

Buy-to-let Mortgage Market Update



Q2 2025

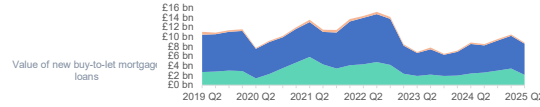
- In Q2 2025 there were 49,590 new buy-to-let loans advanced in the UK, worth £8.8 billion. This was relatively flat compared with the same quarter in the previous year, down 2.6 per cent by number (0.2 per cent by value).
- The average gross buy-to-let rental yield for the UK in Q2 2025 was 7.26 per cent, compared with 6.9 per cent in the same quarter in the previous year.
- The average interest rate across all new buy-to-let loans in the UK was 5.0 per cent in Q2 2025. This was 2 basis points higher than in the previous quarter, and 19 basis points lower than in the same quarter of 2024.
- Reflecting the downwards movement in interest rates, the average buy-to-let interest cover ratio (ICR) for the UK in Q2 2025 was 210 per cent, up from 192 per cent in Q2 2024 and 201 in the previous quarter.
- The number of BTL fixed rate mortgages outstanding in Q2 2025 was 1.47 million, 5.5 per cent up on a year previously. In contrast, the number of variable rate loans outstanding fell by 18.0 per cent to 463,000.
- At the end of Q2 2025 there were 11,270 buy-to-let mortgages in arrears greater than 2.5 per cent of the outstanding balance. This was down 560 from the previous quarter.
- There were 790 buy-to-let mortgage possessions taken in Q2 2025, up 11.3 per cent on the same quarter a year previously.



UK Finance BTL Mortgage Market Update, 22nd October 2025

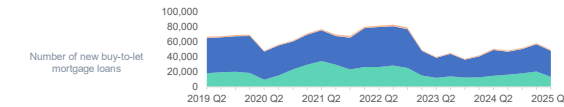
BTL new lending

Value of new BTL lending (UK)



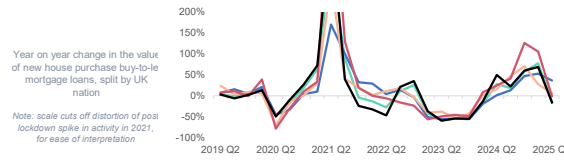
	Latest 2025 Q2	YoY % change
House purchase	£2.1bn	-11.7%
Remortgage	£6.4bn	5.4%
Other	£0.2bn	-20.0%
Total	£8.8bn	-0.2%

Number of new BTL loans (UK)



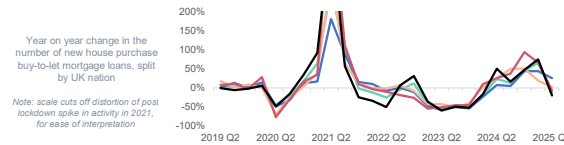
	Latest 2025 Q2	YoY % change
House purchase	13,423	-9.2%
Remortgage	34,734	0.7%
Other	1,433	-10.8%
Total	49,590	-2.6%

Value of new house purchase BTL lending (UK Nations and London)



	Latest 2025 Q2	YoY % change
England	£1,908mn	-13.9%
Wales	£74mn	36.8%
Scotland	£125mn	6.3%
Northern Ireland	£29mn	-1.4%
London	£506mn	-16.0%

Number of new house purchase BTL loans (UK Nations and London)



	Latest 2025 Q2	YoY % change
England	11,259	-11.6%
Wales	590	25.6%
Scotland	1,240	1.6%
Northern Ireland	334	-6.6%
London	1,500	-19.7%

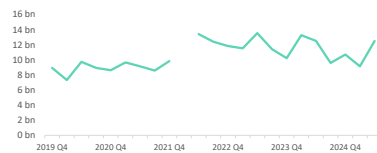
BTL Product Transfers

Number of BTL Product Transfers



	Latest 2025 Q2	YoY % change
	72.8bn	-0.4%

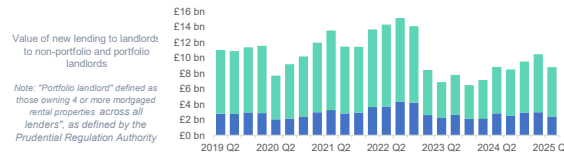
Value of BTL Product Transfers



	Latest 2025 Q2	YoY % change
	£12.5bn	-0.2%

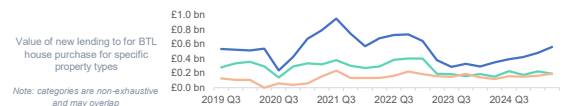
Mortgage characteristics for new lending

