November 2026
Property Newsletter: Budget Special

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

Budget 2026: Key announcements affecting landlords

The Chancellor delivered Budget 2026 on 28 October, and **the headline announcement for landlords is a further rise in the tax charged on rental profits.**

Budget 2025 had already announced separate property income tax rates of 22%, 42% and 47%, in the basic, higher and additional rate bands respectively, from 6 April 2027. These will now rise by a further two percentage points to 24%, 44% and 49%, still effective from 6 April 2027 in England, Wales and Northern Ireland. The Scottish Budget in December will confirm the position for Scottish taxpayers.

The increase affects landlords who own property personally or in partnership, rather than through a limited company. Tax relief for mortgage interest and other finance costs will continue to be given at the property basic rate, which means relief at 24% from April 2027.

There was some relief for landlords joining Making Tax Digital in April 2027 (see below). For this group, no late submission penalty points will be issued for quarterly updates during 2027/28, although the updates must still be sent and penalties for filing the annual return late will still apply.

Individuals selling residential property should note that, from 28 October 2026, late filing penalties on the 60-day capital gains tax return will stop building up once the sale is reported on a Self Assessment return. The rates of capital gains tax and stamp duty land tax were left unchanged.

The government also confirmed that the High Value Council Tax Surcharge on properties in England worth £2 million or more, due from April 2028, will include a deferral scheme, discounts and exemptions, and a 100% premium on properties left empty and unoccupied for 12 months or more.

Landlords planning energy efficiency work ahead of the 2030 EPC deadline (see below) should note that the 0% VAT rate on installing energy-saving materials, such as insulation, solar panels and heat pumps, will end as planned on 31 March 2027, with 5% applying from 1 April 2027.

With the higher rates taking effect from April 2027, now is a good time to consider the impact on your rental profits and whether your current arrangements remain tax-efficient. Please contact us to discuss your position.

Making Tax Digital: Landlords Earning Over £30,000 Should Prepare Now

HMRC is reminding landlords that the next phase of Making Tax Digital (MTD) for Income Tax is approaching. From 6 April 2027, landlords with annual gross property income and/or self-employment income exceeding £30,000 will be required to keep digital records and submit quarterly updates to HMRC using compatible software.

Importantly, the £30,000 threshold is based on gross income before deducting expenses or tax allowances. Landlords who have not previously considered themselves affected should review their income levels now to check whether the new rules will apply to them.

HMRC is encouraging affected taxpayers to start preparing early. Signing up ahead of the mandatory start date gives landlords time to choose suitable software, become familiar with the new reporting process and ensure their records are accurate from the outset.

The quarterly submissions are not additional tax returns. Instead, they are summary

updates of income and expenses submitted throughout the year. HMRC says that maintaining digital records as transactions occur can reduce errors, simplify compliance and avoid the annual rush to gather records before the Self Assessment deadline.

This change follows the introduction of MTD for landlords and sole traders with income above £50,000 in April 2026. HMRC has also confirmed that the threshold will fall further to £20,000 from April 2028, bringing many more landlords into the regime.

If your rental income is approaching or exceeds £30,000, now is a good time to discuss your MTD readiness with us and review the software options available.

Government Confirms EPC C Target for Rental Properties by 2030

The government has published its response to the consultation on improving the energy performance of privately rented homes, confirming significant changes that will affect many residential landlords in England and Wales over the next few years.

The headline announcement is that privately rented homes will generally need to meet a minimum energy efficiency standard equivalent to EPC C by **1 October 2030**. Unlike earlier proposals, a single compliance date will apply to both new and existing tenancies, giving landlords more time to plan and carry out improvement works.

The government has also confirmed a new maximum investment requirement of **£10,000 per property**. Where a landlord has spent up to that amount on qualifying improvements, but the property still cannot meet the required standard, an exemption may be available. The exemption is expected to last for 10 years before it needs to be reviewed.

Another important change is the move away from relying solely on the current EPC rating system. Future compliance will be based on a new dual-metric approach. Landlords will need to meet a fabric performance standard and then satisfy either a heating system standard or a smart-readiness standard. The aim is to encourage improvements that genuinely reduce energy use and running costs rather than simply improving an EPC score.

There is some good news for landlords whose properties already achieve EPC C. The government has confirmed that properties holding an EPC C or above before 1 October 2029 will generally continue to be treated as compliant until that EPC expires.

The response also confirms that short-term lets will remain outside the scope of these rules for now, although the government may review this position in the future.

While 2030 may seem some way off, landlords with older or less energy-efficient properties should start reviewing their portfolios now. Identifying potential upgrade requirements early could help spread costs over several years and avoid a last-minute rush as the new deadline approaches.

To view the response, see here.

New Rental Property Registration Service Coming for Landlords

Landlords in England should start preparing for a new legal requirement to register themselves and their rental properties through the government's new "Register your rental property" service, which will begin rolling out from **15 December 2026** as part of the implementation of the Renters' Rights Act.

The service will apply to landlords of assured and regulated tenancies. Each landlord must create a registration for themselves and for every qualifying rental property they own. There will be an **annual registration fee of £65 per property**, and registrations must be renewed each year. Landlords who fail to register risk financial penalties.

The rollout will take place region by region across England, starting in the West Midlands. Registration deadlines will depend on where

the property is located, rather than where the landlord lives. Initially, the requirement applies to properties that are already let or become let during the rollout period.

To complete the registration process, landlords will need a GOV.UK One Login account and details of each property, including its address, number of bedrooms, number of occupants and rental income. They will also need to upload key compliance documents such as gas safety certificates, electrical safety certificates and Energy Performance Certificates (EPCs).

Landlords who use letting agents should note that they remain responsible for starting the registration process themselves, although agents may be able to upload some information on their behalf.

For many landlords, the introduction of the register is a good opportunity to review compliance records and ensure certificates are up to date. Gathering the necessary information now should make registration smoother when the service becomes available in your region.

To read more about the new service, see here.

New GOV.UK Guidance for Holiday Let Landlords

If you're a landlord of self-catering holiday accommodation, you may find it useful to review a new GOV.UK guide that brings together the main rules and regulations applying to holiday lets in England. The guidance is aimed at owners of cottages, apartments, lodges and other properties let to paying guests on a short-term basis.

The guidance covers a range of compliance areas, including planning permission, business rates, tax, fire safety, gas and electrical safety, EPC requirements and insurance. It also highlights situations where a holiday let may be subject to business rates rather than council tax and reminds landlords that local authority requirements can vary.

Of particular interest is the reminder that the Furnished Holiday Lettings (FHL) tax regime was abolished from 6 April 2025. Income from holiday lets is now generally taxed under the same rules as other residential rental income, meaning the former FHL tax advantages are no longer available.

The guidance also outlines forthcoming changes for the sector, such as plans to introduce the mandatory registration scheme for short-term lets in England. Landlords should keep an eye on future announcements as further details become available.

For holiday let owners, the guidance provides a useful checklist for reviewing compliance obligations and understanding recent regulatory changes.

Landlords should consider reviewing their arrangements to ensure they remain compliant and tax-efficient.

To read the guidance, see here.