

## PRESS RELEASE



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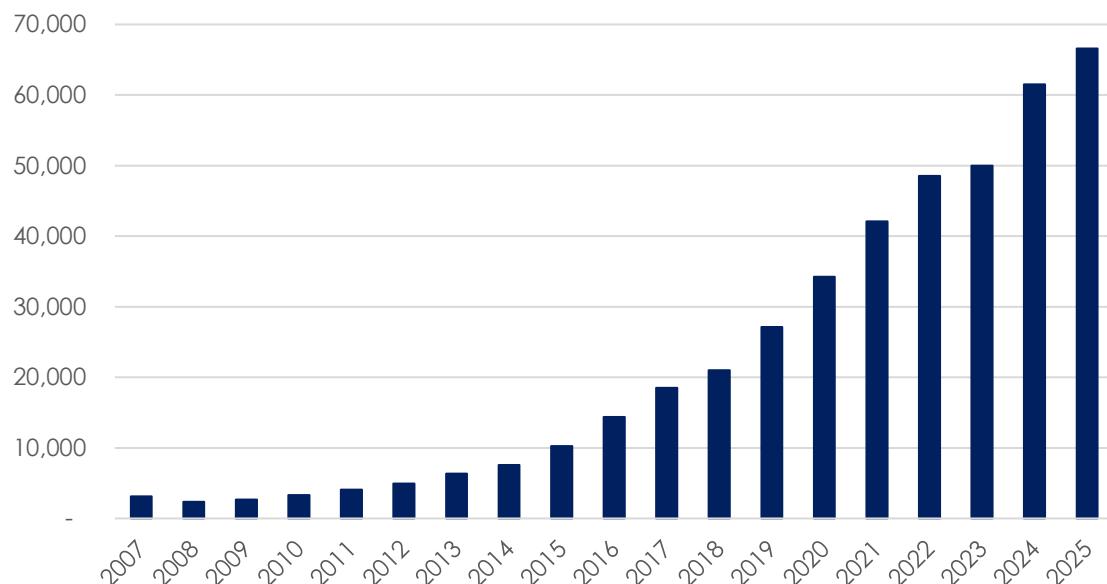
Hamptons Monthly Lettings Index – January 2026

### RECORD 66,587 BUY-TO-LET COMPANIES SET UP IN 2025

The number has risen by 8% from the previous high set in 2024, and 363% over the last decade

- New buy-to-let firms were the UK's second-most common type of new company founded in 2025, surpassed only by those offering mail order services (table 1).
- By the end of 2025, there were 443,272 active UK buy-to-let companies registered at Companies House - nearly five times (4.9x) the 91,278 recorded in 2016.
- The numbers have continued to rise in 2026, with new incorporations running 11% above the same month last year, suggesting the trend is still accelerating.
- Annual rental growth on newly let homes fell for the seventh month in a row in January, down 0.2%, taking the average rent to £1,366 pcm in Great Britain (chart 3, table 3).

Chart 1 – Number of new buy-to-let limited company incorporations (UK)



Source: Hamptons and Companies House

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Hamptons' analysis of Companies House records shows that 66,587 new companies were formed to hold buy-to-let property in 2025 (Chart 1). This represents an 8% increase on 2024's total of 61,517 and a 363% rise over the last decade.

This rise comes despite investors accounting for a smaller share of home purchases. Across Great Britain, investors bought 10.8% of homes in 2025, down from 11.9% the year before.

Growth in the number of incorporations began to build in 2016, when mortgage interest relief started to be phased out for higher-rate taxpayers owning buy-to-lets in their personal names. Today, more than three-quarters of new buy-to-let purchases are made through limited companies. Although, rising incorporation numbers also reflect landlords transferring existing privately-owned buy-to-lets into corporate structures.

The number of new companies established peaked at 6,493 in September 2025, the highest monthly figure on record. More than 5,000 companies were established in 10 out of the 12 months during 2025.

Table 1 – Number of buy-to-let limited companies set up in 2025 relative to other types of business

Take-away food shops	1.8x
Hairdressers and beauty treatments	2.6x
Cafes and unlicensed restaurants	3.4x
Residential housebuilders	3.4x
Licensed restaurants	3.7x
Car showrooms	4.5x
Pubs and bars	5.9x
Plumbers	6.3x
Estate agents	9.3x
Gyms	12.2x

