

The broker's guide to limited company BTL mortgages

Growing your business in an increasingly important market



All together, better

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Executive summary



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Head of Intermediary Relationships

The Buy to Let (BTL) market is gathering momentum, and with it, so are limited company structures. More landlords are transitioning to limited companies, including first-time property investors, which gives brokers an opportunity to grow their business and become experts for this increasingly important client segment.

The Intermediary Mortgage Lenders Association (IMLA) predicts a 14% rise in overall BTL lending in 2025, followed by an 11% rise in 2026, bringing BTL lending to £42 billion¹. This growth is expected due to improved affordability for landlords as rates fall and rents rise, driven by the structural supply-demand imbalance in the private rented sector.

As the BTL market grows, high-quality insights for brokers looking to understand the limited company BTL journey have been in short supply. That's why we commissioned this research: to provide brokers with the understanding and practical knowledge they need to serve their clients, anticipate market trends, and strengthen their offering. We've also included resources you can use directly with your clients to set yourself apart, as well as case studies of landlords and brokers already working in this market.

¹ <http://www.imla.org.uk/news/post.php?s=2024-12-23-imla-predicts-healthy-lending-growth-for-2025-greater-intermediary-business-and-more-remortgaging#:~:text=IMLA%20also%20predicts%20a%20rise,in%20the%20private%20rented%20sector.>

Some of the key findings from our research include:

- **Brokers are key to building landlords' confidence**

Landlords most often choose to incorporate for tax reasons or to professionalise their portfolio. Most found the process stressful, but brokers have a key role to play in reducing stress. More than half of landlords who plan to use a broker when incorporating feel very confident in the process, compared to just 20% of those going direct.

- **Landlords want expertise, not just better rates**

When asked what they want most from a broker, landlords rank expertise with their type of mortgage above simply getting the cheapest deal. This is an opportunity for brokers to strengthen their credibility in the limited company space and offer informed guidance.

- **Brokers can address misconceptions and win business in the process**

Landlords are also looking for brokers with market insight and local knowledge. Many believe myths about limited company BTL, including that mortgages are unattainable, incorporation only benefits large landlords, and exiting is too difficult. With more regulatory changes on the horizon, helping clients understand the facts is a way for brokers to show their value.

- **Landlords want more from lenders, too**

When it comes to accessing limited company BTL mortgages, landlords want efficiency and simplicity. They're looking for better online tools, faster decision-making, more transparent fees, and simplified processes – demands that start with the right mortgage provider.

At Coventry for intermediaries, our limited company BTL proposition was designed with these needs in mind. With responsive service and a fully digital process, we're here to help brokers deliver great client service and grow their business in this increasingly important sector.



Introduction

The limited company BTL market is one of the most dynamic growth areas of UK property investment. Research shows more and more landlords are turning to limited companies as their structure of choice for building and managing their property investments.

For brokers, this is a significant opportunity.

Limited company landlords typically approach the market with a business-focused mindset, seeking ways to manage their investments and maximise long-term returns. And while demand is rising – 70% of brokers say more clients are asking about limited company BTL – knowledge gaps still exist. Not all brokers feel confident navigating this landscape, and not all landlords are clear on the potential benefits and complexities. That's where insights are hugely valuable.

Methodology

Coventry for intermediaries commissioned this research to help brokers better understand their clients and this market. With limited existing research targeted at brokers looking to understand the limited company BTL space in detail, we saw a need for more clarity – a resource to which brokers can turn for insights and a competitive edge.

We surveyed 500 landlords who either already operate through a limited company or are considering it in the next 12 months, as well as 200 brokers across a range of experience levels and case volumes. Then, we interviewed six participants – three landlords and three brokers – to surface the human stories behind the stats.

Their insights painted a picture of a limited company BTL market ripe with opportunity.

1. The market is growing

Among the limited company BTL landlords we surveyed, 72% entered the market in the past five years. Looking at the broader picture, this equates to 41% of all landlords we spoke to – a clear sign of how active this segment has become. Importantly, it's not just existing landlords shifting strategies, 30% of limited company landlords are first time landlord.

Brokers are feeling this shift too, with 70% reporting an increase in clients seeking advice about limited company BTL. While most brokers feel equipped to meet this surge in demand, among less-experienced brokers (those handling just 1-5 cases per year), just one in seven say they're prepared.

2. Investors are confident

Landlords have positive experiences in the limited company BTL sector. The vast majority (81%) have been satisfied with the performance of their limited company BTL investments in the past year. Meanwhile, 45% of brokers and 43% of landlords have confidence in the current economic conditions for the BTL market – compared to just 13% and 20%, respectively, who rate conditions as poor.

Evidently, limited company BTL is a high-potential segment for mortgage brokers – and those who take the time to understand it are better positioned to grow with the market.

To do so, brokers need to be equipped with insights into landlords' goals and motivations, the market's regulatory direction, and practical ways to support their clients through an often-stressful process. This paper breaks those insights down section by section, starting with the limited company customer journey, so brokers can meet this opportunity with confidence.



The limited company landlord journey

Becoming a limited company landlord is a strategic decision, often aimed at getting the most out of a landlord's property investments. The journey isn't always straightforward, but brokers play a key role in easing stress along the way.

Why landlords transition to limited companies

Landlords typically enter the property market to achieve long-term financial goals. The most common motivations include generating regular income (cited by 47% of landlords), building assets (42%), and generating retirement wealth (42%).

The reasons for becoming a limited company landlord are slightly different.

This move is often driven by a desire to optimise the tax efficiency of their rental income, which 41% of landlords identify as a main reason for incorporating. However, motivations differ depending on the size of their portfolio:

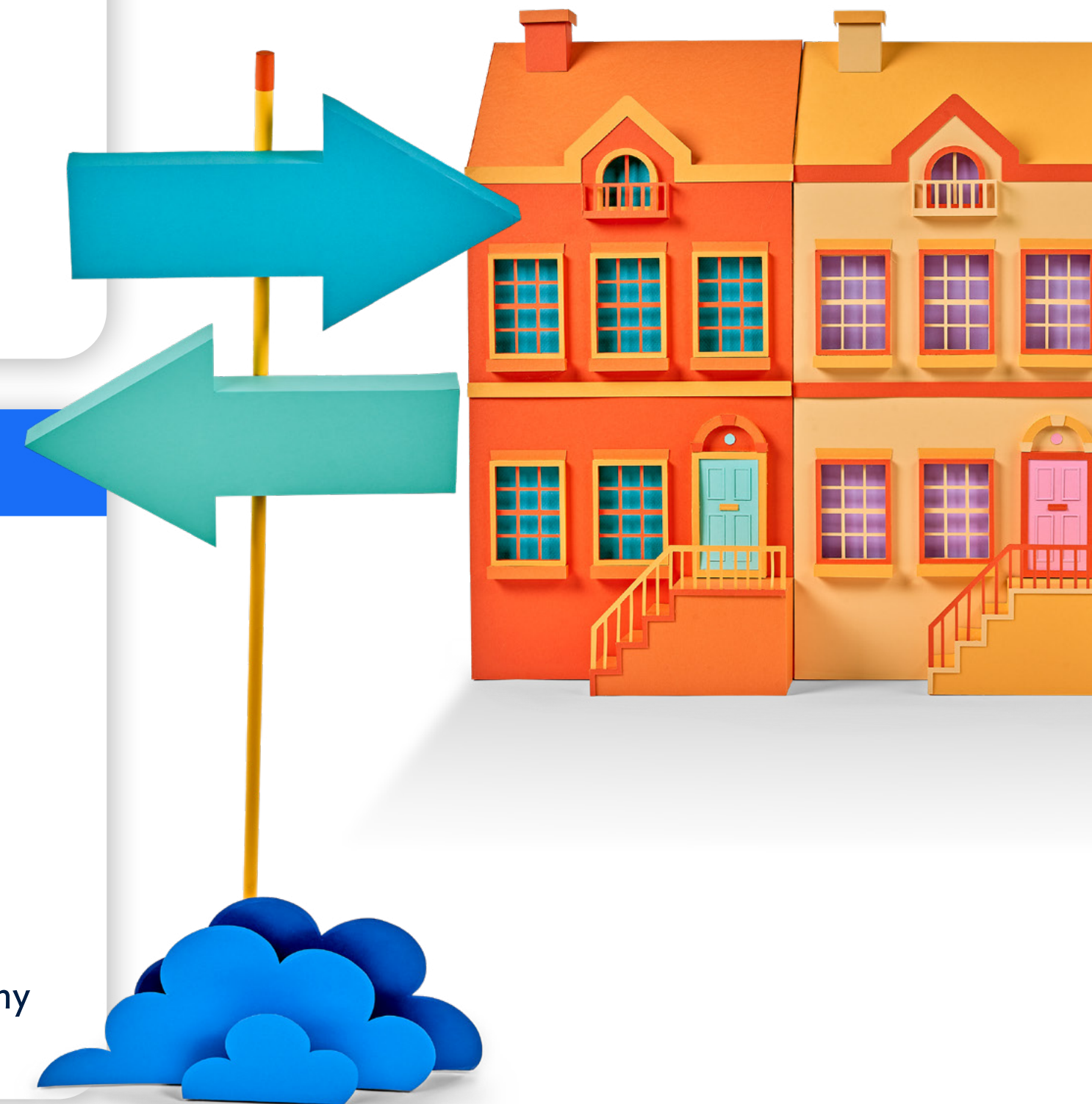
- Landlords with portfolios worth £10m+ primarily cite tax efficiency and scaling up investments as their top reasons (both 46%)
- Those with properties worth £1m-£10m aim to build a professional portfolio (44%)
- Landlords with under £1m portfolios focus on separating personal and business finances (41%).

