

JLL Responds To Labour's Pledge To Help First-Time Buyers

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JLL Responds To Labour's Pledge To Help First-Time Buyers - Making them exempt from stamp duty when buying homes for less than £300,000

Andrew Frost, Head of Residential for JLL comments:

"Exempting first-time buyers from stamp duty sounds like a sensible measure on the demand side for housing and will be popular with some voters, but without solid policies to increase the supply of housing it will only result in further price increases.

"The Labour Party correctly identifies that young people aspire to home ownership and therefore hope that this policy will attract more voters from this age group but until housing supply increases, first-time buyers stand no better chance of getting on the housing ladder. At present, the stamp duty payable on a property valued at £299,999 would be £4,999. A 10% deposit for the mortgage on such a home would be £29,999 - higher than the national average wage. This demonstrates that the reason first-time buyers cannot access the market is not the high rate of stamp duty but the high cost of housing. The real issue is affordability and supply.

We urgently need policies that target the supply of homes for sale, and the supply of homes for rent and whilst this policy does not address this, at least it does not harm the prospect of supply of homes for sale, in the same way as the ill thought out Labour proposals for rent controls which will undermine the chances of increasing supply in the private rented sector."

- Ends -

Notes to Editors:

<http://residential.jll.co.uk/en-GB/new-residential-thinking-home/news.aspx>

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