Handelsbanken

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Property Investor Report 2026

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Introduction

All change for property investors; but are they adapting to the new regulatory landscape?

Chris Teasdale
Chief Branch Officer

Welcome to the fifth edition of Handelsbanken's annual Property Investor Report.

The global economy has rarely seemed more volatile, and the UK property sector could be forgiven for taking a somewhat pessimistic outlook. Investors have experienced both the "known knowns" of wholesale legislative change – that some doom-mongers even claimed could prove the end of the private rental sector as we know it – and the "unknown unknowns" of a war in the Middle East, with all its subsequent macro-economic effects. And yet.

No one is pretending that the backdrop is serene, but there is plenty to be optimistic about. While the number of respondents to our 2026 survey citing geopolitical uncertainty as a worry has grown fourfold, we are also seeing widespread confidence. Property investors are planning to expand, and they know there will be opportunities they can take advantage of. Even in the face of rising inflation, they believe their portfolios will appreciate.

Legislation, like the Renters' Rights Act, was always going to have some significant effects, and so it has proved. But the predicted exodus of landlords simply hasn't happened – and it doesn't look like it will. Yes, landlords and property investors are having to adapt, but they have strategies to address this, and they are implementing them.

We know, from talking to our colleagues in branches around the UK, that the property sector is resilient, adaptable, innovative, and keen to do business. Those who have taken steps to access the right advice are well-placed to thrive in the new environment. While there are many things that simply cannot be predicted, this report shows there are still reasons to be cheerful.

And, most of all, there is business to be done.

Highlights of our 2026 research – 10 key findings

For the fifth year, Handelsbanken commissioned research among a panel of professional property investors in Great Britain.

We asked a range of questions on topics from the introduction of the Renters' Rights Act[1] to general sentiment towards real estate as an asset class, views on specific sectors, the impact of rising costs, and perspectives on sustainability.

Ten key findings this year were:

1. Almost all of our respondents, **93%**, expect their portfolio value to rise over the next 12 months, with **38%** expecting it to increase "a lot"
2. **84%** plan to increase portfolio holdings over the next 12 months. This compares to **54%** in our 2025 survey
3. While UK GDP growth is the clearest net positive factor, with **54%** saying it makes them more positive about the property sector, geopolitical instability now skews negative
4. **59%** plan to increase exposure to flats. **71%** say they plan to invest in Build to Rent
5. Offices remains the most attractive commercial sector, with more than half (**53%**) planning to increase exposure to that market
6. Around two thirds of all investors (**63%**) say higher overall costs have caused them to raise rents, **46%** have delayed upgrades or maintenance, and **41%** have switched tenant profiles
7. Specifically in response to the Renters' Rights Act, **59%** are tightening tenant criteria, **56%** are investing more in conditions or amenities, and **44%** might raise rents earlier than planned
8. More than half (**56%**) report more tenant arrears or late payments, up from **48%** in 2025. A similar number (**52%**) report more rent negotiation requests
9. A majority (**89%**) say they are investing in energy efficiency measures. Features most requested by tenants include EV charging, smart meters, and solar panels
10. Among those planning to increase portfolios, **70%** cite buying opportunities or valuations while **58%** cite strong rental demand and **33%** cite financing availability.

(1) Although the Renters' Rights Act applies across the UK, some housing powers are devolved so rules may vary in Scotland, Wales and Northern Ireland.

2026 research methodology and respondent demographic

Handelsbanken commissioned research in Q1 2026 through independent research company Pure Profile among a panel of 200 real estate investment professionals across both residential and commercial sectors in Great Britain .

Respondents were professional property investors with sizeable portfolios. Almost half (**46%**) owned or managed between 5 and 15 properties, while a quarter (**25%**) owned or managed between 15 and 25 properties. A further **18%** owned or managed between 25 and 50 properties, and **12%** owned or managed more than 50 properties.

The median portfolio value among respondents was £3m, while the mean was £38.7m, reflecting the presence of some significantly larger portfolios within the sample.

Regarding current sector exposure, respondents were most likely to have exposure to single-family houses and flats, both cited by **81%**. This was followed by retail, cited by **65%**, HMOs at **43%**, and leisure or holiday parks at **31%.**

James Sproule
UK Chief Economist

Is property the most resilient asset class?

