

## Prime Minister unveils enhanced stamp duty levy on foreign buyers - property reacts

By [Richard Hook](#) Mon 1 October 2018

Prime Minister Theresa May has made the first of several expected housing announcements from the Conservative Party Conference in Birmingham, unveiling an enhanced stamp duty tax on foreign buyers of new homes.



The government will levy a new stamp duty of 1-3% on individuals and companies not paying tax in this country. May told the BBC's *Andrew Marr Show* that it "cannot be right that those who don't live in the UK can buy properties as easily as British residents".

No timetable has been provided for the introduction of the tax, which will be applied on top of existing rates, but proceeds have been earmarked for schemes in the

government's rough sleeping strategy. In response, the homelessness charity Shelter said the housing crisis will remain until more social housing is built.

Announcing the tax, May added: "At the Conservative [party] conference last year, I said I would dedicate my premiership to restoring the British dream, that life should be better for each new generation, and that means fixing our broken housing market. However, it cannot be right that it is as easy for individuals who don't live in the UK, as well as foreign-based companies, to buy homes as hardworking British residents.

"For too many people the dream of home ownership has become all too distant and the indignity of rough sleeping remains all too real. This government is committed to helping hardworking British residents get the right home for them and helping to end the scourge of rough sleeping for good."

### **Property reacts**

The move has drawn criticism from the property market including Almacantar chief executive Mike Hussey who described it as a "political own goal" and said: "Stamp duty is a tax on equity and requires buyers to find more cash. This destroys liquidity in the market: increases transaction costs, slows sales pace and discourages new investment in new housing that delivers affordable housing."

Grant Lipton, co-founder of Great Marlborough Estates, added: "UK property remains highly sought after for many international investors which is something we as a country should be proud of. It underlines our attractiveness as a place to live and work, and also our legal system which is seen as transparent and fair."

"Overseas investment is crucial to the long-term economic growth of this country and hitting it with additional stamp duty certainly won't fix the housing crisis, it will probably make it worse. If the Prime Minister is serious about tackling the housing market, greater focus should be placed on increasing supply through streamlining the planning process which is no longer fit for purpose."

The move marks the latest in a series of changes around SDLT in recent years including former chancellor George Osborne's controversial 3% additional levy on all buy-to-let purchases announced in the 2016 Budget.