

**Senedd Cymru Finance Committee consultation on the Welsh Government Draft Budget proposals  
for 2026-27  
Response from Propertymark  
September 2025**

**Background**

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 19,000 members representing over 12,800 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.<sup>1</sup>

**Overview**

2. The Senedd's Finance Committee are seeking information to inform their scrutiny of the Welsh Government's 2026-27 Draft Budget proposals. They are interested in exploring expectations of the 2026-27 budget, including financial readiness for the 2026-27 financial year and the impact of the 2025-26 budget<sup>2</sup>.
3. The Finance Committee<sup>3</sup> looks at the Welsh Government's budget from a strategic, overarching perspective. They also work with the other Senedd Committees to ensure that proposals for specific departments, or cabinet portfolios are considered in detail.

**Questions**

**Question 1. What, in your opinion, has been the impact of the Welsh Government's 2025-2026 Budget?**

4. Propertymark thinks that the Welsh Government's 2025–2026 Budget has had a significant impact on various sectors, including housing, public services, and economic development. While Propertymark acknowledges that the impact has been positive in certain areas, we have concerns over current taxation policy, which may have impacted investment and development especially for housing in the private rented sector.

**Positive impact – Housing Support Grant**

5. During our response to the previous year's consultation and from our engagement with the Welsh Government, we welcomed the uplift of £21m to the Housing Support Grant (HSG) bringing the total allocation to over £204 million. This uplift follows a £13 million increase in

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<sup>1</sup> <https://www.propertymark.co.uk/>

<sup>2</sup> [Final Budget 2025 to 2026 | GOV.WALES](#)

<sup>3</sup> [Finance Committee](#)

the previous year<sup>4</sup>, reflecting the Welsh Government's commitment to addressing homelessness and supporting housing stability. The HSG is designed to prevent homelessness and assist individuals in accessing and maintaining stable housing. This uplift has undeniably supported the most vulnerable people in Wales and supported them in the prevention of homelessness. It is likely had this funding not been provided, there may have been increased cases of homelessness and for a prolonged period. This would have impacted local authority resources and the availability of already stretched temporary housing.

6. Propertymark has expressed cautious optimism regarding this funding boost. While the increase is welcomed, Propertymark continues to advocate for a three-year indicative funding settlement for the HSG<sup>5</sup>, with annual increments at least in line with inflation. Such a multi-year approach would provide local authorities with greater financial stability and enable more effective long-term planning to meet housing needs. Additionally, Propertymark continues to urge the Welsh Government to consider ring-fencing a portion of the HSG to engage more effectively with the private rented sector (PRS). We think collaborating with PRS landlords is seen as crucial in preventing homelessness and ensuring a diverse housing supply. Propertymark's response to the 2025–26 Draft Budget highlights the importance of integrating the PRS into homelessness prevention strategies, and with the continued cost of living challenges we maintain this is even more essential.

#### Positive impact – Green Homes Wales Scheme

7. We also think that the introduction of the Green Homes Wales Scheme has been positive, which included a £70 million initiative aimed at upgrading housing stock to support the country's drive towards achieving net-zero emissions by 2050. The scheme prioritises lower-income households, helping tackle fuel poverty and improve living conditions while cutting energy bills. However, going forward, and given the challenges of the UK Government's Minimum Energy Efficiency Standards (MEES), we think that the fund must be opened up to the private rented sector, especially as property in Wales may be adversely impacted by MEES due to lower property values in Wales and less return on investment.

#### Negative impact – increase in LTT for purchases of additional properties

8. We are concerned with the 1% increase to 4% in Land Transaction Tax sur charge (LTT) for additional properties and the impact this will have on affordability in the private rented sector<sup>6</sup>. While the measure was expected to raise an additional £7 million in 2025–26, we are concerned that the current rate may have deterred landlord investment in the private rented sector and has reduced housing options especially for the most vulnerable. Recent data from Rent Smart Wales found that of the 22 local authorities in Wales, 17 have witnessed a decrease in the number of landlords during the period between January 2020 to January 2025.