Reasons for becoming a landlord

- 1 Generating a regular income
- 2 Building assets
- 3 Generating retirement wealth
- 4 Interested in real estate
- 5 Hoping to take advantage of market opportunities

Reasons for incorporating

- 1 Optimising tax efficiency on rental income
- 2 Building a professional property portfolio
- 3 Separating personal and business finances
- 4 Reducing personal liability of properties
- 5 Taking advantage of long-term capital growth through a company



Who are the influencers?

Professional advice plays a central role as landlords embark on becoming a limited company. In fact, 40% of landlords say a financial advisor or accountant influenced their decision to do so. However, other voices also matter:

- 36% were influenced by family or friends already in the property market
- 32% leaned on recommendations from other landlords
- 27% were influenced by their mortgage broker.

That last point is notable. While brokers are rarely involved in early-stage financial planning – and rightly so, given they are not typically authorised to provide financial advice – they often become essential support figures as landlords consider incorporation. In fact, brokers' prominence in influencing this decision may be higher than expected, suggesting that some are taking on a new role in guiding their clients along the limited company journey.

Considerations and complications

Landlords juggle a host of competing considerations when choosing whether to incorporate, reflecting the complexity of this decision.

The top considerations noted by respondents include:

- Extra costs, such as legal and accounting fees
- Understanding the tax implications and whether they will benefit
- Understanding the risks and uncertainties
- Preparing for potential future tax and regulatory changes
- Administrative complexity, such as setting up and managing the company.

The weight of these considerations varies by portfolio size. Landlords with portfolios under £1m are more concerned with the immediate costs and tax implications. Those with £10m+ are more likely to consider how to access professional advice and are more sensitive to potentially higher mortgage fees.

Given these many considerations, it's unsurprising that 65% of landlords found the process of becoming a limited company stressful. However, brokers were key to building their confidence as they pushed ahead.

Influencers behind landlords decision to incorporate



40% influenced by financial advisor or accountant



36% influenced by family or friends already in the property market



32% leaned on recommendations from other landlords



27% were influenced by their mortgage broker

Case study



47 years old



Battersea, London



Library manager



Divorced parent of two children



4 years as a limited company landlord

The landlords view: Jessica

Jessica became a limited company landlord after acquiring a property through a divorce settlement. She felt she lacked the knowledge and confidence needed to navigate the rules of BTL on her own. To ease the administrative burden, she and her cousins took on a mortgage together under a limited company structure.

Since Jessica had pooled resources with her cousins, borrowing capability wasn't an issue. Her main challenge was understanding the legal implications, especially with new regulations coming into effect at the time.

She spent a lot of time on Gov.UK and MoneySavingExpert to stay informed about market trends and understand her rights as a limited company landlord.

“Just be very, very knowledgeable, explaining exactly what the rules are, what do I need? I just want brokers to explain things in layman's terms. I want to know exactly what the rates are, what I need to pay [now], what I may need to pay in the future.”

She had a smooth relationship with her broker and, when it comes to what she values most in a broker, she prioritises knowledge and transparency.

Jessica believes that the professionalisation of the rental sector will increase the number of landlords entering the limited company BTL market, as they will be better protected by new regulations.

Looking ahead, she wants to expand her property portfolio but feels uncertain about the future. She is concerned about rising taxes and stamp duties on BTL properties, as well as potential new charges from the government, and worries about whether the investment will still be worthwhile with the added tax burden. However, Jessica is comfortable with her position in the market and has no plans to exit as profits are strong.

“I think that in the future it'll be much more common... There will be more protection for landlords and tenants. There will be more clearly defined rules and regulations, but if you comply with those, you can reap the benefits.”



Brokers: Confidence builders in a complex journey

Brokers play a vital role in fostering confidence in landlords on the limited company journey.

- 55% of landlords who plan to use a mortgage broker when becoming a limited company feel very confident in the process
- Only 20% of those planning to finance directly with a lender feel the same way.

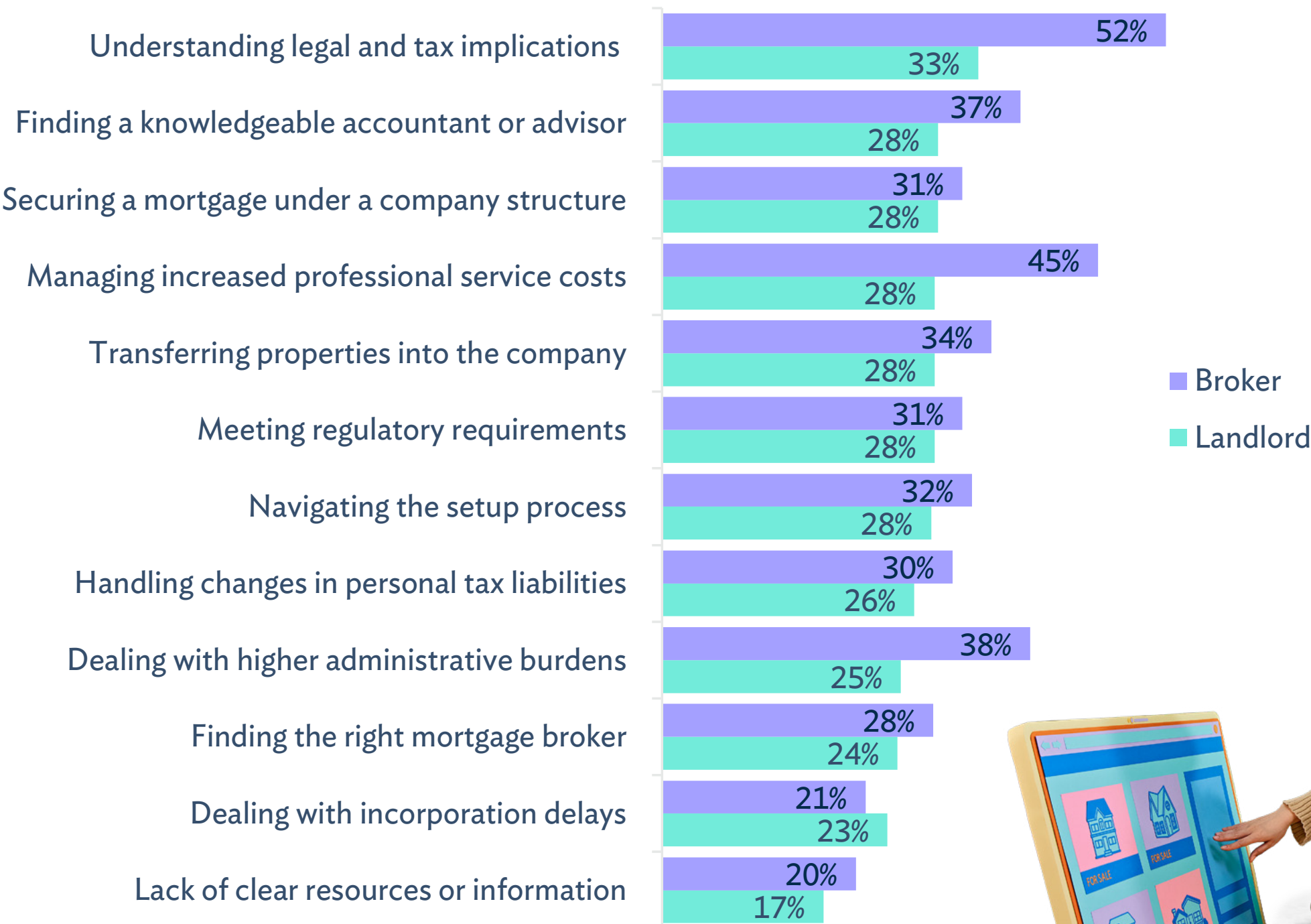
Brokers generally understand what challenges their clients are facing, which helps explain why they so dramatically improve landlords' confidence. However, they tend to place more weight on these challenges than landlords themselves do.

