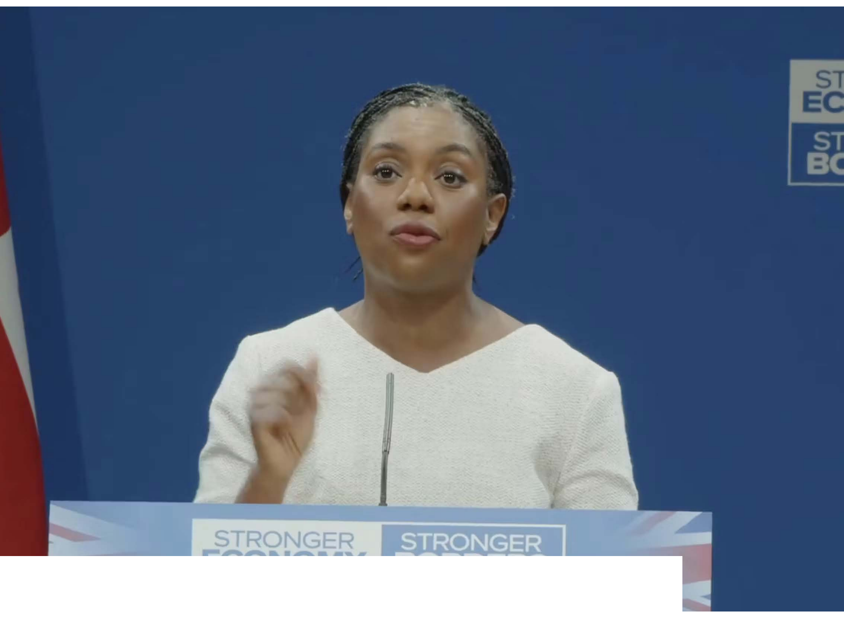


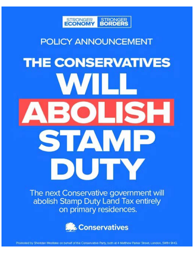
Property industry reactions: Tories pledge to 'abolish' Stamp Duty

NEWS • 08 Oct, 2025

Stamp Duty is 'bad tax, an un-Conservative tax', says Kemi Badenoch.

The Conservative Party says it would abolish Stamp Duty on primary residences if it ever got back into Downing Street, potentially making property transactions significantly less expensive for most home-buyers.

Speaking at the party conference in Manchester, current leader Kemi Badenoch called the levy a "bad tax, an un-Conservative tax." Ending it would help "unlock a fairer and more aspirational society," she added, while creating a "chain reaction" of spending in the economy by encouraging more home-moving.


STRONGER ECONOMY STRONGER BORDERS

POLICY ANNOUNCEMENT

THE CONSERVATIVES WILL ABOLISH STAMP DUTY

The next Conservative government will abolish Stamp Duty Land Tax entirely on primary residences.

Conservatives

Promoted by Sheridan Westlake on behalf of the Conservative Party, both at 4 Matthew Parker Street, London, SW1H 9HQ

Lowering tax thresholds "would not be enough" said the leader, so a full abolition is the best option. "I thought you'd like that one," she told her applauding audience.

Badenoch suggested the cost of cutting SDLT could be covered by scaling back the size of the civil service, reducing welfare payments for some people, and further reductions to foreign aid.

Reacting to the proposal, Knight Frank's research chief Tom Bill agreed that ending SDLT "would inevitably have positive repercussions for the wider economy and increase social mobility." But he warns that the rumour of such a big change could cause the housing market to "grind to a halt" if the next election is a close-run thing. Lucian Cook of Savills also points out that any tax savings may "simply pass through into house prices."

Other policies unveiled at the Tory party conference include rolling back VAT on private school fees, banning doctors from going on strike, and reducing the number of people pursuing university degrees.

Most polls think it unlikely that we'll see another Tory-led government anytime soon. Some of the recent surveys put the Conservatives down in third place behind Labour and Reform, level-pegging with the Liberal Democrats with around 17% support.

But property tax policy has a habit of crossing party lines, and Keir Starmer's Labour government is already talking of major changes to the tax landscape as well as potentially seismic reforms to the whole home-buying process.

Commentary & Reactions

Tom Bill, head of UK residential research at Knight Frank: "Stamp duty is the one lever politicians can pull that is guaranteed to have an immediate impact on the housing market. If bond markets feel confident that it has been fully costed and mortgage costs don't spike, buyers and sellers would warmly welcome the move. It would inevitably have positive repercussions for the wider economy and increase social mobility. The only downside is that if the Tories are leading in the polls ahead of the next general election, the housing market could grind to a halt."

Lucian Cook, head of residential research at Savills: "The impact that abolishing stamp duty would have is largely dependent on what replaces it, given that residential property transactions currently generate £10.4bn for the Treasury. Of that sum £5.5bn comes from people's primary homes, with £2.6bn of the remaining £4.9bn coming from the underlying rate of tax on investment second home purchases.

"If, and this is a big if, it is a simple tax giveaway, the likelihood is that the current stamp duty bill simply passes through into prices.

"On that basis, that would indicate an uplift in house prices of around 1.4% to 2.1% on average or £5,100 to £7,500 depending on exactly how it is implemented. However, given the way stamp duty works, this would be unevenly distributed across the country's housing stock with a much greater impact on high value homes, meaning London and the South East would benefit most.

