Scottish Government
Riaghaltas na h-Alba

Respondent Information Form

Consultation: Council Tax High-Value Property Bands (Mansion Tax)

Please Note: this form must be completed and returned with your response.

Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to published. If you ask for your response not to be published, we will still take account of your views in our analysis but we will not publish your response, quote anything that you have said or list your name. We will regard your response as confidential, and we will treat it accordingly.

To find out how we handle your personal data, please see our [privacy policy] at the bottom of the page. By submitting your response to Scottish Government you agree to our privacy policy.

1. What is your name?

   Hazel MacIver

2. What is your email address? Your email address will never be published. Your email address will be used if you give permission below to be contacted again in future about this consultation.

   HazelMacIver@propertymark.co.uk

3. Are you responding as an individual or an organisation?

Individual ☐

Organisation ☒

4. What is your organisation?

If responding on behalf of an organisation, please enter the organisation's name here.

Propertymark

Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

5. The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name ☐

Publish response only (without name) ☒

Do not publish response ☐

Information for organisations only:

The option 'Publish response only (without name)' refers only to your name, not your organisation's name. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

6. Do you consent to Scottish Government contacting you again in relation to this consultation exercise?

Yes ☒

No ☐

7. I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

You can view the privacy policy here: [Privacy - gov.scot (www.gov.scot)](https://www.gov.scot)

I consent ☒

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Questionnaire

About You Questions

1. About you Question 1
[For individual respondents] Please tell us which local authority area(s) you live in
Local Authority Area(s):

[For organisational respondents] Please tell us which local authority area(s) your organisation operates in

Local Authority Area(s):

Propertymark has member agents working across Scotland.

2. About you Question 2
If you pay Council Tax, please indicate which Council Tax band(s) apply to the property (or properties) for which you pay Council Tax:

☐ Band A

☐ Band B

☐ Band C

☐ Band D

☐ Band E

☐ Band F

☐ Band G

☐ Band H

☐ I don't pay Council Tax

☐ I don't know

3. About you Question 3
If you pay Council Tax, please indicate your estimate of the current value of the property for which you pay Council Tax:

☐ Less than £1 million

☐ Between £1 million and £2 million

☐ More than £2 million

☐ I don't pay Council Tax

Questions for Consultation

The illustrative rates for the two high-value bands mean that, compared to the average Band H charge, it is estimated that:

- Band I properties (valued at over £1 million) would pay around £720 more per year. An estimated annual charge of around £4,770 based on 2026-27 average charges.
- Band J properties (valued at over £2 million) would pay around £3,600 more per year. An estimated annual charge of around £7,650 based on 2026-27 average charges.

This would mean relative tax rates (multipliers) relative to Band D of approximately 2.886 for Band I and 4.628 for Band J.

These figures are illustrative only. Final multipliers for Band I and Band J will be set through primary legislation.

We are seeking views on what those rates should be.

1. Please indicate your most preferred option for the Band I relative tax rate.

[For illustrative purposes, a relative tax rate of 2.886 produces an estimated annual charge of around £4,770, calculated using the 2026-27 average Band D charge in Scotland].

x Less than 2.886
☐ 2.886
☐ More than 2.886
☐ Don't know

2. Please indicate your most preferred option for the Band J relative tax rate.

[For illustrative purposes, a relative tax rate of 4.628 produces an estimated annual charge of around £7,650, calculated using the 2026-27 average Band D charge in Scotland].

xLess than 4.628
☐ 4.628
☐ More than 4.628

☐ Don't know

3. Please provide any comments or views on the consultation themes that you have not been able to share above. [free text, 1,500 characters maximum]

Propertymark welcomes the opportunity to respond to the Scottish Government's consultation on its proposals for council tax high-value property bands. We have comments and views to make in relation to the following areas: a coordinated approach to tax policy is needed, lower rates of tax can boost economic growth, concerns about the accuracy of mansion tax valuations, regional inequality and further engagement with the sector is needed.

Coordinated approach to tax policy

Propertymark members are concerned that the Scottish Government are looking at another property tax reform in isolation without taking into consideration wider factors and the need for a review of recent changes. It is vitally important that the Scottish Government and governments throughout the UK understand that property taxation is a barrier to people moving home and lower rates of tax or removing tax all together stimulates market activity which in turn boosts economic growth as people spend money on home improvements, removal and storage costs, and professional services.

There is political consensus that the current council tax system based on valuations from 1991 is in complete need of reform - indeed, for almost 20 years the Scottish Government has promised to abolish council tax - however, adding two bands at the top is simply tinkering with a system that is not working for all. To this end, it would seem more logical to ensure the mansion tax proposals are linked to reforms to council tax reform and revaluation.

Furthermore, adding two new bands at the top will apply to only 15,000 properties out of 2.7 million residential properties in Scotland which the Scottish Government estimates will raise £12 million - £16 million (in the context of council tax raising £3.5bn for local government). And this is before the costs to administer these changes (£5 million has been set aside for this) and costly appeals and potential deferrals are taken into account. We also think that this new proposal will introduce more complexity rather than additional revenue.

