



Case study: Stamp Duty Land Tax (“SDLT”) reliefs



Blick Rothenberg was approached by a UK resident and non-domiciled individual who required advice in respect of his personal tax affairs.

During the progress of our initial meeting, it transpired the individual was in the process of acquiring a large residential investment property which had been converted by the seller into nine separate dwellings.

What was the challenge?

The consideration for the property comprising the dwellings was in excess of £1m and when the new 3% surcharge was taken into account, the SDLT liability based on this consideration was in the region of £100,000, a significant sum.

We advised that there was scope to apply alternative rules.

First, as six or more separate dwellings were being transferred in the transaction there is a statutory rule which means that the lower commercial property rates could be applied for the purposes of SDLT.

Alternatively, Multiple Dwelling Relief (“MDR”) could be applied under which SDLT may be calculated by reference to the average price of each individual dwelling to which the residential property rates would be applied

What was the result?

On review of the status of the properties, we concluded that it would be appropriate to claim MDR and that in making the claim, the SDLT liability would reduce by approximately 60% as compared with applying the residential rates of SDLT to the total amount of the consideration.



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