

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

MTD for Income Tax

Prior to the Autumn Budget, there was hope that the new Labour Government might further delay the introduction of Making Tax Digital for Income Tax (MTD for IT). However, such hopes were dashed on Budget day, with confirmation of the previously-announced timescales and an additional announcement that individuals with income from trading or property over £20,000 will be mandated to comply with MTD requirements in future. The mandate timescales are as follows:

- From April 2026: MTD for IT to be mandated for landlords and self employed individuals with turnover over £50,000.
- From April 2027: MTD for IT to be mandated for landlords and self employed individuals with turnover over £30,000.
- At a later date (TBC): MTD for IT to be mandated for landlords and self employed individuals with turnover over £20,000.

Complying with the requirements of MTD for IT will involve keeping business records in specialist compatible software and then using that software to submit the business results to HMRC on a quarterly basis.

The introduction of MTD for IT is just over one year away, so now is the time to start thinking about the changes it will bring to your business. **We are here to help, so please talk to us to find out how MTD for IT will affect you!**

Will there be a landlord exodus in the UK?

The English Private Landlord Survey 2024, published by the Ministry of Housing, Communities and Local Government was published on 5 December 2024. Key findings from the survey include:

- In 2024, 31% of landlords reported planning to decrease the size of their portfolio in the next two years. This is in contrast to the 2021 and 2018 surveys, in which the proportion of landlords who reported planning to decrease the size of their portfolio was 22% and 16% respectively.
- In 2024, 16% of landlords were planning to sell all of their properties.
- Of those who were planning to downsize or leave the market, 65.6% cited 'recent legislative changes' as the main reason.

The survey can be read [here](#).

House prices hit record high

Two of the largest mortgage lenders have announced that UK house prices are increasing faster than before.

Halifax said that house prices in November 2024 rose by 1.3% compared with October, and that this was the fifth consecutive monthly rise. The average house price increased to £298,083.

Nationwide said that house prices are nearing a record high, with the average house price in November being 3.7% higher than a year earlier. The lender also predicts a steep increase in house sales in

the first quarter of 2025, ahead of the stamp duty land tax thresholds reverting to their lower levels from 1 April 2025.

Scotland – Budget on 4 December

The 2025-26 Scottish Budget took place on 4 December 2024. The following announcements are of particular importance to property landlords in Scotland:

The Scottish Rate of Income Tax (SRIT) generally applies to taxpayers whose main residence is in Scotland. SRIT will not be increased and no new bands will be introduced for the remainder of this parliament. From April 2025, the Basic and Intermediate rate thresholds will increase by 3.5%. The Higher, Advanced and Top rate thresholds will be frozen at their current levels.

Rates and bands of residential and non-residential Land & Buildings Transaction Tax (LBTT) will remain at their current levels, although the Additional Dwelling Supplement (ADS) increased from 6% to 8% from 5 December 2024. The increase does not apply to transactions for which legal missives were signed on or before 4 December.

Wales – Budget on 10 December

The Welsh Budget for 2025-26 took place on 10 December 2024. It was confirmed that there will be no changes to the Welsh Rate of Income Tax (WRIT) for 2025-26.

The Higher Residential Rates of Land Transaction Tax (LTT) apply to purchases of additional residential properties in

Wales. These rates were increased by 1% from 11 December 2024.

Wales – Visitor levy

The Visitor Accommodation (Register and Levy) Bill Etc. (Wales) was introduced to the Senedd on 25 November 2024. The Bill will give local authorities the choice to introduce a levy on overnight stays in visitor accommodation. An information leaflet on the levy can be viewed [here](#).

The levy will apply to properties that are used as holiday lettings and will be collected and managed by the Welsh Revenue Authority. Accommodation providers will be responsible for paying the levy. It is likely they will pass this charge on to visitors as an 'indirect tax'.

Where a visitor levy is in place, the rate will be set at:

- £0.75 per person per night for people staying at campsites (pitches) and hostels.
- £1.25 per person per night for people staying in all other accommodation types.