



Your Property Questions Answered

Q: I'm buying a new house which I will be living in with my family. I haven't sold my current home yet, but I'm not going to let it out. Will I have to pay the higher rate of stamp duty on my purchase?

A: The increase in stamp duty on second or additional homes by 3% came into effect on 1st April 2016. It does not apply to purchases where the purchase price is below £40,000 or to purchases of houseboats or mobile homes. The new scheme does not just apply to buy to let purchases.

The main factor to consider is whether a property is your main residence and are you replacing that property with another main residence.

In your case whilst you are purchasing another property which will be your main residence, it isn't currently replacing the home that you live in, as you have not sold this property. So at the end of the day you will own two properties. This means that you would have to pay the higher rate of stamp duty on the new property.

However, if you are then able to sell your previous home within 36 months of completion of your new property purchase you would be able to make an application for a refund of the additional 3% stamp duty that you have paid. You would need to apply for the refund within 3 months of completion of the sale of your previous home.