

What the Budget Means for Plymouth Landlords



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The UK budget, announced on the 26th November, contained the expected higher taxes for landlords. However it does not seem to contain anything that will adversely impact the Plymouth market more than anywhere else. As ever, the relative affordability of our city provides an insulating effect.

The chancellor is introducing a new surcharge on properties valued over £2 million. It will not come in until April

2028 and will involve the creation of four tax bands for properties above £2 million, with homeowners of properties between £2 million and £2.5 million charged £2,500 a year. Owners of properties above £5 million will be charged up to £7,500. While the levy is expected to hit about 150,000 homeowners nationwide, only around 500 properties have sold for more than £2m in Devon since 2020, over half of which were in Exeter, Newton Abbot, Salcombe, Dartmouth or Tiverton. Less than 20 were in Plymouth.

More relevant to our market, however, is that the basic and higher rates of tax on dividends, savings and property is to go up two percentage points, directly affecting landlords. The chancellor is raising the tax on savings and property income by two percentage points from April 2027. Basic-rate payers will pay 22 per cent, higher-rate payers 42 per cent and additional-rate taxpayers 47 per cent on income above their allowances.

This change comes as the Renters' Rights Act looks set to reshape tenant behaviour. Early signs point to renters staying put for longer and becoming more selective, particularly as affordability remains stretched. Renting now accounts for 44% of the average wage, up

from 40% five years ago. Demand has eased by 14% year-on-year, contributing to a 9% rise in available homes despite only a marginal increase in new listings. More properties are being re-let rather than entering the market fresh.

The South West continues to track just below national averages. Latest HomeLet data shows regional rents fluctuating between £1,142 and £1,209 over the past year, reaching £1,204 in October before edging slightly to £1,204 again last month. The headline trend is gentle upward movement rather than rapid gains, reflecting improved supply and a more cautious tenant pool.

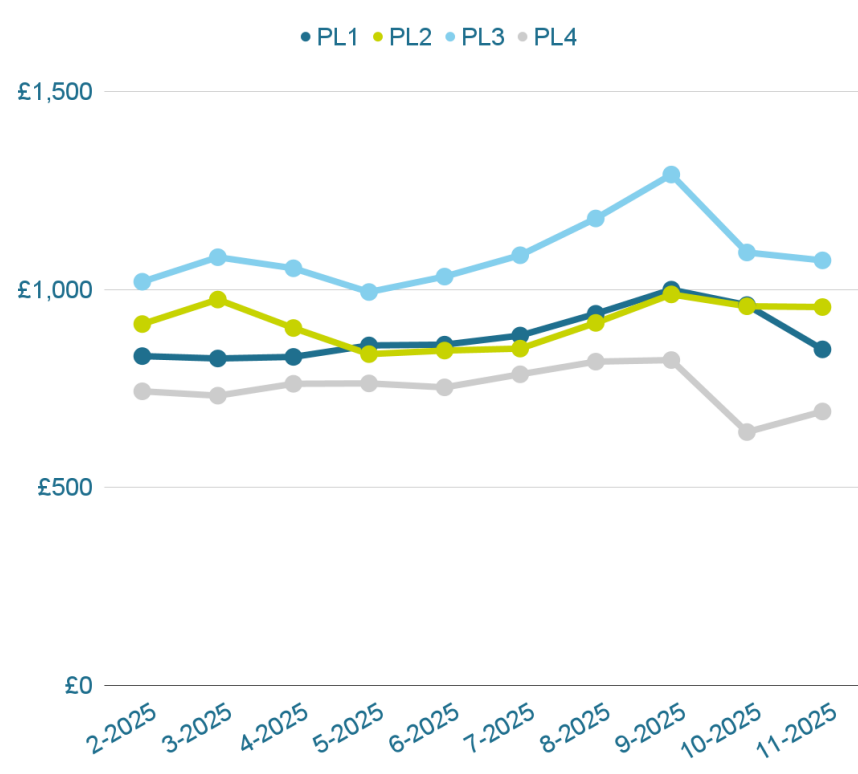
“Increased supply is giving renters more choice, and higher living costs are making them more discerning”

