Sellers Finance: Rush To Avoid Massive Tax Hike On Homes

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The Governments announcement of a hike in capital gains tax (CGT) from 18pc to 40pc has sparked a rush of property sales as sellers try to avoid the massive 22pc increase.

Under the Conservative-Lib Dem coalition's tax reforms, which will hit buy-to-let landlords when they're introduced after the next Budget, for every £100,000 of profit, the seller would pay an extra £22,000 in tax.

James Moss, director at Curzon Investment Property, a bespoke agent specializing in finding, refitting and then finding tenants for high-end properties said some of his clients could be forced to pay hundreds of thousands of pounds in extra tax.

"It's one thing making tax changes but it's quite another announcing them months before they're introduced. Like when Alistair Darling dithered over stamp duty, this will de-stabilise the market and we've seen today that large numbers of people are now looking to move quickly to avoid the tax hike.

"Housing – particularly in prime areas – has held up well for investors but this will come as a blow to many. Someone earning £1,000,000 profit on a posh house will pay an extra £220.000 in tax. Admittedly though, this is something that only a minority of voters would disagree with."

See a recent BBC interview with James here: http://www.youtube.com/user/curzonproperty