



# How to commute for nothing

Take advantage of the price differentials between town and country to keep a toe (or two) in the capital and effectively commute for no cost, suggests Arabella Youens



**S**PEAK to any London agent, and they'll agree that the Autumn Statement of 2014, which ushered in the tiered Stamp Duty Land Tax (SDLT) system with a new top band of 12%, has taken the wind out of the prime central London market's sails. The liability due for anyone buying a house—or, indeed, a flat—for £4.5 million now stands at a stomach churning £453,750, more than 10% of the purchase price. Come April 1, if this house is deemed to be a second home, an additional 3% levy will apply.

Chartered surveyor Andrew Symington of Symington Elvery in Mayfair has come up with an alternative solution for anyone considering whether now is the time to take advantage of the considerable differentials in values between the countryside and London. And it's one which would effectively save enough money to commute first class 'free' for 20 years.

The hypothetical buyers, who no doubt work in finance, need to upsize their current house because of their growing family, but, at the same time, easy access to the City is vital. They are looking at a house in Chipstead Street (*above right*), one of the best streets on the Peterborough Estate, which is an easy distance from Parsons Green station. Already a good 4,146sq ft, the house comes with

planning permission to build on a second-floor half landing—an all-important opportunity to add value, remain in the London market and take advantage of the restaurants, shops and amenities, such as the Hurlingham Club, that Fulham offers. On its selling price of £4.25 million, the SDLT would be £423,750.

However, what happens if the couple looked at moving the family to Wychwood House (*top left*), a newly built house in the Queen Anne style in the Moor Park area of Farnham in Surrey (London Waterloo in 54 minutes or, alternatively, drive to Guildford for faster and more frequent services). Designed for entertaining on a grand scale, the house is a sizeable 8,880sq ft, has seven bedrooms, staff accommodation and a one-acre garden. It's on the market with Strutt & Parker for £2.5 million and the SDLT payable would be £213,750.

They still want to keep a presence in the London market, so buy each of their children a property in an accessible but second-tier area of the

capital, such as this two-bedroom flat (*above left*) within a short walk of both Putney Station and East Putney Underground. It's on with Douglas & Gordon for £575,000 and, providing the purchase completes before April 1 this year, the SDLT would be £18,750.

Providing they find a similar property (*above centre*) and manage to complete in time, the total purchase price, including SDLT, would be £3,901,250, a saving of £772,500 on the London house.

'Owing to the SDLT reforms, these purchases enable the hypothetical buyer to save enough on Stamp Duty to pay for their commuting costs for more than 30 years,' calculates Mr Symington. 'It's clear SDLT is too much as a proportion of the transaction. People are far more likely to pay higher levels of duty in a rising market because they can see their SDLT liability being paid back by inflation in value of the asset. In a stagnant or falling market, they are likely to be far less amenable to paying SDLT. It's a self-perpetuating problem.'

The couple can keep a foothold in the London market by buying a flat for each of their children. For £575,000, they could buy the Putney property (*above left*) on offer from Douglas and Gordon or this two-bedroom maisonette in Southfields (*above centre*) through Kinleigh Folkard & Hayward