- Chris Whitaker

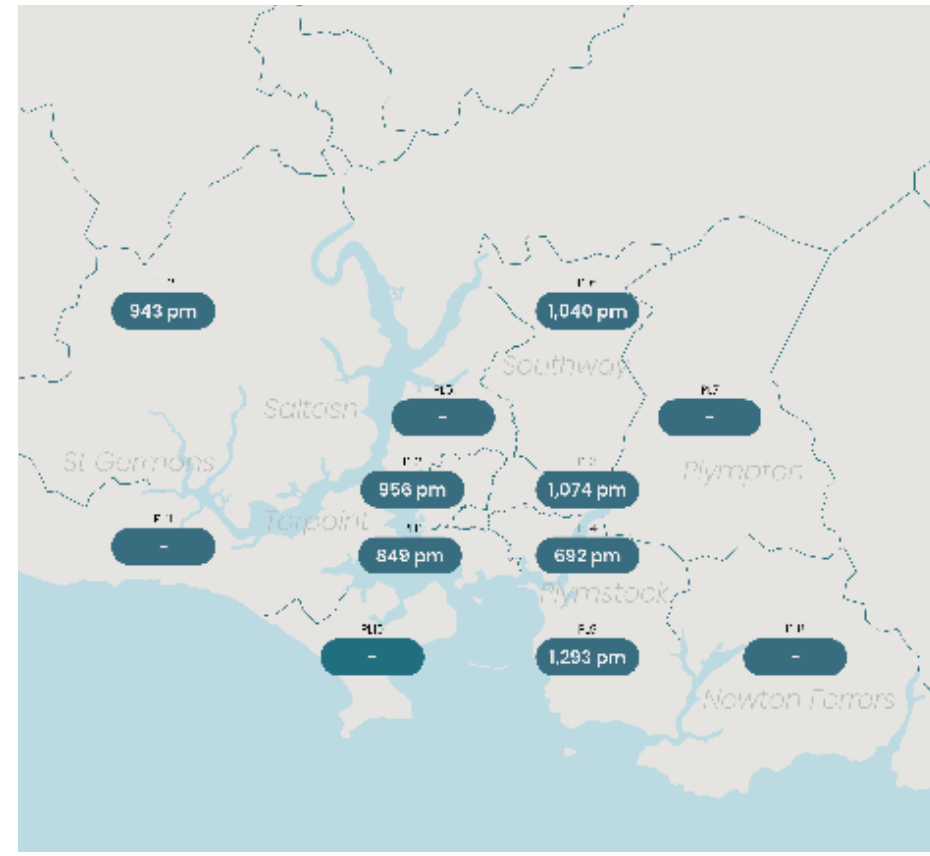
For landlords, the shift in tenant behaviour matters. Increased supply is giving renters more choice, and higher living costs are making them more discerning. Well-presented homes in good locations continue to secure strong interest and minimal voids, while tired or overpriced stock risks longer marketing periods.

The outlook remains positive for landlords who focus on presentation, realistic pricing and long-term tenant retention. With rents likely to rise moderately through 2026 and more tenants favouring secure, longer stays, Plymouth landlords who invest in quality and professional management should continue to see stable returns in a market defined more by sustainability than sprint-style growth.

