

What adds value to buy to let properties?

Exploring the renovation trends and investment returns
in the Private Rented Sector.



Autumn 2025

Examining the renovation choices landlords are making, and which changes truly add value to buy to let properties

Drawing on new research and market analysis, this report highlights the financial impact of extensions, additional bedrooms and bathrooms, and energy efficiency upgrades – while also uncovering the surprising regrets many landlords have post-renovation.

The findings offer insights to help landlords make informed decisions that balance cost, compliance, and rental yield.

What adds value to buy to let properties?

- Kitchen and bathroom renovations are most popular amongst buy to let investors who have made improvements in the last five years.
- 18% of landlords made green improvements, such as adding solar panels or insulation.
- But over 50% surveyed regretted renovating their rental properties.
- Our analysis suggests adding an extra bathroom can boost buy to let property value by 8%.
- Increasing floor area to incorporate an extra bedroom can add 12% to typical rental income (around £125 per month). While a second bathroom attracts a 6% rental premium (around £60 per month).

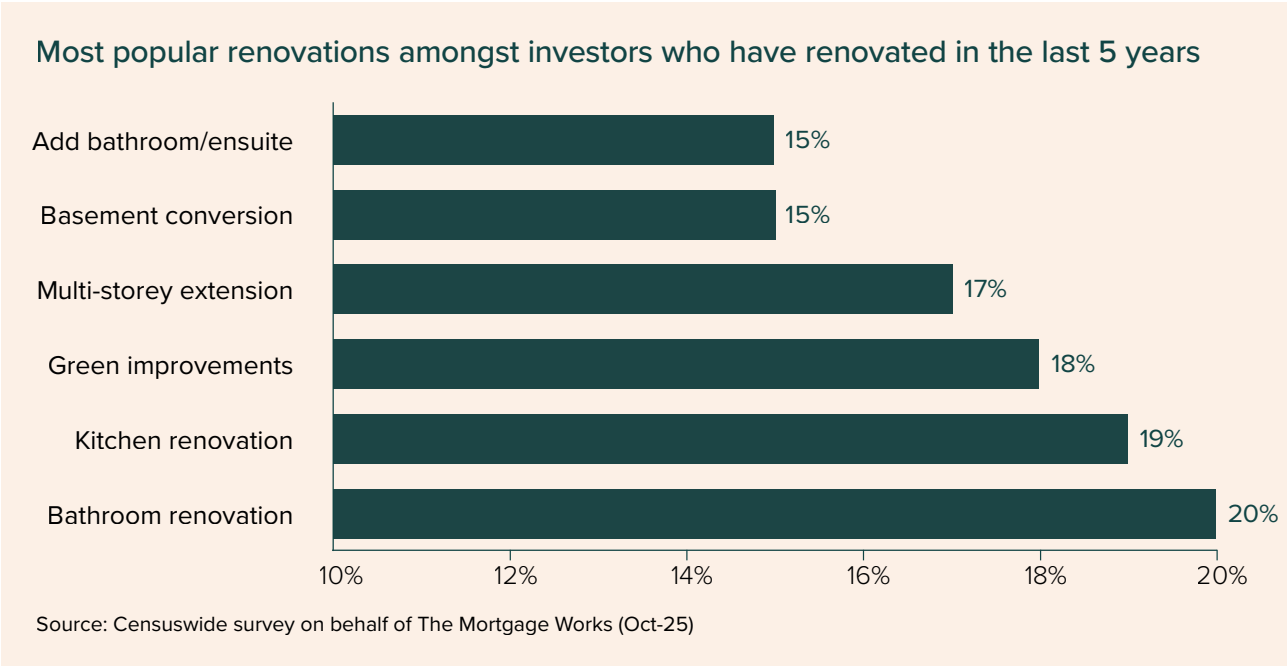


Landlords are renovating

Commenting on the figures, Andrew Harvey, Senior Economist, said:

Nearly nine in ten (88%) landlords have undertaken renovations on at least one of their rental properties over the past five years, according to our latest research.¹

Kitchen and bathroom improvements were the most popular, with one in five renovated properties receiving these upgrades over the past five years. As explored in Nationwide's **recent report**, these were also the most popular projects amongst homeowners who had made improvements.



