



In the realm of property transactions, Stamp Duty Land Tax (SDLT) is an important consideration. Understanding SDLT rates and their implications is key. In this article, we provide concise examples to aid in navigating this tax.

## SDLT – some example

**I jointly own a buy-to-let property with 4 friends. The property is worth £150,000, with my share being worth £30,000. I currently live with my parents but am now looking to purchase a home to live in. Will I have to pay the higher rates of SDLT on this purchase?**

No, as your share of the buy-to-let property is under £40,000, the higher rate SDLT will not apply.

**I own a main residence and also jointly own a buy-to-let with my brother. I am planning to purchase my brother's share, paying him some cash and taking on his share of the mortgage. Will the higher rates apply?**

Yes, the higher rates will apply to the total amount you give for your brother's share, including any mortgage debt that you take on.

**I am purchasing a shop with a flat above as an investment. Both the shop and flat will be rented out. I also own a main residence and a flat which is rented out. Will I have to pay the higher rate SDLT?**

No, the higher rates do not apply to purchases which contain both residential and non-residential elements.

**I have been living and working overseas for several years and purchased a property there which I used as my main residence. I am now returning to the UK and wish to purchase a property here which will become my main residence. I intend to keep my overseas property to use as a holiday home. As I am purchasing a new main residence, do I have to pay the higher rates of SDLT?**

Yes, the higher rates will apply to the UK purchase as following the purchase you will own an additional residential property and will not have replaced your main residence (i.e. sold your current main residence and purchased a new one). If you are treated as non resident for stamp duty land tax purposes, you will also have to pay the additional 2% surcharge.

**I am purchasing a new main residence but intend to retain my current main residence, convert the mortgage to a buy-to-let mortgage and rent it out. Will I have to pay the higher rates of SDLT on the purchase of my new main residence?**

Yes, the higher rates will apply as following the purchase you will own an additional rental property. However, if you sell your previous home within 3 years of the purchase of the new one you will be able to claim a refund from HMRC.

**I currently live in rented accommodation but own a property that is rented out. I am now looking to purchase my first home, for me and my family to live in. Will I have to pay the higher rates of SDLT on the purchase of my main residence?**

Yes, the higher rates of SDLT will apply as following the purchase you will own an additional residential property (and will not have replaced your main residence, i.e. sold a current main residence and purchased a new one).

**I am currently living in rented accommodation, having sold my previous main residence nearly 18 months ago. I am now looking to purchase a new main residence within the next few months. I also have a number of buy-to-let properties. Will I have to pay the higher rates on the purchase of my new main residence?**

Provided you purchase your new main residence within 3 years of the sale of your previous main residence, you are considered to be replacing your main residence and therefore the higher rates will not apply.

**I am purchasing a new main residence and selling my previous main residence, but the chain falls through. I go ahead with the purchase of my new main residence, so I now currently own 2 properties. Will I have to pay the higher rates on my new main residence?**

Yes, you will pay the higher rates. However, if you sell your previous main residence within 3 years of the purchase of your new one you will be able to claim a refund from HMRC.

**I have recently separated from my spouse and I am about to purchase a new property that will become my main residence. I still own a share in the former marital home. Will I be liable for the higher rates of SDLT?**

If you purchase a new main residence while still owning a share in your former home the higher rates will apply. However, if you are separated and this is likely to be permanent, and your previous main residence is sold within 3 years of purchasing your new one, you can apply for a refund from HMRC.

For all the latest news...

**My partner and I are in the process of purchasing a property, this will be our main residence. I currently own another property which I rent out, but my partner is a first-time buyer. Will we have to pay the higher rates of SDLT on the whole purchase price or just on the 50% that I am purchasing?**

The higher rates will apply to the total purchase price as following the purchase you will own an interest in an additional residential property. For joint purchases the higher rates will apply if either of the purchasers own other residential property.

## **We can help**

Understanding SDLT rates is key for effective planning in property transactions. Please call us on 01753 888 211 or email [info@nhllp.com](mailto:info@nhllp.com) if you need guidance with any of the issues raised in this Broadcast. We would be happy to help.