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

A new Prime Minister: what this could mean for landlords

Andy Burnham became Prime Minister on 20 July 2026. His appointment gave rise to much speculation, but in order to look for evidence-based indications of how he may approach issues pertaining to housing and landlords, we can look at his record as Mayor of Greater Manchester and his public statements on housing policy.

The main themes are as follows:

Large-scale council and social housebuilding

Burnham has repeatedly argued that the UK faces a housing crisis and has called for a major expansion of council housing, describing his ambition as the biggest council housebuilding programme since the post-war period. He has also backed significant increases in social and affordable housing provision.

For landlords, this could mean:

- Increased supply of social housing over time.
- Potential reduction in reliance on the private rented sector in some areas.
- Greater competition for lower-value rental accommodation.

Stronger regulation for the private rented sector

During his time in Greater Manchester, Burnham oversaw initiatives aimed at improving rental standards and supported tougher enforcement against poor-quality accommodation. Greater Manchester reported a significant increase in landlord enforcement activity during his mayoralty.

He has consistently argued that rental housing should be safe, secure and professionally managed.

Possible implications of having a Prime Minister with this outlook include a greater compliance burden for landlords, tougher enforcement, and higher expectations around property condition and management standards.

Support for rent control powers

One of the most significant points for landlords is that Burnham has previously supported rent control measures and called for local powers to regulate rents. He was among regional leaders advocating powers similar to those used in Scotland.

The potential impact of this stance could be:

- Restrictions on rental increases.
- Reduced flexibility for landlords.
- Pressure on yields, particularly in high-demand urban areas.

The Good Landlord Charter

Burnham championed the UK's first "Good Landlord Charter" in Greater Manchester, designed to encourage standards above the legal minimum. The charter promotes:

- Fair rent-setting processes.
- Improved energy efficiency.
- Better tenant communication.
- Higher property standards.

While currently voluntary, it provides a useful indication of the direction he prefers housing policy to take.

Energy efficiency standards

The Good Landlord Charter includes a target of EPC C where achievable, and Burnham has supported grant funding to help landlords improve energy performance.

Landlords should expect continued emphasis on:

- Retrofit investment.
- Improved insulation.
- More energy-efficient heating systems.

Property tax reform

Burnham has previously criticised aspects of the existing property tax system and expressed interest in wider reform. Commentary on his public statements notes support for reviewing council tax, stamp duty and broader property taxation structures, including discussion of land value taxation.

There have been no confirmed announcements from Burnham introducing specific landlord tax changes such as new CGT rates, income tax rules or mortgage interest restrictions. Most discussion remains at the level of potential property tax reform rather than detailed legislation.

Proposed zero-rating for land intended for social housing

HMRC and HM Treasury have launched a consultation on introducing a new VAT zero rate for land that will be used to construct social housing. Published on 23 June 2026, the consultation seeks views on how the proposed relief should operate and closes on 18 August 2026.

The proposal aims to address long-standing VAT issues that can increase costs and complexity for social housing providers. Under current rules, the sale of bare land may be subject to VAT where the seller has opted to tax, potentially creating irrecoverable VAT costs for registered social housing providers. As a result, many developments rely on complex "golden brick" arrangements before a zero rate can apply.

A new zero rate could allow land to be transferred earlier in the development process, improving cash flow, reducing administrative burdens and helping social housing projects proceed more quickly. The government is also interested in whether the change could support its wider housing delivery ambitions.

While the consultation is primarily relevant to housing associations, developers and landowners, it could prove to be one of the most significant VAT reforms affecting the social housing sector in recent years. If implemented, the measure has the potential to simplify transactions, lower development costs and accelerate the delivery of much-needed social housing across the UK.

Proposed VAT cut on domestic electricity

Andy Burnham has announced the removal of VAT from domestic electricity bills from 1 October 2026, making it one of the first major measures of his new government. The change will reduce the VAT rate on household electricity from 5% to 0% and is intended to provide immediate support to households facing continuing cost of living pressures.

The government estimates that the measure will reduce the average annual household electricity bill by around £45. Energy suppliers are expected to pass the full saving on to customers, including those on fixed tariffs.

For landlords, the direct financial benefit will be limited where tenants are responsible for their own utility bills. However, landlords operating all-inclusive rental arrangements, houses in multiple occupation (HMOs), serviced accommodation and certain holiday lets could see a modest reduction in operating costs.

The measure may also be welcomed by tenants, particularly as energy costs remain a key affordability concern. Lower utility bills could ease pressure on household finances and help support rent affordability in some sectors of the private rented market.

The VAT cut is expected to be funded through the cancellation of the government's planned Digital ID programme. The government has described the policy as an immediate step to provide "breathing space" while wider economic and cost of living measures are developed.

More homeowners to face higher mortgages

The Bank of England now expects more than five million UK homeowners to face higher mortgage payments by the end of 2028, around one million more than previously forecast. The increase is linked to higher mortgage rates following the instability in the Middle East, which has pushed up energy costs, inflation expectations and borrowing costs.

For most borrowers coming off a fixed-rate deal over the next two years, monthly repayments are expected to rise by an average of £45 per month, significantly less than the average £120 increase experienced between 2022 and 2024. However, around 750,000 homeowners currently paying rates below 3% could see much larger increases, averaging £170 per month when they remortgage.

The Bank says many borrowers remain protected by fixed-rate mortgages, but those coming off ultra-low deals secured during the period of historically low interest rates are likely to face the greatest financial pressure.