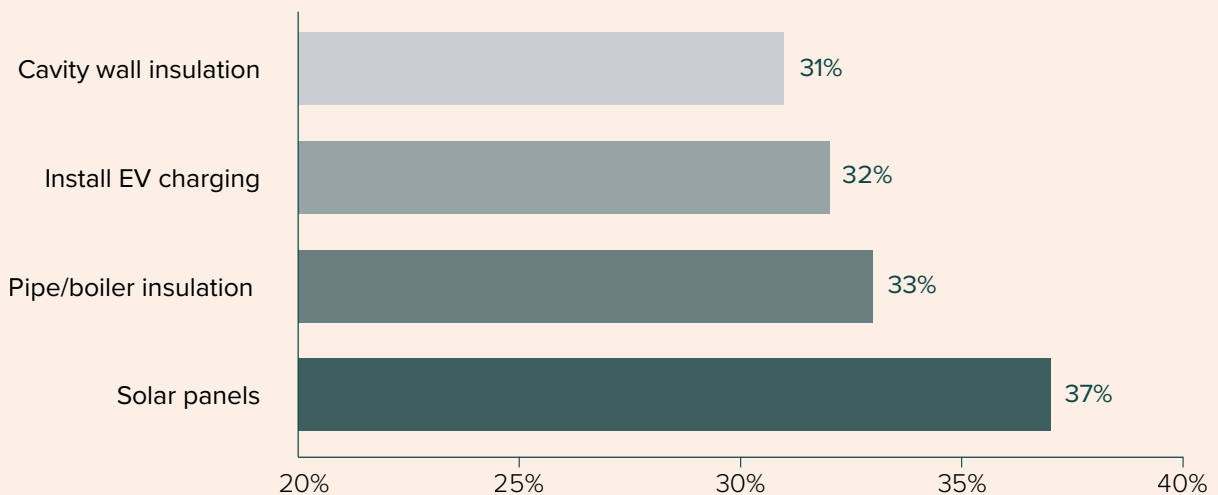
¹ The research was conducted by Censuswide, among a sample of 1,000 landlords (18+). The data was collected between 08.10.2025 – 14.10.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

Around one in five (18%) of properties that had upgrades benefited from green improvements.

Of these, just over a third (37%) had solar panels added, 33% improved pipe & boiler insulation and 32% had electric car charging installed. Some of these improvements are likely to have been targeted at achieving Minimum Energy Efficiency Standards (MEES), which require most rental properties to have a minimum energy efficiency rating of E in order to be let out. More broadly, 22% of landlords said they chose to renovate to ensure compliance with required standards and regulations, which includes but is not limited to energy efficiency.

As Nationwide explored in a recent special report on housing stock, solar panels are becoming an increasingly popular feature, with nearly 1.5 million dwellings in England now having photovoltaic (PV) panels, which equates to nearly 6% of all dwellings (up from less than 3% in 2013). Electric vehicle (EV) charging is also becoming more widespread, with 1.8 million dwellings having access to an EV charge point – around 7% of the total stock.

Most popular green improvements amongst landlords



Source: Censuswide survey on behalf of The Mortgage Works (Oct-25)

18%

of properties that had
upgrades benefited from
green improvements

In terms of larger scale projects, 17% of privately rented properties had a multi-storey extension built, while 15% had a basement conversion. Interestingly, two thirds (68%) of landlords said some of the work undertaken was related to converting a property to a House of Multiple Occupation (HMO).

