by new property income tax bands and freeze in tax thresholds

Renters' Rights Act 2025

- Can spread impact of abolition of Section 21 across a portfolio
- Stability of tenancies aligns with long-term portfolio management strategies when considering open ended tenancies
- Annual rent increase restrictions are better managed by a landlord that can move tenants through property types as their needs change

Warm Homes: EPC & MEES

- Expenditure spread across portfolio, work can be scheduled during tenant gaps or can relocate tenants easier and can potentially negotiate bulk contracts
- Professional landlords recognise an energy efficient asset is more desirable and generates higher yield

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UNDERSTANDING TODAY TO SHAPE TOMORROW

LANDLORD CONFIDENCE

We're seeing some key drivers for landlords increasing over time. In our most recent Landlord Leaders survey, we found:

Role and purpose is key

62%

believe they provide a vital service to the UK by housing those who need it most, up from 51% last year.

Optimism is up

62%

of landlords now feel optimistic about operating as a landlord, up from 47% last year.

A further

25%

acknowledge there are challenges ahead, but still describe the outlook as positive, highlighting pragmatic confidence rather than blind optimism.

Tenant centricity is fundamental

82%

describe their relationship with tenants as positive.

59%

have spoken directly to tenants to better understand their needs.

55%

are spending more time thinking about tenant experience.

Source: OSB Group Landlord Leaders research 2025/2026

70%

of landlords have already updated properties ahead of EPC requirements.

Landlords today

According to the Next Gen Landlords research, today's landlords are most likely to come from either Generation X (31%) or Baby Boomers (23%), be men (64%), and be White British (89%).

They're most likely to have become a landlord through inheriting property (27%) or letting out a property they had previously owned (27%), with 21% building their property portfolio through buy to let mortgages. This group is split between those who remain committed and those whose short or mid-term strategy is to exit their portfolio.

James, 53, Kent, owns one flat in London:
"I can see us having it for another 10 years at the moment. It doesn't make sense to sell it. We'll keep hold of it until it does make financial sense [to sell it]. It's in a great location – people will always want to rent off us there."

"I can see us having it for another 10 years at the moment. It doesn't make sense to sell it. We'll keep hold of it until it does make financial sense [to sell it]."

