

01753 888211  
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From 1 June 2024, the abolition of multiple dwellings relief under stamp duty land tax (SDLT) will stop disputes about what qualifies as a separate dwelling (e.g. a granny annexe). However, the scrapped tax will impact English and Northern Irish buyers who purchase two or more properties in a single, or linked, transaction.

At the moment, multiple dwellings relief reduces the overall SDLT rate when buying two or more properties in a single, or linked, transaction. The buyer pays SDLT based on the average price of each dwelling and benefits from two or more lower SDLT bands.

### **Relief abolished**

The government has abolished the relief due to questionable claims, particularly relating to granny annexes. Unfortunately, genuine claims will now lose their relief, for example, buyers of a country home with a cottage in the grounds, or a town house with a self-contained basement flat. From 1 June, the amount of SDLT payable on a property costing £750,000 containing a qualifying annexe will double from £12,500 to £25,000.

Many buyers have been contacted by companies offering to help them claim back SDLT for a commission, but these refunds are often based on questionable entitlement to multiple dwellings relief.

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While the removal of multiple dwellings relief will not affect the majority of properties, you should be aware that:

- Relief is still available for a contract that was entered into on or before 6 March 2024, regardless of when completion takes place.
- Otherwise, relief will only be available if a purchase is completed (or substantially performed) before 1 June 2024.

## **Six or more properties**

Where six or more properties are purchased in the same transaction, non-residential SDLT rates can be applied. This means a maximum rate of 5% compared to a top residential rate of 12%; or 15% for a buy-to-let purchase. In the absence of multiple dwellings relief in future, buyers using this option will have to take care to structure such transactions to ensure all properties come under a single contract.

You can find out more about HMRC's guide to SDLT on the [government website](#).

## **We can help**

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.