

# Scottish Building Society boss calls for property tax holiday

The Chief Executive of the Scottish Building Society said today that the housing market could recover quicker from Covid-19 than the last financial crash if the Government freezes sales taxes to help home buyers.

Paul Denton said support measures such as a Land and Buildings Transaction Tax holiday could accelerate the bounceback. But, he warned that it might not be enough to mitigate against the economic fallout of lockdown, especially on employment, and ongoing uncertainty over Brexit.

Mr Denton said it took the market six years to recover from the 2007-2009 crash but, that with the right Government incentives, Scotland could see a return to 2019 levels by the end of next year.

Mr Denton said: "We are seeing an increase in inquiries and the current market situation is certainly down to social isolation measures rather than any lack of consumer demand.

"Until buyers and sellers can start interacting as normal, until property inspections and valuations fully begin, the market will stay in hibernation.

"However, as we move to the next phase, we need to think about practical steps we can take to reinvigorate a £18 billion

market that is key to the nation's economic wellbeing."

The Royal Institute of Chartered Surveyors (RICS) says 80% of members have experienced buyers and sellers pulling out of transactions.

Mr Denton continued: "The RICS research shows that their UK members believe a stamp duty holiday would boost sales. We would support any action from the Scottish Government on a Land and Buildings Transaction Tax holiday to accelerate the recovery.

"The outlook is still an uncertain one. We have no firm timetable to end lockdown, have still to fully understand the economic consequences, especially on employment, and the issues around a potential hard Brexit are still with us. However, with the right support we would hope to see the market recover in 2021."

According to today's House Price Index report, average property prices in Scotland rose 1.5 per cent in March to £151,856. However, as most transactions take between six and eight weeks, they the figures do not take in the impact of lockdown.

The largest increase was in the Scottish Borders, where the average rose 12.3 per cent to £162,926. The largest decrease was recorded in Aberdeen, with a fall of 3.5 per cent to £144,533.