

BRIEFING NOTE

Thursday 7th March 2024

Spring Budget 2024 – How does this impact a Vendor or Purchaser?

Following the Chancellor's Spring Budget, there were some unexpected announcements in relation to housing and property.

Capital Gains Tax

The chancellor confirmed that the higher rate of Capital Gains Tax will be reduced from 28% to 24% on the disposal of a residential property. Whilst this has marginally reduced Capital Gains Tax, the landlord investor would consider that the long-term gain and capital appreciation combined with income yield far outweighs selling now at a 4% reduction. However, those landlords and second homeowners who do not have longer term goals, may consider selling now to capitalise on the 4% decrease, and beat the potential huge increase in Capital Gains Tax under a new government.

Multiple Dwellings Relief (MDR) – Stamp Duty Land Tax

Unexpectedly, Jeremy Hunt decided to Abolish Multiple Dwellings Relief. I believe that this has been targeted at those investors looking at buying more than one property in a single transaction – unfortunately, this means there will be a lower stock of rental property available for those who need it. Secondly, MDR is a huge impact on the middle-high end property market where the property contains more than one dwelling. For example, based on a property worth £2,000,000 containing a principal home & annexe, holiday let or separate dwelling, the Purchaser could save up to £78,750*. Whilst Mixed Use Relief (MUF) is available, it is only applicable to businesses or properties with varying use classes.

Should you be a homeowner or purchaser who wishes to discuss in more detail, please do not hesitate to contact me on the details below to see how these changes may impact you.

CONTACT

If you have any queries, please contact Thomas Dawson

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*Figures from HMRC Calculator.

