

ANNEXES TO

A taxing question: Is Stamp Duty Land Tax suffocating the English housing market?

Report for Family Building Society, *November 2017*

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Annex A: Recent surveys of home buyers/potential home buyers that ask about SDLT (reverse chronological)

Ipsos MORI Halifax Housing Market Confidence Tracker First quarter 2017: <https://www.slideshare.net/IpsosMORI/ipsos-mori-halifax-housing-market-confidence-tracker-q1-2017>

What are the main barriers to people in general being able to buy a property? barriers to buying? Respondents were able to select up to three factors. Of the eleven factors given, the top three were 'Being able to raise enough deposit' (65%), 'job security' (41%) and 'rising property prices' (36%). 'The level of stamp duty / taxation' came near the bottom with 6% of respondents choosing it.

Saga March 2017: <https://www.saga.co.uk/newsroom/press-releases/2017/march/saga-urges-chancellor-to-use-budget-to-spark-a-housing-revolution> (refers to Saga/CEBR research but the research itself doesn't appear online)

"Research commissioned by Saga suggests this policy would release an additional 111,000 family homes on to the market. Economists at the Centre for Economic & Business Research (Cebr) estimate that the net cost of such a measure to be modest and predict the Exchequer could see a net gain in Stamp Duty revenue.

Abolishing Stamp Duty on age-related housing developments would also encourage down-sizing, add to the housing stock, and help free up housing for younger people aspiring to home ownership, Saga argues.

Saga's Director of Communications Paul Green said: "We have compelling polling evidence that a third of over 60s want to downsize but they are being deterred by the cost of moving. "A simple change to Stamp Duty could remove this obstacle and relieve some of the massive pressure in the housing market. Cebr suggests the cost of this reform would be counterbalanced by an estimated extra £461 million of stamp duty generated by the higher number of house purchases this would provoke. It's a win-win for all generations."

Later Life January 2017 survey of 1700 pensioners: <https://connectpa.co.uk/wp-content/uploads/2017/01/Jan-2017-survey-results4.jpg>

'If you were to think about moving house, what would be the main barriers that might stop you from moving?' Among those who said they were considering moving, Stamp Duty was cited by 3 in 10 as the biggest barrier. This was selected over the cost of moving home (26%), a lack of small homes on the market (25%) and a lack of suitable housing for their health needs (11%).

And

'A Government White Paper on housing is due to be published later this month. What initiatives would you like to see included?' Top response: Exemptions from stamp duty for those downsizing.

Property Week January 2017 online survey of readers:
<http://www.propertyweek.com/5086582.article> and
<http://www.propertyweek.com/insight/analysis-features/call-off-duty-our-demands/5087336.article>

Reader survey in connection with magazine's 'Call Off Duty' campaign against SDLT.
Questions included

- Why should institutional investors and large-scale landlords be exempt from the 3% SDLT surcharge?
- How should current SDLT thresholds be revised and what price points should SDLT kick in at?
- What should the levels of SDLT be at these price points and why?
- Should first-time buyers be excluded from SDLT altogether? If so, how could government make up the shortfall?
- Should the national SDLT strategy be ditched for a regional one and how would that work?
- How could SDLT be adapted to encourage older people to downsize and free up homes for young families?
- How could SDLT be reformed to help the 'just about managing', or JAMs?
- How could the regime be revised to help rather than hinder social mobility?
- Is there an alternative to SDLT that could provide a better and fairer system?
- What lessons can be learned from the Scottish property tax system?

Narrative article said readers were strongly opposed to features of the current system, but no detailed survey results were provided.

Survey of WhatHouse buyers November 2016:
<http://www.whathouse.com/news/whathouse-readers-have-their-say-on-future-direction-of-government-housing-polic/#LqWexutlem5cRktS.99>

Readers were asked to select their priorities for May's government to focus on from 10 different options...By far the most popular request from the survey widget responses was for May to abolish Stamp Duty for first-time buyers with 61% voting for this.

