Why Traditional Buy-to-Let Landlords Are Turning to Mixed-Use Property

By David Coleman, Head of Sales at Positive Lending

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It's no secret that traditional buy-to-let has become far tougher to navigate. Between heavy tax pressures and incoming regulation like the Renters' Rights Act, keeping a purely residential portfolio profitable is a growing headache for many UK landlords.

At Positive Lending, we're seeing a clear shift in response. Experienced investors are stepping away from standard residential setups and actively moving into semi-commercial properties, such as a ground-floor retail shop with a flat upstairs.

Here's why this approach is gaining traction:

Mixed-use assets offer relief from some of the heaviest residential tax pressures, including exemption from residential Stamp Duty Land Tax (SDLT) surcharges on the commercial element, while bypassing strict new residential tenancy restrictions.

Combining commercial and residential rent diversifies risk and delivers noticeably higher overall yields, helping absorb higher borrowing costs.

Commercial leases typically run longer and often require tenants to handle maintenance, reducing ongoing management strain.

Semi-commercial and commercial finance can be complex, given restricted lender access and a more involved application process. Working with Positive Lending gives you whole-of-market lender access and solutions designed specifically for landlords looking to diversify.

For landlords looking to protect their portfolios and future-proof their income, semi-commercial property is no longer a niche alternative but an intentional strategy for sustainable growth.

Get in Touch with Our Commercial Mortgage Team

Website: www.positivelending.co.uk
Email: commercial@positivelending.co.uk
Phone: 01202 850 830 (Option 3)