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<sup>4</sup> [Written Statement: Housing & Regeneration Draft Budget 2025-26 Settlement \(17 December 2024\) | GOV.WALES](#)

<sup>5</sup> [Senedd-Finance-Committee-call-for-information-Welsh-Government-Draft-Budget-proposals-202526-response-from-Propertymark.pdf](#)

<sup>6</sup> [Higher rates of Land Transaction Tax: introduction | GOV.WALES](#)

Overall, during the same five-year period, the private rental sector has seen a reduction of 1,107 landlords, which coincided with the increase in the LTT rates<sup>7</sup>.

**Question 2. How financially prepared is your organisation for the 2026-27 financial year, how confident are you that you can deliver planned objectives, and how robust is your ability to plan for future years?**

Propertymark is the UK's leading trade body for property agents. With over 19,000 members across the UK, including letting agents, estate agents, auctioneers and valuers and inventory providers, we are financially resilient to face the economic challenges over the forthcoming year. We are increasingly influential in Wales. We hold an annual Welsh national conference, we are members of influential stakeholder groups such as the Rent Smart Wales stakeholder group, and we were a key stakeholder in the policy development of the Renting Homes (Wales) Act 2016<sup>8</sup> and the Welsh Government's White and Green Papers on fair rents and adequate housing. We are also members of the Senedd Cross Party Group on Housing. We also sit on a number of UK Government working groups with strong links to civil servants across government departments. To support our members, who have fewer than 20 branches, with the costs of operating, Propertymark has recently launched Company Advantage. The scheme, leverages the buying power of Propertymark's member network to procure services at a fraction of their commercial rate and pass the high-quality savings onto our members.<sup>9</sup>

**Question 3. What action should the Welsh Government take to:**

**Help households cope with cost of living issues:**

9. Our members in Wales and across the UK, witness first-hand the challenges that households face in balancing housing costs with wider cost of living pressures. Propertymark recommends that the Welsh Government should liaise with the UK Government to boost Discretionary Housing Payment (DHP) allocations for Wales. DHPs are funded by the Department for Work and Pensions and distributed by local authorities, but the current allocations are insufficient to meet the scale of need. The Welsh Government should press for an uplift to ensure tenants at risk of arrears and homelessness receive timely support. This should be done in three ways:
  - Firstly, this would include the Welsh Government topping up and supplementing DHPs with devolved funding where necessary. The Welsh Government has levers through housing and social support budgets, such as the Tenancy Hardship Grant and homelessness prevention funds. These can be used to top up DHPs or to establish equivalent schemes to cover households who fall outside DHP criteria.
  - Secondly, the Welsh Government should ensure private renters benefit equally. Almost one in five Welsh households rent privately, often at higher costs and with less security

<sup>7</sup> [Welsh Government must do more to attract landlords into PRS, says Propertymark - The Intermediary - Latest UK mortgage news](#)

<sup>8</sup> [Renting Homes \(Wales\) Act 2016](#)

<sup>9</sup> <https://www.propertymark.co.uk/advantage.html>

than social tenants. The Welsh Government should work with local authorities to make sure support schemes are accessible and consistently applied across both the social and private rented sectors.

- Thirdly, it is disappointing that some local authorities in Wales do not spend their allocations of DHP and that this money is returned to the Treasury. The Welsh Government should investigate why this happens and to use their influence to ensure that Welsh local authorities utilise their full allocation of DHP.

### **Targeted Support with Housing Costs?**

10. The Welsh Government should strengthen the Council Tax Reduction Scheme (CTRS). Council Tax is a significant fixed cost for many households and is not linked to income in the same way as other welfare benefits. The Welsh Government should review CTRS eligibility thresholds and taper rates to ensure that low-income households receive greater relief. This would prevent more families from falling into arrears as household budgets are squeezed by inflation and rising energy costs. The Welsh Government has consulted on widening the provisions of council tax reduction automatically for those in receipt of benefits, but wider benefits should be considered for those not accessing benefits but still feeling the strain. Propertymark members report that there is variation in how relief is applied at local authority level. Greater central guidance and funding could help deliver a more uniform approach so that households in similar circumstances are treated fairly across Wales.