For example, brokers cite the legal and tax implications, and higher professional and administration fees, as key concerns – with far more brokers than landlords saying these are challenges. This doesn't necessarily indicate a misunderstanding with their clients; it may simply reflect brokers' visibility into the full limited company journey, as many landlords may underestimate the complexity of incorporation.

Brokers' role as confidence builders in the limited company BTL market is a clear opportunity. Those who proactively communicate what to expect from becoming a limited company – and clearly define their own role in the process – can reduce confusion, ease stress, and build stronger client relationships, perhaps even winning more business in this growing field.

Questions
Brokers: What are the biggest challenges your clients face when setting up a limited company?
Landlords: What challenges, if any, did you face when becoming a limited company landlord?

Landlords and brokers on the challenges of incorporation



Case study



East Midlands



Directly authorised



Sole trader



**5-10 years advising
limited company
mortgages**



**6-10 limited company
cases per year**

The broker's view: Shamir

Shamir acknowledges that, while there has been significant interest in limited company structures in recent years, the current market is less active. He attributes this to concerns about the incoming Renters' Rights Bill and government interventions in the private rented sector.

One of the biggest challenges Shamir faces is his clients' lack of knowledge about limited company structures.

His clients often misunderstand factors such as the inability to withdraw money freely, the need to manage additional accounting and tax obligations, and the complexities involved in transferring properties into a limited company structure. Shamir acknowledges that these misunderstandings often lead to clients asking him about specific tax advice he is not qualified to provide. Shamir always refers clients to a professional tax expert or accountant for more specialist advice. As a landlord himself and part of the National Residential Landlords Association, he has a good grasp of the regulatory landscape and passes on his first-hand knowledge and experiences to clients.

Shamir has had a good experience with lenders, especially when he can easily access information via online portals and deal with very responsive staff.

Shamir also praises the flexibility of certain lenders. He would like to see lenders asking for all necessary information upfront when processing applications, to streamline the process and reduce the need for him to go back to clients repeatedly for more information.

Shamir believes the biggest challenges in the market are taxation and regulatory changes, such as the Renters' Rights Bill, which will likely put more pressure on landlords. He believes a fall in interest rates is critical to the success of the limited company BTL market to help drive future interest from landlords.

“**With lower rates, it becomes a bit more appealing. There's more profit in the game, so to speak,**”



Securing the limited company mortgage

Getting the limited company structure in place is one thing, but applying for a mortgage under this structure brings its own challenges.

The top challenges landlords say they face when getting a mortgage are:

- Difficulty finding competitive rates (27%)
- Delays due to back-and-forth with the lender (26%)
- Longer approval times, challenges in projecting rental income, and fewer lenders in the market (each 23%).

Landlords who handle the process on their own feel these pain points more acutely. Fewer landlords who worked with a broker reported lender delays, once again underscoring the value of broker support in navigating lender processes.

It's important that landlords understand and appreciate the benefits they receive working with a broker. Brokers may use these insights to improve their communications with landlords, clearly articulating their value and expertise in dealing with multiple mortgage lenders day in, day out and highlighting the added challenges landlords face when they choose to go direct.



Challenges landlords face when applying for a limited company BTL mortgage



Delays were the most common challenge when going direct - but fell dramatically for landlords using a broker

Through a mortgage broker	Direct with a mortgage provider
1. Fewer lenders for limited company BTL mortgages	1. Delays due to back-and-forth with the lender
2. Difficulty finding competitive rates	2. Longer approval times than personal BTL mortgages
3. Limited communication or updates from the broker	3. Difficulty finding competitive rates
4. Challenges in proving rental income projections	4. Difficulty understanding lender requirements
5. Delays due to back-and-forth with the lender	5. Fewer lenders for limited company BTL mortgages

How brokers can stand out

Landlords note several things that would make accessing limited company BTL mortgages easier:

- Better online tools (52%)
- Faster decision making from mortgage providers (47%)
- More transparent fees (44%)
- Simplified application processes (38%)
- Better progress updates from mortgage providers (36%).

This is where brokers can really shine.

By managing expectations, chasing updates and advocating for their clients, brokers can improve the application process. Brokers are able to package cases for their clients, tailoring the information to each lender and further smoothing the process.

This starts with finding the right lender – one that deeply understands the market, has the right technology in place, and provides excellent service for both brokers and their clients.

While many of these access issues can be reduced with the right lending partner, landlords note several things they need from their broker, specifically. Interestingly, they are looking for expertise, not just low costs.

Landlords' top needs from brokers are:



Expertise with their type of mortgage (40%)



Getting the best deal or a competitive rate (37%)



Providing market insight and local knowledge (35%)

Our solution

At Coventry for intermediaries, we aim to help brokers deliver what their clients want with:

- **Fast turnaround times**

Our digital platform makes it easy to submit and manage cases, with straightforward processes that save time and reduce hassle. Our Service Levels page offers up-to-date information about how quickly our team answers calls and turns around offers.

- **Responsive service**

With experienced underwriters, quick decisions, and a dedicated support team, we help brokers move cases forward smoothly and confidently while allowing them to keep their clients in the loop.

- **Track record in the BTL space**

Coventry for intermediaries has over 17 years of experience in the BTL space through the mortgage-industry recognised Godiva brand.

For more information about how our solutions support both brokers and landlords, please head to [the Conclusion](#).



Case study

-  **45 years old**
-  **South East**
-  **Married and a parent**
-  **2-3 years as a limited company landlord**

The landlords view: Onkar

Onkar transitioned to a limited company structure to take advantage of the tax benefits after inheriting properties with high mortgages that he couldn't offset as a personal buyer. His final decision to operate as a limited company was based on expert advice, which suggested that doing so could provide significant inheritance and corporation tax benefits. This was important to Onkar, as it meant that he could easily add his children as shareholders in the business when he retires. Of course, everyone's circumstances are different and it's important to seek advice from a qualified advisor.

Initially, Onkar found it difficult to raise extra finances to transfer properties into the company. He also needed to manage withdrawals carefully, keeping funds for tax purposes, which he found to be an adjustment. The most difficult element of the process was transferring properties into a limited company structure, due to not having the track record to raise a mortgage under his new business.

