

# Prime Resi

12 December 2012



**HOME NEWS VIEWS PRIME MOVERS SUBSCRIBE**

THE MARKET PROPERTIES INTERIORS PEOPLE JOBS MARKETING EV

## Finance Bill: Industry forecasts £2m+ flurry

December 12, 2012

A mixed response to the Draft Finance Bill from the prime property industry; a sense of hope pervades as the Treasury provides some welcome tax clarity (and exemptions for “bona fide” developers), but valuations around £2m are likely to cause more than a few headaches as a new wave of vendors rushes the market in Q1...

## Good news for buyers

**Caroline Takla, Managing Partner of The Collection LLP:** “Today’s draft Finance Bill is...unlikely to have much of an impact on the London property market. Indeed, the market has already begun to adapt in response to the budget in March this year with more property being bought in individual names or off shore Trusts, which are exempt from these changes, with anonymity rather than tax avoidance being the main driver for those who have opted for buying off shore.

“However, in the short term, we anticipate one very likely outcome to be more property valued over or close to £2m coming to the market, as those owning property using off shore structures decide that selling maybe the most sensible option, rather than opting to restructure the ownership in order to avoid annual charges and capital gains tax.

“Our view is that this could be positive news for buyers, who for the first time since 2009 will have real choice, particularly in the first three months of 2013 before the end of the tax year. According to recent research, pricing has risen a staggering 52% in Prime Central London since the bottom of the market in 2009 and we believe that sellers will have to adjust their expectations in order to achieve a sale.”