

Equity release

ER1 2022–23 edition

Web update 1: 08 December 2022

Please note the following update(s) to your copy of the **ER1** study text:

Chapter 7, section A4, page 7/8

SDLT is levied on both residential and commercial land transactions. It is paid by the buyer. For residential transactions, tiered rates apply to the portion of the purchase price within each set of bands.

Before 23 September 2022:

Slice of property value – residential	Before 23 September 2022	Second/subsequent and buy-to-let rate (as standard rate +3%)
Up to £125,000	0%	3%
£125,001 to £250,000	2%	5%
£250,001 to £925,000	5%	8%
£925,001 to £1,500,000	10%	13%
£1,500,000+	12%	15%

Note that SDLT is only paid at the rate of tax on the part of the purchase price within each tax band.

From 23 September 2022:

Slice of property value – residential	Rate from 23 September 2022	Second/subsequent and buy-to-let rate (as standard rate +3%)
£0 to £250,000	0%	5%
£250,001 to £925,000	5%	8%
£925,001 to £1,500,000	10%	13%
£1,500,000+	12%	15%

Note that SDLT is only paid at the rate of tax on the part of the purchase price within each tax band.

First-time buyers' rate purchased before 23 September 2022:

First-time buyers' rate	Purchased before 23 September 2022	Second/subsequent and buy-to-let rate (as standard rate +3%)
£0 to £300,000	0%	8%
£300,000 to £500,000	5%	8%

Note that SDLT is only paid at the rate of tax on the part of the purchase price within each tax band.

First-time buyers' rate purchased after 23 September 2022:

First-time buyers' rate	Purchased after 23 September 2022	Second/subsequent and buy-to-let rate (as standard rate +3%)
£0 to £300,000	0%	8%
£425,000 to £625,000	5%	8%

Note that SDLT is only paid at the rate of tax on the part of the purchase price within each tax band.

The Autumn statement confirmed that the new rates would remain only until March 2025, after which they will revert to the previous levels.

Chapter 7, section A6, page 7/9

LTT is the equivalent to SDLT in Wales, which it replaced on 1 April 2018. The tax also operates in a similar way to SDLT, but also with different bands.

Before 10 October 2022:

Slice of property value – residential	LTT rate	Additional property
Up to £180,000	0%	3%
£180,001 to £250,000	3.5%	6.5%
£250,001 to £400,000	5%	8%
£400,001 to £750,000	7.5%	10.5%
£750,001 to £1,500,000	10%	13%
£1,500,000+	12%	15%

There are no first-time buyer rates.

From 10 October 2022:

Slice of property value – residential	LTT rate	Additional property	LTT rate
0 to £225,000	0%	0 to £180,000	4%
£225,001 to £400,000	6%	£180,001 to £250,000	7.5%
£400,001 to £750,000	7.5%	£250,001 to £400,000	9%
£750,001 to £1,500,000	10%	£400,001 to £750,000	11.5%
£1,500,000+	12%	£750,001 to £1,500,000	14%
		£1,500,000+	16%

There are no first-time buyer rates.