James, 53, Kent, owns one flat in London

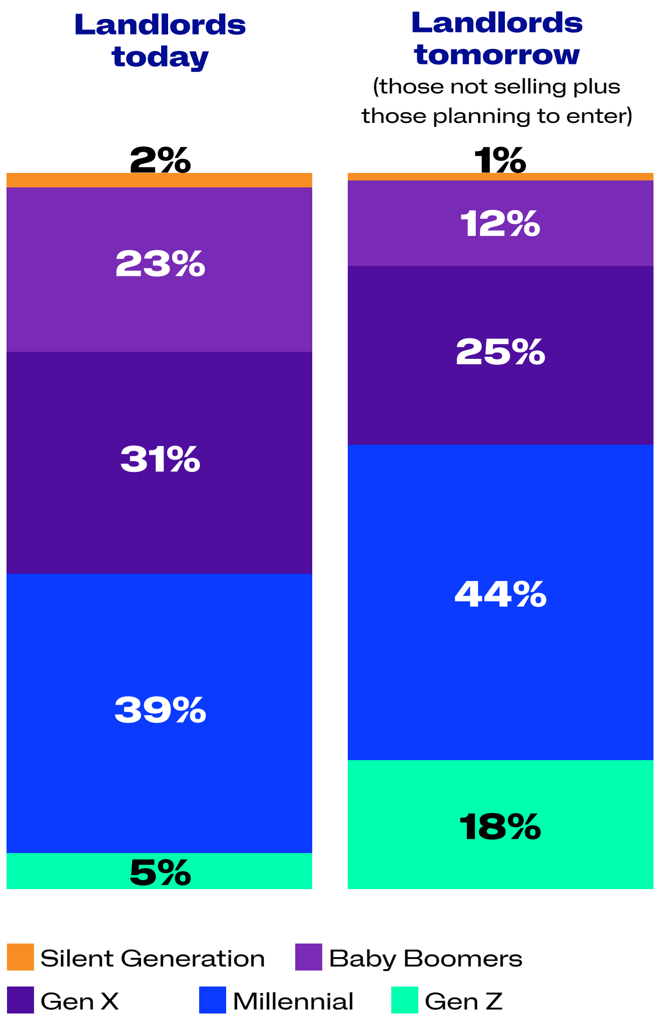
THE CHANGING FACE OF

NEXT GEN LANDLORDS

We're set for a generational shift in landlords over the next decade. Today, the majority (54%) of landlords are either Baby Boomers or Gen X. In 10 years, that group will decrease by 31% to represent just over a third of the landlord population (37%), with the majority of exits coming from landlords who are Boomers today.

Concurrently, the next generations will rise, with almost half (44%) of all landlords expected to be Millennials and nearly one in five (18%) to come from Gen Z.

As the role moves down the generations, the changes won't drive a significant shift in the average age of landlords. But they will drive a significant change in approach, attitude and demographics beyond age.



Next Gen Landlords Research
(Existing Landlords n=507 / Future Landlords n =658)

Gender shift

The generational shift will drive a far higher proportion of women into being landlords – predicted to rise to 42% from 36%, while the proportion of men drops to 58% from 64%.

This uplift reflects modern society's improved workforce equality, higher salaries and increased female financial independence – liberties which were yet to be realised for the Boomers and Gen X-ers who form the majority of today's landlords.

Ethnic shift

Alongside more women entering the PRS, the future landlord market comprises a far higher proportion of ethnic minorities when compared to landlords today.

Just 11% of current landlords have a minority ethnic background, yet this more than doubles to 23% in the future. The increase comes from a sharp rise in Black British and Indian ethnicities amongst the future landlords market, with each group more than doubling when compared to the existing market.

This is again reflective of the changing shape of the UK population and signifies a more diverse and representative future landlord sector.

When assessing other generational drivers, our research also uncovered that the future landlord population will have a lower income than current landlords – likely a consequence of lifestage. Likewise, this is true of home ownership, with current landlords more likely to own their house outright.

The one other notable insight is around education. Today and in the future, landlords are most likely to be graduates (representing around half of landlords). However, in the future we expect there to be a slight uplift in landlords with a higher university degree, i.e. a doctorate or MBA.

"We don't have much left on the mortgage because we bought it [her current house near Docklands] when we were 20 - a long time ago! We bought it for a very good price. I feel that if we bought somewhere and rented it out it would be an income for us as a family. I'm good with money and I'd rather put my money into an investment than materialistic stuff."

Rina, 40, London

FROM

ASPIRATION TO REALITY

HOW THE NEXT GEN WILL BECOME LANDLORDS

Inheritance is the primary driver of confidence for those who aspire to become landlords in the future, with more than a third (36%) saying they expect to inherit a property or properties that they can rent out. Additionally, 21% say they expect to inherit money that they can use to purchase a rental property, and 13% say they expect to inherit a current property portfolio from a family member.

Inheritance a major driver for next gen landlords

Sarra, 38, Tamworth, aspiring landlord who expects to inherit family property:

"My Mum is looking to move abroad or to move elsewhere, so there's a good opportunity to rent her house out. Not knowing what to do with that property, renting is a good thing to do first while I decide what to do. I know a few people who rent and they live quite comfortably."

