

The Spring Budget

With so much going on already in the UK housing market, what did Chancellor, Philip Hammond's Spring Budget mean for you, no matter what your relationship is with property...

"I'm a first time buyer..."

But where do you save? The Chancellor presented an additional option in his Budget speech by confirming the launch of a new NS&I Bond.

Available from April 2017, this account will pay a fixed rate of 2.2% on deposits of up to £3,000. The maximum total interest available on the account is £202 before accounting for any tax.

There are alternatives however for deposit savers...

For first home savings, the budget said that there will be a Lifetime ISA which is set to launch as planned on 6 April, Help to Save, which is still set to launch in April 2018 will give lower-income savers who can save £50 a month, a tax-free bonus of up to £1,200 and of course there is still the Help to Buy ISA, which launched in December 2015.

"I'm a buy to let investor..."

Some good news, in that fortunately the budget held no further bad news for buy-to-let investors. However there is no change on the 3% stamp duty which is applied to the purchase of additional homes.

Mortgage interest tax relief will be gradually cut back to the basic rate of 20% between April 2017 and April 2020. Higher rate (40%) and additional rate (45%) taxpayers will stand to lose the most.

However, the amount you can earn in rental profits before tax is payable will soon increase slightly as the personal tax-free allowance – currently £11,000 – will rise to £11,500 from 6 April. And the Chancellor confirmed it would stand at £12,500 by 2020.

"I'm moving in 2017..."

If you were hoping for a reprieve on stamp duty for when you next decide to move house, you may be disappointed. The Chancellor ignored industry calls to overhaul the property tax, which included demands for the tax to be paid by vendors rather than buyers, an exemption for retired people downsizing, and a reduction in the 10% and 12% top-tier stamp duty rates. So no change there.

"I'm a tenant..."

If you were expecting for the ban on lettings agent fees which the Chancellor promised in his Autumn Statement last year, the Budget didn't specify a date at which this might happen. In fact it wasn't mentioned at all in this budget.

*<https://www.gov.uk/government/publications/spring-budget-2017-documents> *Zoopla



I hope you enjoy reading our newsletter and find it both informative and useful.

These articles are designed for people who have an interest in the residential property market in and around the Alfreton and Ripley areas.

We are a local, family run letting agency, passionate about property and our local area.

If you have any questions regarding the information in this article, property investment, lettings or management please feel free to contact me. I am always happy to help.



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Does a garden add value to your property?

The Gardening Season has arrived and it's time to mow the lawn, clean the patio and dust down those sun loungers. Gardening evokes pleasure in some and horror in others and I've been thinking about the financial benefit a garden might bring to a property and considering the question - does the outside space around our home actually add any value to our property? One good indicator is the queue at the till of your local Garden Centre, we Brits certainly seem to be a nation of gardeners and we do love our gardens.

Whether you're buying a house as a home or as an investment property how should you view the outdoor space? It might be that you're a keen a garden, but these days we seem to be looking at gardens more as areas to entertain (even in our inclement climate) than as areas for food production and flower cultivation. The general consensus is that an outside entertaining area can certainly add value to a property, and some surveys suggest by as much as 20%.

As I generally show in my newsletters, there are always two sides to the argument where property is concerned and it might be worth considering what you want to use the outside space for before purchasing a property, you really don't want the maintenance of that garden to become a burden. If you're not a keen gardener then a house where the outside space is neat, tidy and easily managed could be the one for you. From an investment point of view the maintenance of the garden will rest with your tenant and therefore you should consider how you can simplify that task by putting in a neat patio, possibly reducing the size of your lawn by using gravel creatively and buying some pots and planters to create interest in the garden. The neighbours of your tenants will welcome a tidy, well kept, outside space I'm sure.