# Scotland faces lowest landlord purchases in UK amid rising taxes



In a recent study conducted by Hamptons, it was revealed that Scotland is currently experiencing the lowest level of landlord purchases in the UK, with only 4.6% of homes sold in January intended for rental purposes. In contrast, landlords accounted for 9.6% of property purchases across Great Britain during the same period.

The decline in landlord activity follows the introduction of a tax increase under the Additional Dwelling Supplement (ADS), which was passed with minimal fanfare as part of the Scottish budget. This tax applies to the acquisition of additional residential properties beyond a household's primary residence, including second homes, holiday properties, and rental units. The changes affect contracts entered into on or before December 4.

Landlord groups have expressed concern that Scotland now has the highest property taxes in the UK, which they argue will not alleviate the ongoing housing crisis or lead to reduced rents for tenants. John Blackwood, the chief executive of the Scottish Association of Landlords (SAL), articulated the group's standpoint, stating, “At a time when the existence of a housing crisis in Scotland is indisputable, it does not make any sense to make it more difficult for landlords and prospective landlords to deliver flexible, reliable homes.” He continued, indicating disappointment over the Scottish Government's recent tax hike, suggesting it may discourage landlords from maintaining their properties, thereby exacerbating supply issues and increasing rental prices.

The SAL's survey suggests that around one in seven of the 350,500 rental properties registered are expected to have been lost over the past two years. The findings indicate that among SAL landlord members, a significant 53% are considering reducing their rental property portfolios. The survey also identified perceived hostility from government officials towards landlords, with 79% citing this as a reason for potential withdrawal. Additionally, increasing regulation and concerns about proposals for rent control were frequently mentioned by participants.

In Glasgow, local authorities have been encouraged to sell or lease thousands of empty homes to help combat the city's housing emergency. As of now, thirteen of Scotland’s thirty-two councils have declared a housing emergency, starting with Argyll and Bute in June 2023, and East Lothian being the latest in November. A national housing emergency was subsequently declared by the Scottish Government in May 2024. Factors contributing to this crisis include pressures on homelessness services, high numbers of those in temporary accommodation, and a shortage of affordable housing relative to extensive waiting lists.

Glasgow City Council has reported substantial expenditures in an effort to address homelessness, having spent nearly £300 million over the past six years. Despite these efforts, the council has recorded significant breaches of legal obligations, failing to provide timely accommodation for the homeless on over 12,600 occasions since the pandemic began, with nearly half of these breaches occurring between April and September 2024 alone. The monthly expenditure on emergency accommodation has surged from £2.256 million prior to the pandemic to £8.410 million in the current fiscal year.

Housing Minister Paul McLennan commented on the issue, affirming the government's efforts towards creating a fairer and well-managed private rented sector, which he believes is in the interest of both tenants and responsible landlords. He noted that while the Scottish Government's approach to Land and Buildings Transaction Tax aims to prioritise first-time buyers and home movers, it is part of a broader strategy of financial and regulatory considerations that landlords must weigh in their investment decisions.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.landlordtoday.co.uk/features/2025/02/political-pressure-is-driving-landlords-from-the-private-rental-market/> - This article supports the claim that landlords are withdrawing properties from the private rental sector in Scotland due to political pressure and increasing regulations. It also highlights the trend of landlords reducing their portfolios.
* <https://www.landlordtoday.co.uk/breaking-news/2025/02/landlord-taxes-set-to-rise-as-scotland-budget-passes/> - This article corroborates the introduction of increased taxes on second and rental homes in Scotland, specifically the rise in Land and Buildings Transaction Tax (LBTT) from 6% to 8%, which affects landlord purchases.
* <https://scottishbusinessnews.net/house-prices-in-scotland-rise-in-january-as-sales-market-2025-begins-on-a-steady-footing/> - This article provides context on the Scottish housing market, noting that house prices are rising, which could impact landlord investment decisions amidst increased taxes and regulatory pressures.
* <https://www.scottishhousingnews.com/articles/argyll-and-bute-declares-housing-emergency/> - This article would support the declaration of housing emergencies by Scottish councils, such as Argyll and Bute, highlighting the broader housing crisis in Scotland.
* <https://www.glasgowtimes.co.uk/news/23136041.glasgow-city-council-spends-300m-homelessness/> - This article details Glasgow City Council's efforts and expenditures to address homelessness, reflecting the severity of the housing emergency in Glasgow.