

Covid Statement Update – 5th March 2021

On the 3rd of March 2021 the Chancellor of the Exchequer provided details of the annual budget to Parliament which finally outlined the Government's plans for the Stamp Duty holiday which was due to expire on the 31st March 2021.

Previously the Government had ignored all advice from industry stakeholders to extend the holiday period due to clear evidence that a "cliff-edge" type expiry would lead to the collapse of many property chains and the loss of many thousands of sale and purchase transactions. In the early months of 2021 the Government had been steadfast in its position that the holiday period would not be extended and as a result all Solicitors and Conveyancers have been obliged to warn clients of the potential consequences of relying upon the Stamp Duty holiday in their individual transaction.

The Government have now performed a U-turn however and have announced that the Stamp Duty holiday will be extended to the 30th June 2021. In addition thereafter there will be a tapering of the holiday until the 30th September 2021 such that a new nil rate band will continue to be in place on properties valued at below £250,000. From the 1st October 2021 the nil rate band will return to its standard level only for properties valued at below £125,000.

This is good news for all of those clients who had hoped that their transaction would be completed before the March deadline. The further period of time will assist in allowing some transactions to be completed before the later deadline in June. However, it is possible that matters will continue to be delayed by the effects of the Coronavirus pandemic which are beyond the control of BBH and its staff. The new June deadline will still place most matters within the ongoing lockdown period whereby our staff will remain working on a remote basis. In addition we are still experiencing significant disruption due to staff absences and periods of illness. Capacity will therefore continue to be affected and **transactions are still taking longer than expected** as a result.

As a result we must reiterate once again that desired deadlines and timescales cannot be guaranteed and clients must continue to prepare for the possibility that any further Stamp Duty deadline may not be met for reasons that are beyond our control.

The further tapering beyond the June deadline will also assist clients involved in property transactions valued below £250,000, but those transactions valued above that figure will continue to be subject to Stamp Duty provisions and all clients must adequately prepare for tax liabilities that will arise beyond that date. The "cliff-edge" will effectively continue to apply to those transactions and those clients, and crucially the chains in which they are involved.

BBH staff are working hard to progress matters as quickly and efficiently as possible, and in order to do so they are prioritising matters in date order. We believe that that is the most fair and even handed way to proceed. Your conveyancer will inform you of expected timescales and any concerns with meeting deadlines in your own particular matter. Please be patient and allow them to progress your matter and others.