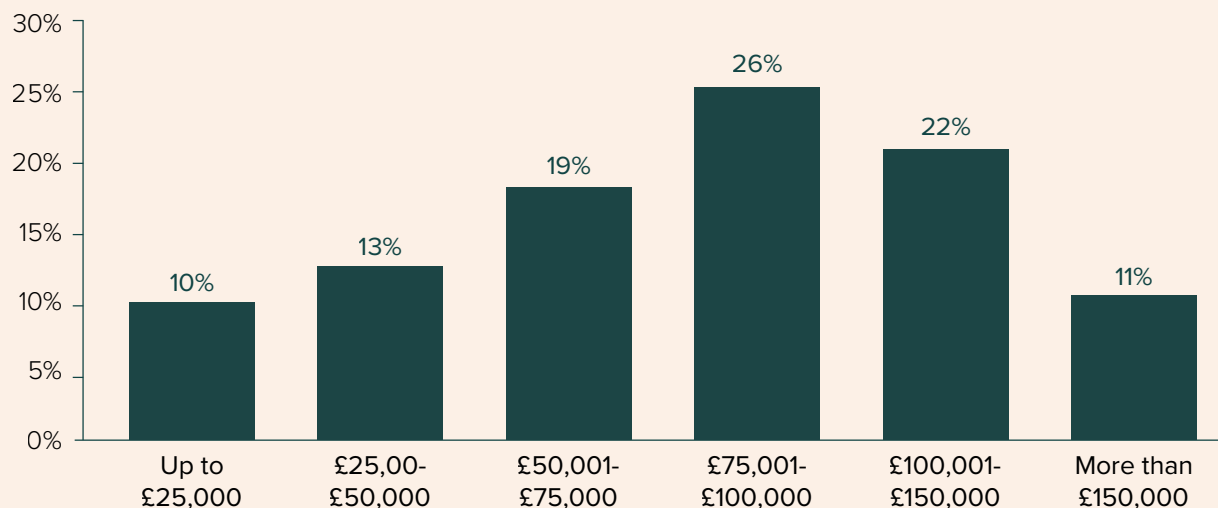
Across all landlords making renovations in the last five years, the average spend was around £88,000 in total, although there was significant variation, which reflects the mixture of work undertaken and portfolio size. Taking into account the number of properties renovated, this works out around £43,000 per property.

Landlords cited a variety of reasons for renovating, but the most popular were to attract new tenants and reduce vacancy periods (27%) and to boost the value of the property (25%). 24% of landlords said their property/properties needed it due to general wear and tear. Meanwhile, 23% wanted to ensure they had a good reputation as a landlord by showing care for property and tenants.

Almost a quarter (23%) of landlords chose to renovate in order to increase the rental income. And over 80% of landlords increased the rent charged once the renovations were complete, with an average increase of 17%.

Interestingly, nearly a third (32%) were able to increase the rent by more than 20% following completion of the work.

How much spent in total by landlords who have renovated in the last 5 years



Source: Censuswide survey on behalf of The Mortgage Works (Oct-25)

24%

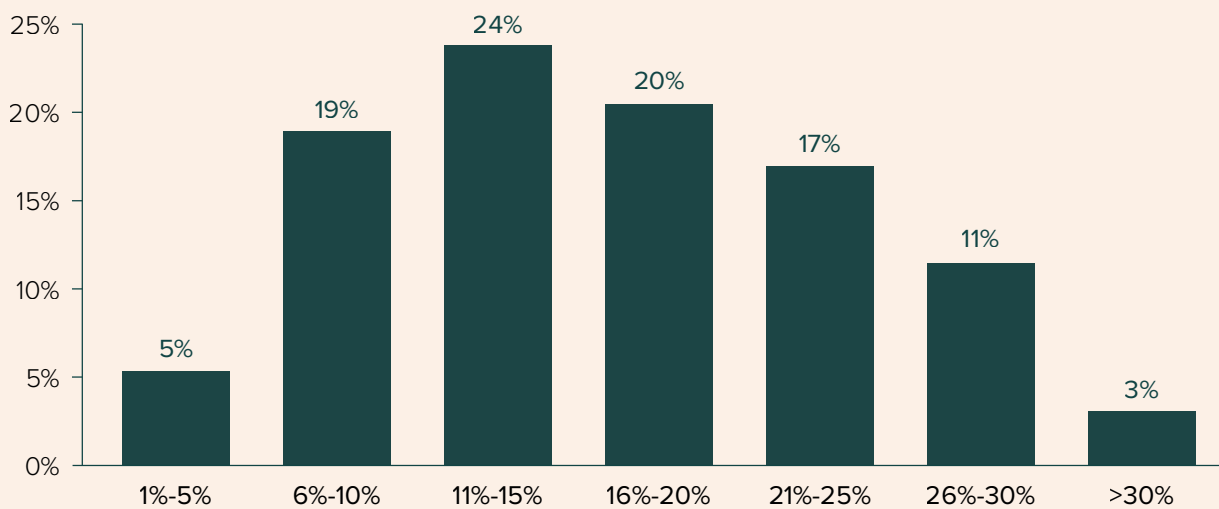
of landlords said their properties needed renovation due to general wear and tear.

Perhaps surprisingly, just over half of landlords (51%) said they regretted renovating their rental properties. This is in stark contrast to findings from our survey of owner occupiers, where only 4% regretted undertaking renovation work.