Lower rates of tax can boost economic growth

Scotland has the highest top rate of income tax in the UK. High value homes are taxed heavily through Land Building and Transaction Tax (LBTT). According to Propertymark member Rettie, in Scotland last year there were around 500 sales of properties that sold for £1 million, which raised around £65 million for the Scottish Government which works out as 9% of the total revenue from LBTT from just 0.5% of the total sales[i]. Furthermore, Scotland's 8% Additional Dwelling Supplement means that Scotland has the highest property surcharge in the UK when purchasing a second home or buy to let property.

Propertymark would prefer to see measures taken to support the property market, such as cutting the rates of LBTT and the Additional Dwelling Supplement which will get people into the right houses, support affordability when buying and selling homes and ultimately support the economy. To this end, the Scottish Government should act upon the recommendations in the Housing Investment Task Force report published in June 2025, which says, “Taxation, and its ability to influence housing investment activity, merits a more detailed review not within the scope of the Taskforce. This review should include how taxation is affecting mobility through the housing system and how it can incentivise improvements in quality and support net zero ambitions.”[1]

Concerns about the accuracy of mansion tax valuations

Looking at the specifics of this proposal, Propertymark is particularly concerned at the practicality of identifying and valuing houses worth more than £1 million. There is greater difficulty with valuing homes at the upper end of the market because there is greater differentiation between properties, a lower frequency of transactions and automatic valuation methods is at a greater risk of delivering an inaccurate assessment. There may also be a significant number of challenges to valuations by homeowners that the Scottish Government need to take into consideration.

Furthermore, there are undoubtedly a group of people, particularly older homeowners, who bought a house decades ago which has risen in value well beyond their incomes. However, income growth has not matched house values. This will impact these homeowners in two ways. Firstly, they are more likely to be asset rich and cash poor and thus unlikely to be in a position to pay a significant increase in their monthly council tax. Secondly, this could impact their ability to sell as they cannot afford to pay LBTT even if rightsizing. This group of people will likely seek to defer payments, which will stifle movement in the property market and lower the amount of revenue raised by the Scottish Government.

Council tax in Scotland continues to be based on what a property is worth in 1991 and a consequence of valuing houses based on prices over 30 years ago is that according to the Institute of Fiscal Studies over half of homes are in the wrong council house band[ii]. The proposal to carry out a valuation of properties worth £1 million and over but not others seem ill-thought-out. Building confidence that valuations are correct is a challenge the Scottish Government will need to overcome. This is because establishing the value of high-end properties are harder than for other properties for four main reasons. Firstly, these properties have often not been sold in decades, so it is not possible to make a value based on recent transactions. Secondly, the property might not be registered with the Registers of Scotland. Thirdly, assessing the value of a property using an inflation calculator will not be sufficient. Fourthly, many of these properties are also therefore unlikely to have an Energy Performance Certificate (EPC), a measure that increasingly influences valuations.

An onsite visit will be needed to assess the condition of the property and to establish what modifications, if any, have been made. We are also concerned that there are unlikely to be enough qualified valuers to assess the affected properties and this will be even more of an issue in rural areas. We also think that the cliff edges between

[1] https://www.gov.scot/publications/housing-investment-taskforce-report/

each band will incentivise price manipulation and potentially could discourage owners from improving their home.

Given how difficult it will be to assess high value houses, we predict that if a house is valued near the edge of a band, the bill payer will be incentivised to appeal their valuation. It will also be hard to value unique homes that have not been sold for decades. Without actual transactions to assess prices or onsite visits, the council tax bill will be an estimation. Even with these bill owners may not agree with the valuation. The number of appeals may result in less revenue raised and will create backlogs in the system.

Regional inequity

Edinburgh will be particularly affected by any “mansion tax” along with certain rural areas – high value properties are not evenly spread across Scotland[iii]. Although revenue raised from the additional two bands would go back to local government, it is not clear if the money raised will go to the local authorities where any new additional revenue from the two additional council tax bands is raised or if it will be divided across all the local authorities according to an agreed formula. Propertymark thinks that it is essential that there is a direct link between council tax and the funding of local services. Any reform of local taxation in the future requires the public to believe that there is a clear link between the services they use and the local taxes that they pay.

Further engagement with the sector is needed

It is imperative that the Scottish Government engage further with the sector on this policy area. Furthermore, there must be enough assessors in place to carry out even this targeted valuation to ensure that valuations are accurate so that there is trust in the reliability of the reforms.

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[i] J, Boyle. (25 July 2025). Does Mansion Tax add up as a big source of revenue? The Scotsman

[ii] S, Adam and D Philips and S Ray-Chaudhuri. (12 February 2025). Scottish council tax: ripe for reform | Institute for Fiscal Studies

[iii] A, Cochrane. (6 July 2026) 'Mansion tax' to double rates on Scotland's most expensive homes - BBC News