

BUDGET 2021: HOUSING

Extension to Stamp Duty Land Tax holiday

Chancellor of the Exchequer Rishi Sunak said the government will extend the temporary increase in the residential SDLT nil-rate band to £500,000 in England and Northern Ireland until 30 June 2021. From 1 July 2021, the nil-rate band will reduce to £250,000 until 30 September 2021 before returning to £125,000 on 1 October 2021.

NEW MORTGAGE GUARANTEE SCHEME

Mr Sunak announced the government will introduce a new mortgage guarantee scheme in April 2021. This scheme will provide a guarantee to lenders across the UK who offer mortgages to people with a deposit of just 5% on homes with a value of up to £600,000. Under the scheme, all buyers will have the opportunity to fix their initial mortgage rate for at least five years should they wish to. The scheme, which will be available for new mortgages up to 31 December 2022, will increase the availability of mortgages on new or existing properties for those with small deposits.

CHANGE TO SUPPORT FOR MORTGAGE INTEREST FOR CLAIMANTS MOVING HOME

The Chancellor said the government will help Support for Mortgage Interest claimants in Great Britain to move home by allowing them to add the legal costs associated with transferring their claim to a new property to the value of their loan from 15 March 2021. The Northern Ireland Executive will be funded to replicate this change in Northern Ireland.

BRINGING FORWARD EXEMPTIONS TO THE SHARED ACCOMMODATION RATE (SAR)

From June 2021, care leavers up to the age of 25 and those under the age of 25 who have spent at least three months in a homeless hostel will be exempt from the SAR in Universal Credit and Housing Benefit, helping more vulnerable people access suitable housing. These measures were previously due to be implemented from October 2023. The announcement applies in Great Britain, and the Northern Ireland Executive will be funded to similarly bring forward implementation of these measures. ■

NEED HELP WITH MORTGAGE ADVICE?

Following the Budget 2021 housing announcements, if you require more information or want to find out about your mortgage options, please contact us.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.