

Buyers should not be put off Stamp Duty change says property expert



First time buyers should not be too downhearted at the Government's decision to revert to the lower £125,000 Stamp Duty threshold from January 1, says North West property expert, Denis Maddock.

He believes there are still enough buyers' incentives around to ease the impact of Chancellor Alistair Darling's decision on Stamp Duty.

The Treasury faced a backlash of criticism from many industry analysts when the news was announced in the Chancellor's November pre-budget report.

But Mr Maddock, sales and marketing director with leading North West developers, [Seddon Homes](#), said the news is not as gloomy as many at first perceived.

"The fact is that a large sector of home-seekers were still trapped in the tax net, despite the so called Stamp-duty holiday. Most movement in the market which statisticians had credited to the raised tax threshold was in fact the result of incentives offered by builders and property developers, all designed to make it easier to buy in these difficult economic times."

The Treasury raised the Stamp Duty threshold from £125,000 to £175,000 as the recession began to bite in September 2008.

It meant that anyone buying a home worth below £175,000 avoided paying a one per cent Stamp Duty – saving them £1,750.

Labelled a 'Stamp Duty holiday', ministers added a proviso at the time, that it would only last a year.

With the UK still mid-recession, many property market representatives lobbied for Alistair Darling to continue with the lower rate for another 12 months or more.

The National Association of Estate Agents, the Building Societies' Association, and the Home Builders Federation were among key organisations which pressured him to extend the holiday beyond January 2010.

But their pleas were ignored when he continued with his original plan, reverting the threshold to £125,000 from New Year's Day.

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