Autumn Budget Property Commentary

Extract taken from Boring Money Release*

Mansion Tax

Current rules:

Currently, there is no additional tax specifically targeting high-value properties beyond standard stamp duty and council tax (based on 1991 valuations).

What's changing?

A new "mansion tax" will be introduced on properties over £2m, expected to raise around £0.4bn. This will be known as the High Value Council Tax.

The additional extra annual cost will be a £2,500 levy on properties worth £2 million or more which will increase to a £7,500 levy on properties over £5 million.

The Chancellor announced that there will be a consultation about people's options to defer these payments, to acknowledge those who are property-rich but cash-poor. Think Downton Abbey!

When does it happen?

2028.

Who does it impact?

Any mansion tax or property wealth tax would primarily hit homeowners with high-value properties, particularly in London and the Southeast, where property prices are highest. However, experts warned this could create market disruption at the higher end as homeowners who purchased large family homes decades ago may be discouraged from downsizing if faced with unexpected tax liabilities. This could reduce the availability of larger homes for growing families and will hit the capital hardest.

What do the experts say?

"Owners of properties valued between £1.5 million and £2 million will be breathing a sigh of relief that they have swerved this so-called mansion tax. Doubtless, the Treasury realised that at £1.5 million there would be a significant backlash from Labour voters with such properties in more affluent parts of the country, especially the South East of England.

Now it seems the burden will fall on those with the highest-valued properties, many of which will be in London. But with the measure not expected to come in until 2028, there is plenty of time for the law of unintended consequences to take effect. There could be widespread implications for the property market in the South East of England, where transactions could surge before the surcharge kicks in and sellers try to price properties below the threshold."

David Little
Partner in Financial Planning, Evelyn Partners

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Information source: Autumn Budget 2025: Key takeaways you need to know By Boring Money, 26 Nov, 2025 https://www.boringmoney.co.uk/learn/articles/autumn-budget-2025-key-takeaways-you-need-to-know/?lid=wy3pqfxcdhpi&brazeid=1ADE144D-F445-466F-AE8F-BD95A61B1E29

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Property Tax

Current rules:

Income tax on rental income is currently set at our current marginal rate of income tax, starting at 20% for basic rate taxpayers in England, Wales, and Northern Ireland.

What's Changing?

Tough new rules for landlords as income tax on their rental income will rise by 2% across the board from 2027. The rates will rise to 22% for basic-rate taxpayers, 42% for higher-rate taxpayers, and 47% for additional-rate taxpayers.

The Chancellor said this was designed to account for the fact that landlords don't pay National Insurance on rental income, so this evens things up and makes it fairer.

What do the experts say?

"Life has got progressively harder for landlords over successive years. This will likely contribute to more deciding to sell up and move on. This could of course have a negative impact for renters as someone will have to pay for this and so it's another potential pressure point for rent increases."

Holly Mackay
Founder & CEO, Boring Money

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