

Budget 2016

Impact on Commercial Property

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The Chancellor has announced a number of budget reforms that have implications for those with commercial property interests. We have summarised the main ones:

Business Rates

Rates relief for small businesses had been extended until this month, but is now secured indefinitely. The threshold for small business rate relief is being raised from £6,000 to £15,000, from April 2017. The threshold for higher rate tax will also be increased from £18,000 to £51,000. We are told these changes will see 600,000 firms completely exempt from business rates and a further 250,000 with reduced bills.

Also from April 2017, the Greater London Assembly will retain business rates, three years earlier than planned.

Commercial Property Stamp Duty

With effect from midnight tonight, stamp duty charges will change. The new levy on transactions will see 0% payable on the first £150,000, 2% on the next £100,000 and 5% over £250,000.

There is also a new 2% rate for high value leases with net present value greater than £5 million.

Transport and Infrastructure

A commitment to continued investment in the rail network was signalled, with both Crossrail 2 (linking north and south London) and HS3 (linking Manchester and Leeds) being given the green light.

More than £230 million has been earmarked for road improvements in the north of the country, including an upgrade to the M62.

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