

PROPERTY OF THE WEEK

PHILIPPA RUDD

# top of the plots

Our expert this week explains the legalities of those two little words we all hate – stamp duty.



**I am buying a house soon and am drawing up a budget. It seems that the biggest expense will be the stamp duty. How much is this at present?**

If the price of your new house is £175,000 or below then you will not have to pay any stamp duty land tax.

For properties with prices between £175,001 and £250,000 the rate is 1pc; for properties with prices between £250,001 and £500,000 the rate is 3pc and for properties priced at more than £500,000 the rate is 4pc.

**My price range is about £250,000 to £260,000.**

**Could I offer £250,000 for the house and £10,000 for contents so as to pay tax of only £2,500 rather than £7,800?**

**My solicitor told me that he wouldn't agree to this.**

Stamp duty land tax is only charged on the purchase price of the land and buildings, including fixtures (such as fitted kitchens and bathroom suites) which are part of the land.

However, buyers sometimes agree with the seller to pay a separate sum, on top of the property price, for certain items-known as chattels, which the seller decides not to take with them when they move.

These items include curtains, carpets and other moveable objects and tax is not payable on such items. Any such apportionment of the price must be genuine and reasonable.

**There is a new development which I like the look of and I am thinking of buying one house for myself as a home and the other to rent out.**

**The developer has offered me a big discount if I buy two.**

**However, my solicitor tells me that this could mean that I have to pay stamp duty land tax at the highest rate. I don't understand!**

If you would buy one of the houses without the other, and provided that you are not getting a discount, then the transactions would be independent of each other and you would pay the normal rate of tax on each purchase.

However, if the transactions are linked because of, for example, the discount for buying more than one then the prices are added together and you pay tax at that higher rate.

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■ If you have a question or dilemma over the legalities of buying or selling a property which you would like to appear in this supplement, please contact Philippa by emailing [caroline.culot@archant.co.uk](mailto:caroline.culot@archant.co.uk)

■ These questions and answers are not intended as a complete statement of the law. Specific legal advice should always be taken.



the house, used as a guest room, with a single bed and beautifully decorated with white embroidered bed linen and blue and white drapes. It looks out over the front with some super countryside stretching for miles.

There are five bedrooms on this floor and then up some more stairs takes you to a really delightful attic level boasting two good-sized bedrooms. Again there are lots of character features, including a

skylight, and you can put a plank of wood across to actually step out and get onto the roof. It's all perfect for older children. Back downstairs you go through a scullery to the garden at the rear where there is an old bread oven and copper boiler and the guttering to the pump outside.

This leads to a gorgeous sunny lawn at the rear which leads to the large vegetable garden, with a Victorian-style greenhouse. At the front of the house there is also a

garden. But with this property, you don't just have a house, but its adjoining cottage too, which is where the owner's mother lives.

In fact, Ivywood Cottage is the oldest part of the complete property and was originally a medieval hall house. You can enter at the side directly into the kitchen or from its rear garden just along from the scullery of the main house. Although tiny, this cottage is full of character, with an ample kitchen,

small dining room, good-sized sitting room and upstairs, three bedrooms and a bathroom. It too has a private garden at the rear, as well as a paved area and the original well can still be found on the external wall of the bathroom. The property also has a gravel driveway with plenty of room for parking.

■ Ivywood House and Cottage, at Redenhall, near Diss, are for sale for £700,000 with Bidwells on 01603 763939.