For landlords, the most common gripe (cited by 35%) was loss of income when tenants had to move out while the work was undertaken. Nearly half (47%) of landlords said they had carried out renovations when the property was vacant.

32% of landlords said the end result wasn't what they wanted, or they didn't get the rental income they wanted after doing the work. While 30% said the renovations cost too much.

Increase in rent charged once renovations were complete



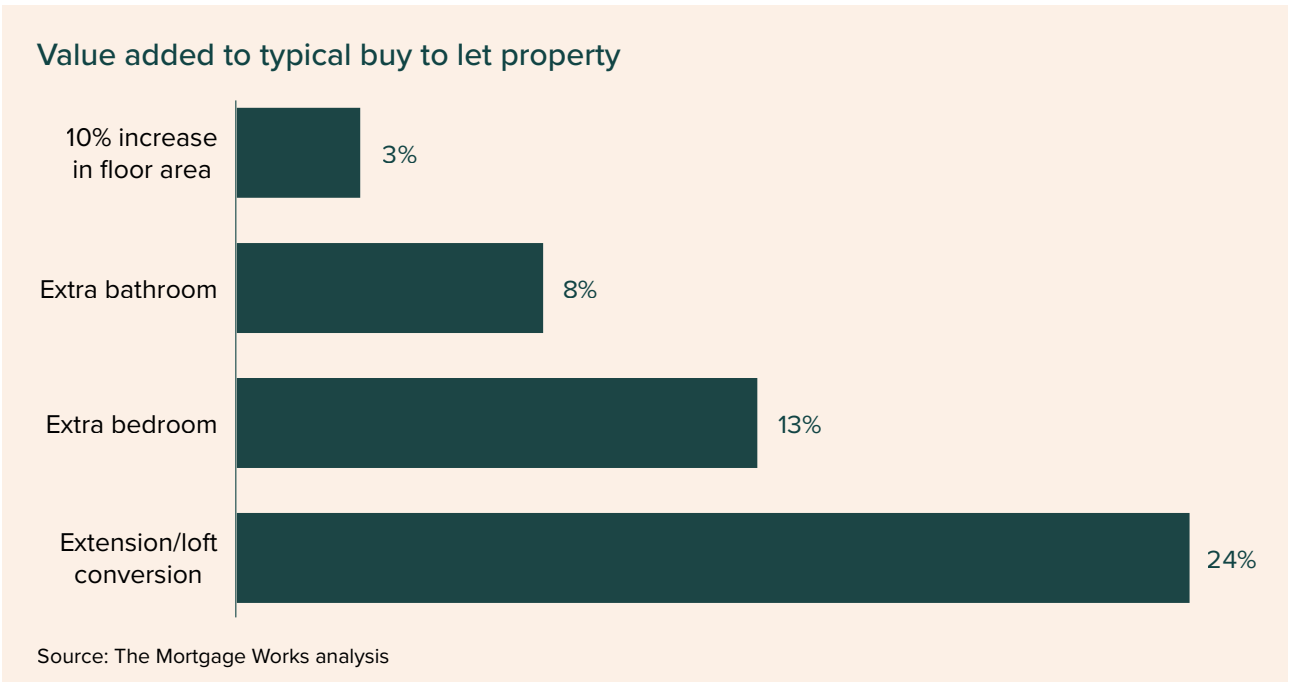
Source: Censuswide survey on behalf of The Mortgage Works (Oct-25)



Another bedroom can add 8-15% in value

We've used our data to look at the factors that affect the values of buy to let properties, and the potential to add value². While we can't identify the value associated with kitchen and bathroom renovations, we are able to explore the impact of more substantial projects, particularly those which increase the size of the property.

Location remains key to house values, but other factors, such as the number of bedrooms and bathrooms, are also important to landlords. Improvements that increase the size of the property, such as an extension or loft conversion, can add value and boost rental income.



Interestingly, our analysis suggests there's a larger premium for an additional bathroom in the buy to let market compared with owner occupier. For example, adding a second bathroom to a buy to let property adds 8% to its value, around twice as much as for an owner-occupied property (4%).

Adding space to create an additional double bedroom can add 13% to the value of an existing two-bedroom house³. The table below shows the value added for the main buy to let house types by increasing floor area to accommodate an extra bedroom.

