

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

Spring Forecast

During a week dominated by news of the Middle East conflict, on 3 March 2026, Chancellor Rachel Reeves presented the Spring Forecast to Parliament. The Chancellor told MPs she had “restored economic stability” as she presented the Office for Budget Responsibility’s (OBR’s) economic forecasts.

The Chancellor focused on how the government’s policies are delivering economic growth, particularly when looking at Gross Domestic Product (GDP) per person. However, the OBR’s report indicates a more nuanced picture and notes that the fiscal context for the next Budget will remain challenging.

As part of the government’s policy of one major fiscal event a year, the Chancellor announced no new tax or spending policies. However, the OBR’s forecasts do provide some early clues about future tax and spending pressures.

From a tax perspective, the OBR’s report points to a tax environment that will feel increasingly heavy over the rest of the decade. Taxes as a share of GDP are projected to climb to 38.5% by 2030/31, a post-war high.

Much of this increase comes from the freeze on income tax thresholds, which will continue until April 2031. This means more people, including those receiving rental income, are being pulled into paying higher tax rates, even if their circumstances have not changed.

The practical message from the OBR’s report is that tax planning is becoming ever more important, and capital taxes and transactions are likely to remain on the government’s radar. This means keeping a closer eye on allowances, thinking about the timing of income, gains and dividends, and making sure you are using the reliefs available. Reviewing arrangements such as the way assets are held within a family may also lead to simple, practical steps that could help to keep future tax bills under control.

Making Tax Digital for Income Tax – Time Is Ticking

We are continuing to work with a number of our property clients as they prepare for Making Tax Digital (MTD) for income tax. This is the new regime for self-employed individuals and landlords that will start to apply from April 2026 if they have business and/or property income (i.e. total takings, not net profits) of more than £50,000 per annum. The regime requires digital record-keeping and quarterly updates to HMRC, with the first such update due by 7 August 2026.

Last month, HMRC published a press release to confirm that the changes will affect 860,000 individuals. They are keen to encourage action now and to highlight the benefits of spreading tax compliance administration throughout the tax year.

If you are one of the 860,000 individuals moving into the new regime from April 2026, HMRC are also keen to stress that a normal annual tax return will still be required for the tax year to 5 April 2026. This means that in addition to providing HMRC with quarterly updates on the year

to 5 April 2027 *during* that tax year, your annual 2025/26 tax return will still need to be filed by 31 January 2027.

Please do reach out if we are not already planning your transition into this new digital regime.

New Rules on Building Products: What Property Owners Need to Know

The government has published a major Construction Products Reform White Paper, setting out plans to tighten the regulation of materials used in the building industry. The proposals are a direct response to the findings of the Grenfell Tower Inquiry. At the heart of the new plans is a requirement that all construction products must be properly assessed for safety before they can be used. A consultation is underway, with secondary legislation expected later this year.

For property owners, and particularly those who own or manage flats or other residential buildings, this is part of a broader shift in how building safety is being approached following Grenfell. The Building Safety Regulator, established in the wake of the tragedy, is already active, and enforcement activity has increased sharply. Local regulators have been issuing significantly more formal notices and conducting more inspections than in the years before additional government funding was made available. Remediation work on buildings with unsafe cladding and other fire safety defects has also been progressing, with work having started or completed on over 2,100 buildings.

The direction of travel is clear: standards are being raised, enforcement is being stepped up, and the expectation on those who own and manage buildings to ensure

they are safe and compliant is only going to grow. If you own a leasehold flat or a residential building and have not yet had a fire safety or building safety assessment carried out, now is a good time to ensure you are not caught out as these reforms bed in.

See more [here](#).

The Rise of the Older Buyer and What It Means for the Market

One of the more notable shifts in the UK housing market in recent years has been the growing prominence of buyers in their fifties. This is perhaps unsurprising when you consider the backdrop: those now in that age group were often first-time buyers in the 1990s, a period when house prices were a fraction of what they are today.

After three decades of substantial price growth, many find themselves sitting on considerable equity, with mortgages either paid off or nearly so. Their motivation to move is rarely financial necessity. It is more likely to be a change in circumstances, whether that is children flying the nest, plans for early retirement, a desire to be closer to family, or simply the appeal of a home that better suits the next chapter of life.

From a seller's perspective, this is a positive development. Older equity-rich buyers tend to be more straightforward to transact with. They are less likely to be caught up in lengthy chains, more likely to be able to proceed quickly, and less dependent on mortgage offers coming through at the right moment. If you are thinking of selling, it is worth considering that this type of buyer may respond particularly well to properties that offer quality, ease of maintenance, good

transport links, and proximity to amenities. Presenting your home with those priorities in mind, rather than simply leading with square footage, could help attract exactly the kind of buyer who makes for a smoother, more certain sale.

Renters Rights Act: Possible SDLT consequences for tenants

Most of our property-owning clients are now well aware of the headline changes the Renters' Rights Act will bring when it comes into force in England on 1 May 2026. However, there is a lesser-known knock-on effect for tenants when it comes to Stamp Duty Land Tax (SDLT).

SDLT applies not just to property purchases but also to leases, based on the total rent payable over the lease term. Under the current system, this has rarely been an issue for residential tenants because most short-term assured shorthold tenancies simply do not generate enough cumulative rent to cross the £125,000 threshold at which SDLT kicks in.

However, once the Act converts existing and new tenancies into periodic tenancies that roll on indefinitely, that changes because SDLT treats such a tenancy as a single, ever-lengthening lease, with the total rent accumulating year on year until the threshold is eventually crossed.

For most tenants paying average rents, the threshold will take well over a decade to reach, and the tax itself (1% on the excess above £125,000) will often be modest when it does. Tenants in London and other high-rent areas will reach that point sooner.

In terms of compliance, once the threshold is first crossed, the tenant has just 14 days to file an SDLT return and pay any tax due, and in every subsequent year there is a 30-

day deadline from the anniversary of the tenancy. These are tight windows, the penalties for missing them can exceed the tax itself, and most tenants will have no idea this obligation even exists.

As a landlord, this is not directly your liability but it is worth being aware of, especially as your tenants are unlikely to receive any proactive notification from HMRC.