PLYMOUTH PROPERTY NEWS

November 2026 - Monthly Lettings Edition

MARTIN&CO



November's Market Overview

October's lettings conversation was inevitably dominated by the Budget – and private landlords were among its more obvious losers.

From April 2027, tax rates on profits from property income will rise by a further two percentage points, on top of the two-point increase already announced at the previous Budget. That means 24%, 44% and 49%.

It is another blow for landlords after two decades of increasing taxation, greater regulation and, for some, additional licensing costs. The Renters' Rights Act has already brought significant change this year, while further expenditure is looming: privately rented homes will need to meet tougher energy-efficiency standards by October 2030, with landlords potentially required to invest up to £10,000 per property.



Chris Whitaker
Managing Director

A Budget Blow for Plymouth Landlords

For Plymouth landlords, as for landlords across the country, one of the less welcome announcements in Budget 2026 was another increase in the tax charged on property income.

From April 2027, the basic, higher and additional property income tax rates will become 24%, 44% and 49%. The Budget itself added another two percentage points – but notably, that comes on top of the two-point rise already announced last year. In other words, compared with today's 20%, 40% and 45% rates, landlords are effectively looking at a four-percentage-point increase.

Importantly, though, this is tax on profit, not on the rent you collect.

If a property generates £15,000 in rent but has £5,000 of allowable running costs, tax is calculated on the resulting £10,000 profit. That makes accurate record-keeping even more important than ever. Letting-agent fees, insurance, repairs and maintenance, accountancy costs, service charges and other legitimate expenses can all affect the taxable figure.

One important exception is mortgage interest. Individual residential landlords cannot simply deduct mortgage interest from rent when calculating taxable profit. Instead, finance costs generally attract a basic-rate tax reduction, currently 20%, so heavily mortgaged landlords need to understand their own position particularly carefully.

Landlords looking at this tax increase from April may be tempted to offset that by increasing the rent they charge, but they need to tread carefully. We have recently seen the starkest possible warning of doing just this, in a case in Manchester, where a landlord proposed increasing the monthly rent on a two-bedroom flat from £1,650 to £1,700. The tenant challenged it at the First-tier Tribunal. Rather than approving the £50 increase, the tribunal assessed the market rent at £1,450. That is £200 per month below what the tenant had already been paying.

The lesson is not that landlords cannot increase rents. It is that any increase needs to be supported by the market. That is where Plymouth landlords need to take a moment to reflect.

We do understand – paying more tax is irritating. Of course it is. But the underlying rental market here remains remarkably strong. The majority of the Plymouth property types we track are currently producing gross yields of 5.8% or better, with only houses of 4 bedrooms or more averaging lower than that. At the same time, properties are continuing to let quickly. September's figures showed the average time to let falling again, to just 12 days. We await October's data, but current numbers hardly suggest a market struggling for demand.

The Budget is a blow, as it slightly reduces net returns. But it does not suddenly make residential property a poor investment; it does, however, make good financial management all the more important. In Plymouth, where yields remain healthy and good rental homes continue to find tenants quickly, the fundamentals of the local lettings market remain exceptionally strong.

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Market Statistics

Plymouth Rental Market News

November 2026

Average Rent by Property Type



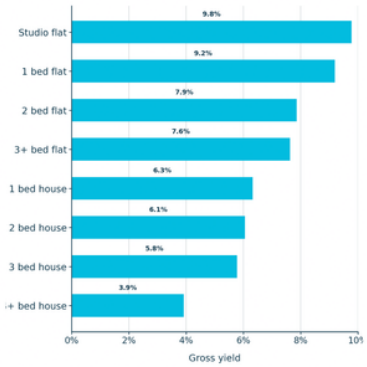
Average Rent by Bedrooms and Type



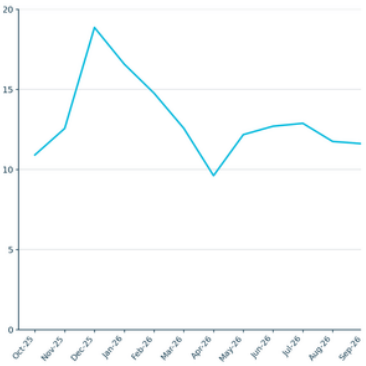
Average Monthly Rents Over Last Year



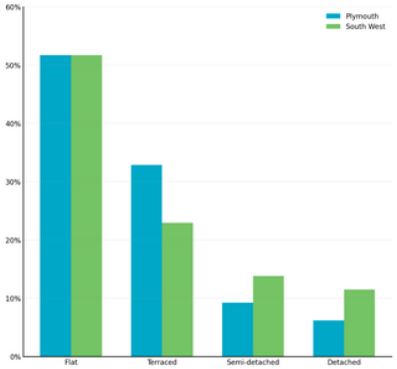
Average Gross Yield by Bedrooms and Type



Average Time to Let (in days)



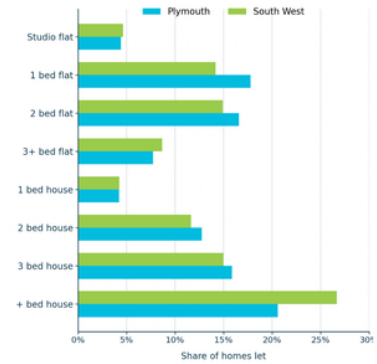
Regional Comparison of Rental Profile



Change in Average Rents by Property Type



Profile of Rentals by Bedrooms and Type



Local Factoids



Source: This report has been made by The Property Pen for Martin&Co Plymouth. The data in this report comes from HM Land Registry, Office for National Statistics and Dataloft by Pricehubble. 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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