

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

26th February 2021

Dear Chancellor,

We are writing to you in light of significant concerns throughout the housing market regarding the impact of the impending cliff edge caused by the Stamp Duty holiday deadline and following extensive press reporting on 24th February about the possibility of a 3-month extension. While we welcome the fact that the need for action appears to have been recognised, we believe that there is an alternative to an extension of the deadline.

A cliff edge approach to ending the Stamp Duty holiday, whenever that may be, risks undoing the benefits of the reduction with damaging, unintended consequences that will impact movers, the housing market, and the wider economy, at a time when consumer spending will be desperately needed as part of the national economic recovery. It is also simply unfair to consumers, unwittingly entering them into a post code lottery.

The surge in demand created by the holiday and the necessary current lockdown has led to significant property transaction bottlenecks as consumers rush to complete in time.

To avoid hundreds of thousands of movers from missing out on savings through no fault of their own and potentially suffering the cost of a failed transaction, a 3-month extension while helping some homeowners complete their transaction in time, would create a further surge of buyers hoping to benefit from the savings and risk creating a new and bigger peak of activity at the end of such an extension and risk an unsustainable and fictitious increase in house prices. The supply has already dropped by 20% and demand increased by 17.5%.

Therefore, we would suggest an alternative approach. All purchasers who have formally instructed their regulated solicitor/conveyancer to act for them on the purchase of a specific property by a specified date, (for example midnight on the 28th February) should still be allowed to complete their purchase with the Stamp Duty concession provided completion of that transaction takes place within (say) 12 months.

This solution:

- Is simple to legislate
- Is fair for consumers and removes the post code lottery
- Eliminates the 'cliff edge' completely and allows transactions to proceed at their natural pace
- Prevents a stampede of homebuyers trying to take advantage of an extension
- Allows the housing market to revert to a state of normality straight away

- Carries virtually no risk of fraud. The legal profession that already acts as tax collector for SDLT simply has to ensure the cut-off date of 28th February has been observed when claiming exemption
- Involves no party in additional work, including HMRC
- Should save taxpayers money

Ending the holiday with a 'cliff edge' approach, just as the UK begins to recover could freeze this critical market, impacting revenue for small businesses, trades people and larger retailers alike. Without action there is a considerable risk that billions of pounds will be lost in the housing market, alongside hundreds of millions of pounds in home mover spending. This will put considerable strain on businesses in the property, construction and wider retail sector who rely on a buoyant housing market, with the potential of putting many jobs at risk.

As decisions are made on the Budget, we hope you consider the positive role the housing market can play. A buoyant market will help people move home as well as support jobs and growth across the UK. We remain committed to working with you and officials to achieve this.

Yours sincerely,

Rob Hailstone, CEO, Bold Legal Group

rh@boldgroup.co.uk



Mike Ockenden, Head of Secretariat, Society of Licensed Conveyancers

Mikeockenden@conveyancers.org.uk



**The Society of
Licensed Conveyancers**

Beth Rudolf, Director of Delivery, The Conveyancing Association

brudolf@conveyancingassociation.org.uk

