

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

Parliament Housing Committee: Reform SDLT to help first-time buyers

A cross-party Parliamentary committee is calling for major reform of Stamp Duty Land Tax (SDLT) as part of a broader package to improve access to home ownership, particularly for first-time buyers.

The Housing, Communities and Local Government Committee warns that home ownership rates in England have fallen over the last two decades. It argues that current tax settings, including SDLT, contribute to affordability challenges and reduced housing market activity.

The committee has recommended that the government launch a formal consultation by the end of 2026 to explore alternatives to SDLT.

Options under consideration include:

- Replacing SDLT entirely with a different property tax
- Reducing rates to encourage more transactions.
- Restructuring price bands to reflect local markets.
- Revising reliefs and exemptions to better meet policy objectives

The Committee stressed that reform must balance **market activity with tax revenue**, highlighting SDLT as a significant contributor to public finances.

Alongside tax reform, the committee is pushing for **higher housing supply**, including:

- Delivery of 1.5 million new homes
- Greater powers for councils to build
- Stronger action to bring empty properties back into use

This last point is particularly relevant for landlords holding vacant properties, as increased council powers could affect long-term empty homes.

What this means in practice:

- No immediate SDLT changes, but a consultation could be coming.
- Future reforms may affect transaction costs and portfolio strategy.
- Policy pressure may increase on unused or under-occupied property.

In short, SDLT reform is firmly on the agenda, and landlords should expect policy changes aimed at improving market mobility and access for first-time buyers.

To read the Committee's report, see [here](#).

Will the government deliver its promised 1.5 million new homes?

The government has committed to delivering 1.5 million new homes in England during this Parliament, measured as "net additional dwellings" (including new builds, conversions and demolitions).

Current progress suggests this target is not yet on track. Around 208,600 homes were added in 2024/25, down from the previous year.

More recent estimates indicate that 342,100 homes were delivered between July 2024 and March 2026, representing only about 23% of the total target.

At this pace, delivery would need to accelerate significantly to meet the goal by the next election, due by August 2029.

For landlords, this matters because housing supply is a key driver of:

- Rental demand and pricing.
- Capital values.
- Policy intervention risk.

The government expects build rates to increase over time, rather than hitting a steady annual target. However, industry bodies and analysts have already warned the target may be difficult to achieve.

There is also a wider policy backdrop. Official estimates suggest around 370,000 homes per year are needed to meet demand, reinforcing ongoing supply pressure.

In practice, this means:

- Short-term: supply remains tight, supporting rental demand.
- Medium-term: pressure for faster housebuilding and planning reform likely.
- Policy risk: continued focus on affordability may drive further regulation of landlords.

Overall, the housing shortage remains unresolved, sustaining demand in the rental sector but increasing the likelihood of policy intervention.

For more information, see the Full Fact article [here](#).

How the Iran conflict could affect mortgage rates

Mortgage rates have become more volatile than expected, and rising geopolitical tensions, including conflict involving Iran, are a key reason.

Earlier this year, markets expected:

- Gradual falls in fixed mortgage rates.
- Lower borrowing costs over time.

That outlook has weakened.

Recent movements show the impact of changing expectations:

- 2-year fixed rates:
 - Rose from 4.83% to 5.90%.
 - Now around 5.6%.
- 5-year fixed rates:
 - Rose from 4.95% to 5.78%.
 - Now around 5.6%.

Even with recent slight falls, rates remain well above earlier forecasts.

For property investors:

- Higher borrowing costs reduce net yields.
- Refinancing becomes more expensive.
- Cash flow pressure increases.

The Bank of England expects:

- Around 53% of borrowers to face higher payments.
- Average increases of £80 per month on refinancing.

Considering this, landlords should expect volatility and plan conservatively.