Onkar relied on his financial advisor, family, and friends for advice. He used his advisor's and lawyer's guidance when transferring his properties, but even with their help, it's not something he'd choose to do again. Instead, he wishes he had the opportunity to set up the limited company before buying property.

Onkar continued to use his original mortgage broker when transitioning his properties into a limited company structure because, with a decision so big and valuable, he wanted to go with someone he knew and trusted. Onkar likes using a broker because, while he can access mortgage options himself, brokers can identify and present a

wider range more effectively than he could through his own research or going directly to lenders.

When considering what he needs most from his broker, Onkar says advice and support, including around discussing the benefits and challenges of setting up a limited company, especially when the company is newly established and lacks financial history.

Onkar would like to expand his business but wants to stabilise his portfolio first. He feels it is becoming more expensive to be a landlord due to regulatory reform. His chosen agency has already started increasing its fees and he knows he'll have to upgrade his energy ratings on his rental properties in the future, too. Onkar isn't sure where he sees his business going in the next five years due to the current state of the economy but he's happy to ride it out.

“It's uncertain, obviously with the economic turmoil in the current UK market and around the world. If you'd asked me five years ago, I'd have a clear plan of where I would like to go with this property and this business, but right now, I'm still not sure how things are going to pan out,”



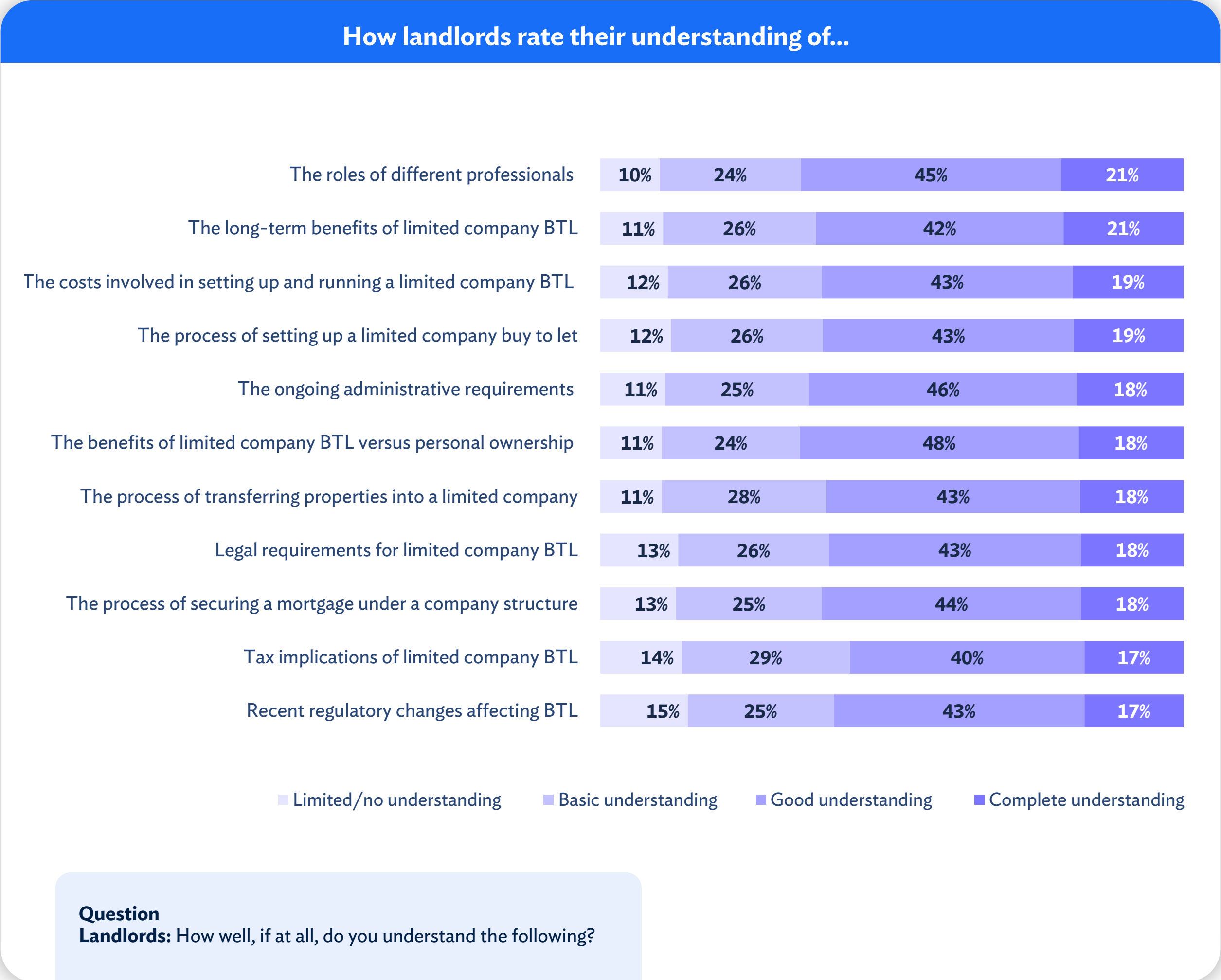
Plugging the knowledge gap

Landlords feel confident in their understanding of the limited company BTL market, but many still have misconceptions. For brokers looking to deliver a more competitive service and win more business, helping clients better understand the landscape could be a real differentiator.

Perception vs reality

While many landlords say they have at least a basic understanding of the limited company BTL market, gaps in their knowledge still exist:

- 43% of landlords say they have a limited or basic understanding of the tax implications of limited company BTL
- 40% say the same of their understanding of recent regulatory changes
- 39%, about the legal requirements involved
- 39%, about the process of transferring properties into a limited company structure.



Most landlords (73%) believe at least one myth about the limited company BTL market. These misunderstandings even affect landlords already operating through a limited company structure and those with significant years of experience in the market.

Some of the most common myths include:

- “Stricter lending criteria make limited company mortgages unattainable”
- “Only large-scale landlords benefit from incorporation”
- “There are HMRC penalties for using a limited company structure”
- “Exiting a limited company structure is too difficult”.

Landlords don’t believe these myths for no reason. Some contain a grain of truth, but the reality is often more manageable with the right guidance and planning. For brokers, tackling these myths is an opportunity to offer reassurance and deliver a more valuable client experience. On the following page, we’ve provided a downloadable resource you can use with clients to help separate fact from fiction and establish yourself as a trusted source of knowledge about the limited company BTL market.

Mythbusting

What your clients may believe, and how to set the record straight

As always, individual circumstances may vary. While it’s important to be aware of the facts, landlords should seek expert advice when considering a limited company BTL structure.

[Click to download](#)

Myth	<p>21% of landlords believe stricter lending criteria make limited company BTL mortgages unattainable</p>	<p>21% believe only large-scale landlords benefit from incorporation</p>	<p>20% believe there are HMRC penalties for using a limited company structure</p>	<p>16% believe exiting a limited company structure is too difficult</p>
Reality	<p>Lending criteria may differ, but that doesn’t mean these mortgages are out of reach</p> <p>Lenders may ask for detailed information to understand the landlord’s financial position and what they can realistically repay without unduly risking financial instability.</p> <p>With the right preparation – and broker support to understand and respond to lenders’ requirements – limited company BTL mortgages are accessible and often designed with landlords’ needs in mind.</p>	<p>Landlords of all sizes may benefit from incorporation</p> <p>A limited company structure can benefit smaller landlords, such as those planning to expand their portfolios.</p> <p>There are drawbacks, such as higher up-front costs, but the potential benefits may be compelling for landlords large and small.</p>	<p>There are no HMRC penalties specifically for using a limited company to own property</p> <p>As with any business, the company must file documents and pay tax correctly. Problems arise from non-compliance, not from the structure itself.</p>	<p>Exiting is far from impossible</p> <p>Exiting a limited company structure does require planning, and there may be tax implications such as capital gains – which can be higher for companies than for individuals.</p> <p>However, exiting is far from impossible. With the right advice, landlords can exit or restructure without unnecessary hurdles.</p>

Are brokers aligned?