11. The Welsh Government must also do more to support those who are struggling with mortgage costs, rent costs and to get people onto the housing ladder. Helping households to manage council tax, rent and mortgage costs at an early stage avoids the spiralling personal debt, arrears, and enforcement action that ultimately cost the public sector more to resolve. A preventative approach is more cost-effective for government and less damaging for households. To support renters with affordability, the Welsh Government should do two things:

- **Firstly, encourage employers to offer a deposit loan scheme** - the Welsh Government should be doing more to encourage employers to offer staff an interest free loan to pay for their deposit when moving into private rented property. To this end, the Welsh Government should carry-out a survey amongst businesses and their trade bodies to ascertain who is providing employer backed loans. Once this is determined the UK Government should publicise a list of companies who offer employer-backed rental deposit loans to encourage others to do the same. Additionally, companies and organisations should be provided with guidance on how to package financial wellbeing benefits and information to employees in a more helpful way. Repayments can be made in instalments via deductions from their monthly salary, over a period, such as twelve months. Such a scheme can help staff secure a property without incurring financial difficulty leading to debt and it can also help companies recruit and retain staff.

- **Secondly, awareness raising to allow tenants to pay their deposit in instalments** - in the insured scheme the deposit can be protected based on the total amount of the deposit the landlord expects to receive for the tenancy over its life and ensure that the instalments are detailed in the tenancy agreement. Through the custodial scheme, landlords can give the 'amount stated on the tenancy agreement' as the total amount of the deposit they expect to receive for the tenancy over its life, and the 'amount to protect' as the total amount they have already received. Landlords can then top up the deposit with each instalment once received.

12. For first time buyers, there are a range of existing financial products such as special ISAs and mortgage products that are effective at helping people to get on the housing ladder. However, there are a number of steps people are taking outside of these products to purchase a property where the Welsh Government could provide support. These include:

- **Income booster mortgage (also known as a Joint Borrower Sole Proprietor Mortgage)** - a product offered by some lenders that lets a family member's income be added to a first time buyer's purchase, even if they're not living in the property, to increase how much someone can borrow.<sup>10</sup>
- **People moving to a cheaper area to purchase a home** – we know from conversations with our members and information from banks that in the last couple of years well over 60 per cent of first time buyers have relocated to get on the property ladder.<sup>11</sup>
- **Buying a property that needs significant renovation** – these properties can be cheaper to buy, often sit empty when purchased so have no chain but mean that additional cost is required to 'do them up' over time.

**Address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?**

13. The Welsh Government must maintain and expand the Help to Buy Wales Scheme. The scheme has been an important route onto the property ladder for many first-time buyers, but its focus on new-build properties limits choice and does not reflect the realities of the Welsh housing market, where supply is diverse and resale homes often provide better affordability. The Welsh Government should explore broadening the scheme to include the purchase of existing homes, not just new builds.

<sup>10</sup> <https://www.barclays.co.uk/mortgages/mortgage-boost/>

<sup>11</sup> <https://www.santander.co.uk/about-santander/media-centre/press-releases/two-thirds-of-recent-first-time-buyers-bought-in-a>

14. In addition to widening Help to Buy, the Welsh Government should consider alternative equity loan or shared ownership models that make both new and second-hand homes more accessible to first-time buyers. This would also reduce reliance on the limited supply of new-build schemes, giving households more realistic options. We would recommend that such scheme should involve full engagement with Propertymark registered members in Wales.
15. Propertymark members see first-hand how energy costs affect tenants, and the challenges landlords face in improving property standards. We recommend that the Welsh Government take the following actions:
  - **Increase investment in energy efficiency:** Expand retrofitting grants, low-interest loans, and incentives to help landlords in the private rented sector (PRS) upgrade properties. This reduces tenants' energy bills and helps households cope with the rising cost of living.
  - **Support landlords to meet Minimum Energy Efficiency Standards (MEES):** Under MEES, PRS properties must achieve EPC C by 2030 for existing tenancies and EPC C by 2028 for new tenancies. In Wales, this is particularly challenging due to lower property values (reducing return on investment), rural locations, and high number of tenancies housing fuel-poor tenants.
  - **Extend financial support via the Development Bank of Wales:** Tailored loans and grants should be available to PRS landlords, especially for rural and hard-to-decarbonise properties, to help meet MEES without reducing rental supply or increasing rents unsustainably.
  - **Provide clear guidance and technical assistance:** Landlords need practical support to navigate energy efficiency improvements, particularly for older or rural properties, to ensure compliance and maximize energy savings. By combining financial support with guidance, the Welsh Government can help landlords upgrade homes, reduce tenants' energy costs, and support the wider decarbonisation agenda without negatively impacting the PRS.
16. Propertymark welcomes the Welsh Government's commitment to investing in social and affordable housing, which is vital for addressing housing need. However, a vibrant private rented sector (PRS) is also essential to meet demand, particularly for households who are not eligible for social housing or are waiting for new supply.
  - **Support landlord investment:** The current 4% surcharge on LTT for additional properties creates a financial barrier for investors in the PRS. Reducing or restructuring this surcharge would encourage landlords to invest in more rental properties, helping to increase supply and maintain choice for tenants. This would reduce rents and widen housing options especially for the most vulnerable.