Aspiring Future Landlords survey

Future landlords were asked:

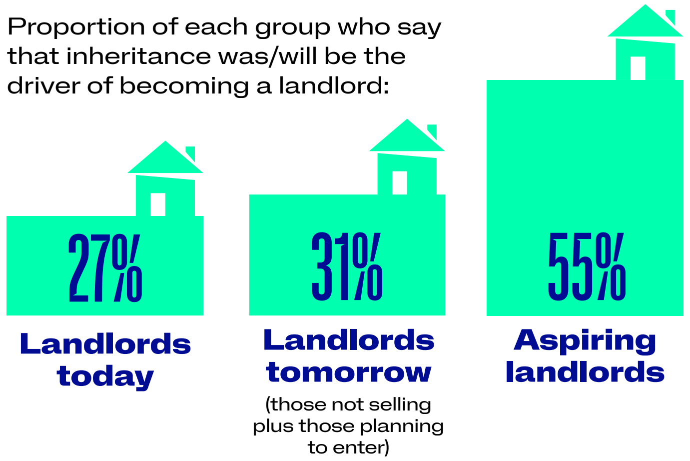
Which of the following are reasons why you feel confident in becoming a landlord in future?

I expect to inherit a property/properties that I can rent out	36%
I have savings that will allow me to buy property to rent out	27%
I plan to take out a buy to let mortgage to purchase rental property	21%
I expect to inherit money that will allow me to buy property to rent out	21%
I have a property that I currently own that I plan to rent out to tenants	19%
I have a property that I currently live in that I plan to rent out to tenants	15%
I expect to inherit a private rental sector business from a family member	13%
I plan to use a different form of borrowing to buy property to let	7%
Don't know	2%
Other please specify	1%

NB: Respondents could select as many options as they liked.

When compared to existing landlords, this marks a considerable increase, with only 27% saying that they became a landlord due to inheriting a property.

Proportion of each group who say that inheritance was/will be the driver of becoming a landlord:



"We thought an investment in property would be a good idea... We like property, it worked for us."

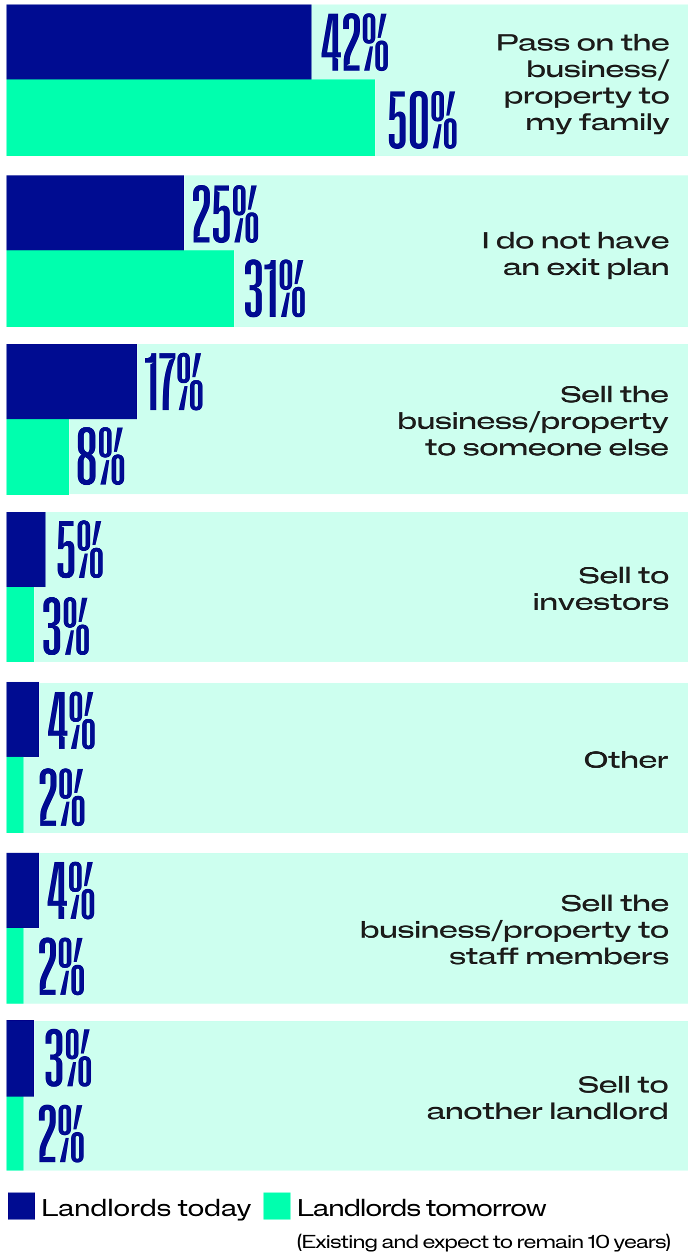
James, 43, Hawkshurst, current landlord with one flat. He chose to invest a windfall in property