"It is difficult to model what it would do to transactions, but it should free up transactions, especially among the groups that bear the biggest exposure to taxes. With the reliefs already available, it would have the least impact on first-time buyer numbers, with much bigger impacts on mortgaged home buyers and downsizers.

"The impact on investors and second homeowners will be much less, depending on whether they also benefit from a reduction in the underlying rate of tax."

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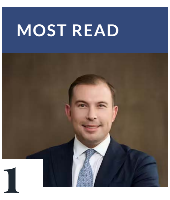
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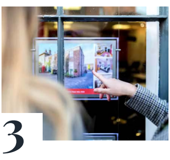
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Guy Meacock, director of buying agency Prime Purchase: “This is a wonderful soundbite but I would imagine it’s not deliverable, even if Kemi Badenoch is the next prime minister.

“Removing stamp duty would be transformative but one wonders how on earth the government would finance such a sweeping change. How would they budget for it, particularly as the economy is in such a sticky spot? They would need to recoup the money some other way.

“It’s a shame as this is the first piece of good news the property industry has had in a long while. Finally, someone is listening, has the common sense to realise that stamp duty is having such a detrimental impact on people’s mobility and is a block in every direction for the housing market. It is also making London and the UK far less investable.

“More realistically, a rebasing of council tax, using up-to-date property values, would be far more equitable and go some way to helping end the inherent injustice in the system.”

Richard Rogerson, co-founder of buying agency RFR Property: “Pledging to abolish stamp duty may guarantee a standing ovation at a party conference, but it offers little comfort to those outside the hall. The next general election is still more than three years away, and on current polling, the Conservative Party remains a long way from being in a position to deliver such a policy.

“Few would dispute that stamp duty is an inefficient tax. It discourages people from moving and reduces labour mobility. The challenge, however, is that it raises around £14 billion a year, a sum no government can easily forgo, especially when the public finances are already under strain. To put that in perspective, stamp duty brings in more revenue than inheritance tax!

“There are serious ideas for reform on the table, including from the Onward think tank, which has proposed replacing stamp duty with an annual property tax, paid by sellers. But any alternative must balance two difficult objectives: replacing the lost revenue and preventing a sharp rise in house prices, something no government wants to see in the current climate of affordability pressures.

“At best, we might see the Labour government announce a consultation on reforming property taxation, but it is unlikely to produce any workable changes soon. As for Kemi Badenoch’s promise to abolish the tax entirely, by the time the Conservatives are next in power, stamp duty may already have been reshaped beyond recognition.”

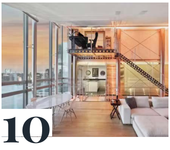
Richard Donnell, Executive Director at Zoopla: “Stamp duty hits four in five homeowners and two in five first-time buyers across the country, especially southern England where 60% of all stamp duty is paid. We welcome any proposals that remove the financial barriers to moving home. More home moves would support economic growth and the ambition to build more homes.”

Geoff Wilford, founder of Wilfords London: “The Conservatives may be a long way from power again, but their promise to scrap Stamp Duty could actually do something useful – spark the debate this country has needed for years. Stamp Duty is one of the biggest reasons people don’t move, particularly in London, where even trading up by one bedroom can mean writing a cheque to the Treasury for hundreds of thousands of pounds. It freezes the market and keeps families stuck where they are. Whether or not this policy ever comes to pass, it shines a light on the fact that the system is broken. What we need now is for Rachel Reeves to recognise that reform is not just popular, it is essential. If she wants a housing market that works, she cannot ignore the dead weight of Stamp Duty.”

Jennie Hancock, founder and director of West Sussex buying agency Property Acquisitions: “Stamp Duty is such a prohibitive tax, and that was clear for everyone to see when the temporary Stamp Duty holiday was introduced during covid. In over 30 years of working in the housing market, I’ve never witnessed such an instant and dramatic turnaround in the market. It’s unlikely the Conservatives will have the opportunity to implement this policy any time soon, but my hope is that after three years of property market stagnation, Labour takes note and recognises the vast economic benefits scrapping Stamp Duty would bring.”

Alisa Zotimova, founder and CEO of AZ Real Estate: “This seems like a ‘finger in the air’ policy to try and claw back support during a desperate time for the Conservative Party. The housing market is a highly charged, emotive topic and they know this.

“While I agree there could be some sort of reform to Stamp Duty, this isn’t it. There are a multitude of reasons why we don’t have a ‘mobile market’ at present, and these are all issues which need exploring properly.”



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> **Nathan Emerson, CEO of Propertymark:** “Across England and Northern Ireland, Stamp Duty has often proven to be a negative pressure for many consumers regarding housing transactions, often placing extra strain and uncertainty within the process.
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> “Earlier this year we witnessed the direct effect of stamp duty threshold changes, with a rush to complete on transactions on the lead up to April, followed by an immediate lull in the months that followed.
>
> “Propertymark welcomes any proposals that bring higher levels of consumer confidence and affordability, helps streamline the buying and selling process, opens additional opportunities to purchase a property for those who aspire to buy, as well as enabling and supporting people to secure a long-term permanent home that fits their needs more easily.”

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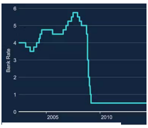

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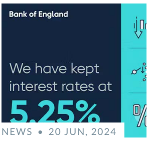

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