My Home Move 25 July 2016 survey of over 55s:
<http://www.myhomemove.com/news/downsizers-hindered-by-moving-costs-and-lack-of-the-right-kind-of-properties>

58% of over 55s have no intention of downsizing. For those that would consider downsizing (25%) the lack of suitable properties and the costs involved in moving, including Stamp Duty, represent barriers to them moving.

...The survey of 1,000 UK residents, aged 55 and over, conducted by independent researchers Gorkana, also discovered that for those who would like to downsize (25%), there existed real and urgent barriers which were stopping them from putting their homes on the market. 39% of would-be downsizers cited there are not enough of the 'right kind' of properties available to move into; while nearly 40% saw the costs involved in moving, including Stamp Duty Land Tax, as too prohibitive to consider moving now.

YouGov for Homeowners Alliance and BLP Insurance April 2016:
<https://www.ft.com/content/f278bd10-07be-11e6-a623-b84d06a39ec2>
Will 3% surcharge help first-time buyers?

YouGov for BLP insurance April 2016:

<https://www.blpinsurance.com/news-events/press-releases/article/twice-as-many-support-new-stamp-duty-surcharge-as-oppose-despite-loud-opposition-from-landlord-groups-134961/>

Is stamp duty land tax a problem?

YouGov for Times Red Box April 15:

https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/j9x8nbtks7/TimesRedBoxResults_150318_taxation_Website.pdf

How fair/unfair do you think these taxes are? Stamp duty seen as 2nd most unfair after inheritance tax.

Annex B: Text of online questionnaire for Family Building Society customers (administered Sept/Oct 2017)

Start of Block: Introduction

Q1 Thank you for agreeing to answer this survey, which should take no more than 10 minutes. It is part of a research project on the effects of Stamp Duty Land Tax, carried out by the London School of Economics for Family Building Society. Your responses are confidential and will be used for analytical purposes only; no one will contact you. **The survey will be open until Monday, 2 October.** We realise your time is valuable. To thank you, we offer one respondent the chance to donate £350 to a charity of their choice. There is a link at the end of the survey.

End of Block: Introduction

Start of Block: About property ownership

Q2 Do you own your main home?

- Yes, own it with a mortgage (1)
- Yes, own it outright (2)
- No, rent the home (3)

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q3 Did you buy it or acquire it some other way?

- bought it (1)
- acquired it some other way (e.g. inheritance) (2)

Display This Question:

If Did you buy it or acquire it some other way? = bought it

Q4 What year did you buy it?

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q5 How many bedrooms does your home have?

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q6 What is the approximate current market value? Please tick one.

- Less than £125,000 (1)
- £125,001-£250,000 (2)
- £250,001-£400,000 (3)
- £400,001-£600,000 (4)
- £600,001-£800,000 (5)
- £800,001-£925,000 (6)
- £925,001-£1,250,000 (7)
- £1,250,001-£1,500,000 (8)
- £1,500,001-£2,000,000 (9)
- Over £2m (10)

Display This Question:

If Do you own your main home? = No, rent the home

Q7 Have you ever owned the main home you lived in?

- Yes (1)
- No (2)

Display This Question:

If Have you ever owned the main home you lived in? = Yes

Q8 When did you sell or otherwise dispose of it? (YEAR)

End of Block: About property ownership

Start of Block: About ownership of rental property or second homes

Q9 Do you currently own any residential property in the UK that is not your main home?

- Yes (1)
- No (2)

Display This Question:

If Do you currently own any residential property in the UK that is not your main home? = Yes

Q10 What type of residential property do you own? (tick all that apply)

- Buy to Let property/properties (1)
- Second or holiday home/homes (2)
- Other (3)

Display This Question:

If What type of residential property do you own? (tick all that apply) = Buy to Let property/properties

Q11 How many Buy to Let properties do you currently own?

Display This Question:

If What type of residential property do you own? (tick all that apply) = Buy to Let property/properties

Q12 Did you purchase the Buy to Let property/ies or acquire it/them some other way?

