

March 2024 Property Newsletter

Welcome to our monthly newsletter for property landlords. We hope you find this informative.

England: New rules proposed for short-term lets

In a [press release](#) published on 19 February 2024, the Government announced that planning rules will be changed to protect local residents in England from being pushed out of their communities by excessive short-term lets.

The proposed planning changes would see a new planning 'use class' created for short-term lets not used as a sole or main home. Existing dedicated short-term lets will automatically be reclassified into the new use class and will not require a planning application.

In addition, a new mandatory national register will give local authorities the information they need about short-term lets in their area. This will help councils understand the extent of short-term lets in their area, the effects on their communities, and underpin compliance with key health and safety regulations.

Homeowners will still be able to let out their own main or sole home for up to 90 nights throughout a year without planning permission and the Government is considering how to apply the register so it does not apply disproportionate regulation for example on property owners that let out their home infrequently.

Secretary of State for Levelling Up, Housing and Communities, Michael Gove said, "In

some areas, too many local families and young people feel they are being shut out of the housing market and denied the opportunity to rent or buy in their own community and that the measures would "allow local communities to take back control and strike the right balance between protecting the visitor economy and ensuring local people get the homes they need."

Further details of these measures will be set out in the government's response to the consultations, including the timeline for implementation of the register, the use class and the individual permitted development rights - with the changes being introduced from this summer.

Measures are focussed on short-term lets, and therefore the planning changes and the register will not affect hotels, hostels or B&Bs.

The consultation can be viewed [here](#).

Higher costs result in mortgage rate increases

There have been predictions that 2024 would see lower funding costs and increased competition amongst lenders, leading to further mortgage rate cuts, although rates would still be much higher than those seen before 2021.

However, HSBC, Natwest and Virgin Money all announced that their rates would increase on

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Friday 23 February. Santander, Coventry Building Society and TSB all raised rates on new fixed deals earlier in the week.

This could be because lenders are responding to expectations that the Bank of England's Monetary Policy Committee will make fewer and later changes to the base rate (currently 5.25%) this year than previously anticipated. Cuts to the base rate make borrowing less expensive.

However, Halifax, part of Lloyds Banking Group, cut the rates on some of its deals on Friday 23 February.

Lenders may be struggling to identify the position at which rates should be set. The market is extremely competitive and relatively little notice has been given for the rate changes mentioned in this article. For those with fixed rate mortgages set to expire this year, quick decisions may be needed.

Scotland: Rent increases from April 2024

In Scotland, the 3% cap on all in-tenancy rent increases in the private rented sector, as well as protections against eviction, comes to an end on 31 March 2024. The emergency legislation, first introduced in September 2022, was intended as a temporary response to the cost-of-living crisis.

The Scotland-wide tenants' union, Living Rent, says that it is already seeing rent increases of between 30% and 60% in advance of the cap ending.

In January 2024, the Scottish government proposed changes to the process for rent adjudication which are intended to bridge the

gap between the end of the emergency protections and the Scottish housing bill becoming law. The bill includes a new system of rent controls, including a formula for assessing rent increases against market rates, and new rights for tenants.

Living Rent is particularly concerned about the fact that tenants in Glasgow and Edinburgh are already paying over half of their take-home pay in rent; further increases could result in 'evictions' due to tenants being unable to afford increased rents.

Wales: New zero-carbon development in Carmarthen

Persimmon Homes West Wales has submitted a planning application to construct 123 new zero-carbon ready homes in Carmarthen, none of which will have a gas supply! Instead homes in the development will use air source heat pumps and solar panels.

Fifteen of the homes will be designated for local community need.