

PRESS RELEASE



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New Stamp Duty Land Tax rates on residential property

A new rate of Stamp Duty Land Tax of 5% came into force on 1 April 2011 for residential property worth in excess of £1m. This brings into play an interesting situation with regard to farms and estates where the asset being sold is often a mix of residential and agricultural property, with the latter often only attracting the 4% rate.

Andrew Bays of BCM comments: "This is an angle which will need consideration both by vendors and purchasers when selling high value farms and estates, particularly where they are being purchased by more than one purchaser or they are being lotted. Any apportionment of value can of course have further ramifications on the parties' position with regard to tax generally. There are also ramifications when looking at portfolios of rural dwellings."

"As always it is necessary for buyers and sellers to take the appropriate advice. It will also be necessary for parties to a sale to agree early on how the property is to be lotted or apportioned between multiple purchasers."

For further information please contact Andrew Bays at BCM.

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