UK Finance

Buy-to-let Mortgage Market Update

Q2 2026

- In Q2 2026 there were 58,051 new buy-to-let loans advanced in the UK, worth £10.7 billion. This was up 20.6 per cent by number compared with the same quarter in the previous year, 25.0 per cent by value.
- The average gross buy-to-let rental yield for the UK in Q2 2026 was 7.27 per cent, almost unchanged from 7.26 per cent in the same quarter a year previously.
- The average interest rate across all new buy-to-let loans in the UK was 4.82 per cent in Q2 2026. This was 12 basis points higher than in the previous quarter, but 18 basis points lower than in the same quarter of 2025.
- Reflecting the movement in interest rates the average buy-to-let interest cover ratio (ICR) for the UK in Q2 2026 was 217 per cent, up from 210 per cent in Q2 2025 and down from 221 in the previous quarter.
- The number of BTL fixed rate mortgages outstanding in Q2 2026 was 1.46 million, 0.7 per cent down on a year previously. The number of variable rate loans outstanding also fell by a further 3.0 per cent to 450,000.
- At the end of Q2 2026 there were 8,390 buy-to-let mortgages in arrears greater than 2.5 per cent of the outstanding balance. This was down 570 from the previous quarter.
- There were 630 buy-to-let mortgage possessions taken in Q2 2026, down 20.3 per cent from the same quarter a year previously.

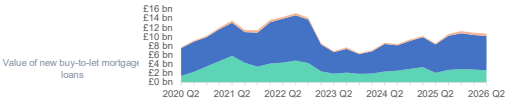
UK Finance

Buy-to-let Mortgage Market Update

UK Finance BTL Mortgage Market Update, 21st October 2026

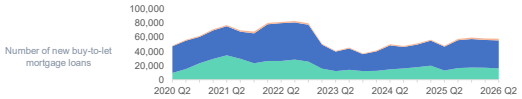
BTL new lending

Value of new BTL lending (UK)



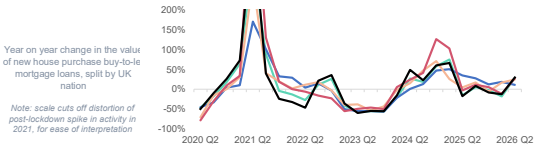
	Latest 2026 Q2	YoY % change
House purchase	£2.7bn	27.9%
Remortgage	£7.5bn	20.2%
Other	£0.5bn	127.7%
Total	£10.7bn	25.0%

Number of new BTL loans (UK)



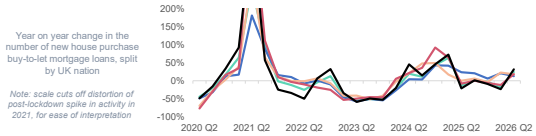
House purchase	16,026	23.0%
Remortgage	39,631	17.6%
Other	2,394	72.1%
Total	58,051	20.6%

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



	Latest 2026 Q2	YoY % change
England	£2,385mn	28.8%
Wales	£79mn	11.0%
Scotland	£151mn	24.6%
Northern Ireland	£36mn	27.8%
London	£635mn	29.7%

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



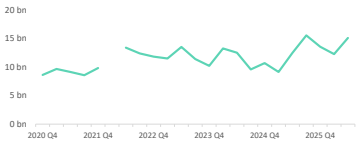
England	13,580	24.3%
Wales	645	12.7%
Scotland	1,418	17.8%
Northern Ireland	383	18.2%
London	1,912	31.4%

BTL Product Transfers

Number of BTL Product Transfers

Latest 2026 Q2	YoY % change
86,300	18.5%

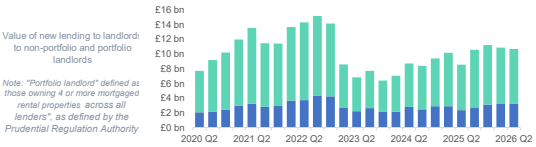
Value of BTL Product Transfers



Latest 2026 Q2	YoY % change
£15.1bn	21.0%

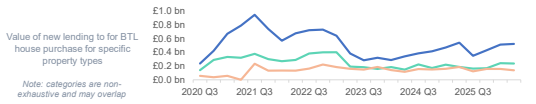
Mortgage characteristics for new lending

