



The government's decision not to extend stamp duty relief for residential and first-time buyers has played out as many predicted, with a short-term spike in activity followed by a return to slower market conditions.

## **Short-term gain, long-term pause?**

While not included in the Autumn Budget, the change sparked a surge in buyer activity in early January.

Propertymark said viewings and buyer registrations rose sharply as people rushed to beat the stamp duty increase.

However, with transaction times longer than ever, this uptick would always be short-lived. Unless you're a first-time buyer purchasing a new build, most brokers had already begun preparing clients for the higher costs. Now, with the threshold change in place, reports like the latest RICS survey suggest the housing market is losing momentum as affordability pressures mount.

## **Rental market the unexpected winner?**

Stamp duty may not deter every buyer, but it's a tipping point for many – particularly in a market where affordability challenges persist. For the rental sector, this could be a boost. In our latest landlord survey, nearly half of landlords said they believe tenants will remain in rented properties longer. Over a third expect this to increase rental demand as more people delay or forgo homeownership.

This view was particularly strong among landlords with portfolios of 4 to 10 properties – the largest group in our survey – and among those with properties in London and the South East.

## **Affordability remains a barrier**

It's not hard to understand their thinking. Zoopla estimates a first-time buyer now needs an income of £66,600 to purchase an average home – or over £100,000 in London. And that's assuming a 20% deposit, which many renters don't have.

With rents continuing to rise due to limited supply, tenants spend more of their income on housing, making it even harder to save for a deposit. This, combined with a lack of new government support for buyers and resilient house prices, makes the path to ownership increasingly steep.

## **A reminder of the rental sector's role**

The UK's rental market plays a vital role in housing those who can't buy or choose not to. Whether due to income, lifestyle, or job mobility, many people rely on the rental sector for long-term living solutions.

Despite rising costs and growing regulation, landlords continue to invest and expand to meet this demand. Brokers

support them every step of the way, helping with purchases and refinancing options.

We remain committed to supporting brokers and their clients with [competitive rates](#) and solutions that help build, scale, and manage successful portfolios.