

STATES OF JERSEY



NEW STAMP DUTY RATES (P.63/2023) – COMMENTS

Presented to the States on 8th September 2023
by the Minister for Treasury and Resources

STATES GREFFE

COMMENTS

During 2023, a limited review of Stamp Duty, with a focus on first-time buyers, has been carried out in line with the Minister for Treasury and Resources' [2023 Delivery Plan](#). Some of the outcomes of that review will be included in the forthcoming Government Plan 2024-2027 and associated Finance Law.

Treasury Ministers have worked with Deputy Andrews on the most appropriate way to increase Stamp Duty on the highest value properties, the result of which is P.63/2023.

A modest increase of 0.5 percentage points per band for properties above £2m will help to fund the Government's forthcoming Stamp Duty proposal targeted at supporting prospective first-time buyers.

Recently, Ministers have been careful not to change the main residential Stamp Duty bandings ahead of the publication of the wider Housing Strategy.

In this case, however, Ministers welcome Deputy Andrews' proposition, in combination with the forthcoming Government Plan measures. Ministers therefore ask Members to support the proposition.

Financial implications

The potential additional revenue to be generated should be treated with caution. The top end of the residential housing market has slowed significantly in the past 12 months. In respect of property transactions above £5m, revenue in the first six months of 2023 decreased by 70% when compared to the equivalent period in 2022. The market in respect of properties between £2m-£5m is more stable and has experienced a more modest decline in revenue of around 17%.

Nevertheless, supporting Islanders in getting on the housing ladder remains a key Ministerial priority. It is therefore appropriate to support a small increase in Stamp Duty for the most expensive properties to provide a source of additional revenue to help fund the forthcoming proposals for first-time buyers.