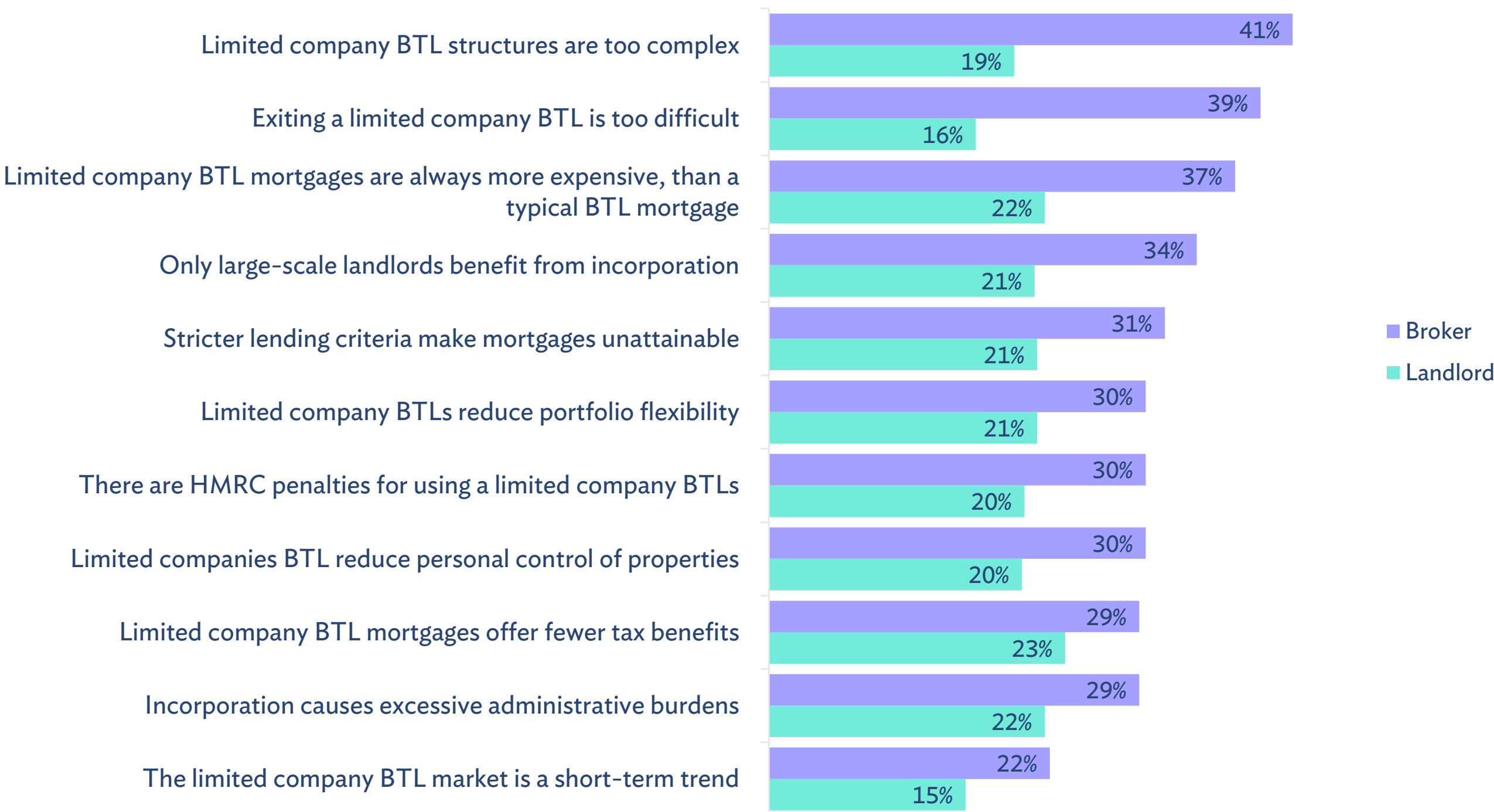
Interestingly, brokers tend to have a strong grasp of landlords' misconceptions, but they often underestimate how informed their clients actually are. For instance:

- 41% of brokers believe their clients think a limited company structure is too complex, compared to just 19% of landlords who feel this way
- 39% of brokers say their clients believe exiting a limited company structure is too difficult, but only 16% of landlords hold this belief.

This misalignment highlights the importance of two-way communication. Brokers shouldn't assume what their clients do (and don't) know. Instead, asking open questions and tailoring support accordingly can help build trust based on landlords' genuine needs.



What landlords believe about incorporation vs what brokers think they believe



Questions
Brokers: What common misconceptions do your clients have about the limited company BTL market?
Landlords: Which, if any, of the following statements do you think are true of the limited company BTL market?

What landlords want to learn

Landlords are looking for credible information about limited company BTL, giving brokers an opportunity to strengthen their proposition and meet client needs. Landlords' top areas of interest include:

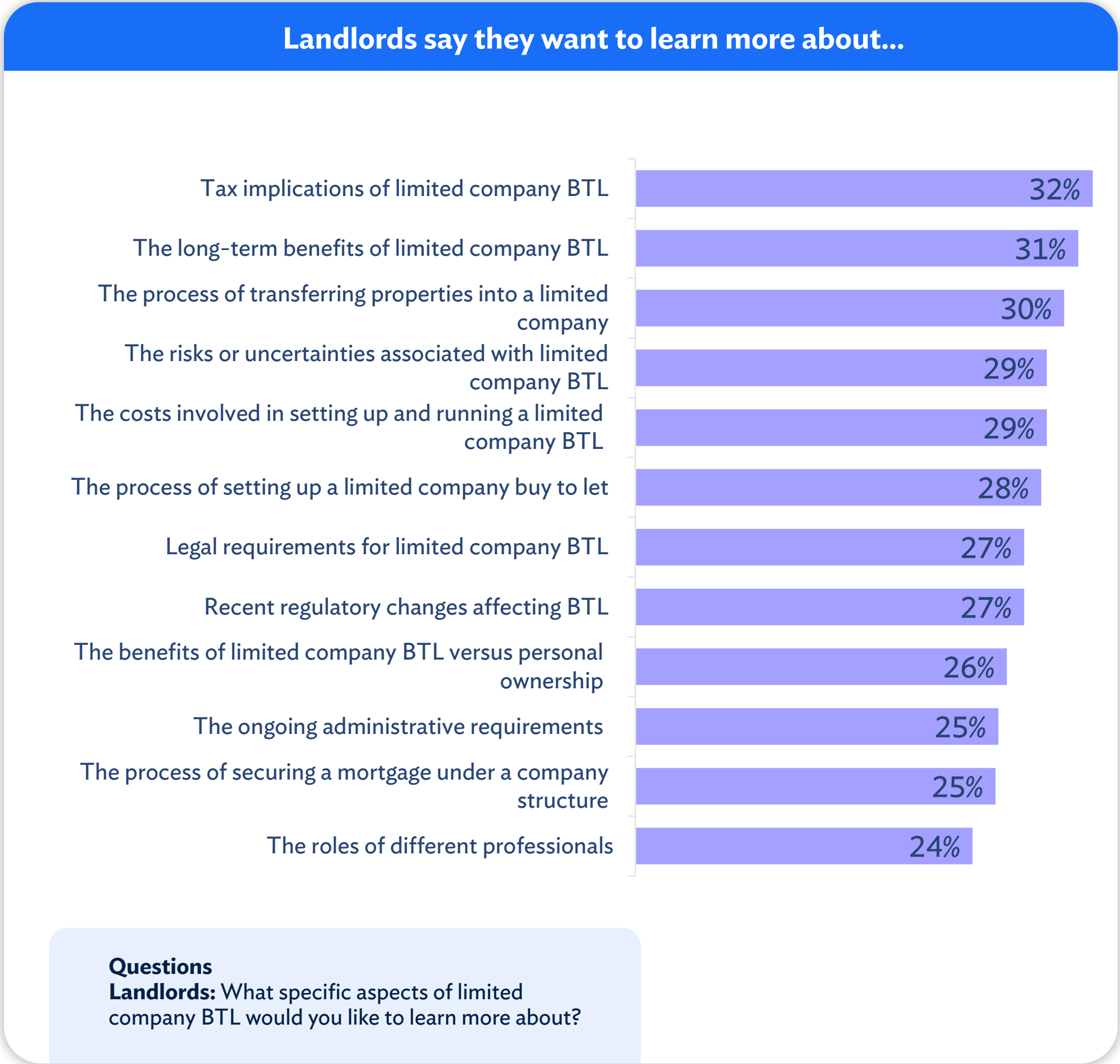
- Tax implications (32%)
- Long-term benefits (31%)
- Transferring properties into a limited company (30%)
- Risks and uncertainties (29%)
- The process of setting up a limited company (28%).