"Professional landlords are facing numerous challenges in the UK and in comparison, to last year's survey, they are less minded to 'look through' some of the current and ongoing volatility domestically and internationally. Thankfully, for now at least, the Iran war does not appear to be having a notable impact on UK commercial property valuations, but concerns about the impact of geopolitical turbulence are naturally on the minds of investors as growth prospects are downgraded and the pathway of interest rates has become more uncertain. Accompanying this, other domestic headwinds including the introduction of the Renters' Rights Act are also posing further risks to landlords.

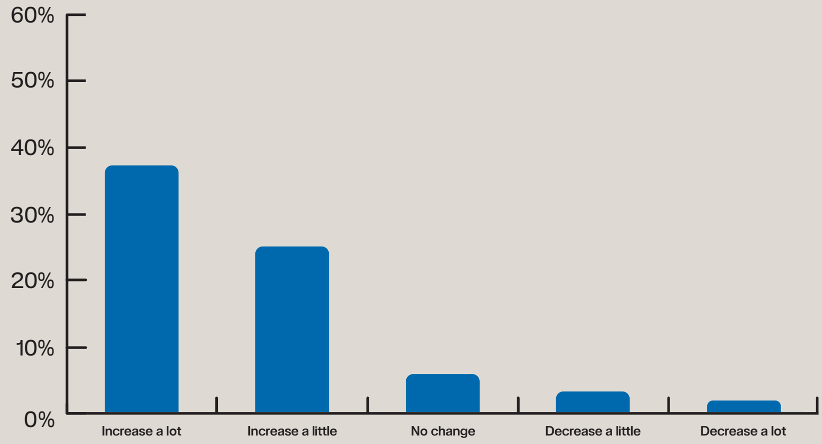
Our survey suggests that although there is yet to be a notable exodus of professional investors in the domestic property market, landlords are nonetheless having to adapt to this new more challenging environment by implementing measures like tightening their tenant criteria or considering earlier rent increases."

Market sentiment

In what has quickly become a more intensely fast-moving and uncertain world, the property market in Great Britain has so far retained some certainty and stability – at least among the professional investors we spoke to for our research.

While the UK's economy has been buffeted by international headwinds from the war in Ukraine to the most recent conflict in the Middle East, not to mention unpredictable US policy and associated disruption, the real estate market in Great Britain continues to attract active investors across all sectors and regions. A significant majority of our panel said they want to add to their portfolios over the next 12-months, suggesting investors are not retreating from the market but are continuing to look for opportunities to put their capital to work. More than four fifths (**84%**) plan to increase their portfolio, far higher than the **54%** who said this in our last survey in 2025. Among those planning to grow their investment, **70%** cited buying opportunities or valuations as a reason to build out their portfolios. A further **58%** cited the strength of rental demand in the domestic market, while a third, (**33%**) cited financing availability and the need to get capital working for them.

Over the next 12 months, do you expect your portfolio value to:



Source: Handelsbanken Property Investor Report, 2026

One of the key reasons is performance and value creation: almost all (**93%**) respondents said they expect the value of their portfolio to rise over the next 12 months, with **38%** expecting it to increase "a lot". This is a powerful testament to the resilience of the property market and the confidence of its investors.

Despite this positive sentiment towards the property market, it is clear that professional landlords are acutely aware of wider macroeconomic and geopolitical risks too. Asked about a range of factors underpinning their thinking, UK GDP growth was cited as a primary driver of sentiment. More than half (**54%**) said it makes them more positive about the property sector, while **29%** said it has no impact.

Tax changes are seen as a drag on sentiment, with **36%** saying such changes make investors more negative and **23%** more positive, whilst geopolitical instability, perhaps unsurprisingly, now skews negative, with **40%** saying it makes their outlook more negative. Interestingly, in our 2025 report, investors were much more sanguine about the impact of geopolitical factors, perhaps the fresh influx of risks recently has focused their attention more this time. For reference, in our 2024 survey, **12%** said the geopolitical situation was making their outlook more negative.

At Handelsbanken, we know through our work with hundreds of our property customers how deeply involved in and how seriously they take the management of their property portfolios. Strongly positive sentiment has been a clear hallmark of many of our customers and our own expectations remain that they will continue to add to and improve portfolios across 2026 and beyond.

