

Green homes exemption from SDLT 'a start'

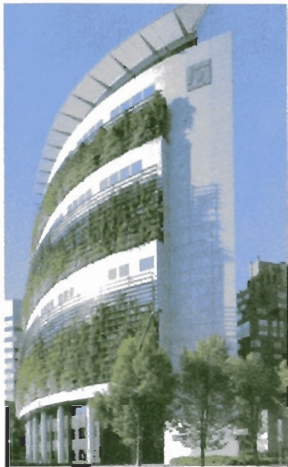
DEVELOPERS AND TAX ADVISERS have given a lukewarm reception to the chancellor's announcement last week that new carbon-neutral homes will be exempt from Stamp Duty Land Tax from April for three years.

Liz Peace, chief executive of the British Property Federation, said the measure was 'a start', but hoped the incentive would be extended to other types of property.

'It doesn't apply to existing homes that convert to low carbon emissions, or

to commercial property, but they've got to start somewhere,' said Peace.

Despite the tax incentives, Michael Shwartz, chief executive of Zed Homes, which has been seeking planning permission to build 1,000 carbon-neutral homes at Ashford in Kent since September 2005 (professional + legal, 15.09.06), complained that planning delays would ensure that few carbon-neutral homes would ever be completed.



Waiting game: Zed's Ashford scheme

'Gordon Brown is a smart man, he knows the planning process in our country is very hard,' said Shwartz.

Adam Bainbridge, head of corporate tax at KPMG, said the definition of carbon-neutral home was unclear.

'Does it mean the construction has been carbon neutral, or the building emits no carbon when in operation?' he said.

Bainbridge said the costs of building carbon-neutral homes could outweigh the tax incentive.

'There are a lot of questions about how this will work and how effective it will really be,' he added.

There are believed to be few, if any, carbon-neutral homes in existence. But English Partnerships is to hold a competition to build 1,000 carbon-neutral homes across six sites next year (professional + legal, 27.10.06).