Other areas such as recent regulatory changes, the application process, and understanding the roles of different professionals are also of interest.

This doesn't mean brokers need to become experts in every area. However, there is value in knowing what clients want to learn more about, and offering the right resources or signposting accordingly.

Of course, brokers must be mindful of the regulatory boundaries. They can't offer specific legal or tax advice, but they can provide general market insight, resources about the mortgage process, and referrals to other qualified professionals.

For larger firms, partnering with accountants or tax advisors may enhance their offering. For most brokers, though, the focus should be on managing expectations, making sure clients understand where the broker's role begins and ends, and providing knowledge only where it's appropriate. And don't sweat it – while tax is top of the list of what landlords want to learn, this is only by a very small margin, so information about other areas is still highly valuable.



Our solution

Providing market insight on top of your day job isn't easy. That's why Coventry for intermediaries is committed to helping brokers stay informed and add value with ready-to-use resources and expert knowledge of the market.

- **Credible content**
From reports like this one to guides and other resources, we offer broker-friendly materials designed to inform you and your clients.
- **Specialist market knowledge**
We've been active in the BTL space for almost two decades, with a strong track record, respected brand, and deep understanding of the market, for insights you and your clients can trust.

For more information about how our solutions support both brokers and landlords, please head to [the Conclusion](#).

Case study



North East



Directly authorised



Firm has 6-9 employees



3-4 years advising limited company mortgages



1-5 limited company cases per year

The broker's view: John

John describes the current limited company BTL market as on an upward trajectory, noting a higher need for this type of advice over the past two years, coinciding with rising interest rates. He's optimistic about the market's future, with several compelling advantages driving it forward: improved tax planning flexibility, full interest cost offset, intergenerational planning benefits, and more efficient inheritance tax management. As a former chartered accountant, John finds handling these mortgages to be relatively straightforward compared to other brokers.

John is careful not to provide specific tax advice to clients. Instead, he signposts official government information and resources that may help them make informed decisions themselves. John also proactively adds value by asking questions that can identify problems clients didn't realise they had, and then solving them – for instance, have they considered what they'd need to do as director of the company?

“**[Brokers should] know how limited companies work, know how they are taxed, and know what the downsides are compared to owning property as an individual.**”

John describes working with mortgage lenders on BTL mortgages as fairly straightforward. He notes that challenges tend to be lender-specific, rather than BTL-specific. His experiences range from extremely frustrating (such as a lender taking four months for a property valuation) to very positive (when a lender efficiently handled a complex case and provided a fast, straightforward experience).

John values lenders that offer portfolio features, such as the ability to manage all of a landlord's mortgages efficiently and release equity from one property to develop or buy another. He appreciates when lenders prioritise service over having the absolute lowest rates.


“**We don't always go for the cheapest mortgage lender. Service is really, really important.**”



Communicating effectively

Communication isn't just about what landlords want to know, it's how they want to receive that information.

Landlords express appetite for content in multiple formats



Video tutorials
41%




Online guides/PDFs
41%



Email updates
40%



One-on-one consultations
39%



Webinars
39%



In-person seminars
37%

Just 3% of landlords opted out of this question, indicating that the vast majority are open to receiving information in at least one format. This suggests that brokers don't need to choose a specific approach to communication but rather should consider what works best for their client base, where they can stand out from competitors, and what they can realistically deliver.

At its core, communication is about building trust. Brokers who take the time to educate their clients can strengthen their value proposition and, ultimately, their business model. Client preferences are key – some landlords may not want too much information, but rather concise and relevant updates, delivered in engaging, accessible ways.



Case study

-  **39 years old**
-  **Wales**
-  **Primary school teacher**
-  **1 year as a limited company landlord**

The landlords view: Joe

Joe became a limited company landlord after starting out by renting properties to students, a path inspired by landlords he'd met while at university. As he expanded into a broader rental market, he felt the need for a more formal structure and saw the limited company route as a way to gain financial security and create room for growth. He was eager to scale up alongside his mum, who already had experience in house clearances and property management, as well as renovate and potentially profit from selling upgraded properties.

“When I was in university, I was quite fascinated by the landlord of our student house... And my mum, she's got quite a lot of experience. So, we just came together, and we thought it would be a great idea if we could initially market our company towards students.”

Joe says the changing landscape, with fluctuating interest rates and increases in Stamp Duty, has made financial planning and property purchases more difficult. He highlights how important his accountant is, managing the numbers, keeping spending in check, and staying on top of tax and regulatory changes so he and his mum can focus on growing the business.

Joe values brokers who take the lead and handle most of the work when it comes to securing a mortgage. Comprehensive support and clear guidance go a long way for him.

He leans on brokers who can quickly adapt to shifts in the market, especially during uncertain times such as the economic changes brought on by Covid-19, which made lenders more cautious. Joe looks for brokers who can still find strong deals despite hurdles such as Stamp Duty and rising interest rates. He's found real value in working with brokers who have moved from larger firms into independent practice, appreciating the more personal, consistent service he has received.

“[Our broker] does all the work for us, really. He's got so many contacts. He knows exactly which banks and building societies to go to, he knows what deals are on offer, he knows what the best rates are... It takes the stress away from us quite a bit.”

Joe expresses concern about the current state of the limited company BTL market, noting it has become more difficult due to economic changes, rising costs, and fluctuating interest rates. He's also seen a drop in the number of available mortgage deals compared to when he started, which has made it harder to expand his portfolio. The rising cost of living has affected his business model, too, as he can no longer cover utility bills for tenants as he did in the past.

Despite these challenges, Joe remains focused on staying financially stable and being prepared for market changes or shifts in tenant demand. He plans to continue renovating properties to increase their value and appeal.



Understanding future preparedness

Regulatory changes are a constant presence in the property market, but a significant number of landlords and brokers aren't ready to meet what's coming next. One-third (34%) of landlords cite navigating future tax or regulatory changes as a key consideration when deciding to incorporate, yet many feel unprepared.

With major reforms on the horizon, brokers have a chance to step up as reliable guides.

