

# Market News

## Stamp Duty Changes

Stamp Duty is the hot topic of the moment. Last October the SNP announced details of the new Land and Buildings Transaction Tax (LBTT) due to replace stamp duty in Scotland from April 2015 – see table below for easy reference.

The new charges were an instant hit with first time buyers and those looking to buy a home below the £250,000 threshold, but not by those buying properties worth between £325,000 (the point at which buyers will start to pay more) and £500,000 – the so-called ‘squeezed middle’ who will pay the highest proportion of LBTT – on the basis that £325,000 is not in the super-rich category and in many city suburbs only equates to a fairly modest family home.

Then a few weeks later along came Chancellor George Osborne’s Autumn Statement in which the new Stamp Duty Land Tax (SDLT) – effective UK wide immediately – sees the first £125,000 being tax free, while buyers of properties valued from £125,000 to £250,000 pay a 2% levy, which rises to 5% from £250,000 to £925,000, and to 10% for properties worth from £925,000 to £1.5m, above which the rate is 12%. The sting is that Scottish buyers only benefit until April, when LBTT will apply.

Property Price	Current Stamp Duty Rate	Property Price	LBTT Rate from April
£0-£125,000	0%	£0-£135,000	0%
£125,001-£250,000	2%	£135,001-£250,000	2%
£250,001-£925,000	5%	£250,001-£1m	10%
£925,001-£1,500,00	10%	£1m+	12%
£1,500,01+	12%		