

The Chancellor's Autumn Budget 2018



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There were few Tax changes in today's budget, in respect of SDLT, for the residential property market, writes **Trevor Abrahmsohn**, Managing Director of Glentree International.

Of the few measures put forward was the £500 million for the Housing Infrastructure Fund, which according to Mr. Hammond will allow another 650,000 homes to be built. Although this sounds dramatic, if it is spread across many fiscal years, it won't make much of a difference in order to help fix the 'broken housing market'.

Lettings Relief, limited to properties where the owner is in shared occupancy with the tenant, could be an area rife for abuse and judicious manoeuvring, but as usual, the 'devil is in the detail'.

There was a golden opportunity to reduce the Stamp Duty at the higher end of the market in order to prevent a full-blown recession in this sector but he studiously avoided this. He did though abolish Stamp Duty for first-time buyers of shared ownership properties valued up to £500,000, which is a small but welcome gesture.

At the same time, thank goodness he didn't impose a 3% premium on SDLT on foreigners buying in the UK as was muted in the press. The numbers of properties being bought by foreign individuals today has dropped from a torrent to a trickle and now a drip, and any additional tax would have 'killed off' this market altogether and, by doing so, further increase the pain on developers, particularly in London.

I would be very interested to see the reforms of the planning system that the Minister for Housing and Planning is presently working on. I hope they are radical and far reaching and do not leave any 'stone unturned'. The arthritic and labyrinthine present arrangements is the chicane that restricts and suffocates a number of worthy planning applications, where petty politics seems to triumph over planning pragmatism.



With all the problems associated with residential development you need a 'can do' planning environment rather than the status quo.

A further extension of Permitted Rights – whereby commercial property can be converted, relatively easily, into residential – was mentioned by the Chancellor today, but lets see more detail on this when available.

Guarantees of up to £1 billion for smaller house builders is definitely a good initiative and much needed for this embattled group who are trying to 'swim against the tide' in terms of funding, which for them has many regulatory hurdles to overcome.

I particularly like the commemorative 50p coin to mark the UK's departure from the EU. This will usefully annoy the Europhiles; and inviting the USA, Canada, Australia, New Zealand and Japan to use the E-Passport gates at airports is a small but welcoming gesture to the countries who we need to increase trade with in the post Brexit era.

A small point, maybe, but what about getting back to real duty free at airports allowing UK travellers to benefit from real discounts? The EU snatched this away from us and it is about time it was returned.

By all accounts, it was a responsible Budget and I feel, it will be generally well received.



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Founder and chief executive of Landmass, **Alan Waxman** comments: "Philip Hammond has failed to penetrate

the property market. No one can argue against helping first-time buyers, but stimulating 'just' this part of the market has a detrimental impact on the property market as a whole. In fact, it increases prices hitting first-time buyers the hardest – as demand increases, and then so do prices – so the net effect is that it actually costs the buyers more in total. Fools logic!

"It is a shame that he didn't have the political will to reduce the punitive Stamp Duty for hard working families, investors and young entrepreneurs, as this will have increased activity and Stamp Duty revenue, helping people lower down the chain to move up the ladder, rather than stay still and build more basements or extensions!"