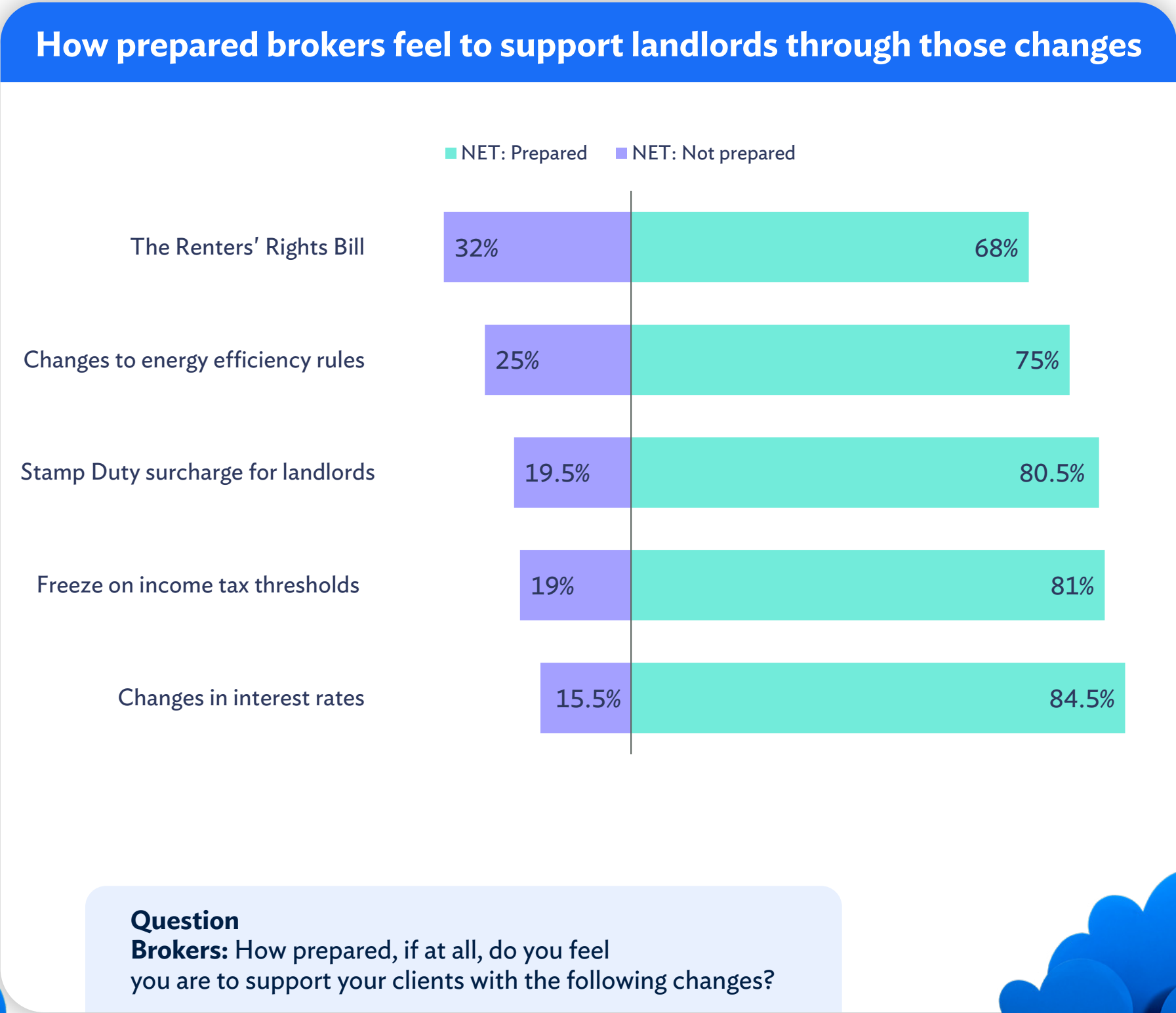
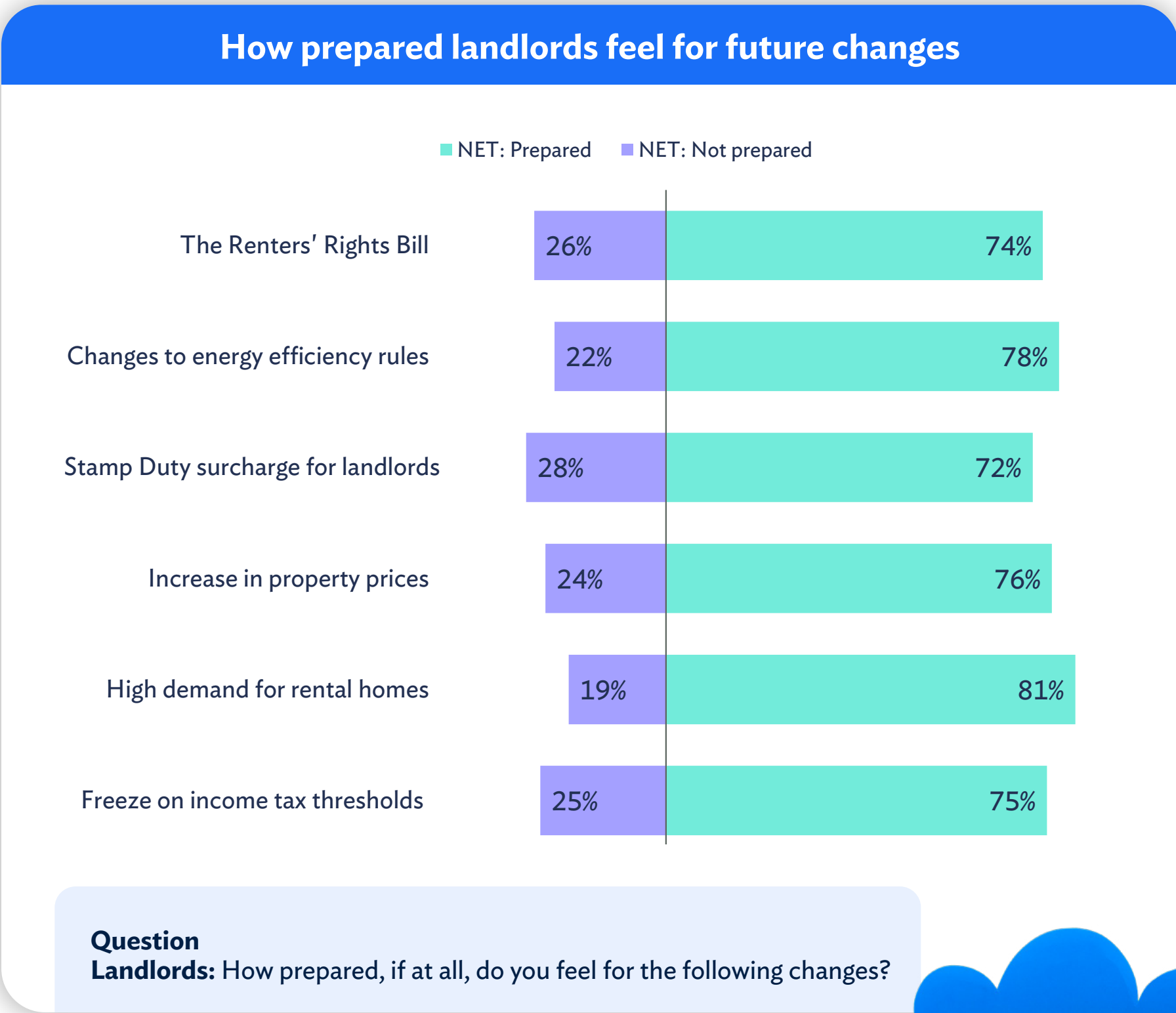
What's on the horizon?

More than half of both landlords (56%) and brokers (52%)² feel unprepared for at least one upcoming regulatory or market change.

Landlords say they feel least prepared for:

- Stamp Duty surcharge for landlords (28%)
- Freeze on income tax thresholds (25%)
- Increases in property prices (24%)
- The Renters' Rights Bill (26%)
- High demand for rental homes (19%)
- Changes to energy efficiency rules (22%).

Brokers echo many of these concerns, with many feeling unprepared to advise their clients on the changes.



²Landlords were asked about the Renters' Rights Bill, changes to energy efficiency rules, Stamp Duty surcharge for landlords, increase in property prices, high demand for rental properties, and freeze on income tax thresholds. Brokers were asked about the Renters Rights Bill, changes to energy efficiency rules, Stamp Duty surcharge for Landlords, freeze on income tax thresholds, and changes in interest rates.

Regulatory spotlight

Regulatory changes, while daunting, are key opportunities for both brokers and lenders to support and inform their clients and stand out from the competition. Below, we’ve outlined three major future challenges, followed by a short breakdown to help brokers close their knowledge gaps.

