

REAL ESTATE

Cut stamp duty, extend SDLT holiday to get UK housing market moving post-lockdown: Knight Frank

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The U.K. housing market will need active government assistance to get sales up and running with incentive to buyers and sellers to resume transactions post-lockdown. View of Elizabeth Tower and Big Ben in the Houses of Parliament, London. Image credit: Knight Frank

By LUXURY DAILY NEWS SERVICE

Knight Frank's analysis of sales data shows how abrupt the impact of COVID-19 was on the British property market.

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There were 19 percent more sales than the five-year average in the week ended March 14. By the following week, a drop of 53 percent was recorded, and by the week ended April 4, sales rates were two-thirds of the five-year average.

"The government understands that moving house has enormous knock-on benefits for the wider economy," said Tom Bill, head of London residential research at Knight Frank.

"Anything it can do to kick-start the process once lockdown measures are relaxed will have ramifications far beyond the housing market," he said. "A material cut in stamp duty or an extended SDLT holiday should be central to these efforts."

Knight Frank is one of the leading real estate brokerages worldwide.

Make a move

Assuming that the current movement restrictions hold up through end of May, Knight Frank believes that sales across the United Kingdom will total around 734,000 for the full year.

This marks a 38 percent decline from the level seen in 2019, with slightly smaller falls seen in Greater London and in the prime central London market, the company said.

"While we expect a revival in activity to continue, with volumes next year expected to be 18 percent above the level seen in 2019, this expansion will not fully offset the drop in 2020," Knight Frank said.

"Of the nearly 526,000 sales we expect to be lost' this year, fewer than half will be carried into 2021."

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