

Welcome to our monthly newsletter for property landlords. We hope you find this informative and please contact us to discuss any matters further.

In this edition of our newsletter we take a look at the main political parties' election manifestos to see the pledges that may be of interest to property landlords.

Conservative manifesto

The Conservative party manifesto contains the following pledges that are of relevance to those in the property sector:

A temporary 2-year capital gains tax (CGT) exemption for landlords selling a property to existing tenants;

The temporarily raised stamp duty land tax (SDLT) threshold for first-time buyers will be made permanent. The raised threshold is £625,000 and is set to drop to £300,000 in 2025;

A new 3-year Help to Buy equity loan scheme, previous iterations of which ran until 2023, and an extension of the current Help to Buy mortgage guarantee scheme, which is due to expire in 2025; and

A pledge to build 1.6 million new homes over the next parliament, to be achieved by using brownfield land and fast-tracking housing through the planning system.

Labour manifesto

The Labour party manifesto pledges few property-tax specific measures. Whilst the party has not ruled out a CGT rise,

Shadow Chancellor Rachel Reeves has said that she has “no plans” to increase the tax. The following pledges are of relevance to those in the sector:

A 1% increase to the higher rate of SDLT on purchases of UK residential property by non-UK residents;

A pledge to build 1.5 million new homes over the next parliament, facilitated by reforms to the planning sector and mandatory housing targets for councils;

A pledge to review the increased “Right to Buy” discounts that were introduced in 2012, in order to better protect the existing stock of social housing;

An “immediate” ban on no-fault evictions;

A pledge to introduce powers to enable tenants to challenge unreasonable rent increases;

Extension of “Awab’s Law”, which sets standards of social housing, to the private rental sector; and

A pledge to introduce a mortgage guarantee scheme for first-time buyers who are struggling to save for a large deposit.

Liberal Democrat manifesto

The Liberal Democrat manifesto contains the following pledges that are relevant to those in the property sector:

A pledge to charge CGT at 20% for gains up to £50,000, 40% on gains between £50,000 and £100,000 and 45% for gains over £100,000. The system will not interact

with the income tax bandings, as it does currently;

Immediately banning no-fault evictions, making three-year tenancies the default, and creating a national register of licensed landlords;

Abolishing residential leaseholds and capping ground rents to a nominal fee;

Various planning and development measures that will help “build the homes people desperately need”;

A new Rent to Own model for social housing where rent payments give tenants an increasing stake in the property, owning it outright after 30 years;

Powers for local authorities to end Right to Buy schemes and to control second homes and short-term lets in their area.

SNP Manifesto:

The SNP pledge to reintroduce a simplified Help to Buy ISA scheme to help first time buyers.

The party also pledges to “tackle the housing emergency caused by decades of Westminster underinvestment, a hard Brexit and a £1.3bn cut to the Scottish Government’s capital budget from the UK Government. The UK Government must restore the cut to our Capital Budget”.

Plaid Cymru Manifesto:

In their manifesto, Plaid Cymru pledge to “equalise capital gains tax with income tax”.

The party also pledges to introduce a Right to Adequate Housing and a plan to meet local housing need in all parts of Wales.

The proposed Right to Adequate Housing Bill in Wales would include powers to introduce rent controls and other market interventions to make housing more affordable and ensure fairness in the private rented sector.

To further tackle the issue of second homes and unused property, the party is looking to close loopholes which allow holiday homes to pretend to be legitimate lettings businesses.

The party also pledges to reform the planning system.

Bank of England interest rate to remain at 5.25%

On 20 June, the Bank of England announced that in spite of inflation hitting the central bank’s target level of 2%, the interest rate is to be held at 5.25%. The impact of this on the housing market will become clearer as mortgage holders look to re-mortgage.

Furnished Holiday Lettings: a Reminder

The general election does not necessarily mean that the proposed abolition of Furnished Holiday Lettings (FHL) status has gone away. The abolition, set to take effect from 6 April 2025 was proposed by Jeremy Hunt in the 2024 Spring Budget. Very little information was published, and we were yet to see further guidance or draft legislation when the general election was called.

Whilst neither the Conservative or Labour manifestos mention FHL abolition, many think that both parties would seek to abolish the special tax status should they

be elected. This means that FHL owners are currently in a position where they stand to lose many of the tax advantages that they have enjoyed to date, but are unable to plan accordingly due to the uncertainty and the lack of information.

If a Labour government is elected, we expect there to be a budget in either September or October 2024. This should indicate Labour's plans for FHLs.

If we continue with a Conservative government, we would hope that more information and draft legislation are published by the autumn.

At the moment, we can only discuss the potential impacts of abolishing FHL status, but we will keep you updated with any developments in this area.

If you have any questions or concerns about the planned abolition of FHL's please get in touch – we will be happy to discuss this with you.

Northern Ireland: New requirements for private rental properties

Communities Minister Gordon Lyons announced upcoming changes to the law relating to private rental properties. The changes introduce new requirements for smoke, heat and carbon monoxide alarms.

The Private Tenancies Act (Northern Ireland) 2022 sets out the responsibilities landlords have towards their properties and tenants.

Sections 1 – 6 of the Act came into law from 1 April 2023, but Section 8 came into force on 30 May and give a lead in time of

three or six months depending on whether the tenancy is new or ongoing.

As a minimum, private rented properties must have:

- A smoke alarm installed in the room most frequently used by the occupants for general daytime living purposes, and in every circulation space on each storey.
- A heat alarm installed in every kitchen.
- A carbon monoxide alarm installed in any room or circulation space that contains a fixed combustion appliance or a flue, including any bedrooms that the flue passes through.

The alarms can be hard wired or sealed tamper-proof, and smoke and heat alarms must be interlinked.

Existing tenancies granted before 1 September 2024 must be compliant by 1 December 2024. New tenancies granted on or after 1 September must be compliant on the date the new tenancy is granted.

The guidance notes on these changes can be seen [here](#).