

P-05-1139 Extend stamp duty relief following the announcement of a further lockdown, Correspondence – Petitioner to Committee, 08.02.21

Thank you for the response received from Rebecca Evan's in respect of the petition.

I think the ministers points are somewhat short sighted and are attempts to skirt the issues rather than actually address them. I would request my comments are passed on for review.

'(1) **An exchange of contracts is not an event triggering the payment of LTT**' - Although technically correct, buyers of new homes (we are an example) are contractually committed to proceed to completion or suffer the loss of 10% deposit. An exchange of contracts is a contractual commitment to purchase and is therefore also, a commitment to pay the tax due on that purchase.

(2) **The end date was announced in July and therefore a transitional period is not appropriate.** Although the end date was announced, what has not been considered is buyers of new homes where the period between exchange of contracts and completion can be lengthy (in our case, 9 months) further delays due to the pandemic has resulted in our timetable being shifted and the losses to us, significant. We are not the only buyers to be affected by the same situation and a continuation of the relief for buyers who contractually committed to a purchase in good time with the belief they may complete within the relief period is not something I would consider inappropriate but rather a reasonable proposal. A tapering of the relief to account for those who contractually committed to purchases well within the relief period should not be dismissed so easily

(3) **'The situation in Wales does not amount to a cliff edge'** - Sales are already falling through in Wales due to the looming deadline. The rush to purchase properties and complete within the relief period has undoubtedly provided a boost to the housing market, however, as sales collapse, that boom to the housing market is likely to be undermined and partially reversed if buyers withdraw. A withdrawal of sales commitments compounded by the end of tax relief which is likely to see the market slow down significantly is the definition of a cliff edge and one that will certainly occur. Although the minister proposes the market will bounce back, one thing is certain, the market will slow significantly. A bounce back is less certain but a tapering of relief may at least, ensure that buyers who have committed to purchasing, continue with those purchases and a slow reintroduction of the LTT may assist avoiding such a dead stop in the market.

It appears from the response that the minister feels enough has been done to forewarn buyers and sellers of the ending of the relief period. What is being ignored are those buyers who in plenty of time, committed to purchases (in our case, October 2020) but due to events outside of our control, we will not complete until June. We will have to find £5,000 to account for that or withdraw and risk losing our entire deposit. As first time buyers, neither option is a palatable one. We either go into further debt to pay the tax or lose many years of saving for a deposit.

Quite real consequences for a family who have worked extremely hard for many years to try and buy our first home. Given we are one of the purchasers that contributed to a buoyant housing market over the past 6 months, we feel somewhat duped and I'm sure there are many buyers like us who feel the same. Let down and paying a heavy price would sum up how we feel and I would encourage the minister to take on board those feelings from constituents, voters, the public, who are ultimately the ones whose lives change significantly based on whether we have supportive policies that focus on families and individuals or not.

Regards.