- **Balanced approach to supply:** Strengthening both social housing and the PRS ensures that all households have access to safe, affordable, and well-maintained homes. Encouraging investment in the PRS complements social housing provision, rather than replacing it, and supports the overall housing market.
- **Promote quality and sustainability:** Any measures to increase supply should continue to incentivise high-quality, energy-efficient properties, ensuring that new and existing homes are suitable for long-term occupation.
- **Tackling empty residential properties:** The Welsh Government actively supports the revitalisation of empty properties through several initiatives aimed at increasing housing supply and regenerating communities. Here are the key schemes currently in place. One method is the National Empty Homes Grant Scheme<sup>12</sup>, which is a grant administered by Rhondda Cynon Taf County Borough Council on behalf of the Welsh Government, offering a grant of up to £25,000 to support owners bring empty properties back into use and fit for human habitation. However, one eligibility criteria is that applicants must intend to occupy the property as their main and only residence for a minimum of five years post-renovation. This excludes private landlords, and we think this acts as a barrier to landlords who may wish to invest in empty property and bring them back into use. We think the grant should be expanded to private landlords providing they bring the property back into use for a private tenant within a timeframe.

**Question 4. Have Welsh Government business support policies been effective, given the economic outlook for 2026-27?**

17. Propertymark recognises the Welsh Government's ongoing efforts to support businesses through grants, loans, and advisory programmes. These policies have been important in helping property agents, landlords, and small businesses navigate economic uncertainty, particularly during periods of inflation, energy price volatility, and rising borrowing costs. To ensure Welsh Government business support policies are more effective we would encourage the Welsh Government to consider reform to business rates to support businesses in certain industries that have been impacted by the cost of living pressures, small businesses in general and to revitalise and regenerate high streets and town centres across Wales. The Welsh Government should do three things:

- Firstly, the Property sector including estate and letting agents, auctioneers, valuers and inventory providers should be eligible for business rate relief offered to retail, leisure, and hospitality providing they have a physical presence on the high street.

<sup>12</sup> [£50m to bring empty homes back to life | GOV.WALES](#)



- Secondly, the Welsh Government should consider aligning existing reliefs such as the Small Business Bonus Scheme and Retail, Hospitality and Leisure Relief in line with needs identified by businesses by extending and widening its provisions.
- Thirdly, property revaluations occur every five years. Propertymark is calling for the Welsh Government to increase the frequency to every one or two years, which would ensure valuations are more accurate and fairer for businesses, reducing the risk of sudden spikes in rates due to outdated assessments.

18. There is more the Welsh Government can do to tackle empty commercial properties. High street rental auctions as introduced under the Levelling-up and Regeneration Act 2023 by the UK Government give local authorities in England the discretion to take on long term empty commercial properties on designated high streets and town centres<sup>13</sup>. The Welsh Government should investigate the feasibility of introducing High Street Rental Auctions to enable local authorities the discretion to revitalise high streets by renting out vacant premises. These are already being taken up by some English local authorities.

**Question 5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?**

19. Propertymark thinks that the Welsh Government plans to build a greener economy could be clearer and more ambitious. To reduce carbon emissions from homes and buildings in Wales and support effective compliance with the Minimum Energy Efficiency Standards there is a need for financial support to support private landlords decarbonise their properties and to support them in compliance with MEES.
20. Yes, there are skills gaps that need addressed and Propertymark has long advocated for local authorities to set up one stop shops as joint ventures to allow councils to collect and analyse aggregated data regarding housing stock requiring retrofit and designing bespoke solutions in how to accomplish this. One stop shops would allow local authorities to better understand the personal circumstances of landlords in the area and better tailor engagement and awareness-raising on retrofitting. Propertymark worked alongside key stakeholders, and independent think-tank Localis to urge the UK Government to give serious consideration to the impact of regional variability in house prices and dwelling stock when installing heat pumps to hit decarbonisation targets. The Localis report "Lagging Behind"<sup>14</sup> highlights the challenges faced by local authorities in retrofitting low-value properties to meet decarbonisation targets. It underscores the need for tailored support for private landlords to enhance housing quality and contribute to net-zero goals. The report highlights that local authorities should collaborate in creating one stop shops to engage directly with private landlord, provide tailored advice on retrofitting and offer access to financial support and

