

“Good News for Homebuyers”

After several weeks of confusion over whether or not the government will provide a boost to the housing market by removing or limiting stamp duty, buyers have finally received the good news for which they have been waiting.

The Chancellor's announcement that no stamp duty will be payable on purchases up to £175,000 for the next year is certainly good news for first time buyers. Whilst the concession, worth up to £1,750, might appear irrelevant for those buying in excess of £175,000, on closer inspection there are wider benefits for the housing market as a whole.

Firstly, one of the reasons why some areas of the market have suffered a low turnover is because the market is largely fuelled from below. If first time buyers are not buying the homes that second time buyers need to sell, then the knock-on effect can be felt right up to the top of the market. Low turnover has in turn suppressed house prices, hitting confidence levels overall.

However, the very perception that the temporary removal of stamp duty will boost the market could become a self-fulfilling prophesy, as additional buyer activity starts to be reported and this is expected to be further enhanced by the traditional increase in movement during the autumn. Holidays are over (sadly), school term has started, and people prefer to make their move in good time for Christmas.

Equally, this moratorium is also likely to have a positive effect on next year's spring and summer market, as buyers up to £175,000 will be keen to secure their new home before the deadline expires.

So in all, not only can first time buyers now afford that new carpet after all (thereby helping another sector of the economy), but the stamp duty freeze could well be the

turning point that gives confidence in the future of the property market to buyers at all levels, both in the short, medium and long term.