"Our latest study highlights that the majority of investors are looking to grow their portfolios despite the economic challenges that persist and we are seeing that translate to increased activity in our region and optimism for future prospects. With key metrics continuing to hold up (capital values and rental growth in particular) and Handelsbanken demonstrating a desire to assist growth aspirations with flexible funding solutions the positive outputs outlined in the report have continued into 2026."

Brian Lehane
Corporate Account Manager
Northampton Branch
Handelsbanken

Sector watch

Perhaps unsurprisingly, as most of our respondents have exposure to residential asset classes, they're confident in the ongoing value of the sector.

A larger percentage of 2025's cohort of respondents had exposure to commercial property and this was reflected in their continued confidence in their sector. Commercial property investors in the 2026 sample also appear to be confident of its prospects, with more of them choosing to retain or grow their existing portfolio than reduce or exit from the sector.

Also this year, just under two thirds (**63%**) say they plan to increase exposure to houses, and **59%** plan to increase exposure to flats. Student housing and HMOs are also viewed positively, with **44%** looking to increase exposure to student housing and almost half (**48%**) indicating a desire to raise their exposure to HMOs. Interestingly, nearly three quarters (**71%**) say they plan to invest in Build to Rent developments – indicating a willingness to back relatively new segments of the market with assets aligned to structural demand and longer-term income.

What is your approach to the below sectors in the next 12 months?

Sector		Total	Slightly reducing exposure	Significantly reducing exposure	Withdrawing completely	Slightly increasing exposure	Significantly increasing exposure	No change
Residential	**Student housing**	N=200	20 (10%)	28 (14%)	15 (8%)	56 (28%)	31 (16%)	50 (25%)
	HMO's	N=200	8 (4%)	25 (13%)	11 (6%)	58 (29%)	38 (19%)	60 (30%)
	Flats	N=200	9 (5%)	16 (8%)	13 (7%)	61 (31%)	55 (28%)	46 (23%)
	Houses	N=200	9 (5%)	16 (8%)	9 (5%)	70 (35%)	55 (28%)	41 (21%)
Commercial	**Park homes**	N=200	7 (4%)	17 (9%)	18 (9%)	44 (22%)	28 (14%)	86 (43%)
	Offices	N=200	10 (5%)	18 (9%)	15 (8%)	54 (27%)	52 (26%)	51 (26%)
	Retail	N=200	11 (6%)	28 (14%)	8 (4%)	42 (21%)	53 (27%)	58 (29%)
	Industrial	N=200	7 (4%)	14 (7%)	11 (6%)	56 (28%)	42 (21%)	70 (35%)
	Leisure	N=200	8 (4%)	12 (6%)	13 (7%)	53 (27%)	40 (20%)	74 (37%)
	Healthcare	N=200	10 (5%)	14 (7%)	9 (5%)	48 (24%)	36 (18%)	83 (42%)

Source: Handelsbanken Property Investor Report, 2026

Offices still remain the most attractive part of the established commercial sectors, with **53%** planning to increase exposure.

For the industrial segment of commercial property – which includes warehouse, depots, and logistics facilities among other building types, representing a key element of the UK's e-commerce and distribution economy – half (**49%**) said they are planning to increase exposure, up from **44%** in 2025.

Joy Newton
York Branch Manager
Handelsbanken

"Although the current climate is challenging in some ways, with underlying property sectors facing different risks, our customers know that surrounding themselves with expert advice allows them to make the right decisions at the right time.

For example, here in York, we regularly support them to grow their property portfolios by arranging flexible lending facilities that enable them to act quickly with new opportunities. We are seeing experienced, well-established investors continuing with their growth plans but increasingly relying on trusted professionals like us, to advise them on new regulations such as energy efficiency rules."

The Renters' Rights Act

A long time coming, it's finally a reality for residential landlords.

The **Renters' Rights Act**, which began its life in 2023 as then-Housing Secretary Michael Gove's **Renters' Reform Bill** under the last Conservative government, finally became law on 1 May 2026. It represents a generationally significant change in how landlords in England interact with tenants.

