

THE DEBATE

SHOULD WE SCRAP STAMP DUTY FOR PRIMARY HOMES?

STAMP Duty Land Tax (SDLT) is restricting mobility in the UK housing market. From first-time buyers to young families and downsizing pensioners, many are effectively trapped in their homes because SDLT costs can often exceed a year's income, with consequences that extend far beyond individual households. The housing market is a crucial enabler of labour mobility. When people can move freely, they take on new jobs, start families and grow businesses. SDLT actively disincentivises this. A 2017 study by the London School of Economics estimated that for every one per cent increase in SDLT, there is a 17-20 per cent decrease in the probability of a household moving. In effect, SDLT penalises dynamism.

SDLT also incentivises people to stay in unsuitable homes – families remain in homes that are too small, while older individuals stay in properties that are too large, simply to avoid paying the tax. This is a gross misallocation of housing stock in a country already facing a chronic shortage. If people could move more freely into properties that

YES

Matthew Robertson



suit their current needs, the pressure to build more new homes would be reduced organically.

Whilst revenue from property taxes is important for our economy, SDLT is an inefficient way of raising it. Revenue that SDLT generates could be replaced by a reformed and fairer council tax, as the current system – based on property values from 1991 – is regressive and outdated. In its current form, SDLT works against consumption, employment, construction and economic growth – and, most importantly, puts people's lives on hold. Abolishing SDLT is an economic and social necessity, giving people the freedom to live, work and plan for their futures.

Matthew Robertson is co-founder and CFO of property developer Valouran

THE VERDICT

KEMI Badenoch was in need of a rabbit from the hat at the end of a miserable party conference, and pledging to abolish stamp duty on the purchase of main homes proved a showstopper. Indeed, so popular has the proposal proven, and so widely has SDLT been chided as a "bad tax", it makes one wonder if Rachel Reeves might take the idea for herself. The Chancellor, after all, is thought to be considering a range of tax reform options ahead of the Autumn Budget. But of course, that pesky black hole whirls and whirs, and cutting stamp duty comes with political peril: around a third of SDLT revenues are raised from properties worth more than £1m. As Mr Dana argues, boosting wealthy homeowners while younger Brits remain locked out of homeownership is not the best look. But let's look beyond PR: gumming up the housing market at the top helps nobody at the bottom, as anyone in a housing chain knows. Abolishing stamp duty for primary homes would be a much-needed shot in the arm for the housing market.

WHEN Kemi Badenoch announced that the Conservatives would abolish stamp duty to "help achieve the dream of homeownership for millions", the reaction was overwhelmingly positive. But while it's an easy headline grabber, scrapping stamp duty outright is not the silver bullet it might seem to be.

I'm not blind to the flaws of stamp duty as it works currently – it distorts the market and puts unnecessary strain on transactions. Reform is needed. But abolishing it altogether risks funnelling yet another financial boost to those who need it least: older, wealthier homeowners. This group has already enjoyed decades of house price growth, generous pensions and the untaxed windfalls of equity. With nearly three-quarters of property wealth sitting in the hands of the over-55s, it feels perverse to channel further tax relief their way while younger generations remain locked out of homeownership.

If the government truly wants to support those struggling to buy, it should focus resources on first-

NO

Richard Dana



time buyers. Raising the stamp duty threshold for this group would be a far more effective and equitable reform than scrapping the tax for everyone. At present, the threshold sits at £300,000. For many first time buyers, particularly in urban areas, that still means bills of £6,000 or more on top of punishing deposits and stringent mortgage requirements.

Extending the threshold would give buyers certainty, reflect the reality of today's prices, and inject much-needed dynamism into the market. That's how you help people achieve the dream of homeownership, not by offering another round of tax breaks to those who already have the keys.

Richard Dana is founder and CEO of mortgage platform Tembo

Stamp duty incentivises people to stay in unsuitable homes, reducing labour mobility

Abolishing the tax gives a boost to those who need it least: older, wealthier homeowners

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Hollywood Bowl strikes record revenue milestone

HOLLYWOOD Bowl is rolling into its new financial year on a high after reporting record revenues and pre-tax earnings.

The Hemel Hempstead-based bowling and entertainment business saw its shares lift after it reported a 6.4 per cent rise in revenue to £212.4m for the year to end September. The firm said its earnings before interest, tax and depreciation would be in line with market expectations.

The company said it now has 77 sites in the UK and 15 in Canada, a total increase of 7 venues, adding it was on track to hit its target of hitting 130 centres in total over the next decade.

"We have again demonstrated the success of our proven, customer-led strategy and differentiated business model by delivering record revenues and further profitable growth," said chief executive Stephen Burns.

"The strong cash generative nature of our business means we are well-placed to continue investing in the size and quality of our estate and to continue to enhance the customer experience through our service standards and the use of digital technology."

HOLLYWOOD BOWL



Hollywood Bowl shares jumped as much as seven per cent to 281p in the first minutes of trade in London on Tuesday. But the stock remains down around eight per cent over the past 12 months.

The company was last year hit by big hikes to employer national insurance costs, which added more than £1m to its wage bill. But the firm said it was "well-placed to mitigate the increased costs" adding it was still able to offer an affordable family day out, with a family of four able to bowl for just £26.

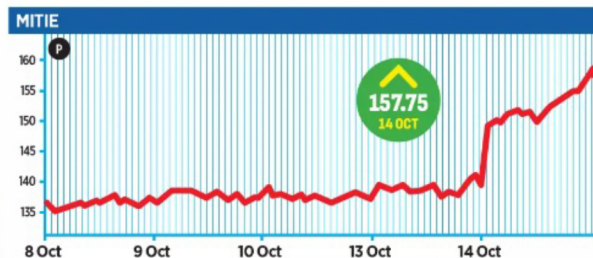
"As usual, like for like sales remain the key catalyst to forecasts and the

rating, and, with investments paying off, there is a good chance that like for like sales will start to re-build as weather normalises," analysts at Peel Hunt said.

"Core to this is Hollywood Bowl maintaining its exceptional value-for-money proposition."

Peel Hunt analysts upgraded their recommendation from 'add' to 'buy'.

In other company news, Morgan Advanced Materials dropped 6.6 per cent after its second downbeat trading update in three months, warning of increasing uncertainty in European industrial markets.



On the FTSE 250, Mitie jumped 14 per cent as it upgraded operating profit guidance and launched a new £100m share buyback, following solid first-half revenue growth and continued progress with the integration of its recent Marlowe acquisition. Mitie's 1H26 trading update came in ahead of expectations, with revenue of c.£2.7bn, an increase of c.10 per cent year on year. Peel Hunt analysts "confidently reiterate" their 'buy' rating.