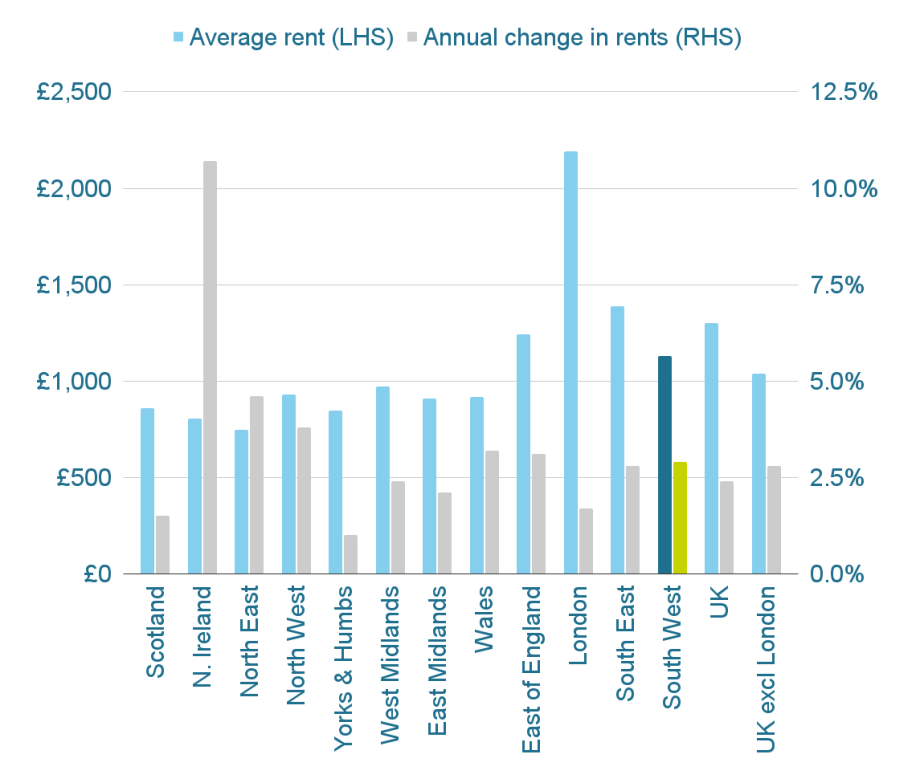
Average monthly rent over time



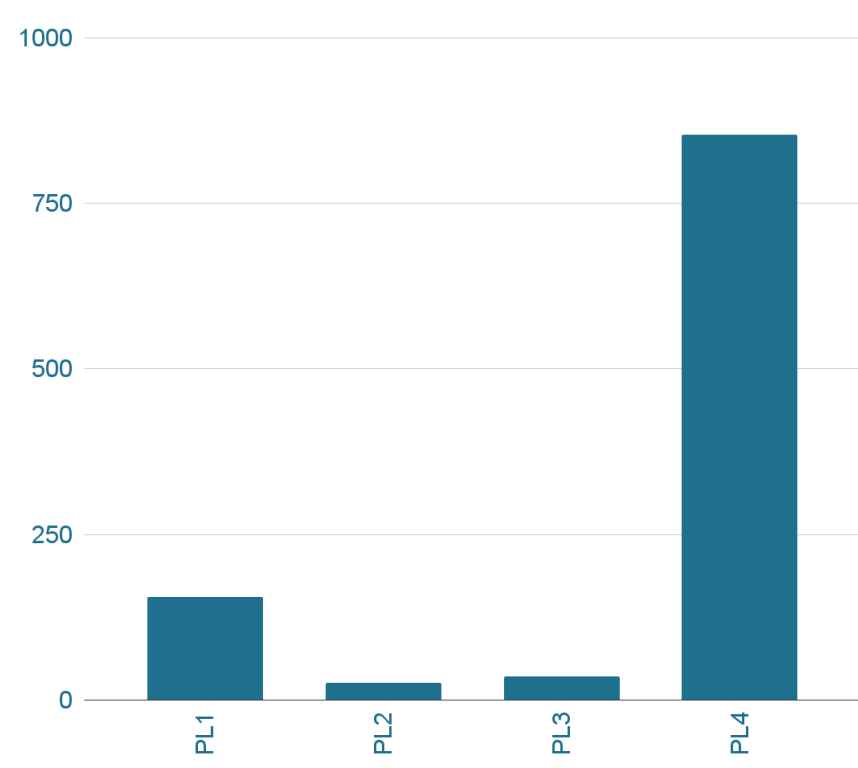
Monthly rents by postcode



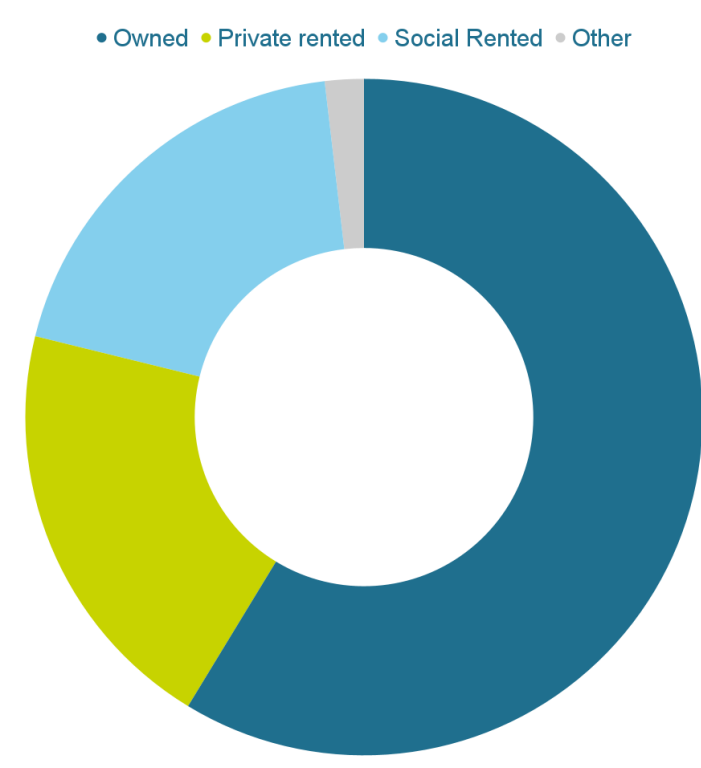
Zoopla regional rent levels



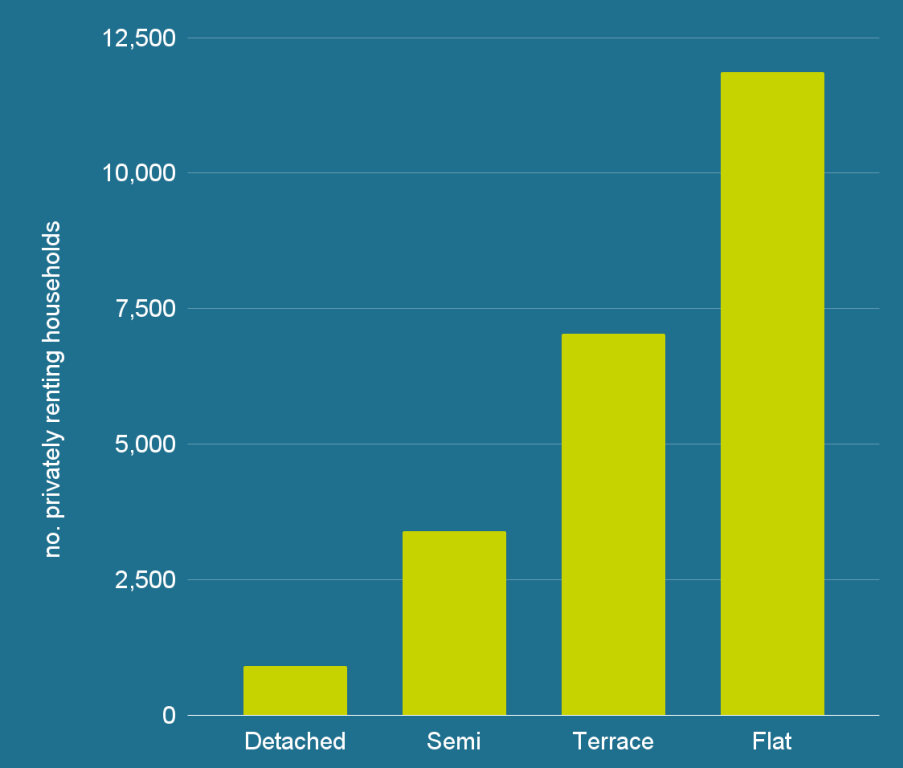
Rental listings on Rightmove



Local tenure mix



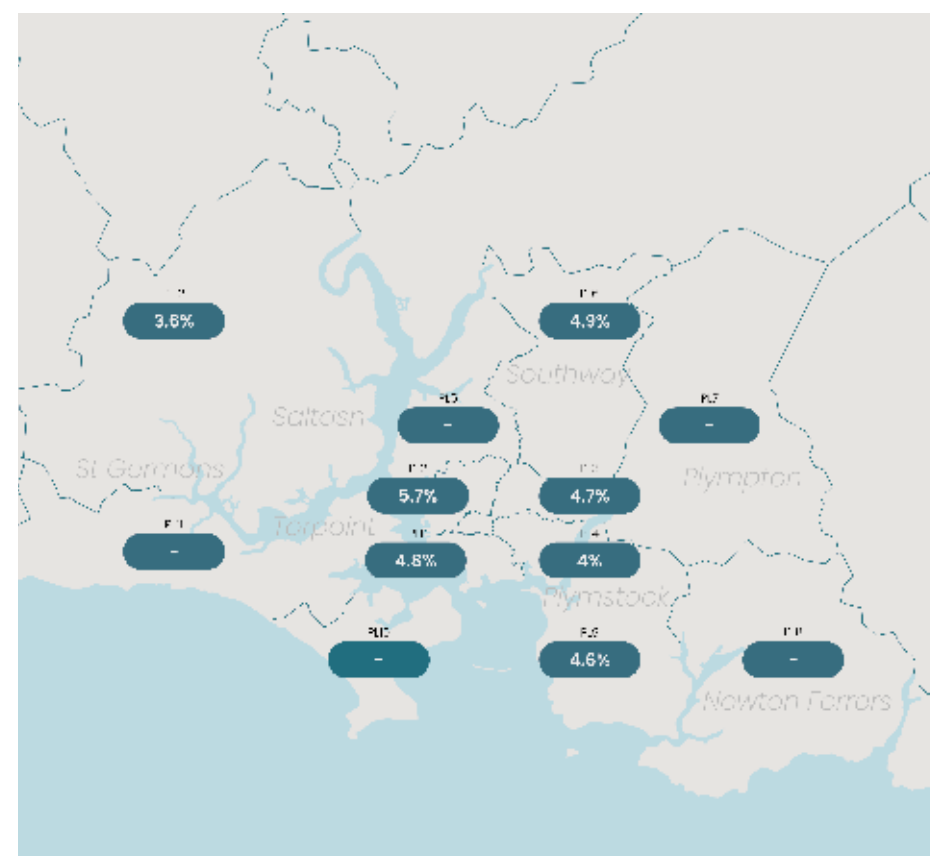
No. renting households by type



