

BUDGET 2008

5 December 2007

Property

Mortgage Interest Relief

There is an increase in the relief for mortgage interest for “first time buyers”. This relief is increased from €8,000 to €10,000 per annum for a single person and from €16,000 to €20,000 per annum for married couples. This period over which the enhanced “first time buyer” relief may be claimed is the first seven years of mortgage.

Rent-a-Room Scheme

The upper limit of income which will be treated as exempt for the rent-a-room or rooms in a person’s principal private residence will increase from €7,620 to €10,000.

Stamp Duty on residential property

A simplified system of stamp duty applicable to residential property is being introduced with immediate effect.

New Stamp Duty Rates for Residential Property	
First €125,000	Exempt
€125,001 to €1,000,000	7%
Balance	9%

Claw-back of Stamp Duty relief for first-time purchasers and other owner-occupiers

Provisions in relation to the exemption from stamp duty for first time purchasers and other owner occupiers provide that a claw-back of the relief will occur if the purchaser rents out the property, other than under rent-a-room arrangements, within 5 years of the date of the acquisition of the property. The Minister has proposed that this 5 years period will be reduced to 2 years for deeds of transfer executed on or after 5 December 2007. Where a property was acquired before 5 December 2007 and rented out after that date, there will not be a claw-back where this happens in the third, fourth or fifth year of ownership.