- Purchased (1)
- Acquired some other way (e.g. inheritance) (2)
- Purchased some, acquired others without buying (3)

Display This Question:

*If Did you purchase the Buy to Let property/ies or acquire it/them some other way? = Purchased
Or Did you purchase the Buy to Let property/ies or acquire it/them some other way? = Purchased some, acquired others without buying*

Q13 What year did you buy your most recent Buy to Let property?

Display This Question:

If What type of residential property do you own? (tick all that apply) = Second or holiday home/homes

Q14 How many second or holiday homes do you currently own in the UK?

Display This Question:

If What type of residential property do you own? (tick all that apply) = Second or holiday home/homes

Q15 Did you purchase your second home(s) or acquire it/them some other way?

- purchased (1)
- didn't buy it/them but acquired in some other way (e.g. inheritance) (2)
- purchased some, acquired others without buying (3)

Display This Question:

*If Did you purchase your second home(s) or acquire it/them some other way? = purchased
Or Did you purchase your second home(s) or acquire it/them some other way? = purchased some, acquired others without buying*

Q16 When did you buy your most recent second or holiday home?

End of Block: About ownership of rental property or second homes

Start of Block: About awareness of SDLT

Q17 The next few questions are about Stamp Duty Land Tax (or Land and Buildings Transaction Tax in Scotland). Before taking this survey, how much did you know about the current system?

- Had a detailed knowledge and understand how it would apply to any likely property transactions (1)
- Understood it in general but didn't know specifics of tax rates (2)
- Knew something about it (3)
- Had heard of it but didn't know much about it (4)
- Didn't know about it (5)

End of Block: About awareness of SDLT

Start of Block: About property transactions: main homes, BTL, second homes

Q18 Background: Stamp Duty Land Tax (SDLT) is paid by buyers of residential property. Rates have been progressively raised over the last 20 years. Currently, the rates for main homes range from 0% for properties worth under £125,000 (£145,000 in Scotland), through 2% for the portion up to £250,000 and up to 12% for any portion of the price above £1.5 million.

The Government's Stamp Duty Land Tax calculator is here. (*link provided*)

All questions about SDLT apply equally to Land and Buildings Transaction Tax in Scotland.

Press the right arrow below to continue.

Display This Question:

If What year did you buy it? Text Response Is Greater Than or Equal to 2007

Q19 Thinking back to when you bought your **main home**, how important was the level of Stamp Duty Land Tax in your decision about the purchase?

- decisive (1)
 - very important (2)
 - rather important (3)
 - one factor among many (4)
 - not important (5)
-

Display This Question:

If Thinking back to when you bought your main home, how important was the level of Stamp Duty Land T... = decisive

Or Thinking back to when you bought your main home, how important was the level of Stamp Duty Land T... = very important

Or Thinking back to when you bought your main home, how important was the level of Stamp Duty Land T... = rather important

Or Thinking back to when you bought your main home, how important was the level of Stamp Duty Land T... = one factor among many

Q20 In what ways did the level of Stamp Duty Land Tax affect your decision about the purchase? (please tick all that apply)

- whether to buy a home at all (1)
 - how much I/we could afford to spend (2)
 - where to buy (3)
 - when to buy (4)
-

Display This Question:

If Thinking back to when you bought your main home, how important was the level of Stamp Duty Land T... = not important

Q21 The level of Stamp Duty Land Tax (SDLT) did not affect your decision about the purchase because (please tick all that apply):

- The amount involved was small (1)
 - No SDLT was payable because the property value was low (2)
 - No SDLT was payable because of exemption for first-time buyers (3)
 - I/we could cover the SDLT with savings and other funds (4)
 - SDLT was paid by the developer (5)
 - Other (please specify) (6)
-

Display This Question:

If Did you buy it or acquire it some other way? bought it Is Greater Than or Equal to 2007

Q22 Would you like to make any comments about how Stamp Duty Land Tax (SDLT) affected your choice when you bought your home?