Source: Hamptons and Companies House

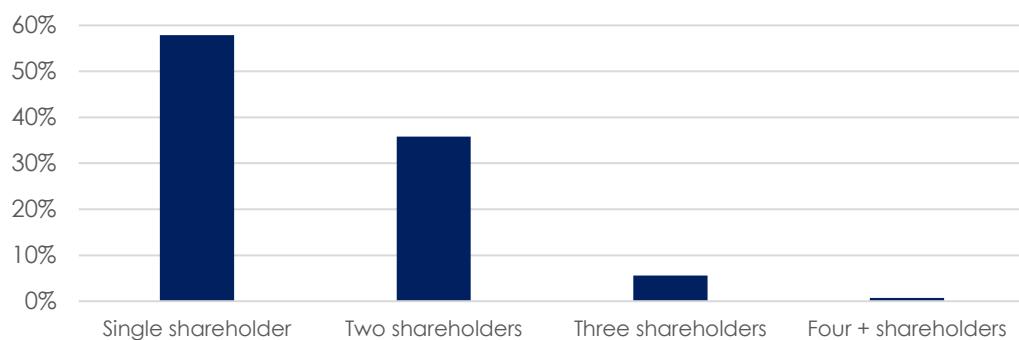
Buy-to-let companies also ranked among the most common types of new businesses created in 2025. They were the second most frequent business category, behind mail-order firms, and ahead of management consultants. There were 1.8x more buy-to-let businesses established in 2025 than takeaway businesses, 5.9x as many pub/bar businesses, and 9.3x as many estate agents (table 1).

This momentum has carried into 2026, with 5,922 new buy-to-let limited companies set up in January 2026 - 11% more than the same month last year, suggesting the trend shows little sign of slowing.

## Ownership Structure

The 66,587 companies formed in 2025 were owned by 103,280 shareholders. Notably, 42% of companies established last year had more than one shareholder (chart 2), up from 34% in 2016. Limited companies increasingly enable co-investment.

Chart 2 – Number of shareholders in limited companies set up in 2025 to hold buy-to-let properties



Source: Hamptons and Companies House

By the end of 2025, the total number of buy-to-let companies registered with Companies House had reached 443,272, nearly five times (4.9x) the 91,278 recorded in 2016.

Across England and Wales, there are now more than three-quarters of a million property titles (755,042) held in a buy-to-let company, up from 272,964 a decade ago. We estimate this equates to around 1.5 million buy-to-let properties within a limited company structure.

Table 2 – Location of purchases by buy-to-let businesses

Company location	Property location										
	London	South East	South West	East	East Midlands	West Midlands	North East	North West	Yorks & Humber	Wales	
London	49%	10%	4%	7%	3%	4%	5%	14%	4%	1%	
South East	12%	63%	4%	3%	3%	2%	3%	6%	3%	2%	
South West	3%	7%	71%	2%	1%	3%	2%	5%	3%	3%	
East	13%	6%	3%	57%	5%	3%	4%	6%	4%	1%	
E. Midlands	3%	2%	1%	3%	73%	4%	2%	4%	6%	1%	
W. Midlands	3%	3%	5%	2%	4%	61%	3%	14%	4%	3%	
North East	4%	3%	1%	1%	1%	1%	82%	5%	3%	0%	
North West	3%	2%	1%	1%	1%	2%	2%	84%	3%	1%	
Yorks & Humber	1%	1%	1%	1%	4%	1%	4%	5%	84%	0%	
Wales	2%	1%	3%	0%	1%	2%	1%	5%	1%	86%	

Note: The table shows where buy-to-let companies have made their purchases. For example, 14% of purchases by London-based companies are in the North West of England, and 49% are in London.

Source: Hamptons and Companies House

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While 31% of these companies have their headquarters in London, their portfolios span far beyond the capital. 51% of purchases made by London-based companies are located outside the capital (Table 2).

London-based companies now own more property titles in the East of England, South East, North West and North East than all other companies investing there from outside the region.

### Corporate Ownership More Widely

Buy-to-let investors are not alone in turning to corporate structures. The total number of companies (all types) registered at Companies House has risen 48% over the past decade, reflecting the growing tax burden on private individuals.

Since the last increase in April 2021, the personal allowance and higher-rate income tax threshold have declined by 27% in real terms. Had these thresholds kept pace with inflation, the personal allowance would stand at £15,995 today instead of £12,570, while higher-rate tax would begin at £63,968 rather than £50,270.

For landlords – many of whom receive rental income alongside PAYE salaries - the freeze in allowances has been particularly painful. This has made the ability to hold and pay tax on rental income in a corporate structure increasingly valuable.

### Rental Growth

The first month of 2026 brought signs that falls in rental growth are beginning to moderate. Across Great Britain, the average rent on a newly let home declined by 0.2% in the year to January 2026, bringing the average to £1,366 pcm (table 3).

Chart 3 – Annual change in the cost of newly agreed and renewal rents



Source: Hamptons

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Meanwhile, over the same period, the average tenant renewing a contract saw their rent rise by 2.8% to £1,305 pcm (table 3).

The slowdown has been driven by the South of England. Inner London rents have been falling for 13 consecutive months, and Outer London for the past eight months. Meanwhile, the South East, the region most economically tied to the capital, has now seen four months of annual declines. Together, these regions account for around one-third of Britain's rental homes.