Value of total new BTL lending by portfolio size for all loans

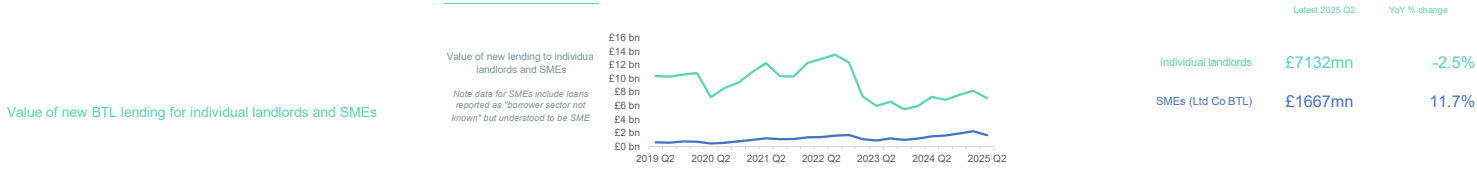


	Latest 2025 Q2	YoY % change
1-3 mortgages (non-portfolio landlord)	£6.4bn	6.7%
>=4 mortgages (portfolio landlord)	£2.4bn	-14.7%

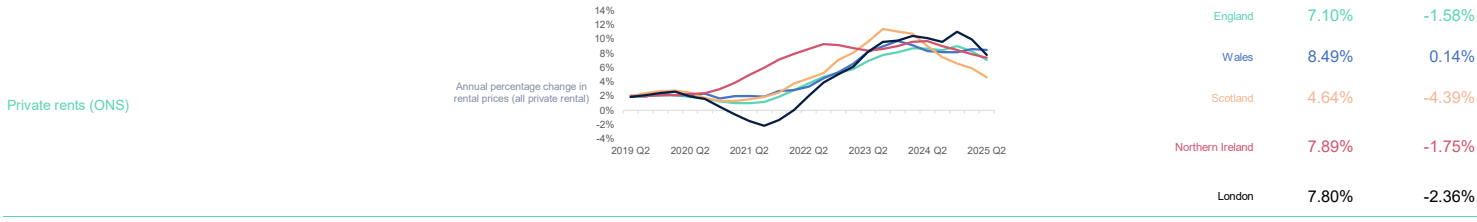
Value of new house purchase BTL lending for specific property types



	Latest 2025 Q2	YoY % change
New Build	£167mn	-26.4%
Purpose-built flat	£359mn	-7.7%
Houses for Multiple Occupation (HMOs)	£126mn	-19.7%



BTL profitability



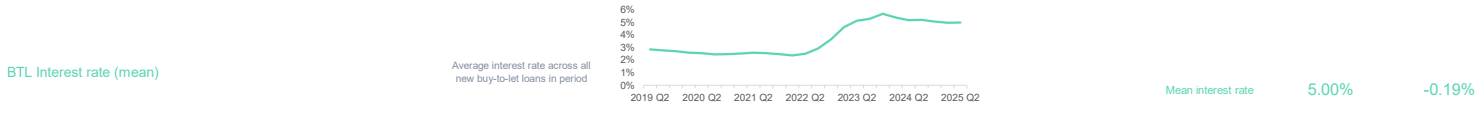
BTL rental yield



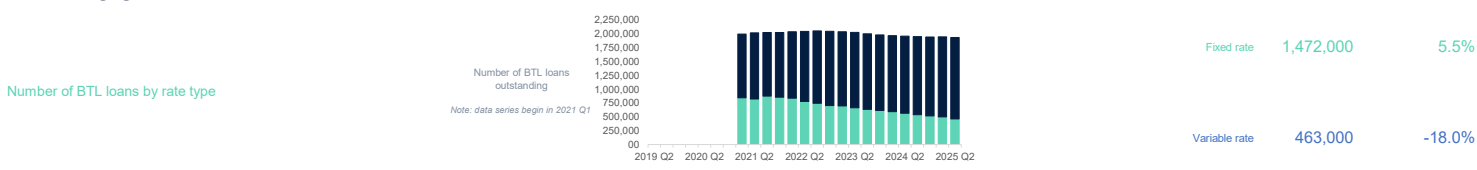
BTL interest cover ratio (ICR)



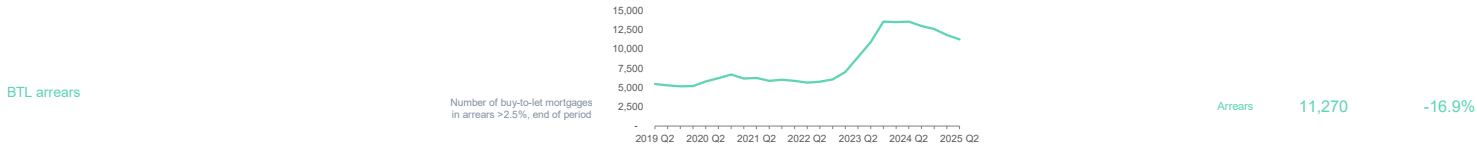
BTL Interest Rate



BTL mortgage stock



BTL arrears and possessions



BTL possessions



UK Finance
Notes:
1. Data series are shown for the last two years where available, or as far back as data exist otherwise.
2. Complete time series for each of these data series are available to UK Finance members that provide the underlying data in each case.
3. Table codes of the relevant industry data table for each data series, where one exists are provided in the right hand column of this dashboard. All data tables are accessible via the industry data tables page of the UK Finance website at <https://www.ukfinance.org.uk/industry-data-tables>.
4. Dashboard is updated on a quarterly basis.
5. Monthly total values of lending may differ between category due to unclassified loans not being included.