

McGovern Accountancy Ltd.

Stamp Duties - Autumn Budget 2017

The following is a summary of the Autumn Budget 2017 in relation to Stamp Duties.

SDLT: Relief for First Time Buyers

With immediate effect, first time buyers buying a new home will pay no SDLT up to £300,000 purchase price. For those purchasing property between £300,000 and £500,000, SDLT at 5% will be payable on the amount in excess of £300,000, a saving of £5,000.

Any properties purchased by first time buyers in excess of £500,000 will not be entitled to any relief.

To be eligible, buyers must be an individual or individuals who have never owned an interest in a residential property in the UK or anywhere else in the world and intend to occupy the property as their main residence.

This is a welcome measure for first time buyers getting onto the property ladder.

SDLT: Higher Rates

Currently, a higher rate of SDLT applies when individuals are purchasing a residential property when they already own at least one other, and are not replacing their main residence. A new measure will grant relief from SDLT due at the higher rate in certain cases. It includes cases where a divorce related court order prevents someone from disposing of their interest in a main residence, a spouse or civil partner buys property from another spouse or civil partner, a deputy buys property for a child subject to the Court of Protection and a purchaser adds to their interest in their current main residence.

The new measure will also counteract abuse of the relief when someone who changes their main residence retains an interest in their former main residence.