

## **Chartered Surveyors Budget 2008 Reaction**

Ireland's largest construction and property industry body, the Society of Chartered Surveyors (SCS), has issued the following statement in response to today's Budget 2008 speech by the Minister for Finance Brian Cowen TD:

### **NDP**

The Society of Chartered Surveyors welcomes the Government's continued commitment to the National Development Plan (NDP) and the additional investment of €1 billion in 2008 to hasten its delivery, announced in the Budget today, which echoes the Society's call earlier in the year.

This Society believes that the continued and accelerated delivery of the NDP, particularly in relation to the much needed public transport infrastructure and services, is essential for the competitiveness of the economy generally.

### **Stamp Duty**

We welcome the Minister's modest stamp duty reforms on residential property, which we believe removes some of the anomalies of this tax and should encourage activity in the second-hand residential market sector.

The amelioration to 2 years of the 5-year stamp duty claw-back rule, where the owner-occupier moves out and lets the property, is a further move in the right direction and an additional assistance to this sector of the market.

The Society of Chartered Surveyors, though, regrets that the Minister has not seen fit to make any changes at all to the punitive stamp duty rate of 9% on commercial property transactions. Yet again this is a missed opportunity.

We believe that this exorbitant rate is a significant impediment to commercial investment property transactions in Ireland. It gives rise to the continuing outflow of property investment funds to overseas markets, particularly to Europe where stamp duty levels are generally lower.

This Society is seriously concerned that yet again commercial property continues to bear the brunt of this form of transaction tax. It distorts the Irish commercial property market by forcing investors to look abroad where transaction costs are lower.

It is also this Society's view that the burden of stamp duty is disproportionate. It is discriminatory against those businesses in areas where property prices are higher, such as in the Greater Dublin Area.

The Society of Chartered Surveyors calls on the Minister to include a review of the operation of stamp duty on commercial property transactions in the Terms of Reference for the proposed Commission on Taxation.

**Further information:**

**Felix McKenna, SCS President at Eircom Tel: 01 7013903 / 085 1740921**

**Sandra McDowell, McDowell & Associates PR at Tel: 0402 21576 / 087 2564350**

**Email: [mcdpr@indigo.ie](mailto:mcdpr@indigo.ie)**