

The Mortgage Shop

- 1) In increasing the first time buyer relief to properties up to £500,000 will this enable more first time buyers to purchase a property? **The impact will be marginal due to the shortage of property in this price range. What would have a bigger impact on property sales below this level, would be to increase the £300,000 level to higher figure, so giving FTB's access to maximum reductions on stamp duty on prices higher than £300,000.**
- 2) Will the increase of the first time buyer relief for properties up to £500,000 allow first time buyers to purchase a typical (i.e. three bedroom) family home? **Yes, subject to availability**
- 3) What effect, if any, will the increase of stamp duty/LTT on properties over £500,000 have on the market? **Little, as home movers and non FTB's will have to reluctantly accept the increase**
- 4) The reduction of stamp duty/LTT on mortgages up to £600,000 is being introduced to rectify a perceived inequality. Does this relief rectify the unfairness in the market and provide a benefit to purchasers of low value property? **Yes, although the benefit won't be great**
- 5) Will it be beneficial to have less stamp duty bands? **Possibly, although this will inevitably mean that whilst some will benefit, others will suffer depending on the point at which they find themselves on the scale**
- 6) Will the proposed changes to stamp duty allow Jersey to remain competitive internationally? **It cannot possibly do so as the proposals are aimed entirely at the local housing market**
- 7) Will the overall stamp duty provisions in 2019 Draft Budget Statement either assist or hinder the property market in Jersey? **Probably little impact due principally to the shortage of suitable property to fit the price range at which the provisions are aimed. There is a danger however, that certain vendors might take advantage of the provisions by increasing the asking prices of their property, which no doubt happens at the moment where the current maximum is £450,000**