Rental growth on newly let homes has also run below 1% for the past four months in both the East of England (0.8% YoY) and the South West (0.5% YoY).

Further North, the pace of growth has also been easing. In Scotland, newly agreed rents fell annually (-0.2%) for the first time since July 2020 (table 3), signalling the unwinding of steep rises linked to rent controls enforced by the Scottish government between 2022 and April 2025. In 2022 and 2023, rents in Scotland increased by an average of 10% per year.

In Yorkshire and The Humber, rents on newly let homes have been falling for six months, down 1.4% in January to £915 pcm.

London was the only region where renewing tenants saw their rent decline, with renewed rents down 1.5% year-on-year to £2,222 pcm. However, excluding London, renewed rents across Great Britain rose 5.2% in January to £1,070 pcm (table 3).

Table 3 – Annual rental growth by region in the year to January 2026

Region	New lets		Renewals	
	Average monthly rent	YoY %	Average monthly rent	YoY %
<b>Greater London</b>	<b>£2,283</b>	<b>-1.3%</b>	<b>£2,222</b>	<b>-1.5%</b>
Inner London	£2,729	-1.7%	£2,711	-2.2%
Outer London	£1,955	-0.9%	£1,863	-0.7%
<b>South</b>	<b>£1,339</b>	<b>-0.4%</b>	<b>£1,286</b>	<b>5.0%</b>
East of England	£1,257	0.8%	£1,251	4.6%
South East	£1,445	-1.6%	£1,384	5.5%
South West	£1,260	0.5%	£1,172	4.7%
<b>Midlands</b>	<b>£1,041</b>	<b>1.5%</b>	<b>£973</b>	<b>5.0%</b>
East Midlands	£986	0.4%	£932	5.1%
West Midlands	£1,089	2.4%	£1,009	5.0%
<b>North</b>	<b>£959</b>	<b>1.3%</b>	<b>£889</b>	<b>5.9%</b>
North East	£839	1.7%	£778	5.7%
North West	£1,031	3.0%	£921	7.2%
Yorkshire & The Humber	£915	-1.4%	£898	4.4%
<b>Wales</b>	<b>£879</b>	<b>0.6%</b>	<b>£826</b>	<b>3.3%</b>
<b>Scotland</b>	<b>£1,018</b>	<b>-0.2%</b>	<b>£911</b>	<b>5.6%</b>
<b>Great Britain</b>	<b>£1,366</b>	<b>-0.2%</b>	<b>£1,305</b>	<b>2.8%</b>
Great Britain (Exc London)	£1,132	0.4%	£1,070	5.2%

Source: Hamptons

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Commenting, Aneisha Beveridge, Head of Research at Hamptons, said:

*"Landlord's shift towards limited company ownership continued through 2025 and shows little sign of slowing this year. While the tougher tax treatment introduced in 2016 sparked the initial move into corporate structures, five years of frozen personal allowances, combined with the impact of higher mortgage rates, which company landlords can fully offset against their tax bill, have fuelled the more recent surge. As more landlords find themselves pulled into the 40% income tax bracket, paying corporation tax at 19% or even 25% has become increasingly attractive."*

*"Today, limited company ownership makes financial sense for the majority of landlords, with around 75%-80% of all new buy-to-let purchases now made via a company. But it isn't a one-size-fits-all approach. For landlords who earn no income beyond their rents and remain lower-rate taxpayers, owning property in personal names can still be the better option, particularly as above-inflation increases have pushed up Companies House filing fees."*

*"While newly agreed rents continue to record small annual falls, the pace of decline has stabilised. And as has been the case for the last two years, tenants renewing their contracts are seeing the larger rises. With rent increases due to be open to tribunal challenge from May, many landlords are using the months ahead to ensure their rents are aligned as closely as possible to market levels."*

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**Note to editors:**

**About the Hamptons Monthly Lettings Index**

The Hamptons Monthly Lettings Index has been running since 2011. The index is a mix-adjusted series, with rent and rental growth figures for each month calculated using a three-month rolling average. The most and least expensive 5% of homes let are excluded to reduce volatility, and the series is mix-adjusted using the most recently published government stock statistics.

The Hamptons Lettings Index uses data from the Connells Group to track changes to the cost of renting. The index is based on 57,000+ homes let each year and more than 66,000+ renewed contracts, adjusting for their location and type. It is based on achieved rather than advertised rents.

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### **About Hamptons**

Hamptons is a leading residential estate agent and property services company, operating in London and the South of the UK.

Hamptons offers a wealth of award-winning services including UK and international Sales, Lettings, Property Management, Corporate Services, Residential Development, Development Land, Valuation Property Finance, and is a subsidiary of the Connells Group, the UK's largest estate agency and property services group. Connells is owned by the Skipton Group.