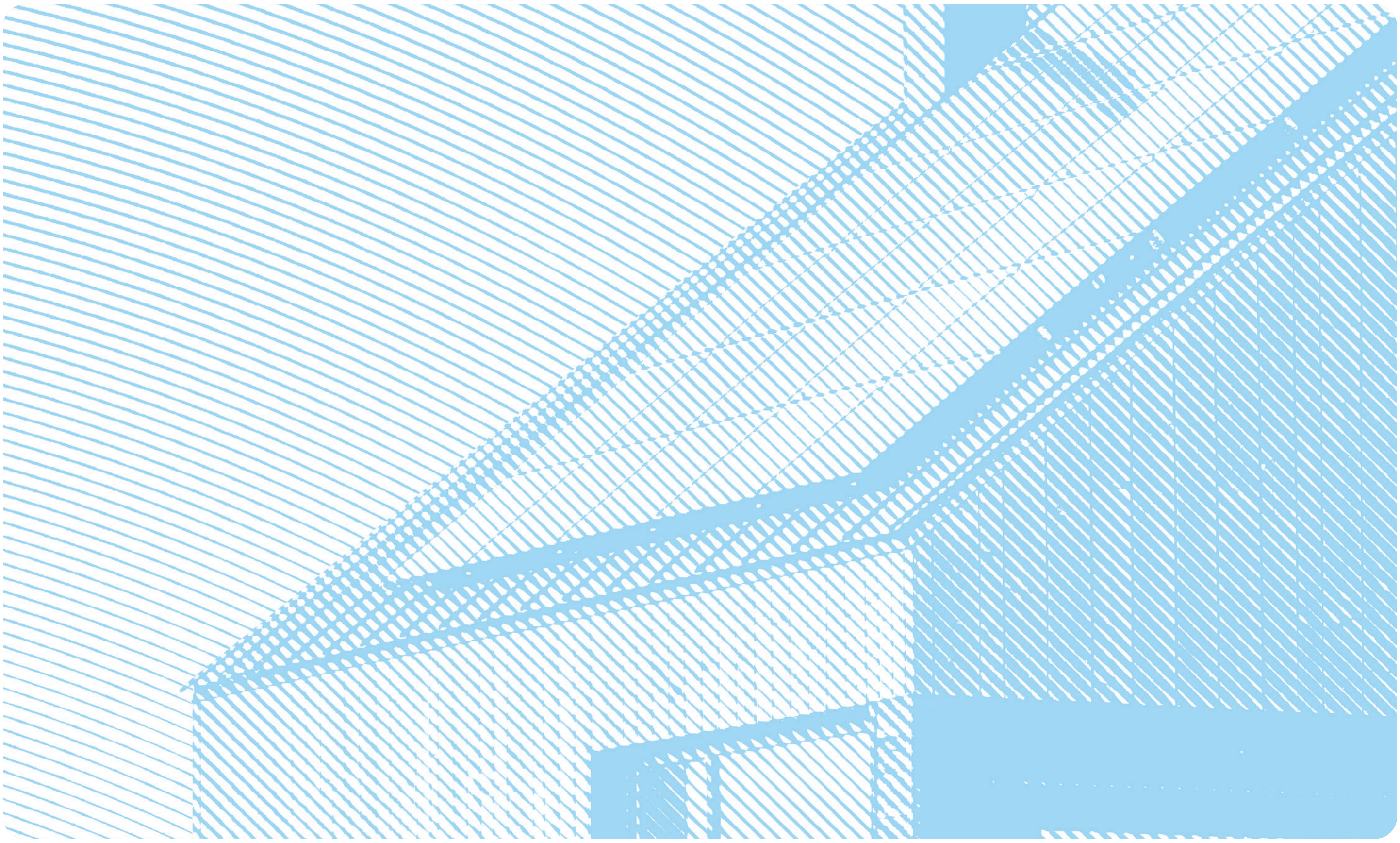
Last year, our 2025 study found over **90%** of professionals were aware of the then-bill, if not its potential impact, though only **17%** were fully informed about all of the changes. This year's research found that while anticipation of the Act is changing behaviour, it is driving adaptation more than outright exit.

One of the most interesting findings was that despite concerns that the Act would drive large numbers of professional landlords and investors away from the residential sector, only **1%** told us they would be exiting the property investment sector completely. Perhaps the Act is an exit tipping point for the remaining smaller landlords who have stayed in the sector despite increasing regulatory and cost pressures?