<sup>13</sup> [High Street Rental Auctions: Non-statutory guidance - GOV.UK](#)

<sup>14</sup> [Lagging behind: energy efficiency in low-viability properties | Propertymark](#)



technical expertise. Local authorities are also in an advantageous position to maximise regional supply chains to reduce costs for landlords in retrofitting and build skills capacity.

**Question 6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?**

21. We think the Welsh Government could use the financial mechanisms it has around borrowing and taxation more effectively. Propertymark recognises that the Welsh Government has limited devolved powers over borrowing and taxation compared to the UK Government, but these levers are important tools for influencing the housing market, business investment, and economic growth. We have two comments to make:

- Firstly, in relation to borrowing powers, the Welsh Government has the ability to borrow for capital expenditure, which has been used to fund social housing and infrastructure projects. While these investments are welcome, there is scope to target borrowing more strategically to support private sector landlords, improve rental supply, and finance decarbonisation measures in existing housing stock. Propertymark thinks is also an opportunity to use borrowing and taxation creatively to stimulate local supply chains, fund retrofit programs and provide tailored support for rural and fuel-poor households.
- Secondly, in relation to taxation, the 4% surcharge on additional property purchases can act as a barrier to investment in the private rented sector. While it may be intended to curb speculative purchases, it also discourages landlords from expanding or upgrading rental properties, which limits supply. Propertymark recommends that the Welsh Government review and calibrate these taxes to encourage investment in housing while still meeting broader policy objectives.

**Question 7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?**

**Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

22. Propertymark welcomes the Welsh Government's initiatives, such as investment in social housing and discretionary assistance, but more targeted action is needed to help low-income households cope with the ongoing cost-of-living pressures. Measures that support tenants in the private rented sector through affordable rents, energy efficiency improvements, and access to housing-related financial assistance are particularly important. However, we strongly warn against the implementation of rent controls which historically when implemented in countries such as Scotland, and in places like Berlin and New York, have resulted in less supply from landlords exiting the market with the unintended consequence of rents increasing. However, we encourage the Welsh Government to ensure that policies are coordinated across housing, welfare, and energy efficiency to provide practical relief for those living in relative income poverty, while also promoting long-term stability in the housing market.

**Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)**

23. Propertymark supports the Welsh Government's focus on preventative spending, particularly where it can reduce long-term pressure on housing, health, and social services. In the housing sector, early intervention such as energy efficiency improvements, support for households at risk of rent or mortgage arrears and bringing empty properties back into use can prevent problems from escalating and reduce future demand on social housing. However, there is currently no specific support for empty properties in the private rented sector, limiting the potential to increase supply and improve housing quality. Greater investment in preventative measures targeting the PRS, including retrofitting and financial support to bring long-term empty homes back into use, would deliver long-term social and economic benefits, easing pressure on public services while improving housing affordability and quality.

**How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?**

24. Propertymark thinks that the Welsh Government should provide clear, accessible explanations of how funding decisions align with policy objectives, particularly in housing and related sectors. This includes demonstrating how allocations for social housing, energy efficiency, preventative support, and business investment contribute to tangible outcomes, such as improving housing supply, reducing energy costs for tenants, and supporting private landlords to meet regulatory standards. Publishing detailed impact assessments, metrics, and progress updates would help stakeholders, including landlords, tenants, and property professionals, understand the rationale for spending and the expected benefits. Transparency in this way also allows for constructive feedback, encourages accountability, and helps ensure that public resources are used effectively to address housing, affordability, and long-term sustainability challenges in Wales. Propertymark would welcome further engagement from the Welsh Government and Members of the Senedd through participatory budgets, webinars, our annual Welsh National Conference, or other appropriate forums to discuss funding decisions and policy priorities with stakeholders.