

Boris plots emergency Budget to ‘slash stamp duty’

Controversial Prime Ministerial hopeful Boris Johnson would instigate ‘aggressive tax cuts, an overhaul of stamp duty and an assault on regulation’ in a bid to mitigate effects of a no-deal Brexit, reports *The Times*



Tory leadership favourite and Prime Ministerial hopeful Boris Johnson would issue an emergency “no deal” Budget within weeks of moving into No.10, including “aggressive tax cuts, an overhaul of stamp duty and an assault on regulation”, according to a scoop by *The Times*.

The budget, slated for September, would “slash stamp duty”, reports the newspaper this morning, along with other measures designed to ensure that the economy is “going gangbusters” by the latest Brexit deadline, 31st October, in order to “cushion the impact” of a no-deal exit.

Johnson's mooted SDLT overhaul could involve a 0% band all the way up to £500,000, and a reversal of George Osborne's top rate increases (from 7% to 12% on homes above £1.5m).

Boris has previously said he would increase the 40p threshold of income tax from £50k to £80k, giving a controversial boost to Britain's wealthiest. This would, according to generally-accepted estimates, cost the country some £9bn and benefit only the top 10% of earners.

Bookies at PaddyPower have Boris Johnson as 1/7 favourite to win the Conservative leadership race (odds on 28th June), with rival Jeremy Hunt lagging at 5/1.

Three sources from Team Boris apparently confirmed to The Times that an emergency budget is on the cards if their man should win, with Sir Edward Lister tasked with managing the first 100 days in office. There is, however, concern within the camp that some of the proposals are "too radical", and could be voted down by Parliament – leading to a Government collapse and a General Election.

It's suggested that the current Home Secretary Sajid Javid would be holding the Budget box as Johnson's Chancellor.

The other contender to be Britain's next Prime Minister, Jeremy Hunt, has proposed cutting business taxes to the lowest level in Europe, and reducing corporation tax to 12.5%.

Under a regular schedule, we'd expect this year's Budget to take place in October or November.

Industry reaction

As you'd expect, most in the prime residential industry would welcome a significant cut to stamp duty – but, given Johnson's previous form, these pledges and policy ideas are being taken with fistfuls of salt.

Camilla Dell of buying agency Black Brick says a reversal of George Osborne's 2016 tax hike "would be very good news, particularly for the London market which has been suffering from an onslaught of tax hikes on property since the end of 2014."

Penny Mosgrove, CEO of Quintessentially Estates, agrees, noting that London's £2m-£10m market is "sticky" thanks to "the paralysing cloud of Brexit uncertainty

(which we have now been deep amidst for over three years) and the punitive stamp duty rates introduced back in 2014.”

“The market needs a shot of adrenalin and it needs it now,” says Mosgrove. “The stamp duty reforms proposed by Mr Johnson would certainly assist in galvanising the market. This is not about rewarding the super-rich, it is about reducing barriers currently stopping people from moving: thus helping buyers at every rung of the ladder.”

Removing stamp duty for all homes under £500k “would clearly benefit the first-time buyer market”, says Dell, but the buying agent suggests that an extended zero-rate band should only apply first-time buyers, not investors.

“However,” Dell prudently points out, “the market needs to treat promises made by Boris Johnson as he seeks election, with real caution.”