

How does the Autumn budget affect the housing market?



The Autumn Statement this year was a key moment in the country's financial calendar, due to it coming from a Labour government for the first time in over a decade.

Several key points in the latest budget directly impact the property market. Whether you are considering purchasing your first property, or moving on to your next, we've rounded up the main Budget highlights you need to know about as a homeowner.

Stamp Duty and Capital Gains Tax (CGT)

Any changes to stamp duty can directly affect how affordable it is to own property. The latest Budget did not include an extension on the stamp duty threshold freeze, meaning April 2025 will see these lowered to £300,000 for first-time buyers and £125,000 for everyone else.

Meanwhile, a change with more immediate effect on the housing market is the stamp duty on additional properties. The day after the budget was announced, this rate jumped from 3% to 5%, making buying a holiday home more expensive.

Capital Gains Tax (CGT) - specifically property sales rates - have also jumped up. Second-home owners are now looking at basic CGT rates of 18%, and higher bracket ones of 24%.

Inheritance Tax (IHT)

When it comes to Inheritance Tax news from the latest statement, the news is a mixed bag. On one hand, the Chancellor confirmed that the £325,000 threshold will remain frozen until 2030, giving older generations the chance to put their affairs in order.

On the other hand, Reeves has introduced a special condition for business and agricultural properties, capping the Inheritance Tax relief for these real estate types at £1 million. This change can affect large family estates, so make sure you refresh your succession planning strategy if your assets fall under that category.

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Energy-efficient upgrades support

One of the most encouraging developments to come out of the latest Budget statement is the support for energy-efficient house upgrades. Homeowners and buyers can also benefit from the government's Home Upgrade Grant (HUG) program, which has been extended to focus on traditionally less energy-efficient real estate, such as rural and off-grid properties. So, if you're thinking of purchasing a fixer-upper, perhaps this could help.

Affordable housing

On the other side of the coin, the government has committed to investing £5bn towards affordable housing. A greater supply of homes should go some way towards keeping a lid on house price increases, giving first-time buyers a greater choice of real estate options within their budget.

Home buying support

While some of the changes can present potential challenges, with the right approach to investments homebuyers can ensure they're making the most of the updates to the budget.

For more information on how Aldermore can help with your mortgage cases, please visit [aldermore.co.uk/intermediaries/mortgages](https://www.aldermore.co.uk/intermediaries/mortgages) or speak to the team who'll be happy to help **0333 321 1000**.



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