Display This Question:

If Do you own your main home? = No, rent the home

Q23 Would you like, if possible, to purchase a home in the UK in the next five years?

- Yes, definitely (1)
 - Yes, probably (2)
 - Not sure (3)
 - Unlikely (4)
 - Not interested in buying in this timeframe or at all (5)
-

Display This Question:

If Would you like, if possible, to purchase a home in the UK in the next five years? = Yes, definitely
Or Would you like, if possible, to purchase a home in the UK in the next five years? = Yes, probably

Q24 What sort of price range are you thinking of?

- Less than £125,000 (1)
- £125,001-£250,000 (2)
- £250,001-£400,000 (3)
- £400,001-£600,000 (4)
- £600,001-£800,000 (5)
- £800,001-£925,000 (6)
- £925,001-£1,250,000 (7)
- £1,250,001-£1,500,000 (8)
- £1,500,001-£2,000,000 (9)
- Over £2m (10)

Display This Question:

If Do you own your main home? = No, rent the home

Q25 How important do you expect the level of Stamp Duty Land Tax (SDLT) will be in your eventual decision about buying a home?

- Decisive (1)
- Very important (2)
- Rather important (3)
- One factor among many (4)
- Not important (5)

Display This Question:

If Do you own your main home? = No, rent the home

Q26 In what ways would Stamp Duty Land Tax (SDLT) affect your decision about buying a home? Please tick all that apply

- about whether to buy a home (1)
 - about how much I/we could afford to spend (2)
 - about where to buy a home (3)
 - about when to buy a home (4)
 - about what kind of home to buy (5)
 - other (please specify) (6)
-

End of Block: About property transactions: main homes, BTL, second homes

Start of Block: About purchases of Buy to Let properties

Q27 Have you purchased a Buy to Let property in the UK in the last ten years, or considered doing so?

- Yes, purchased (1)
- Considered but did not buy (2)
- No (3)

Display This Question:

If Have you purchased a Buy to Let property in the UK in the last ten years, or considered doing so? = Yes, purchased

Or Have you purchased a Buy to Let property in the UK in the last ten years, or considered doing so? = Considered but did not buy

Q28 How important was Stamp Duty Land Tax in your decision about the purchase?

- Decisive (1)
 - Very important (2)
 - Rather important (3)
 - One factor among many (4)
 - Not important (5)
-

Display This Question:

*If How important was Stamp Duty Land Tax in your decision about the purchase? = Decisive
Or How important was Stamp Duty Land Tax in your decision about the purchase? = Very important*

Or How important was Stamp Duty Land Tax in your decision about the purchase? = Rather important

Or How important was Stamp Duty Land Tax in your decision about the purchase? = One factor among many

Q29 In what way did Stamp Duty Land Tax affect your decision about buying a Buy to Let property? Please tick all that apply

- Whether to buy a property (1)
 - How much you could afford to spend (2)
 - Where to buy (3)
 - When to buy (4)
 - What kind of property to buy (5)
 - Other (please specify) (6)
-

Display This Question:

If How important was Stamp Duty Land Tax in your decision about the purchase? = Not important

Q30 The level of Stamp Duty Land Tax (SDLT) was not important in your decision about buying a Buy to Let property because: please tick all that apply

- The amount of SDLT was small in the context of a long-term investment (1)
 - No SDLT was payable because the value of the property was low (2)
 - I/we could cover SDLT out of savings and other funds (3)
 - SDLT was paid by the developer (4)
 - Other (please specify) (5)
-

End of Block: About purchases of Buy to Let properties

Start of Block: About purchases of second homes

Q31 Have you purchased a second home or holiday property in the UK in the last ten years, or considered doing so?

- Yes, purchased (1)
- Considered but did not buy (2)
- No (3)

Display This Question:

If Have you purchased a second home or holiday property in the UK in the last ten years, or consider... = Yes, purchased

Or Have you purchased a second home or holiday property in the UK in the last ten years, or consider... = Considered but did not buy

Q32 How important was Stamp Duty Land Tax in your decision to buy a second or holiday home?

