

Nunn Hayward LLP Factsheet:

Multiple Dwellings: Could you be due a refund on your Stamp Duty Land Tax?

What is it?

Multiple dwellings relief is usually associated with the purchase of multiple properties in a single transaction. The purpose of this relief is to allow Stamp Duty Land Tax (SDLT) to be calculated on the purchase price of each property rather than the total transaction value, therefore allowing a substantial reduction the actual SDLT due. However what is not commonly known is that multiple dwellings relief can apply to purchases of main residences in certain circumstances.

If you have recently purchased a property with an annex ('granny flat'), which has its own access and can be used as a dwelling in its own right, you could be eligible to claim the relief, therefore allowing you to reclaim overpaid SDLT.

How does it work?

The relief works by dividing the total number of 'dwellings' by the purchase price, and then running the result through the applicable SDLT bands. This is then multiplied by the total number of 'dwellings' used to divide the purchase price to produce a new SDLT figure as can be seen in the example below:

E.g.: Property with an annex

SDLT without Relief

Purchase price: £ 1,500,000

SDLT due without relief: £ 93,750

SDLT with Relief

Purchase price divided by number of dwellings (i.e. 2)	£750,000
Stamp Duty due on new value	£27,500
Stamp Duty Multiplied by number of dwellings	£55,000
Potential Stamp Duty Reclaim (£93,750-£55,000)	£38,750

How much time do I have to make a claim?

For multiple dwellings relief to be considered, you must make your claim within 12 months from the filing due date of the transaction. (i.e. a total of 13 months from the date of the transaction).

I think I may be eligible to claim, what do I do?

If you have recently purchased a property with an annex and wish to see if a claim is possible, please give Arvin Assani, Taxation Partner, a call on **01753 888211** or email aassani@nhllp.com to discuss further, the possibility of a claim.

Nunn Hayward LLP

Sterling House
20, Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

Telephone: 01753 888211
www.nhllp.com