



# Stamp duty and buying for the first time in Jersey

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A HOME is the most expensive purchase most people make during their lifetime. With all the costs and expenses involved in buying a home, every penny counts. Thankfully, first-time buyers in Jersey can benefit from considerable savings when it comes to paying stamp duty or land transaction tax, which is the tax payable when a person buys a new home. The average first-time buyer in Jersey currently spends approximately £390,000 on a property. Normally this would incur a stamp duty or LTT (which is the equivalent for share-transfer properties) of almost £6,000. However, for first-time buyers, this figure reduces to a much more affordable £480.

#### Who qualifies as a first-time buyer?

A first-time buyer in Jersey is a person who has the necessary housing qualifications and has never owned, or part-owned a house or flat in Jersey or

anywhere else in the world. This also includes inherited properties. First-time-buyer stamp duty and LTT Islanders trying to get on the property ladder for the first time should be aware of the reduced stamp duty or LTT available to them.

The reduced rate is only available when they buy a property either by share transfer, flying freehold or freehold if the purchase price is less than £500,000. Purchases over £500,000 incur the standard stamp duty or LTT rate.

#### What else should first-time buyers be aware of?

Despite a threshold of up to £500,000, first-time buyers wanting to save money should consider properties in the region of £450,000 or less as this could result in a saving of up to £7,000 in stamp duty or LTT. If a first-time buyer purchases a property for £500,000, they will incur

stamp duty or LTT of £8,080 compared to £1,080 when buying a home for £450,000. With house prices continuing to increase in Jersey, it is reassuring to know that the first-time-buyer threshold has also increased on a regular basis too.

#### Can a person qualify as a first-time buyer even if they already own property?

There are certain circumstances in which a person might be considered a first-time buyer, even if they already own property. It is important to clarify that all the below examples, while categorising someone as eligible for a designated first-time-buyer home, still incur the standard stamp duty or LTT rate:

- If someone owns a share-transfer property, they may be able to buy a designated first-time-buyer home if they sell their flat to anyone (not necessarily

a first-time buyer) and buy a property larger than their current home.

- If a person owns a flying-freehold property, they may be able to buy a designated freehold first-time-buyer home, provided they sell their flying-freehold property to a first-time buyer and buy a property larger than their current home.
- If someone owns land, for example inherited agricultural land or joint inheritance with siblings of family property, their circumstances are considered individually by the Housing Minister.
- Similarly, if a person has owned property that was once owned by a spouse or ex-spouse, their circumstances are considered individually by the Housing Minister.

For advice and guidance on buying property in Jersey, including buying for the first time, please contact the Viberts property team.

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