The parts of the Act expected to have the biggest impact are: rent increase constraints or process, cited by more than half (**54%**); tenancy structure changes (**46%**); and eviction or possession process changes (**39%**). In response, **59%** of respondents said they are tightening tenant selection criteria. More than half (**56%**) said they are investing more in their properties' condition or amenities, with **44%** considering raising rents "earlier than planned". Our study also found that the median cost of complying with the Act is £5,000, while the mean is £31,411, which suggests a long tail of respondents facing much higher bills to comply.

Energy efficiency, and rising costs; what they mean for investors in 2026

Notwithstanding a broadly positive view of the real estate market, professional property investors continue to face material challenges and issues, necessitating deep market understanding, flexibility and adaptability, careful financial planning and, as always, a long-term mindset. At a time of ongoing inflationary headwinds, interest rate uncertainty, and cost-of-living pressures for tenants and other stakeholders, landlords and investors continue to face additional demands in areas such as energy efficiency requirements as well as pressure to offer modern amenities such as EV charging ports.



Our survey this year found overall costs (including those linked to the Renters' Rights Act) are continuing to rise, with the effects being felt on rents, upgrades, and supply.

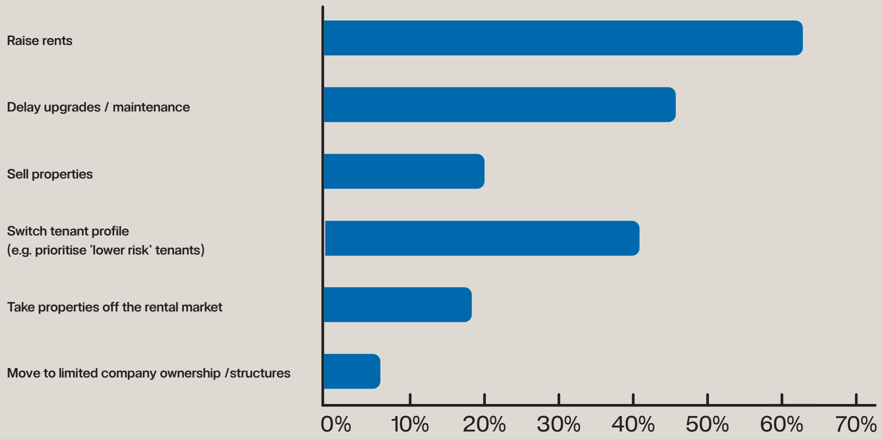
The costs most commonly reported as having increased over the past 12 months are:

- Maintenance or repairs (**45%**);
- Insurance, (**41%**); and
- Energy efficiency upgrades (**40%**).

Almost two thirds (**63%**) said higher costs had caused them to raise rents, while just under half (**46%**) said higher costs had meant delays to upgrades or maintenance.

Regarding Renters' Rights Act compliance costs, the average amount across our panel was £31,411, however the median amount was just £5,000. But our research also found that in total, the median spend on *compliance and upgrades* was £20,000.

Have higher costs caused you to do any of the following?
Respondents could select more than one option

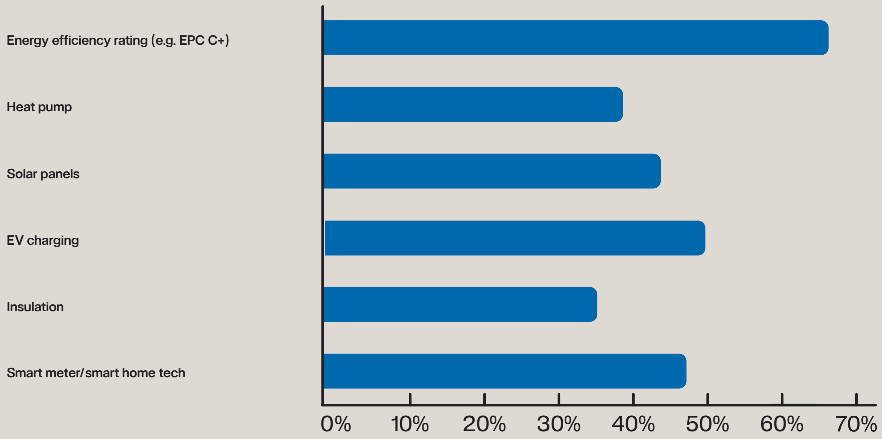


Source: Handelsbanken Property Investor Report, 2026

Energy efficiency and new amenities for tenants are key parts of the cost conundrum. A high percentage of respondents (**89%**) said they are investing more in energy efficiency measures, for instance, with the features most requested by tenants including EV charging (cited by **50%**) and smart meter or smart home technology **(47%**).

