



# NEWHOMESUPDATE



*Darren Baker, Group Sales Director at Lauristons considers the effects of recent tax changes and ongoing uncertainties on the new homes market*

As we head towards the summer, the full impact and implications of some of the important changes to the housing market and the Government's controls are beginning to become fully apparent, while at the same a potentially major change for the UK as a whole looms on the horizon.

The 'second home' stamp duty surcharge of an extra 3 per cent payable on transactions for those who already own any other property in the UK, in reality, a move purely to subdue the buy to let market, pushed investors with an intention to purchase this year to make sure they completed their acquisition before the 31st of March to avoid the additional strain on cash reserves.

Furthermore, income tax changes announced some time ago have now taken effect and so higher rate tax payer landlords will only be able to off-set interest payments for any funding at the basic (20 per cent) rate for 2016-17, creating additional affordability concerns on those who might have chosen to hold on to their current property to let out as a longer term investment.

Then there is the European question. The EU Referendum campaigning has not so far had the level of impact that might have been expected on the housing market in South and South West London; new buyer registrations



*Cambium, an exclusive new development of apartments and houses by internationally renowned developer, Lendlease, in Southfields with good transport links and close to Wimbledon Common. [www.lauristons.com](http://www.lauristons.com)*

are still good and properties priced at sensible levels, in keeping with what has been achieved previously, are continuing to sell.

New homes developers continue to benefit from low supply levels that persist in the second hand market, pushing more applicants towards considering new-build property who then discover that the product on offer is often far superior to the limited alternatives currently available.

There are constant high levels of demand from help to buy equity loan applicants demonstrating that buying is definitely still the more attractive option against renting. Registering new developments for this scheme will ensure that, assuming the units fall within the appropriate criteria, buyers will continue to be attracted to the opportunity.

Support for buyers in the longer term from Lifetime ISAs, Help To Buy ISAs and the Help To Buy Mortgage Underwriting scheme will all help to assure potential buyers that there are means of securing a route to home ownership, and they are not condemned to being part of "generation rent" for longer than they want to.

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