



*Welcome to our
newsletter for
property landlords.*

Steven Sim – Associate

Expected house price falls in 2024

Two of the UK's major lenders have recently published house price surveys.

The [Halifax House Price Index for September 2023](#) found that average house prices for the month were 4.7% lower than prices for the same month in 2022. Commenting on the results of the survey, Kim Kinnaird, Director of Halifax Mortgages said "Against this backdrop, homeowners inevitably become more realistic about their target selling price, reflecting what has increasingly become a buyer's market." It is expected that high mortgage rates will continue to put downward pressure on house prices as we move into 2024.



The [Nationwide House Price Index](#) found that house price decline for the year to September 2023 was 5.3%.

Robert Gardner, Nationwide's chief economist, commented: "There are signs that more buyers are looking towards smaller, less expensive properties, with transaction volumes for flats holding up better than other property types.

Britain's best locations for student landlords



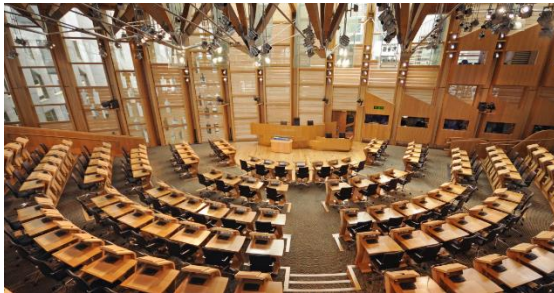
[Analysis by Paragon Bank](#) has found that yields achieved by landlords letting to students have steadily increased from an average of 5.63% recorded in September 2020 to 6.66% in August 2023.

The best returns are found to be in smaller university towns and cities: Stoke-on Trent showed the highest yields for student accommodation with an average annual rent to property value yield of 9.42%. In Wales, Swansea showed the best yield of 9.22%, whilst Glasgow showed the best yield in Scotland with 8.08%.

The report cites lower house prices and less bespoke student accommodation as reasons for higher yields, in spite of these locations attracting lower student populations.

Scotland: More Council Tax for large homes

In a consultation that closed in October, the Scottish Government is proposing to change council tax rates in a shake-up that further moves Scotland's tax system to that of the rest of the UK.



The proposals include changes to reflect the circumstances created by the cost crisis, and also approaches to longer term reform of the system.

The Scottish Government acknowledges the criticisms of the present council tax system, which is seen by some as unfair and regressive because it levies a higher tax rate on lower value properties, and a lower rate for higher value properties.



Council tax in Scotland has historically been lower than in England, but under the proposals this will no longer be the case for those with the highest-rate homes.

A band H home in England pays twice the tax of a band D property, but in Scotland the ratio is set to rise to three times that level. The typical band H property in England will incur council tax of £4,130 per year, while its equivalent in Scotland will pay £4,253.