

Home of the week  
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SOLICITORS

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Brief-Case



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## Tax changes for the investor

**I am a property investor and I am concerned about the changes announced in the chancellor's autumn statement. I was hoping to buy a flat "off plan" for rentals soon. How will the changes affect landlords please?**

Landlords and people buying holiday or second homes will soon have to pay more in stamp duty. From April 2016, those in England and Wales will have to pay a 3% surcharge on each stamp duty band. The stamp duty surcharge will lift each band by 3%. That means that for properties worth between £125,000 and £250,000, where the stamp duty is 2%, buy-to-let landlords will pay 5%. For the average buy-to-let purchase of £184,000, that means an investor will pay an extra £5,520 from April 2016. Commercial property investors, with more than 15 properties, are expected to be exempt from the new charges.

**What if I have already exchanged contracts to buy a property? How will the stamp duty changes affect me?**

The precise detail of the changes has not yet been published but providing you complete the purchase by April 2016 then the old, lower rates will apply. If completion is after April, the new rates may apply.

**Are there other tax changes please? I understand that we will have to pay tax on any profit swiftly after selling a property that has been let?**

Buy-to-let landlords will also be affected by a change to capital gains tax (CGT) rules. From April 2019, investors will have to pay the CGT due within 30 days of selling a property, rather than waiting until the end of the tax year, as at present.

**My solicitor warned me about other changes relating to income tax. Please explain.**

Landlords are already due to receive a lower rate of tax relief on mortgage payments. In his summer budget, the chancellor said that landlords would only receive the basic rate of tax relief - 20% - on mortgage payments, a change being phased in from 2017. There have also been changes to how furnished properties are treated and the previous concession will no longer apply.

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**If you have a question for Philippa, please email caroline.culot@archant.co.uk If you have a legal dilemma please always seek professional advice. This column is not a comprehensive statement of the law.**



reason for the flag of the day. Some times a flag is flown for a light hearted reason and birthdays of local residents as well as historic dates in the calendar are also celebrated.

So, if you buy this house, you may need to continue the tradition!

The flag aside, this house offers lots of flexibility in that it has a really good sized cellar which is a hobby room but could be an extra bedroom or office.

There is also a workshop/office at the bottom of the garden which leads into a garage and there is also off road parking. The rear garden is perfectly sized for anyone who doesn't want acres and acres to look after and inside, this house has been very well looked after over the years. At the front is a formal drawing room and upstairs there are three good sized bedrooms and a study.

This is a charming house absolutely ideal for enjoying city life because of its location and properties like this just are not coming onto the market very often because people just don't want to move from them.

You can enjoy a period home with its extra facilities and know amenities are close by as well as the ability to walk into the city or drive out if commuting.

That's worth putting out the flag for!

**40, Bracondale is for sale for £575,000 with Strutt & Parker on 01603 617431.**

**If you are an estate agent, email caroline.culot@archant.co.uk with your contenders for Property of the Week.**