The Renters’ Rights Bill	Energy efficiency regulations	Stamp Duty and taxation changes
<p>26% of landlords and 32% of brokers feel unprepared.</p> <p>What it is: A major reform package aimed at boosting protection for private renters in England. The changes include:</p> <ul style="list-style-type: none">• Abolishing section 21 evictions• Abolishing fixed-term tenancies in favour of periodic ones• Stronger rules around rent bidding• New minimum housing standards• A new renters’ ombudsman and national landlord database• More leeway for renters to have pets. <p>Key things to know:</p> <ul style="list-style-type: none">• At the time of publication, the Bill hasn’t yet become law but is widely expected to• Many of the reforms are expected to take effect from the second half of 2025, so early preparation is key• Landlords should be aware of the measures, especially those around housing standards and grounds for possession.	<p>22% of landlords and 25% of brokers feel unprepared.</p> <p>What it is: By 2028 for new tenancies and 2030 for existing ones, landlords in England and Wales may need to have a minimum Energy Performance Certificate (EPC) rating of C, up from E currently. Again, these changes aren’t yet law but if they are passed, most landlords will need to make improvements to their properties³. Fines could be issued for non-compliance.</p> <p>Key things to know:</p> <ul style="list-style-type: none">• Required upgrades may include insulation, new heating systems and draught-proofing• Government estimates suggest costs of £6,100-£6,800 per property⁴• There are some proposed exemptions, including one for new landlords that lasts for six months, giving owners time to make upgrades.	<p>28% of landlords and 20% of brokers feel unprepared.</p> <p>What it is: In late 2024, the Stamp Duty on additional homes increased from 3% to 5%. The changes could add thousands to a landlord’s next purchase. We’ve calculated the new Stamp Duty on an average-priced home in England to be more than £20,000⁵.</p> <p>Key things to know:</p> <ul style="list-style-type: none">• These changes only affect new acquisitions, not current properties• The higher Stamp Duty applies on top of regular Stamp Duty, so landlords must pay anywhere from 5% to 17% depending on the sale price• Civil couples are treated as if they’re buying together (even if they’re not), and the extra charges apply even if a landlord’s other properties are overseas.

³<https://www.gov.uk/government/news/warm-homes-and-cheaper-bills-as-government-accelerates-plan-for-change#:~:text=48%25%20of%20private%20rented%20homes%20in%20England%20are%20already%20Energy%20Performance%20Certificate%20C>

⁴<https://www.gov.uk/government/news/warm-homes-and-cheaper-bills-as-government-accelerates-plan-for-change#:~:text=The%20average%20cost%20to%20landlords%20of%20complying%20with%20the%20proposals%20to%20upgrade%20their%20properties%20is%20estimated%20to%20be%20between%20%C2%A36%2C100%20and%20%C2%A36%2C800%20by%202030.>

⁵From Coventry for intermediaries October news release on 5% Stamp Duty Surcharge – Budget Reaction.

Case Study



South West



Directly authorised



Firm has 20 employees



10+ years advising limited company mortgages



1-5 limited company cases per year

The broker's view: Matt

Matt notes that choosing a limited company structure remains a secondary consideration rather than a default option for most. He sees landlords being put off by new developments in the space, such as heightened regulatory requirements and government policies that have increasingly targeted landlords.

To overcome the knowledge barriers, Matt uses visuals such as a small sketch pad to create diagrams to illustrate each concept and help educate the client. He always clarifies to clients that he is not a tax advisor and provides disclaimers advising them to seek tax advice from their accountants.

“**[Brokers may want to] learn to read and understand accounts – why somebody may benefit from a limited company BTL, perhaps for control reasons, a very high income, being able to pass it on to children, and so on. able to pass it on to children, and so on,**”

Matt notes the relatively small number of lenders in the limited company BTL space. He says the experience is a lot more rigorous than a standard BTL and values lenders with criteria that are more static, as it makes it easier to stay up to date.

Matt expresses a need for regular updates from lenders but notes that these updates should be relevant and timely, as brokers may ignore information that is not pertinent at the time. He says lenders could offer clear presentations on the benefits of using a limited company, as well as comparisons with non-limited company options, to better promote this business model.

Matt is cautiously optimistic about the future of this market, anticipating that falling interest rates will stimulate growth.

However, he expresses concern that continued government pressure on landlords could transform the UK rental market. He calls for lenders to make limited company BTLs as similar as possible to standard products, suggesting this approach would normalise the structure and potentially create a broader market where limited company vehicles become the default option.

“**Where [limited company BTL] has never really taken off as much as it should is due to a lack of understanding and its complexity, rather than a lack of demand,**”



Conclusion

How we can help you, help your clients

The limited company BTL market is full of promise. This research confirms what many brokers have seen in practice: landlord interest in the limited company pathway is rising, and with it, the opportunity for brokers to grow their business in a specialist segment.

However, this opportunity comes with complexity. Landlords are juggling complex decisions, often underpinned by tax planning and long-term financial goals.

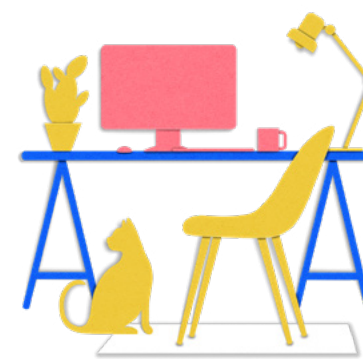
The limited company journey can be stressful, with 65% of landlords saying so, but brokers have a prized role in smoothing the process.

From clarifying misconceptions to supporting the mortgage process, brokers are central to landlords' success. As the regulatory landscape continues to evolve, landlords' need for guidance will only grow – and at Coventry for intermediaries, we are dedicated to supporting you as you meet that demand.

Key takeaways

Landlords want more than just good rates

While brokers are always working to secure competitive deals, landlords value expertise, too.



Communication is everything

While landlords are hungry for information, they want it in the format that suits them best. From online guides to one-on-one consultations, finding out where you can stand out is key.



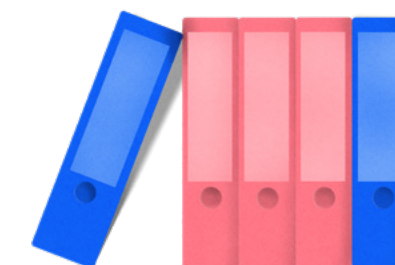
Myths about the sector persist

Tackling landlords' misconceptions about limited company BTL is an opportunity to deepen trust and win business.



Regulation is changing

Regulatory reform will reshape the private renting sector. Many landlords and brokers feel unprepared, but accurate knowledge can help you and your clients stay ahead.



How Coventry for intermediaries can help

At Coventry for intermediaries, we don't expect brokers to meet these challenges alone. We've built our Limited Company BTL proposition around the real needs of both brokers and landlords, aiming to make it simpler for you to deliver a great client experience and grow your business.

For brokers, we offer:

- A distinctive brand and long-standing reputation in the BTL market, trusted by intermediaries and landlords alike
- Favourable criteria to suit a wide range of your clients
- Fast turnaround times and low call wait times, so you can move quickly for your clients
- An experienced team of underwriters who specialise in BTL
- A dedicated intermediary support team and every broker gets two BDMs
- A wide legal panel of over 300 conveyancers across the UK
- A fully online process – just log in to submit and manage cases easily.

For landlords, we provide:

- Lending for up to seven BTL properties with the Coventry Building Society Group and up to 15 mortgaged BTL/rental properties in total, either in their own name or through a limited company
- Up to four directors and/or shareholders accepted on each application
- No minimum income requirement
- Competitive affordability, with a 125% interest coverage ratio on the subject property
- An aggregate loan limit of up to £2.5m on all rental properties mortgaged with the Coventry Building Society Group.



Explore our Knowledge Centre for more valuable insights and articles



www.coventryforintermediaries.co.uk/knowledge-centre.html



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