



STAMP DUTY IMPACT ON FIRST-TIME BUYERS

Commenting on the announcement in today's Budget, Martin Ellis, housing economist, said:

"Approximately 96% of first-time buyers would have been exempt from paying stamp duty in 2009 if the starting threshold had been £250,000.

"This compares with the 56% that would have been exempt if the lowest threshold had been at £125,000. (It was actually £175,000 due to the temporary increase that existed between September 2008 and December 2009).

"Therefore, an additional 40% of first-time buyers will benefit from the lowest threshold being £250,000 rather than £125,000.

"The southern regions of England – Greater London, the South East and South West – will benefit most. The average price paid by a first-time buyer is highest in these parts of the country; above the current £125,000 threshold. Around three-quarters of first-time buyers in Greater London and the South East would be removed from the stamp duty tax net as a result of increasing the threshold from £125,000 to £250,000.

"The average price paid by a first-time buyer is below £250,000 in all regions. The average price is above the current threshold of £125,000 in Greater London, South East and South West."

First Time Buyers and Stamp Duty Thresholds

Region	FTB Average Price (£)	% of all FTB purchases in 2009		
	Q4-2009	>£125k	>£250k	£125k-£250k
North	97,917	15%	0%	15%
Yorkshire and Humber	98,283	21%	1%	20%
North West	97,629	24%	1%	24%
East Midlands	102,387	23%	1%	22%
West Midlands	109,802	30%	1%	29%
East Anglia	123,342	44%	1%	43%
Wales	102,613	21%	1%	20%
South West	137,769	64%	3%	61%
South East	163,453	79%	6%	72%
Greater London	214,724	94%	20%	74%
Northern Ireland	93,185	43%	1%	42%
Scotland	92,815	26%	2%	24%
U.K.	126,218	44%	4%	40%

SOURCE: HALIFAX

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