Future landlords who expect to remain in the market beyond the next decade are more likely to plan to pass on their property to a family member when they exit the market.

50% of the future landlords market intend to pass on their property to family, compared to only 42% of the total existing landlords market. This suggests that inheritance is set to play an increasing role in future decades, meaning those whose parents or family members who don't own property are likely to find it more difficult to become landlords themselves.

Raghu, 43, Dartford, runs a wholesale grocery business that his children have no desire to take on, so he can't pass money to them that way. He sees rented properties as different as they can be passed on directly in the long-term while also providing some short-term security. "If something happens to me ... at the end of the day, the property will go to a family member."

Which of the following best describes your plan for 'exiting' or divesting of your business/property?



"If something happens to me ... at the end of the day, the property will go to a family member."

Raghu, 43, Dartford, runs a wholesale grocery business

MEET OUR

NEXT GEN LANDLORDS

When we look 10 years out, our Next Gen landlords span those committed to remaining in the market as well as many new entrants. As we've learnt, the baton of rental responsibility will be passed through the generations, with today's Millennials having the biggest overall impact.

THE KEEPERS

The Keepers are current Gen X landlords who plan to stay in the market for at least the next 10 years, where they will represent almost a quarter (23%) of all landlords.

They're typically committed, well-off couples and families in their early 50s with a median income of £80,000. They have an average portfolio of two properties worth £750,000 which they've held for more than 14 years through borrowing. They intend to keep their properties for at least 10 years or keep them in the family. Yet despite this commitment, they're the least positive of our future landlords, in part due to the flux and change they've seen in recent years.

"The money comes in but I don't need to involve myself very often. They just trickle along ... leave well alone." She believes the upside of being a landlord is "being able to own a property that one day will be inherited or pay for my care home."

Catriona, 58, Granborough, owner of seven properties, has no short or medium plans to sell

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RENTREPRENEURS

Our youngest group of aspiring landlords are from Gen Z. This group are set to account for nearly a fifth (18%) of landlords in 10 years' time. A third are UK global majority, while two thirds are Gen Z, in their late 20s today. This group also has the highest representation of single people (34%). The majority see inheritance as their route into the sector and are motivated entrepreneurs, with 94% liking the idea of being their own boss.

"I like the idea of being my own boss, it is one of my main motivators – I don't have to completely rely on a corporate job."

Punit, 30, Harrow

CAPABLE BUT CAUTIOUS

There's a future category who could account for as much as 28% of the market. These Capable but Cautious individuals are older Millennials and younger Gen X-ers who are financially secure (£50,000 average income, 37% have paid off their mortgage). Nearly half (44%) have rental experience that motivates them, however they're also the group most likely to have had experience that puts them off (21%). They're not excluded by income, but are constrained by confidence. They need reassurance and are more likely to enter if they feel the market is stable or rising.

"I'd rather just work for myself." However, she plans to use an agent to manage her future properties: "I would be too scared to sort it out myself."