- Decisive (1)
- Very important (2)
- Rather important (3)
- One factor among many (4)
- Not important (5)

Display This Question:

If How important was Stamp Duty Land Tax in your decision to buy a second or holiday home? = Decisive

Or How important was Stamp Duty Land Tax in your decision to buy a second or holiday home? = Very important

Or How important was Stamp Duty Land Tax in your decision to buy a second or holiday home? = Rather important

Or How important was Stamp Duty Land Tax in your decision to buy a second or holiday home? = One factor among many

Q33 In what way did Stamp Duty Land Tax affect your decision about buying a second home or holiday property? (please tick all that apply)

- Whether to buy the property (1)
 - How much you could afford to spend (2)
 - Where to buy (3)
 - When to buy (4)
 - What kind of property to buy (5)
 - Other (please specify) (6)
-

Display This Question:

If How important was Stamp Duty Land Tax in your decision about the purchase? = Not important

Q34 The level of Stamp Duty Land Tax was not important in the decision about buying a second or holiday home because (please tick all that apply)

- the amount of SDLT was small (1)
 - No SDLT was payable because the property value was low (2)
 - I/we could cover SDLT with savings or other funds (3)
 - SDLT was paid by the developer (4)
 - Other (please specify) (5)
-

Q35 Would you like to make any comments about how Stamp Duty Land Tax (SDLT) affected your decisions about buying a Buy to Let property or second home property?

End of Block: About purchases of second homes

Start of Block: About drivers for buying or selling

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q36 Are you considering selling your main home in the next three years?

- Yes, plan to sell and buy something else (1)
 - No, plan to continue living here (2)
 - No, plan to buy another home but retain this one as a rental property (3)
 - Considered selling but decided to stay put/extend instead (4)
 - Not sure (5)
 - Other (please specify) (6)
-

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q37 Thinking ahead to when/if you eventually sell your main home, what do you expect will be your **most important** motivation?

- To downsize (1)
 - To trade up (2)
 - To move to a retirement property (3)
 - To move to another area (4)
 - To move to a different type of home (5)
 - To free up capital (6)
 - Do not intend to sell (7)
 - Other reason (please specify) (8)
-

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q38 Still thinking about the future, how important do you expect these factors will be in deciding whether to sell your home and buy another?

	Decisive (1)	Very important (2)	Rather important (3)	One factor among many (4)	Not important (5)
The level of Stamp Duty Land Tax (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The state of the property market (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The hassle of moving (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job security (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of suitable mortgage (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Display This Question:

*If Do you own your main home? = Yes, own it with a mortgage
Or Do you own your main home? = Yes, own it outright*

Q39 Would you like to make any comments about your likely reasons for selling your main home?

End of Block: About drivers for buying or selling

Start of Block: About plans for investing in rental property/second homes

Q40 How likely are you to invest in a **rental property** in the UK in the next five years?

- Certain (1)
- Very likely (2)
- Somewhat likely (3)
- Not at all likely (4)

Q41 How likely are you to invest in a **second** or **holiday home** in the UK in the next five years?

- Certain (1)
- Very likely (2)
- Somewhat likely (3)
- Not at all likely (4)

Q42 Since April 2016 there has been a 3% Stamp Duty Land Tax surcharge on buy-to-let properties or second homes in the UK, for those who already own a home. How important a factor would SDLT (including the 3% surcharge) be when thinking about

	Decisive (1)	Very important (2)	Rather important (3)	One factor among many (4)	Not important (5)
...investing in rental property? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... investing in a second or holiday home? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q43 Would you like to make any comments about how the 3% Stamp Duty Land Tax (SDLT) surcharge would affect your purchases or sales in future?

End of Block: About plans for investing in rental property/second homes

Start of Block: About helping family

Q44 Do you have any adult children who do not own their homes?

