Forthway Property

10 tips for buy-to-let in Scotland

Different taxes, different buying rules, different tenancies. What 35 years of Scottish buy-to-let has taught us, in three short pages.

1 The £10,400 tax most investors don't see coming

Scotland has Land and Buildings Transaction Tax (LBTT), not Stamp Duty. And every buy-to-let of £40,000 or more pays the Additional Dwelling Supplement: 8% of the full price, in cash, on completion. Build it into your budget before you fall in love with a property.

£10,400
ADS on one £130k flat

2 In Scotland, the deal is done sooner than you think

Read the seller's Home Report, which includes a survey and valuation, before you offer. Offers go through a solicitor, often as "offers over". Once missives conclude, you're legally committed, usually sooner than an English exchange.

Missives
the point of no return

3 Skip this and you can't legally let

Every landlord must register with the council where the property is before letting it. Letting without registration is an offence. It's quick and cheap, so do it first.

3 years
how long registration lasts

Scotland vs England at a glance

	Scotland	England
Tax on buying	**LBTT**	Stamp Duty
Buy-to-let surcharge	**ADS, 8% of the price**	Higher Stamp Duty rates
Survey	**Home Report from the seller**	Buyer arranges their own
Deal becomes binding	**When missives conclude**	At exchange of contracts
Flats	**Owned outright**	Usually leasehold

4 Wind and watertight isn't optional

The property must be wind and watertight, with safe heating, hot water, wiring and appliances. Rules forcing landlords to deal with damp and mould fast are now reaching private lets. Budget for maintenance from the start, not when a tenant complains.

Day one
when the Repairing Standard applies

5 Five checks that keep you out of trouble

Annual gas safety check. Electrical report (EICR) at least every five years, plus tests on appliances you supply. Interlinked smoke and heat alarms. Carbon monoxide alarms where needed. A Legionella risk assessment. Diarise them all.

5 years
maximum between electrical checks

6 There's no end date, so buy for the long haul

Lets use the Private Residential Tenancy, which never expires. Tenants can leave on 28 days' notice, but you can only end it on a legal ground for eviction. Great for steady income, bad if you plan to sell in a hurry.

28 days
notice a tenant needs to give

7 30 working days. Miss it and it costs you

Deposits go into SafeDeposits Scotland, mydeposits Scotland or Letting Protection Service Scotland within 30 working days, with the details given to the tenant in writing. Miss it and a tribunal can order you to pay the tenant up to three times the deposit.

30 days
to protect a deposit (working days)

Your before-you-let checklist

- ☐ Landlord registration with the council
- ☐ Gas safety check (every year)
- ☐ Interlinked smoke and heat alarms
- ☐ Legionella risk assessment
- ☐ Deposit protected within 30 working days
- ☐ Valid Energy Performance Certificate
- ☐ Electrical report, EICR (every 5 years)
- ☐ Carbon monoxide alarms where needed
- ☐ Private Residential Tenancy agreement
- ☐ HMO licence, if 3+ unrelated tenants

8 Rent controls are coming. Plan for them now

You can normally raise rent once every 12 months, with notice, and tenants can challenge it. The Housing (Scotland) Act 2025 lets the government create Rent Control Areas that cap increases. None are expected before 2027, but don't build a plan that relies on big rent rises.

2027+
earliest expected rent control areas

9 Check the paperwork before you fall in love

You need a valid EPC to let, and energy standards are expected to tighten, so a poor rating can mean an upgrade bill. Letting to three or more unrelated people sharing facilities makes it an HMO, which needs a council licence and stricter standards.

3+
unrelated tenants means an HMO licence

10 Headline yields lie. Total money in doesn't.

Add LBTT, ADS, legal fees, refurb and any sourcing fee to the price. Then take off mortgage costs, letting fees, insurance, repairs and empty months. Judge every deal on the money you actually put in.

9% → 7%
what fees and costs do to a yield

Bonus tip

Buy six together, save around £55,500

Buy six or more properties in one transaction and there's no ADS, LBTT drops to non-residential rates, and Multiple Dwellings Relief can cut it further. Six £130,000 flats bought one at a time means £62,400 in ADS. Bought together, the tax can fall to about £6,875. It has to be structured correctly, so get your solicitor to confirm it first.

£55,500
saved on six £130k flats

Want someone in your corner?

35 years of buy-to-let in Scotland, the successes and the nightmares, on your side. Start with a 60-minute advice session and written report for £195, join our small, exclusive group coaching, or let us source your next property or portfolio.

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