Investors are also responding with high levels of retrofit activity, a noticeable trend across all of our surveyed regions. While **89%** overall said they are investing more in energy efficiency measures, this rises to **97%** in Wales, **96%** in the West Midlands, and **94%** in London and in Scotland.

Which sustainability features are most requested?
Respondents could select more than one option



Source: Handelsbanken Property Investor Report, 2026

Richard Winder
Head of Sustainability
Handelsbanken

"After the first flush of climate-aware actors, we've seen the property market mature in its approach to sustainability. A succession of energy crises has sharpened landlords' and tenants' focus on the benefits of energy efficiency measures, along with clean and increasingly low-cost technologies like solar PV and batteries, especially when paired with EV charging. We're also starting to see more appetite to retrofit heat pumps, due to government grants and the widening efficiency gap with gas boilers.

With minimum energy efficiency standards set to be raised across private and non-domestic rentals, we're supporting more and more landlord customers to invest in more energy-efficient buildings. Those who act ahead may benefit from growing tenant and investor demand for higher EPCs while future-proofing their portfolios."

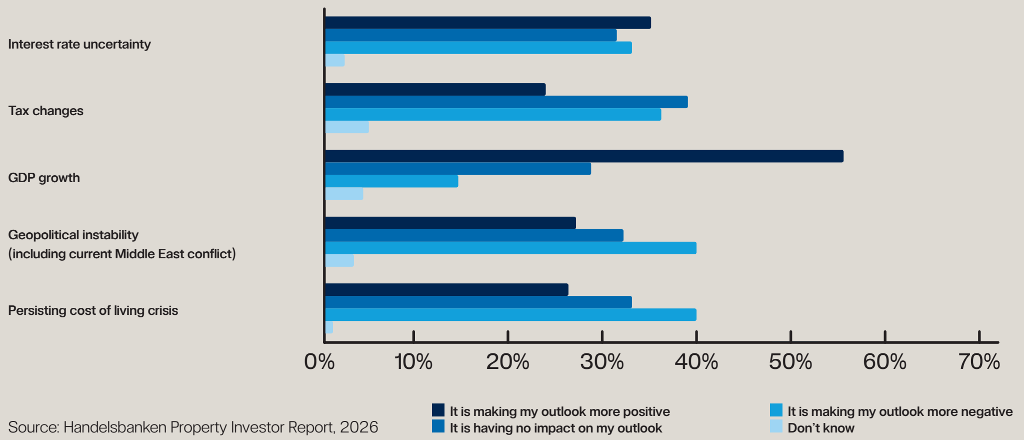
Conclusion

This year's study found, an active and broadly positive group of professional landlords and property investors aware of both the opportunities and risks in real estate. While **40%** of our respondents said that recent geopolitical instability is negatively affecting their outlook, there were several metrics which show that, nonetheless, they are in expansion mode.

The shift in attitudes towards valuations is particularly striking. Last year, for instance, in our 2025 survey, **13%** of respondents who said they planned to increase their portfolio said that lower valuations presented a buying opportunity.

This year, **70%** of them pointed to buying opportunities or valuations as the reason for doing so. And despite increasing costs linked to the Renters' Rights Act, investors plan to invest more in their properties. It also appears that those costs will be recouped, at least in part, by increasing rents.

How are the below factors impacting your outlook for the property over the next 12 months?



Source: Handelsbanken Property Investor Report, 2026

"Whatever asset classes you own, it's important to keep an eye on whether they remain suitable for you and your family. Do they fulfil your short-term needs and long-term objectives? Are you interested in leaving a legacy, are you willing to invest time as well as money in it, and finally what life stage are you in?"

Stephen Cowling
Head of Wealth Management

Handelsbanken