

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

The Renters Rights Bill: An update

The Renters Rights Bill did not receive Royal Assent prior to parliament breaking for summer recess on 22 July.

The bill was debated over three days in the House of Lords and its third reading was heard on 21 July. It is expected that the bill will receive Royal Assent soon after Parliament returns from summer recess on 1 September.

Numerous amendments have been proposed to the bill by the House of Lords. These include:

- Existing agreements for advanced rents will not be affected by the bill's measure to limit rent payments to monthly intervals. The Government backs this amendment.
- Simplification of the legal process by which the Secretary of State will be able to backdate rent increases. This is likely to be necessary because the Tribunal will not be granted immediate power to award backdated rent.
- A previous amendment had removed the need for landlords to require tenants with pets to have insurance to cover pet damage. A proposed amendment to the bill would enable landlords to require a

'pet deposit' of up to three weeks' rent.

- Previously, the ability for a landlord to seek possession of a property that they wish to sell was accompanied by a prohibition on the landlord letting the unsold property for 12 months. A proposed amendment seeks to reduce this period to 6 months.
- Numerous amendments that will exempt tenancies of purpose-built student accommodation from the bill's assured tenancy system.

Many of these amendments are in favour of landlords and address concerns that have been raised by the sector. It remains to be seen how many of the amendments will make their way into the final version of the bill.

MTD for Income Tax - still going ahead

On 21 July, draft legislation was published that will make several changes to how Making Tax Digital (MTD) for Income Tax will work. The changes are minor – the general premise of MTD for Income Tax will not change.

If you are an individual who receives income from a trade or property business, you are likely to be mandated at some point over the next few years if your combined sales from property businesses and self employment ('qualifying income') exceeds £20,000. The first group of individuals to be mandated, from 6 April 2026, will be those who had qualifying income in excess of £50,000 in the 2024/25 tax year.

Once an individual is mandated to comply with the Making Tax Digital for Income Tax (MTD for IT) requirements, they will need to use compatible software to:

- Record and retain details of each individual sale and business expense.
- Submit quarterly reports of their year-to-date income and expenses to HMRC.
- Make accounting and tax adjustments and claim reliefs or allowances.
- Finalise their end-of-year position and submit a digital tax return.

If you'd like to know more about how MTD for Income Tax will affect you, please get in touch.

Will interest rates drop again?

The Bank of England base rate determines what it charges banks and building societies to borrow money, which in turn, determines what banks and building societies charge consumers to take out mortgages.

The base rate has seen 2 decreases so far this year but it was held at 4.25% in June. It is expected that the rate will be cut on 7 August.

Mortgage rates are currently higher than they have been for most of the past decade, so should we expect them to drop?

Analysts are expecting a slight cut to mortgage rates this Autumn, provided the base rate does actually decrease in August.

House prices drop significantly in July

According to the most recent Rightmove House Price Index (July 2025), the number of homes on the market is at a decade-high level, driving a drop in the average asking price of 1.2% to £373,709.

As a result, Rightmove revised their home price growth forecast from +4% to +2% for 2025.

To read the Rightmove report, click [here](#).

Rightmove state that "price is key to selling", because "*discerning buyers can quickly spot when a home looks overpriced compared to the many others that may be available in their area.*"

The future looks brighter, however, with estate agents Savills predicting that UK house prices will increase by 1% in 2025 and by 24.5% over the next 5 years. This will be driven by increased mortgage affordability and further cuts to the base rate.

To read the Savills report, click [here](#).