



Landlord Newsletter 10/24



Steven Sim – Associate

Welcome to our Landlord Newsletter covering industry updates and insight.

Interest Rate Cut to 5% - impact on mortgages

On 1 August, the Bank of England announced a 0.25% cut to its base rate, which now stands at 5%. The base rate had previously remained at 5.25% for eleven months, as higher interest rates were considered necessary to reduce inflation down to the previous government's 2% target.

The base rate cut is good news for lenders and it is predicted that borrowing costs will fall further in 2024 and 2025.

Uncertainty over whether the base rate would increase further was reflected in mortgage deals. This uncertainty is now over and it is expected that mortgage rates will now return to where they were at the beginning of 2024.

Estate Agent Zoopla predicts that less uncertainty will encourage more home buyers, with 10% more house moves this year and a predicted average house price increase of 2% by the end of 2024 (read the Zoopla analysis here).

Amanda Bryden, head of mortgages at Halifax has added to the conversation, saying, "Against the backdrop of lower mortgage rates and potential further base rate reductions, we anticipate house prices to continue a modest upward trend throughout the remainder of this year."





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The Housing Scotland Bill

The **Scottish Housing Bill**, which is currently progressing through the Scottish Parliament, includes a proposal to include rent controls as stringent as 0% in defined areas for up to five years.



This is concerning for stakeholders, particularly in light of a recent report by the Institute for Economic Affairs, which concluded that “rent controls reduce the supply and quality of rental housing, reduce housing construction, reduce mobility among private tenants, and lead to a misallocation of the existing rental housing stock”.

In addition, council leaders have expressed concerns that the cost of monitoring rents in their local authority will be excessive and that no additional funding has been allocated by the Scottish Parliament.

If you would like to speak to us and find out how we can help you with any property-related issues, please contact Steven Sim on 0131 226 2233 or email ssim@thomsoncooper.com.

The newsletter is part of our online [Property and Landlord Hub](#) which also features factsheets and property-related articles.