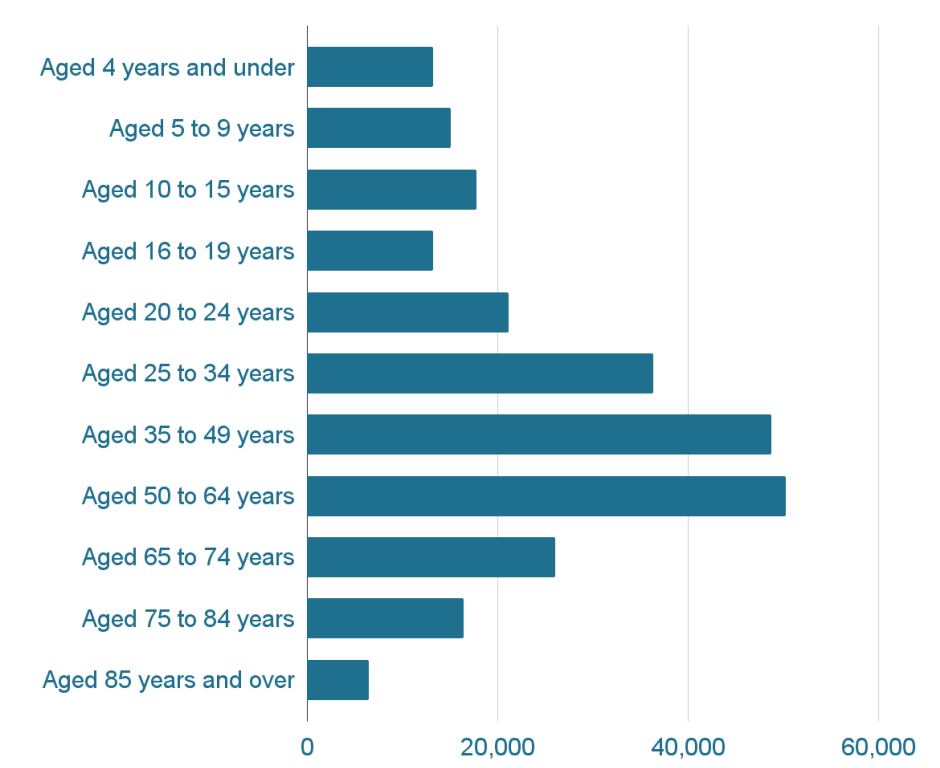
Rents PCM by bedrooms



Current yields by postcode



Local resident age profile



Source: This report has been made by ResiAnalytics for Martin&Co Plymouth. The data in this report comes from HM Land Registry, Office for National Statistics and ResiAnalytics. The last three months of sales data displayed are projections based on historical data. Disclaimer: This property market report is for informational purposes only and should not be used as a substitute for conducting your own research when making a property purchase decision. Please consult with a qualified professional to ensure all factors are considered in your investment choices.



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