Rina, 40, London

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The last group are affluent Millennials, set to represent the majority (31%) of landlords in 10 years' time. They split into three distinct cohorts:

POSITIVE IMPACT PORTFOLIOS

Positive Impact Portfolios are the group most positive about the opportunity and will represent a tenth of the future market (11%). They're in their mid-30s with young families (95% live with children), and are the most affluent of all our groups, with an average income of £125,000. They already have two to eight properties, with an average total value of £2 million built up over eight years. They started life as landlords through either inheritance or using their own home. One third (32%) are already operating as limited companies. They're positive and optimistic about property and motivated to have a positive impact on their tenants.

“As a landlord, you're not thinking about how to make the most amount of money – that's a bonus. You're hoping that your property is going to go up in value, your tenants pay the rent and keep the property in good condition ... [tenants] then become homeowners [and they're grateful to their landlord] and that gets spread. I'm a firm believer in karma; it's Hindu religion. Give back to society, be grateful.”

Danesh, 48, Manchester

LANDLORDS WITH HEART

The second Millennial cohort is the smallest at just 5%, but one with huge potential impact. They own one property today, primarily through inheritance, with values ranging from £175,000 to £4.5m. They're also high earners, with incomes on average of £91,000, and the vast majority (82%) own their own home. This group is most motivated to provide property to those who need it most.

REIMAGINING RENTALS

The final Millennial cohort are multicultural families in their mid-thirties. More than a third (38%) are UK global majority and their entry into the rental sector is expected to come from inheritance (47%). This group is earlier in their property ownership journey, with 41% still paying a mortgage and 32% still renting. This drives their key motivation, which is to improve on their own renting experiences and make a positive local impact.

“...as a landlord, I will have more free time and be able to give to my local community; there could be so many people that need support in terms of moving property.”

Raghu, 43, Dartford

Our analysis shows four broad groups of future landlords, each formed of different demographics and motivations which will drive different approaches to reimagine the face of the private rental sector.

	All	The Keepers	Positive Impact Portfolios	Landlords with Heart	Reimagining Rentals	Rentrepreneurs	Capable but Cautious
Generation	Gen Z 14% Mill 29% Gen X 27% Boom 25%	Gen X 52% Boomer 30%	Mil 100%	Mil 100%	Mil 100%	Gen Z 60% Gen X 31%	Gen Z 14% Mill 29% Gen X 27%
Market optimism	+ve 49% -ve 43%	35% -ve	96% +ve	91% +ve	96% +ve	82% +ve	Proportionate
Portfolio size	0-1	1-8	2-4	1	0	0	0
Portfolio value	£375k-2m	£375k-2m	£750k-4.5m	£175-4.5m	0	0	0
Ltd/similar	25%	26%	32%	7%	NA	NA	NA
Entry method	Borrow 27% Inherit 27% Previous property 39%	Over index borrow	Over index inheritance	Majority inheritance	Expect inheritance 47%	Expect inheritance 61%	NA

Methodology

Trajectory surveyed 1,509 current and potential landlords online and conducted 10 in-person interviews in February and March 2026. To create the next gen (next generation) landlord typologies we applied a cluster analysis to the quantitative survey data. Cluster analysis is a statistical method that groups together people with similar attitudes and behaviours based on their responses to the survey questions.

About Trajectory

Trajectory is a strategic insight and foresight consultancy. Established in 2008, it specialises in the full range of insight and foresight methodologies. Its work tends to be applied to understanding the implications of longer-term and strategic change for its clients.

About Rely

Launched in 2025, Rely is a buy to let lending powerhouse dedicated to fuelling the success of brokers and property investors alike. From first-time landlords to those with extensive portfolios, LLCs and less-than-perfect credit files, Rely supports the full-breadth of the PRS.

About OSB Group

OSB Group is one of the UK's leading specialist lenders. Providing bespoke solutions for customers often underserved by mainstream mortgage providers, its activities include buy to let, residential, bridging, commercial and semi-commercial, residential development finance and asset finance.

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