

As part of the recent 'Mini' Budget, the now ex-Chancellor made alterations to the Stamp Duty rules for buyers of properties in order to give the housing industry and market a boost and as part of an attempt to support economic growth.

The changes are substantial and would give a windfall to the vast majority of property buyers. Though it should be noted that these changes are only for property purchases in England and Northern Ireland, and do not apply to transactions in Scotland and Wales.

It is confirmed that the nil rate band (the level at which Stamp Duty becomes payable) has been doubled and you do not have to pay Stamp Duty on the first £250,000.00 of the property you are buying.

There is even more of a benefit for First Time Buyers, as the nil rate band for this category of purchasers has now risen to £425,000.00 (from the previous level of £300,000.00). In addition to this, the upper level for which First Time Buyers can claim the specific relief has now risen to £625,000.00.

The current levels are now confirmed to be:

0% - £0.00 to £250,000.00 (or £425,000.00 for First Time Buyers)

5% - £250,000.01 to £925,000.00

10% - £925,000.00 to £1,500,000.00

12% - £1,500,000.01 and above.

As the average price of a house in England is around £300,000.00, all buyers will benefit from this and the benefit to each buyer could be as much as £2,500.00. For example, if you purchased the property at the stated £300,000.00, you would now pay £2,500.00, rather than £5,000.00 prior to this announcement.

By way of background, Stamp Duty becomes payable when a property purchase is completed, and you have fourteen days to pay the required fee to the Inland Revenue. This is likely to be dealt with by your solicitor, who will have accounted to you for the required amount before the completion takes place.

This revised policy came into effect for all property purchases from the 23rd September 2022 and there is no details as to whether this is to be a temporary measure or something more permanent.

Mr Kwarteng stated that 'Home ownership is the most common route for people to own an asset, giving them a stake in the success of our economy and society.'

There are concerns currently about the rising mortgage rates, with the average fixed rate mortgages now going up to around 6.5% for both two and five year fixed deals. This is as a reaction to the current financial instability and the rising levels of inflation. The mortgage companies have reacted to the rises and the uncertainty by withdrawing some products from the market, making it difficult to find those cheaper deals.

Mortgage rates have been going up for a number of months, but the rates have gone up sharply in recent weeks after the financial market's poor reaction to the recent budget. It is hoped that there

will soon be certainty within the markets and the industry in the near to enable the mortgage rates to become more stable and less volatile.