

# Investment planning

## AF4 2022–23 edition

### Web update 1: 01 December 2022

Please note the following updates to your copy of the **AF4** case study workbook (corrections are underlined):

#### Stamp duty land tax (SDLT)

As a result of the Government's Growth Plan, announced on 23 September 2022, the SDLT rates for residential property have changed from that date onward as follows:

- The 0% band threshold has been increased from £125,000 to £250,000.
- The 0% band threshold for first-time buyers has increased from £300,000 to £425,000 and the maximum property value first-time buyers can claim relief on has increased from £500,000 to £625,000.
- The additional property rate is unchanged and remains at 3% over standard rates in line with the new bandings.

These changes affect **case study 2, model answer (b)(ii), pages 2/6–2/7**, which should now read as follows:

#### Stamp duty land tax

- Since April 2016, SDLT rates on all BTL and second homes were increased by 3% over standard residential rates.
- Following changes to SDLT during the COVID-19 pandemic, the allowances were reverted back to the standard amounts based on the banding system where SDLT is calculated on the proportion of the property value which falls within each band.
- However, from 23 September 2022, the residential 0% band threshold has been raised from £125,000 to £250,000 (from £300,000 to £435,000 for first-time buyers).
- Since March 2016, SDLT on commercial property is also based on a banding system. The portion of the transaction values are charged as follows:
  - values of up to £150,000 are charged at a rate of 0%;
  - values between £150,001 and £250,000 are charged at 2%; and
  - the portion over £250,000 is charged at a rate of 5%