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



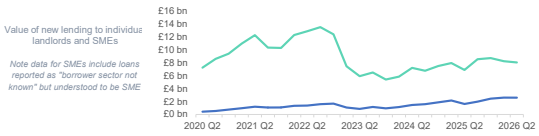
	Latest 2026 Q2	YoY % change
1-3 mortgages (non-portfolio landlord)	£7.4bn	19.8%
>=4 mortgages (portfolio landlord)	£3.3bn	38.5%

Value of new house purchase BTL lending for specific property types



	Latest 2026 Q2	YoY % change
New Build	£261mn	61.1%
Purpose-built flat	£443mn	26.9%
Houses for Multiple Occupation (HMOs)	£143mn	17.2%

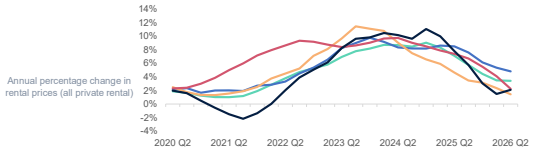
Value of new BTL lending for individual landlords and SMEs



	Latest 2026 Q2	YoY % change
Individual landlords	£8067mn	16.7%
SMEs (Ltd Co BTL)	£2610mn	60.4%

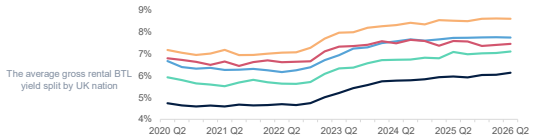
BTL profitability

Private rents (ONS)



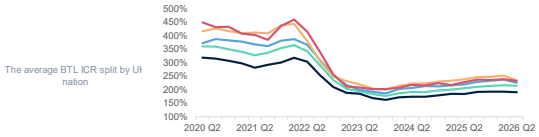
	Latest 2026 Q2	YoY absolute change
England	3.42%	-3.68%
Wales	4.81%	-3.68%
Scotland	1.43%	-3.21%
Northern Ireland	4.09%	-3.80%
London	2.09%	-5.71%

BTL rental yield



	Latest 2026 Q2	YoY absolute change
England	7.11%	0.02%
Wales	7.75%	0.01%
Scotland	8.61%	0.09%
Northern Ireland	7.46%	-0.13%
London	6.14%	0.17%

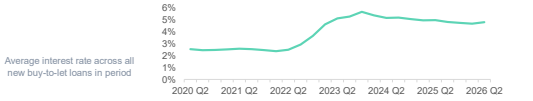
BTL interest cover ratio (ICR)



	Latest 2026 Q2	YoY absolute change
England	215%	9.32%
Wales	226%	6.07%
Scotland	234%	-5.18%
Northern Ireland	233%	4.70%
London	191%	6.43%

BTL Interest Rate

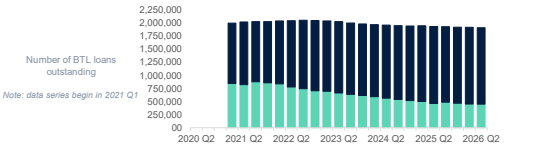
BTL Interest rate (mean)



	Latest 2026 Q2	YoY absolute change
Mean interest rate	4.82%	-0.18%

BTL mortgage stock

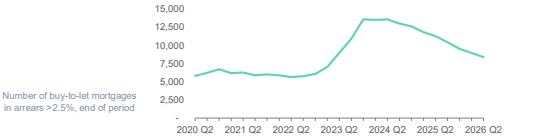
Number of BTL loans by rate type



	Latest 2026 Q2	YoY % change
Fixed rate	1,461,000	-0.7%
Variable rate	450,000	-3.0%

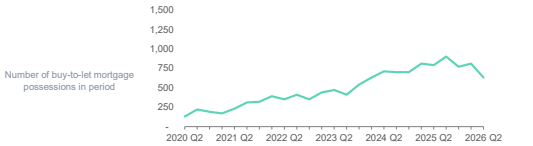
BTL arrears and possessions

BTL arrears



	Latest 2026 Q2	YoY % change
Arrears	8,390	-25.6%

BTL possessions



	Latest 2026 Q2	YoY % change
Possessions	630	-20.3%

UK Finance

Next update: 21 January 2027

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.