- Yes (1)
- No (2)

Display This Question:
If Do you have any adult children who do not own their homes? = Yes

Q45 Do any of them hope to purchase a home in the UK in the next ten years ?

- Yes (1)
- No (2)
- Unsure (3)

Display This Question:

If Do you have any adult children who do not own their homes? = Yes

Q46 How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability to purchase? (please tick all that apply)

- Means it is less likely they can buy a property at all (1)
 - Means they can afford less (2)
 - Means they cannot buy in certain areas (3)
 - Means they will delay purchase (4)
 - Means they require more family/parental help (5)
 - No effect (6)
 - Other (please specify) (7)
-

Display This Question:

If How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability... = Means it is less likely they can buy a property at all

Or How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability... = Means they can afford less

Or How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability... = Means they cannot buy in certain areas

Or How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability... = Means they will delay purchase

Or How in your view, does the current system of Stamp Duty Land Tax affect your child/children's ability... = Means they require more family/parental help

Q47 The following are some ways that parents can help family members with property purchases. How likely would you be to consider any of these?

	Very likely (1)	Somewhat likely (2)	Not likely (3)	Would not consider/not possible for me (4)
Giving money for deposit/SDLT (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lending money for deposit/SDLT (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting child/children's mortgage with parental savings (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Acting as mortgage guarantor (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q48 Would you like to make any comments about how Stamp Duty Land Tax (SDLT) affects first-time buyers?

End of Block: About helping family

Start of Block: Basic information about you and your family

Q49 How many people live in your household?

Q50 What is your marital status?

- Single (1)
- Domestic partnership (2)
- Married/ civil partner (3)
- Divorced/ civil partnership dissolved (4)
- Widowed/ surviving civil partner (5)
- Separated (6)
- Other (please specify): (7)

Q51 Number of children over 18 (whether living with you or not):

Q52 Your age:

Q53 Full postcode of your main home (to be used only for analysis):

Q54 Employment Status:

- Employed/ self-employed (1)
- Unemployed (2)
- Student (3)
- Retired (4)
- Looking after the family home (5)
- Unable to work (6)
- Other (please specify): (7)

Q55 What is your household's annual income before tax?

- Under £7000 (1)
- £7,001 - £13,000 (2)
- £13,001 - £18,000 (3)
- £18,001 - £23,000 (4)
- £23,001 - £29,000 (5)
- £29,001 - £35,000 (6)
- £35,001 - £43,000 (7)
- £43,001 - £53,000 (8)
- £53,001 - £67,000 (9)
- £67,001 - £119,000 (10)
- over £119,000 (11)
- Don't know (12)
- Prefer not to say (13)

