

Equity release

ER1 2024–25 edition

Web update 1: 18 December 2024

Please note the following updates (amendments in **bold**) to your copy of the **ER1** study text:

Chapter 4, section C4, page 4/8

Final sentence in the third paragraph should now read:

For example, the outstanding debt on a rolled-up interest lifetime mortgage with an interest rate of **5%** would double approximately every **14 years**.

Chapter 5, self-test question 4, page 5/17

The possible answers should now be:

- a. 7 years.
- b. 10 years.
- c. **14 years.**
- d. 18 years.

Chapter 5, self-test answer 4, page v

- c. **14 years.**

Chapter 6, section C6, page 6/13

Final paragraph should now read:

Stamp duty land tax (SDLT) is levied on land transactions above **£125,001** in England and Northern Ireland (£40,000 for second or subsequent homes).

Chapter 7, section A2, page 7/6

Paragraph below the second bullet list should now read:

CGT is levied at **18% (10% for gains made between 6 April and 29 October 2024)** for basic rate taxpayers, and **24% (20% for gains made between 6 April and 29 October 2024)** for higher rate and additional rate taxpayers.

Chapter 7, section A4, page 7/8

The text up to and including example 7.2 should be replaced with the following:

SDLT is levied on both residential and commercial land transactions. It is paid by the buyer. **SDLT rates in England and Northern Ireland are shown in the next table:**



SDLT rates for 2024/25

Residential SDLT

Slice of property value	Rate %	Rate % (additional properties until 30 October)	Rate % (additional properties from 31 October)
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Up to £250,000	0	3*	5*
£250,001 to £925,000	5	8	10
£925,001 to £1.5m	10	13	15
Over £1.5m	12	15	17

First-time buyers' SDLT

Slice of property value	Rate %
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Up to £425,000	0
£425,001 to £625,000	5

Commercial property SDLT

Slice of property value	Rate %
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Up to £150,000	0
£150,001 to £250,000	2
Over £250,000	5

An additional 3% (until 30 October 2024) or 5% (from 31 October 2024) is charged on top of the normal SDLT rate(s) on purchases of second residential properties over £40,000, e.g. a second home or a buy-to-let property.

Example 7.2

The stamp duty payable on a private residential transaction of £375,000 (main/only residence) would be calculated as follows:

First £250,000 at 2%	£5,000
£250,000 to £375,000 = £125,000 at 5%	£6,250
Total:	£11,250

Notes

- Any change related to the CGT or SDLT will be examined from 30 January 2025.
- This update has been incorporated into the digital copies of the study text, available on RevisionMate.