



**c/o The National Residential Landlords Association  
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16<sup>th</sup> October 2024

Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
Westminster  
London  
SW1A 2HQ

By email to: [Action.chancellors@hmtreasury.gov.uk](mailto:Action.chancellors@hmtreasury.gov.uk)

Dear Chancellor,

We are writing as organisations representing private sector landlords and letting agents.

Across the country, tenants in the private rented sector are struggling due to a severe shortage of homes to meet demand. According to [Zoopla](#), there are now an average of 21 tenants competing for every private rental property. [Rightmove](#) estimates that an additional 120,000 rental properties are needed to achieve a more sustainable annual rent growth of 2%, based on the current level of demand.

Whilst we welcome efforts to boost the supply of build-to-rent housing it is important not to view this as a complete solution to the sector's challenges.

Firstly, while build to rent completion rates have improved substantially it is not keeping pace with the current rate of landlord exits from the wider sector. Around 1,800 units are completed each month in the build to rent market, but Zoopla sales data suggests that over 5,000 homes for sale a month are formerly rented.

Build to rent units also tend to be let at a premium compared to the wider PRS and a choice of price points must remain available to tenants. Data from [Hamptons](#) shows that average monthly rents for build-to-rent units are £1,840 10% more than similarly high-end properties and over £500 more than the Office for National Statistics' average rent for the private sector as a whole.

The rental market faces uncertainty on a number of fronts, including the implementation of the biggest set of changes the market has seen in over 30 years through the Renters' Rights Bill, the need for a clear plan to improve the energy efficiency of the sector, uncertainty about Local Housing Allowance rates from April next year, and concerns over a potential increase in Capital Gains Tax in the forthcoming budget.

Ahead of the Budget, we urge the Government to reconsider the way the private rented sector is taxed which, as Paul Johnson, Director of the Institute for Fiscal Studies has [noted](#), "*has become increasingly penal.*" He went on to observe: "*The more harshly that landlords are*

*taxed, the higher rents will be. One of the reasons that private rents have risen so much is that government policy has substantially increased tax payable by private landlords.”*

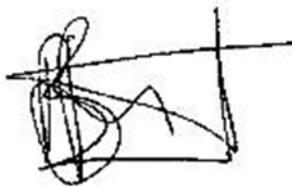
Given this and the Government’s efforts to boost economic growth and deliver more housing, and with [82% of private renters in England expressing satisfaction with their accommodation](#) – a higher level than those in the social rented sector, we recommend the following:

- **Abolish the 3% stamp duty levy** on homes purchased for rental where landlords refurbish any of the over 250,000 [long term empty homes in England](#). Encouraging owners to sell these properties would also be a practical solution, especially when [over 115,000 households are living in temporary accommodation](#).
- **Consider removing the levy** for landlords investing in projects that increase the net supply of housing, such as purchasing new-build properties ‘off-plan’ or converting empty shops or offices into decent quality rental accommodation.

Furthermore, we call on the Government to use the Budget and Spending Review to announce that the Local Housing Allowance will remain pegged to at least the 30<sup>th</sup> percentile throughout this Parliament. This would provide much needed certainty for both tenants and landlords regarding housing support.

We would welcome an opportunity to discuss our concerns further with the Treasury. Please contact [policy@nrla.org.uk](mailto:policy@nrla.org.uk) to establish when might be suitable for a meeting with ministers and/or officials.

Yours sincerely,



Ben Beadle  
Chief Executive  
National Residential Landlords Association



Timothy Douglas  
Head of Policy and Campaigns  
PropertyMark



William Reeve  
Chief Executive  
Goodlord



David Smith  
Policy Director  
Large Agents Representation Group

Copy to: James Murray MP - Exchequer Secretary to the Treasury  
Rt Hon Angela Rayner MP – Secretary of State for Housing, Communities and Local Government  
Matthew Pennycook MP – Minister of State for Housing