End of Block: Basic information about you and your family

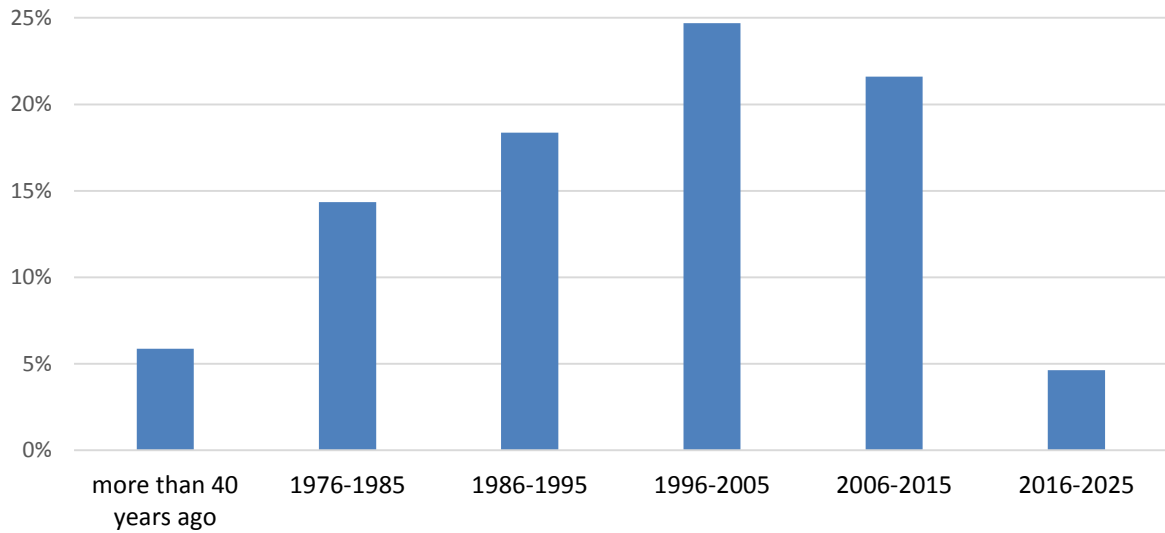
Start of Block: The end --

Q56 Would you like to make any further comments about the effects of Stamp Duty Land Tax on you or your family members?

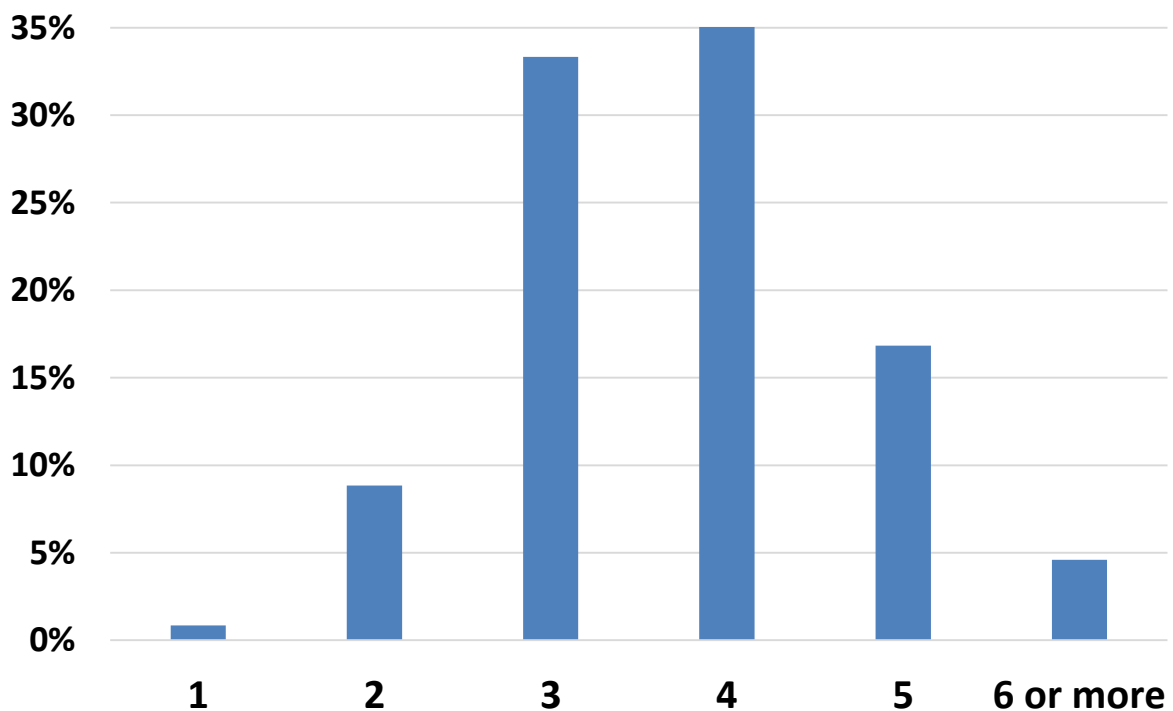
End of Block: The end -

Annex C: Further results from survey of Family Building Society customers

When home was purchased



Size of main home in bedrooms



Respondents' assessment of current market values of home