Value added	2 bed to 3 bed	3 bed to 4 bed
Terraced	13%	15%
Semi-Detached	13%	8%

Landlords that add a loft conversion or extension, incorporating a large double bedroom and bathroom, can add as much as 24% to the value of a three-bedroom, one-bathroom house⁴. This is similar to what we see in the owner occupier market.

² The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bathrooms, number of bedrooms and floor area), region and locality (ACORN). The data was drawn from The Mortgage Works' sample for the period October 2024 to September 2025 and relates to Great Britain.

³ Additional bedroom is assumed to have a floor area of 13m².

⁴ We assume an additional 28m² of floor area, which includes a large bedroom and bathroom.

The impact on rental value

We've also explored how making improvements can impact potential rental income. Our analysis suggests that adding space to create an additional double bedroom can add 12% to typical rent, equivalent to around £125 per month (compared to an existing two-bedroom house)⁵.

Meanwhile, a buy to let property with a second bathroom attracts a 6% rental premium (around £60 per month). Landlords undertaking a larger scale project such as loft conversion could potentially see a rental uplift of 26% – around £285 per month on the typical rental property⁶.

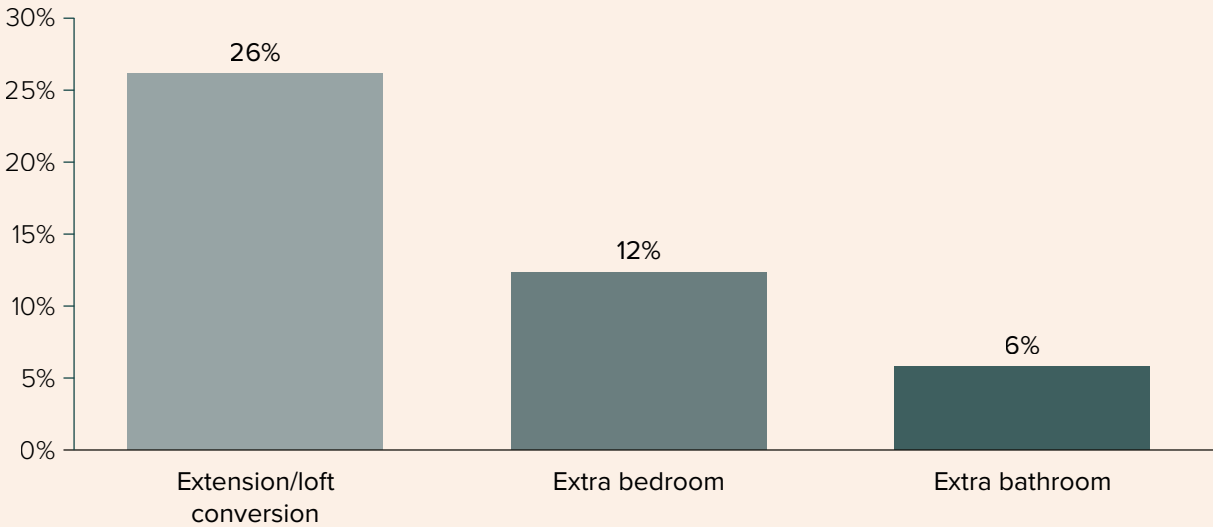
Energy efficiency

Aside from extending, another way to add value is to improve energy efficiency. This is particularly relevant to landlords since the introduction of Minimum Energy Efficiency Standards (MEES).

As we explored in our Autumn 2024 Private Rented Sector Report a more energy efficient buy to let property (rated A or B) attracts a significant premium of 10.9% compared to a similar property rated 'D' (the most commonly occurring rating).

Ultimately of course, the decision to invest in a property is an individual one, which has to take into account the costs and hassle involved, as well as potential benefits.

Rental uplift for typical buy to let property



Source: The Mortgage Works analysis

⁵ Based on average rent (in Great Britain) for a 3 bedroom property (with an additional 13m² of floor area) compared to a similar 2 bedroom property. Average rent calculated on a mix-adjusted basis using The Mortgage Works' data for the period October 2024 to September 2025.

⁶ Based on average rent (in Great Britain) for a 4 bedroom, 2 bathroom property (with an additional 28m² of floor area) compared to a similar 3 bedroom, 1 bathroom property. Average rent calculated on a mix-adjusted basis using The Mortgage Works' data for the period October 2024 to September 2025.



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