

## **IPAV CALLS FOR SHAKE-UP OF STAMP DUTY AND HELP-TO-BUY TO BE EXTENDED TO SECOND-HAND HOMES**

Institute says up to 100,000 properties lying idle that could be converted to homes

IPAV, the Institute of Professional Auctioneers and Valuers, has called for a radical shake-up of what it calls 'exorbitant' Stamp duty rates that are stymieing many good rural renewal incentives to encourage people to move back into rural areas and to also adapt former commercial premises into homes.

In a pre-Budget submission to Government today (Monday) IPAV calls for the stamp duty rate of 7.5pc on small commercial properties and land of up to a value of €500k to be reduced to 1pc in line with the residential Stamp Duty rate.

It calls for a sliding scale for properties over that value for properties/land valued between €500,000 and €1m a 3pc would apply, rising to 5pc for those between €1m, and the full 7.5pc applying over €2m.

Pat Davitt Chief Executive of IPAV says this is critical now that more people are working from home and demand increases across rural areas, arising from the Covid-19 pandemic.

"We estimate there could be up to 100,000 properties lying idle, including former commercial premises, that could make very attractive homes. While there are attractive incentives for renovation young people first need to buy the properties.

"The current Stamp Duty rate adds €7,500 to every €100k expended.

The IPAV submission also calls for the Help-To-Buy (HTB) scheme to be extended to include second-hand homes. The scheme currently applies to first-time buyers of newly-built homes to buy a new house or apartment. It also applies to once-off self-build homes. It provides a refund of income tax and Deposit Interest Retention Tax (DIRT) paid in over the previous four tax years.

"There is a good supply of properties for prices much lower than that of new homes, typically at prices of between €170k and €250k, especially in rural areas.

"Such an initiative would have the positive consequence of freeing up properties in the cities for rent or for sale," Mr Davitt said.

He said new homes, even in rural Ireland, priced between €250,000 and €300,000 are already too expensive for young people on an average wage of €40/50k.

"There are many areas throughout the country where second-hand properties are being sold for less than what it would cost to construct them. And it would cost young people less to service a mortgage, with its huge long-term benefits in terms of personal wealth, than pay rent.

Ends